

# Successful Negotiations Require Some Compromise

**F**inally, the end was in sight. After exhaustive screening, interviewing, assessment testing and referencing, no one doubted that Paul Moore was the best candidate for the R&D management position.

All that remained was the simple matter of the offer. Surely the opportunity to work for such a prestigious organization would be enough for Paul to sign on.

But then the phone rang. It was Jeff Blacker, a tough, no-nonsense employee agent. Jeff was calling to negotiate Paul's offer, and he was ready to play hardball! Landing Paul would be much more difficult than anticipated.

Sound far-fetched? After all, employees aren't professional athletes or movie stars. But in today's talent-starved market, isn't an accomplished chemist or a proven marketing director just as valuable as a star quarterback? Of course they are, and negotiating a job offer with such a promising candidate certainly isn't what it once was. Back in the "good old days," the prospective employee walked into the human resources office and there would be a compensation offer on the table—take it or leave it.



However, today's professionals are much more savvy—they recognize their value in the market, and are unwilling to settle. They're looking for more than a paycheck from their employers, and are placing increasing value on quality of life issues in the workplace. These days, most candidates, even recent college graduates, feel that the terms of their employment are negotiable.

Now, more than ever, a successful hire requires careful planning and tactful negotiating. And so, as a negotiator in search of top talent, you must be prepared, anticipate demands and act firmly.

Do you need to hone your employment negotiating skills? Here are some guidelines to follow:

## Aim for Win-Win

In many negotiations, it's acceptable for one party to win at the expense of the other. But in an employment negotiation, both parties must feel like winners. Both employer and employee should feel energized by the agreement. If either party perceives that they were treated unfairly, an air of distrust may be created. And ultimately, job performance could suffer.

## Maximize the Pie

When discussing compensation, everything is on the table—from salary to

incentives, benefits, prerequisites and even opportunities for professional development and career advancement. To get the best deal for both parties, keep all your options open.

## Ask Questions, Then Listen Up

If you know something about a candidate's background and what his or her needs are, you can tailor your offer as you negotiate. By asking the right questions, you drive the negotiations toward the best destination. With proper inquiry, the candidate will tell you what they want. Explore opportunities as they are presented. Just keep your ears—and mind—open. The best way to maximize the pie is to recognize what the other party values.

## How Far Can You Go?

Find out in advance what is within your discretion to sweeten the deal. Can you grant sign-on bonuses, and if so, how much? How about covering relocation costs? Can you offer more vacation time as an enticement or an early performance review that could result in a quick pay raise? Know the answers to these questions prior to sitting down at the bargaining table.

"Job seekers are learning how to negotiate a lot smarter these days, so HR people now need the latitude to cut deals," said Sally Haver, vice president of the Ayers Group, a New York-based HR consulting firm.

## Money Isn't Everything

Non-economic issues carry weight these days. In today's two-earner and single-parent families, a recruit may not be as interested in compensation as in "quality of life" benefits. Therefore, you may need to think outside of the paycheck. Be prepared to offer incentives such as flextime, childcare or perhaps telecommuting. Conversely, you may appeal to a



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candidate by offering more responsibility within the company.

### Prepare and Rehearse

Prepare your salary offer and rehearse its presentation. This includes knowing how “high” you are willing to go and what concessions you are willing to make. Once those parameters are breached, you know you’ve reached your walk-away point.

You can set boundaries for negotiation by including a salary range based on experience in recruiting ads. While this automatically sets parameters for the salary, it doesn’t curtail bargaining on “quality of life” issues.

### Speak First

A positive opening statement from you builds trust and goodwill with the potential new hire. Make candidates feel wanted; let them know you can be trusted. This will help overcome the traditional adversarial stance that many negotiators assume.

### Write it Down

As you reach agreements on terms of employment, put them in writing to avoid backtracking later in the process. If an agreement is on paper, neither party will have grounds to contest it.

### Bite Your Tongue

Occasionally, friction or even disagreement can occur between you and the prospective candidate, but never allow yourself to get emotional. It’s better to excuse yourself from the table for a few moments than to get hostile and alienate a potential employee.

Playing “hardball” with a recruit won’t leave a positive impression either. The conversation may continue, but communication will have ceased. If you allow the negotiations to take a negative turn, you may cause irreparable damage to your new employee’s morale before the candidate even begins the job. Even worse, you may kill off a potentially valuable team member.

### Focus on Issues

When negotiating, focus on the issues, not the person. If you’ve come as far as making a job offer, and you reach an impasse in negotiations, separate the person from the problem. You’ve already placed some value on this person, so put yourself in the recruit’s chair. Take a step back and ascertain why the candidate is taking an adversarial position. The sticking point must be important to this person. Take it upon yourself to keep the negotiation from centering on one divisive issue.

### Sit on It

Don’t make a concession the moment that you recognize you can. Your concession could be construed as a sign of weakness. Instead, work the concession into the deal at a later point so you’re not seen as a pushover.

One other point about concessions: be cautious about what you offer. Despite your best intentions, the details of pay plans may get shared among employees. Before you make a concession, consider how others will react. Will you need to make a similar offer to existing employees? Will your concession go against current policies or norms? If you are going to make a concession, take time to consider the true cost of what you offer.

### Try, Try Again

When you reach a potential impasse, try a different approach rather than continuing to tackle the issue head-on. For example, if the salary you are offering does not meet the candidate’s expressed requirements, try offering non-cash incentives or the opportunity for an early review. Or better yet, ask more probing questions to determine what else the candidate values, so you can determine other options to offer.

And even after you’ve reached an acceptable agreement, allow time to reflect and review all the terms of the deal—you may just find a few ways to improve the final agreement for both parties.

### This Isn’t a Game

Don’t expect to win every issue. A negotiation is a series of give-and-take agreements that benefit both parties. But never lose focus of the fact that an employment negotiation must remain win-win—a better deal means a better deal for all involved.