

Tips For Negotiating With Employers – It's Not As Bad As You Think!

When I say the word “negotiation,” what pops into your head? More often than not, it's probably a sense of unease. (Something like the first scene of the movie, *Wedding Crashers* comes to mind.)

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Yet, the truth is, most of us negotiate almost every day with friends, family, and colleagues. They aren't life or death decisions, but chances are you're regularly negotiating aspects of your relationships with everyone you interact with.

Why Do We Get Uneasy At The Idea Of Bigger Negotiations?

We equate them with confrontation. Why? Because that's what negotiations are to many of us – power plays where one side dominates over the other. When you think about it, we generally view negotiations as a give and take kind of event. Thus, our dislike of negotiating comes when we recognize there is a chance we can lose. Let's take one of most common business negotiations as an example – working out a compensation package with a potential employer.

It's All About 'The List'

This kind of negotiation makes many of us feel uneasy for a variety of reasons, including its complexity. Here are just a few items you might want to negotiate depending upon your field and experience level:

- Salary/commission
- Bonuses
- Vacation time
- Sick time
- Health insurance – medical, dental, and vision
- Life, disability, and accidental death Insurance
- Retirement plan
- Continuing education/tuition reimbursement
- Relocation compensation
- Signing bonus
- Health club/fitness stipend

That's actually quite a bit, right? And it gets even more complicated when you consider that each of these components may have multiple options to choose from!

Now, Let's Imagine...

You're sitting down with your potential employer to decide what level of each benefit you will receive. There's a good chance you think some of those items are more important than your potential employer, and vice versa. Let's use health insurance as an example. It is quite costly for companies, so they may want to minimize either what they pay or what you receive. You, on the other hand, may be okay with the second tier of health insurance coverage but really want an extra week of paid vacation.

If you both assume the other party holds the same priorities you do, then, over the course of the negotiation, you're unlikely to recognize potential compromises. So, what's the solution? Instead of preparing yourself for a win-lose outcome, look for an integrative one, where both sides needs are met.

Tips For Negotiating With Employers

How do you prepare yourself for an integrative negotiation? Here are some tips:

- 1. Your Best Alternative To A Negotiated Agreement (BATNA)** - If you don't take this job (or agree to this deal), what will you do instead?
- 2. Your Walk-Away Point** - What is the minimum you're willing to accept? It is important to distinguish this from your BATNA, as your walk-away rate is specific to this negotiation and not to your general situation.
- 3. Your Target Price** - What is your dream outcome?
- 4. Your Sources Of Power** - What gives you leverage?

Now you might be thinking that given today's economic situation, you should not be negotiating – you should just be happy you have a job offer. I'm not so sure this is the best approach. After all, if you can negotiate a compensation package that both benefits you and saves your employer money, they may be willing to work with you. Plus, it can start you off on the right foot with your new boss.

This said, it's always wise to consider the things listed above before deciding your approach. You're going to have to sit down and figure out all of this information before you talk to HR. Take some time to work out what you want and what you can live with. You may base these upon mundane things, like the amount of money you need to pay rent, buy food, and generally exist. Or they could be expressions of greater desires, like wanting to return to school or wanting flexible hours so you can stay with your children.

So, if you're going through this process now, take some time and think about what you want. Having a clear idea of what you need versus what you'd love will help you to make smart concessions during negotiations, ensuring that at least your minimum needs are met.

Okay, have that list in hand?

Now, do the exact same thing, but for the other side. That's right, pretend to be the hiring manager and think about what their BATNA, reservation price, target price, and sources of power are. I'll help you a bit.

1. **Their BATNA?** Chances are it's hiring someone else (you're not the only fish in the pond).
2. **Their Walk-Away Point?** That depends on how much they want you, but chances are it's not going to be much higher than the price of another candidate.
3. **Their Target Rate?** It's probably the combination of benefits that will cost them as little as possible.
4. **Their Sources Of Power?** There are a few; again, one is their ability to hire someone else.

See a pattern here?

Of course, you're not going to be 100% accurate in this assessment. If you were, then you wouldn't have to negotiate – you'd know the perfect outcome that would satisfy both sides. Instead, the idea is to understand where the other side is coming from, figure out points of commonality, and look for ways to satisfy the interests of both parties.

Don't just take my word for it.

There are a number of books on the subject – *Getting to Yes* by Bruce Patton, William Ury, and Roger Fisher, and *Bargaining for Advantage* by G. Richard Shell are two that can get you on your way. You can also take a seminar or class on negotiation. Or, you can seek out a consultant who can assist you (just keep in mind that you'll have to abide by what they negotiate for you).

The last thing you should keep in mind is you won't become a master negotiator in a day. And, the one thing I guarantee is that you will make a mistake. Learning to negotiate takes time, study, and practice.

So, the next time you're negotiating, consider how your interests align with the other party's. Whether you're deciding who does the dishes or what you're being paid, at the very least, you'll have a better understanding of what you want, and hopefully end up with an outcome you can live with.