

Women outperform men in some financial negotiations, research finds

December 1 2014



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In certain circumstances, women may be more effective than men when negotiating money matters, contrary to conventional wisdom that men drive a harder bargain in financial affairs, according to a new meta-analysis published by the American Psychological Association.

"One reason men earn higher salaries than women could be women's



apparent disadvantage vis-à-vis men in some types of negotiations," said lead author Jens Mazei, a doctoral candidate at Germany's University of Münster. "But we discovered that this disadvantage is not inevitable; rather, it very much depends on the context of the <u>negotiation</u>."

Researchers examined 51 studies from several countries, including the U.S., The Netherlands, Germany, India and China, with a total of 10,888 participants, of whom 4,656 were women and 6,232 were men. The samples included business people as well as graduate and undergraduate students. The researchers found that negotiation results depended on the situation and the person involved. When women negotiated on behalf of another person, when they knew about the bargaining range in the negotiations and when they had experience in negotiating, they were better at negotiating than men, according to the study, which was published in APA's *Psychological Bulletin*.

Society's beliefs about gender roles may be at the root of men's advantage in some negotiations, the authors wrote. Previous research has found that gender roles reflect certain expectations of men's and women's behavior. Male gender role characteristics include behaving in competitive, assertive or profit-oriented ways, whereas the traditional female gender role has communal characteristics, such as being relationship-oriented, accommodating and concerned with the welfare of others.

"Women in negotiations might feel social pressure to adhere to the female role and display gender-consistent behavior such as accommodation or cooperation," the study said. When women behave in a manner not consistent with society's expectations, they have historically risked backlash and disapproval, the authors noted.

"Our analysis suggests ways to lessen or even reverse gender differences in negotiations favoring men," said co-lead author Joachim Hüffmeier,



PhD, of the Federal Institute for Occupational Safety and Health, Dortmund, Germany. "It looks as though gender roles no longer give men a bargaining advantage if women are trained in negotiation, have information about the bargaining range and if they are negotiating for other individuals."

The analysis looked exclusively at research that had compared and reported final economic negotiation outcomes achieved by women and men in actual negotiations. Examples included negotiating for an increase in one's own salary and negotiating a financial interest on behalf of a client, friend or on behalf of an organization or company. While women performed better when negotiating on behalf of another individual, such was not the case when they negotiated on behalf of themselves or on behalf of a large organization, according to the study. "It remains to be seen if this effect would hold when negotiating for smaller social entities, such as a team, workgroup or family," the authors wrote.

More information: "A Meta-Analysis on Gender Differences in Negotiation Outcomes and Their Moderators," Jens Mazei, Dipl-Psych, University of Münster, Germany; Joachim Hüffmeier, PhD, Federal Institute for Occupational Safety and Health, Dortmund, Germany; Philipp Alexander Freund, PhD, Leuphana University at Lüneburg, Germany; Alice F. Stuhlmacher, PhD, DePaul University; Lena Bilke; Dipl-Psych, University of Münster, Germany; Guido Hertel, PhD, University of Münster, Germany; online Nov. 24; *Psychological Bulletin*.

Provided by American Psychological Association

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outperform-men-financial.html

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