Employer Perception of Candidates Before and After Negotiation

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EMPLOYER PERCEPTION OF CANDIDATES BEFORE AND AFTER NEGOTIATION

by

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A thesis submitted in partial fulfillment of the requirements for graduation with Honors in the Management

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Thesis Mentor

Spring 2019

All requirements for graduation with Honors in the Management have been completed.

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A thesis submitted in partial fulfillment of the requirements for graduation with Honors in the Tippie College of Business

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Abstract

This research project examines how negotiation alters an employer's view of a candidate. Prior research has focused on the impact of gender on negotiation processes as well as outcomes. Also of interest has been how communication style and supplemental preparation affects the monetary outcome of negotiation have been widely studied topics. My research expands the topic of negotiation by delving into how the gender of the candidate and how the candidate communicates their desire to negotiate salary impacts an employer's perspective of that candidate. We used a survey to discover how employers viewed male and female candidates after being presented with a job description and resume, as well as after the candidate has responded in one of four ways. Survey takers see either a male or female's name and pronouns on an otherwise identical resume. After rating the candidate, survey takers then see an email communication from the candidate in which their responses range from not negotiating to negotiating using various tactics. After the communication, employers rate them on the same scales previously used.
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Introduction

Popular business literature has explored negotiation from many angles. The internet is flooded with tips and “how to” articles that give candidates an idea of how to appropriately ask for the resources and privileges they desire if a job offer is extended. Job offer negotiations contingencies include salary, bonuses, job titles, benefits, schedule flexibility, vacation time, professional development opportunities and more.

Negotiation, as defined by Stulmacher and Walters, is an attempt to acquire privileges or resources (1999). Salary negotiation is an important topic, as a small increase in salary due to negotiation can have a big impact over time, because promotions and raises build on current salary (Gerhart, 1989). There can be an average payoff of 1,500 dollars with negotiation (Gavan, Bush, et al, 2011). However, negotiation is not guaranteed success. Only 56 percent of those who negotiate are successful and the highest amount negotiated was in one field study was only 7000 dollars added to an annual salary (Gerhart, 1989). Negotiation is a difficult skill to learn and perfect. According to Gerhart, only 20 percent of successful candidates negotiate their offer (1989). While negotiation is not first-nature for many people, it can have a significant impact on salary. For that reason, business literature is flooded with negotiation research.

Gender differences in negotiation styles and outcomes is a highly researched topic in negotiation. Most negotiation research in the domain of gender differences involves outcomes or differing bargaining styles between men and women. Satisfaction with the results of negotiation has been studied by interpreting the subjective value of negotiation outcomes.

Value of Negotiation Outcomes

Many times, negotiation is viewed as an exchange of tangible resources. Studies tend to focus on the short term economic benefits of negotiation. This information gives researchers objective
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numbers that help demonstrate the rewards of engaging in negotiation. However, it is important to note that there is more to be gained from a negation than tangible benefits. When studying what people value when they negotiate, one in five participants when asked what they value in an open ended question, did not mention tangible outcomes at all (Curhan, Elfenbein, & Xu, 2006). In addition to economic benefits, social and psychological outcomes of negotiation contribute greatly to the satisfaction of negotiation (Curhan, Elfenbein, & Xu, 2006).

The perception one negotiator has of the other party, themselves and the negotiation itself is a social psychological impact of negotiation (Curhan, Elfenbein, & Xu, 2006). According to Kray, Galinsky & Thompson, when aspiration levels are higher, more economic gains are achieved but results in less personal satisfaction (2002). When concessions occur at the first offer or counteroffer, candidates are more likely to experience dissatisfaction with the negotiation. This is sometimes referred to as the “winner’s curse” (Boles & Moeller, 2012). When more negotiables are present, there is an increased likelihood of satisfaction due to concessions on one issue by a party leading to concessions in another area by the opposite party (Curhan, Elfenbein & Kilduff, 2007). This theory aligns well with the concept of the rule of reciprocity (Boles & Moeller, 2012). Satisfaction with the negotiation situation is a non-economic result of negotiation that can impact future relationships. According to Robert Blake and Jane Mouton (1962), and Richard Walton and Robert McKersie (1965), worsened relationships can be an outcome of negotiation.

**Gender and Negotiation**

While studies show a variety of different factors contributing to discrepancies in which gender negotiates more often or achieves a higher economic return from negotiation, it is clear that there are differences between genders where negotiation is concerned. Research has been conducted to pinpoint why men and women receive different outcomes. Key findings suggest:
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- Men negotiate more than women (Babcock, Gelfand, Small and Stayn, 2004; Babcock and Laschever, 2003; Small, Gelfand, Babcock and Gettman, 2004).

- Monetary outcomes received are higher for men (Gerhart, 1989; Kravitz and Iwaniszek, 1984; Solnick, 2001; Solnick and Schweitzer, 1999; Ayres and Siegelman, 1995).

- Women’s expectations are lower than men’s (Barron, 2003; Babcock et al, 2004; Bowles, Babcock and McGinn, 2004; Callahan-Levy & Messe, 1979; Major & Konar, 1984; Major, McFarlin & Gagnon, 1984), and these lower expectations may account for lower outcomes (King and Hinson, 1994; Benton, 1973; Grant & Sermat, 1969; Watson & Hoffman, 1996).

Still, other research challenges these ideas. In research done with recent college graduates, women and men performed comparably. They negotiated at similar rates and received similar negotiation outcomes. Authors of this article attribute this to the field environment of the study (Gavan, Bush, et al, 2011). Alternative research, like Dreher, Doughtery & Whitely’s work, proposes that these differences can be situational (1989). Women in large organizations were more likely to receive higher salaries than women in small organizations, while there was no difference in salary for men between different sized companies. There can be many reasons for this, but one theory is that large organizations devote more resources and staff to making sure their practices are fair. (Dreher, Doughtery & Whitely, 1989). There are multiple factors to suggest why men and women receive different outcomes including expectations, gender stereotypes, and bargaining styles.

There is a clear distinction between the bargaining styles of men and women. Personality characteristics play a large role in whether someone chooses to negotiate and how they do so (Gerhart, 1989). Personality traits that are stereotypically male or female may correlate with bargaining outcomes. Men were more likely to use blunt tactics following their offer. Women are more likely are more likely to use influence tactics before the negotiation to emphasize prior
experience or motivation. For example, a woman might hint that she is deserving of a high salary during the hiring process, while a man would wait until an offer is made and counteroffer (King & Hinson, 1994). The default negotiation style for the majority of women is cooperative while the style utilized by most men is competitive (Stuhlmacher & Walters, 1999; Matheson, 1991; Orbell, Dawes & Schwartz-Shea, 1994). A cooperative style involves a high concern for the interest of others as well as a high concern for the interest of oneself. On the other hand, when a negotiator has a high concern for their own interest while having a low concern for the interest of the other negotiator, they are engaging in a competitive behavior (Boles & Moeller, 2012). Competitive behavior is the preferred type of bargaining style for men (Kray & Thompson, 2004). This difference in negotiation style impacts the outcomes of negotiation.

There is evidence to suggest that it is less acceptable for women to negotiated than men. Men and women can have the same qualifications or bargaining styles and receive different outcomes. A meta-analysis found male applicants are preferred even when they have equal qualifications as women (Olian, Schwab, and Haberfeld, 1988). According to Kray & Thompson, differences in outcomes for men and women are not due to different bargaining practices, but to reactions to the way their opponents treat them based on stereotypical expectations (2004). When women utilize bargaining techniques, it contradicts gender stereotypes because women are seen as cooperative and therefore it is seen as inappropriate from them to compete for resources. (Dreher, Doughtery & Whitely, 1989).

Society expects men and women to act within gender norms, and those gender stereotypes can be associated with negotiators throughout a negotiation (Kray & Thompson, 2004). According to these stereotypes, women should be passive and concerned for others while men are considered rational and assertive (Kray & Thompson, 2004). Studies suggest women are perceived as more
empoyer perception of candidates before and after negotiation
cooperative and less exploitative than men (Matheson, 1991; Orbell, Dawes & Schwartz-Shea, 1994). Stereotypical masculine traits align with what people consider good negotiators and stereotypical feminine traits align with what makes a bad negotiator (Kray & Thompson, 2004). According to literature, an effective negotiator will be strong, dominant, assertive, rational. These are also stereotyped attributes of males. Alternatively, ineffective negotiator characteristics and female attributes are both considered weak, submissive, accommodating and emotional (Kray & Thompson, 2004). Because negotiation may be associated with competitiveness and that is associated with masculinity, women who engage in these styles may act in ways their negotiation partners do not expect based on their gender (Kray & Thompson, 2004).

Bargaining may have an adverse impact for women. Women who bargained had lower salaries than women who didn't, while men who bargained had higher salaries than those that did not. This suggests that men are rewarded for negotiation while women are penalized (Dreher, Doughtery & Whitely, 1989). This leads to my first hypothesis.

**Hypothesis 1:** Ratings for the female candidate will be lower after she negotiates, while the change in ratings for the male candidate will not be significant in the eyes of the rater.

Men tend to have more success and higher salaries when they use an exchange tactic such as offering to make sacrifices or reminded the other party of past favors. Women received better economic outcomes when they used logic, explained their request and gave explanations. (Dreher, Doughtery & Whitely, 1989). This suggests that different negotiation styles are more acceptable for women than men and vice versa. Is it possible that women must prove that they are logical or hiring managers will believe they are overly emotional? Or do we question the reasoning behind a man’s actions less than a woman’s? These ideas inspired our first research question:
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**RESEARCH QUESTION 1**: Do we question men less? Are we more willing to accept when men do not offer a rationale for negotiating a higher salary?

Another factor to consider when comparing the outcomes of negotiation by men and women is the priority. As stated prior, contingencies may include salary, bonuses, job titles, benefits, schedule flexibility, vacation time, professional development opportunities and more. One of these other priorities are maintaining or improving the relationship with the other party. Women are likely to value a long term relationship with a manager or a more prestigious job title (Stuhlmacher & Walters, 1999). While one may see women at a disadvantage in negotiation due to a smaller economic benefit than her male counterpart, the reasoning behind this inequality may be in the priority differences between the two.

Another theory in the research of gender and negotiation is that the discrepancies in negotiation outcomes may not solely be about gender, but rather the perceived power each gender has (Watson, 1994). Men have high perceived power in negotiations, however, it is likely that the power dynamic is more important to consider than an implicit bias hiring parties may have for or against a gender.

**Influence Tactics**

The methods used to negotiate is another important aspect of negotiation research. There are many ways to go about research, and numerous popular business articles offer suggestions on how to receive the best outcomes with different negotiation techniques. According to Dreher, Doughtery & Whitely, CEO's who use "tactician" (more logic/reasoning) negotiation styles received the highest salaries (1989).
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HYPOTHESIS 2: Candidates, particularly women, who offer a reason – either market research or current salary – will have higher ratings than those who asked for a higher salary without providing a reason.

Position power changes the way that one negotiates, as well as the outcomes of the negotiation (Greenhalgh, Neslin, & Gilkey, 1985) People are more likely to negotiate when they have other job offers and if these offers have higher salaries. Greater leverage is present when negotiators have an alternative option indicating that the negotiators had power and were less likely to settle early on and received better outcomes. (Greenhalgh, Neslin, & Gilkey, 1985). We believe that the added confidence and leverage associated with an alternative offer, will lead to Hypothesis 3:

HYPOTHESIS 3: If the candidate uses their salary in their current job to negotiate, post-offer ratings will be higher than the pre-offer ratings.

Methods

Participants

Participants were 158 (n=158) individuals over the age of 18, recruited and selected by Qualtrics. Screening questions at the beginning of the survey ensured that all of our subjects were over the age of 18, and a 50 percent male/female quota was enforced. 80 females and 78 males responded to the survey. Age of participants ranged from 18 to 89. Thirteen (13) people identified as Latino or Hispanic, while 145 did not. One hundred and thirty (130) participants identified as white, 12 as Asian, 11 as Black or African American, two as American Indian or Alaska Native, and 3 as Other. There was a wide range of educational backgrounds represented in the survey. Three (3) participants had less than a high school degree, 34 were high school graduates, 39 had some college, but no degree, 18 had an Associate degree in college (2-year), 43 had a Bachelor’s degree in college (4-year), one had a professional degree (JD, MD), 18 had a Master’s degree, and
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Two had a Doctoral degree. Employment status varied as well. Fourteen (14) were not working (disabled), four were not working (looking for work), 13 were not working (other), 42 were not working (retired), one was not working (temporary layoff), two preferred not to answer, 67 were working (paid employee), and 13 were working (self-employed). Forty-two (42) participants were retired, 34 were in management, professional and related, 25 were unemployed, 20 were in service, 16 in sales and office, eight in government, six were in production or transportation, four were in construction, extraction and maintenance, and three in farming, fishing, and forestry.

Recruitment and Compensation

We paid Qualtrics to recruit from their pool of potential subjects. The majority of Qualtrics samples come from traditional, actively managed market research panels. Specifically, Qualtrics invites subject pools who take various surveys. While this is their preferred method, social media is also used to gather respondents. They are invited to take a survey as part of their monthly allotment and can choose whether or not to participate after reading the informed consent. The researchers did not handle any of the compensation. Qualtrics did this based on an agreed-upon compensation with survey takers. On average, participants were paid less than five dollars per survey (compensation is based on the estimated time taken to participate in the study). They are paid a small amount based on how many projects they participate in.

Materials

The company description and job description was taken from the job search website, Indeed. The purpose of this was to give participants a realistic view of what a company is looking for when they hire candidates. We chose the Customer Service Representative because it is typically an entry-level position. We felt that this position did not require as much job-specific knowledge to understand what qualities to look for in an applicant.
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We felt that ignoring gender would not give us quality results, so in that regard, it was important to look at the perspectives of both male and female responses because there has been extensive research in the area. The four conditions of the email responses were chosen to represent a broad variety of reasons (or lack thereof) that may be given when negotiating.

Participants were given a Likert schedule (from 1 = Far Below Average, 7 = Far Above Average) and asked to rate the candidate on likability, readiness, company fit, trustworthiness, and overall impression. Participants completed these ratings after they saw the resume and after they saw the email communication. In addition to rating the candidates, participants were given 12 demographic questions.

It took approximately four days to gather the necessary data. The time commitment for the subject for individual visits/procedures. Individuals only completed this online survey once. This survey took approximately five minutes to complete. There was no follow-up.

Procedure

After participants consented to survey, they read the following message about their role as a hypothetical company's hiring manager, as well as the company culture.

You are the hiring manager for a mid-scale software company in the Chicago area called Integrity Solutions. Your company offers state-of-the-art facilities, exceptional culture, complete benefits, and are committed to your community. You have been recognized by Glassdoor as one of the Best Places to Work. You are looking for a Customer Service Representative. Please review the job description below.

Participants then read a hypothetical job description for a Customer Service Representative. This job description was obtained through LinkedIn (Paylocity, 2018). A copy of the job description can be found in Appendix A. Participants were then asked to read a resume.
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All participants saw identical resumes, apart from the name and pronouns of the candidate. Half of the participants saw a candidate named Marie with female pronouns (she/her/hers), while the other half saw a candidate named Marcus with male pronouns (he/him/his). Copies of the resume can be found in Appendix B and Appendix C. Participants then were asked to rate the candidate based upon likability, readiness, company fit, trustworthiness, and overall impression.

Participants were then told that the company was offering the position to the candidate with a salary of 40,000 dollars. Next, participants received one of four messages from the candidate indicating they were (1) accepting the offer, (2) asking for a higher salary without reason, (3) asking for a higher salary using market comparison or (4) asking for a higher salary using an alternative job offer. Everything in the email was identical apart from the middle paragraph. Full emails can be found in the appendix. The email in which the candidate accepted the offer read “I accept the Customer Service Representative position at Integrity Solutions.” Emails from the candidates who asked for a higher salary but did not offer a reason said: "I would like to ask you to consider a base salary of $46,000.” The message from the candidate who has asked for a higher salary using market comparison research differs from others by stating, "After receiving your offer, I researched similar positions in the market and found that the range was $43,000 to $57,000. For that reason, I believe a salary of $46,000 would be more in line with the skills and knowledge I would bring to this job.” The last communication, from the candidate who asked for a higher salary using an alternative job offer, read “I have taken time to compare my current compensation to your
offer. To make the transition easier, I would like to ask you to consider matching my current salary of $46,000.”

After this communication, participants were asked to rate the candidate once again on the same categories: likability, readiness, company fit, trustworthiness, and overall. The second half of the survey was a series of demographic questions such as gender, age, and salary.

**Results**

Of the 284 individuals who started the surveys, 126 (44%) were not used in final calculations. Forty-nine respondents were not used in this study because they failed to correctly identify the name of the candidate after rating the candidate (manipulator variable), 14 were eliminated because they completed the survey too quickly, 45 completed the survey after our quota filled, and the last 18 exited the survey before completing it.

**Impact of Candidate Gender on Perception of Candidate**

Table 1 shows descriptive statistics of pre-communication ratings broken down by category and gender. These categories were likeability, readiness, company fit, trustworthiness, and overall. When broken down by gender, results were as follows. As shown in Table 1, Marie was rated lower in every category other than trustworthiness in the pre-communication ratings. This finding was consistent with prior research that found females behaved more trustworthy than males (Buchan, Croson and Solnick, 2004; Croson & Buchan, 1999; Tedeschi, Powell, Lindskold & Gahagan, 1969). In the pre-communication ratings, readiness was the lowest rated category, while overall was the highest rated category.
EMPLOYER PERCEPTION OF CANDIDATES BEFORE AND AFTER NEGOTIATION

Table 1

Preliminary Ratings for Female and Male Candidates

<table>
<thead>
<tr>
<th></th>
<th>Marie</th>
<th>Marcus</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Likeability</td>
<td>5.1456954</td>
<td>5.2424242</td>
<td>5.1908127</td>
</tr>
<tr>
<td>Pre-Readiness</td>
<td>5.0860927</td>
<td>5.2348485</td>
<td>5.155477</td>
</tr>
<tr>
<td>Pre-Company Fit</td>
<td>5.1059603</td>
<td>5.25</td>
<td>5.1731449</td>
</tr>
<tr>
<td>Pre-Trustworthiness</td>
<td>5.3046358</td>
<td>5.2348485</td>
<td>5.2720848</td>
</tr>
<tr>
<td>Pre-Overall</td>
<td>5.3774834</td>
<td>5.5454545</td>
<td>5.4558304</td>
</tr>
</tbody>
</table>

Table 2 shows descriptive statistics of mean pre-ratings and post ratings for Marie and Marcus. Prior to any negotiations, average ratings were 5.2 for Marie and 5.3 for Marcus (on a scale from 1 to 7). After post-offer communication, ratings were 5.18 for Marie and 5.01 for Marcus. Average combined scores were higher before communication (5.25) than after communication (5.1). Our research did not find statistical significance to prove that men were rated higher than women when all other qualifications and communication styles are held constant.

Table 2

Preliminary and Final Ratings for Female and Male Candidates

<table>
<thead>
<tr>
<th></th>
<th>Marie</th>
<th>Marcus</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Pre-Ratings</td>
<td>5.2039735</td>
<td>5.3015152</td>
<td>5.24947</td>
</tr>
<tr>
<td>Average Post-Ratings</td>
<td>5.175</td>
<td>5.0110092</td>
<td>5.1020408</td>
</tr>
</tbody>
</table>

Table 3 demonstrates mean average ratings for each condition. The female candidate, Marie, was rated higher in situations in which she did not negotiate, or she cited an alternative
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offer. The male candidate, Marcus, was rated slightly higher when he offered did not offer a reason for negotiation, or cited market comparison as the reason for his request for a higher salary. While these results support Hypothesis 1 that respondents will rate women lower following her negotiation in comparison to the no negotiation condition and men’s ratings will no change significantly, the results are not statistically significant (P=0.017).

Table 3

Final Ratings for Each Condition by Gender

<table>
<thead>
<tr>
<th></th>
<th>Average Rating for Marie</th>
<th>Average Rating for Marcus</th>
<th>Average Rating for Both Marie and Marcus</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Negotiation</td>
<td>5.4521739</td>
<td>5.1703704</td>
<td>5.3479452</td>
</tr>
<tr>
<td>No Reason</td>
<td>5.0756757</td>
<td>5.2482759</td>
<td>5.1515152</td>
</tr>
<tr>
<td>Alternative Offer</td>
<td>5.3857143</td>
<td>4.8857143</td>
<td>5.1357143</td>
</tr>
<tr>
<td>Market Research</td>
<td>4.576</td>
<td>4.704</td>
<td>4.64</td>
</tr>
</tbody>
</table>

Highest post-communication ratings were given to the candidates who did not negotiate. For the candidates who did negotiate, the preferred method of negotiation was no giving a reason for negotiation. Overall, candidates were rated lowest when they used market comparison to negotiate. The highest average ratings were given to candidates who did not negotiate. This finding goes against our second hypothesis (candidates, particularly women, who offer a reason – either market research or alternative offer – will have higher post-communication ratings than those who asked for a higher salary without offering reason).
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Perception of Company Fit Based on Negotiation and Candidate Gender

Our most significant difference was found when analyzing ratings in company fit. These differences are represented numerically in Table 4 and visually in Graph 1. We found a significant difference (P < .001) between not negotiating and negotiating using market comparison when comparing ratings for Marie and Marcus. There was very little difference in ratings for the male candidate, Marcus, whether he did not negotiate, or negotiated using market research. However, we saw a substantial difference between the female candidate's ratings when she did not negotiate, and when she negotiated giving market comparison as a reason. This supports Hypothesis 1, which suggested that female candidates' ratings will be lower after she negotiates, while the male candidate's ratings will remain the same.

Table 4

Regression of Post Company Fit Ratings as a Result of Pre-ratings, Rater Gender, Candidate Gender, Negotiation Reason Compared to the No Negotiation Condition

<table>
<thead>
<tr>
<th>Source</th>
<th>SS</th>
<th>df</th>
<th>MS</th>
<th>Number of obs</th>
<th>F(9, 235)</th>
<th>Prob &gt; F</th>
<th>R-squared</th>
<th>Adj R-squared</th>
<th>Root MSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>139.960257</td>
<td>9</td>
<td>15.5511397</td>
<td>245</td>
<td>9.64</td>
<td>0.0000</td>
<td>0.2696</td>
<td>0.2416</td>
<td>1.2703</td>
</tr>
<tr>
<td>Residual</td>
<td>379.239743</td>
<td>235</td>
<td>1.61378614</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>519.2</td>
<td>244</td>
<td>2.1276685</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| post_compa-t    | Coef.       | Std. Err. | t     | P>|t| | [95% Conf. Interval] |
|-----------------|-------------|-----------|-------|------|---------------------|
| pre_compa-t     | .5141202    | .0667683  | 7.70  | 0.000| .3825793 : .645661 |
| ratergender     | -.2532325   | .1645057  | -1.54 | 0.125| -.5773269 : .0708619|
| ifmarcus        | -.5970992   | .3099472  | -1.93 | 0.055| -.1.267729 : .0135309|
| noreason        | -.2890979   | .2807847  | -1.03 | 0.304| -.8422747 : .2640789|
| leverage        | .0993708    | .3051367  | 0.29  | 0.770| -.5.117921 : .6905237|
| market          | -.1.25646   | .3156611  | -3.98 | 0.000| -.1.878347 : -.6345726|
| marc_noreason   | .5883845    | .4418339  | 1.33  | 0.184| -.2820768 : 1.458846|
| marc_market     | 1.006711    | .4742108  | 2.12  | 0.035| .0724639 : 1.940959 |
| marc_leverage   | .2288434    | .4652456  | 0.49  | 0.623| -.6877416 : 1.145428|
| _cons           | 2.946539    | .3941923  | 7.47  | 0.000| 2.169937 : 3.723142 |
Impact of Negotiation on Perception of Candidate According to Gender

Results from regression (See Table 5) indicate that our first hypothesis, while not completely supported according results, was on the right track. We hypothesized that women who negotiate will be rated lower than women who do not negotiate. However, our results found that while differences in our female candidate’s ratings are not significant, there was a difference in ratings for the male candidates. Table 5 demonstrates significant results (P=.024) to show that it is more accurate to say that men are rated lower if they do not negotiate. This is visually represented in Graph 2.
Regression of Post Overall Ratings as a Result of Pre-Ratings, Candidate Gender, and the No Negotiation Condition Compared to all Negotiation Conditions

<table>
<thead>
<tr>
<th>Source</th>
<th>SS</th>
<th>df</th>
<th>MS</th>
<th>Number of obs</th>
<th>F(4, 240)</th>
<th>Prob &gt; F</th>
<th>R-squared</th>
<th>Adj R-squared</th>
<th>Root MSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>140.107534</td>
<td>4</td>
<td>35.0268836</td>
<td>245</td>
<td>23.14</td>
<td>0.0000</td>
<td>0.2783</td>
<td>0.2663</td>
<td>1.2304</td>
</tr>
<tr>
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<td>363.345527</td>
<td>240</td>
<td>1.5139397</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Total</td>
<td>503.453061</td>
<td>244</td>
<td>2.06333222</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| post_overall | Coef.    | Std. Err. | t    | P>|t|  | [95% Conf. Interval] |
|--------------|----------|-----------|------|------|----------------------|
| pre_overall  | .6829963 | .0739335  | 9.24 | 0.000 | .537355 -.8286377   |
| ifmarcus     | .1075506 | .1878549  | 0.57 | 0.568 | -.2625043 .4776054  |
| noneg        | .663942  | .2232134  | 2.97 | 0.003 | .2242345 1.10365   |
| marc_noneg   | -.809191 | .3551007  | -2.28| 0.024 | -1.508703 -.109691 |
| _cons        | 1.300164 | .4221239  | 3.08 | 0.002 | .4686235 2.131705  |

Graph 2
Comparison of Overall Candidate Perception with and without Negotiation as a Result of Candidate Gender
In Hypothesis 2, we wanted to see whether or not offering a reason would give candidates higher ratings than those candidates who negotiated without giving a reason. Table 6 shows that while not significant (P=.10), results suggest the opposite of our hypothesis: giving a reason for negotiation (either market research or an alternative offer) in fact has a negative effect on employer perception of candidates.

We were also interested in whether or not candidate gender had an impact on how much raters would like candidates who offered a reason. We hypothesized that the female candidate would be preferred at a higher rate than the male candidate when she offered a reason. This part of the hypothesis was not supported by results as gender did not have an impact on how respondents rated candidates who negotiated with or without a reason (P=.945). This result can be seen in Table 6.

Table 6
Regression of Post Overall Ratings as a Result, Rater Gender, Candidate Gender, and Negotiation without Reason

<table>
<thead>
<tr>
<th>Source</th>
<th>SS</th>
<th>df</th>
<th>MS</th>
<th>Number of obs</th>
<th>F(4, 167)</th>
<th>Prob &gt; F</th>
<th>R-squared</th>
<th>Adj R-squared</th>
<th>Root MSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>10.3973406</td>
<td>4</td>
<td>2.59933516</td>
<td>172</td>
<td>1.36</td>
<td>0.2514</td>
<td>0.0315</td>
<td>0.0083</td>
<td>1.3845</td>
</tr>
<tr>
<td>Residual</td>
<td>320.131729</td>
<td>167</td>
<td>1.91695646</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>330.52907</td>
<td>171</td>
<td>1.93291854</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| post_overall  | Coef.     | Std. Err. | t     | P>|t| | [95% Conf. Interval] |
|---------------|-----------|-----------|-------|-----|---------------------|
| ifmarcus      | .0186926  | .2692264  | 0.07  | 0.945 | -0.5102333 - 0.5502184 |
| noreason      | .2271102  | .2968022  | 0.77  | 0.445 | -0.3598578 - 0.8130782 |
| marc_norea-n  | .2864335  | .4362048  | 0.66  | 0.512 | -.574753 - 1.14762  |
| ratergender   | -.3302352 | .2166441  | -1.55 | 0.122 | -.7500522 - 0.0895818 |
| _cons         | 5.08653   | .216912   | 23.45 | 0.000 | 4.658287 - 5.514773 |
Employer Perception of Candidates Before and After Negotiation

Negotiation Using an Alternative Offer

Our third and final hypothesis was that the candidates using an alternative offer (leverage), would have the biggest difference in pre and post-communication ratings. A significant relationship does not exist to show that raters think more highly of candidates following negotiation. Table 7 demonstrates that when comparing the pre and post ratings of the alternative offer contingency to all other contingencies, no significant difference (P=.838) was found.

Table 7

Regression of Post Overall Ratings as a Result of Pre-Ratings, Rater Gender, Candidate Gender, and the Alternative Offer Condition Compared to all Negotiation Conditions

<table>
<thead>
<tr>
<th>Source</th>
<th>SS</th>
<th>df</th>
<th>MS</th>
<th>Number of obs = 245</th>
</tr>
</thead>
<tbody>
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<td>5</td>
<td>26.1139276</td>
<td>F(5, 239) = 16.74</td>
</tr>
<tr>
<td>Residual</td>
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<td>239</td>
<td>1.56010169</td>
<td>Prob &gt; F = 0.0000</td>
</tr>
<tr>
<td>Total</td>
<td>503.453061</td>
<td>244</td>
<td>2.06333222</td>
<td>R-squared = 0.2593</td>
</tr>
</tbody>
</table>

| Source          | Coef.      | Std. Err. | t       | P>|t|   | [95% Conf. Interval] |
|-----------------|------------|-----------|---------|-------|---------------------|
| post_overall    | .6920015   | .0763319  | 9.07    | 0.000 | .5416323 .8423706   |
| ifmarcus        | -.2439644  | .1859126  | -1.31   | 0.191 | -.6102009 .1222721  |
| ratergender     | -.2074067  | .161331   | -1.29   | 0.200 | -.5252189 .1104055  |
| leverage        | -.0545391  | .2660163  | -0.20   | 0.838 | -.5801511 .4710729  |
| marc_lever-e    | .3761239   | .391493   | 0.96    | 0.338 | -.3950936 1.147341  |
| _cons           | 1.595705   | .4264419  | 3.74    | 0.000 | .7556404 2.43577    |

Discussion

The goal of this study was to evaluate the outcomes of negotiation that are not as well studied. Major findings of this research suggest that men and women can have the same qualifications and bargain in the same way, and still receive different outcomes. Another influential takeaway from
EMPLOYER PERCEPTION OF CANDIDATES BEFORE AND AFTER NEGOTIATION

This research is that the way one chooses to negotiate matters just as much as whether or not they negotiate. Results of this research show a significant difference in the perception of female candidates when they negotiate and any candidate when they using market comparison to negotiate,

**Limitations**

It is unknown whether or not the style of negotiation or the written communication is the cause for changes in employers’ view of candidates. For example, in this research it was found that using market comparison as a reason for negotiation was the lowest rated contingency. However, this may be due to the language used in the email explaining the market research. Next, it is important to note that subjects in this research were not able to make decisions about whether they hired the candidate or not. Giving a lower rating to candidates that they did not feel were right for the job may signify that the respondents were unsatisfied with the candidate or the application process.

This research does not offer respondents a realistic understanding of what the hiring process looks like. Respondents were shown the resume, and then told the company had offered the candidate the job. This survey simplified to hiring process and neglected to highlight assessment methods that are necessary in the hiring process. Additionally, email may not be the preferred method of negotiation. In addition to the language that is used in negotiation, the communication mediums used are very important in bargaining. Face to face or over the phone is typically a preferred method because it allows the other party to hear the tone and inflections used, as well as communicate any questions or concerns they may have.
Future Research

This study has provided a clearer understanding of what non-economic consequences of negotiation may be, though there is still a lot more about negotiation that we cannot understand with the limited information available to us.

With more time, we would have liked to study how employers’ perception of candidates who negotiate change with experience of the candidate or industry. For example, this candidate was a recent college graduate in customer service. If we studied an individual with 25 years of experience in engineering, perception of the candidate might be significantly different.

Additionally, taking the respondent through a more realistic hiring process may change how they see the candidates. In this scenario, the pre and post ratings were both given within the four minutes it took for the average respondent to complete the survey. Therefore, initial reactions may have impacted post-offer ratings more than they do in real time, because those ratings were recently given.

The ratings given offer a short-term idea of how negotiation impacts an employers’ view of a candidate. However, additionally research may seek to understand what happens in the months following acceptance of an offer. Will managers treat employees who negotiated their offer differently because more is accepted of them? Will candidates work harder to prove their worth? Will employers view these candidates as greedy or undeserving?

Further research should examine perception of candidates in field settings. This would provide a more realistic hiring process experience. Further research should focus on both short term and long term consequences of negotiation and different negotiation styles. Finally, evaluating
EMPLOYER PERCEPTION OF CANDIDATES BEFORE AND AFTER NEGOTIATION

different ages, experience levels and industries in negotiation will give a more holistic view of when it is acceptable to negotiate and what methods are perceived well by employers.

Practical Implications

While results suggest that employers prefer candidates who do not negotiate, it should not suggest that candidates should avoid negotiation. Employees have the opportunity during their employment to prove that they are indeed a good company fit, even if their hiring managers questioned this following their negotiation of the offer. However, the income lost when money is left on the table during a salary negotiate can never be regained.

The most effective overall ratings for negotiation were when individuals used an alternative offer as leverage. The reason for higher ratings for individuals once they revealed alternative offers could be a variety of factors. Once possible reason could be that once respondents saw the candidate was desired by another organization, it made that candidate more desirable. Another job offer affirms the decision that the candidate is valuable, and may even add value. While this indicates that the best way to negotiate, is to leverage your other options, not every individual will have multiple offers at once. If that is the case, candidates should find ways to demonstrate their competency in other ways.
References


EMPLOYER PERCEPTION OF CANDIDATES BEFORE AND AFTER NEGOTIATION


EMPLOYER PERCEPTION OF CANDIDATES BEFORE AND AFTER NEGOTIATION
doi:10.1023/a:1008694307035


EMPLOYER PERCEPTION OF CANDIDATES BEFORE AND AFTER NEGOTIATION


http://dx.doi.org/10.1016/0749-5978(88)90025-8


EMPLOYER PERCEPTION OF CANDIDATES BEFORE AND AFTER NEGOTIATION


Appendix A

Position Overview:

The purpose of the Account Manager I position is to apply learnings of our core products to resolve client payroll and HR system issues while providing outstanding customer service. Applies basic technical knowledge while effectively leveraging available resources and prioritizing issues. The Account Manager is the primary point of contact within a team supporting a client base. This role is assigned and services approximately 50-150 small to mid-size clients whose contracts generate revenues between $500k- $1 million on average. Client size can range from approximately 50 to 100 employees.

Primary Responsibilities:

CLIENT SERVICE EXPECTATIONS

- **Dependability/ Follow Up**: Timely responsiveness & proactive follow up
- **Problem Solve**: Troubleshoot and problem solve leveraging knowledge, resources, qualitative and quantitate information
- **Communication**: Provide professional & appropriate internal/ external communication as well as progress updates to all stakeholders
- **Guidance**: Provide clients guidance on HR and Payroll best practices, organizational change management and Paylocity product fit
- **Implement and optimize products**: Able to recommend ancillary products to optimize overall HCM set up
ACCOUNT MANAGER RESPONSIBILITIES

- **Issue Resolution**: able to be available on a consistent basis, manage workload to maintain availability, problem solve, troubleshoot & effectively resolve issues for the client and proactively resolve potential future issues; escalate when needed

- **Client Focus**: baseline service level is evaluated via Quality Assurance assessments and Team Lead and Manager feedback including (1) creating rapport (2) appropriate sense of urgency and tone (3) understanding the question (4) and effective interactions, guides and client instructions

- **Focus on timely and successful delivery of solutions according to client needs and objectives**: meet SLAs and key internal client service metrics including availability, outbound adherence, first call resolution, escalations, client retention, etc. as monitored by Leadership Team; leverages metrics to understand performance, adjust behaviors and identify where additional support is needed

- **System Capability**: Navigate w/in systems including WebPay, WebTime, Desk, IC (phones), Service Bureau, Portal, Compass, Admin Guides and to continually build a knowledge base in order to best serve the client

- **Leverage Resources**: Appropriately & effectively use resources to find and validate answers, resolve and document issues in a way that adheres to payroll policies and ensures seamless client support. Listens to feedback, seeks to understand and adjusts behaviors as needed

**Experience and Skills:**

**REQUIREMENTS**
EMPLOYER PERCEPTION OF CANDIDATES BEFORE AND AFTER NEGOTIATION

- High School Diploma or GED
- Experience in customer service or previous client interfacing role
- Strong computer skills including Microsoft Office
- Pass job-dependent final exam at training end

PREFERRED

- Bachelor’s Degree
- CPP, FPC, APA, and/or SHRM-CP certified
- Experience in payroll and/or call center environment
- Proficient in Excel

Job Type: Full-time

Work environment: Call center

Communication method(s) used: Email, Phone
EMPLOYER PERCEPTION OF CANDIDATES BEFORE AND AFTER NEGOTIATION

Appendix B

Marie’s Resume

MARIE SIMMONS
1012 South Water St., Coralville, IA 52249
(319) 326-1920 | m.simmons@gmail.com

EDUCATION

The University of Iowa, Iowa City, IA
B.B.A. Marketing
Certificate in International Business

PROFESSIONAL EXPERIENCE

Customer Service Representative
First Choice Insurance, Coralville, IA
May 2017 - Present
- Responded to customer questions and complaints by clarifying customer complaint and resolving the issue or redirecting customer to correct department
- Recommended new products or service upgrades to clients by analyzing customer needs
- Represented the values and policies of the company to current and potential customers

Business Development/Marketing Intern
Johnson Wealth Management, Chicago, IL
May 2016 – August 2016
- Performed market research on competitors, product development and market opportunities
- Developed a new social media campaign to promote the company brand using multiple platforms such as Instagram, Facebook and a monthly newsletter
- Analyzed customer trends to understand values, needs and buying behavior and presented in formation to 25 members of the marketing team

WORK EXPERIENCE

Residence Hall Desk Clerk
The University of Iowa, Iowa City, IA
August 2015 – May 2017
- Answered phones and greeted residence and guests in a courteous and professional manner
- Maintained check-in and check-out procedures for keys and rental items in accordance to departmental policies
- Sorted mail for 500+ residents by putting mail in appropriate mailboxes, notifying residents of packages, and forwarding mail

Student Ticket Sales Representative
The University of Iowa, Iowa City, IA
October 2014 - August 2015
- Assisted customers purchasing tickets and answered inquiries about the University of Iowa Athletics
- Sold tickets and ticket window for various events

COMMUNITY SERVICE EXPERIENCE

Student Member
American Marketing Association, Iowa City, IA
September 2015 – May 2017
- Shared experiences and networked with marketing students and professionals
- Attended weekly meetings to expand knowledge of marketing trends
- Participated in service and social activities

Volunteer, Coralville, IA
Free Lunch Program
October 2015 – October 2016
- Prepared and served nutritional meals
- Interacted with local community members
EMPLOYER PERCEPTION OF CANDIDATES BEFORE AND AFTER NEGOTIATION

Appendix C

Marcus’ Resume

MARCUS SIMMONS
1012 South Water St., Coralville, IA 52249
(319) 326-1920 | m.simmons@gmail.com

EDUCATION

The University of Iowa, Iowa City, IA
B.B.A. Marketing
Certificate in International Business

May 2017

PROFESSIONAL EXPERIENCE

Customer Service Representative
First Choice Insurance, Coralville, IA
May 2017 - Present
∇ Responded to customer questions and complaints by clarifying customer complaints and resolving the issue or redirecting the customer to the correct department
∇ Recommended potential products or service upgrades to clients by analyzing customer needs
∇ Represented the values and policies of the company to current and potential customers

Business Development/Marketing Intern
Johnson Wealth Management, Chicago, IL
May 2016 – August 2016
∇ Performed market research on competitors, product development, and market opportunities
∇ Developed a new social media campaign to promote the company brand using multiple platforms such as Instagram, Facebook, and a monthly newsletter
∇ Analyzed customer trends to understand values, needs, and buying behavior and presented information to 25 members of the marketing team

WORK EXPERIENCE

Residence Hall Desk Clerk
The University of Iowa, Iowa City, IA
August 2015 – May 2017
∇ Answered phones and greeted residence and guests in a courteous and professional manner
∇ Maintained check-in and check-out procedures for keys and rental items in accordance with departmental policies
∇ Sorted mail for 500+ residents by putting mail in appropriate mailboxes, notifying residents of packages, and forwarding mail

Student Ticket Event Representative
The University of Iowa, Iowa City, IA
October 2014 – August 2015
∇ Assisted customers purchasing tickets and answered inquiries about the University of Iowa Athletics
∇ Sold tickets and ticket window for various events

COMMUNITY SERVICE EXPERIENCE

Student Member
American Marketing Association, Iowa City, IA
September 2015 – May 2017
∇ Shared experiences and networked with marketing students and professionals
∇ Attended weekly meetings to expand knowledge of marketing trends
∇ Participated in service and social activities

Volunteer, Coralville, IA
Free Lunch Program
October 2015 – October 2016
∇ Prepared and served nutritional meals
∇ Interacted with local community members
Hello,

Thank you for your generous offer. I am excited about the prospect of working for Integrity Solutions.

I am very interested in being a part of your company’s growth. This position aligns well with my career aspirations and I think that my experience and skillset would be an asset to Integrity Solutions. I accept your offer for Customer Service Representative at Integrity Solutions.

I look forward to speaking with you soon.

Respectfully,

Marcus Simmons
Appendix E

Email from Marcus – No Reason for Negotiation

Hello,

Thank you for your generous offer. I am excited about the prospect of working for Integrity Solutions.

I would like to ask you to consider base salary of $46,000.

I am very interested in being a part of your company’s growth. This position aligns well with my career aspirations and I think that my experience and skillset would be an asset to Integrity Solutions.

I look forward to speaking with you soon.

Respectfully,

Marcus Simmons
Email from Marcus – Market Research Reason for Negotiation

Hello,

Thank you for your generous offer. I am excited about the prospect of working for Integrity Solutions.

After receiving your offer, I researched similar positions in the market and found that the range was $43,000 to $57,000. For that reason, I believe a salary of $46,000 would be more in line with the skills and knowledge I would bring to this job.

I am very interested in being a part of your company’s growth. This position aligns well with my career aspirations and I think that my experience and skill set would be an asset to Integrity Solutions.

I look forward to speaking with you soon.

Respectfully,
Marcus Simmons
Hello,

Thank you for your generous offer. I am excited about the prospect of working for Integrity Solutions.

I have taken the time to compare my current compensation to your offer. To make the transition easier, I would like ask you to consider matching my current salary of $46,000.

I am very interested in being a part of your company’s growth. This position aligns well with my career aspirations and I think that my experience and skillset would be an asset to Integrity Solutions. I accept your offer for Customer Service Representative at Integrity Solutions.

I look forward to speaking with you soon.

Respectfully,
Marcus Simmons
Email from Marie – No Negotiation

Hello,

Thank you for your generous offer. I am excited about the prospect of working for Integrity Solutions.

I am very interested in being a part of your company’s growth. This position aligns well with my career aspirations and I think that my experience and skillset would be an asset to Integrity Solutions. I accept your offer for Customer Service Representative at Integrity Solutions.

I look forward to speaking with you soon.

Respectfully,
Marie Simmons
Email from Marie – No Reason for Negotiation

Hello,

Thank you for your generous offer. I am excited about the prospect of working for Integrity Solutions.

I would like to ask you to consider base salary of $46,000.

I am very interested in being a part of your company’s growth. This position aligns well with my career aspirations and I think that my experience and skillset would be an asset to Integrity Solutions.

I look forward to speaking with you soon.

Respectfully,
Marie Simmons
Hello,

Thank you for your generous offer. I am excited about the prospect of working for Integrity Solutions.

After receiving your offer, I researched similar positions in the market and found that the range was from $43,000 to $57,000. For that reason, I believe a salary of $46,000 would be more in line with the skills and knowledge I would bring to this job.

I am very interested in being a part of your company’s growth. This position aligns well with my career aspirations and I think that my experience and skillset would be an asset to Integrity Solutions.

I look forward to speaking with you soon.

Respectfully,
Marie Simmons
Email from Marie – Alternative Offer Reason for Negotiation

Hello,

Thank you for your generous offer. I am excited about the prospect of working for Integrity Solutions.

I have taken the time to compare my current compensation to your offer. To make the transition easier, I would like ask you to consider matching my current salary of $46,000.

I am very interested in being a part of your company’s growth. This position aligns well with my career aspirations and I think that my experience and skillset would be an asset to Integrity Solutions. I accept your offer for Customer Service Representative at Integrity Solutions.

I look forward to speaking with you soon.

Respectfully,
Marie Simmons