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The wage gap revisited: An investigation of salary request differences among Black-White and male-female workers

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THE WAGE GAP REVISITED:
AN INVESTIGATION OF SALARY REQUEST DIFFERENCES AMONG
BLACK-WHITE AND MALE-FEMALE WORKERS

A Dissertation
Presented in
Partial Fulfillment of the
Requirements for the Degree of
Doctor of Philosophy

BY
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November 7, 2011

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VITA

This author was born in Des Moines, Iowa, July 12, 1983. She graduated from Shawnee Mission North High School, received her Bachelor's Degree in Psychology from the University of Kansas in 2005, and a Master's Degree in Industrial/Organizational Psychology from DePaul University in July 2008.

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CHAPTER I.

INTRODUCTION

Pay equity among different groups in the workforce is a continued struggle. Literature, spanning over half of a century, documents pay gaps among individuals of different demographic groups and how gaps have changed over time (Gerhart, 1990; Gerhart & Rynes, 1991; Gibelman, 2003). Regardless, the research consistently shows individuals doing the same, or comparable work, are not getting paid the same (Gerhart & Rynes, 1991). Negotiation strategies and the success of these strategies have been offered as one of the explanations for wage gaps existing in the workforce (Greig, 2008; Stuhlmacher & Walters, 1999).

Past research has shown differences in individuals' negotiation strategies to be an explanation for wage gaps between men and women (Stuhlmacher & Walters, 1999) and Blacks and Whites (Gerhart & Rynes, 1991; Seidel, Polzer, & Stewart, 2000). Little research to-date has examined these negotiation differences in actual worker data. This research investigated differences in initial negotiation offers through examining salary requests among men and women and Blacks and Whites. Getting even more specific, there has also been very little research on how the interaction of race and gender play a role in negotiation, particularly in field samples of actual workers. The nature of this sample allowed for the opportunity to examine the interaction of race and gender more closely in addition to providing a field sample population to further test the differences in initial negotiation offers among men and women and Blacks and Whites. By examining data that represents what workers are actually doing rather than through

questionnaires asking what they would do, this research provided the opportunity to confirm or rule out if one explanation offered, the initial request in a salary negotiation, was a contributing factor to wage gaps existing.

Effects of a Wage Gap

The research on pay differences reinforces its importance to specific employees as well as to organizations facing discrimination lawsuits. Pay gaps can begin as early as the initial salary offer for an employee in a new position (Gerhart, 1990). Salary increases are generally based on a certain percentage of the base pay and can be the basis for pensions and stock options. Salaries at previous jobs are used as a starting reference for setting salaries for workers with experience who might be seeking work at another company. Therefore, initial salary differences can lead to more extreme differences over one's entire career (Cain, 1986). For example, when looking at a 30 year tenure, for both men and women with the same position and skill set, averaging a seven percent annual increase in salary, a starting salary difference of \$742 more for men would translate into a \$75,738 career advantage for men (Gerhart & Rynes, 1991). This advantage toward men exists even if all workers are given the same percentage increases throughout their career.

The external labor market also plays a role in determining the financial worth of jobs and the compensation of an individual (particularly one looking to switch organizations) through examining the supply and demand of different markets (Dulebohn & Werling, 2007). Geographic location, industry sector, product competition and organization size are the main factors that contribute to

the external labor market (Dulebohn & Werling, 2007). Use of the external market to determine the worth of jobs and compensation has not translated into higher pay for women. Associating external market strategies with individual's compensation also showed an advantage to men who benefited from these strategies while women showed no benefit (Brett & Stroh, 1997).

A common practice in organizations to minimize pay gaps between men and women is to give a higher annual percentage increase to women over men (Gerhart & Rynes, 1991). Even if women are receiving larger percentage increases in their salary after hire as compared to men, women are still falling behind men as far as salary is concerned over the course of their careers (Gerhart, 1990). Continuing with the same example discussed above with the \$742 starting salary difference between a man and a woman at the start of their career, a woman receiving annual increases 1.3 times that of a man would not catch up until her 10th year of employment (Gerhart & Rynes, 1991). Women's estimated losses at that point in time would be \$3,922 (Gerhart & Rynes, 1991). This might not seem like a large discrepancy over the course of 10 years, but the initial difference among the starting salaries is less than \$1,000. In many cases, the starting salary discrepancies are much larger (Gerhart & Rynes, 1991). Larger starting salary discrepancies, such as \$5,000, could lead to women's losses being \$29,489 instead of \$3,922 assuming the same 1.3 annual increase used in the example (Gerhart & Rynes, 1991).

In 1984, women earned about 60 percent of what men earned when looking at comparable jobs (Ferraro, 1984). The gap continued to get smaller

throughout the 1980's. In 1992 women were making 72 percent of what men were making (Gibelman, 2003). More recently, there are arguments that the gap is both getting smaller and larger. When controlling for education, age, marital status and race, the gap is said to be getting larger (Ward, 2001). In 2008, employed, full-time women earned 80 cents for every dollar that was earned by employed, full-time men, the smallest reported gap to date (Bureau of Labor Statistics, 2008). Most recently, in 2010, men in full-time management, professional and related occupations made weekly earnings of \$1,268, while women in these same occupations made \$915 a week, about 75 percent of what men made (Bureau of Labor Statistics, 2010). Men in full-time sales and related occupations made weekly earnings of \$832 in quarter one of 2010, while women in the same occupations made weekly earnings of \$508, about 62 percent of what men make (Bureau of Labor Statistics, 2010).

While gaps also exist between Whites and Blacks in the workforce, there is less research discussing the gaps. In the 1970's, data showed Black college graduates majoring in engineering and business were making the same as the national average. This data led individuals to believe the gap was closing (Wilson, 1980). Since that time, Whites are receiving higher compensation as compared to similarly qualified (i.e., same work experience and education) minorities when switching jobs to different organizations (Dreher & Cox, 2000; Weil & Kimball, 1996). In 2008, it was estimated that across all jobs, Blacks made approximately 75 percent of what Whites made (Society for Human Resource Management, 2008).

To replicate the pattern found in the working population as a whole the following hypotheses are proposed:

Hypothesis I. Controlling for education level and total years of work experience, there will be a main effect for gender where men will report higher current salaries for their most recent jobs as compared to women.

Hypothesis II. Controlling for education level and total years of work experience, there will be a main effect for race where Whites will report higher current salaries for their most recent jobs as compared to Blacks.

Hypothesis III. Controlling for education level and total years of work experience, there will be an interaction of race and gender. White men will report the highest current salary, Black men and White women will report salaries in between these and Black women will report the lowest current salary for their most recent jobs.

Explanations for Pay Gaps

With salary gaps of different groups in the workforce present, many explanations and debates exist to help explain why this phenomenon occurs (Callahan-Levy & Messe, 1979; Greig, 2008; Lips, 2003). There are both economic and social factors accounting for wage gaps among groups in the workforce. These factors have been examined, historically, from two perspectives: 1) differences resulting from characteristics of the job and 2) differences resulting from characteristics of the worker (Booker & Nuckolls, 1986). Studies looking at characteristics of the workers are based on the human capital theory, which measures value based upon economic contribution to the

organization. Economic contribution or productivity has no accurate way for direct measurement given the way most modern businesses function and is thus measured indirectly through education, training, skill, and responsibility (Booker & Nuckolls, 1986). It is important to note that explanations based upon characteristics of the worker do not necessarily relate to traits the worker possesses, but rather to factors that have an effect on the worker instead of the job. Studies looking at the characteristics of the job understand that some jobs are worth more when pay is concerned, but also recognize that occupational segregation and discrimination exist in the labor force (Booker & Nuckolls, 1986). Thus, these explanations are factors that have an effect on the job rather than the worker. Both explanations were discussed in the current research, but explanations resulting from the characteristics of the worker were the main focus.

Explanations Resulting from Characteristics of the Worker

Negotiation Differences

The main worker characteristic explanation examined in this study to explain wage gaps revolve around the differences in salary requests between groups. The main focus of this explanation is that certain groups do not negotiate for starting salaries or promotions as successfully as other groups which affect what those individuals will receive for wages. Specifically, women do not negotiate as large of outcomes as men (Stuhlmacher & Walters, 1999) and Blacks do not negotiate as large of outcomes as Whites (Gerhart & Rynes, 1991; Seidel, Polzer, & Stewart, 2000). This research looked at different aspects of a situation that can affect negotiating salary requests. Specifically, the likelihood of

someone choosing to negotiate with another person to resolve a situation (Babcock, Gelfand, Small, & Stayn, 2006; Greig, 2008) and an individual's perceptions about what their starting salaries should be (Gasser, Flint, & Tan, 2000) are discussed in the current research as factors playing a role before the negotiation even takes place. An individual's clarity around their job roles (Bowles, Babcock, & McGinn, 2005) and an individual's social network connections within an organization (Ibarra, 1997) are discussed in the current research as factors that have an effect during the negotiation process. An individual's feelings after settling or coming to an agreement in a negotiation (i.e., does the individual feel relief or regret from the resolution?) (Kray & Gelfand, 2009) is discussed in the current research as a factor that causes differences to emerge after the initial negotiation has taken place. Finally, theoretical reasons for the differences found to exist among groups are discussed in the current research to help provide explanations for what past research has found. Gender-role socialization theory (Watson, 1994), situational power theory (Kanter, 1977; Watson, 1994), status characteristics theory (Berger, Cohen, & Zelditch, 1972, Berger & Fisek, 2006), and backlash avoidance theory (Rudman & Phelan, 2008) are the main theories examined in this research.

Propensity to negotiate. Salary request differences first emerge when deciding whether or not to even negotiate. The propensity to negotiate is the frequency of individuals asking for what they want (Greig, 2008; Small, Babcock, Gelfand & Gettman, 2007). The propensity to negotiate comes from the context of both expected negotiation, where the negotiation terms and scope of the

negotiation are more fixed, and preparing for the negotiation, where the negotiation happens more spontaneously and allows for the terms and scope to be defined in the moment (Gerhart & Rynes, 1991; Greig, 2008). Depending on the context, different outcomes for men and women are found in their propensity to negotiate (Gerhart & Rynes, 1991; Greig, 2008).

In expected negotiation contexts, where the individual is more prepared for the negotiation and expects it to take place, structural factors seem to play more of a role than gender. A survey of graduating MBA students inquiring about the job search strategies used to find a job revealed men and women did not differ in their propensity to negotiate (Gerhart & Rynes, 1991). Negotiation propensity was defined as whether or not the student negotiated for a salary higher than initially offered by the organization with whom they eventually accepted a position. When men and women faced the same opportunities and instructions to negotiate, they negotiated at the same frequency. With these negotiations, attractiveness of the initial offer and the existence and attractiveness of alternative offers (i.e., structural factors) were more important than gender to determine salary negotiation behavior (Gerhart & Rynes, 1991).

When examining instances when negotiation is not expected and the individual has more ability to set the parameters of the negotiation, less structure exists which allows for more gender influence to take place. In these contexts coming to the “negotiation table” represents the propensity to negotiate and is commonly called “setting the table”. In a ‘setting the table’ context, promotion histories at an investment bank, interviews, and surveys with front-office, line-

management division employees' revealed women had a lower propensity to initiate negotiations as compared to men (Greig, 2008). The propensity to negotiate in this study was a behavioral measure asking individuals for a money request on a Starbucks gift card in return for participating in the survey. The propensity to negotiate was also measured on the survey by asking participants to indicate the last time they negotiated and the amount of time until they expected their next negotiation to take place. Fewer women as compared to men made a Starbucks card request with a difference of 76 percent of women versus 90 percent of men. Women requested an average of \$19.34 for the card versus \$21.47 for men. Additionally, women reported, on average, that more days passed since they last negotiated as compared to men (Greig, 2008). These differences were found despite controlling for race, nationality and age.

Babcock and Laschever (2003) report women do not ask for things they want at nearly the same frequency men ask for things they want. Investigating gender differences among employed individuals across jobs and industries revealed men were nine times more likely than women to ask for more money (Small et al., 2007). The lower frequency of women asking for what they want as compared to men spanned all generations and age groups (Small et al., 2007). This is especially interesting because, despite initial predictions by researchers that younger women are more likely to ask for things they want as compared to older women, the opposite was found. The difference in the frequency of asking between men and women in their twenties and early thirties is slightly larger than

the difference in the frequency of asking between men and women in older cohorts (Babcock & Laschever, 2003).

In addition to having a greater propensity to negotiation, according to a meta-analysis, men get a better payoff once the negotiation happens, compared to women (Stuhlmacher & Walters, 1999). When both men and women negotiate (versus not partaking in any negotiations whatsoever) higher outcomes (i.e., higher starting salaries) are received for men. Thus women being offered lower starting salaries and men negotiating larger salary outcomes leads to a much greater male advantage from the original offer to the accepted offer (Gerhart & Rynes, 1991). With men having a greater propensity to request a higher salary and receiving a better payout for their negotiations than women, it is hypothesized that men will request more money for their desired salary as compared to women. The following hypothesis is offered:

Hypothesis IV. Controlling for education level, total years of work experience and current salary, there will be a main effect for gender where men will have a higher salary request for a new job compared to women.

Performance and outcome expectations. How a person expects to perform on a task also affects how that individual negotiates for salary requests. Women have lower expectations of their performance on certain tasks (e.g., puzzles, quizzes, character detection task) and areas of achievement as compared to men (Beyer, 1990; Elliot & Harackiewicz, 1994). A pair of field studies examined self-confidence as a function of the gender of the individual, the gender type of a task and prior experience with the task (Carr, Thomas, & Mednick, 1985). The

participants were asked to rate their frequency of prior involvement with the task and their self-confidence to perform the tasks. There was a masculine, neutral, and feminine task in each study (Carr et al., 1985). Gender differences were found in self-confidence ratings using gender-typed tasks, even after controlling for task difficulty and prior experience with the task. Thus, lower performance expectancies (i.e., low self-confidence) are another reason women may underestimate their abilities (Carr et al., 1985).

Women's expectations of their performance also span numerous types of measures determining the accuracy of the women's performance. Three measures of accuracy of performance examine whether gender differences emerge on different gender oriented tasks (Beyer & Bowden, 1997). In the particular study, a first measure of accuracy was self-evaluations of performance. This was operationalized in the study as the discrepancy between an individual's objectively measured performance and the women's post-task self-evaluation (Beyer & Bowden, 1997). The second measure of accuracy was calibration which is the probability estimation that the women's answer to a certain question was correct (Beyer & Bowden, 1997). Finally, the third measure of accuracy was response bias which refers to the person's level of confidence in answering a question correctly (Beyer & Bowden, 1997). The masculine task reported gender differences in all three accuracy measures (i.e., a multiple choice test of sports trivia). No gender differences were found with either the feminine (i.e., a multiple choice test of TV shows geared toward a female audience) or neutral task (i.e., a multiple choice test of common knowledge) (Beyer & Bowden, 1997).

Women were less accurate evaluating their performance on gender-incongruent masculine tasks than men evaluating their performance on gender-incongruent feminine tasks. Misperceptions of one's ability affects the type of jobs or career paths one chooses over the course of a lifetime and persistence and performance in these areas (Beyer & Bowden, 1997). Thus, women may choose lower paying gender-congruent jobs at a higher frequency or be less successful (as compared to men) at evaluating their performance in gender-incongruent jobs, which adds to pay gaps found in the workforce.

Looking to Whites' and Blacks' expectations for performance and salary, Whites report higher peak salary expectations as compared to Blacks (Gasser et al., 2000). These differences impact Blacks' negotiation strategies either by providing a lower starting dollar amount from which to negotiate from or by negotiating smaller counter-offers after the initial offer, leading to wage discrepancies (Gasser et al., 2000). Investigations of racial differences in reactions to high and moderate starting salaries in undergraduates (i.e., \$42,000 or \$30,000) revealed differences between Blacks and Whites. Examining and offering feedback on a consulting firm's website, Whites perceived higher salaries offered more favorably than lower salaries. Blacks perceived both high and low salaries with the same level of favorability, suggesting Blacks were less sensitive to differences in starting salaries than Whites when evaluating potential employers (Arvey, 2003). Additionally, research shows Blacks and Whites receive very similar initial starting salary offers, but Blacks negotiate smaller increases than Whites before accepting the position (Seidel et al., 2000). With

Blacks having lower salary expectations as compared to Whites and negotiating smaller increases, they would be expected to have a lower salary request for their next job as compared to Whites. The following hypothesis is proposed:

Hypothesis V. Controlling for education level, total years of work experience and current salary, there will be a main effect for race where Whites will have a higher salary request for a new job compared to Blacks.

Very little research has examined how the interaction of race and gender played a part in wage gaps. Race and gender separately have been shown to impact salary outcomes in the workplace, thus it becomes necessary to also examine race and gender, in tandem, and the effect they have on the initial negotiation offers of salary requests. One study that has examined the interaction of race and gender was a field experiment of car purchases controlling for age, education, attractiveness, economic class and the script the actors used (Ayres, 1991). White men received significantly lower markups when negotiating a car purchase than Blacks and women. White women reported paying 1.5 times the markup as compared to White men, Black men paid twice the markup and Black women paid more than three times the mark up of White men (Ayres, 1991). These differences in markups turned into an average dealer profit of \$362 for White men, \$504 for White women, \$783 for Black men and \$1237 for Black women. Black women were therefore at the greatest disadvantage. In this study, race and gender were super-additive meaning the discrimination against Black women was greater than the combined discrimination against the White women

and Black men (Ayres, 1991). Based upon research showing Black women are at the greatest disadvantage as far as negotiation outcomes are concerned the following hypothesis is proposed looking at salary request as the initial negotiation offer:

Hypothesis VI. Controlling for education level, total years of experience and current salary, there will be an interaction of race and gender. White men will have the highest salary requests for a new job, Black men and White women will be in the middle, and Black women will have the lowest salary request.

Networks in organizations. Organizational networks, or a group of individuals who socialize and leverage one another in an organization, play a large role in many aspects of hiring or promotion situations and lead to another possible reason for negotiation differences in salary requests among groups in the workforce (Seidel et al., 2000). One of the main advantages of having a network in an organization is the information provided when a person is trying to get a job or a promotion. This provides the job seeker the ability to find inside information about the job and company. Individuals in an organizational network serve as a reference for one another or as an advocate for each other by putting in a good word. This advantage is invaluable for the individual in setting them apart from the competition and providing them an upper hand in negotiating for salary increases (Seidel et al., 2000).

Two types of networks exist, “friendship” networks and “instrumental” networks. “Instrumental” networks serve the purpose to exchange information

and be ready to help each other out. “Friendship” networks are more social in nature (Ibarra, 1992; 1997). Both men’s “instrumental” and “friendship” networks are primarily with other males. Females’ “friendship” networks are primarily made up of females, but their “instrumental” networks are made up of both males and females (Ibarra, 1992). This results in women’s ties to men in their “instrumental” networks being less strong and less valuable for them as compared to men’s ties to other men in their “instrumental” networks (Ibarra, 1992; 1997).

In addition to networks being less profitable for women, there are smaller numbers of women in executive roles for organizational networks to develop among women in the workforce. Women occupy more than 40 percent of all managerial positions across the US. Of the most highly paid executives of Fortune 500 companies, only about 13 percent are women (Soares, Carter, & Combopiano, 2009). Only two percent of the CEOs are women and only 15 percent of the seats on boards of directors are held by women (Eagly & Carli, 2007; Soares et al., 2009). Thus women are underrepresented in the upper level positions leading to a higher likelihood of developing networks with men (rather than women) and a higher likelihood of the value of the networks being much lower than if more women were included.

Aside from organizational networks being more productive for men than women, White men also benefit to a larger extent from having numerous ties that are relatively weak (i.e., someone considered an acquaintance, but not a friend). Women and Blacks, on the other hand, are shown to gain little benefit from weak

ties (Granovetter, 1982). Therefore, women and Blacks need stronger ties than White men to help combat the effects of bias and gender/race-type expectations women and Blacks face in organizations (Ibarra, 1997).

Mentoring and peer relationships can help to strengthen the ties women and Blacks have in the workforce. These relationships also aid in career and personal development of women and Blacks (Whitely & Coetsier, 1993). Unfortunately though, the socio-economic origin of the mentee relates to the amount of career mentoring they receive and individuals who come from lower socio-economic backgrounds (e.g., Blacks) receive less mentoring than individuals who come from higher socio-economic backgrounds (e.g., Whites) (Whitely & Coetsier, 1993).

When developing networks and mentoring relationships, people gravitate toward similar others (Bova, 2000). A perfect example of this is when mentors seek out younger versions of themselves to mentor. Both Blacks and women have smaller networks and less access to social ties than their White male colleagues making it more difficult to find mentors and peer relationships (Ibarra, 1995; Seidel et al., 2000). This leaves women and Blacks being mentored less frequently than White men (Dreher & Cox, 1996), making it more difficult for women and Blacks to advance in their careers as compared to White men (Bova, 2000). Additionally, those who establish mentoring relationships with White men have an average annual compensation advantage of nearly \$17,000 over those who establish mentoring relationships with women or Blacks regardless of race or sex (Dreher & Cox, 1996).

It is clear that Blacks and women are at a disadvantage when it comes to organizational networking and this disadvantage has an effect beyond knowing more people in the organization. Networking is related to the number of promotions in one's career (Whitely & Coetsier, 1993) and has benefits all throughout career development. The effects of differences in the structure and availability of networks go beyond career advancement as well. Interviews and surveys of middle-level managers in four Fortune 500 firms showed that even when Blacks are able to obtain similar organizational networks as compared to Whites, those networks were perceived by Blacks as producing less access to career benefits (Ibarra, 1995). The differences in the perceptions of access to career benefits of Whites and Blacks demonstrates that providing equal access to Blacks and Whites alike in organizations is not enough to affect network strategies. The individuals' perceptions of their access might also need to be changed (Ibarra, 1995).

Ambiguous situations. Another area of discussion around the initial negotiation of salary requests is ambiguity of a negotiation situation and how it affects groups of individuals. Ambiguity, both situational and structural, plays a role in negotiation settings and differences found in negotiations between men and women (Bowles et al., 2005; Kray & Gelfand, 2009). Situational ambiguity refers to the level of uncertainty around the situation in a negotiation (Bowles et al., 2005). This could include how parties are supposed to interact with one another and if everyone has the ability to respond as expected. Structural ambiguity is the degree of uncertainty for individuals around the economic

structures of the negotiation (Bowles et al., 2005). One major area of potential structural ambiguity consists of knowledge around the pool of resources the individuals are supposed to distribute in the negotiation.

Certain positions are more or less situationally ambiguous based upon the information (or lack there-of) in job descriptions stating the requirements of the job. This means different job levels have more or less situational ambiguity (Drory, 1981). Many upper level positions (e.g., management or VP positions) have less defined descriptions of what is required of the job and are more situationally ambiguous in their job requirements than certain lower level positions (e.g., administrative assistants or entry level positions) (Beehr & Drexler, 1986). The lack of defined job duties in job descriptions leads to more situational ambiguity in negotiation situations. Gender effects are therefore more prevalent in the expectations of the pay for a specific position in high (rather than low) situational ambiguity situations. With different levels of situational ambiguity existing in different levels of jobs (i.e., upper level jobs versus lower level jobs) (Beehr & Drexler, 1986) then the level of the job should influence the salary request amounts of men and women.

Structural ambiguity also plays a role in the effect of gender triggers on negotiations. Specifically, situations in which the negotiation parameters were structurally ambiguous led to larger gender differences than in those situations where the parameters were more obvious (Bowles et al., 2005) These effects were found both when looking specifically at defined “high” structural ambiguous industries and “low” structural ambiguous industries. There was no difference

between the mean salaries negotiated by male and female MBA students in low structural ambiguity industries (i.e., investment banking, consulting, consumer products) while in high structural ambiguity industries (i.e., telecommunications, health/human services, advertising/marketing) there was a \$10,000 gender gap in MBA student's salaries (Bowles et al., 2005).

Ambiguity also matters when it comes to feelings about the outcome of the negotiation. Examining the effect of one's first offer being accepted on a negotiator's emotions, women feel more relief after having their first offer accepted as compared to men (Kray & Gelfand, 2009). In highly ambiguous situations when the norms are not clear, women are relatively satisfied after their first offer is accepted. In low ambiguity situations, women experience regret after having their initial negotiation offers accepted. Overall, ambiguous negotiation situations affect women and men differently, with women showing more sensitivity to the ambiguity of the negotiation context (Kray & Gelfand, 2009). In upper-level positions (as opposed to lower-level positions) where the situation is more ambiguous, women are more satisfied with their initial offer being accepted and are less likely to negotiate for a higher salary. This further leads to widening pay gaps between women and men.

One possible explanation for the differences found between men and women in their feelings after the negotiation is over is the differences in the negotiation goals of men and women in these ambiguous situations. Kray and Gelfand (2009) tested whether there were differences in negotiation goals between men and women and found that in highly ambiguous situations women

are more concerned with relational goals (i.e., goals related to developing a relationship with one's partner and pleasing that person), while men express no preference over either distributive goals (i.e., goals relating to winning the negotiation and appearing smart) or relational goals (Kray & Gelfand, 2009). When the norms of the situation are clear and there is low ambiguity (i.e., expectations and reasons are well defined), men and women have similar negotiation goals (Kray & Gelfand, 2009).

Theoretical reasons for negotiation differences. As previously discussed differences exist in the negotiations of men and women and Blacks and Whites, potentially leading to outcomes that affect the salaries of these groups (Babcock & Laschever, 2003; Gerhart & Rynes, 1991). Several theories have been discussed to understand the underlying components that cause negotiation differences to exist. The majority of the theories tend to focus more on men and women over Blacks and Whites, but there are certain theories where conceptually the link could exist for Blacks and Whites even though there has been no research to help substantiate it.

The first theory that offers up an explanation for the negotiation differences found between men and women is the gender-role socialization theory (Watson, 1994). This theory suggests that men and women will negotiate differently and have different levels of success because of the different expectations for behaviors associated with their gender roles (Watson, 1994). Specifically, women in society have expectations to be nurturing and supportive and will thus be softer and more cooperative in negotiations. Men have

expectations to be tough and task-oriented and should be more competitive negotiators (Watson, 1994). Cooperation has been shown to leave one open to exploitation by one's opponent (Pruitt, 1983), thus leading to an unsuccessful negotiation (i.e., lower outcomes) as compared to competitiveness which leads to more successful negotiations (i.e., higher outcomes). Thus, men's competitive nature leads to more success at negotiating compared to women's cooperative nature (Watson, 1994).

A second theory looking at differences in men and women which is attributed to the differences found in negotiation strategies is the situational power theory (Kanter, 1977). This theory suggests that individuals who have more power in a certain situation should be more competitive and negotiate for higher outcomes than individuals who have less power (Kanter, 1977; Watson, 1994). This theory assumes the power one has in a situation is a better predictor of negotiating behavior and outcomes than gender. Thus, power leads to a greater dominance, competitiveness and higher outcomes for both genders (Watson, 1994). If women are given a reasonable amount of situational power, they are likely to negotiate as high of outcome as men in negotiations (Watson, 1994). Relating back to the findings previously discussed of men having higher negotiation outcomes compared to women, men therefore are given more situational power in negotiations leading to their higher outcomes.

As the situational power theory assumes power is a better predictor than gender, this theory could also serve as an explanation for the differences found in negotiation strategies for Blacks and Whites. With the power one has in a certain

situation being the most important factor and the findings of research previously discussed, Whites must have more situational power in negotiations leading to more successful outcomes.

Status is another factor that allows for people to be treated differently and status is the basis of the third theory offered as an explanation, the status characteristics theory (Berger et al., 1972). The status of an individual can affect how that individual is perceived on many other characteristics. The status characteristics theory states that status is a reason for having different expectations of individuals (Berger, et al., 1972; Berger & Fisek, 2006). Diffuse characteristics such as education, gender, race and physical attractiveness are associated with status and perceived competence (Miles & Clenney, 2010). Higher status individuals are perceived to be more competent than lower status individuals. When applied to negotiation situations, higher status individual's behaviors, ideas, and proposals are more readily accepted than lower status individuals (Miles & Clenney, 2010).

Men are perceived to have higher status than women and negotiation is typically viewed as a male domain (Walters, Stuhlmacher, & Meyer, 1998). Thus, men are given increased freedom in how they operate in negotiations (Miles & Clenney, 2010). Men's actions in negotiation situations are met more favorably and men, in turn, have better outcomes in their negotiation situations because of this favorability (Miles & Clenney, 2010). Men, therefore receive a better outcome when negotiating for salary requests as compared to women.

Even though no research to date has examined how race plays an effect in the status characteristics theory, Whites are generally perceived to be of a higher status than Blacks (Stevenson & Arrington, 2009). The same principles and outcomes would also be expected to apply to race as it does to gender with Whites being perceived as more competent and having a better outcome in negotiations for salary requests as compared to Blacks. The status characteristics theory can therefore also offer an additional explanation for why negotiation differences would be found between Blacks and Whites as well as men and women.

Finally, the last theory offered as an explanation for differences in negotiation strategies for men and women is the backlash avoidance theory. This theory assumes that women's own self-promotion elicits a backlash effect in the form of social and economic penalties for actions of counter-stereotypic behavior (Rudman & Phelan, 2008). Women are stereotyped as being more communal in nature, where they will be trustworthy and warm, promoting behaviors that build and keep relationships (Olekalns, Kulik, Simonov, & Bradshaw, 2011). Men are stereotyped as more agentic where they promote behaviors that focus on themselves which are more competitive in nature (Olekalns et al., 2011). Fear of backlash impairs goal pursuit and raises evaluations which diminish self-promotion success necessary for salary negotiations (Moss-Racusin & Rudman, 2010). Thus women in self-promoting negotiating contexts violate the female stereotype by being assertive which evokes incongruent evaluations, negative attributions and backlash (Amanattullah & Morris, 2010). Women, therefore circumvent their assertiveness in the negotiations by using fewer competing

tactics and obtain lower negotiation outcomes as compared to men (Amanatullah & Morris, 2010).

Skills Gap

In addition to the negotiation differences previously discussed as a characteristic of the worker explanation for wage gaps, another characteristic of the worker explanation is skill gaps among different groups. The idea behind this explanation is that groups have different skill levels which accounts for why they are not paid the same.

The Armed Forces Qualification Test (AFQT) is a test used to determine the skill level of potential enlistees into the United States Armed Forces. The test was first introduced in 1968 and underwent a major revision in 2002. There are 11 skill sections measured on the test, some of which include: word knowledge, arithmetic reasoning, general science and verbal expression. Studies using the AFQT to measure Black-White skill differences as reasons for the pay gap between Blacks and Whites found Blacks scored lower on the test. This explained about two-thirds of the wage difference for Black women and half of the difference for Black men in the pay gap relative to White men (Neal & Johnson, 1996). Another AFQT study revealed that when matching for education, experience, and age, AFQT scores accounted for most of the Black/White wage gap for 22 to 29 year old men with some college education who work at least 35 hours a week (O'Neill, 1990). Both studies explain the pay gap by suggesting there is a Black-White skills gap among groups in the workforce. However, the AFQT has weak explanatory power because of racial biases in the test where it is

less able to predict Black wages than White wages (Coleman, 2003). The score on the AFQT is also highly correlated with the black dummy variable which suggests the AFQT and the dummy variable are proxies for each other (Maume, Cancio, & Evans, 1996), thus the validity of the test is often questioned calling the skills gap explanation into question (Coleman, 2003).

Opposition to the skills gap argument for race demonstrated that when Black and White men have the same human capital (or labor characteristics), Black men still earned 11 percent less than White men (Coleman, 2003). Conclusions drawn from studies using the AFQT test show about half the wage differences between Blacks and Whites are due to differences in skills. All the models used by Coleman (2003) show consistent differences in wages that range from 11 to 19 percent regardless of human capital and labor market factors. Thus, a portion of wage gaps between Blacks and Whites likely exists for reasons outside of a skills gap between the two groups.

For women, the skills gap argument exists, but is less substantiated by research. Women are less likely to work continuously during their lives. They have fewer incentives to invest in market-based education and on-the-job training leaving them with less skill development as compared to men (Blau & Kahn, 2000). Thus, because of many women's schedules with childbirth and childcare, they may choose jobs that require less skill and smaller investments in their skill development putting them at a disadvantage to reach high skill, high paying jobs (Boraas & Rodgers, 2003). The skills gap, therefore, does not seem to be a viable explanation for why wage gaps exist between women and men because

women do not actually have less skill as the argument suggests, but rather women choose jobs that require lower skill and less investment in their skill because of the interruptions they are more likely to experience during their working lives.

Barriers to equal pay

The final worker characteristic explanation discussed for wage gaps existing in the workforce is barriers to equal pay. Barriers exist for both women and Blacks. Examining women's own value placed on their work and monetary rewards as compared to men showed women asked for less money as compared to men, not because they believed they performed at an inferior level, but because barriers led women to have a weaker sense of their own equity (Callahan-Levy & Messe, 1979). Men and women therefore differ in their feelings about what they can get in return from their contribution to the workforce. Women across many ages, from first grade to college when given the chance, pay themselves less than men pay themselves (Callahan-Levy & Messe, 1979). Additionally, the amount of money women allocate to themselves is related to the masculinity of their career goals. Women interested in pursuing more masculine career oriented jobs pay themselves more money than women interested in pursuing more feminine career oriented jobs (Callahan-Levy & Messe, 1979). Regardless, women still pay themselves less than men pay themselves contributing in the wage gap between men and women.

Barriers exist for Blacks as well. Blacks as a group remain at an economic, educational, and social disadvantage as compared to Whites (Barbarin, 2006). This disadvantage has been shown in attaining equal health care, and

discrimination in housing (Barbarin, 2006). Poverty is another area where Blacks are disadvantaged as compared to Whites (DeNavas-Watt, Proctor, & Lee, 2005). In 2004, 24.7 percent of Blacks lived below the poverty level and in 2007, Blacks made an average income of \$33,916 as compared to \$54,920 for Whites (DeNavas-Watt et al., 2005). With poverty being an issue, higher educational attainment is also affected for Blacks. Blacks attend college at about half the rate of Whites and as of 2000, Blacks lagged behind Whites in educational attainment across all educational levels (United States Census Bureau, 2000). Blacks make up approximately 13 percent of the population, but in the 2007-2008 school year, Whites received 67 percent of the associate's degrees, 72 percent of the Bachelor's degrees, 66 percent of the Master's degrees and 57 percent of the Doctorate degrees. Blacks received 13 percent of the Associate's degrees, 10 percent of the Bachelor's degrees, 10 percent of the Master's degrees and 6 percent of the Doctorate degrees (U.S. Department of Education, 2010). Thus, there are demonstrated differences in Blacks and women's attainment of resources that act as barriers to equal pay and thus affect wage gaps in the workforce.

Explanations Resulting from Characteristics of the Job

Explanations offered due to the characteristic of the job are occupational segregation and discrimination. As these job characteristics' explanations are not the main focus of this paper, they are offered to provide additional insight to pay gaps.

Workplace Bias and Discrimination

Bias is a strong positive or negative feeling toward a particular group of people that is often not based on fair judgment (Arvey, 1986). An individual's bias toward a certain group and the discrimination arising from their biases offers one job-oriented explanation for salary differences among individuals in the workforce. Biases in the workforce have an effect on both job evaluations and individual's performance evaluations, which both assess numerous factors in companies. Job evaluations assess the worth of a job, whether similarly situated jobs are paid comparably, and how to adjust pay to achieve equity (Arvey, 1986). Strides have been made to recognize the negative effects of biases in job evaluations, but the reality is that job evaluations and other pay-setting practices continue to incorporate bias at a higher frequency to jobs performed by women and Blacks over White men (Figart, 2000). Also, subjective job evaluations (i.e., reflects the evaluator's perspective of reality) rather than objective (i.e., tangible measures) allow individual biases to come into play more often (Arvey, 1986; Figart, 2000).

Examining an individual's performance evaluation has shown disparity in salary increases despite equal performance ratings. Tenure in the job, part-time job status, level of education and job title were all controlled for when the disparities were found. The conclusion therefore was that bias and discrimination exist with both race and gender as the reason for the disparate salaries (Castilla, 2008).

Disparity in the actual ratings of performance also exist (Castilla, 2008). Different performance ratings are given to women or Blacks, when their performance is the same, leading to lower salary increases (Castilla, 2008). Bias and discrimination exist as explanations in these instances as well. Specifically if individuals have a negative bias toward a certain group of people, they tend to rate individuals from that group with lower performance scores as compared to individuals who have a non-negative bias of a certain group (Baltes, Bauer, & Frensch, 2007).

The attributes one possesses are also important to examine as they play a part in how individuals are evaluated in their job. Typically, attributes associated with men (e.g., tough and achievement oriented) are assumed to be necessary for success in male gender-typed jobs over attributes typically associated with women (e.g., kind and caring) (Heilman, 1995). This belief may influence the expectation that women are a poor fit for positions requiring them to be tough and achievement oriented and can affect how women are evaluated when they are in traditionally male jobs (Heilman, 1995). This type of job evaluation bias existed when individuals evaluated employees with a job description titled “special assistant-accounting” (a female oriented job title) and employees with a job description title of “senior secretary-accounting” (a male oriented job title) (McShane, 1990). When the job title was female-oriented and aligned with the attributes more often associated with females, bias was more likely to be present with the female-oriented job title being evaluated less favorably than the male-oriented job title (McShane, 1990).

Interestingly, a study by Hornsby and colleagues (1987) found there are circumstances when women are evaluated more favorably despite the fact that jobs are associated with more male attributes. Two jobs that had identical job descriptions were used. Only the job titles (i.e., matron/jailer) and gender-laden pronouns were different manipulating the gender of the job holder. The matron job was evaluated higher by both males and females (Hornsby, Benson, & Smith, 1987). Thus women were evaluated higher than men in a job that would stereotypically be thought of as traditionally male (Hornsby et al., 1987). The researchers attributed this counter-intuitive finding to the possible explanation that females have to work much harder to keep up when working in a male-dominated work setting such as a jailer or matron. Women as matrons/jailers are not typically expected to have those stereotypical attributes (i.e., kind and caring) that have traditionally been devalued which researchers believe led to evaluator's thinking women worked harder than men in the role.

When looking to biases and discrimination based upon race, outcomes tend to be similar to those found with gender. Black men and Black women both report discrimination in raises and promotions after controlling for industry and human capital (Coleman, 2003). When controlling for socioeconomic status, Blacks complete more years of schooling and graduate from high school at a higher rate than Whites, but earn lower wages (Mason, 1997). If discrimination did not exist in the workforce, Black and White job seekers of equal skill should receive a job, of which they match the qualifications, equally as often, a ratio of 1:1. When examining hiring audits, a review of the hiring procedures of an

organization, it was found that White job seekers were given the job more frequently than Black job seekers, at a rate of 3:1 (Turner, Fix, & Struyk, 1991). The 3:1 ratio shows that in this instance, despite equal ability between Black and White job seekers, there was not equal distribution of the open positions and discrimination is a viable explanation for this discrepancy.

Gender discrimination is also prevalent in organizations today (Davison & Burke, 2000). Both men and women receive lower ratings in the application process when they apply for jobs believed to be more congruent to members of the opposite gender, but female applicants are discriminated against at much higher frequency than male applicants (Davison & Burke, 2000). This effect is magnified when there is less job-relevant information available to make the decision (Davison & Burke, 2000). Women, thus, have a harder time breaking into higher paid male-dominated jobs contributing to the wage gap seen between men and women (Davison & Burke, 2000).

Laws and legislation have been implemented to help combat the wage gaps. The major legislation that have an effect on the wages and wage gaps in the workforce are the Equal Pay Act, Civil Rights Act and Lilly Ledbetter Act. These acts will be discussed to provide additional insight to the attempts that have been made to rectify the gaps.

The concepts of pay equity and comparable worth have sparked legislation like the Equal Pay Act of 1963 (Ferraro, 1984). Specifically, the Equal Pay Act says that no employer can pay employees differently on the basis of sex when equal work on the job is performed. Equal work requires equal skill, effort, and

responsibility and the work must be performed under equal working conditions. The exceptions to the idea of equal pay for equal work are when pay is made based on a seniority or merit system or a system which measures based upon quality or quantity of work, or any other factor other than sex (Ferraro, 1984).

Similar or equal skill, as defined by the Equal Pay Act, is equivalent experience, training, education, and the overall ability of the employee necessary for the job. Equal effort is the amount of mental and physical exertion demanded. Responsibility is the amount of accountability over one's performance, which includes the consequences of making mistakes on the job (Crampton, Hodge, & Mishra, 1997).

Comparable worth is another important concept that affects the wage gaps. It is the idea that men and women should receive equal pay when they perform work that involves comparable skills and responsibility or that is of comparable worth to the employer (Crampton et al., 1997). Comparable worth describes the idea that sex-segregated jobs should be re-analyzed to determine their worth to an employer (Crampton et al., 1997). Comparable worth is therefore not supported in federal courts, but is instead a concept that is dealt with through legislation at the state and local government levels (Booker & Nuckolls, 1986). Generally in practice, it consists of raising wages for traditionally female-dominated jobs to the level of those for comparable male-dominated jobs (Booker & Nuckolls, 1986).

The Civil Rights Act of 1964 is another law that was implemented to help reduce the wage gap. The Civil Rights Act makes it illegal for an employer to refuse to hire or discharge (in addition to other work activities) any individual

with respect to their employment, including their compensation, because of the individual's race, color, religion, sex, or national origin. Additionally, this act makes it illegal for an employer to limit, segregate or classify their employees to make decisions about work based upon these characteristics. This act is broader than the Equal Pay Act and makes job discrimination, based on protected group status, in hiring, promotions and other work activities illegal (Crampton et al., 1997).

A more recent act relating to wages in the workforce is the Lilly Ledbetter Act. Passed in 2009, the act differentiates pay discrimination from overt acts of discrimination. The act makes discrimination in compensation illegal when a discriminatory decision is adopted, when an individual becomes subject to a discriminatory decision or other practice or when an individual is affected by the application of a discriminatory practice. Specifically, the bill amends the Civil Rights Act of 1964 stating that the 180-day statute of limitations for filing an equal-pay lawsuit regarding pay discrimination resets with each new discriminatory paycheck (Brittan & Onder, 2009). This includes each time any compensation is paid (Dunleavy & Gutman, 2009). Thus, this law allows for the employees to treat each payment of compensation discrimination as a separate act which resets the deadline for filing a claim (Brittan & Onder, 2009; Dunleavy & Gutman, 2009). The purpose of the act is to make it easier for the protected classes of the Civil Rights Act to file claims against an employer for alleged pay discrimination. The full impact of the act is still unknown as it is new to legislation in the pay arena. One positive aspect from the act is that companies

must continually conduct internal assessments to determine if their decisions for pay are being made fairly (Brittan & Onder, 2009).

Even though legislation has helped to improve the gaps of gender and Black-White workers, White men are still consistently reporting the highest earnings and Black women are consistently reporting the lowest earnings. Black men and White women are reporting earnings that fall in between. Data from the 2000 census showed the average hourly wage for White men was \$18.83, Black men, \$14.50, White women, \$13.73 and Black women, \$12.92. More recently, the median weekly earnings of White men working full-time is \$825, White women, \$654, Black men, \$620 and Black women, \$554 (Bureau of Labor Statistics, 2008).

Occupational Segregation

In addition to workplace bias and discrimination, the other characteristic of the job explanation discussed is occupational segregation. Occupational segregation is the concentration of a similar group of people in the same job or occupation (Lips, 2003).

Gender occupational segregation suggests pay gaps between men and women are a result of different occupational paths (i.e., job types) with different reward structures (Lips, 2003). Men more often choose occupations that pay more and have promotional tracks (e.g., as administrators and lawyers), while women more often choose occupations that pay less and are not on track for promotion (e.g., as teachers or social workers). Occupational segregation can begin very early in one's life, but specifically in college, it is reflected through the

choice of one's major field of study (Morgan, 2008). Men choose degree types leading to jobs that pay more (e.g., business administration majors) as compared to women who choose degrees leading to jobs that pay less (e.g., social science majors). Thus the occupational choices of men and women are often a product of the majors they choose for both bachelor's and advanced degrees (Morgan, 2008).

Even though gender occupational segregation exists, it does not account for the whole explanation for wage gaps. Examining earnings for both men and women in various occupational subcategories showed women earned less than men in all but four of the 166 total occupations examined (Lips, 2003). These occupations had both a mix of men and women within them, but some occupations were more female-dominated or male-dominated (Lips, 2003). The four occupational subcategories were teachers in special education, order clerks, miscellaneous food preparation occupations, and electrical and electronic engineers (Lips, 2003). These findings suggest a part of the wage gap can be explained by occupational segregation, but wage gaps do not solely exist because women and men choose different occupations.

Racial occupational segregation suggests individuals of different races have a higher propensity to enter into certain occupations which leads to wage discrepancies (Maume, 1999). Black executives are often placed into liaison occupations linking the company to the Black community or to advocates searching for Black equality (Collins, 1993). In the public sector, Blacks (men and women) are concentrated in agencies that have Black clients (e.g., social welfare or corrections). In the private sector, Black employees are hired to

market products to the Black community or to run certain diversity or Affirmative Action programs in organizations. These types of occupations generally pay less than occupations linked to the White community (Collins, 1993). In 2009, the Census Bureau reported that Blacks were 12.9 percent of the population, but Blacks were 3.1 percent of architects, 5.6 percent of physicians and pharmacists, and 5.1 percent of lawyers. On the opposite end of the spectrum, Blacks were 25.6 percent of guards, 21.9 percent of maids, 23.6 percent of barbers and 29 percent of pressing machine operators (Cokley, Dreher, & Stockdale, 2004). The occupations Blacks generally enter have lower pay and earning potential as compared to occupations Whites generally enter and thus part of the explanation for wage gaps existing is the occupations that Blacks enter into relative to White men.

Rationale

In summary, the present research examines the role salary requests play in wage gaps among workers in the workplace. Past research showed differences in an individual's negotiation strategies are a contributing explanation for wage gaps between men and women (Stuhlmacher & Walters, 1999) and Blacks and Whites (Gerhart & Rynes, 1991; Seidel et al., 2000), but little research to-date has examined differences in initial negotiation offers in actual worker data through a field study approach.

Very little research exists on how the interaction of race and gender play a role in initial negotiation offers, particularly in field samples of actual workers. With a sample that allows examination of minority populations, this study is able

to examine the interaction of race and gender more closely. The current research examines worker data to see if salary request plays a role in explaining wage gaps. Research shows that negotiation differences, particularly initial salary requests, are a viable option for why wage gaps exist. The present study tests to confirm or rule out this explanation. Those groups who historically have lower salaries (i.e., women, Blacks) are expected to request lower salaries for the next job as compared to those groups who historically have higher salaries (i.e., men, Whites).

Statement of Hypotheses

The following is a summary of the proposed hypotheses:

Hypothesis I. Controlling for education level and total years of work experience, there will be a main effect for gender where men will report higher current salaries for their most recent jobs as compared to women.

Hypothesis II. Controlling for education level and total years of work experience, there will be a main effect for race where Whites will report higher current salaries for their most recent jobs as compared to Blacks.

Hypothesis III. Controlling for education level and total years of work experience, there will be an interaction of race and gender. White men will report the highest current salary, Black men and White women will report salaries in between these and Black women will report the lowest current salary for their most recent jobs.

Hypothesis IV. Controlling for education level, total years of work experience and current salary, there will be a main effect for gender where men will have a higher salary request for a new job compared to women.

Hypothesis V. Controlling for education level, total years of experience and current salary, there will be a main effect for race where Whites will have a higher salary request for a new job compared to Blacks.

Hypothesis VI. Controlling for education level, total years of experience and current salary, there will be an interaction of race and gender in salary requests. White men will have the highest salary requests for a new job, Black men and

White women will be in the middle, and Black women will have the lowest salary request.

CHAPTER II.

METHOD

Participants

Participants were individuals who registered on an international job board site. The job board site has over 25 percent of the US employed workforce registered on their site. The individuals voluntarily put their information online on the job board through job profiles or resumes. The individuals did not provide their information in response to a particular job, but rather did so to register themselves on the site to make any future application of jobs quicker and easier. Participants were US citizens, who self-identified as either White or Black, were at least 25 years of age, and have held at least one full-time job. Participants selected also included salary information for both what they currently make (or most recently made at their last job if they are currently unemployed) and what salary they are asking for with their next position. Even though identifying information (e.g., name, email address, phone number) was provided for registration purposes, it was not provided for the study. Individuals were only included if they have posted or updated their resume on the job board site in the time frame of January 2010 through December 2010.

Based upon the total available population for each group that was accessible, 400,235 individuals, 4000 individuals in each group (i.e., White male, Black male, White female, Black female) were sampled. With this sample set the sampling error was 1.5 percent for each group. Based upon an a priori power analysis for linear multiple regression, to achieve a power of .8 at a small effect

size a minimum total sample size of 550 was needed to test the regression analyses (Faul, Erdfelder, Buchner, & Lang, 2009). Thus the 16,000 total individuals were adequate to meet the minimum power necessary. The data provided was a random selection of each group (i.e., Black men, Black women, White women, White men) of individuals. The data was randomly selected, using an SQL code, from those individuals who had complete profile information on the variables being examined. The SQL code tells the data to select all individuals who meet the specified criteria and from that population to randomly pull the requested number of individuals.

The data for this study comes from an existing database of pre-collected data for the use of the job board. No additional questionnaires were created to test the hypotheses proposed in the study. Data from the job board has been used in many internal research projects and is used in a variety of the products the job board offers. The data is continually tested by the job board to ensure quality in what is being reported, but as most data is self-reported there is always a potential problem in honesty and accuracy of the participants reporting the measured variables (Donaldson & Grant-Vallone, 2002).

Measures

All individuals coming to the job board were asked to fill out a job profile. The job profile was optional and the requested fields were also optional meaning the individual does not have to fill out any information before being able to view jobs. This profile included information normally contained on a resume (e.g., education institution, degree, work experience) and information that cannot be

found on a resume but still important to know (e.g., gender, race, age, current salary). Additionally, measures were obtained from an individual's resume, which was uploaded to the job board site. All information collected from the job board users was stored and housed in a data management system owned by the job board site. See Appendix A for screen shots of the job profile the individuals fill out on the job board site.

Education level. Education level was defined by those individuals who self-reported their highest level of education obtained on the job profile or who included education information on their resume. There were six educational levels the individuals chose from: High school degree or equivalent, vocational, associate's degree, bachelor's degree, master's degree, and doctorate. The education levels were self-reported and were not coded for relevancy to the requirements of the job.

Gender. Gender was defined by individuals selecting male or female. People self-reported their gender on the job profile if they choose to provide that information. On average, 75 percent of individuals actually report their gender. Thus, for the current sample, of the 16,000 person dataset, approximately 12,000 individuals actually reported their gender. For those individuals who did not provide that information, gender was automatically deduced from the individual's first name. This process was not a manual process, but rather done automatically through technology created by the job board. This process of automatic deduction of the name has been tested and has over 90 percent accuracy.

Race. Race was measured by self-report of the participant on their job profile. The five available options for which people selected from were White, Black, Asian, Hispanic, and Other (i.e., Native American and those individuals reporting to be of more than one race). For this study only those individuals who responded that they were Black or White were examined.

Current salary and salary request. Salary information was reported with respondents having a free form comment box and asking them to write in both what their current salary is (or was for those people who are currently unemployed) and what their requested salary is (if they were to take another job). Both current salary and salary requests were used for this research. Only salary reported on an annual basis (i.e., no hourly rates) was used for this research to ensure consistency across reporting and comparisons.

Total working experience. Total years of working experience was collected through self-report of the participant on their job profile. The individuals were asked to write in a free-form comment box their total years of working experience. The individual's exact years of experience was collected.

CHAPTER III.

RESULTS

Preliminary Analyses

Various screening analyses were conducted to prepare data for analysis. First the data was cleaned to attempt to alleviate any instances of user input error from the reported measures. User input error was determined by sorting each measure from high to low and scanning the measures for values that were not possible to exist given that particular measure. For example, if an individual had 100 years of total work experience listed, that particular information was not used in data analysis because it was an error that occurred when the information was originally inputted. Four inputted errors were found, using the method described, with the education level variable. In these instances, there was no specified education listed, meaning the individuals did not select one of the possible options provided for education. These cases were deleted. It was one White woman, one Black man and two Black women. The means and standard deviations of salary and salary request with all data included are presented in Table 1.

Next data was prepared to run the analyses to test the current salary hypotheses. As the data was self-reported by the individuals, it is pertinent to be aware of the potential of outliers and make all attempts to remove those from the data. There were instances in the salary data where it seemed individuals were not being serious in their reporting of their salary because the values were either extremely low or extremely high.

Table 1.

Sample Size, Means, and Standard Deviations for All Data

	<i>N</i>	<i>Base Salary M</i>	<i>Base Salary SD</i>	<i>Salary Request M</i>	<i>Salary Request SD</i>
White Males	3,999	\$62,936.70	\$41,560.26	\$57,020.52	\$40,437.34
White Females	4,000	\$50,965.33	\$95,514.08	\$2,545,256.13	\$158,113,170.00
Black Males	3,999	\$50,615.90	\$91,206.67	\$51,220.29	\$146,007.56
Black Females	3,998	\$41,308.66	\$27,294.88	\$40,918.71	\$28,004.98

Steps were taken to strategically remove these outliers. The first step in removing outliers was to look at all individuals who reported a salary below the annualized minimum wage, \$15,080. This number was used as the minimum cut off because when examining only full-time salaried workers, it seems unlikely that those individuals should be making less than an annualized minimum wage salary. This minimum cut-off resulted in 508 cases being removed. The group breakdown was as follows: 206 Black women, 97 White women, 49 White men and 156 Black men.

The second step in removing outliers was to examine those individuals who reported base salaries more than four standard deviations above the mean annual salary for full-time workers in 2010, as reported by the Bureau of Labor Statistics. The mean salary reported was \$44,410 with a standard deviation of \$30,257.81. Four standard deviations above the mean, \$165,441.24, was utilized as the maximum for salary as it would guarantee to only remove those cases that

were extreme outliers (i.e., 99.9 percent of the population will fall below the cut-off number assuming a normal distribution). This resulted in 112 cases being removed. The group breakdown of those cases removed was as follows: 14 Black women, 22 Black men, 48 White men, and 28 White women. This resulted in the following group sizes for the current salary analyses: 3778 Black women, 3821 Black men, 3902 White women and 3875 White men. These sample sizes per group were used in the salary analyses for hypotheses I, II and III. Table 2 shows the means and standard deviations for each group in the current salary analyses. Table 3 shows where data was removed for each group and the subsequent sample sizes for all steps in the data cleaning process.

Table 2.

Sample Size, Means, and Standard Deviations by Group for Current Salary Analyses

	<i>N</i>	<i>Base Salary M</i>	<i>Base Salary SD</i>
White Males	3,902	\$60,993.86	\$26,306.65
White Females	3,875	\$48,813.68	\$19,934.12
Black Males	3,821	\$48,962.45	\$21,630.63
Black Females	3,778	\$42,244.74	\$16,907.85

Table 3.

Data Removal Steps and Corresponding Sample sizes of Removed and Remaining Sample (in parentheses)

	<i>Black women</i>	<i>Black men</i>	<i>White women</i>	<i>White men</i>
Step 1: User Input Errors	2 (3,998)	1 (3,999)	1 (3,999)	0 (4,000)
Step 2: Remove salary below min wage	206 (3,792)	156 (3,903)	97 (3,843)	49 (3,950)
Step 3: Remove salary greater than 4SD	14 (3,778)	22 (3,821)	28 (3,875)	48 (3,902)
Step 4: Remove zeros for salary request	290 (3,488)	309 (3,512)	403 (3,472)	412 (3,490)
Step 5: Remove salary request greater than 4SD	5 (3,483)	12 (3,500)	7 (3,465)	15 (3,475)
Step 6: Remove request below base	857 (2,626)	1,023 (2,477)	952 (2,513)	998 (2,477)

For the salary request hypotheses, additional outlier removal was done.

The first step was to remove all cases where zeros were inputted for a salary request. This was done because based upon how data is collected it is very likely that these individuals did not intend to request no salary or chose to ignore this information. If individuals skipped the question, their data would show up as “Not applicable.” Since instead actual zeros were represented, these individuals made the choice to put in a zero instead of skipping the question completely, demonstrating they did not take the question seriously and should thus be removed. This resulted in 1,414 cases being removed. The group breakdown of

these cases was as follows: 290 Black women, 309 Black men, 412 White men and 403 White women.

The next step was to remove any outliers as far as the upper limit of salary request was concerned. To stay consistent with the strategy used in the salary analyses, cases were removed if the salary request was four standard deviations above the annual mean of salary, \$44,410. As previously mentioned, this number is \$165,441.24. This resulted in 39 cases being removed. The group breakdown of these cases was as follows: 5 Black women, 12 Black men, 15 White men and 7 White women. The resulting sample size for each group for the salary request analyses was as follows: 3,483 Black women, 3,500 Black men, 3,475 White men and 3,465 White women. See Table 3 for all steps where data was removed for each group and the subsequent sample sizes. Table 4 shows the means and standard deviations of salary and salary request for all cases that were included in these analyses with high extreme values removed. When looking at the means and standard deviations of each group prior to running the regression analyses, White men have the highest salary request, but also have the highest standard deviation. Black women have the smallest salary request and the lowest standard deviation.

An additional sub-group analysis was done when analyzing the salary request hypotheses. There were instances in the data (28.6 percent) where the salary request for an individual was actually smaller than the current salary. This may seem counterintuitive that someone would actually request less salary for their next job than what they currently make, but research done by the job board

Table 4.

Sample Size, Means, and Standard Deviations by Group for Salary Request Analyses with High Extreme Values Removed

	<i>N</i>	<i>Base Salary M</i>	<i>Base Salary SD</i>	<i>Salary Request M</i>	<i>Salary Request SD</i>
White Males	3,475	\$60,466.34	\$26,048.32	\$62,350.58	\$29,212.17
White Females	3,465	\$48,389.16	\$19,670.53	\$50,516.41	\$21,466.89
Black Males	3,500	\$48,390.62	\$21,229.45	\$51,921.87	\$25,014.05
Black Females	3,483	\$41,991.68	\$16,706.38	\$44,780.32	\$17,904.14

found that nearly 20 percent of job seekers said they research jobs that would result in less pay than their current position (Harris Interactive Survey, 2010). Additionally, 26 percent said they applied for jobs they were overqualified for and 25 percent applied for jobs that would be a decrease in salary from what they were currently making (Harris Interactive Survey, 2010). Additional research by the job board has shown that this counterintuitive finding can be attributed to three reasons. First, job seekers who are very desperate for a change and are unsatisfied with their current job or organization are oftentimes very likely to take a new job for less than their current salary. Second, job seekers who are interested in a career change (e.g., they currently do sales, but are interested in switching to marketing) are also very likely to take a new job for less than their current salary. Finally, job seekers who find a position available with a company they really want to work for are very likely to take a new job for less than their

current base salary (Inavero Survey, 2011). Due to the research discussed, having 28.6 percent of the sample report a lower salary request than current salary seems to be in line with the typical behavior of the population, but for the sake of this research, analyses were run both with the individuals who reported less salary request than their current salary left in and with those individuals removed. The removal of cases where salary request was less than the salary resulted in 3,830 total cases of which the following breakdowns resulted for each group: 857 Black women, 1023 Black men, 998 White men, and 952 White women. The final sample sizes for each group were as follows: 2626 Black women, 2477 Black men, 2477 White men, and 2513 White women. See Table 3 for all steps where data was removed for each group and the subsequent sample sizes. Table 5 shows the means and standard deviations of salary and salary request for the analyses with request below current salary removed. White men again have the highest salary request, while also having the highest standard deviation. Black women have the lowest salary request and also have the smallest standard deviation.

For the salary and two salary request analyses, regression assumptions were tested for possible violations. Scatterplots of the residuals were examined for heteroscedasticity. All residuals were homoscedastic. No outliers were detected as Cook's values did not exceed one. There were no issues of missing data thus missing data analyses were not necessary. Multicollinearity was not a problem as tolerance values did not exceed .10.

Table 5.

Sample Size, Means, and Standard Deviations by Group for Salary Request Analyses with Request below Current Salary Removed

	<i>N</i>	<i>Base Salary M</i>	<i>Base Salary SD</i>	<i>Salary Request M</i>	<i>Salary Request SD</i>
White Males	2,477	\$56,559.85	\$24,077.91	\$63,262.47	\$25,055.37
White Females	2,513	\$46,850.52	\$18,735.84	\$52,392.47	\$20,371.19
Black Males	2,477	\$46,160.48	\$20,068.59	\$52,512.82	\$21,738.61
Black Females	2,696	\$40,691.06	\$16,351.94	\$46,056.28	\$17,875.96

Variables were also examined for skewness, kurtosis, and linearity. The absolute values of the standardized skew and kurtosis indexes were evaluated. Variables with an absolute value of the skew index greater than three are deemed to be extremely skewed, while values of kurtosis index greater than ten are deemed to be extremely kurtotic (Kline, 2005). Analyses revealed that all skewness values were within the range of the absolute value of three, showing that the data were not skewed. In addition, the data were non-kurtotic, as all kurtosis values fell below ten (Kline, 2005).

Main Analyses

Descriptive statistics were calculated for all variables across all analyses and are presented in Table 6. Gender and race, both categorical independent variables, were coded using one dummy variable. Gender was dummy coded as

Table 6.

Means, Standard Deviations, and Correlations for Study Variables

	<i>M</i>	<i>SD</i>	1	2	3	4	5	6
1. Current Salary	\$50,327.60 ^a \$49,803.43 ^b \$47,461.44 ^c	\$22,542.29 ^a \$22,210.56 ^b \$20,753.94 ^c	—					
2. Salary Request	\$51,239.87 ^b \$53,530.48 ^c	\$22,084.38 ^b \$22,282.32 ^c	.85** ^b .93** ^c	—				
3. Work Experience (yrs)	14.77 ^a 14.75 ^b 14.29 ^c	7.67 ^a 7.68 ^b 7.56 ^c	.26** ^a .27** ^b .23** ^c	.21** ^b .22** ^c	—			
4. Education Level	2.57 ^{abc}	1.16 ^{abc}	-.03** ^a -.03** ^b -.01 ^c	-.02* ^b .02 ^c	.02* ^a .02** ^b .02* ^c	—		
5. Gender	1.50 ^{abc}	.50 ^{abc}	.21** ^a .21** ^b .18** ^c	.20** ^b .20** ^c	.07** ^a .07** ^b .06** ^c	-.08** ^a -.08** ^b -.08** ^c	—	
6. Race	1.50 ^{abc}	.50 ^{abc}	.21** ^a .21** ^b .20** ^c	.20** ^b .20** ^c	.19** ^a .18** ^b .16** ^c	-.18** ^a -.18** ^b -.18** ^c	.00** ^a .00 ^b .01 ^c	—

Note. ^a=Current salary, ^b=salary request extreme high outliers removed, ^c=salary request below current removed; *N* = 15,376^a; 13,923^b; 10,093^c; Pearson *R*'s, Point-Biserial and Phi Coefficient correlations are represented where appropriate; 1=Female, 2=Male; 1=Black, 2=White; Education 1=High School, 2=Vocational, 3=Associates, 4=Bachelor's, 5=Master's, 6=Doctorate
p*<.05; *p*<.01

X = 1 for the females and X = 0 for males. Race was dummy coded as Y = 1 for Blacks and Y = 0 for Whites.

Current Salary. The first three hypotheses predicted current salary differences between men and women and Blacks and Whites while all controlling for education level and years of work experience. Specifically, hypothesis I predicted a main effect of gender where men will report more for their current salary as compared to women. This hypothesis was tested by determining the significance of the main effect of gender. Hypothesis I was found to be significant. Hypothesis II predicted a main effect of race where Whites will report more for their current salary as compared to Blacks. This hypothesis was tested by determining the significance of the main effect of race. This hypothesis was found to be significant. Hypothesis III predicted an interaction effect where White men will report the most for their current salary and Black women will report the least. White women and Black men would fall somewhere in between. This hypothesis was tested by determining the significance of the interaction term in the regression equation. Hypothesis III was also found to be significant. Specific results of the regression equation for the salary hypotheses are presented in Table 7.

In the regression for the salary analyses, results revealed model one was significant and each control variable was significant at $p = .00$. Model two was also significant at $p = .00$ and explained a significant amount of variance $\Delta R^2 = .05$, $p = .00$ above model one. The specific beta weights were then examined and the control variables, experience and education were found significant.

Table 7.

Results of the Regression Analysis of Current Salary

Variable and statistic	Model 1	Model 2
Experience	.28*	.24*
Education Level	.26*	.22*
Gender		-.20*
Race		-.15*
Gender X Race		.04*
<i>F</i>	1218.34*	689.27*
<i>df</i>	2,15373	5,15370
<i>R</i> ²	.14*	.18*
ΔR^2		.05*

Note. *N* = 15,376

**p* < .01

Additionally, the term for gender was significant, $\beta = -.20$, $t = -19.68$, $p = .00$ and the term for race was significant, $\beta = -.15$, $t = -14.43$, $p = .00$. Thus, hypothesis I and II were supported as males and Whites reported significantly higher current salaries as compared to women and Blacks when controlling for education and experience. The interaction term of race by gender was also significant, $\beta = .04$, $t = 3.49$, $p = .00$. Thus, hypothesis III predicting an interaction of race and gender was significant. To determine the direction of the effect, the betas of each variable were entered into the regression equation to solve for the dependent variable of current salary. White males reported the highest salary and Black women reported the lowest salary when controlling for experience and education.

Salary Request. The remaining hypotheses predicted differences in the requested salaries of men and women and Blacks and Whites while controlling for education level, years of work experience and current salary. The independent

variables were gender and race and the dependent variable was salary request. The interaction variable was race by gender. The control variables, current salary, years of work experience and the education level, were entered into step one of the regression equation. The independent variables, dummy coded race and gender, and the interaction term, race by gender, were entered into step two of the regression. Hypothesis IV, predicting the main effect of gender that men would request a higher salary than women for a new job, was tested by determining the significance of gender. Hypothesis IV was not found significant in either salary request analysis. Hypothesis V, predicting the main effect of race that Whites would request a higher salary than Blacks for a new job, was tested by determining the significance of race. Hypothesis V was not found significant in either salary request analysis. Hypothesis VI, predicting the interaction of race and gender that White men would request the highest salary and Black women would request the lowest salary for a new job, was tested by determining the significance of the interaction term of the regression equation. Hypothesis VI was also not found significant in either salary request analysis. Results for the regression analysis for salary request with only high extreme outliers over four standard deviations above the mean salary removed is presented in Table 8. Results for the regression analysis with salary request less than current salary removed are presented in Table 9.

In the regression for salary request with high outliers removed, model one was significant at $p = .00$ and both education level and current salary were also significant at $p = .00$. Experience was not significant. Model two was significant

Table 8.

*Results of the Regression Analysis of Salary Request High Extreme Values**Removed*

Variable and statistic	Model 1	Model 2
Experience	-.00	-.00
Education Level	.11*	.10*
Current Salary	.82*	.82*
Gender		-.00
Race		-.00
Gender X Race		.00
<i>F</i>	12817.10*	6425.45*
<i>df</i>	3,13919	6,13916
<i>R</i> ²	.73*	.73
ΔR^2		.00

Note. *N* = 13,923**p* < .01

but the ΔR^2 did not explain a significant amount of variance $\Delta R^2 = .00$, *p* = .24 despite having significant current salary and education control variables.

Additionally, in the regression for salary request where cases reporting higher salaries as compared to salary requests were removed, model one was significant at *p* = .00 and the control variables of education level, years of experience and current salary were significant. Model two also was significant, but the ΔR^2 did not explain a significant amount of variance $\Delta R^2 = .00$, *p* = .37 despite having significant control variables.

Hypothesis IV predicting men would request higher salaries than women and hypothesis V predicting Whites would request higher salaries than Blacks were not supported in either salary request analysis despite significant control

Table 9.

*Results of the Regression Analysis of Salary Request Less than Current Salary**Removed*

Variable and statistic	Model 1	Model 2
Experience	.02*	.02*
Education Level	.07*	.06*
Current Salary	.91*	.90*
Gender		-.00
Race		-.00
Gender X Race		-.00
<i>F</i>	21674.83*	10906.96*
<i>df</i>	3,10089	6,10086
<i>R</i> ²	.87*	.87
ΔR^2		.00

Note. *N* = 10,093**p* < .01

variables (experience was not significant in the analysis with only high extreme values removed). Males and Whites were not requesting higher salaries for a new job compared to women and Blacks. The interaction term of race by gender was also not significant, thus, hypothesis VI was not supported and there was no interaction effect of race and gender found in either salary request analysis.

CHAPTER IV.

DISCUSSION

Major Findings

This research investigated the differences in salary request between men and women and Blacks and Whites in the workforce. This was done by examining the differences between what salary men and women and Blacks and Whites ask for in a new job (i.e., salary request). This salary request variable was used as proxy for an initial offer of negotiations in this study.

First, when looking at the current salary of individuals, results showed that men were reporting more for their current salary compared to women and Whites were reporting more for their current salary compared to Blacks when control variables were included and significant. There was also an interaction of race and gender found. White men reported the highest current salaries. Black men and White women reported salaries in the middle, with Black men reporting slightly higher salaries. Finally, Black women reported the lowest current salaries.

The main effect and interaction hypotheses of race and gender on current salaries used to replicate the research previously done on wage gaps between Blacks and Whites and men and women in the workforce were all supported. The significant findings for the effects of race and gender with current salaries lend further support that when education and experience are controlled for, wage differences still exist in the workforce with the groups examined for this study.

Despite the significant current salary differences between men and women and Blacks and Whites, there was no significant difference between what men and women were requesting for their next salary, nor between what Whites were

requesting as compared to Blacks when control variables were included. There was also no significant difference found when looking at the interaction of race and gender for salary request. The hypotheses examining the differences among salary requests between Whites and Blacks and males and females were not supported. Thus these individuals are asking for similar salaries for a new job which shows that men and women and Blacks and Whites in this study are not negotiating differently, in terms of the amount of salary request, for increases in pay despite significant control variables.

The non-significant findings are particularly interesting because when examining the mean differences of the groups prior to controlling for variables in the regression, it appears that there would be significant differences found in the groups as White men reported the highest salary requests and Black women reported the smallest request. White women and Black men fell somewhere in between. It is possible that prior to controlling for current salary, education and experience, there would have been differences found between the groups. Another factor to consider in the non-significant findings is the standard deviations. White men also had the highest standard deviations and Black women had the smallest standard deviations, thus the amount of variation in the data could have contributed to the non-significant findings in the regression.

One possible explanation for the non-significant findings with regards to salary request is the setting in which the initial negotiation offer is takes place. The nature of work is changing to deal with a global workforce, face-to-face communication and in-turn negotiation are not as common as they once were.

Additionally, negotiation in virtual communication outlets such as telephone or email is becoming more prevalent. In virtual communication outlets, social cues are the key factors that come into play (Stuhlmacher, Citera, & Willis, 2007). Social cues include both the verbal and non-verbal aspects of a conversation. Verbal aspects typically include tone and how quickly one responds. Non-verbal aspects include facial expressions and eye contact (Stuhlmacher et al., 2007). A meta-analysis examining gender in 43 negotiation studies comparing face-to-face and virtual negotiations revealed men and women did in fact differ. Under negotiation situations in which the social cues were not as prevalent (i.e., virtual negotiation) women were more aggressive when compared to face-to-face negotiations (Stuhlmacher et al., 2007). This behavior more closely modeled men's behavior in negotiations. Thus, under the current study's situational circumstances of a more virtual type of 'initial negotiation' where no social cues are present, it is possible that the gender differences found in face-to-face negotiation would not emerge. If this was the case, it would seem more plausible that there would be no significant differences found between men and women in their salary requests for their next job. Even though there has been no literature to date examining the role of virtual communication on Blacks versus Whites negotiating situations, one would assume that social cues would play a factor as well and also possibly account for the non-significant differences that emerged between Blacks and Whites in requesting salary for their next job.

Another possible explanation for the non-significant findings of the salary request hypotheses is that perhaps salary request is not a good proxy for the initial

offer in negotiations. In other words, people specifying what salary they would want for a new job does not resemble an initial negotiation offer for individuals examined in this study. Research has shown differences exist in the negotiation strategies of men and women (Walters et al., 1998) and Blacks and Whites (Gerhart & Rynes, 1991). These findings are consistent throughout all stages of a negotiation (i.e., prior to negotiating, during the negotiation and after the negotiation) (Bowles et al., 2005; Gasser et al., 2000; Kray and Gelfand, 2009). In opposition to previous research on negotiation which found differences in the examined groups, there were no differences found for initial negotiation offers (i.e., salary request) in this study. Due to the fact that there were no significant differences found among the groups it seems highly unlikely that salary request acts as an initial negotiation offer for the individuals in this study.

A third possible explanation for the non-significant findings is that because of women's and Blacks awareness of pay differences in the workforce, they are using salary request for a new job as an attempt to achieve more equity in the workforce. The exact requested salary for a particular job is still not information that employers offer up very often, but it is becoming more common to see salary ranges or a minimum salary reported on the job posting. In addition, with all the literature and data reporting salary discrepancies among groups in the workforce, women and Blacks have a pretty good idea what White men, overall, are making relative to others in certain occupations or roles. Additionally, with the use of websites such as payscale.com and salary.com, information on the worth and value of a job is readily accessible. Thus, women and Blacks know

that even though they may not be making as much as their White male counterparts in their current job, they have insight into what the worth of the job is and can ask for the appropriate amount when wanting to get a new job. Based upon the significance found in the current salary hypotheses, women and Blacks are falling short somewhere in the process, though, as their actual salaries are different than men and Whites.

One final explanation for the non-significant findings is the nature of the way the sample was collected. For this study, only those individuals who had complete data across all variables were included. Thus, people who left the salary request variable blank when filling out the job profile were excluded from this study. If the individuals who left the salary request blank had certain characteristics that would lead them to be different from those who filled out the salary request variable, it is possible that the findings for the salary request hypotheses would have been different. One possible difference would be that those who left the salary request variable blank may be people who do not want to negotiate at all. Perhaps they are so desperate for a job that they will take any salary offered to them. They believe that by putting in a salary request they could be selected out by an employer because the salary is either too high and they are overqualified or too low and they are under-qualified for a particular position. Another option is that these individuals prefer to negotiate later to not reveal information to early in the process. It is possible then that if these individuals would have been included in the sample, the results of the salary request hypotheses would have turned out differently.

Implications

One of the major implications from the current research is further support and validation that wage gaps still exist in the workforce among different groups. This study found that men were making more than women and Whites were making more than Blacks. Additionally, the study showed that White men were making the most with their current salary and Black women were making the least. Black men and White women were somewhere in the middle. All differences were found between groups despite education and work experience being controlled.

With the literature previously discussed, as well as the findings from this study, wage discrepancies are a real and prevalent problem in today's workforce. Additionally, with controlling for education and experience, these significant salary differences were found beyond human capital factors. This study lends further support that there are characteristics of the job (e.g., bias and discrimination) that play a role in the salary gaps in the workforce. Efforts should continue to be made from all levels of the work environment, including senior leaders to direct supervisors to hiring managers, to minimize or do away with the wage discrepancies for employees in their organization. From the side of the employee, research like this current study will help to empower and motivate those who are making less to take extra strides to know the value and worth of their job and do their best to ensure they are getting paid equally for their job. Through the empowerment of the employee, it takes the sole responsibility away from the employer. As discussed above based upon the nonsignificant findings of

the salary request differences among groups in this study, this could be happening already. With all groups requesting the same salaries for a new job, this could be an attempt towards equality for wages received in the workplace.

Another important implication of this study is that based upon the findings that salary request did not differ between men and women and Blacks and Whites, this specific measure does not serve as an explanation for the wage differences found in the data among the groups examined. With current salary differences found among the different groups, this study attempted to either rule out or validate explanations for these differences. Ruling out possible explanations for wage gaps helps researchers and organizations understand why gaps exist and put solutions in place to equalize the field for all groups in the workforce. There were many explanations for wage gaps discussed in this current study and additionally many other explanations proposed that have yet to be fully tested and understood. Research ruling out explanations, like the current study, helps to paint a clearer picture for people to most affect change in wage gaps in a positive way.

Limitations

One limitation with the current research is the nature of the data. For this study pre-collected archival data was provided by an international job board. The use of this data had many positive aspects. One negative aspect was the lack of flexibility in the data. In the majority of other wage gap studies examined, there were numerous variables collected and considered in the analyses, most often as control variables. Examples of these variables included education relevance to the requirements of the job, years of experience, age, job type, major type, job

titles, size of company, etc. Accounting and controlling for all of these variables was not possible because a good number of these variables were not collected in a way that would have been usable for this study. If all data was collected purposefully for this study, all necessary variables would have been correctly measured and controlled for, possibly leading to different outcomes emerging.

Another limitation is the data collection technique of self-reporting. Self-report, though a common data collection technique, has potential problems that can affect the validity of the data provided (Donaldson, Thomas, Graham, Au, & Hansen, 2000). A big potential problem is honesty and accuracy of the participants reporting for measured variables. With the data being provided by an international job board, where individuals are assumedly looking for jobs and wanting to put themselves in the best light possible, there is definitely a warranted concern for socially desirable answers in the measures reported. Studies that rely solely on self-reported measures have at times been called into question because they are more likely to encounter different kinds of response bias (Campbell & Fiske, 1959; Donaldson & Grant-Vallone, 2002).

Future Research

One opportunity for future research is to replicate this study through field or experimental means, where all the necessary and relevant variables could be correctly measured and not through the use of archival data. Specifically, it would be important to control for the relevance of ones major to the job they are interested in, the job/occupation type, location, industry and socioeconomic status. It would also be important to collect information as to what the final salary was a particular person received after obtaining a position. This insight would

allow for determining how effective their initial salary requests were in receiving their final salary offers. Finally, having access to one's current salary instead of asking them to self-report that information would be most ideal. This would guarantee accuracy in reporting of that measure and help to better identify inaccurate reporting in the salary request measure.

As previously discussed a limitation of the current study was the use of archival data and the lack of access to certain variables that may have been necessary to better control for in the study. Research attempting to study the same variables and relationships as proposed here, but in a field or experimental study where variables are measured throughout, would be quite valuable to confirming or refuting the results found in this study. If different results were found, inferences as to why the results differed would also be extremely valuable to the wage gap literature.

Negotiation is more than just an initial offer and often involves counter-offering before a decision is reached. Future research should look at the other stages of negotiation beyond the initial offer, specifically counter-offering. It may be that the differences in the wage gaps found among men and women and Blacks and Whites comes from things that happen in the negotiation beyond the initial offer.

Another area of potential research is to look beyond Blacks and Whites and examine other races and how their salary compares to White males. The Bureau of Labor statistics in quarter four of 2010 reported weekly earnings of \$772 for Whites, \$539 for Hispanics and \$828 for Asians (Bureau of Labor

Statistics, 2010). From these reported numbers, it is obvious that there is a need to more closely examine other races beyond Blacks to determine if the explanations for why the gaps exist are consistent across races.

In addition, the workforce continues to become more diverse, warranting additional research on bi-racial and mixed race individuals. The 2010 US Census recently reported that 2.4 percent of the US population is of mixed-race decent. This number is up 32 percent from reporting done on the 2000 census (United States Census 2010). Examining individuals of mixed race decent opens up a world of new questions and complexity where the type of races involved would potentially play a huge factor in where these individuals fell on the salary line.

Another area of potential future research is to examine data in sub-groups (e.g., occupation type), and not solely in the aggregate when looking at the overall salary difference. Research looking at gender wage differentials has discussed the potential for problems to arise when aggregating heterogeneous subsamples such as smaller differences being found or even, in some cases differences emerging in the opposite direction. Aggregation may lead to biases in the interpretation of the data in certain cases (Donohue, 1997). Simpson's Paradox, a statistical phenomena, is similar to the problem that can result from looking at aggregate data (Donohue, 1997). This paradox suggests the aggregate association between two variables is the reverse of that found in the subsamples (Simpson, 1951). Thus, conclusions that are made from the aggregate data do not hold true when looking at the subsample data.

This paradox has been found in studies examining both aggregate data and its subsamples. Research using a sample of men and women from the National Longitudinal Survey of Youth (NLSY) and looking at the hourly wages of the groups found measured differences between men and women in the wages they reported. In addition, differences were greater at the aggregate level than when the sample was divided into five broad occupational categories and the same analysis was performed (Donohue, 1997). Based upon the findings of the current study, it is possible that if specific occupation types were examined a different result of the data would emerge. Thus, studies more closely examining the relationships in the subsamples as well as the aggregate are necessary to better explain wage gaps in the workforce.

Conclusion

The goal of the current study was to investigate differences between men and women and Blacks and Whites in their salary requests for a new job. The interaction of race and gender was also examined. Despite findings that differences were prevalent for men and women and Blacks and Whites in their current salaries while controlling for education and experience, no significant differences were found when looking at the requested salary for a new job when controlling for education, experience and current salary. These findings rule out negotiation in the context of the initial offer, through salary request, as a viable explanation for wage gaps existing among the groups investigated in this study. Additionally, by controlling for human capital variables, it also opens the door for explanations relating to characteristics of the job playing a larger role in the salary

differences found among the groups in this research. Future research should examine the same relationships in a field or experimental study in attempt to replicate the findings beyond the use of archival data. Additionally, research looking at other races, beyond Blacks, and mixed-race individuals is warranted to fully understand the effects of wage gaps in the workforce.

CHAPTER V.

SUMMARY

This study examined wage gaps in the workforce and discussed explanations for why these gaps exist. Specifically, this study investigated the differences between men and women and Blacks and Whites in the amount of salary requested for a new job. With a sample that allows for minorities to be examined, this study was able to examine the interaction of race and gender more closely in addition to providing a field sample population to further test the differences in initial negotiation offers among men and women and Blacks and Whites.

Current worker data from an international job board was examined. Workers were Black or White males or females, who were at least 25 years of age and had at least one full-time job. Only annual salary data was used in analysis. When controlling for education and experience, results supported the hypotheses predicting current salary differences between Whites and Blacks and men and women. Results also supported the race and gender interaction for current salary showing that significant differences were found among White men, White women, Black men and Black women. While controlling for education, work experience and current salary, results did not support the hypotheses predicting gender or race differences in requested salary for a new job both when all cases were examined and when only cases where salary request was greater than current salary were examined. Thus, all examined groups were reporting similar salary requests.

The findings from this study continue to support the fact that wage differences still exist for groups in the workforce that go beyond human capital factors. The study did not support that the initial negotiation strategy of salary request for the next job is a contributing factor for these wage differences. This leads to further support of explanations resulting from characteristics of the job being a reason for wage gaps found in the groups examined. Future research should examine other races besides Whites and Blacks and also examine individuals of mixed races as wage gaps have been shown to exist among many groups in the workforce. Future research should also investigate subsamples (e.g., job types) of the aggregate group. In certain instances it is possible for different patterns to emerge in subsamples that are opposite of what is found in the aggregate group.

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Appendix A

Screen Shots from Job Profile Form on Job Site

1 Upload or Paste 2 **Review your Resume** 3 Enhance your Profile

Privacy Options

Public -
 Allow employers to search for my resume.

Private -
 Do not allow employers to search for my resume.

Anonymous -
 Hide my contact information, but allow employers to contact me through CareerBuilder.

Build Resume

* Total years experience:

* Select at least 1 Job Category: Years Experience:

 years

Work History

<p>no job title given at no company given</p> <p><input type="button" value="Add Another Job"/></p>	<p><input type="button" value="Delete This Job"/></p> <p>Job Title: <input type="text"/></p> <p>Company Name: <input type="text"/></p> <p>Job Type: <input type="text" value="Not Specified"/></p> <p>Start Date: <input type="text"/> <input type="text"/></p> <p>End Date: <input type="text"/> <input type="text"/></p> <p><input type="button" value="Add Another Job"/></p>
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Education

School:

Major:

Degree:

Recent Compensation

Recent compensation for:

Pay Type: Per Hour Per Year

Annual Base Salary:

Annual Bonus:

Annual Commission:

Other Compensation:

Other Benefits Received: Health Insurance 401K or other retirement
 Dental Insurance Vacation/Paid Time Off

Additional Skills and Qualifications

Employers are keenly interested in skills and qualifications that set you apart. Distinguish your resume by providing additional information.

Number of employees you've managed:

Languages spoken :

To select multiple languages:
On a PC hold down the CTRL key and click.
On a MAC hold the Command key and click.

Military Experience:

I have government security clearance

Criminal Record: I have been convicted of a felony in the U.S.

Desired Position

Desired Wage:

Per Hour Per Year
 USD

Desired Employment Type:

- Full-Time
- Part-Time
- Contractor
- Intern
- Seasonal/Temp

Desired Commute:

-Select Distance-

Desired Travel:

Negligible

Relocation Information

If entering relocation, must specify work status

Country	Work Status	
-- Select a Country --	-- Select Work Status --	
State/Province	City	Zip Code
-- Select State --	<input type="text"/>	<input type="text"/>

[Add more locations](#)

TIP Willing to relocate? You can indicate up to six locations.

Extended Profile (Optional)

Completing the following fields is optional.

If you complete this information, it may be provided to certain employers in order to allow them to comply with equal employment opportunity requirements. If you choose not to provide this information, you will not be subject to any adverse treatment from employers and your decision will have no impact on any potential hiring decision.

Ethnicity:
- Select Ethnicity -

Gender:
-Select Gender-

Employers are keenly interested in skills and qualifications that set you apart