



Of mice and men: Within gender variation in strategic behavior

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Abstract

We study behavioral differences across and within genders in a family of ultimatum and dictator games. We find these differences are due not only to altruistic preferences but also beliefs about the strategic behavior of others. The behavior of men in strategic situations is not significantly more aggressive than women on average. But this average masks wide variation in intra-gender behavior. In particular, a sizable minority of males are “mice,” behaving timidly in strategic environments. Our experimental design shows that the standard ultimatum game can mask significant inter- and intra-gender differences in strategic behavior. These behavioral patterns in strategic environments are shown to be correlated with preferences for altruism in non-strategic settings. Such gender differences could well manifest themselves in real-world large-stakes transactions, such as salary negotiations.

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1. Introduction

Economists hold a consensus view that a persistent gender gap in wages exists, even when conditioning on a wide range of human capital variables (Goldin, 1990). The primary focus in labor economics has been on higher average wages for males, but the variability of the wage distribution around the average is also greater for men. One source of these differences may be varying expectations and outcomes in strategic bargaining situations. There may exist wage-bargaining opportunities when employees are first hired as well as periodically throughout their careers. Wood et al. (1993) find males have higher means and also higher standard deviations in earnings one year out of law school, and also 15 years out. Gerhart and Rynes (1991) find similar patterns in the initial earnings of MBA graduates.

This paper presents experimental evidence of gender differences in bargaining similar to these findings in the labor-economics literature. We are able to identify these differences by observing behavior across different games. Importantly, collecting information on behavior across games is necessary for this purpose due to the fact that bargaining outcomes respond to both preferences and beliefs.

The emerging picture in the non-strategic literature is that systematic differences exist between men and women in terms of altruistic and risk preferences.¹ Men are less altruistic than women on average, but their demand for giving is more price-elastic than that of women (Andreoni and Vesterlund, 2001). Men are less risk averse than women, and men are less responsive to the strategic environment in which decisions are made (Croson and Gneezy, 2004). For instance, men outperform women when facing competition (Gneezy et al., 2003; Niederle and Vesterlund, 2006). One strategic setting where gender differences are not robust is in proposer behavior in simple games of proposal and response. Croson and Buchan (1999) report that in a trust game across a large variety of populations, there is no significant difference in the offers made by men and women. Castillo and Carter (2006) also failed to find a gender effect in the behavior of proposers in a trust game. Similarly, Solnick (2001) shows that the behavior of male and female proposers in an ultimatum game is not significantly different.² The lack of clear gender differences in simple proposal-response games is somewhat puzzling considering the findings that men are more selfish and less risk averse. One important issue is that data generated by an ultimatum game may confound preference-driven gender differences in strategic behavior with those that are belief-driven.

This paper disentangles preferences from beliefs by observing behavior in both ultimatum games and dictator games. If men are in general less altruistic and less risk averse than women, but we observe the behavior of men to be similar to women's on average when proposing in ultimatum games, then there is some fraction of men who are more pessimistic about the probability of acceptance of less generous offers. This paper presents across-game evidence consistent with the existence of such a group of male pessimists. These men are not more altruistic than women. They allocate less than women in dictator games but offer more than women in the ultimatum games.

We observe behavior in a family of ultimatum-game/dictator-game pairs, with endowments and relative prices of offers changing across pairs. The standard dictator and ultimatum games

¹ For risk preferences, see Jianakoplos and Bernasek (1998), Dwyer et al. (2002), Hudgens and Fatkin (1985), and Croson and Gneezy (2004). For altruistic preferences, see Eckel and Grossman (1998, 2001), and Croson and Gneezy (2004)

² An exception is Petrie (2004) who finds that men in a trust game pass larger amounts than women.

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