Negotiating Women, Inc.

## Stumbling Blocks at the Negotiating Table for Women: Why Companies Should Pay Attention to Their Bargaining Skills

Effective negotiation skills are essential in today's workplace. To get business done, people have to negotiate-—with customers, with vendors, with associates. Despite this recognition, they aren't always good at it. That reality costs the individual—and the organization:

- money is left on the table
- expenses that could be controlled aren't
- risks that could be mitigated go uncontained

Everyone brings personal baggage to the negotiation process that can interfere with effectiveness. Our research has shown, however, that the baggage is particularly heavy for women and the costs high for their organizations.

**The Facts**

Even though women now fill 49% of all professional and managerial-level jobs,[1] many still handicap themselves and their organizations in negotiations. The roles they play within the organization may give them the authority to negotiate, but they are often unsure of how to bargain confidently— and for good reason:

- Role models of effective negotiators have traditionally been men, making it difficult for many women to find a comfortable *and* effective negotiating style.

- Both men *and* women expect women to behave differently than men do at the negotiation table. Forceful tactics, less admired from a woman than a man, can provoke retaliation, while collaborative overtures can be read as an invitation to press for concessions

[1] Center for Women's Business Research, 1999

- There has been little effort on the part of corporations to raise awareness of the impact that gender can have on the negotiation process. There has been even less progress in training women to handle its effects.

As a result, some women avoid negotiation at all costs. Others undermine their efforts before they even sit down at the bargaining table. And still others some, unaware of the pervasive assumptions people have about how women negotiate, react "in the moment" in ways that hamper the business objective.

**The Implications to the Bottom Line**
When women get in their own way as negotiators, these often unrecognized habits produce effects that ripple through the organization. The cumulative impact on a company's culture and bottom line can be pronounced:

- ***productivity***
  opportunities to negotiate the conditions of their own success are missed and effectiveness suffers

- ***communication***
  fear of being considered too aggressive fosters an accommodating mentality that stifles candor and open exchange on any problem

- ***motivation***
  preoccupation with weakness leads to an overly negative assessment of the situation and obscures assets that can be brought into play—not only with colleagues but with customers and clients

- ***morale***
  downplaying justifiable demands simultaneously curbs internal goals and inhibits a sense of what is possible

- ***problem-solving***
  creative solutions require creative listening yet many women negotiators are so afraid of not being heard that they shut off other voices and the multiple perspectives that come with them

- ***appetite for change***
  avoiding the give-and-take of negotiation in the interest of making others "happy," women silence themselves and limit the contributions they could make in building more effective workplaces

**Common Ways Women Get In Their Own Way**
From our years of research, here are some of the common ways women can get in their own way while negotiating (or failing to negotiate) agreements to common workplace issues:

- not recognizing negotiation as a possibility
- concentrating on weakness
- confusing negotiation with confrontation
- mistaking toughness for effectiveness

- making people happy at the business' expense

**Not Recognizing Negotiation as a Possibility**
***Pat's Lost Prospect***
Pat had been working on converting an industry leader into a customer for a while, but success had been elusive. Finally the prospective customer agreed to place a substantial order provided Pat's firm could deliver product on a tight deadline. Pat immediately called Production to see what could be done to accommodate the customer's schedule. The answer was "nothing doing." When Pat explained the situation to the prospect, she got the feeling that she had lost her only chance to get her foot in the door.

Pat missed an opportunity to negotiate. Production was bound to object, but Pat does not attempt to negotiate through those objections—not even to land a visible and important customer. She might have enlisted support from the head of sales or explored the tradeoffs involved in changing the production schedule to accommodate the prospect's timeframe.

***Bottom Line Implications:***
- Revenue lost — short term and long term
- Sales costs incurred with no ROI

**Concentrating on Weakness**
***Helena's Troublesome Hesitation***
Helena had a problem performer on her hands. Newly promoted to group head and unsure of her ground, she moved cautiously—clarifying performance expectations and coaching him. He continued to turn in shoddy work, which Helena documented, but she remained reluctant to let him go. Instead, she spent inordinate amounts of time juggling schedules and assignments so that her team's output would not suffer. Despite Helena's efforts, morale on the team deteriorated as members found themselves carrying someone who was not pulling his weight.

Helena concentrated on the weakness inherent in a recent promotion. Instead of devising painless ways of easing this underachiever out or looking to HR or management for support, she postponed any decision. This inaction only encouraged the poor performer and gave the other members of her group little confidence that they could look to her judgment or leadership moving forward.

***Bottom Line Implications:***
- Performance and accountability standards undermined
- Overall team productivity decreased
- Risk of turnover within the group increased

**Confusing Negotiation with Confrontation**
***Sandra's Unvoiced Suspicions***
Sandra, a first-line supervisor in the operations group of a multinational, suspected that there were some irregularities in one of the divisions. Although she knew the irregularities could be costly, she convinced herself that she didn't know enough to raise the issues with her boss. It was bound to cause a ruckus and Sandra avoided unpleasantness. She made this decision on her own, failing to recognize that she did not have to make accusations, but merely open the conversation up with her boss. Her boss (and the company) would likely prefer to hear about a potential problem sooner rather than later.

***Bottom Line Implications:***

- Financial and public relations risk if irregularities do exist
- Possibility that corporate culture discourages employees from bringing "bad news"

**Mistaking Toughness for Effectiveness**
***Linda's Hard Line***
Linda, director of global strategies for a pharmaceuticals firm, is responsible for maintaining the profitability of the firm's joint ventures overseas. In this role, she came into conflict with the regional manager for South America. All too aware of the red ink that a venture in Brazil was generating, she insisted that it be substantially revamped or terminated. The regional manager, on the other hand, had spent time and budget nurturing the relationship and considered her response an overreaction to short-term events.

Linda, determined to cut the firm's losses, overrode his objections and attempted to take over the talks with the joint venture partner. The venture's leadership, however, refused to deal with her and the stalemate continued for months.

Had Linda made the regional manager her ally, rather than her opponent, they could have worked together with the venture to come up with a revised agreement that made the best sense overall—maintaining the long-term benefits of the relationship, but at the same time mitigating some of the short-term budget exposure. Instead, Linda focused only on her responsibilities and drew a line in the sand. She forgot that she and the regional manager worked for the same company and that the joint venture partners had negotiated the original contract with the regional manager, not her.

***Bottom Line Implications:***

- Profit targets compromised
- Goodwill sacrificed, possibly hindering global strategic objectives
- Internal departmental tensions increased

**Making People Happy at the Business's Expense**
***Paula's Problematic Peace-Keeping***
Paula is the National Training Manager of a division of a large financial services company. New to her role with this group, she soon learned that the sales training program for new Sales Associates (commission only) was not delivering the results the line expected. . Sales managers, with their own account books to handle and little time or incentive to coach new associates, wanted salespeople to return from training "ready to hit the streets. " Several suggested that they hire a well-known guru in the industry to deliver a revised sales training curriculum.

At first Paula was delighted at the ready-made solution. Many of the sales force had attended the guru's sales workshops and recommended them. But as she reviewed the materials, she became increasingly concerned about the generic instructional design. The information and many of the skills required to deal with their specialized clientele were given short shrift. The program was also expensive and would come out of her budget. She considered going back to the line with her reservations, but decided she didn't want to alienate the managers.

The guru came. The problem remained unsolved. A year and an expensive program later, Paula started an in-house redesign of the training curricula.

***Bottom Line Implications:***

- Revenues slip as salespeople with inadequate training have difficulty meeting quotas
- Recruiting and training expenses increase as associates who don't produce must be replaced
- Customer satisfaction suffers as a result of interactions with poorly unskilled sales associates

**The Mandate: Change Perceptions**

A recent Catalyst study[i] finds senior women and CEOs finally agree women have been in business long enough to climb the corporate ladder to success. They also agree that a major obstacle for women is not getting the key business experiences that will allow them to claim the top positions. Line experience[ii] is critical — and women don't get enough of it. And, the reason may be that women are discouraged from taking on line positions by higher-ups who don't think they will succeed in them.

Interestingly, the CEOs attributed substantially more weight to "women's ineffective leadership style" and "lack of skills to reach senior levels" than did the female executives as factors that impact career advancement for women.[iii]

The cost of losing talented women is high[iv] — and they'll continue to leave corporate America in droves unless they can see a way in to the corner office. It seems clear that the CEO perception of women's skills must be changed in order for that to happen.

Training is part of the answer. Relevant training — and negotiation skills are as relevant as you can get. What's good for women is good for business!



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[i] Women in U.S. Corporate Leadership: 2003
[ii] Line corporate officers have profit-and-loss or direct client responsibility, while those in staff positions provide functional support to the line operations. Of all line officer jobs in 2000, 92.7 percent were held by men, while women filled the remaining 7.3 percent. 2000 Catalyst Census of Women Corporate Officers and Top Earners
[iii] Wellington, Shelia, Brumit Kropf, Marcia and Gerkovick, Paulette, " What's Holding Women Back?" Harvard Business Review, June, 2003
[iv] Attrition costs companies 18 months' salary for each manager or professional who leaves, and one-half a year's pay for each hourly employee who leaves. The Hay Group