

*Full Length Research Paper*

# **Gender differences in buyer-seller negotiations: Misrepresentation of information**

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**We investigated the relationship between misrepresentation of information and gender in buyer-seller face-to-face negotiations. 170 middle and lower level managers participated in the research. There are two studies in this research: Study 1: female vs. male at the bargaining table; Study 2: male versus male and male versus female negotiators at the bargaining table. The negotiation simulation, developed by Kelley, involves bargaining for the prices of three products. Participants filled out questionnaires regarding their misrepresentation of information. The results show that female negotiators were less likely to misrepresent information than male negotiators. The results also show that male scored higher on misrepresentation of information, when they negotiated with females than when they negotiated with males.**

**Key words:** Gender, negotiation, misrepresentation of information, ethics.

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## **INTRODUCTION**

One of the key research factors in negotiation is whether gender makes a difference in bargaining behavior. Although significant advances in the field of gender and negotiation have been achieved, it is an area of overriding concern for scholars (Bowles and McGinn, 2008), since gender is seen as one of humans most salient characteristics (Kray and Babcock, 2006; Eriksson and Sandberg, 2012). Furthermore, business men also want to know gender differences in negotiation in order to train their employees to be more effective sellers or buyers. Ethics are vital in today's business climate. However, self-interest is a guiding force in negotiations. It is not surprising that deception is prevalent (Lewicki, 1983; Schweitzer and Croson, 1999). Communication aimed at intentionally misleading another person is often driven by self-interest (DePaulo et al., 1996). There is evidence that females appear to have higher ethical

standards than males in business contexts (Franke et al., 1997).

The purpose of this study is to investigate the relationship of gender and misrepresentation of information in buyer-seller negotiations with face-to-face negotiation. Misrepresentation of information involves somewhat inappropriate tactics where people use misleading information or ill portrayed circumstances to promote their case (Lewicki and Robinson, 1998). Negotiation processes include information between negotiators and behavioral enactment in bargaining situations. The most important thing in social interaction of people is to have the ability to predict the effects of situation-related variables (Kurtines, 1986). Gilligan's (1982) seminal work on moral development differences has shown how males and females categorically have distinct moral orientations and gender differences in business ethics. A significant

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amount of research about gender differences in negotiation ethics have been conducted; researchers have found that male and female individuals differ in their ethical framework. Betz et al. (1989), for example, found that males were significantly more likely to willingly buy stock using insider information than females. Anton (1990) found that females held stricter judgment on bluffing than males. Newman (1995) noted that females are more willing to express their ethical beliefs than males. Robinson et al. found (2000) in strategic interactions that males accept ethically questionable tactics more.

Rick and Loewenstein (2008) claim that competition motivates unethical behavior. The negotiation context itself, where competition is fundamental and masculinity implications abound would trigger usage of misleading information for males more than females. Females behave in a more trustworthy fashion than males in strategic interactions (Buchan et al., 2008). Consistent with societal expectations that males are more likely to engage in unethical behavior when they negotiate with females than when they negotiate with males, we hypothesize the following:

*H1: Female negotiators are less likely to misrepresent information than male negotiators.*

*H2: Males score higher on misrepresentation of information, when they negotiate with females than when they negotiate with males.*

## MATERIALS AND METHODS

### Sample

The group participating in the trials consisted of 170 working people (85 females and 85 males), aged 28 to 56 ( $M = 33$  yr.,  $SD = 2.3$ ), enrolled in negotiation training workshops, offered to business people at a university in Turkey.

Kray and Thompson (2005) noted there are different dyad composition designs for exploring the relationship between gender and negotiation. They identified at least 6 different dyad composition designs employed by researchers in this topic: same sex versus mixed sex; same-sex versus same sex. None of these studies included all variations. They concluded that gender composition variable was under appreciated. Therefore, we employed multiple gender compositions within this study. For this purpose, there are two studies in this research:

Study 1: female vs. male at the bargaining table.

Study 2: male versus male and male versus female at the bargaining table.

### Study 1

A total of 92 working people were in this group (46 females and 46 males). These participants were randomly assigned to male and female pairs by drawing out their names in a box. Then each participant was assigned a role in a negotiation game, either as a

buyer or seller. The goal of this study was to investigate the relationship between misrepresentation of information and counterpart gender in negotiations.

### Instruments

There are two phases in the research. In Phase 1, participants were paired randomly and assigned to play the role of either a buyer or seller in a negotiation simulation. The negotiation simulation, developed by Kelley (1966), involved bargaining for the prices of three products. Kelley's game was selected mainly because it most effectively simulates the essential factors in actual trade bargaining, and it is also simple enough to be learnt quickly (Pruitt and Lewis, 1975; Graham, 1993). Each negotiator was given an instruction sheet, including a price list with associated profits for each price. Participants were given 15 min to read the instructions, that is, either a buyer's or seller's position sheet and appropriate payoff matrix, and plan their bargaining strategies. Questions about any confused aspects were answered during this time. The participants seated across each other at a table; they were given final verbal instructions and left alone. The time allowed for this game was one hour. However, it took an average of 35 min for these participants. Negotiators' individual profits were associated with a final agreement in Kelley's negotiation simulation (1966) in the range: 0 to 80.

Graham et al. (1988) note that such buyer – seller negotiations mainly relate to monetary factors. Therefore, the negotiation outcome variable considered in this study was that the negotiator's individual profits were derived directly from the bargaining solution agreed upon by the negotiators.

In Phase 2, participants filled out the questionnaire. In order to measure misrepresenting information during the negotiation, misrepresentation of information scale was used in this study. The misrepresentation of information scale consists of four questions concerning: (1) intentionally misrepresenting information to an opponent in order to strengthen one's negotiating arguments or position; (2) intentionally misrepresenting the nature of negotiations to one's constituency in order to protect delicate discussions that have occurred; (3) denying the validity of an opponent's information if it weakens one's negotiating position, even though that information is true and valid; and (4) intentionally misrepresenting the progress of negotiations to a constituency in order to make one's own position appears stronger. These questions, which were taken from earlier researchers (Lewicki, 1983; Lewicki and Spencer, 1991; Lewicki and Robinson 1998), were used to measure participants' negotiation behavior. Respondents were asked to rate how likely they would be to engage in such behavior during this negotiation using a 7-point scale. Yurtsever (2008) validated this scale for Turkey.

## RESULTS AND DISCUSSION

In order to find the internal consistency of the scale in the present research, Cronbach's alpha coefficient was used to measure reliability. The results indicate that the internal consistency of the scales in this study was adequate (Table 1).

The hypothesis is that female negotiators are less likely to misrepresent information than male negotiators (Table 2). Based on only negotiators' responses,  $t$ -tests indicated statistically significant differences between gender for misrepresentation of information ( $t = 2.7, p < .05$ ).

**Table 1.** Cronbach's alpha, means, standard deviations and Pearson correlations among variables.

Variables	Reliability	Mean	SD	1
Misrepresentation of information	.80	3.9	.92	
Profit achievement	-	4.4	1.3	-.34***

\* $p < .05$ ; \*\*\*  $p < .001$ .

**Table 2.** Means, standard deviations and  $t$ -test for male and female in negotiation group.

Variable	Female(N=46)		Male (N=46)		$t$
	M	SD	M	SD	
Misrepresentation of information	3.9	.92	4.4	.78	2.7*
Profit achievement	44	13	38	16	1.7

\* $p < .05$ .

**Table 3.** Cronbach alpha, means and standard deviations for men negotiated with men group (A) and men negotiated with women group (B).

Variables	A Group (N=34)			B Group (N=34)			$t$
	Reliability	Mean	SD	Reliability	Mean	SD	
Misrepresentation of information	.76	2.0	1.6	.80	3.9	.77	10.1***
Profit achievement		39	16		38	13	.18

\*\*\* $p < .001$ .

The mean score is:  $M = 4.4$ ,  $p < .01$ . The mean of misrepresentation of information for males (4.4) was higher than that for females (3.9). The reason may be that gender stereotyping leads negotiators to expect females to be more easily misled than males and these expectations shape intentionally misrepresentation of information. So female negotiators are deceived more often than their male counterparts.

## Study 2

The primary goal of Study 2 was to investigate differences in male versus male and male versus female negotiators in terms of misrepresentation of information.

The most fundamental question would be whether partners adjust their own behavior and strategies on the basis of focal negotiator's gender. There were two different groups in this study.

Group A consisted of working people (34 males), enrolled in negotiation training workshops which were offered to business people at a university in Turkey. These participants again were randomly assigned to male – male. Group B consisted of 17 female and 17 male workers. These participants again were randomly assigned to male – female. Then each participant was

assigned a role in a negotiation game; either as a buyer or seller. Each negotiator was given the same negotiation simulation and material used for study 1.

Based on only negotiators' responses, the  $t$ -tests indicated statistically significant differences between gender for misrepresentation of information ( $t = 10.1$ ,  $p < .001$ ).

The mean of misrepresentation of information for group A is:  $M = 2.00$   $p < .01$ , lower than the mean of misrepresentation of information for male negotiator in group B (3.9). Findings show that misrepresentation of information is more likely to occur when males negotiate with females than males negotiating with males (Table 3).

When males negotiate with members of the opposite gender stereotypical beliefs affect their interactions, so they may come up with different strategies. From this viewpoint, they would also be fearful of losing their female opponents, so they would frequently misrepresent information to a greater degree.

## Conclusion

The results also show that there were statistically significant differences in the mean of the same and the cross gender scores for misrepresentation of information.

These triggers may reflect stereotypes and long-standing behavioral biases. Males would immediately counter such tactics by members of the same gender with quid pro quo responses. On the other hand, they find it is difficult to adopt retaliatory approaches against members of the opposite gender. They may therefore frequently misrepresent information. Males may also find it difficult to act competitively towards the opposite gender as they would towards the same gender. Most importantly, these constraints bring about a system that is biased in favor of stereotyped male or female. A stereotype is a picture in an individual's head and not an accurate mirror of the real world.

The results were intended to provide useful information for managers to understand gender-related differences in ethics in negotiation, which in turn may enhance ethical decision making in business organizations. The much tougher issue of redefining an organization's norms and expectations about what it takes to be seen as an appropriate fit and to succeed in a given marketing managerial position should be investigated. Business education may give license to motivational biases in ethical reasoning. Furthermore, these differences suggest that female and male managers may need to be trained differently with regard to ethics in negotiation.

As with much survey research, a common bias may be present in the results of this study as all the data were self-reported. Another limitation of this study relates to negotiation simulation as anything that influences important actions in negotiation in the real world; future experimental work, including field experiments should examine negotiation process under negotiating contexts. Future research also is needed to understand how can the other factors such as competitive motivations and context of negotiations influence the relationships between gender and misrepresentation of information in negotiation. Remarkably, why and how would female's ethical reasoning be affected by motivational factors when they exchange information in negotiations?

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