



# Strong Negotiation Skills are Critical for Women Leaders

According to the World Economic Forum, women are four times less likely than men to ask for a raise. And when women do ask, what they ask for is generally 30% less than what their male counterparts request.<sup>1</sup> Understanding the drivers behind this disparity and what actions can be taken to strengthen negotiation skills for women is critical.

## What are the statistics?

Factors contributing to the equity pay gap — in which women make 82% of what men make — include reluctance and the lack of knowledge of the need to negotiate. The disparity ranges by industry, but affects all ages, professions, and levels of achievement. For example, according to the Bureau of Labor Statistics, median weekly earnings were \$806 for women versus \$1,004 for men in the first quarter of 2019, equating to just 80.2% of male earnings.<sup>2</sup>

Why do men ask for more money than women? Women have been socially conditioned to undervalue themselves. While great strides have been made in our society, women are often still viewed in the traditional role of keeping a home and running a family while men are viewed as the main breadwinner. These long-standing stereotypes contribute to the pay gap. Furthermore, when women do speak up and acknowledge their worth, unlike their male peers, they are often deemed difficult or bossy.<sup>3</sup>

### Key takeaways



When women ask for a raise, they typically ask for 30% less than what their male counterparts request.<sup>1</sup>



Learning how to negotiate can benefit women in the workplace and beyond.



Research is imperative to a productive negotiation process.



## Why is negotiation such an important skill?

Learning how to have difficult conversations that involve wage or fee negotiation is a skill set that will benefit many women in business across different industries. While this is especially true for salary negotiations, which are typically not easy, it also applies to other work-life areas. Furthermore, it is important that women do some research to bring new ideas to the table. What areas are the company venturing into? Are there new opportunities available?

Learning to be more aware of your position relative to a peer, manager, or client can help you better understand your value and position yourself accordingly.

## How do you negotiate a raise?

Negotiating a raise is really a multi-step process. Before you go in and actually start the conversation, you need to do some upfront legwork. Your first step should be to track your accomplishments.<sup>4</sup> What have you done to justify receiving a raise? What will you continue to do in the months immediately following the raise? This is important, as a raise cannot be reversed, so many managers look for an assessment of the future.

Know your worth. Find industry averages and ranges for your role and compare your salary to that. Make sure you consider company size, position tenure, and geographical location. Then, be sure to consider total compensation, such as options and bonuses, and not just salary. Once you've done your homework and understand your overall worth to your firm, it's time to make your case.<sup>5</sup>

## How do you have the conversation?

To start the conversation, approach your manager when he or she has time to speak. Provide a brief recap of what you've done to deserve a raise, using quantifiable impacts on the company (i.e., turnover on my team decreased by 50% or sales increased by 15%). Convey how much you enjoy working with the company and how a raise ensures that you're a valued employee. Discuss some of the actions or projects you have in your pipeline.

Listen and take note of their body language so that you can respond with proper rebuttals or understand additional steps. Unless you're discussing your passion for your role, it's best to leave emotion out of it. State all of your requests in the positive, not in the negative. For example, say, "I have saved the company \$50,000 in the last three months. A 10% raise is only a fraction of this. I want to stay focused on saving the company money. Studies show that employee satisfaction plays a significant role in focused performance."

Making you aware of the need to strengthen negotiation skills for women will not only help reduce the wage gap, but it will also make women more aware of their overall value to the organizations where they work.

## Steps to consider

- Make a list of opportunities for your company that you can contribute to.
- Create a list of your accomplishments at work and practice comfortably talking about them.
- Research and take note of what the average salary is for your role and industry for the area you work in.

## The support you need

For more Key4Women resources to help you reach your goals, visit [key.com/women](https://www.key.com/women), or [email us](#) to learn more.

Would you like to weigh in on future topics? Please take our [survey](#).



<sup>1</sup> Joanne Lipman. "Women are still not asking for pay rises. Here's why." April 12, 2018.

<https://www.weforum.org/agenda/2018/04/women-are-still-not-asking-for-pay-rises-here-s-why/>

<sup>2</sup> Bureau of Labor Statistics. "Median weekly earnings were \$806 for women, \$1,004 for men, in first quarter 2019." TED: The Economics Daily.

<https://www.bls.gov/opub/ted/2019/median-weekly-earnings-were-806-for-women-1004-for-men-in-first-quarter-2019.htm>

<sup>3</sup> "Combating Stereotypes That Come With Being a Woman Leader." July 2019.

<https://www.key.com/businesses-institutions/business-expertise/articles/combating-stereotypes.jsp>

<sup>4</sup> "Tactics to Comfortably Talk About Your Achievements." March 2019.

<https://www.key.com/businesses-institutions/business-expertise/articles/talk-about-achievements.jsp>

<sup>5</sup> Sharon Florentine and Jim Camp. "The do's and don'ts of negotiating a raise." July 19, 2018.

<https://www.cio.com/article/2438603/careers-staffing/careers-staffing-10-mistakes-to-avoid-when-negotiating-a-raise.html>

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