

(Negotiating for Jobs, Salaries—and Everything Else)

Prepare, Prepare, Prepare

© 2001 Prof. Mary Rowe

Introduction

You should begin by figuring out **what you want** and **what the potential employer wants**. For example, you may not even wish to raise salary issues, after considering all your interests—in addition to salary—and what is fair in the market. In addition, some employers do not negotiate about salary though they may be willing to talk about other perquisites of a job—so don't be pushed by family and friends into negotiating on salary, unless it is right to do so. In particular please resist the temptation to negotiate with many employers, unless you are really interested in all those jobs. However, sometimes you will wish to negotiate about salaries as well as other perquisites of a job—here are some ideas. Remember that effectiveness depends on knowing the real interests (not just the “positions”) of both sides

Your interests

What you want out of a job will be some composite of your interests and of all the interests that are attached to you—typically your own views, and those of your significant other, and of your children if any, and of other family members, etc., that you wish to take into account. So start by making a **list of all the people on your side whose interests matter to you** in the upcoming negotiation. Then **list the interests of each person** who matters to you. Your own list might include the following items—but please try to add several items to this list before you finish. Make this list your own.

- Salary.
- Bonuses (including loan repayment, signing bonuses, yearly bonuses) and options.
- Possible tax sheltering (for example living overseas)—or double taxes!
- Benefits (including family leave, child care, elder care, on-going training, moving costs, car, housing, low-cost mortgage, loan repayment, vacation, pension plan, life insurance, health/dental insurance, etc..)

- Perks in equipment you will be using and other workplace perks like expense accounts.
- Dress code/dress requirements.
- Job responsibilities, including the degree of your independence.
- Supervisory responsibilities.
- The skills you will be using and the skills you will learn.
- Your ability to talk about/write about/advertise what you will be doing (for example, can and may you talk with your significant other about everything that you will be doing?)
- Growth (and take-over) potential of the organization.
- Growth potential of your job and salary.
- The “riskiness” of the job and how you value this risk (plus or minus). Think about mergers, reorganization and re-engineering as well as market-risk and global competition.
- If you take this job will it help or hurt in your possibly shifting later to another job/employer of interest to you?
- How much you value the company ethics and culture and values and its attitudes toward people like you (race, gender, nationality, religion, etc.)
- How much do you value the goods or services the employer produces? How do you evaluate this employer’s insistence (or lack of insistence) on quality?
- How do you evaluate the nature of potential work/group relations—and the chance to work with colleagues who are already there.
- The potential boss, if you know him/her or know anything about him/her.
- Expected hours per week, weeks per year, flexibility of hours. For example, can you moonlight? Would you want to? Is there any unpaid leave possibility if you have a special interest in time off? When do they want you to begin? Do they want you to work any unusual hours? Do they expect that you, or you and your spouse or partner, will participate in public social activities?
- Evaluate the geographic location now, and where you will expect to live in two years and in five years and twenty years. Think through the education requirements of members of your family as well as of yourself. Think of cultural/ethnic/religious/seasonal factors. Consider the availability of special medical or family care providers. Think where other members of your family are (for example, your parents as potential grand-parents or your wish to escape some family relationship.) Think about your after-hours’ interests. For example, think about your safety as a single woman, and the safety of your family, and about earthquakes or whatever matters to you in this regard.
- What are the commuting considerations (where is the airport?)

- Cost of living in the relevant area (make an estimate of regional variations in heating/AC, cost of clothing, transportation, cost of entertaining, state taxes, etc., as well as the CPI in the given area)
- Travel requirements—how much travel would you like and where to?
- If it is appropriate, discuss these same questions—as they affect your significant other and his/her life and options—with your significant other. For example you may wish to think about “total family income in a given location” rather than just your own salary.
- In general you should try to forget what other members of your class say they are getting paid (unless they have accepted a job with the same employer and are willing to show you the letter of offer—in which case it is valuable information about the employer.)

Now rank order these items or at least re-order these items—group at the top those which are the most important for your negotiations with each potential employer. **Then, make a matrix with all the items that matter to you in a vertical list. In particular think about what matters to you more and less than money.** List potential employers along the horizontal axis and then fill in the boxes with respect to each job or employer that starts to be of interest. If you can, create some kind of weighting system about what matters most to you. Even if you change the weights every day it is worth while to think through what is most important to you.

If you know you are interested in only one employer, or if you are tied to one employer, see if there are several different jobs available or discoverable there. Sometimes you can do a little bargaining within one organization, if not for salary then with respect to many other job characteristics. At least figure out where you stand, with respect to the list above, for all possible jobs within the given company. The list may help you to develop new possibilities in talking with a mentor at the company. In addition, your responses to the list may convince you to begin to think about different employers sometime in the future.

Now that you have thought through all your interests, and trade-offs among them, what is your target salary? What is the least you would accept? What is the most that you could reasonably ask for each job?

Your sources of power and lack of power

There are many sources of power in any negotiation. Your sources of power or lack of power include:

- Your **information**—what knowledge do you have that the organization would consider valuable? Include any special body of knowledge that you might possess—like the business conditions in some part of the world that the organization might want to know about. Also think through what this employer might need that you do not know. Could you learn some new body of knowledge quickly?
- Your **expertise**—what makes you special? List languages, countries you have worked in, and any outstanding skills from your family and from hobbies, as well as all you have gotten from school and previous jobs. List the skills this employer might need that you do not yet have. Could you quickly acquire any skill on this list?
- Any special ability you have to find unique or **elegant solutions** to problems the specific employer might have. Think hard about this possibility, since this is your strongest argument for a higher than average salary. It is also a strong source of power if you are committed to just one company.
- The nature of your **commitment** to this job. Are you willing and able to work 80-90 hours per week? Do you have a track record of working like this? Or do you need time off with a new child or for yourself and want fewer hours per week and per year? Consider also the nature of your commitment to be offered a given job. How hard will you work—over what time period—to get just the job you want? (Consider the possibilities of building contacts and relationships in the company, acquiring the experience they need, etc.) The nature of your commitment to be offered a given job is an important source of power if you are committed to just one employer and cannot “play off one employer against another.”
- Your **relationships** in the company and in the field. If you happen to have strong relationships—say with the CEO or with leaders in the new Congress or with the ruling family of your country or with leading experts on whom you can draw for consultancies or with recent alumnae/ni who could help you—make a list. If you have any important enemies perhaps you had better list those also and consider their importance. Are there obviously important relationships that you could start building now within the company? Could friends or family or

faculty help? This is a source of power that can be very important if you are committed to one company.

If you know yourself to be abrasive or if people tell you that you appear arrogant when you are ill at ease, please practice respectful speech and a uniformly courteous professional attitude for job negotiations. Role-play! Many a good job/salary is gained or lost through whether you come across as respectful or disrespectful. If you are embarked on a long series of interviews, learn and unobtrusively record everyone's name, including the secretary who answers the boss' phone. Use names on the next call. Thank people. Build relationships. Think of yourself as selling the most important product in the world. Most MBA's are thought to appear very ungracious and you can stand out from the pack just because of your social skills. (Many a secretary who likes a job candidate has reminded the boss of an odd wonderful possibility that just fits the job candidate and his or her interests.)

- **Charisma/moral authority.** Assess your own **charisma**. It is an important source of power or lack of power in job negotiations. Discuss this subject with friends and your family and some faculty member. If you think you have trouble "selling yourself"—most students do feel this way—you definitely should role-play. And you might carefully observe a friend or faculty member whom you find charismatic.

Moral authority may also be a source of power if you are committed to one company and want to move from an old (less interesting or bad) job to a new (more interesting) job. For example can you argue on grounds of "fairness" that you deserve a new chance because you have paid your dues at the old job or that you have spent great effort in school preparing for new responsibilities and deserve a chance at a growth area? Can you argue on grounds of "fairness" that you deserve a salary commensurate with some group that you might reasonably belong to? For example, if salaries rose 10% while you were gone, might you argue that you deserve at least that much raise when you return from school? Or that you intend to honor your commitment to return to your old employer—but in fairness they should be willing to pay you (close to) what you would earn if you were to skip to another company? **It goes without saying that if you are using moral authority it is particularly important not to lie.**

- **BATNA**—your fall back position. Please think through your fall-back position for each negotiation and sub-negotiation you will be in. **For many people this is the major source of power they will experience in looking for**

a job—please develop options for yourself and for your family. Options will help your sanity, will strengthen your bargaining position, and will help your conscience. (Strong options will help defend you from the impulse to lie or misrepresent yourself).

The fallback position is the source of power that appears weak if you are committed within one company. It is especially a problem if your old salary within the company was low. But you still may be able to scout out half a dozen possibilities within your old firm—build and use your professional relationships. If your old salary was low, spend a lot of effort to redefine yourself as a new commodity. Use the power of commitment and be dogged about this if you possibly can. Try very hard to build a fall-back position, so that you will be choosing among jobs rather than just accepting one.

The potential employer's interests and sources of power

Please, please do your homework here. You want to know just what each employer or possible new boss thinks he or she needs. Start calling friends and reading local newspapers and doing internet searches about any aspect of the company you can discover. **Any important interest of yours on the list above needs to be matched with relevant information about the company and the job.** Some critical questions include:

- Does this employer expect to negotiate for salary and other matters? If so, within what range—and which items on your list can be negotiated? (Many companies will negotiate on hours, geographic location, which team you will join, etc. Virtually none will negotiate pension plans until you get to golden parachute level). If they never negotiate salary, how do they determine how much you and others are worth? **Be very respectful of the importance to certain employers of internal salary equity.** If the employer has strict ranges, then salary may attach more to the job, than to the incumbent. Your task in this case is to argue for a job that is pegged as high as possible. Can you influence the job level you are offered, in how you present yourself, or in a résumé specially tailored to a given job that you have learned is open? Can you create a new job which has not yet been rank-ordered within their salary ranges?
- Whom can you call within the company to check things out? What did they pay last year? How is the company doing? How have they been doing in attracting new people this year? What skills and talents are needed this coming year? Can you talk with a friend within the company or in a local business

school about where the company stands with respect to the most important topics on your list above?

- Remember that the most important source of power for the employer is likely to be its BATNA (whom else could it hire if not for you—and can it survive without you?) With respect to big companies, you can count on their having done some homework about alternative recruits as well as about salary levels. You may wish to think through and communicate how you are different from others.