

## RESEARCH REPORT

## Bargaining While Black: The Role of Race in Salary Negotiations

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The influence of race in negotiations has remained relatively underexplored. Across three studies, we theorize and find that Black job seekers are expected to negotiate less than their White counterparts and are penalized in negotiations with lower salary outcomes when this expectation is violated; especially when they negotiate with an evaluator who is more racially biased (i.e., higher in social dominance orientation). Specifically, on the basis of the prescriptive stereotype held by those higher in racial bias—that Black (as compared to White) negotiators deserve lower salaries—we predicted that Black negotiators who behave in counterstereotypical ways encounter greater resistance and more unfavorable outcomes from more biased evaluators. We tested this argument in a stepwise fashion: In Study 1, we found that more biased evaluators expect Black job seekers to negotiate less as compared to White job seekers. When Black negotiators violate those expectations, evaluators award them lower starting salaries (Study 2), which appears to occur because evaluators become more resistant to making concessions to Black than to White job seekers (Study 3). Collectively, our findings demonstrate that racially biased perceptual distortions can be used to justify the provision of smaller monetary awards for Black job seekers in negotiations.

*Keywords:* diversity in the workplace, racial differences, negotiation, salary

A racial wage gap in the United States persists (e.g., Green & Ferber, 2005). In 2016, for instance, the Pew Research Center<sup>1</sup> reported that college-educated Black men earned roughly 80% the hourly wages of college-educated White men (\$25 vs. \$32). Research on this phenomenon explains this disparity by focusing mainly on the experiences of Black job seekers. Scholars have found that Black, as compared to White, men tend to perceive greater economic insecurity (Dominitz & Manski, 1997), expect lower starting salary offers (Avery, 2003; Gasser, Flint, & Tan,

2000), and lack access to social ties that could favorably influence their job prospects (Seidel, Polzer, & Stewart, 2000). The hiring process, however, extends beyond the singular perspective of the job seeker. It includes interpersonal exchanges between job seekers and job evaluators that often involve negotiations. Yet, current understanding of the role of the organizational representative (i.e., the job evaluator) in Black–White bargaining contexts remains underdeveloped. For instance, do job evaluators have different expectations of Black versus White job seekers? Moreover, how and why might these expectations create worse outcomes for Black versus White job seekers during salary negotiations?

Based on racial stereotypes that characterize Blacks as lazy, incompetent, or poor (e.g., Devine, 1989; Devine & Elliot, 1995; Krueger, 1996; Plous & Williams, 1995), job evaluators might anticipate Black job seekers to be less qualified and, therefore, expect less pay relative to White job seekers. In a similar vein, Ayres and Siegelman (1995) found that new car dealers often made inferences using the buyer's race to formulate their offers; specifically, sellers offered significantly higher prices to Black, as compared to White, buyers. Their data, however, did not provide a clear explanation for why sellers' race-stereotypic expectations

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Previous iterations of this research were presented at the August, 2010 Academy of Management Conference in Montréal, Canada, the May, 2016 Association for Psychological Science Conference in Chicago, Illinois, and shared in an online column written by Morela Hernandez and Derek R. Avery in *MIT Sloan Management Review* in 2016.

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<sup>1</sup> <http://www.pewresearch.org/fact-tank/2016/07/01/racial-gender-wage-gaps-persist-in-u-s-despite-some-progress/>

predicted worse outcomes for Black buyers. More recent findings on emotion expression and race in negotiations (Adam & Shirako, 2013; Salerno, Peter-Hagene, & Jay, 2017) suggest that the type of stereotype applied to the negotiator (i.e., buyers; job seekers)—descriptive or prescriptive—might affect bargaining outcomes. For instance, Adam and Shirako (2013) found that East Asian negotiators who violated race-stereotypic expectations by expressing anger (i.e., violating the descriptive stereotype that East Asians are emotionally inexpressive) elicited more cooperation than non-East Asian negotiators. In contrast, Salerno and colleagues (2017) found that female negotiators who violated race-stereotypic expectations by expressing anger (i.e., violating the prescriptive stereotype that women should not be aggressive) were less effective than male negotiators. Such backlash effects for women who violate prescriptive expectations of communion by behaving in agentic ways have been firmly established (cf. Akinola, Martin, & Phillips, 2018). We lack similar clarity, however, about the effect of race and racial biases in negotiations.

As such, we present the first investigation of how the race of the job seeker influences job evaluators' expectations, perceptions, and decisions in negotiation contexts. We theorize that Black job seekers who are seen as violating race-stereotypic expectations by bargaining in salary negotiations (i.e., violating the prescriptive stereotype that Blacks should not push for more; McConahay, 1983; Sidanius, Levin, Liu, & Pratto, 2000) will elicit fewer concessions and, therefore, less favorable outcomes than White negotiators. Across three studies using perceptions of expected, actual in-person, and controlled online simulated negotiations, we found consistent support for our theoretical arguments, demonstrating that race-based expectancies significantly affect negotiation processes and outcomes. Bringing together research on expectancy violation theory (EVT; Burgoon, 1978; Burgoon & Jones, 1976)—which emphasizes the effects of individual perceptions of interpersonal interactions within a particular situation—and race, our research offers important contributions to the literatures on EVT, negotiation, and racial stereotypes.

First, we advance scholars' understanding of EVT within the management domain by shedding light on how backlash effects can emerge for Black Americans who opt to negotiate their job offers. Originally developed as a theory of communication to reconcile unexpected behaviors within interpersonal interactions, EVT describes how individuals create expectations of how others will react (Burgoon, 1978; Burgoon & Jones, 1976). In the present study, the tenets of EVT help explain why expectations based on racially biased preferences (regarding social dominance, for instance), can distort job evaluators' perceptions of Black negotiators.

Second, we advance the literature on negotiation that has focused a great deal more on the role of gender in negotiations (e.g., Barron, 2003; Eagly, 1987; Kray, Galinsky, & Thompson, 2002; Kray, Thompson, & Galinsky, 2001; Solnick, 2001; Stuhlmacher & Walters, 1999) than the role of race in negotiations. Our study highlights the value of extending our investigative lens from gender- to race-based elements when analyzing negotiations from a prejudice and discrimination angle.

Third, our theorizing will contribute to the literature on stereotypes by further honing our understanding of their application. Past scholars have studied the application of race-based stereotypes with respect to leadership contexts (e.g., Hernandez et al., 2016;

Ospina & Foldy, 2009; Rosette, Leonardelli, & Phillips, 2008) and a myriad of employment processes (see Avery, Volpone, & Holmes, 2015 for a review). Our investigation into how racial bias impacts job evaluators' differential expectations, perceptions, and treatment of Black (vs. White) negotiators builds on extant research in this area by identifying the prescriptive nature of stereotype-based application in the devaluation of Black job seekers on the basis of their race. Ultimately, we seek to advance current knowledge of race in negotiations to better understand how and why Black Americans might be disadvantaged in interdependent employment processes that have significant, long-term financial and societal consequences.

### Theoretical Rationale and Hypotheses

Past research has demonstrated that individuals' expectations—as they relate to emotional expression in negotiations—are often associated with race-stereotypic assumptions (Adam & Shirako, 2013; Salerno et al., 2017). We extend this work by proposing that race-stereotypic expectancies within a salary negotiation context can significantly influence the degree to which job evaluators anticipate the job seeker to negotiate their job offers. Specifically, job evaluators who hold particularly strong racial biases might view Black job seekers as less likely to negotiate because they see Blacks as less deserving of higher salaries as compared to Whites (McConahay, 1983; Sidanius et al., 2000). Further, highly biased job evaluators might assume that Black job seekers will be unlikely to negotiate in the first place, as this fits with their belief that minorities are undeserving of better outcomes.

The notion of deserving or entitlement is central to ideologies that produce racial bias (Jost, Banaji, & Nosek, 2004; Pratto, Sidanius, Stallworth, & Malle, 1994). Social dominance orientation (SDO; Sidanius, Pratto, & Bobo, 1994), the preference for hierarchical group relations and group-based dominance, involves the belief that low-status groups are unworthy of better treatment and outcomes in society. The endorsement of SDO is linked with outcomes such as increased discrimination toward low-status groups and opposition to policies that remedy inequality (e.g., Pratto et al., 1994; Sidanius et al., 2000). Individuals high on SDO might believe minorities, by and large, should be relegated to relatively lower social status in the form of inferior income, occupations, and positions than those of Whites (Ho et al., 2015; McFarland, 2010). Accordingly, we hypothesize that job evaluators higher in racial bias (i.e., SDO) will hold expectancies consistent with racial stereotypes that consign Black job seekers to lower estimations of market value (i.e., starting salary) and therefore, perceive them as less likely to negotiate.

*Hypothesis 1:* Job evaluator racial bias moderates the effect of job seeker race on perceived negotiation likelihood, such that Black job seekers will be expected to bargain less than White job seekers by evaluators higher in bias.

Racial biases might not only affect job evaluators' initial assumptions regarding job seekers, but also their reactions to job seekers who violate race-stereotypical expectancies. That is, given our prediction that job evaluators who are more racially biased will expect Black individuals to negotiate less than their White counterparts, what happens when the former actually engage in negotiation?

## Salary Outcomes

EVT purports that when individuals violate expectations held for them, those who evaluate them tend to respond severely, often generating outcomes with negative valence (Burgoon, Coker, & Coker, 1986; Jussim, Coleman, & Lerch, 1987). In the present context, the belief among racially biased job evaluators who hold race-stereotypic expectancies—that Black individuals should be less apt to negotiate, or perhaps even disinclined to negotiate at all—creates a backdrop against which any actual bargaining that takes place will be assessed. This represents a classic form of perceptual anchoring wherein the initial expectation serves as a reference point and observed behavior is viewed relative to the anchor, as opposed to independently. Although there is generally nothing negative about negotiating one's salary, the application of a prescriptive stereotype to Black negotiators (i.e., they do not deserve to negotiate for higher salaries) can produce negative salary outcomes when these individuals do not conform. As such, prejudiced beliefs will “serve as perceptual filters, significantly influencing how social information is processed” (Burgoon & LePoire, 1993, p. 32), creating more unfavorable perceptions of Blacks who negotiate with job evaluators higher in racial bias.

*Hypothesis 2:* Evaluator racial bias moderates the effect of negotiator race on perceived level of negotiation activity, such that Black negotiators will be seen as bargaining more than White negotiators by evaluators higher in bias.

Assessing negotiators through this perceptual lens suggests that a Black job seeker engaging in bargaining could (a) trigger the activation of prescriptive stereotypes, (b) be seen as deviant, and (c) ultimately elicit penalties from job evaluators based on having violated the expectancy that he or she would be relatively less inclined or altogether disinclined to negotiate. In this way, racial bias might prompt job evaluators to assign lower salaries to Black job seekers.

*Hypothesis 3:* Perceived level of negotiation activity and job seeker race will interact to predict job seeker salary, such that Black (but not White) job seekers perceived as bargaining more will receive lower starting salaries than Black job seekers perceived as having bargained less.

## The Mediating Role of Concession Level

Violations of expectancies often create extreme reactions to those who violate them (Jussim et al., 1987). Accordingly, we posit that job evaluators who perceive negotiators as engaging in more bargaining will assign lower salaries to Black than White job seekers, because they will react to race-based expectancy violations with heightened, punitive resistance (i.e., backlash effects). Backlash effects are social and economic punishments for engaging in behavior that is inconsistent with that expected for members of one's social identity group (Rudman & Phelan, 2008). Through five experiments, Rudman and Fairchild (2004) delineated how backlash is used in racial stereotype maintenance from the standpoint of perceivers and actors: Those who perceive others engaging in counterstereotypical behavior (e.g., a Black job seeker negotiating) are likely to act in ways that punish the deviant personally and reinforce the stereotypical expectancy the job

seeker has violated. We predict that expectancy violation will create backlash effects such that job evaluators negotiating with Black job seekers will be less inclined to make concessions, confining salaries to the lower end of the spectrum.

*Hypothesis 4:* Concession level will mediate the interactive effects of job seeker race and perceived level of negotiation activity on job seeker salary.

## Overview of the Present Research

Our studies aim to test our theory in three naturally occurring sequential phases. First, we consider job evaluator race-stereotypic expectations prior to negotiating with a job seeker (Study 1). We then examine the effect of job evaluators' assessments of job seekers during actual negotiations on salary outcomes (Study 2). Next, we constructively replicate Study 2's preliminary assessment of the linkage between perceived negotiation activity and salary using an online job negotiation simulation (Study 3). In this final study, we replicate the perceived negotiation activity—salary relationship while controlling for actual negotiation activity, and test the mediating role of concession behavior.<sup>2</sup>

### Study 1

#### Method

**Participants and procedure.** The participants ( $N = 272$ ) were working adults recruited using Qualtrics. The sample was gender balanced (56.6% male), relatively racioethnically diverse (5.5% Hispanic, 73.2% White, 9.6% Black, 6.6% Asian American, and 2.9% other), with an average age of 36.52 years ( $SD = 12.54$ ). They also had an average of 12.85 years of work experience ( $SD = 11.87$ ) for an average of 4.70 employers ( $SD = 3.73$ ).

The study design manipulated the race of a prospective job seeker (Black vs. White) and measured participant perceptions of the job seeker's likelihood to negotiate. Each participant was randomly assigned to view one of two versions of a fictitious job seeker's resume. Resumes in each condition contained identical names, background, and job history information; the job seeker's picture at the top of the resume, however, did change. Specifically, the race of the job seeker was manipulated through the pictures (i.e., Black male or White male, see Appendix A).<sup>3</sup> Gender was held constant to avoid potential confounds. After viewing the fictitious job seeker's resume, participants completed a survey

<sup>2</sup> Study 1 was exempt by the Institutional Review Board at the University of Virginia, project 2017-0470-00, project title “Resume Evaluation Study.” Studies 2 and 3 received approval by the Institutional Review Board at the University of Virginia, project 2017-0473-00, project title “Negotiation Study.”

<sup>3</sup> These stimuli replaced a prior set that, when subjected to post hoc pilot testing, were found to differ significantly in attractiveness and friendliness. Though the data collected using those stimuli produced a pattern fairly similar to those reported, we did not include that data due to these internal validity threats. We also included a measure of implicit bias in the prior data and found that it did not exhibit a moderating effect comparable to SDO. These previous studies were approved by the Institutional Review Boards at the University of Houston, project 08269-02, project title “Resume Evaluation,” and at Temple University, project 13814, project title “Evaluating Workplace Applicants.”

including manipulation checks to assure an effective manipulation. Participants also responded to the following measures, with the bias measure placed at the very end to avoid potentially alerting participants to the project's focus on race.

#### Measures.

**Perceived negotiation likelihood.** To capture the extent to which participants believed the job seeker would negotiate, we asked: "How likely do you think this job seeker is to negotiate their salary offer?" Responses were on a 7-point Likert-type scale (i.e., 1 = *not very likely*, 4 = *somewhat likely*, 7 = *very likely*).

**Explicit bias.** We used 13 items from the SDO scale introduced by Pratto et al. (1994) to capture explicit bias (sample: "It's OK if some groups have more of a chance in life than others"). Participants indicated their agreement with each item on a 7-point Likert-type scale (ranging from 1 = *strongly disagree* to 7 = *strongly agree*). Responses were averaged to form a scale where higher scores indicate higher levels of SDO ( $\alpha = .93$ ).

## Results and Discussion

Descriptive statistics and correlations are presented in Table 1. None of the respondents incorrectly identified the race of the stimulus on the manipulation check. Given that racial bias was assessed with a continuous measure, we used regression (see Table 2) and present F-squared to estimate the effect size of our interaction. The first hypothesis predicted that racial bias moderates the effect of negotiator race, with negotiator race effects being present for those higher in bias, but absent for those lower in bias. Consistent with this hypothesis, the moderating effect of explicit bias was statistically significant ( $b = -.39, p = .02, f^2 = .02$ ).<sup>4</sup> As illustrated in Figure 1, the simple slopes indicated that those higher in SDO rated Black targets as less likely than White targets to negotiate ( $b = -.44, p = .04$ ), whereas the effect was not significant for those lower in SDO ( $b = .28, p = .20$ ). Thus, Hypothesis 1 received support.

The results of Study 1 indicate that job seeker race can, but does not necessarily, influence job evaluators' expectations of the likelihood that an individual will negotiate. In particular, only those higher in levels of racial bias expected Black job seekers to be less likely to negotiate their salaries than their White counterparts. If and when Black job seekers do attempt to negotiate, violations to race-stereotypic expectancies can prompt perceptual distortions, inflating job evaluators' perceptions of Black job seekers' negotiating activity, leading job evaluators to assign more unfavorable bargaining outcomes to Black (as compared to White) negotiators. Accordingly, in Study 2, we test our predictions using actual negotiation activity.

Table 1  
Means, Standard Deviations, and Correlations From Study 1

Variable	<i>M</i>	<i>SD</i>	1	2
1) Black job seeker	.49	.50	—	—
2) Explicit bias	2.21	.91	-.05	—
3) Perceived negotiation likelihood	5.30	1.26	-.03	-.07

Note.  $N = 272$ . Black job seeker is dummy coded (Black = 1).

Table 2

Summary of Regression Analyses Predicting Perceived Negotiation Likelihood

Variable	Step 1	Step 2
Black job seeker (B)	-.08 (.15)	-.08 (.15)
Explicit bias (EB)	-.10 (.08)	.08 (.11)
B $\times$ EB		-.39* (.17)
$R^2$	.01	.03
$\Delta R^2$		.02*

Note.  $N = 272$ . Black job seeker is dummy coded (Black = 1).

\*  $p < .05$ .

## Study 2

### Method

**Participants and procedure.** In Study 2 ( $N = 74$ ), we used a diverse sample (78.4% female; 20.3% Hispanic, 21.6% White, 21.6% Black, 27% Asian, and 9.5% other; Mean age = 22.45,  $SD = 4.94$ ). The participants were solicited from undergraduate psychology courses at a university town in the southwest United States, and their involvement was in exchange for course credit. Each participant was randomly assigned to play the role of either the job candidate (i.e., job seeker) or the recruiter (i.e., job evaluator) in a negotiation simulation. To address concerns about the generalizability of a student sample, we collected additional data ( $N = 144$ ) using a diverse sample of working professional adults (71.5% female; 6.3% Hispanic, 50.0% White, 27.1% Black, 14.6% Asian, and 2.1% other; Mean age = 26.43,  $SD = 10.93$ ) who were paid for their participation in the study. These participants were community members of a medium-sized college town in the southeast United States recruited through various forms of advertisement: flyers, online call for participants through several social media platforms, social network connections, and word of mouth. These adults had an average of 8.98 years of work experience ( $SD = 10.51$ ) for an average of 5.52 employers ( $SD = 6.86$ ). We created a dummy variable indicating whether participants were students or employees so we could determine whether the tests of hypotheses we report were invariant across the two subgroups.

First, participants were given a set of written instructions that corresponded with their role in the negotiation task (New Recruit Negotiation; Neale, 1997). Second, the pairs negotiated; they had 15 min to do so. Specifically, pairs negotiated eight job-related outcomes, including salary, vacation time, job location, moving expenses, and so forth. Third, upon completion of the negotiation, participants individually answered a series of questions about their experience, including the following measures. Again, the explicit bias measure was at the end to avoid alerting participants to the focus on race.

#### Measures.

**Salary.** Negotiation pairs had to come to an agreement about starting salary. The five possible options ranged from \$82,000 to \$90,000 in \$2,000 unit intervals.

<sup>4</sup> Notably, this interaction explains 10 times a larger proportion of the variance than previous empirical work involving race specifically (i.e., the median and mean being .002 and .001, respectively; for review see Aguinis, Beaty, Boik, & Pierce, 2005).

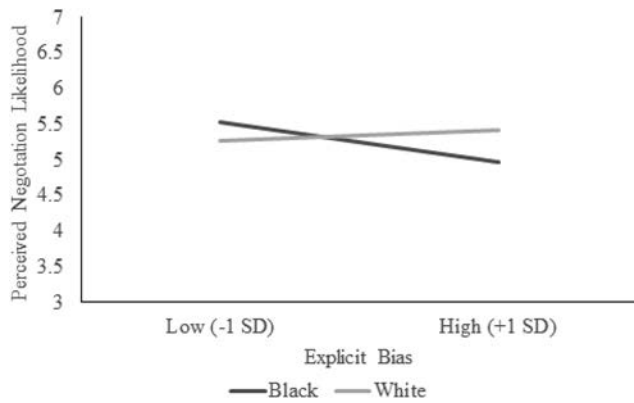


Figure 1. The moderating effect of explicit bias on the relationship between job seeker race and perceived negotiation likelihood.

**Perceived level of negotiation activity.** To capture the extent to which participants believed they and their partners negotiated, each were asked to indicate how many offers and counteroffers each made during the simulation. Partner-rated negotiation was the primary variable of interest and evaluations of offers and counteroffers proved sufficiently consistent to average the items and form a scale (Student  $\alpha = .85$ ; Employee  $\alpha = .79$ ). Self-perceptions also demonstrated acceptable internal consistency (Student  $\alpha = .84$ ; Employee  $\alpha = .72$ ) but were not used in the analyses to avoid possible self-presentation biases.

**Explicit bias.** Within each dyad, we were interested in predicting the perceived negotiation activity for those playing both the role of the job seeker as well as that of the job evaluator, as the hypothesized inflation of perceived activity is equally applicable to both. Therefore, we employed the same scale as in the first study to capture bias, but used the evaluator’s self-reported SDO. We averaged these items to form a scale where higher scores indicate higher levels of SDO (Student  $\alpha = .80$ ; Employee  $\alpha = .81$ ).

**Controls.** Because there were eight negotiated outcomes, but our focus was on salary, we controlled for scores earned by the job seeker on the other seven in our analyses utilizing salary as the outcome.

**Results and Discussion**

Descriptive statistics and correlations are presented in Table 3. Unlike Study 1, where participants viewed fictitious stimuli and predicted how much the individuals they viewed might negotiate, Study 2 involved individuals randomly assigned to the role of a job

Table 4  
Summary of Multilevel Modeling Predicting Perceived Negotiation Activity in Study 2

Variable	Step 1		Step 2	
	<i>b</i> ( <i>SE</i> )	<i>r</i> <sub>EQ</sub>	<i>b</i> ( <i>SE</i> )	<i>r</i> <sub>EQ</sub>
Intercept	4.94** (.34)	.71	4.89** (.33)	.71
Black negotiator (B)	1.31** (.51)	.17	1.81** (.53)	.23
Partner explicit bias (EB)	.24 (.24)	.07	.00 (.25)	.00
B × EB			1.65** (.60)	.19
Deviance	1174.76		1166.42	

Note. Level 1: *N* = 218, Level 2: *N* = 109. Black negotiator (Black = 1) is dummy coded. Coefficients are unstandardized and numbers in parentheses are standard errors.  
\*\* *p* < .01.

evaluator or job seeker in in-person negotiations. Given that individuals in both roles can engage in higher or lower degrees of negotiating, we considered data from both perspectives in testing our hypotheses. However, this creates a statistical dependency between individuals involved in a dyadic negotiation that violates the assumptions of ordinary least squares regression (Student: *ICC* = .57; *F*(34, 33) = 3.69, *p* < .01; Employee: *ICC* = .33; *F*(71, 72) = 2.53, *p* < .01). Accordingly, we employed multilevel modeling wherein the participant (job seeker and job evaluator) was Level 1 and the dyad was Level 2 (see Table 4). *R* equivalent values are presented as estimates of effect size (Rosenthal & Rubin, 2003).

The second hypothesis predicted that racial bias moderates the effect of negotiator race, with negotiator race effects being present for those whose partners are higher in bias, but absent for those with partners lower in bias. As expected, the moderating effect of bias was statistically significant (*b* = 1.65, *p* < .01, *r*<sub>EQ</sub> = .19). As Figure 2 shows, the simple slopes indicate that Black participants were seen as negotiating roughly the same as White participants by partners lower in explicit bias (*b* = .14, *p* = .83), but more than White participants by those higher in explicit bias (*b* = 3.49, *p* < .01). Thus, Hypothesis 2 received support.

Hypothesis 3 predicts an interaction between job seeker and perceived level of negotiation activity such that Black job seekers who are seen by job evaluators as negotiating more will receive lower salaries than those seen as negotiating less, whereas no such relationship is anticipated for job seekers that are not Black. Moderated regression analyses using the job seeker subsample (see Table 5) indicated that the job seeker race × perceived level of negotiation activity interaction was statistically significant

Table 3  
Means, Standard Deviations, and Correlations for All Variables in Study 2

Variable	<i>M</i>	<i>SD</i>	1	2	3	4
1) Black	.25	.43	—			
2) Student	.35	.48	-.06	—		
3) Partner explicit bias	2.27	1.01	-.08	.49**	—	
4) Partner-rated negotiation	5.32	3.81	.11	-.00	.13	—
5) Salary (in dollars)	86,210.05	2,285.11	-.11	-.16*	-.10	-.21**

Note. *N* = 218. Black (1 = Black) and Student (1 = Student) are dummy coded.  
\* *p* < .05. \*\* *p* < .01.

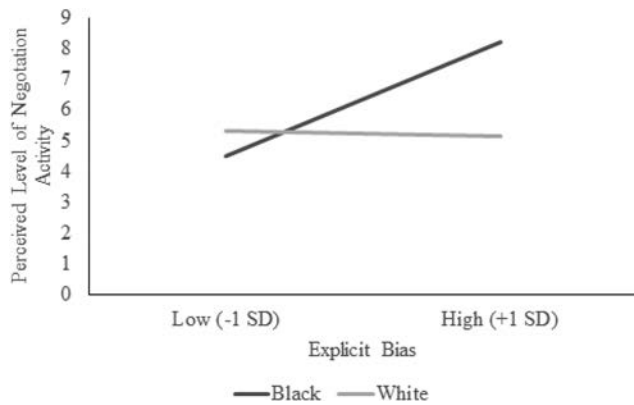


Figure 2. The moderating effect of explicit bias on the relationship between negotiator race and perceived level of negotiation activity.

( $b = -256.80, p = .04, f^2 = .04$ ). As expected, the linkage was negative and significant for Black job seekers ( $n = 27; b = -314.03, p < .01$ ), but not significant for those who were not Black ( $n = 82; b = -57.23, p = .39$ ). As Figure 3 illustrates, each time a Black job seeker was perceived to have made an offer or counteroffer, it corresponded in the receipt of over \$300, on average, less in starting salary. Hence, Hypothesis 3 was supported<sup>5</sup> (see Appendix B for supplemental analyses). In Study 3, we examine why such unfavorable negotiation outcomes might come about for Black negotiators.

### Study 3

#### Method

**Participants and procedure.** In Study 3 ( $N = 211$ ), we used Amazon’s Mechanical Turk to solicit a sample of full-time working adults (54% female; 4.3% Hispanic, 78.7% White, 8.5% Black, 7.6% Asian, and .9% other; Mean age = 35.46,  $SD = 9.89$ ) to examine the relative effects of perceived and actual negotiation on salary outcomes and whether these effects vary by race. The

Table 5  
Summary of Analyses Predicting Negotiated Starting Salary

Variable	Step 1	Step 2
Job assignment points	-.21 (.39)	-.07 (.39)
Location points	-.39 (.84)	-.39 (.82)
Bonus points	.24 (.22)	.25 (.22)
Vacation points	.32 (.59)	.34 (.58)
Starting date points	.95** (.34)	.82* (.34)
Moving points	.26 (.25)	.32 (.25)
Insurance points	-.29 (.92)	-.11 (.90)
Black candidate (B)	-879.47 (489.98)	-798.69 (483.06)
Partner-rated negotiation activity (N)	-134.47* (56.12)	-57.23 (66.10)
B × N		-256.80* (121.11)
R <sup>2</sup>	.21	.25
ΔR <sup>2</sup>		.04*

Note.  $N = 109$ . Black candidate (Black = 1) is dummy coded. Coefficients are unstandardized and numbers in parentheses are standard errors. \* $p < .05$ . \*\* $p < .01$ .

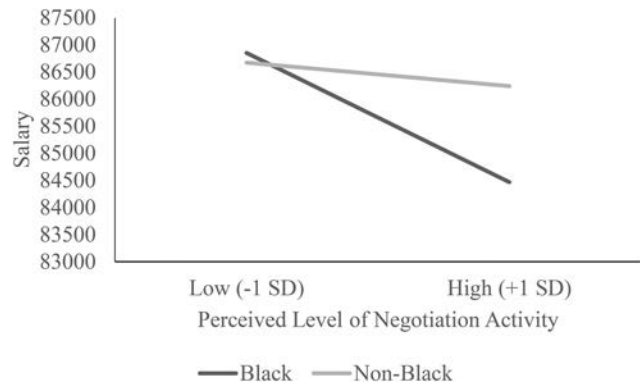


Figure 3. The moderating effect of race on the relationship between perceived level of negotiation activity and salary.

participants were paid \$0.75 for their participation. Twenty-one of these individuals incorrectly responded to the attention checks asking them to mark a particular response and were eliminated from further consideration, reducing the usable sample to 190. The usable sample did not differ from the full sample with respect to any demographics. None of those who responded correctly to the attention checks incorrectly identified the race of the stimulus on the race manipulation check.

First, participants were given a set of online instructions informing them that they would be engaging in an online salary negotiation with another person that would be playing the role of the job seeker. Second, they were asked to enter their first name or initials and select an avatar that best represented them from eight options (men and women that were Black, White, Hispanic, or Asian, see Appendix C). Third, they were matched with a partner whose avatar was always a Black or White man and engaged in a screen-by-screen negotiation wherein they exchanged offers (beginning with the partner’s opening offer, which was always \$90,000) until an agreement was reached. In reality, the actions of the “partner” were scripted (i.e., decrease one level until the participant agreed) so they would be identical across conditions.

#### Measures.

**Salary.** When negotiating, all offers/counteroffers had to correspond to one of the five possible options from Study 2 ranging from \$82,000 to \$90,000 in \$2,000 unit intervals. The final agreed-upon option represented the salary.

**Concession level.** To capture the degree to which participants made concessions to their simulated negotiating partner, we measured the number of intervals between the opening and final offer by the participant.

**Perceived level of negotiation activity.** To capture the extent to which participants believed their partner negotiated, they completed the same two items used in Study 2 ( $\alpha = .98$ ).

<sup>5</sup> Adding the perceived level of negotiation activity variable to a model containing the actual negotiation score is mathematically equivalent to adding the difference between the two. Given the widespread criticisms of using difference scores in regression, we instead opted to include both variables and their interactions with the Black dummy variable to test our hypothesis. We should note that, despite the correlation between the two negotiation variables ( $r = .74$ ), no variables (main effect or product terms) produced a tolerance level below .2, suggesting that the impact of multicollinearity on our findings was minimal.

**Actual negotiation.** To capture actual negotiation, we measured the actual number of offers and counteroffers made by the computer partner.

**Results and Discussion**

Descriptive statistics and correlations are presented in Table 6. Hypothesis 3 predicted that race moderates the effect of perceived level of negotiation activity on negotiation outcomes such that these linkages would be more pronounced for Black than White negotiators. Hypothesis 4 takes a step further in predicting that concessions mediate the interactive effects of race and perceived level of negotiation activity on salary. In the current study, we test these hypotheses against an objective measure of actual negotiation exchanges using moderated multiple regression.<sup>6</sup>

The main effects produced significant coefficients, as more negotiating resulted in a greater number of concessions ( $b = .27, p = .01$ ), but lower final accepted offers ( $b = -1692.92, p < .01$ ). Whereas the former indicates that more bargaining corresponded with participants making greater concessions, the latter reflects the fact that longer negotiations only occurred if the participant started with a low offer and was hesitant to or did not make concessions. Perceived level of negotiation activity resulted in fewer concessions ( $b = -.19, p = .03$ ) and lower final accepted offers ( $b = -272.94, p = .03$ ), indicating that participants who estimated that their partner negotiated more (holding constant the actual amount of negotiating that took place) generally made fewer concessions and awarded lower salaries.

Adding the interactions yielded a negligible increase in variance explained in final offers ( $\Delta R^2 < .01$ ), but a 3% increase in explained variation in concessions. This finding fails to support our second hypothesis, which is not altogether surprising given that each negotiation began with the “partner” making an offer at the top end of the range (i.e., anchoring high). To test Hypothesis 3 we examined the indirect influence of salary through concessions. Both the impact of actual ( $b = .71, p < .01, f^2 = .02$ ) and perceived ( $b = -.36, p = .05, f^2 = .01$ ) negotiation on concessions were moderated by race (see Table 7). For White negotiators, neither actual ( $b = .08, p = .50$ ) nor perceived ( $b = -.11, p = .30$ ) negotiation exhibited a significant relationship with concessions. For Black negotiators, both actual ( $b = .69, p < .01$ ) and perceived ( $b = -.46, p < .01$ ) negotiations influenced concessions, which exhibited a positive relationship with final offers ( $b = .27, p < .01$ ). Using the Monte Carlo method to compute confidence intervals, this pattern of results collectively indicated that actual and perceived negotiations interacted with race to influence conces-

Table 6  
Means, Standard Deviations, and Correlations for All Variables in Study 3

Variable	M	SD	1	2	3	4
1) Black	.49	.50	—			
2) Actual negotiation	2.32	.67	-.05	—		
3) Perceived negotiation	2.38	.82	-.03	.74**	—	
4) Concessions	2020.94	1297.60	-.02	.11	-.04	—
5) Salary (in dollars)	85947.64	1608.33	.05	-.82**	-.67**	.12

Note.  $N = 190$ . Black (1 = Black) is dummy coded.  
\*\*  $p < .01$ .

Table 7  
Summary of Regression Analyses Predicting Concessions and Final Salary

Variable	Step 1 DV: Concessions	Step 1 DV: Final Salary	Step 2 DV: Final Salary
Actual negotiation (AN)	.08 (.12)	-1770.04** (178.49)	-1815.31** (166.14)
Perceived negotiation (PN)	-.11 (.10)	-251.29 (146.05)	-193.86 (136.17)
Black (B)	-.02 (.09)	37.27 (132.59)	46.41 (123.27)
B × AN	.61** (.23)	241.00 (326.83)	-88.02 (309.73)
B × PN	-.36* (.18)	-108.21 (266.29)	84.53 (250.05)
Concessions			541.80** (99.07)

Note.  $N = 190$ . Black (Black = 1) is dummy coded.  
\*  $p < .05$ . \*\*  $p < .01$ .

sions, thereby impacting final salaries (see Table 8 for a summary of these conditional direct and indirect effects). Accordingly, whereas negotiating helped increase salary offers for Black negotiators by generating more concessions, Black negotiators were penalized (via fewer concessions and lower salaries) when the participant perceived higher levels of negotiation (holding actual negotiation constant). Thus, albeit actual negotiation proved helpful, just as in Study 2, perceptions of Black job seekers making more offers and counteroffers had negative financial repercussions for these participants. No indirect patterns were detected when the negotiator was White. Hence, our mediation hypothesis was supported.

**General Discussion**

There has been a relatively limited amount of research examining the influence of race on negotiations. Our findings shed light on the prospective racial differences in negotiations and suggest that job evaluators who are more racially biased will expect Black job seekers to be less likely to negotiate than comparable White job seekers. When these race-stereotypic expectancies are violated during actual negotiations, job evaluators are less willing to make concessions and, ultimately, assign Black job seekers significantly lower starting salaries than White job seekers. These insights have implications to a number of fields related to race-stereotypic expectancies and the factors that affect processes and outcomes in salary negotiations.

For instance, although three factors have been theorized to determine expectancies (Burgoon, 1978; Burgoon & Jones, 1976)—individual factors including the traits and demographic characteristics of the speaker; dyadic factors defined by the relationship that the speaker has with the listener; and contextual factors such as social norms and cultural attributes—our research focused only on the first two. We examined prescriptive race-based stereotypes and their effect on dyadic negotiation interactions. Race-stereotypic expectancies could also influence how

<sup>6</sup> We should note that, in the process of revising the manuscript for publication, we eliminated analyses involving racial dissimilarity of the dyad. These analyses indicated that dissimilarity moderated the effects of race on perceived negotiation activity such that racial differences were more pronounced in dissimilar than in similar dyads. Though we would have controlled for dissimilarity after removing it from the paper, doing so would have violated the assumption of the homogeneity of regression.

Table 8  
 Summary of Mediated Moderation Analyses in Study 3

Moderator	IV	First	Second	Indirect	LL	UL	Direct
Black	NEG	.69**	541.80	373.84	118.59	838.22	-1903.30**
	PNEG	-.46**	541.80	-249.23	-582.34	-19.83	-109.34
White	NEG	.08	541.80	43.34	-146.39	236.58	-1815.30**
	PNEG	-.11	541.80	-59.60	-164.72	100.96	-193.86
	ΔNEG	.61**	0	330.50*	88.80	621.30	-88.00
	ΔPNEG	-.35*	0	-189.63*	-408.10	-8.67	84.52

Note.  $N = 190$ . NEG = actual negotiation; PNEG = perceived negotiation. LL and UL pertain to the upper and lower levels of the 95% confidence intervals.

\* $p < .05$ . \*\* $p < .01$ .

Black job seekers navigate the organizational context. Seidel and colleagues (2000) demonstrated how individuals' race can influence their social ties and social network within a particular organization. As it applies to negotiation, it is plausible that individuals' ideas concerning what constitutes an acceptable offer are shaped throughout the course of life through exposure to surrounding information and individuals. Because minorities by and large have been relegated to relatively lower status, lower-income occupations and positions than Whites, their knowledge of available resources and opportunities may be confined to the lower end of the spectrum. By entering into an organization with a lower salary than their White counterparts, other unfavorable outcomes are likely to emerge, such as a reduction in Black employees' fairness perceptions, satisfaction, and eventually an increase in turnover.

Practically, our research on the effect of race in negotiations should be a topic of concern for researchers and organizations because the U.S. labor force (among others) is experiencing a growing trend toward heightened demographic diversity (Toossi, 2015), encouraging many companies to realize the need to increase recruitment targeting ethnic or racial minority job seekers (Breugh, 2016; Wright, 2018). Our research suggests that by addressing the less-recognized causes of racial pay inequality in the workplace, companies can attract a more diverse workforce and better leverage it (by compensating employees fairly and developing a reputation for doing so) in the quest to attain sustained competitive advantage.

Finally, our research has several limitations that point to important possible future investigations. Consider, for instance, that majority group members can be uncomfortable when negotiating with minority group members (Avery, Richeson, Hebl, & Ambady, 2009). Nonverbal signals could, therefore, also influence negotiation outcomes. Fear of making inappropriate remarks (Blank & Slipp, 1994; Hebl, Tickle, & Heatherton, 2000) and fear of revealing prejudice (Devine, Evett, & Vasquez-Suson, 1996; Dovidio & Gaertner, 1998) during encounters might create less successful negotiation outcomes. Scholars could conduct studies in which negotiations are video recorded to code for nonverbal communication and its effects on negotiation outcomes. This approach would complement our research on how and why race-stereotypic expectancies can affect the salary outcomes of Black job seekers; a possible root cause of the persistent economic divide between U.S. employees of different races.

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## Appendix A

### Stimuli Pictures Used to Manipulate Job Seeker Race in Study 1



*Note.* Images used under license from Shutterstock.com.

*(Appendices continue)*

## Appendix B

### Study 2 Supplemental Analyses

We conducted several supplemental analyses. In addition to having participants rate their partner's negotiation behavior, we also had them assess their own negotiation behavior. If our theoretical premise that expectancy violation accounts for the effects involving partner-rated negotiation is accurate, we should not see similar effects for self-rated negotiation. Supporting this notion, unlike partner-rated negotiation, the race  $\times$  explicit bias interaction did not significantly predict self-rated negotiation ( $b = .45$ ,  $p = .62$ ,  $r_{EQ} = .05$ ) and despite the moderate correlation between the two ( $r = .52$ ), controlling for self-rated negotiation does not alter the interactive results reported for our hypotheses (including that predicting salary). Moreover, we examined the potential moderating role of student status on our results and found the findings to be invariant across student status. As a supplemental analysis, we also examined whether the effects predicted and tested for Black participants extended to other racioethnic minorities as well. Only the Asian negotiator  $\times$  partner explicit bias interaction was statistically significant ( $b = 1.16$ ,  $p = .04$ ,  $r_{EQ} = .14$ ), but the pattern was such that Asian negotiators were seen as less likely to negotiate than White negotiators by partners lower in explicit bias and more likely to negotiate by partners higher in explicit bias (though neither simple slope was statistically significant). Importantly, the fact that the Black two-way interactions remained significant in these analyses ( $b = 1.93$ ,  $p < .01$ ,  $r_{EQ} = .21$ ) also suggests that our pattern of results holds equally well when comparing Black and White negotiators directly as they do to our more general comparisons of Black to non-Black negotiators.

Using the "New Recruit" negotiation simulation also permits us to examine the possibility of other forms of differential response to

perceived negotiation activity as a function of job seeker race. The eight negotiated dimensions fall into three categories (cf. Schaerer, Schweinsberg, & Swaab, 2018). Distributive issues equate a gain for one member of the dyad with an equivalent loss for the other member. These include salary and starting date. Integrative issues involve differential values for the dyad constituents. In particular, bonus and moving expenses are more valued by the job seeker whereas vacation and insurance plan are more valued by the job evaluator. Finally, compatible issues are those wherein both members seek the same outcome and these included job assignment and location. We conducted a multivariate analysis using points earned on distributive, integrative, and compatible issues as the outcomes. There were significant racial differences in the effect of perceived negotiation activity on distributive ( $b = -286.46$ ,  $p < .01$ ,  $f^2 = .06$ ), but not integrative ( $b = 59.55$ ,  $p = .50$ ,  $f^2 < .01$ ) or compatible ( $b = 45.77$ ,  $p = .19$ ,  $f^2 = .02$ ) issues. For non-Black job seekers, being perceived as having negotiated more had a nonsignificant impact on the distributive outcomes they received ( $b = -6.22$ ,  $p = .91$ ), but this relationship was negative and significant for Black job seekers ( $b = -292.68$ ,  $p < .01$ ).

The findings of this study demonstrate that when negotiating with partners higher in explicit bias, Black negotiators are seen as engaging in more negotiating than their non-Black counterparts. This difference has disconcerting consequences: Black negotiators attain lower starting salaries when they are perceived as negotiating more, though no such effect was present for White negotiators. Interestingly, it seems that this penalization for negotiating more is limited to outcomes wherein there is direct opposition in the interests of the two negotiating parties (i.e., distributive outcomes).

*(Appendices continue)*

**Appendix C**

**Avatar Pictures Used to Represent Job Seeker and Job Negotiator Race in Study 3**



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