

**Determinants and Consequences of Salary
Negotiations by Graduating Male and
Female MBAs**

**Barry Gerhart
Cornell University**

**Sara Rynes
Cornell University**

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Center for Advanced Human Resource Studies
New York State School of Industrial & Labor Relations
Cornell University
Ithaca, N.Y. 14851-0952
(607) 255-3279

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Abstract

Although it has been suggested that women negotiate over salaries less frequently than men, there is little empirical evidence on this point. Moreover, outside of laboratory settings, there are no investigations of whether, or to what extent, such negotiations actually pay off in higher salary outcomes for either men or women. Using a power and dependence theoretical framework, the present research investigated the salary negotiating behaviors and starting salary outcomes of 205 graduating MBA students. Results did not support the notion that women negotiate less than men. However, women did obtain lower monetary returns to negotiation (4.3% starting salary increment for men versus 2.7% for women). Over the course of a career, the accumulation of such differences may be substantial. Implications and suggestions for future research are discussed.

Determinants and Consequences of Salary

Negotiations by Graduating Male and Female MBAs

Starting salaries can have a lasting impact on career earnings. For example, salary increases are commonly awarded as percentages of base pay (e.g., Milkovich & Newman, 1987). In turn, base pay generally becomes the basis for other forms of compensation (e.g., pensions, profit-sharing, stock options). Additionally, the impact of starting salary in one company can be carried over to others through the common practice of setting salaries for experienced workers in relation to their previous salaries (e.g., Kouba and EEOC v. Allstate Insurance Company, 1982).

The fact that initial differences in starting salaries may be perpetuated, or even exacerbated, over an entire career has implications for the well-documented male-female earnings gap (e.g. Cain, 1986). For example, Gerhart and Milkovich's (1989) examination of a large corporation's exempt employee data base showed that despite women's larger annual increases after hire, women's salaries continued to lag behind those of men. Further, these losses, which continued to accumulate throughout the women's careers, were largely attributable to a one-time starting salary disadvantage (Gerhart, 1990). Lower starting salaries for women, controlling for productivity-related characteristics, have been reported by other researchers as well (e.g., Devanna, 1984; Reder, 1978; Strober, 1982), although not universally (Gordon & Strober, 1978).

Given the potential long-term consequences of differences in starting salaries, it is important to determine their origins. Most empirical investigations of gender-based earnings differentials have focused primarily on the role of human capital characteristics such as education or experience. A second and smaller group has

focused on potential gender differences in preferences for various job attributes (e.g., pay versus pleasant working conditions; Daymont & Andrisiani, 1984; Filer, 1986). Despite such attempts, a substantial portion of the earnings gap remains unexplained (Treiman & Hartmann, 1981; Cain, 1986). Thus, efforts continue to find additional explanations.

One potential explanation may lie in a differential tendency of men and women to negotiate over salaries. Although this difference has been widely hypothesized (e.g., Bird, 1981; Brenner & Bertsch, 1983; Major, Vanderslice & McFarlin, 1984; Subich, Barrett, Doverspike & Alexander, 1989), there is a surprising lack of empirical evidence on this point. In fact, the more general question of when people choose to negotiate has been largely overlooked by empirical researchers (Neale & Northcraft, undated). Rather, most negotiations literature has focused on differences in negotiating **tactics** once a decision has been made (or more commonly, a laboratory instruction been given) to negotiate (e.g., Rubin & Brown, 1975; Lewicki & Litterer, 1985; Kolb & Coolidge, 1988).

Despite the lack of empirical evidence on gender differences in negotiating propensity, there is a fairly well-developed theory of when negotiations are likely to occur in general. At their most basic level, most models of negotiating propensity focus on two sets of explanatory variables: structural and individual (e.g., Rubin & Brown, 1975).

Structural explanations of bargaining propensity focus on factors that influence a potential negotiator's power and dependence *vis a vis* the other party (Bacharach & Lawler, 1981; Chamberlain, 1955; Thibaut & Kelley, 1959). For example, one basic proposition of such models is that the presence of alternatives

(in the present case, alternative job offers) reduces one's dependence on the other party and, as a result, increases one's bargaining power (e.g., Mannix, Thompson & Bazerman, 1989). Thus, a job seeker with multiple alternatives should be more likely to bargain because of his reduced dependence on any single alternative for a source of income (Sondak & Bazerman, forthcoming).

A second structural proposition is that the propensity to negotiate for an improvement in terms is inversely related to the attractiveness of the offer (e.g., Bacharach & Lawler, 1981; Chamberlain, 1955). Attractiveness may be assessed relative to one's alternatives (Thibault & Kelley, 1959). Therefore, the implication is that people are more likely to negotiate to the extent that the relative attractiveness of an offer is low. In the present context, this suggests that the propensity to bargain will be greater for those with a less attractive (e.g., lower-paying) job offer.

Based on environmental or structural components, then, bargaining theories suggest that gender differences in negotiation will occur to the extent that (a) men and women face different alternative opportunity sets (e.g., have different numbers and salary levels of job offers), or (b) generate offers of differing attractiveness (e.g., with different starting salaries).

In addition to structural factors, bargaining theories also propose that negotiating behaviors differ as a function of personal characteristics. If so, gender differences in negotiations might occur as a result of differences in factors such as expectations, personality characteristics, or behaviors.

Although empirical evidence is lacking, the literature suggests a number of personal characteristics that might be associated with gender differences in

negotiating propensity. For example, Major and her colleagues have suggested that women may have lower pay expectations than men, even controlling for occupation (e.g., Major, McFarlin & Gagnon, 1984a). Differential expectations might result from the use of different social comparison standards (i.e., women's expectations may be based on "typical female" salaries; men's on male salaries; Adams, 1963; Major, 1987) or less accurate market information (e.g., Major & Konar, 1984; Subich, et al., 1989).

In addition to gender differences in pay expectations, a number of personality characteristics have also been highlighted as potential sources of differential bargaining propensities between men and women. These include possible sex differences in self-confidence (Ragins & Sundstrom, 1989), interpersonal orientation (Rubin & Brown, 1975), preference for harmony (Kolb & Coolidge, 1988), and self-perceptions of assertiveness (Watson & Kasten, undated).

Finally, in addition to differences in expectations and personality, women may also exhibit different bargaining-related behaviors than men. For example, Watson and Kasten (undated) observed that women behaved less assertively than men in a negotiating task, even though they perceived themselves to be equally assertive. In general, however, no clear-cut pattern of gender differences in bargaining tactics has emerged (Rubin & Brown, 1975; Lewicki & Litterer, 1985; Kolb & Coolidge, 1988).

In summary, it has been proposed that one potential contributor to the earnings gap may be differences in negotiating propensity between men and women. To the extent that such differences exist, bargaining theories suggest that the causes

are likely to arise from either structural factors (e.g., number or characteristics of alternatives) or personal characteristics (expectations, personality, behaviors).

However, whether or not men and women differ in their propensity to bargain, a gap in earnings will result if the sexes receive different **payoffs** to negotiation. Thus, an additional question is whether women receive the same returns to salary negotiation as men. Several types of evidence suggest that they may not.

For example, Nieva and Gutek (1980) have suggested sex bias is increasingly likely to the extent that employers have little individual productivity-related information available to them. This hypothesis, which has received meta-analytic support (Tosi and Einbender, 1985), may be particularly relevant to the case of starting salaries, given that only general qualifications information is typically available for external job applicants. For example, a meta-analysis by Olian, Schwab, and Haberfeld (1988) found that male applicants were preferred over females, controlling for general qualifications.

Extending this finding from staffing to compensation decisions, starting salary offers to women may be correspondingly lower as well. Although field evidence is lacking, a laboratory study by Major, et al. (1984b) found suggestive evidence that hypothetical male job applicants were assigned higher starting salaries than hypothetical females with the same pay expectations.

Additionally, a survey of general managers, compensation administrators, and union members revealed that a substantial percentage of each group (48%, 28%, and 45%, respectively) viewed women's willingness to work for less money as either an "extremely" or a "very important" cause of lower pay for women (Rynes, Rosen &

Mahoney, 1984). To the extent that such beliefs influence managerial decisions, employers may feel less urgency to respond to negotiation attempts by female applicants.

Finally, Dreher, Dougherty, and Whitely (1989) found that women who reported using an "exchange" (i.e., quid pro quo) type of influence tactic had lower current salaries than other women, whereas men who used this tactic had higher salaries than other men. The authors speculated that women may be penalized for bargaining because such tactics violate managers' expectations about "appropriate" female behavior.

In summary, despite suggestions that women (a) negotiate over salaries less frequently than men and (b) receive lower returns to those negotiations, empirical evidence on these points is lacking, particularly in field settings. Indeed, the more general question of when people will choose to negotiate has received little prior empirical attention. This is a curious omission, given the potential implications for both employer pay-setting and employee pay (as well as pay differentials).

The present study uses field data on MBA job seekers to investigate structural and individual determinants of both the probability, and payoffs, to salary negotiations among men and women. As pointed out by Kolb & Coolidge (1988) and Subich et al. (1989), field data are likely to be particularly critical for examining potential sex differences in negotiating behavior. To the extent that men and women differ on such characteristics as interpersonal orientation (Rubin & Brown, 1975) or preference for harmony (Kolb & Coolidge, 1988), sex differences are more likely to emerge in the context of negotiating over real, long-term relationships than in brief hypothetical laboratory simulations.

Hypotheses

Hypotheses fall into two categories: those concerning propensity to bargain and those concerning payoffs to bargaining. Turning first to bargaining propensity, two hypothesized structural determinants are examined. First, in keeping with the hypothesis that negotiation is more likely for less attractive offers (Chamberlain, 1955; Bacharach & Lawler, 1981), we predict that salary negotiations will be more prevalent for jobs with relatively low salary offers (H_1). Second, in line with the notion that negotiation is a function of one's other alternatives, we predict that the probability of negotiation will increase to the extent that an applicant has (a) alternative job offers with (b) relatively high salaries (H_2).

According to our model, negotiation propensity is also a function of personal characteristics. In the present situation, the inclusion of structural factors (see H_1 and H_2), the ability to control for applicant qualifications (business experience, grade point average, major), and the focus on a relatively well-defined labor market (newly graduated MBAs from a single program; see Reder, 1978 and Stigler, 1962) suggests that any observed differences in negotiating propensity between men and women should not be due to the negotiation environment. However, to the extent that men and women differ on such personal characteristics as pay expectations, preferences for money, assertiveness, and the like, we would expect men to be more likely to negotiate over starting salaries than women (H_3).

In addition to possible differences in negotiating propensity, we are also interested in potential differences in payoffs to negotiation. In line with previous arguments that employers may respond differently to negotiation by males and females (e.g., Dreher, et al., 1989; Major, et al., 1984b; Rynes, et al., 1985), we

predict that women will receive lower salary payoffs to negotiation (H_4), controlling for all previously mentioned factors (e.g., human capital characteristics, initial salary offer, number and characteristics of alternative job offers).

Method

Sample

Data on bargaining behavior and job offers were provided by a survey of MBA students graduating from a nationally ranked (top five to top twenty, depending on the poll) Ivy League business school during the 1987-88 and 1988-89 recruiting seasons. A total of 205 students (153 men, 52 women) participated in this research. Although 431 students graduated in these two years, it is difficult to calculate a precise response rate. For example, some students did not actively search for work (and hence did not complete the questionnaire) because they were employed upon entering graduate school and returned to the same employer after graduation. Others did not respond because they had not generated an offer prior to graduation. Finally, data from foreign students were excluded because of legal restrictions governing their employability. Consequently, the apparent response rate of 48% is something of an underestimate.

Information about negotiation was collected as a small part of a larger survey on job search strategies and outcomes conducted for the school's placement office. The general purpose of the survey was to obtain evidence on which job search strategies resulted in the best job-finding success. The placement director hoped to use such information as a basis for advising future job seekers and for validating admissions criteria against job-hiring criteria. Of relevance to the present study was

a small subset of questions that asked about alternative salary offers from other firms, negotiations over starting salary, and actual accepted salary.

Measures and Analyses

Bargaining propensity. The dependent variable in the first analysis was whether or not the student negotiated for a salary higher than that initially offered by the organization with which s/he eventually accepted a job offer. The independent variables and their corresponding hypotheses were: initial salary offer for the accepted job (H_1); number of alternative offers received from other organizations (H_2); highest alternative salary offer minus the initial salary offer¹ (H_2); gender (H_3), and gender interactions with the first three independent variables (H_3).

Because the assumptions of ordinary least squares (OLS) are typically violated when the dependent variable is dichotomous, probit analysis (Hanushek & Jackson, 1977) was used to model the probability of engaging in negotiating behavior. In addition, its functional form (which assumes diminishing returns at extreme values of the independent variables), is often more appropriate for probability models. Predicted values from the probit model represent values of a standard normal variable. Thus, the probability is obtained by looking up the predicted value in a z-table.

Bargaining payoff. In this analysis, the dependent variable was accepted starting salary (base pay only). All analyses were performed using OLS regressions. The independent variables were initial salary offer, number of alternative offers, highest salary offer, whether or not the person negotiated, gender, and a gender x

negotiation term. This last term, if significant, would indicate a higher payoff to negotiation for one of the sexes.

Both analyses (propensity and payoff) also included a year dummy variable (1988 versus 1989) to control for inflation and differences in labor market conditions. Finally, to assess the robustness of the results, both analyses were also conducted with the following individual control variables: grade point average, major (e.g. finance, marketing), industry (17 dummy variables), previous business experience, and whether a negotiation course had been taken during the MBA program.

Table 1 reports summary statistics.

Results

Table 2 reports probit estimates for the probability of negotiating for a higher starting salary. Equation 1a indicates that, as predicted by H_1 , students were more likely to engage in salary negotiations to the extent they had a low initial salary offer. In addition, H_2 was also supported by the fact that negotiations were more likely where both the number, and salary levels, of alternative job offers were high. In contrast, (H_3) was not supported. Gender did not have a main effect on negotiating probabilities. Likewise, comparison of equations 1a and 2a revealed no support for any interactions with gender (chi-square = .95, d.f. = 3). Adding additional controls (see equations 1b and 2b) similarly did not change the role of gender.

In summary, as hypothesized by our model, structural conditions did predict bargaining propensity for both male and female graduates. However, given the same structural conditions, there were no sex differences in negotiation propensity.

(Insert Tables 1, 2 and 3 about here)

Even though negotiation attempts did not differ by gender, men and women might nevertheless have received different returns to their negotiations. Table 3 reports findings concerning the monetary payoffs to negotiation. The significant coefficient for the bargaining variable in equations 1a and 1b suggests that, on average, bargaining led to higher final salaries (4.1%) for both men and women. Nevertheless, the significant gender x negotiation term indicates that the payoffs were larger to men than to women (\$906 in the model including personal control variables versus \$742 without controls). Thus, Hypothesis 4 was supported.

Discussion

Consistent with most bargaining models, our findings suggest that the propensity to negotiate is a function of structural factors that influence a potential negotiator's relative bargaining power. Specifically, in the present context, the propensity to negotiate starting salaries was found to be a function of the attractiveness of the initial offer, as well as the existence and attractiveness of alternative offers.

In contrast, we found no support for any gender differences in bargaining, suggesting that when men and women face the same opportunity sets their propensity to negotiate does not differ. Thus, our findings suggest that it may be structural factors that determine salary negotiation behavior, not gender. These results are consistent with previous literature reviews suggesting that structural or environmental factors may be significantly more important than personal factors in determining negotiation outcomes (Lewicki & Litterer, 1985; Hamner, 1980).

Of course, the failure to find significant gender effects may be partly a function of the relative homogeneity of this particular sample. For example, previous research has shown that there are fewer gender-related trait differences among managerial than nonmanagerial samples (see Dipboye, 1987). Similarly, extensive opportunities for information exchange in the labor market for new MBAs may have reduced sex differences in expectations and aspirations as well. However, applying analogous arguments, this highly centralized, relatively well-defined labor market is also likely to have produced relative homogeneity of structural opportunities. Yet these structural opportunity factors were shown to predict bargaining behaviors, whereas gender (and all possible underlying factors) was not.

Although men and women did not vary in their propensity to bargain, the payoff to such bargaining did vary by gender. Even though both men and women received higher final starting salaries as a result of negotiations, women's payoff was less than men's (2.7% versus 4.3%, based on equation 1a from Table 3 and the mean starting salaries reported in Table 1). In addition, the larger payoff to negotiating men (versus negotiating women) had the effect of widening the overall male salary advantage from 2.1% for the original offer, to 2.5% for the accepted one. In other words, differential bargaining payoffs accounted for roughly 16% (0.4%/2.5%) of men's final starting salary advantage.²

This observed difference in payoffs is consistent with at least two quite different explanations. First, the employers in this sample may have been less responsive to the negotiating behaviors of women than men. Extrapolating from previous research, such a result might occur due to negative reactions to atypical

"female" behavior (e.g., Dreher et al., 1989), or to beliefs that when push comes to shove, women will work for less money than men (Rynes et al., 1985).

Alternatively, it is possible that the male job seekers in this sample used more effective bargaining tactics, or used the same tactics more skillfully than the women. Although previous research has sometimes found evidence that men and women use different negotiation tactics (e.g. Kimmel, Pruitt, Magenau, Konar-Goldband, & Carnevale, 1980), consistent evidence on the differential effectiveness of such tactics is lacking. Although these two explanations are not mutually exclusively, their implications are very different, indicating a clear need for additional research in this area.

Finally, it should be noted that the practical importance of the greater payoff to bargaining among men depends on a number of factors. For example, over a 30-year career with men and women each averaging 7% annual increases, the initial \$742 bargaining payoff advantage (again using equation 1a, Table 3) would translate into a 30-year career advantage of \$75,738.³ However, in the Gerhart and Milkovich (1989) study, among entry-level college graduates, women's salary increases were 1.03 times as large as men's (after adjusting for experience, education, and so on). If the women in our sample were to realize the same advantage, they would catch up with men in their 10th year of employment. Up to that point, their estimated losses would be \$3,922. The corresponding present values for the preceding two estimates would also be lower. For example, based on a discount rate of 5%, the present value advantages would be \$29,489 and \$3,323, respectively. As a final note, the male-female pay differential in the present study was substantially smaller than that observed by Gerhart and Milkovich. To the

extent that larger pay increases for women are a response to a pay shortfall on their part, we should see less of a salary growth advantage for women in our study. To the degree this is true, we would expect the present value of women's cumulative pay shortfall to be closer to \$29,489 than to \$3,233.

Future Research

Our study provides the first empirical field evidence on both the propensity to engage in actual salary negotiations and their monetary payoffs to men and women. In designing this research, we were struck by the lack of previous research on either the prevalence, or success, of individual salary negotiations of any type.⁴ Thus, in addition to helping explain gender-based pay differences, additional field work on actual salary negotiations would make an important contribution to the general body of knowledge about pay-setting practices and effects. Similarly, as Neale and Northcraft (no date) have pointed out, the negotiation literature is surprisingly limited on the question of when (versus how) a person chooses to negotiate. We suggest that future researchers focus on the following issues.

First, although the present study provided the first evidence on actual salary negotiations, a limitation was the lack of information available on the actual negotiating arguments, styles, and tactics used by successful (versus unsuccessful) male and female negotiators (see also Subich, et al., 1989). Although the laboratory offers the opportunity for independent observation of behavior, it suffers from a lack of appropriate context--the existence (or high potential) of an ongoing relationship. If field research is conducted, evidence of interobserver agreement (e.g., regarding the types of tactics and the skill with which they are used) would be helpful.

Second, it would be instructive to determine the extent to which bargaining propensities generalize across tasks and situations other than starting salary negotiations. In particular, it would be useful to broaden our knowledge of the extent to which bargaining is structurally, versus individually, determined. To that end, Neale and Northcraft (undated) have developed a scale to assess individual differences in bargaining propensities. To the extent that bargaining behaviors have a dispositional component, any measured advantage due to starting salary negotiations may be compounded by additional returns to side negotiations over such things as benefits, perquisites, or subsequent salary increases.⁵

Third, future research should examine bargaining behavior in a multiattribute context. Although the present study focused on the role of starting salary in job choice negotiations, other job attributes may also be targets (or determinants) of negotiation. For example, the fact that many of our subjects negotiated with employers offering lower salaries (rather than accepting the high salary offer) suggests that job seekers often entered into salary negotiations because of desired nonpecuniary job attributes.

Fourth, additional field research is needed to determine both the short- and long-term impacts of conducting successful, versus unsuccessful, negotiating attempts. For example, in the short term, it would be interesting to know whether initial bargaining successes breed greater job search confidence and additional bargaining, or whether failure results in reduced self-confidence, curtailed job search, or offer turn-downs. The longer-term implications of successful versus failed bargains (e.g., job satisfaction, length of service, future bargaining attempts) are also important both to job seekers and employers.

Fifth, it would be helpful to study the reactions (both process and outcomes) of those who are the targets of negotiation. For example, if targets are found to respond less favorably to female than male demands for more money, it would be important to determine the source of this difference (e.g., negative reactions to female "pushiness," versus different beliefs about the consequences of underpaying men versus women). It would also be interesting to know whether targets appear to be conscious of their motivations, or whether male targets respond differently than females.

Finally, it would be useful to further examine the extent to which structural factors influence negotiation propensity and possible gender differences. For example, one implication of our model is that job seekers are less likely to negotiate when they have substantially fewer, or less lucrative, alternative job offers. At present, we do not know whether men and women respond similarly to large advantages (or disadvantages) in opportunity. We also do not know the extent to which men and women differ in their tendencies to generate multiple offers merely as a tactic for obtaining bargaining advantage. Other relevant structural factors raised earlier may be the amount of opportunity for social comparison and information exchange in the labor market, as well as the amount of standardization in applicant and job attributes.

In summary, despite frequent anecdotal references to the likelihood of gender differences in negotiating behaviors and the likely importance of those differences for reward outcomes, empirical research on this topic is surprisingly scarce. As we have shown, even small differences in outcomes for just one kind of negotiation (starting salary) can add up to large differences over an entire career. To the extent

that individual propensities to bargain (and successes in doing so) generalize across a variety of potential negotiation situations, the returns to negotiating behaviors (or, alternatively, the penalties for failing to engage in such behaviors) may be substantial indeed. Moreover, the existence of individual or group differences in bargaining behaviors and outcomes could have important implications for employers as well. As such, further research should examine these behaviors over a wider variety of subjects, settings, and potential negotiation issues.

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Footnotes

1.This definition is consistent with our hypothesis that attractiveness is judged in relative terms. Note also that we followed the convention of setting the highest alternative salary offer equal to the initial offer when there were no alternative offers.

2.Supplementary analyses further revealed that differences in final starting salaries did not result from differential gender-based tendencies to reject the highest offer.

3.Our results are based on the \$742 estimate from equation 1a because the controls added in equation 1b did not improve the fit of the model. Naturally, the projected long-term pay shortfalls for women would be larger if the \$907 estimate from equation 1b were to be used.

4.One partial exception is an unpublished study by Mannix and Bazerman (1988). They reported that 41 of the 135 (30%) surveyed MBAs did negotiate over starting salaries. However, they did not report information about gender differences or the determinants or consequences of negotiation.

5.Additional data from the our research suggest that bargaining over benefits and perquisites is at least as prevalent as negotiating over salaries per se. However, it proved difficult to attach precise monetary values to some of these items.

Table 1

Descriptive Statistics

Variable	Women		Men		t
	Mean	Standard Deviation	Mean	Standard Deviation	
Bargained (1 = yes, 0 = no)	.154	.364	.229	.421	-1.23
Accepted Starting Salary	\$45,467	\$7,734	\$46,626	\$7,906	-0.92
Initial Salary Offer	\$45,255	\$7,895	\$46,167	\$8,069	-0.71
Highest Alternative Offer (diff)*	\$ 2,311	\$3,275	\$ 3,478	\$ 7,927	-1.49
Number of Alternative Offers	1.558	1.765	1.758	1.698	-0.73
Grade Point Average	3.386	.276	3.447	.284	-1.35
Business Experience (months)	29.096	28.291	23.222	24.515	1.43
Major					
Accounting	.077	.269	.046	.210	0.86
Finance	.269	.449	.556	.499	-3.67
Marketing	.346	.480	.105	.307	3.40
Other	.308	.462	.293	.422	0.18

Note: Number of observations = 205 (52 women, 153 men)

*Difference = Highest Alternative Salary Offer - Initial Salary Offer

Table 2

Probability of Negotiating for a Higher Salary, Probit Estimates

Variable	Equation			
	(1a)	(2a)	(1b)	(2b)
Initial Salary Offer	-.411***	-.513 ^a	-.422***	-.393 ^a
Highest Alternative Offer (diff) ^b	.211**	.290 ^a	.177 ^a	.412 ^a
Number of Alternative Offers	.111*	.191	.141*	.219
Gender (Men = 1, Women = 0)	.253	-.090	.289	.704
Gender x Highest Alternative Offer		-.086 ^a		-.244 ^a
Gender x Initial Salary Offer		.140 ^a		-.020 ^a
Gender x Number of Alternative Offers		-.112		-.110
Controls	No	No	Yes	Yes
-2 times log likelihood ratio	25.773	26.724	53.204	53.949
Degrees of Freedom	5	8	27	30

Note: Equations 1a and 2a control for year only. Equations 1b and 2b control for year, industry, major, grade point average, business experience, and completion of a negotiation course.

^aCoefficient is multiplied by 10,000

^bDifference = Highest Alternative Salary Offer - Initial Salary Offer

* p < .05, one-tailed; ** p < .01, one-tailed

Table 3

Determinants of Accepted Starting Salary, Ordinary Least Squares

Variable	Equation	
	(1a)	(1b)
Intercept	4039.766	11530.670
Initial Salary Offer	.986**	.987**
Highest Alternative Offer (diff) ^a	.021*	.022*
Number of Alternative Offers	14.083	-1.516
Negotiated (1 = Yes, 0 = No)	1231.016**	1061.738*
Gender (Men = 1, Women = 0)	-26.557	-74.797
Gender x Negotiated	741.963*	906.918*
R ²	.984	.985
Adjusted R ^{2b}	.984	.983

Note: Equation 1a ($F_{8,197} = 1752.01$) controls for year only. Equation 1b ($F_{28,177} = 430.35$) controls for year, industry, major, grade point average, business experience, and completion of a negotiation course. Column entries are unstandardized coefficients.

^aDifference = Highest Alternative Salary Offer - Initial Salary Offer

^bBased on formula appearing in Cohen and Cohen (1983, p. 106)

* $p < .05$, one-tailed; ** $p < .01$, one-tailed