



UNIVERSITY
OF MANITOBA



BUILDING YOUR NEGOTIATION SKILLS

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MAY 10 | WINNIPEG

Show Of Hands...



- **When was the last negotiation you initiated?**
Years ago? Months ago? Weeks ago? Days ago? Hours ago?
- **Did you negotiate the terms of your last job offer?**
Why not?



Why Negotiate?

- **Financial Gains**

- ▶ 3-5% salary ↑ just from negotiating (let alone negotiating *well*)
- ▶ Gains repeat/compound over career
- ▶ \$500k - 1m+ careerlong difference

- **Relationships**

- ▶ 80%+ of employers more impressed with professional negotiation than accepting first offer

- **Satisfaction**

- ▶ Effective job negotiation ↑s job satisfaction, ↓s turnover

- **Avoiding Regrets**

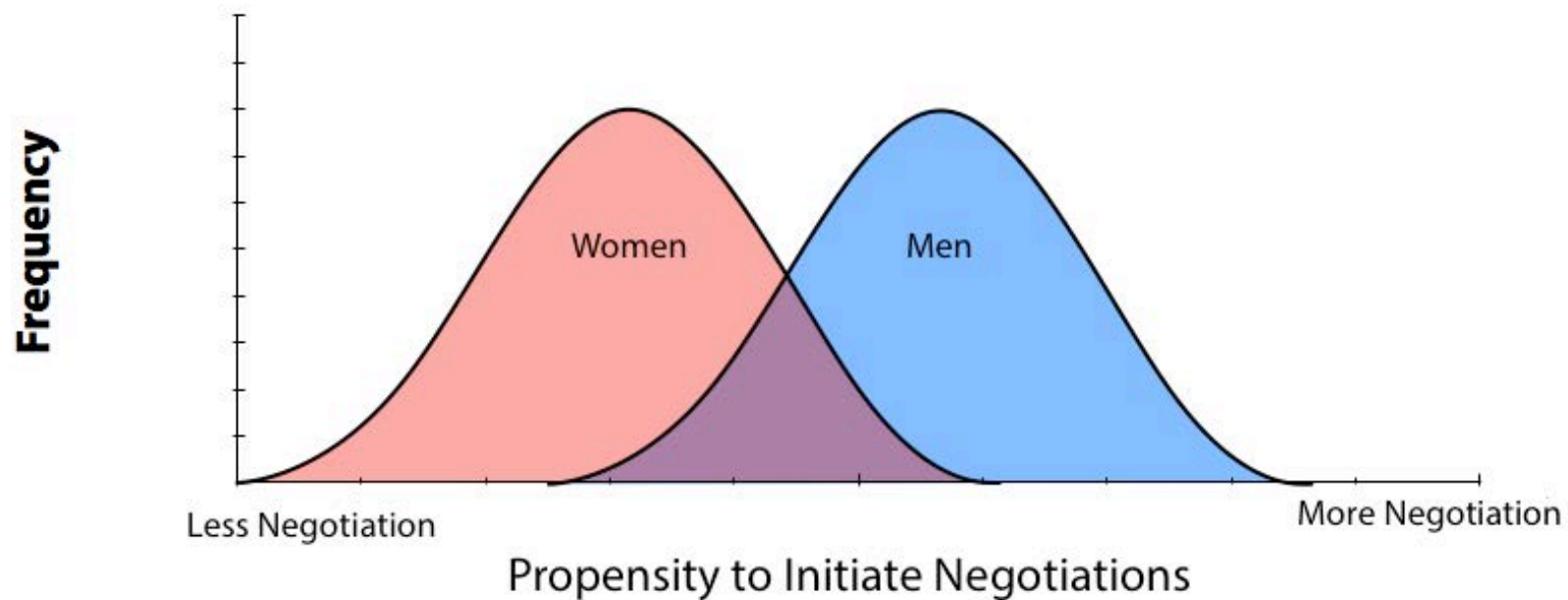
- ▶ Easy to negotiate terms before; hard to renegotiate after.



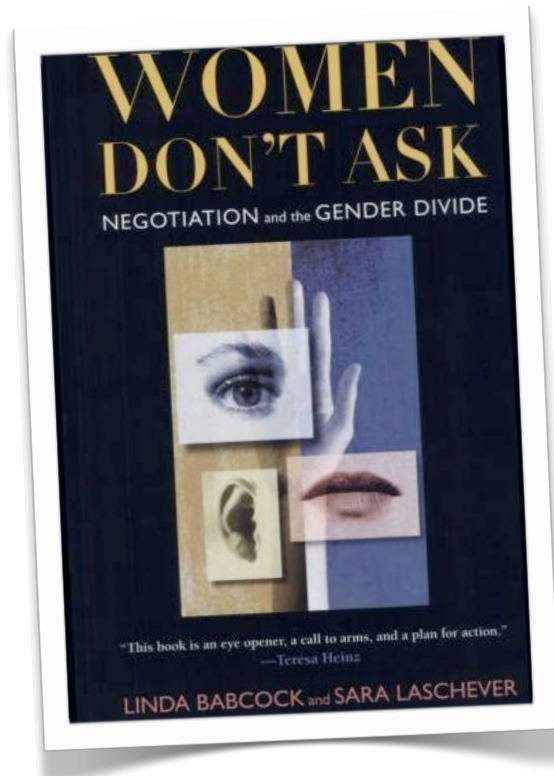
First, a Caveat...

“You negotiate with individuals, not averages.”

-- Jim Sebenius



Gender Issues



- **“When was the last negotiation you initiated?”**
 - Men had negotiated 2-4x more recently
 - Men see more situations as negotiable
 - MBAs: 52% of men negotiated offer; <13% of women
(Babcock, Gelfand, Small & Stayn, 2006)
 - Women tend to want to *earn* better terms; men ask for it up front
(Barron, 2006)



Agenda



- **Try**
Hands-on activity to get us thinking about negotiating
- **Reflect**
Principles of distributive and integrative negotiation
- **Question and Connect**
Open discussion: What else do you need to know to effectively negotiate in your career?



Prepare!

- A young EIT looking for work... a boutique consulting firm hoping to hire... *can a deal be made?*
- Take 10 minutes to read over your confidential information.
Prepare to negotiate!



Negotiate!

- Pair up: Partner and Candidate!
- **Spend 20 minutes negotiating with your counterpart.**



Three Types of Issues



- **Distributive issues**

Do you effectively 'slice the pie' to claim the most value?

Salary?

- **Common-value issues**

Do you spot shared interests?

Start dates? Project management?

- **Integrative issues**

Do you 'bake a bigger pie' by trading low-importance for high-importance issues?

Trading vacation for relocation?



1. How Do You Win At Distribution?

- **Attractive alternatives**

Cultivate your “BATNA”!

- **High aspirations**

Set high targets!

- **Strong first offers**

‘Anchor’ your opponent!

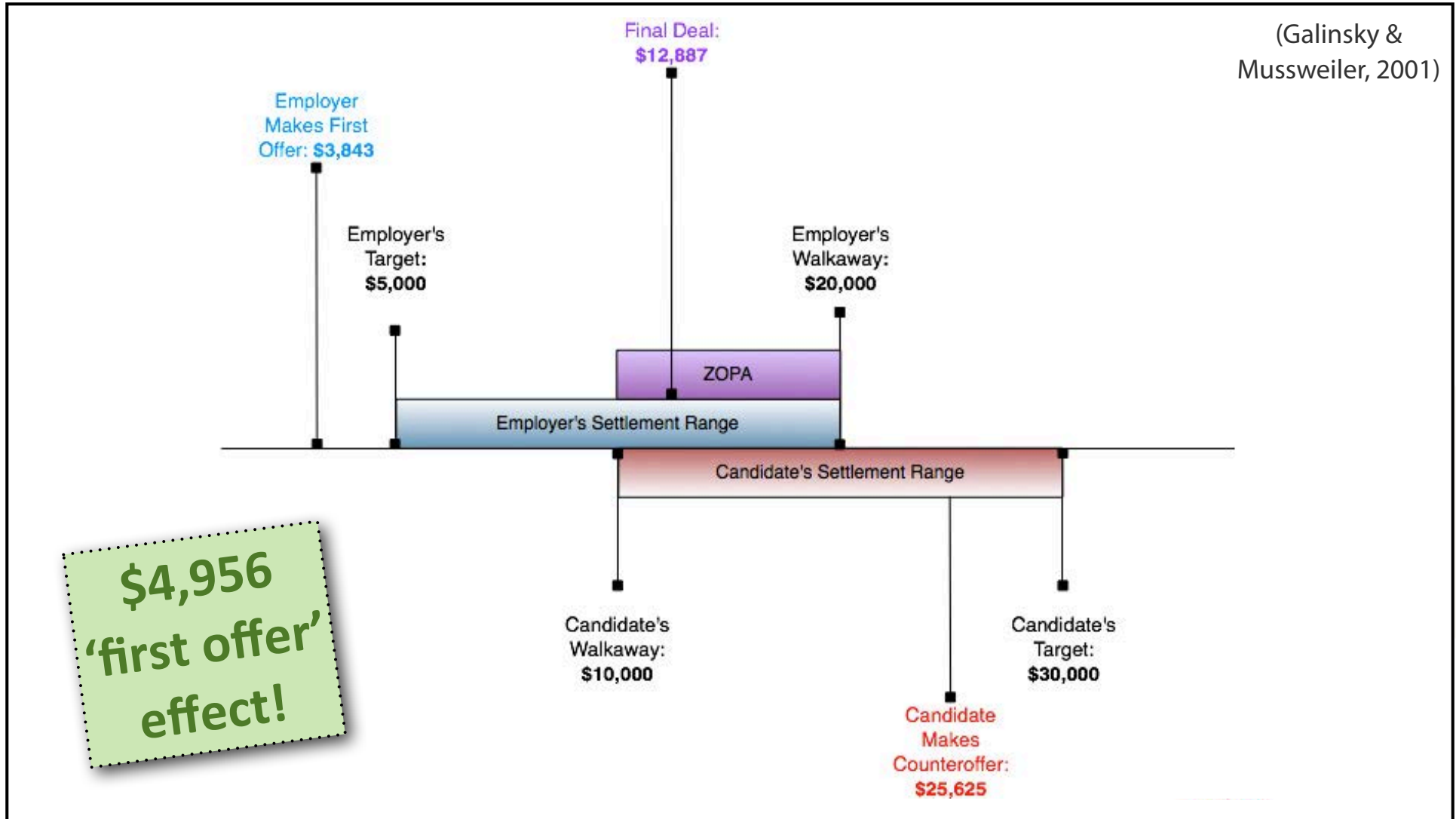
- **Fair reasons**

Base high demands on objective standards



Kellogg MBAs - Signing-bonus negotiation

(Galinsky & Mussweiler, 2001)



2. How Do You Uncover Shared Interests?

- **Add issues**

Think broadly about what's negotiable (*e.g., project management*)

- **Ask questions**

Ask about interests behind positions

- **Build contingency deals**

Turn distributive issues into shared-value issues (*e.g.: early review?*)



(Some!) Negotiable Issues

| Rewards | Responsibilities | Trajectory | Environment |
|-----------------------------------|----------------------------------|------------------------------------|---------------------------------|
| Salary | Duties and daily routine | Mentorship, coaching | Flex time, compressed week |
| Performance pay, commissions | Supervisory responsibilities | Early performance review | Remote/telework |
| Signing Bonus | Title or job description | Feedback | Office furniture or supplies |
| Profit sharing, ESOP, gainsharing | Job rotation | Professional memberships | Technology, phones, etc. |
| RSPs, RRSPs, pension | Travel type/frequency/duration | Conferences or meetings | Support staff |
| Life, AD&D insurance | Involvement in specific projects | Training/development | Parking, transit, car allowance |
| Medical, dental, vision, Rx | Project/innovation time-off | Tuition reimbursement | Company vehicle |
| Vacation, personal days | Skills used | Increasing responsibility | Childcare |
| Sabbatical, leave, mat/pat | Autonomy, supervision | Networking opportunities | Location |
| Relocation, househunting | Job scope vs. depth | Client-facing work | Team vs. individual work |
| Housing differentials, tax help | Input into goals | Skill-based pay | Coworking/shared office fees |
| Spousal hiring or assistance | | Ownership of IP/patents | Tolerance of moonlighting |
| Bridge loan, mortgage assist. | | Transfers and promotions | Gym or fitness facilities |
| Pay periods and method | | Access to senior managers | |
| Raises, CoL adjustments | | Time off to prep for certification | |



3. How Do You Trade Issues for Joint Gain?

- **Learn about constraints**

What's easy? What's hard? Why?

- **Find out priorities**

Tit-for-tat exchange of priorities

- **Make multiple simultaneous offers**

Provide several different options of equal value to you... and see which one appeals most.



Keep Negotiating!

Post-settlement settlements (PSS)

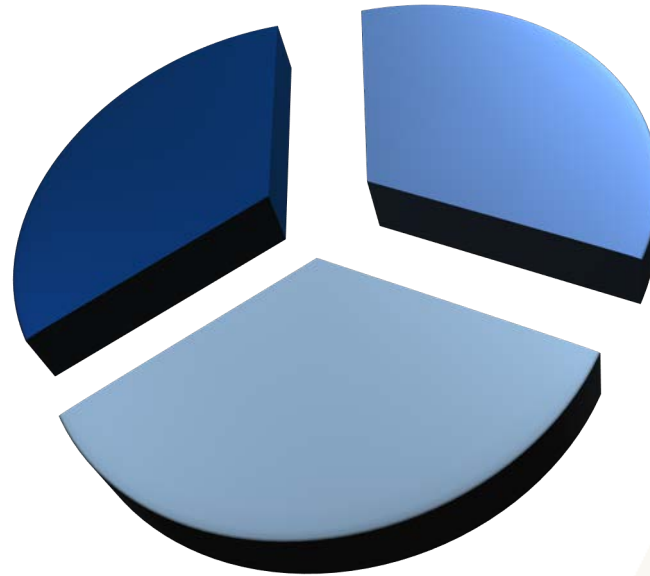
(Raiffa, 1985)

1. Arrive at a mutually-amenable deal.
2. Set this deal as the default if nothing else can be found.
3. Agree that any alternative settlement will only replace the original settlement if both parties agree.
4. Experiment with expanding the settlement, adding issues, pairing different options, etc.



Three Priorities

Claim value
on distributive
issues



**Uncover shared
interests**
on common-
value issues

**Build value by
trading interests**
on integrative issues



Go Beyond Job Negotiation...

Ask yourself:
What is negotiable in my career?



What's Stopping You?

- Specific challenges?
 - Critical questions?
 - Tricky situations?
 - Different contexts?
- 
- **Lots of experience and expertise in this room. Let's connect with some shared Q&A!**



Want to Know More?

- **Getting to Yes:**

The bible of integrative negotiation. Read it in a weekend; use it throughout your career.

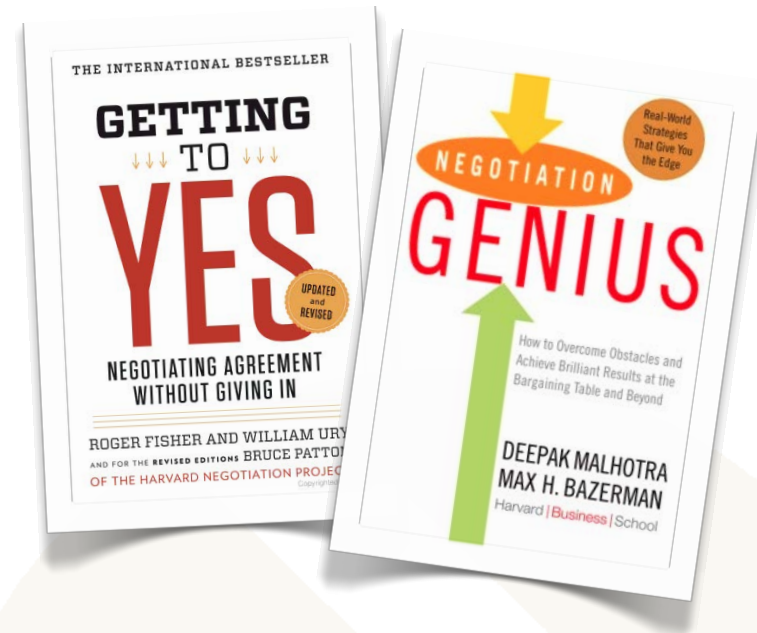
- **Negotiation Genius:**

Social scientists Deepak Malhotra and Max Bazerman distill decades of negotiation research into practical, usable advice.

- **Additional resources:**

My colleagues at the U of Manitoba Executive Education Centre offer a full-day course in downtown Winnipeg titled 'Negotiation and Consensus', and can develop in-house or custom programs for teams or organizations.

Contact Steve Vieweg at steve.vieweg@umanitoba.ca, or call 204-946-0229.



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