

Negotiation skills essential for closing the pay gap - study

Issued by [UCT Graduate School of Business](#)

12 May 2016

Global statistics show that the gap in salary between men and women refuses to close, and that in South Africa there are also other forms of salary discrimination. In a new study it is suggested negotiation skills are an essential factor in solving the problem.

Whereas scholars and business leaders have for many years unsuccessfully grappled with resolving the reasons for the discrepancy in salaries between men and women, a new study suggests that the solution may lie at the negotiating table.

According to the 2015 WEF [global gender gap report](#), it is likely to take 118 years on average for women to receive equal pay to men. In South Africa, this gap in earnings is estimated to be between 15 and 17%. The implication being that a woman would need to work two months longer than her male counterpart to earn as much in the same role.

A new report from career agency [Glassdoor](#) suggests that empowering women with stronger negotiating skills could play a crucial role in reversing this trend.

Based on a study of over 500,000 salaries, Glassdoor determined that men on average earned 24.1 percent higher base pay than women. However, where it was explicitly stated that salaries were negotiable, the gender gap decreased.

Glassdoor's vice president of corporate affairs, Dawn Lyon, commented: "We should focus on creating policies and programmes that provide women with more access to career development and training, such as pay negotiation skills."

David Venter, convenor of the Negotiation Skills for Managers course at the UCT Graduate School of Business (UCT GSB), says negotiation is a critical skill at all levels of business – and that it can play a doubly important role in a country such as South Africa.

"In South Africa, we have a situation where the majority of people have been disadvantaged for a number of reasons – e.g. race, gender, culture or sexual orientation – but are now theoretically able to apply for almost any job. Whether they succeed, largely depends on how well they can negotiate.

"It is extremely important that we empower people with the knowledge, insights, confidence and skills to move beyond value-sapping conflict in the boardroom. Given our diverse cultural background, it's vital to equip our people with the insights and tools they need to create win more-win more situations in an assertive yet cooperative manner."

In some environments, it unfortunately often occurs that employees who attempt to stand up for their rights are discriminated against. A Harvard study entitled *Social incentives for gender differences in the propensity to initiate negotiations: Sometimes it does hurt to ask*, underscores the differences between men and women in salary negotiations. It found that women were more frequently penalised than men when they attempted to negotiate higher salaries. These results were replicated in a study by the American Psychological Association.

"In repeated studies, the social cost of negotiating for higher pay has been found to be greater for women than it is for men," Hannah Riley Bowles writes in the *Harvard Business Review*. "Men can certainly overplay their hand and alienate negotiating counterparts. However, in most [published studies](#), the social cost of negotiating for pay is not significant for men, while it is significant for women."

Venter says the key is to understand that the need for negotiation skills applies to both parties – those on either side of the table – to produce a mutually profitable outcome.

“Managers need to extricate themselves from adopting a bargaining stance, which is positional and competitive,” he says. “This predisposes the parties to a value-claiming approach that result in a value-destroying tug of war in which one party is invariably over-powered by the other. Leaders, managers and employees need to be brought to a point where they look upon negotiation as an interest-based, cooperative and value-creating endeavour.”

Venter further cautions against misinterpreting ‘negotiation’ as ‘fight to win’. “There are a very specific skill sets that need be employed at the negotiating table by both parties,” he says. “Negotiating is not about coming out of this process as the winner, as this invariably leads to the loser feeling victimised and therefore a bad partner in the implementation of the ‘deal’. Negotiation is about finding agreements that leave both parties sufficiently satisfied to ensure that a deal can be successfully implemented for the full duration thereof. Business is inherently about exchange and therefore presupposes partnerships, alliances and allegiances.”

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