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# From Negotiation to Leadership: Female Professionals as Change Agents



By Horacio Falcao , INSEAD Senior Affiliate Professor of Decision Sciences

**Women who feel their strengths are underappreciated can use a salary negotiation as an opportunity to address second-generation gender bias.**

Meet Vicky, a successful client relationship manager at a mid-sized private bank catering to the ultra-wealthy. She was highly regarded by clients and co-workers alike; in fact, she had the best client feedback and lowest team turnover in her department. Indeed, Vicky seemed to have it all together. But her contentment was shattered one fateful workday by a chance encounter with a single piece of paper: her colleague John's bonus slip, carelessly left in the photocopier, showing his annual bonus was 20 percent larger than hers. John's performance as relationship manager was, Vicky felt, not remotely on a par with hers. Utterly bewildered, Vicky immediately confronted Mike, the MD for her division, and demanded a meeting later that day to thrash out the issue.

At this point in the story, I must insert a brief confession. Vicky isn't a real person. She and the rest of the people you've been reading about are characters in the celebrated "[Mike and Vicky](#)" case study, written by INSEAD MBA students Emily Kerr and Martina Ladd under my direction. The case study was designed to serve as a basis for class discussion on the topics of gender and negotiation. Recently, however, life imitated art when alleged pay disparities at the *New York Times* came to light, in connection with the firing of executive editor Jill Abramson. Much like our fictional character Vicky, Abramson reportedly confronted the *Times* management after discovering she was being paid less than her male predecessor. For its part, the newspaper denies any pay disparity and cites "a series of issues" related to her performance as justification for the firing.

## **Performance, Pay, and Perception**

As Abramson's real-life story suggests, gender bias in the workplace is sometimes hard to pin down. Often, it is closely bound up with the norms enshrined by a corporate culture as reasonable for all employees. When women run afoul of norms that were created without their needs in mind, failure to conform can be misinterpreted as bad performance, resulting in what has been termed "[second-generation gender bias](#)."

In "Mike and Vicky," we took that into account by giving Mike, Vicky's boss, a grievance of his own. In his view, Vicky has been shirking an important part of her job by choosing private family time over entertaining clients on weekends. That's one of the reasons Mike, who is in line for an imminent promotion to full partner, is inclined to choose his drinking buddy John as his replacement rather than Vicky.

So you see Vicky has her work cut out for her. To achieve pay equality and angle herself for the promotion, she must prevail upon Mike to see past the norms that block his view of her strengths. And in doing so, she must make him realise that the inadequacy lies with the outmoded norms and not with her. A simple negotiation for concrete advantages (better compensation and a promotion) has become an opportunity to push for overdue policy changes. An occasion for true leadership has arisen.

## **In Vicky's Shoes**

If you were in Vicky's shoes, how would you tackle this problem? The first step, I would suggest, is to make it more manageable by not trying to

achieve everything in one meeting. Consider your negotiating partner's point of view. The way he sees it, the problem is you and your performance, full stop. The first order of business is to change that perception with performance data proving that your approach, though different from his, still gets results. After all, if Vicky isn't losing more clients than the other managers, is her choice not to socialise with clients on weekends really that important?

Trying to address both pay and perception in the same sit-down risks making Mike feel manipulated, as though you were interested only in getting what you want, regardless of his opinion or the company's needs. Devoting an entire meeting to resolving the conflict with Mike, without any mention of money, demonstrates commitment and consideration.

### **Pick Your Battles**

In today's workplace, an accusation of sexism is nearly impossible to come back from. Sensitivities are high enough to put everyone concerned firmly on the defensive. Sadly, of course, a more antagonistic stance is necessary in egregious cases – but where possible, practise the art of bridge-building. The more you allow gender difference to dominate the conversation (either explicitly or implicitly), the less empathetic the man across the table is likely to be. And to him, making it all about gender may translate to making it all about you and your subjective experience - which he cannot relate to no matter how hard he tries - and thus push aside the real problem of the disconnect between certain policies and a diverse workforce.

Rather than stressing gender, use language that diffuses tension and universalises the problem. Example: "I feel these policies were put together with a certain working style in mind and that they sometimes fail to recognise the potential benefits of different styles of getting things done." Don't deny gender difference; *include* it within a spectrum of potential deviations from company norms that could cause valuable employees to be misperceived.

After making that point, underscore what the company stands to gain if these policies are changed and/or lose if they aren't: "Benchmarking shows that a company like ours can profit from embracing a breadth of styles in order to take advantage of different customer segments or market opportunities. We should also ensure that all employees are equally recognised and motivated within the company."

## Tying Up Loose Ends

As with every negotiation, how you listen is just as important as what you say. (In “Mike and Vicky”, Vicky was unaware of how bonuses were calculated at her company.) If the performance data you’ve brought to the meeting are compelling enough, you should be able to hear a definite change in his perspective regarding you and your performance. This is your all-clear to propose a second meeting in a week or so to discuss compensation, and your position within the company going forward.

But if you don’t feel he’s convinced yet, he’s probably not ready for that discussion. More time and evidence are needed on the performance topic before talks can proceed to the compensation stage.

Returning to the case study: Ideally, Vicky would use the first meeting to show Mike that she is an above-average performer, thinks like a manager, is committed to helping the company improve and respects the majority styles, while helping to promote inclusive change in a non-threatening way. In sum, a potential conflict meeting just turned into the perfect opportunity for Vicky to help Mike see her in a new light and start to seriously consider her as his substitute.

My next blog post will address the challenges of the second meeting, specifically how women can tap into their inherent negotiation strengths and scale internal barriers to getting what they want.

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