

# Keller Center Research Report

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## Best Practices in Onboarding Salespeople

*Phillip Wiseman, PhD, Michael Ahearne, PhD, Zachary Hall, PhD, and Seshadri Tirunillai, PhD*

## Amoral Management: The Dark Side of Leadership

*Matthew J. Quade, PhD, Julena M. Bonner, PhD, and Rebecca L. Greenbaum, PhD*

## Men vs. Women: Who Holds Bargaining Power?

*Duong T. Pham, PhD, Geoffery K. Turnbull, PhD, and Bennie D. Waller, PhD*

## Impact of Team Diversity on Consumer Perceptions

*Uzma Khan, PhD and Ajay Kalra, PhD*

## Don't Settle for Less: Using Negations in Advertising

*Todd Pezzuti, PhD and James Leonhardt, PhD*

## INSIDER: Stop Overthinking

*Dominic Alioto, MBA Candidate*

## INSIDER: Digital Marketers Sound Off

*Jude Enajero, MBA/MSIS Candidate*



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# Men vs. Women: Who Holds Bargaining Power?

*Duong T. Pham, PhD, Geoffery K. Turnbull, PhD, and Bennie D. Waller, PhD*

The ways in which gender affects negotiations and business interactions has been studied extensively in the past and remains a topic of interest across various fields. Research has not, however, previously applied these ideas to the real estate industry, where the majority of agents are female, in contrast to many other industries which tend to be male dominated. Our research aims to address this gap and answer how agent gender and interactions with agents of the same or different gender affect bargaining power in real estate transactions.



## The Study

In conducting this study, we reviewed data drawn from multiple listing service (MLS) records for the Lynchburg area in central Virginia. This data contained sufficient information to identify the characteristics, including gender of agents representing both sellers and buyers, the list and sale prices of homes in the sample, as well as the characteristics and location of those homes. All of this and more data was aggregated for the period from 1999 to 2009 to cover a variety of market conditions and trends. This data was thoroughly cleaned and culled for incomplete, missing, or illogical data. We analyzed this data set to determine ex ante beliefs about bargaining power, determined by observing correlations between listing price and agent gender, and ex post results, determined by observing actual sale price and time on the market matched against different combinations of selling and buying agent genders.

## The Findings

Our study revealed that, as expected, there are some differences in the relative bargaining power of male and female real estate agents, especially based on the sex of the other agent involved in the transaction. While male and female agents tend to list different types of properties, we found that on average, houses listed and sold by males as dual agents sell for lower prices and with a longer marketing time. We found also that male listing agents exhibit weaker relative bargaining power when dealing with either male or female selling agents when compared with female listing agents. All of this and our other data taken together indicate that male agents exhibit weaker bargaining power in the role of listing agents regardless of counterparty agent sex, while female agents generally enjoy greater bargaining power when bringing the buyer to the transaction than when bringing the seller to the transaction. This contradicts ex ante beliefs that male agents

would enjoy greater bargaining power, and it is interesting to note that sellers do not seem to fully apprehend the differences in ex post bargaining power.

Our findings also indicate that in the case of male dual agents—that is, male agents on both sides of the transaction—houses sell at a discount and with a longer marketing time. However, this result held only in a declining market and not in a rising market.

## **Implications**

Our study illustrates the very real effects of gender differences on real estate transactions, consistent with other literature on the subject of sex as it relates to negotiation, bargaining power, and behavior in general. We found that at the end of the day, both men and women behave differently in mixed-sex environments than they do when only interacting with the same sex. This is important for real estate agents to be aware of when representing buyers or sellers, as the trends observed in this study are just that, trends, and not set in stone. As such, agents have the ability to recognize their own behavioral trends and adjust negotiation tactics or general approach to a transaction in order to get the best deal for clients. The results of our study should also be helpful to managers seeking to understand how best to staff their agents and employees with respect to different objectives. By knowing that agent performance differs according to the sex of the selling agent and the sex of the buying agent, a manager can utilize their talent in an optimal way to reach firm objectives.

## **Recommended Reading**

Pham, Duong T., Geoffery K. Turnbull, and Bennie D. Waller, (2022), “Sex and Selling: Agent Gender and Bargaining Power in the Resale Housing Market,” *The Journal of Real Estate Finance and Economics*, 64, 473-499.

## **About the Authors**

### **Duong T. Pham, PhD**

#### **Assistant Professor of Finance, Georgia Southern University**

Dr. Duong Pham’s (PhD – University of Central Florida) research interests include corporate governance, executive and director compensation, corporate finance, and real estate. She has had works published in journals such as *The Quarterly Review of Economics and Finance*, *European Financial Management*, *Journal of Financial Research*, and *Journal of Real Estate Finance and Economics*. In the classroom, Dr. Pham teaches on subjects such as corporate finance, financial management, and financial tools and methods. In addition to her research and teaching work, Dr. Pham has chaired, presented, and/or been a discussant at conferences such as the Eastern Finance Association Annual Meeting, Financial Management Association Annual Meeting, American Real Estate and Urban Economics, and American Real Estate Society Annual Meeting.

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Dr. Geoffrey Turnbull (PhD – University of Wisconsin-Milwaukee) is an internationally recognized scholar who has published extensively on housing and brokerage markets, property rights issues in developed and developing countries, local public finance, and urban development. He is a Fellow of the Weimer School of Advanced Studies in Real Estate and Land Economics and recipient of the David Ricardo Medal, the American Real Estate Society's highest honor in recognition of his research and influence on the real estate discipline. Professor Turnbull serves on the editorial boards of the *Journal of Real Estate Finance and Economics* and the *Journal of Housing Economics* and is co-editor of the *Journal of Housing Research*. Dr. Turnbull also advises government agencies and firms in the technology, real estate services and real estate development industries. His previous academic positions include Professor of Economics at Georgia State University and Professor of Economics and the C. J. Brown Distinguished Professor of Real Estate at Louisiana State University.

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Dr. Bennie Waller (PhD – University of Mississippi) is active in consulting, and maintains an ambitious research agenda. His consulting and research is largely focused in the area of principal-agent and housing externality issues in residential real estate and the use of automated valuation models for valuing real estate. Dr. Waller holds an active Virginia Real Estate License. Dr. Waller's research has been presented at numerous conferences including the American Real Estate Society, the American Real Estate and Urban Economics Association, the Decision Sciences Institute and Financial Management Association. Dr. Waller's research has appeared in *Real Estate Economics*, *Journal of Real Estate Finance and Economics*, *Journal of Real Estate Research*, and *The Appraisal Journal*, among others. Furthermore, his research has been cited in top media outlets such as National Public Radio, MSNBC.com and the Wall Street Journal. Dr. Waller is the co-author of two leading real estate textbooks, “Real Estate Finance” and “Investment Decisions in Real Estate.”



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