Compensation And Benefits

Research: Employees from Lower-Class Backgrounds Negotiate Less—and Face More Backlash

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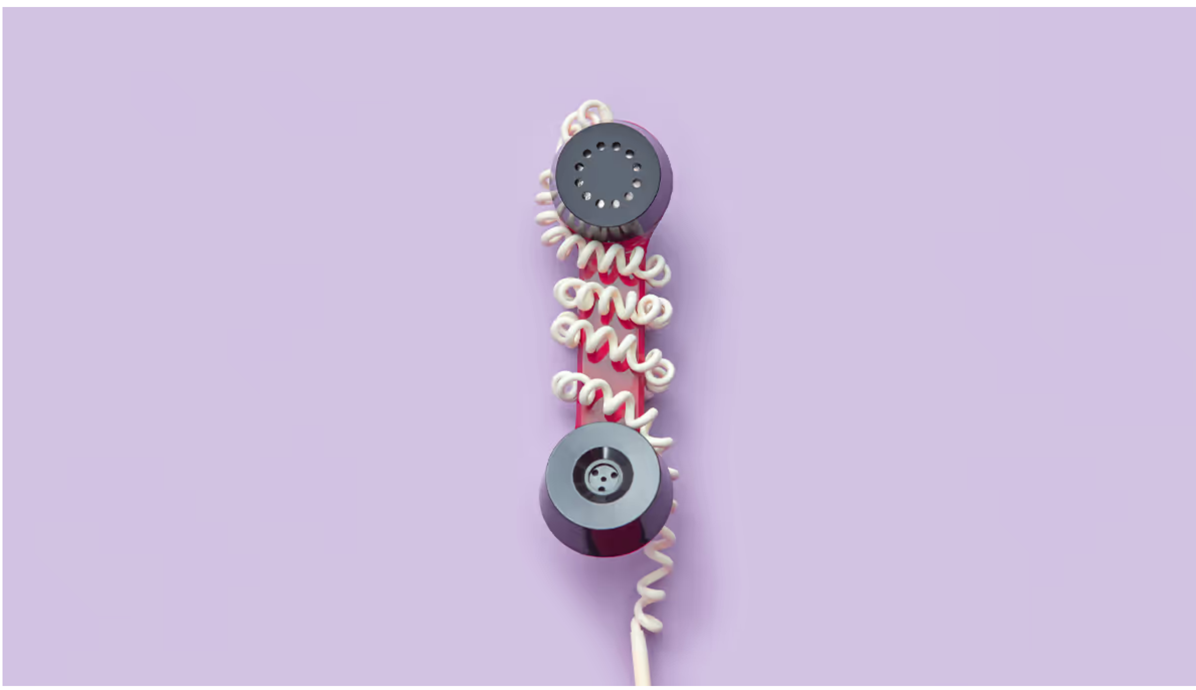
August 3, 2026



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Summary. Negotiation is often treated as a neutral, meritocratic process: Employees ask, managers assess, and the strongest case wins. New research challenges that assumption, showing that individuals from lower social-class backgrounds are less likely to initiate negotiations, a gap associated with a lower sense of power and greater concern about social backlash. That concern is well founded: In an experiment, HR professionals penalized lower-class candidates more than higher-class candidates for making the same negotiation request. Together, these findings point to a troubling social-class double bind for individuals from lower-class backgrounds: Not negotiating can reinforce economic disadvantage, but negotiating can subject them to harsher social penalties. For senior leaders, closing the social-class gap in negotiation requires more than encouraging employees to speak up; they must also redesign negotiation systems and address bias among the decision-makers who respond to negotiation requests. They can do so by reducing the need for employees to advocate for themselves, making the rules of negotiation explicit, pairing employee empowerment with explicit protection, and auditing both the negotiation process and its outcomes.

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Imagine you have two employees with comparable qualifications and performance. One asks for a higher salary, a promotion, or more meaningful work. The other remains silent. In many organizations, the first employee may be seen as proactive and rewarded, while the second may be assumed to be satisfied with the status quo.

Well-meaning leaders may be tempted to help the less proactive employees learn to advocate for themselves by offering negotiation training, skill-building, and encouragement. These tools have value, but they rest on a key assumption—that everyone is equally likely to view negotiation as an available option, equally empowered to initiate it, and evaluated by the same standard when they do.

Our new research in the *Proceedings of the National Academy of Sciences* shows that this assumption breaks down along a line that organizations often overlook: social class. Individuals from lower social-class backgrounds negotiate less often than their higher-class counterparts, and this gap is associated with lower pay and fewer opportunities for advancement. This is one way the "class ceiling" gets built.

More troublingly, lower-class individuals may be making a rational calculation. They are more concerned that asking will make them seem difficult or damage a relationship, and our experimental evidence indicates that they can indeed face greater social backlash for the same request. In our experiment, we signaled class background through a combination of résumé cues (e.g., club memberships, hobbies, and family surnames) and candidates' descriptions of their role models and family backgrounds. When the candidate negotiated, the lower-class candidate faced a larger penalty in perceived cooperativeness.

This creates a double bind for these individuals: Remaining silent can perpetuate economic disadvantage, but speaking up can trigger an interpersonal penalty. This pattern echoes research showing that women can face backlash when they initiate negotiations. Our findings suggest that social class is another, less-visible line along which the same act of self-advocacy is judged differently. It is important to note that this is not just an equity issue. When advancement depends more on who is willing to ask than on who has the most to offer, organizations risk narrowing their leadership pipeline and leaving real talent on the table.

For senior leaders, opening the door to negotiation is therefore not enough. Negotiation is an organizational system—one that can quietly reproduce a class ceiling unless leaders deliberately redesign it.

The Research

Across five studies involving 11,344 participants, we examined whether social class predicts who negotiates, why a gap emerges, what it means for career outcomes, and how evaluators respond. We measured a person's current social class using their education, income, and subjective position in the social hierarchy, and their class background through their parents' educational attainment.

We first analyzed a nationally representative sample of 7,883 Australian employees across companies and occupations. Higher-class employees were more likely to report having negotiated their starting pay. This relationship persisted after accounting for demographic and employment characteristics and appeared across the 10 most common occupations, even though their baseline negotiation rates varied widely. And it paid to negotiate: Negotiating was associated with higher wages.

We then studied 634 MBA students from four graduating classes at a leading U.S. business school. This setting allowed us to compare people with similar elite education, credentials, and professional training but different social-class backgrounds. Even here, graduates from lower-class backgrounds were less likely to negotiate their starting salaries. Those who negotiated reported starting salaries averaging $6,450 more per year—a difference that, assuming 5% annual raises, would amount to roughly $779,000 in additional cumulative earnings over a 40-year career. Among those who stayed silent, graduates from lower-class backgrounds were more likely to cite a fear of damaging the relationship.

A third study tested actual behavior rather than retrospective reports. We told 699 U.S. adults that the bonus for completing a task was negotiable. Higher-class participants were significantly more likely to request more. The difference remained after accounting for participants' actual performance and their confidence in that performance.

Our fourth study widened the lens to six types of workplace negotiation. Among 995 full-time U.S. workers, higher-class individuals were more likely to report negotiating over each of the six outcomes we examined: starting salary, benefits, promotion, raises, job content, and other work arrangements. These negotiations were again tied to favorable economic and career outcomes. For example, employees who negotiated their starting salary reported gaining an average of $3,878 more than those who did not. Among respondents who had sought a promotion, 95% of those who negotiated reported receiving one, compared with 48% of those who did not. This study also helped explain the gap. Compared with higher-class employees, lower-class employees reported a weaker sense of power and greater concern that negotiating would make them appear uncooperative or harm their relationships. Both factors helped account for class differences in negotiation.

Finally, we shifted our focus from the negotiators to the people who judge them, asking 1,133 HR professionals to evaluate a fictitious candidate. We varied cues to the candidate's class background and whether he asked for his salary to be increased from $80,000 to $100,000 plus a performance bonus. Although negotiating made both candidates seem less cooperative, the penalty was significantly larger for the lower-class candidate. That larger cooperativeness penalty, in turn, was associated with a greater decline in perceived hirability.

The request itself was not more aggressive. What changed was who made it.

What Senior Leaders Should Do

The most important lesson from our research is that organizations cannot close the class gap by focusing only on the people who negotiate less. They must also change the conditions under which negotiation occurs and the way decision-makers evaluate it. Four actions can help.

Reduce how much career outcomes depend on asking. A system that depends on employees to advocate for themselves—for promotions, raises, or job redesigns—turns differences in negotiation propensity into differences in pay and advancement.

Senior leaders should create regular, organization-initiated reviews of compensation, promotion readiness, stretch assignments, and job design. Managers should be expected to assess eligible employees against common criteria—not wait for individuals to nominate themselves. Salary bands, calibrated promotion reviews, and periodic pay-equity analyses can further limit the discretion exercised in private negotiations. Field research indicates that using calibration committees—groups of higher-level managers who review and, when needed, adjust supervisors' subjective performance ratings to ensure criteria are uniformly applied—can improve consistency across supervisors and reduce leniency bias.

Organizations do not need to eliminate negotiation. They do need to ensure that silence is not interpreted as satisfaction, lack of ambition, or lack of merit.

Make the rules of negotiation explicit. Ambiguity advantages employees who already know that an offer is flexible, feel comfortable asking, or have learned the unwritten rules through family and professional networks. Leaders can reduce the information gap by stating clearly which elements of an offer or role are ordinarily negotiable, when requests can be made, who decides, what evidence is relevant, and what range of outcomes is typical.

For example, job offers can include the salary range, the criteria used to place a candidate within that range, whether signing bonuses or start dates are flexible, and a standard invitation to discuss the package. Promotion processes can specify their timing, evidentiary requirements, decision-makers, and appeal routes. When everyone receives the same information and invitation, asking becomes a normal step in the process rather than a test of confidence or insider knowledge. The goal is not to eliminate negotiation or tacit knowledge, but to ensure that access to basic opportunities does not depend primarily on confidence, persistence, or insider information.

Some companies have gone further in making compensation rules visible. Whole Foods has a wage-transparency practice under which every employee knows what everybody else is making. Such transparency does not remove every source of discretion, but it makes the basis for pay less dependent on information obtained through private conversations or personal networks.

Pair empowerment with protection. Negotiation training can help employees learn how to identify negotiable opportunities, research benchmarks, articulate their contributions, develop alternatives, and frame requests in ways that protect relationships. Programs that strengthen employees' sense of power may also make self-advocacy feel more attainable.

But training should never be the organization's only intervention. Encouraging employees from lower socioeconomic groups to negotiate without changing how managers respond may expose them to precisely the backlash they anticipate. Organizations should pair training with procedural safeguards: standardized invitations and criteria, documented decisions, independent review of exceptions, an appeal channel, and protection against retaliation. Periodic audits can examine which employees ask, whose requests are approved, and whether outcomes vary systematically across groups or managers. Evidence suggests that accountability and transparency can reduce demographic pay disparities in some settings.

This shift also changes the message employees receive. Instead of saying, “You need to be more assertive,” the organization says, “You have a legitimate voice here, and we have designed the process so that using it will not count against you.”

KPMG UK provides a related example in the context of career advancement. Its initiatives include a promotion-readiness program and peer mentoring for employees from lower socioeconomic backgrounds. At the same time, the firm treats socioeconomic background as a checkpoint when analyzing outcomes across its people processes. Together, these practices help employees prepare for advancement while allowing the organization to monitor whether its systems treat them consistently.

Audit both the process and the outcome. Pay-equity reviews often examine who received higher pay, but overlook how managers interpreted the act of asking. Our HR experiment suggests that bias may enter before a final number is set: The same request can make a candidate from a lower social class seem less cooperative and therefore less hirable.

Leaders should urge managers and HR professionals to separate the substance of a request from their interpersonal reaction to the requester. A structured evaluation form can help: Is the request within the stated range? What job-relevant evidence supports it? How have comparable requests been handled? What objective difference, if any, justifies a different response? Organizations can also periodically audit negotiation records via an independent reviewer to spot patterns in concessions, counteroffers, hiring recommendations, and comments such as "not a team player," "too demanding," or "not a culture fit."

But there is a deeper problem: Most organizations have no way to see social class at all. While many have run dedicated equity programs around gender, ethnicity, and race, social class is rarely measured. And what goes unmeasured stays invisible. Where lawful and appropriate, organizations can begin by collecting indicators of class background—such as parents' educational attainment or occupational status, or eligibility for need-based support—and testing whether outcomes differ across backgrounds. Because such information is sensitive, it should be collected voluntarily and confidentially, kept separate from individual employment decisions, and reported only in aggregate. Organizations should also explain why the information is being collected and restrict access to those conducting equity analyses.

Using voluntarily disclosed parental-occupation data, KPMG UK publishes socioeconomic-background pay gaps and examines how employees from different backgrounds are distributed across pay levels. Since 2021, PwC UK has similarly published socioeconomic-background pay gaps and representation by organizational grade using parental-occupation data.

Any such data collection should be designed with employee privacy and local legal requirements in mind.

Caveats and Limitations

Leaders should interpret these findings with several qualifications. Our studies used multiple indicators of social class —including education, income, subjective status, and parental education—but social class is complex, and no single measure captures it fully. The first four studies establish a consistent relationship between social class and negotiation across varied settings, but they do not show that every difference in career outcomes was caused by negotiation. Our experiment with HR professionals provides causal evidence about evaluators' reactions, but it examined one professional role, one compensation request, and U.S.-based evaluators. The pattern may vary by gender, race, country, occupation, and organizational culture.

We focused on the initiation of negotiation, not the strategies people use or what unfolds once bargaining begins. Organizations should therefore treat the practices above as testable interventions: Pilot them, monitor both intended and unintended effects, and adapt them to their workforce and legal context.

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Some companies celebrate negotiation as evidence of initiative. Yet a system that rewards those who feel safest asking—and judges the same request differently depending on who makes it—is not a neutral marketplace of merit.

Our research reveals that employees from lower socioeconomic backgrounds face barriers on both sides of the bargaining table: They are less likely to negotiate, and they can face greater backlash when they do. Senior leaders are uniquely positioned to break this double bind. By making negotiation rules visible, reducing reliance on self-advocacy, holding evaluators accountable, and pairing empowerment with protection, they can make negotiation a genuine vehicle for mobility rather than a gatekeeper of privilege.

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