

Gender Differences, Competitiveness and Integrity in Negotiation

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Abstract

Men and women approach negotiation differently. Men's competitiveness and aggressiveness tend to give them an edge during distributive negotiations. Previous research indicates women tend to negotiate less than men; however, they are less contentious, show more concern for others and are better communicators. These traits are advantageous in identifying common interest and integrative opportunities. This exploratory study examines the impact of gender, competitiveness and integrity on three negotiation outcomes (1) individual gains from a one-issue distributive negotiation, (2) a four-issue mixed-motive negotiation with integrative potential and (3) an eight issue mixed-motive negotiation with integrative potential, all of which were conducted in graduate negotiation classes at two different institutions. Gender did not play a statistically significant role in the outcomes, although women did score higher results than men in all three negotiations. Competitiveness was also not statistically significant even though high competitive individuals scored better in each negotiation. High-integrity individuals scored lower in the distributive negotiation but scored higher in the integrative negotiations; however, this was statistically significant only in the eight-issue mixed motive negotiation.

Key words: negotiation, gender differences, integrative, distributive

Introduction

Men and women tend to have different negotiation styles (Briles 1996) and approaches (Babcock and Laschever, 2003). The literature review also suggests there are gender differences in negotiation outcomes. This paper explores the impact of gender, competitiveness and integrity on negotiation results in distributive and integrative negotiations. It is an extension of a previous study that examined gender differences and determinants of success in a mixed motive negotiation. This study is primarily pedagogical in nature, in that its objective is to help students understand their own behavior and that of others during mock negotiations conducted as part of a graduate negotiation class.

Literature Review

There is a growing body of evidence that men and women approach negotiation in very different ways which might impact negotiation success. Men and women tend to have different attitudes toward negotiation resulting in varying levels of engagement. Babcock et al (2003) found that 57 percent of the male graduate students they studied negotiated their job offer compared to just 7 percent of the women, which resulted in the men achieving 7.6 percent higher average starting salary. They also found that men tend to perceive greater opportunities for negotiation and initiate negotiation more than women do. Small et al. (2007) found that framing plays a significant role. Situations framed as negotiation opportunities, as opposed to asking opportunities, intimidate women and lead to ongoing gender differences in negotiation persistence. When

framed as asking opportunities the gender differences disappear. Babcock and Laschever (2003) found women of all ages tended to avoid negotiation. However, older women did not perceive as many negotiation opportunities as did men of their same age or younger women. Younger women recognized opportunities for negotiation at the same rate as their male counterparts.

There are also gender differences in terms of strategies and tactics (Kimmel et al 1980, Kaman and Hartel 1994). Women are less contentious and engage in less hostile language, such as put downs, threats, and arguments (Kimmel et al. 1980). Calhoun and Smith (1999) found that women use laughter twice as often as men during the negotiation and also focus more on feelings. Women tend to disclose more information while men tend to be more direct and interrupt more than women (Briles, 1999). Women display more concern for others' welfare, while men are more independent and dominant (Eagly, 1995). Women perceive others as more cooperative, friendly and trustworthy than do men and see themselves as more friendly or trustworthy (Calhoun and Smith, 1999). Bowles et al (2005) raise the possibility that gender effects are simply situational. Ball and Eckel (1996) suggest gender does affect behavior.

Research is mixed as to whether there are gender differences in terms of negotiation outcomes. Some have found men achieve better results than women in distributive type negotiations (Pinkley and Northcraft 2000; Gerhart and Rynes 1991; Neu, Graham and Gilly 1998; Stevens, Bavetta and Gist 1993; King and Hinson 1994). Some found no difference (Pradel et al. 2005 and Kimmel et al 1980). Meta-analysis suggests gender differences exist but are small and their significance may be part of the bargaining situation (Stuhlmacher & Walters, 1999). Pradel et al. (2005) found that men perform better in competitive negotiations, in which payoffs are determined by comparing relative performance. Women perform better when playing the role of an agent, negotiating on behalf of someone else (Pradel et al. 1993, Bowles et al. 2005). Ball and Eckel (1996) found that people with higher perceived status receive better offers than do those with lower perceived status. They also found that both men and women made more generous offers to males than to females. Thus, it appears that men may have an advantage in zero-sum distributive negotiations.

It is now common to differentiate between distributive and integrative negotiation situations. Distributive negotiations involve an issue in which the parties have opposing interests and must divide a fixed sum where one gains at the other's expense. Integrative negotiations involve multiple issues where the parties can explore differences in priorities and values, making tradeoffs that create value for the parties and maximize the joint outcome. Fisher and Ury (1991) use the term "principled negotiation" to differentiate between positional (traditional) negotiation and interest-based negotiations. Principled negotiation resolves personal conflicts prior to focusing on the substantive problems, looks beyond positions to discover and meet the interests of the parties, invents solutions that are mutually beneficial in meeting those interests and uses objective criteria as a measure of fairness for distributive issues. According to

Lewicki et al. (2006) integrative negotiations require the exchange of information and ideas to discover common interests, address needs/interests, meet the needs of the relevant parties, discover options for mutual gains and use objective criteria.

Research has begun to identify the best strategies for achieving integrative solutions. Weingart et al. (1987: 287) found that during negotiations with integrative possibilities, “showing concern for the opponent and providing information was positively related to joint performance.” However, Calhoun and Smith (1999: 206) wrote, “Without motivation to resist making early concessions, a tendency to cooperate or look out for the needs of others may mitigate against the discovery of the integrative potential in the conflict.” Calhoun and Smith (1999: 218) concluded “women engaged in problem solving and obtained high joint benefit when they were externally motivated to harbor concern for their own outcomes and resist yielding.” They found that without this external concern, women obtained poorer joint outcomes because they tended to yield earlier. They found that men obtained high-joint outcomes when they were given high self-concern, but obtained poorer joint outcomes when they were given low self-concern. Patterson et al (2007) examined same-gender pairs engaging in a mixed-motive negotiation with integrative potential to determine if there existed gender differences in joint outcomes and explored the roles that competitiveness, integrity and empathy play in those outcomes. Subjects included undergraduate students without any formal negotiation training, in order to determine if inherent characteristics, as opposed to training, would improve negotiation results. That study found that gender, empathy or integrity were not significant factors in explaining variance in a mixed-motive negotiation. Competitiveness was a significant factor with more competitive individuals yielding higher results than cooperative individuals. This was a small study with only 40 men and 36 women participants and the lack of negotiation training likely converted the exercise into primarily a purely distributive negotiation due to the fixed-pie perception or bias.

Description of Study and Methodology

This study expands on the Patterson study. Subjects in this study are graduate students taking an elective negotiation class in one of two institutions. The objective of the study is to examine the impact of gender, competitiveness and integrity in terms of the following three negotiation measures, each increasing in complexity and breadth.

Distributive Gain is the gain that individuals achieved on a one-issue distributive negotiation concerning the price of a house. The variable is the gain over each person’s reservation point (the worst each is willing to accept), which was given in the negotiation scenario.

Mixed Motive 1 is the individual gain achieved in a four-issue mixed motive negotiation consisting of a distributive issue, two issues with integrative tradeoff potential and a common interest item. This is the same scenario used in the Patterson (2007) study.

Mixed Motive 2. This is the individual gain achieved in a more complex eight-issue mixed motive negotiation with two distributive issues, four issues with integrative tradeoff potential, and two common interest items.

The predictor variables are gender, competitiveness and integrity. The last two variables are measured using questions from the Brown and Berkowitz Personal Bargaining Inventory (Lewicki et al., 2003) which is used in class as an exercise to help students explore their own personal bargaining characteristics. The questionnaire consists of fifty statements, 23 of which are statements about their own behavior using a seven point scale ranging from 1=strongly uncharacteristic to 7= strongly characteristic. The remaining 27 statements involve rating people's behavior in general and students rate each statement using a seven point scale of 1= strongly disagree to 7= strongly agree. The variables are defined as follows:

Gender: Gender is an indicator variable with 1=male and 0 = female.

Competitiveness: An indicator variable (1=high and 0=low) drawn from the average of two survey questions regarding competitiveness.

- Statement 21: "In any competitive situation I like to win. Not just win, but win by the biggest margin possible."
- Statement 39: "In bargaining, winning is the most important consideration." The intent here is to measure one's own competitive nature as well as the belief of how competitive other people are.

Average scores of five or above are indicative of high levels of competitiveness while those below five are less competitive.

Integrity: This indicator variable (1=high and 0=low) was measured by averaging three statements:

- Statement 1: "I am sincere and trustworthy at all times. I will not lie, for whatever ends."
- Statement 7: "I pride myself on being highly principled. I am willing to stand by those principles no matter what the cost."
- Statement 23: "The only way I could engage conscionably in bargaining would be by dealing honestly and openly with my opponents."

Average scores of five or more are indicative of having higher integrity than those with scores below five.

Role: This is an indicator variable controlling for role (buyer or seller), in each of the exercises.

Since the subjects used in this study consist of students taking a graduate negotiation class, the sample is of necessity a sample of convenience. Students are randomly assigned roles. Students learn about appropriate strategies for distributive and integrative negotiations through reading the text and class discussion. Then the students engage in the negotiation and report the results to the professor who then presents the results to the entire class.

Expectations are that men will outperform women in terms of distributive gain. It is the third exercise in the course. The literature suggests that men tend to outperform women in such competitive situations. High levels of competitiveness should achieve higher results as well. Low levels of Integrity could also score higher if deceit is used. As integrative opportunities are introduced the need to cooperate and share information becomes critical to identifying both joint outcomes and integrative tradeoffs. One would expect that male advantages diminish given that all parties have received instruction in appropriate strategies and tactics for distributive and integrative negotiations. Competitiveness should be a negative factor in the integrative scenarios. Given the need to share information to discover integrative tradeoffs and joint issues, integrity should play a significantly positive role in integrative negotiations.

The hypotheses of interest are as follows:

Dependant Variable	Gender (Men=1, else, 0)	Competitiveness (High=1, else 0)	Integrity (High=1, else 0)
Distributive Gain	Men will score higher than women	High competitiveness will score higher than low	Ho: High \leq Low Ha: High $>$ Low
Mixed Motive 1	No gender effect	High competitiveness will have a negative effect	High integrity will yield higher results
Mixed Motive 2	No gender effect	High competitiveness will have a negative effect	High integrity will yield higher results

The study used data gathered from 221 students that participated in at least one of the exercises. Data were analyzed using SPSS PASW statistics 17.0. The design is an analysis of variance using three indicator variables (gender, competitiveness and integrity) plus a control for role using the univariate general linear module. First, all independent variables were included in the model and then a stepwise regression built a corrected model with only statistically significant variables. The Levene test was used to determine homogeneity of variance with the Welch test used if the assumption was not met. One-way ANOVAs were used to test the independent variables separately.

Findings and Results

While all students engaged in a distributive exercise and two mixed motive exercises, the exercises were not always the same in every class. The exercises selected for review represent those with the most students. Therefore, the mix of students is not the same for each exercise. The following table provides the descriptive statistics for the three exercises and significance levels for the multiple regression/analysis of variance with all treatments included:

Variables		Distributive Gain		Mixed Motive 1		Mixed Motive 2	
		n	\$ Gain	n	\$ Gain	n	Pt. Gain
Gender	Male	102	7971	87	247,874	125	5977
	Female	33	8545	42	250,357	38	6132
Competitiveness	High	46	9366	41	254,146	47	6072
	Low	88	7463	86	245,465	115	6007
Integrity	High	123	7631	114	250,921	150	6099
	Low	12	13042	15	234,062	13	5015
Role	Buyer	68	7712	62	251,048	81	5689
	Seller	67	8517	66	246,838	81	6322
Overall model significance level with all entered		.016		423		.067	
Corrected model		.003		N/A		.015	

Note: Bold indicates differences significant at $p \text{ value} \leq .05$.

Only one of the analysis of variance models was statistically significant, that for Distributive Gain. Only the variable Integrity was significant (p-value of .003). However, the Mixed Motive 2 model was close and a stepwise regression brought two variables into the model, Integrity and Role and it was significant with a p-value of .015.

In all three scenarios, women actually outscored men, although the differences were not statistically significant. Based on the literature, the expectations were that men would score higher than women in the distributive situation. The expectation that men would not dominate in mixed motive negotiations was supported by the data.

Competitiveness was not a statistically significant factor in any of the models and competitive individuals actually scored higher in each scenario. The expectation that competitiveness would inhibit the discovery of integrative solutions was not supported by the data. Since students were provided with strategies for achieving integrative solutions, that may have overcome the force of competitiveness. The fact that there were more low competitive individuals than highly competitive ones might have also played a role.

Integrity was statistically significant in the distributive exercise. Individuals with low levels of integrity scored much higher than did those with high levels of integrity. In both of the mixed motive negotiations, high levels of integrity proved to be of value, scoring higher in both exercises. Only in the second case was the difference statistically significant, suggesting perhaps that as mixed motive negotiations increase in complexity, integrity becomes even more important since the exchange of accurate information is crucial to make integrative tradeoffs.

Conclusions and Suggestions for Future Research

Before drawing any major conclusions, it is important to recognize the limitations of this research. Because the participants of this study are samples of convenience arising from two institutions, the findings may be limited to graduate students at those institutions. The fact that men did not outdo women in the distributive exercise is counter to previous findings. It is possible that self-selection of women into the negotiation class is a factor. Another reason might also be that prior to these exercises, students would have completed two exercises and had instruction on appropriate strategies and tactics that work for distributive and integrative negotiations. Such instruction might combat the disadvantage that women may face due to their dislike of negotiation and unwillingness to engage. If that is true, then it is possible that negotiation education can serve to greatly improve women's negotiation performance and that certainly may be true well beyond the walls of the two institutions in question.

That competitive individuals might do better in distributive zero-sum negotiations is not a surprise. Competitiveness did not serve to be a disadvantage in the integrative negotiations and, in fact, competitive individuals did score higher in them than non competitive individuals, though the differences were not statistically significant. Part of the thrust of Fisher and Ury's *Principled Negotiation* (1991) stresses that competitive individuals can focus their competitive natures on solving the problem and that could certainly overcome the fixed pie perception that seems to go along with competitiveness.

The mixed role of integrity is interesting. Low-integrity individuals had the advantage in a one-issue distributive negotiation. Lies and misrepresentation can certainly lead to advantage if the opponents believe them. The distributive negotiation always occurs early in the class, before students have time to come to know each other and make a judgment as to the trustworthiness of their classmates. The fact that high levels of integrity seemed to help in both mixed- motive negotiations underscores what the author has observed over a long period of years, that one of the biggest obstacles to achieving Pareto-optimal results in integrative negotiations is misinformation, given either by accident or on purpose. At least for the eight-issue negotiation, high integrity seems to be a major contributor to achieving integrative solutions. That is encouraging. One major limitation to this study is that it only focused on the competitiveness and integrity of one of the parties to the negotiation. A suggestion for future research is to identify the levels of integrity and competitiveness of both parties and see if the different combinations (high-high, low-high and low-low) might better explain the negotiation results. A better way to screen competitiveness and integrity would also be highly desirable as would be greatly increasing the sample size and thus, the power of the statistical tests.

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