

This newsletter is in response to the questions asked by many of you about negotiating employment issues. The article was written by Professor Charles B. Craver and originally appeared in the on-line publication, The Negotiator Magazine in September 2005. The article is reprinted with the permission of Professor Craver.

Negotiating Employment Opportunities

By Charles B. Craver

Employment opportunities are based on a series of negotiations. Candidates for positions must initially secure interviews. They must impress the interviewers sufficiently to obtain job offers, and they must finally negotiate their employment terms. Individuals working for companies must decide when to seek more advantageous employment terms. Individuals who recognize that these are all bargaining encounters are likely to be more successful than people who fail to do so.

OBTAINING INITIAL POSITIONS

When people learn of available positions, they must try to obtain interviews. It is imperative that they make good impressions with the persons scheduling such interviews so they can convince them they are worthy of consideration. If candidates are rude or do not seem competent, they are likely to be told no interview slots are available. On the other hand, even if the slots are all full,

if they make good impressions the schedulers may work to fit them in during the lunch break or the beginning or end of the interview schedule.

When candidates initially contact someone by phone or in person to ask about a vacant position, they should be fully prepared for the encounter. They should have read the position announcement thoroughly to be certain they know what the job entails and what the qualifications are. They should take their resumes to personal encounters, in case the scheduler requests a copy. They should be prepared to indicate why they believe they are qualified for the position in question.

Once candidates are scheduled for an interview, they should be prepared for this critical interaction. They should wear clothing appropriate for someone applying for the open position. When in doubt, they should remember that it is preferable to be overdressed than underdressed. Even if the employer has casual Fridays and they are scheduled for a Friday interview, they should dress as they would if the interview was on another day.

The preliminary portion of the interview is crucial. Studies indicate that most interviewers form initial impressions during the first minute or two they interact with candidates, and spend the rest of the interview trying to confirm their

preliminary assessments. It is thus important for candidates to begin their interviews in a professional manner. They should introduce themselves politely, but forcefully, and shake hands firmly. If the interviewer begins the session standing up, the candidates should remain standing until asked to have a seat. They should also appreciate the fact that interviewers who do more of the talking tend to evaluate candidates more generously than interviewers who say little. Candidates should thus plan to ask questions that will encourage the interviewers to talk.

Candidates must be prepared to indicate why they should be offered the position. What are their specific qualifications? When asked about their personal strengths and weaknesses, they should highlight their strengths. If they are asked specifically about any weaknesses, they should be honest but try not to focus on their negative traits. They should not hesitate to ask questions of the interviewer with respect to the actual job duties and the traits being sought by the employer.

It is best to avoid the discussion of salary information during this part of the selection process. If candidates mention a low figure, the interviewer might not consider them highly qualified, and if an excessive figure is discussed, it may destroy the candidate's chances of obtaining any offer. If candidates are asked about their present salaries and they are looking for higher paying positions, they can refocus the discussion by asking the interviewer about the salary for the open position. If they are asked specifically about their current compensation, they can disclose it, but indicate that they believe they possess the skills associated with positions entailing greater responsibilities – such as the one they are seeking.

During the interview process, candidates possess minimal bargaining power. Most employers are simply trying to determine which

individuals to seriously consider among the qualified candidates. Anyone who says or does anything they don't like is likely to be excluded from consideration. It is thus important for candidates to emphasize why they deserve consideration, and avoid the discussion of topics which may cause their disqualification.

Once candidates successfully negotiate their way through the interview process and obtain job offers, the balance of power shifts in their direction. The employer has decided to employ them, and the personnel official wants to secure their acceptance. This is the time to ask specific questions about salary and benefits. Through friends, placement offices, trade groups, and Internet sites, the candidates should already have obtained information pertaining to the compensation levels associated with similar positions.

Candidates should try to get the personnel official to make the initial offer by asking what the usual salary is for this position. They may learn that the employer is willing to pay them more than they expected, and they can take advantage of this situation. Even if the salary mentioned is acceptable, candidates should not hesitate to politely ask if the figure mentioned is negotiable. Personnel officers usually begin with lower offers, and actually expect candidates to bargain for higher salaries. They respect people who take the initiative to bargain about this important topic. Candidates who seek to negotiate their beginning salaries are likely to obtain more generous terms than those who fail to do so, and their higher salaries will benefit them for the entire time they spend with this particular firm.

In their recent book *Women Don't Ask* (2003), Linda Babcock and Sara Laschever found that while 57 percent of male business school graduates at Carnegie Mellon University

negotiated their initial salaries, only 7 percent of female graduates did so – resulting in average male salaries almost \$4000 higher than average female salaries. They also found that men think they deserve higher salaries for the same positions than women. It thus behooves women to appreciate the degree to which they may advance their interests by seeking to negotiate their initial salaries, and by objectively assessing their real worth to their new firms. If they fear they may undervalue their own services, they should consult their male friends and ask them what they think someone should be paid for the positions in question.

Candidates must not only focus on salary information, but also realize the degree to which fringe benefits may be negotiable. Hiring officials usually provide candidates with brochures describing the fringe benefits available to firm employees. These should be carefully reviewed. They usually include health coverage, a retirement plan, and other options most workers need. Candidates should not hesitate to ask whether there are other fringe benefits the firm might cover completely or with supplemental premiums they may have to pay. If they are already covered under their spouse's health plan, they may be able to trade such coverage for a higher salary or other fringe benefits such as child care or dental coverage.

Candidates who hope to obtain additional perks, such as flexible work hours, reimbursement for professional dues, travel to professional conferences, reimbursement for external training courses, or free or subsidized parking, should raise these issues. Even if they are unable to obtain the terms they specifically request, the employer may agree to enhance their base salary or offer to substitute other fringe benefits for the ones they don't provide.

Candidates should ask about the specific requirements of the job being offered. What are the job responsibilities involved? Is travel required and how much? Does the company provide employees with professional development courses? What advancement opportunities are available to qualified personnel? Can they anticipate continued employment if their performance remains exemplary? Although most private company employees are retained on an employment-at-will basis, meaning that they can be terminated at any time for almost any reason, firms that promise continued employment for good performance are less likely to exercise this option without a valid reason.

Once candidates have obtained all of the relevant information with respect to the offered position, they must decide whether to accept the offer. Are they being offered an opportunity commensurate with their professional goals? They must be aware of the impact of psychological entrapment and be certain they are not seeking this position solely because they have recently been denied other opportunities they really wished to obtain. People who are rejected for good positions are often depressed and looking for a "victory." They may have even told their colleagues they plan to leave their current employer, and feel pressure to do so quickly. They then locate a position they would not normally seek, but go after it merely because it is available. Individuals who have been looking for employment for a number of months should be especially careful not to apply for positions they know would not advance their careers or personal objectives. When they are finally offered employment, they should review their long-term objectives and be sure they are not accepting this position to make up for better opportunities they have recently lost. If they fail to consider this possibility, they may experience "winner's curse" and accept positions they never really wanted to obtain.

NEGOTIATING PAY INCREASES

Individuals already employed by firms must frequently negotiate future compensation increases. They need to ask themselves the best way to bargain for the terms they wish to obtain. Too many employees make the mistake of asking their superiors for raises based upon their personal needs – they wish to purchase a more expensive house or have children entering college. Company officials are rarely moved by such entreaties, because firms are not charitable organizations. They exist to make money for their shareholders. They don't advance their profit-maximizing objective by giving their employees raises to cover new homes or college tuition; they instead give workers raises based upon their contributions to the firm.

Individuals seeking pay increases need to provide their managers with reasons the company should want to improve their compensation levels. They should cite the amount of new business they have recently brought to the company, the improvements they have made in existing systems, or their successful implementation of new programs. They should prepare for their interaction as thoroughly as they would for any other important bargaining encounter. They should gather relevant information from coworkers and friends at other companies, and from business sources regarding compensation levels for similar positions.

If their firms have regular performance reviews, they should raise the issue of compensation increases during such a session. If they are not scheduled for such a periodic review, they should try to select a propitious time to ask for the desired increase. If their manager has been particularly focused on other matters, they should wait until things calm down if possible. It can be beneficial to wait until the firm has announced positive financial information indicating increased

revenues. They should try to schedule a personal meeting in the manager's office, so they will have that person's undivided attention. It is difficult to discuss a pay increase with someone who is simultaneously taking phone calls or conducting other unrelated business at the same time.

In the meeting, the persons seeking a raise should mention the work they have been successfully performing, and detail their current capabilities. They should also mention any skills recently acquired through training programs or advanced education. Have they accepted additional responsibilities that have made them more valuable to their firm? Are they willing to assume additional responsibilities if this would enable them to advance within the organization? These are especially important considerations for persons who are presently being paid what comparable employees are earning.

People who learn that similar employees at this company are earning higher salaries should casually mention this factor, since most firms try to maintain equitable compensation levels among comparable employees. They may not realize that someone has fallen behind, and take action to correct this situation. This factor may be especially relevant for someone who failed to negotiate his or her initial salary and thus began behind others who took advantage of the opportunity to do so.

Individuals seeking pay raises should try to state the reasons for their requests positively. They should not claim that they are being treated unfairly. Managers almost never appreciate criticism from their subordinates. It is thus important for the requesters to state the reasons they think they deserve the increases being sought. Some supervisors may try to avoid having to make a decision on such requests by refusing to provide an immediate answer. When this happens, the requesting persons should ask when they may

expect a response. If necessary, they should schedule a follow-up meeting at which their request will be definitively addressed.

What should people do if they are only given part of the raise being requested? They should politely ask if their might be additional room for movement by the company. If not, they should ask whether their situations could be reviewed within the next six to nine months. They should also ask what else they could do in terms of new job responsibilities and/or professional development that would enhance their chances for advancement within the company. They should tell their managers how much they enjoy working for their current firms, and indicate their eagerness for professional growth. They should never mention the possibility of moving to another employer, unless they are truly prepared to relocate. They never know when their supervisor may call their bluff and let them leave.

Nothing enhances the likelihood for compensation increases more than offers from other companies. Persons who contemplate opportunities from other employers should do so cautiously to be sure they don't offend their current employer. If they are asked about efforts to locate positions elsewhere, they should not lie about such efforts. They should indicate that they are interested in the chance for professional advancement, and ask what they could do to obtain such opportunities within their present firm. If they make it clear they prefer to remain with their immediate employer, they may be offered the opportunities they desire.

Individuals often obtain offers from other companies they wish to accept. When this happens, they should always try to leave their current employer on beneficial terms. They should explain what a difficult decision it has been and talk about what wonderful years they had working for this company. They must realize that their current manager may ultimately leave this firm and go to another organization for which they would like to work. They might even be asked someday to return to their former employer to accept a more advanced position. If they are remembered fondly and are able to maintain cordial relations with their past managers and coworkers, these individuals could be of assistance in future years.

Copyright © 2005 by Charles B. Craver

Charles Craver is the Freda H. Alverson Professor of Law, George Washington University. He is author of *The Intelligent Negotiator* (Prima/Crown 2002) and *Effective Legal Negotiation and Settlement* (5th ed. 2005 LEXIS). Over the past thirty years, he has taught negotiation skills to over 70,000 lawyers and business people throughout the United States, Canada, Mexico, Puerto Rico, England, Austria, Germany, and China.