

Negotiating to Get (More of) What You Want[©]

The Challenges and Surprising Opportunities When Women Negotiate

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Lead On Watermark Silicon Valley
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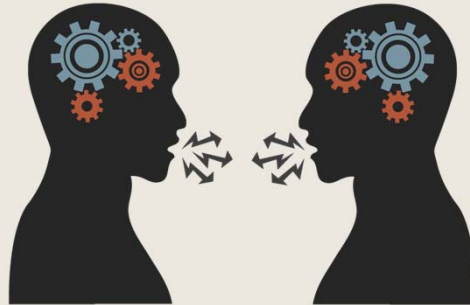
Negotiation: Competitive and Unpleasant

Most of us view negotiations as an unpleasant competition.

- **This negative frame**
 - Creates a filter through which we and our counterparts assess each other's behavior.
 - Escalates conflict where winning becomes more important than the quality of what is won
- **While some negotiations are adversarial, others may not be – until we make them so.**

Rethink Your Definition

Negotiation is the process where two or more people decide what each is willing to give and hopes to get in their interaction and, through a process of mutual influence and persuasion, propose alternatives and agree on a common course of action.



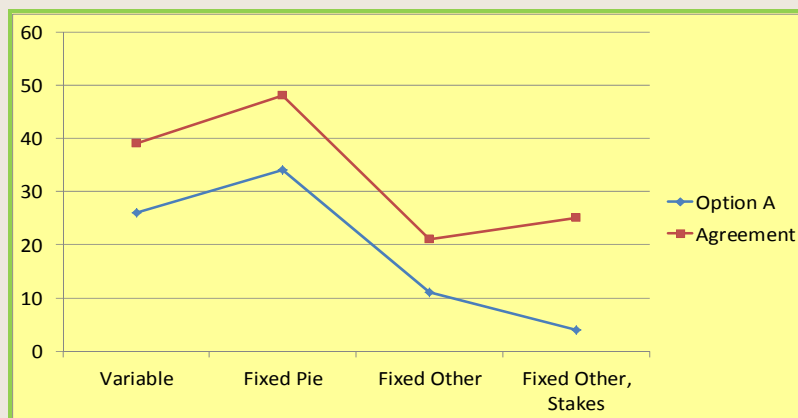
Rethink Your Perspective

- Reframe your negotiations as collaborative problem solving
- Expand what is negotiable from (Big “N”) **NEGOTIATIONS** to (little “n”) **negotiations**
 - Include everyday occurrences
 - Transition from a focus on winning to one of problem solving
 - Create solutions where you are better off than the status quo (or your alternatives) and your counterparts may be better off, but not worse off, than their alternatives or status quo.

What Motivates Your Negotiation?

- Creating value
- Claiming value
- Winning
- Getting an agreement

Agreement ≠ Success



Tuncel, E., Mislin, A., Desebir, S., & Pinkley, R. (2013). The Agreement Bias: Why Negotiators Prefer Bad Deals to No Deal at All. Working paper, St. Louis, MO: Webster University

**Getting a deal is not the
goal of a negotiation!**

**What you really want from
your negotiation is a good
deal!**

What Is A Good Deal?

**To assess the quality of a proposed deal,
you need to know (at a minimum!):**

- What your alternatives if this deal
doesn't end in agreement?**
- What is your reservation point (bottom
line)?**
- What is your aspiration?**

Why You Need to Negotiate

- **184 managers were told they had a set amount of money to allocate among equally skilled and responsible employees.**

When managers were told they might have to give the worker an explanation about the amount of the raise (they might have to negotiate), they gave raises nearly 2.5 times larger to the men than those for women.

- **Women were at a major disadvantage even before they started!**

Belliveau, M.A. (2012) Engendering inequity? How social accounts create versus merely explain unfavorable pay outcomes for women. *Organizational Science*, 23, 1154-1174.

Women Shouldn't Ask??

It's not really about asking for the raise but knowing and having faith that the system will actually give you the right raises as you go along. And that I think might be one of the additional superpowers that quite frankly women who don't ask for raises have. Because that's good karma, that'll come back. Because somebody's going to know that's the kind of person that I want to trust; that's the kind of person that I want to really give more responsibility to; and in the long term, efficiency things catch up.

CEO Satya Nadella of MicroSoft who came under fire Oct 9, 2014, for comments at a conference celebrating women in computing.

Why You Don't Negotiate

- **Do not even consider it an option**
 - Motivated misperception
- **Uncomfortable with negotiating**
 - Perceived adversarial nature
 - Negative personal attributions (e.g., greedy, not nice, too demanding)

Women Don't Ask

In the 2006 US Open Tennis Grand Slam tournament, a new instant-replay system offers players the opportunity to challenge a maximum number of the line calls of the referees. The challenges of players – regardless of gender – are upheld about 1/3 of the time.

However, in the US Open, the men challenged 73 calls, while the women challenged only 28 calls!

At the latest US Open (2013), these results were reconfirmed!

Schmidt, M.S. September 5, 2006 TENNIS; Upon Further Review, Players Support Replay, *New York Times*, Section D, 2.

Choosing to Negotiate

Linda Babcock examined the starting salaries of CMU MBA graduates. Starting salaries of men were 7.6% higher than those of women.

- Only 7% of the women, but 57% of the men had asked for more money (i.e., negotiated on salary).
- No difference in success by gender.
- Of those students who negotiated (most of whom were men) were able to increase their starting salaries by 7.4% – almost exactly the difference between men's and women's starting salaries!

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Expectations Drive Our Behavior

• Pygmalion Effect

(Robert Rosenthal, Pygmalion in the Classroom: Teacher Expectation and Pupils' Intellectual Development, 1968)

• Stereotyped threat

(Steele, C. M., & Aronson, J. (1995). Stereotype threat and the intellectual test performance of African Americans. Journal of Personality and Social Psychology, 69(5), 797–811)

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Stereotyped Threat

Concern a person feels about confirming as true a negative stereotype about one's group that produces anxiety, lowers expectations, and reduces performance and, thus, unwittingly confirms the stereotype.

The stereotype: Asians are good in math; females are bad in math.

Asian females did significantly better in math performance when their 'Asian' identity was primed than when their "female" identity was primed.

» Surprisingly . . .

When women took the test under someone else's name, be it male or female, they performed better than women who performed under their own name and did just as well as men.

Shen Zhang, Toni Schmader, and William M. Hall (2013). L'eggo My Ego: Reducing the Gender Gap in Math by Unlinking the Self from Performance. Self and Identity. Shih, M., Pittinsky, T. L., & Ambady, N. (1999). Stereotype susceptibility: Identity salience and shifts in quantitative performance. Psychological Science, 10, 81-84).

Expectations in Negotiations

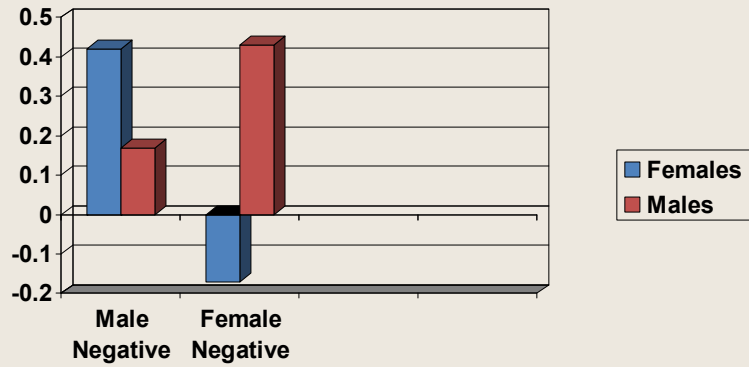
Negative male stereotype - Negotiators who display the following behaviors tend to perform worse:

- (1) High regard for personal interests
- (2) dependence on assertive behaviors to move negotiation forward,
- (3) reliance on rational analysis to understand the other's preferences and
- (4) limited displays of emotions.

Negative female stereotype - Negotiators who display the following behaviors tend to perform worse:

- (1) Passive and reactive in expressing personal interests
- (2) dependence on own listening skills to move negotiation forward,
- (3) reliance on intuition to understand the other's preferences and
- (4) clear displays of emotions.

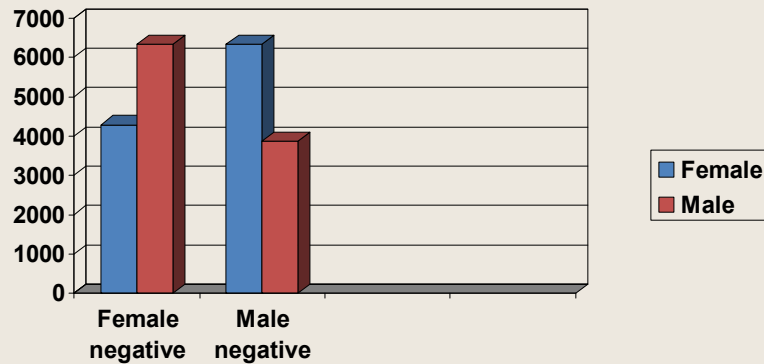
Aspirations (standardized) (higher values = more ambitious goals)



Kray, L.L., Thompson, L., & Galinsky, A. (2001). Battle of the sexes: Stereotype confirmation and reactance in negotiations. *Journal of Personality and Social Psychology*, 80 (6), 942-958.

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Negotiation Performance



Kray, Galinsky, and Thompson, 2002. Reversing the gender gap in negotiation: An exploration of stereotype regeneration. *Organizational Behavior and Human Decision Processes*, 87, 386-410.

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So Why Do We Settle for Less?

- **Self-imposed psychological pressure to get to yes**
 - View agreement as the primary measure of success
 - Concerned with appearing greedy or making your counterparts uncomfortable
- **Escalation of commitment to getting an agreement**
 - You have spent so much time negotiating, you cannot possibly walk away without an agreement: Watch out for those sunk costs!
- **Ignoring your options**
 - You don't want to walk away without a deal
 - You believe that you don't deserve to demand more.

Why Women Don't Ask

When negotiating compensation (a single distributive issue), women were less inclined to negotiate than men, for a good reason!

- Evaluators penalized female candidates more than male candidates for initiating distributive negotiations.
 - Male evaluators penalized female candidates
 - Female evaluators penalized both male and female candidates
- Perceptions of niceness and demandingness explained the backlash experienced by female negotiators from male evaluators.

Bowles, H. R., Babcock, L., & Lai, L. (2007). Social incentives for gender differences in the propensity to initiate negotiations: Sometimes it does hurt to ask. *Organizational Behavior and Human Decision Processes*, 103(1), 84-103.

So What's a Woman To Do?

Ask Differently

Women were more influential when they paired their competence with communal concern (e.g., demonstrating an interest in the needs and challenges of those hiring them) than when they paired competence with a focus on their own needs and ambitions (which worked for the men!).

Rudman, L. A., & Glick, P. (2002). Prescriptive gender stereotypes and backlash toward agentic women. *Journal of social issues*, 57(4), 743-762. Heilman, M. E., & Okimoto, T. G. (2007). Why are women penalized for success at male tasks? The implied communality deficit. *Journal of Applied Psychology*, 92(1), 81.

Reframe Negotiations as Problem Solving

Assess

- Is this an opportunity to negotiate; that is, can I improve my status quo?
- Is there information that I have (and that my counterpart may not have) that opens up new alternatives that make me better off?

Prepare

- Determine the real issues in dispute
- Know what I want: Assess my alternatives, set my aspiration and reservation prices
- Gather information about my counterparts' interests, preferences and perspectives

Ask

- Initiate the conversation
- Propose creative solutions that meet the interests of your counterpart while making you better off than your status quo or alternatives

Package

- Add issues or simplify a complex issue into multiple issues
 - Don't negotiate one issue at a time
 - Don't solve the easy issues first
- Use if/then language to yoke concessions across issues
- Frame the package as a communal, problem-solving concern for the other

To Get (more of) What You Want

Remember that negotiation is an interdependent process: you can't get a bad deal unless you agree to that bad deal.

- If you accept a bad deal, you will get that bad deal
- If you are prepared to walk away while leaving open the option for your counterpart to make additional concessions, your "no" might motivate a much better proposal for you.

- **Your counterpart is likely influenced by the agreement=success belief.**
- **Their alternative may be substantially worse than the value of the current deal to them.**

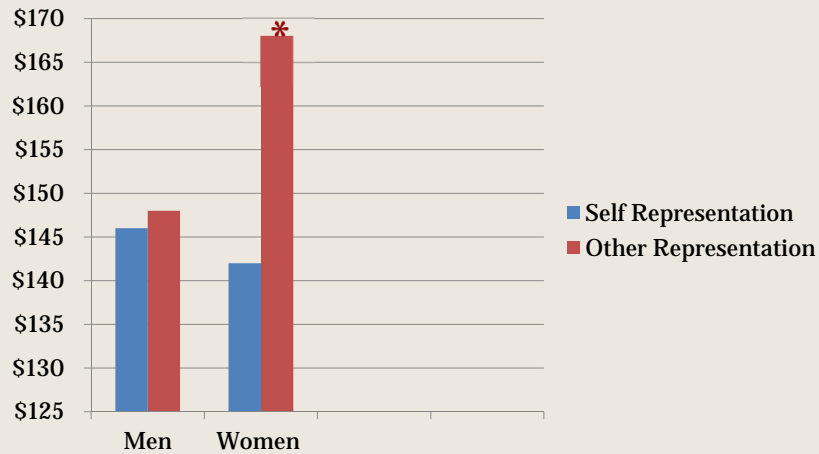
But you have to motivate them to share the value with you!

The Power of the Ask

If you don't ask, how will
others know what you want?

**While women typically get less
for themselves than their male
counterparts, women will get
more for someone else!**

Compensation Agreement (in 000's)



Bowles, H. R., Babcock, L., & McGinn, K. L. (2005). Constraints and triggers: situational mechanics of gender in negotiation. *Journal of personality and social psychology*, 89(6), 951.

Closing Thoughts

So for whom do you negotiate?

Your team?

Your organization?

For all those who come after you?

Closing Thoughts

**How much are you willing to pay
to (potentially) be perceived as
nice and to avoid the discomfort of
asking?**

***You need to be strategic in how
you ask; but you need to ask!***

If you want to know more . . .

- Babcock, L., and Laschever, S. (2003) Women Don't Ask: Negotiation and the Gender Divide. Princeton University Press: Princeton, N.J. (research version) or Babcock, L., & Laschever, S. (2009). Ask for it: How women can use the power of negotiation to get what they really want. Random House LLC. (practitioner focused)
- Bazerman, M. H. and Neale, M.A. (1992) Negotiating Rationality. New York: Free Press.
- Brett, J. M. (2001) Negotiating Globally: How to Negotiate Deals, Resolve Disputes, and Make Decisions Across Cultural Boundaries. San Francisco: Josey-Bass.
- Cialdini, R. B. (2009). Influence. New York: Harper Collins.
- Neale, M.A. and Lys, T.Z. (2015) Getting More of What You Want. New York: Basic Books

And if haven't heard enough of me . . .

- MSNBC – <https://www.openforum.com/videos/3-tips-about-how-women-should-negotiate>
- Stories We Tell Ourselves about Negotiations
<http://www.gsb.stanford.edu/exed/webinars/webinar-past-042313.html>
- Lean In.org Negotiation <http://leanin.org/education/negotiation/>
- Forbes.com
<http://www.forbes.com/sites/dailymuse/2013/06/17/why-women-must-ask-the-right-way-negotiation-advice-from-stanfords-margaret-a-neale/>
- The Power of Effective Negotiation
<https://breakfastbriefings.stanford.edu/briefings/power-effective-negotiation>
- Stanford Innovation and Entrepreneurship Certificate –
Negotiation: How to Get (More of) What You Want (online course)
<http://create.stanford.edu/courses/negotiating.php>