



# Successfully Navigate the Negotiation Process

Employment negotiations begin even before a job offer is extended. Having a clear plan of action, and an understanding of your objectives and those of your prospective employer, will help you make the most of this important process.

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**T**he recession has brought about significant reductions in the workforce, affecting rank-and-file and managerial positions alike. Yet, although it appears that the economic recovery has begun, many hiring organizations are surprised to discover that it is not a buyer's market. Often, the best candidates — even those who are currently unemployed — are more discerning about their next career moves, carefully considering the organization, finances, corporate reputation, and other factors.

Even in this less-bullish market, job seekers are doing more soul-searching, weighing quality-of-life issues and the overall job package more heavily than before. The answer to the question “Do I really want to do this?” has become a fundamental factor in many job seekers' decision-making process.

While candidates are more carefully evaluating how job prospects align with their long-term objectives, companies, too, are trying to better understand job seekers' motivations as they work to entice people to consider a career move. With both sides demonstrating more caution, honest and transparent communication can help prevent wasted time and energy and build solid relationships. This article outlines how employers and prospective employees can effectively handle the process of job negotiations, even before a formal offer is presented.

## The process begins early

From the moment you meet a recruiter or prospective employer, your mindset and presentation send messages

about your potential value to the organization. As you begin this process, it is crucial to know your “must-have” career criteria. This will help you to visualize and target your preferred employer as well as identify potential deal-breakers early on.

Part of the recruiter's job is to uncover what will make a job candidate want to make a career move. By gathering this information up front, the employer can streamline the process by eliminating candidates whose requirements are beyond what the organization can realistically provide. Companies also consider internal equity issues so as not to create misalignment in terms of base salaries, especially for newly created roles. Early and open conversations ensure that there will be no surprises when an offer is extended.

In addition to salary, a recruiter will talk to you about the tangible and intangible factors that will pull you out of your current situation into a new one — examining areas where you might be dissatisfied, and ensuring that they are significant enough to compel you to commit to a change. The recruiter will then propose the hiring company's outline offer, to get your initial feedback and identify shortfalls — so that they can tell the employer that you are generally comfortable and interested but have some additional requirements or questions.

## Top tips for negotiating

Myriad books have been written on the art of negotiating everything from job proposals to marriage proposals. Cutting through the clutter of advice, here are perhaps

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the most important tips for candidates in an employment negotiation.

**Start with a plan.** As you begin the process of finding a new job, know your own motivation and objectives. Ask yourself: What am I trying to accomplish? What about my existing job is not working for me? What would I like to get out of a new role, both in the short term and in the long term? How does my personal life fit into this? Do I need to develop new skills? How much time do I have?

If you have considered changes in the past but chose not to pursue them, what is different now?

**Understand the company's position.** One of the hallmarks of an effective negotiation is that each side understands the goals and perspectives of the other side. To effectively negotiate with a new company, you need to understand:

- what the company is looking for and why
- why you are of value to them
- the company's philosophy of recognition and reward
- the company's business objectives — how these goals are changing, and how you fit in to the plan.

**Care ... but not too much.** You must sincerely want to make the job change. Your heart and head must be in it. But you can't let your ego get in the way. Striking this balance can be a challenge.

Just because the company doesn't see things exactly the way you do isn't necessarily a problem. If you are at an impasse, consider whether the stumbling blocks are deal-breakers, or whether they are simply less-than-ideal outcomes for you that are acceptable or negotiable.

Understand, and expect, that give-and-take is part of the negotiation process.

**Fully understand the offer.** This is important for two reasons. First, before you can consider an offer and determine whether it is acceptable, you need to comprehend all of the components. This is especially true regarding factors like benefits and long-term compensation.

Second, if you don't fully understand the offer, you might ask questions or attempt to negotiate points that reveal this lack of basic comprehension. This can undermine the positive impression that you are nurturing.

**Don't do damage during the negotiation process.** If the initial offer doesn't work for you — for example, you require more compensation or benefits to make the job

change worth your while — that's fine. During negotiations is the time to share this. But do so respectfully, because if you still want the position, you should reinforce the positive relationship you are developing with the company as you negotiate the deal.

If you don't want the job, it is still important that you handle the process in a business-like manner. People are evaluating you, and you don't want to damage your personal credibility or reputation in the marketplace.

### **Build trust and lay the foundation for a long-term relationship**

Companies are also giving more thought to the selection process. The stakes of hiring the right person can be high, and employers are taking more time and scheduling more interviews to find the most appropriate people. During these meetings with candidates, a relationship develops so that by the time both parties are convinced that the fit is a good one, they are emotionally committed to making things work. It is only at this point that the formal negotiations begin.

The most common misstep made by both companies and job candidates at this point is to move too slowly. When either party goes quiet or stalls, it can send the wrong signals, often unintentionally. Silence from a company does not give a favorable impression about how effectively it operates, while not hearing back from a candidate will make the hiring organization question his or her interest. This miscommunication can be avoided by being transparent, and discussing the decision-making process and timeframes up front.

A recruiter — an independent third party — helps to broker the deal up to the point where the finer details are better addressed directly by the employer and employee. The employer or recruiter can use this period as a way to engage the job candidate and launch an open working relationship based on trust.

### **Seal the deal**

Once a bond has been established during an honest and open negotiation process, finalizing the details is often easy.

After carefully reviewing the offer letter, take a personal approach to accepting it by calling the search consultant, human resources director, and/or the hiring manager and thanking them for the opportunity. In this discussion, clarify the next steps, inform the company of when and how you will return a signed copy of the offer, and confirm a start date.

Ideally, during the bargaining phase, both you and your future employer will have focused as much on your new working relationship as on the details of your contract. This will allow for a smooth transition and a positive beginning to your partnership.

## Resign with respect

The delicate step of resigning from a current job should not be done until a formal, written offer has been accepted and signed by all parties. It is advisable to resign face-to-face with your manager, allowing for an opportunity to discuss a departure date and transition plan. Presenting solutions for a smooth handover — rather than positioning your departure as a problem — is essential to leaving on the best possible terms.

## Encounters with counter offers

Don't be surprised if your current employer makes a counter offer ... but be very cautious about accepting it.

Once you resign, you break trust and rapport with your company. Candidates who have accepted counter offers have been known to report later that they sense they are perceived and treated differently. In the words of one manager with this experience, "My cards are marked. I can go no further in this company."

Experienced executives do not talk about a new offer or allow space for a counter offer. They communicate a decision positively and respectfully without leaving the door open for negotiation. If you use an offer to see what you are worth to your current employer, you will not be thought of favorably by either your current or perspective employer.

## Wrap up

Carefully consider your long-term career goals and life objectives, and honestly evaluate how committed you are to the prospect of changing jobs, leaving a current employer, or starting a new career track. If you enter the job negotiation process well-prepared, with an appreciation of everyone's objectives, including your own, you are more likely to achieve an effective negotiation and favorable outcome — which could include an exciting new position.

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