



The Impact of Social Media Network Structures on Female Executives' Salary Negotiations: An In-Depth Analysis Through the Lens of Behavioral Economics and Anchoring Effect

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Abstract:

In the digital age, social media has become an integral part of professional life, reshaping the landscape of labor markets and career advancement. This article examines the unique challenges faced by female executives in salary negotiations, proposing that social media network structures significantly influence negotiation outcomes through the mechanism of anchoring bias. By integrating social network theory with behavioral economics, we offer a novel perspective on gender pay disparities at the executive level, focusing on relationship between digital network structures and cognitive biases. The pervasive nature of social media in professional spheres has fundamentally altered the way information flows within labor markets, creating both opportunities and pitfalls for negotiators, particularly female executives who often navigate complex career trajectories amidst persistent gender biases.

Keywords: social media network; behavioral economics; anchoring effect

Introduction

In the digital age, social media has become an integral part of professional life, reshaping the landscape of labor markets and career advancement. This article examines the unique challenges faced by female executives in salary negotiations, proposing that social media network structures significantly influence negotiation outcomes through the mechanism of anchoring bias. By integrating social network theory with behavioral economics, we offer a novel perspective on gender pay disparities at the executive level, focusing on relationship between digital network structures and cognitive biases. The pervasive nature of social media in professional spheres has fundamentally altered the way information flows within labor markets, creating both opportunities and pitfalls for negotiators, particularly female executives who often navigate complex career trajectories amidst persistent gender biases.

Social network theory, as pioneered by Granovetter [1], has long elucidated how information flows and social ties affect job search and career outcomes. The strength of weak ties, a cornerstone concept in this field, suggests that individuals often receive the most valuable information from acquaintances rather than close friends, a phenomenon particularly relevant in the context of expansive social media networks. Concurrently, behavioral economics has demonstrated the profound impact of cognitive biases on decision-making processes, with anchoring bias being especially salient in negotiation contexts [2]. The emergence of social media as a new form of social network challenges traditional theoretical frameworks and necessitates a reevaluation of how information dissemination affects salary

negotiations, especially for underrepresented groups such as female executives. Platforms like LinkedIn and Twitter have revolutionized the way salary information is shared and accessed, creating an environment where such data becomes readily available but potentially biased. The unique structural characteristics of these networks, including rapid information diffusion and high network density, play a crucial role in shaping the informational landscape for negotiators. Research by Bakshy et al. [3] has shown that information diffusion on social networks can be highly influential in shaping opinions and behaviors, which in the context of salary negotiations, can significantly impact anchoring points.

The anchoring effect, which is a cognitive heuristic that asserts that humans tend to narrowly focus on the first offered piece of information (the so-called “anchor”) and forget other information when making decisions, is particularly obvious in the case of salary negotiations. In terms of social media, publicly available salary information or industry standards can work very well as anchors. However, not only does their authenticity place doubt on these anchors, but their relevance is also an issue that must be highlighted. For women executives who struggle with unique career paths and challenges, this is an important dilemma. Research revealed that women are not only more prone than men to low initial offers in negotiations, but that this phenomenon can be aggravated by social media platforms conveying information on salaries with the possible bias against women.

The complex interwoven structures of social media networks can either magnify or reduce the effect of anchoring bias. Dense networks, which are distinguished by the fact that they consist of many interconnections, may have a good chance of spreading salary information quickly. Although transparency is heightened, it may, indeed, reestablish biases already in place if the information circulated overwhelmingly depicts men’s salaries in top positions. Conversely, diverse networks with weak ties to various industries and roles could provide female executives with a more in-depth understanding of the field and not only one-way information. This creates a chance of mitigating the impacts of any one piece of information on the female executives.

The concept of structural holes has been exemplified by Burt, who suggested that if individuals can be found bridging different network clusters, it may prove helpful for them to gather diversified information that may be particularly advantageous for female executives during salary negotiations.

The algorithmic curation of social media content may result in gender-specific echo chambers and thus add fuel to the fire of gender-based salary disparity. Female executives may be forced to envisage a lower salary anchor point first before it gets fixed cyclically afterwards, which ultimately leads to lower negotiations and outcomes. This links to the phenomenon of the career-related cumulative disadvantage theory. The “Matthew effect” in scientific careers, as described by Merton, can be extended to executive careers, where something that begins as an advantage or disadvantage may be amplified over time through a self-propagating set of slanted or misleading information on social networks.

It has significant effects on information amplifying the bias, for example. Female executives that habitually wield social media as a pivotal medium for professional networking and information surfing may develop an anchoring conception of how their worth is quantified that is pegged to figures beneath their true value. This is one of the causes of exactly how the negotiation strategy among males versus females at the executive level may differ, which ends up with the gender pay gap continuing on as the norm. A recent study conducted has revealed that women are more likely to accept the salary figure straightaway and not negotiate, and this tendency may ultimately lead to exposure to biased salary anchors on social media.

The layering of gender with many other intersectional factors, to say the least, is not an easy job. The theory of intersectionality implies that different identity elements must be viewed in terms of their interdependence, which leads to the emergence of unique patterns of privilege or oppression. With specific regard to the structural dimensions of social media platforms in relation to salary negotiations, the implication here is that sub-groups of women executives tend to be affected differently. Additionally, due to diversity and variation among cultures, many different cultural considerations also apply to social media platforms use.

Studies have proven that negotiating styles and results vary considerably among cultures. One of the social media platforms’ global outreach effects is that the salary details and negotiation styles from one cultural setting may have a certain effect on the expectations and actions of female executives in another context, as not only in international but also in multicultural situations, there exist more emerging challenges for them.

Social capital’s importance in these network types should not be underestimated. Social capital theory suggests that the resources which are embedded in social networks could be used in the process of personal gain. Female executives, especially, should be capable of building social capital thanks to social media, which accords the chance to overcome information asymmetry and biased anchors in salary negotiations. Nevertheless, it has been verified that most women have difficulties creating and developing their network of professionals, and the digital environment may probably widen the existing issues. The digital divide, unfortunately, can manifest in many forms such as access and digital literacy. Given that women have access to only a small fraction of the internet and education in most developing countries, it magnifies the problem.

To address these multifaceted challenges, a comprehensive approach involving research, organizational policies, and individual strategies is necessary. Future research should employ mixed-method approaches, combining social network analysis with experimental studies on anchoring effects in simulated negotiation scenarios. Longitudinal studies tracking the evolution of social media networks and their impact on salary negotiations over time could provide insights into the long-term effects of these digital platforms on gender pay equity. Additionally, investigating the potential of artificial intelligence and machine learning algorithms to detect and mitigate biases in salary information dissemination on social media platforms could open new avenues for technological interventions.

From an organizational perspective, companies should implement policies that promote fair and transparent salary structures, taking into account the potential biases introduced by social media. This could include regular pay equity audits, the development of mentorship programs that provide female executives with accurate and relevant salary benchmarks, and the implementation of structured negotiation processes that reduce the impact of individual anchoring biases. Organizations should also invest in digital literacy training for their employees, with a specific focus on critical evaluation of salary information sourced from social media.

For female executives, developing strategies to navigate the complex landscape of social media and salary negotiations is crucial. This may involve actively curating their social media networks to ensure exposure to diverse and representative salary information, developing critical digital literacy skills to evaluate the credibility and relevance of shared salary data, and strategically leveraging social capital built through these platforms. Engaging in continuous professional development and staying informed about industry trends and salary benchmarks through multiple sources can help mitigate the impact of potentially biased anchors encountered on social media.

It is the obligation of policymakers to tackle these problems at the systemic level. Regulations regarding the disclosure of salary information on social media sites could be one of the methods to halt the perpetuation of biased anchors. In the same vein, initiatives introducing salary transparency across industries may help in giving employees more balanced access to information. Issues of digital literacy and negotiation skills, especially for women and underrepresented groups, can be considered a source of inequality and, thus, require educational policies.

In conclusion, final thoughts on this topic would be that the intersection of social media networks and anchoring bias contributes to a complicated and challenging area of gender wage inequality among executives. The evolution of professional networks into an online model has produced a new paradigm for information dissemination and decision-making, which is likely to have consequences for gender parity in the area of executive compensation. Moving forward, improved practices and outcomes can be obtained by recognizing and actively managing these influences across all levels – from individual executives to organizations and policymakers. If there are to be any further developments in the digital age, the concerned stakeholders have to adapt their strategies, think of new plans, and cooperate with other organizations to make sure that these platforms are a vehicle for empowerment rather than a hindrance to achieving workplace equality. The complicated interplay between digital network structures, cognitive biases, and gender dynamics during salary negotiations is a core area of research interest, with significant implications for both theory and practice in the domains of organizational behavior, labor economics, and gender studies.

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