

EXECUTIVE REPORTS

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**USING INTEGRATED  
EMPLOYMENT  
NEGOTIATIONS TO ACHIEVE  
LONG-TERM EMPLOYMENT  
RELATIONSHIPS**

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## SUMMARY

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This 10-page research report written for employers and potential employees features strategies for successful employment negotiations. By using techniques such as integrating negotiations into the interview process, more effective employment relationships can be formed. Long-term success in the negotiation process can be achieved for both employers and employees alike by focusing on the key elements found in this report such as collaboration, early disclosure, and flexibility. The author uses simple steps to demonstrate how to successfully negotiate employment offers from beginning to end.

Other topics include third parties; disclosure; the interview and negotiations process; potential disagreements; salary negotiation; and timing of written offers.



The negotiations involved in joining a new organization (or in recruiting talent, seen from the employer perspective) are unlike any other negotiation. Such employment negotiations exist in an entirely different context than do any other negotiations. While employment negotiations begin between two parties with different interests, truly successful employment negotiations end with a united team—the members of which share common goals and objectives going forward, which lead to complimentary benefits. Once the negotiations are complete, the two parties share a direction for their professional relationship and can focus on their performance, assured that each party benefits from their cooperative efforts.

The best employment negotiations result in mutually beneficial benchmarks and all parties exit the process with shared objectives. The process of these negotiations resolves the differing and sometimes competing or opposing interests between employer and employee. To resolve these differences, then, they must be confronted head on and directly. Each side must understand that however personal these conversations may seem, they are still about rational and thoughtful professional interests.

In employment negotiations, as in all negotiations, each party must:

- Understand his/her BATNA (Best Alternative to a Negotiated Agreement), meaning knowing one's own "bottom line" acceptable position or the minimum result one must achieve
- Examine his/her own position as well as their negotiating counterpart's position
- Prepare properly
- Remain reasonable

### **Adding a Third Party**

Even more important than in most other negotiations, it is vital that parties to employment negotiations maintain their composure throughout the process so as not to antagonize someone with whom they hope soon to be working! As we remind candidates and client companies alike, the employment negotiations represent the last time that the two parties' interests aren't aligned, and in fact, the process resolves any remaining differences. As such, they can be very difficult.

It often facilitates the process to have a dispassionate third party involved. A good executive recruiter, while representing the company as their client throughout the process, takes on the role of honest broker during negotiations.

As the third party, the recruiter:

- Helps manage the process
- Provides each negotiating party with a check on his/her positions
- Helps smooth out any rough edges that might otherwise hinder the process

Not every employment negotiation has such a third party, but those that do are helped by its effective presence; those that do not have the third party must find other ways to keep the conversation focused on content and away from personalities and personal feelings.

### **Early Disclosure and Integrating Negotiations into the Interview Process**

Unlike many negotiations, early and complete disclosure also facilitates employment negotiations. Whereas it is understood that most negotiation processes are somewhat competitive and have some need for discretion, the shared desire to develop a trusting, ongoing and long-term relationship demands that parties to an employment negotiation take the risk of being open and honest from an early stage in the relationship. Some object to this thought—“Why show my cards at that point? It takes away my negotiating power,” they state. Experience shows, however, that the market for talent is both pure and well known. Both employers and prospective employees know what the market bears. To the extent that open disclosure reveals a discrepancy between the parties’ targeted compensation, for instance, it is highly likely that either the employer or candidate is not being realistic with its salary structure and/or that the candidate is either overqualified or under-qualified for the role as envisioned by the organization. Further, issues raised around job content help each party to calibrate their own expectations with those of their negotiating counterparty. Early disclosure helps each party understand how large the gulf may be that they need to close collaboratively. Someone who is not being realistic will continue to have problems—not just with one negotiating counterpart, but with any party to an employment negotiation.

To be clear, when I reference “early and complete disclosure,” I mean “early” and “complete.”

Traditionally, the process of bringing a new employee into an organization is viewed in two distinct steps:

- The interview process
- The negotiations process

At its most basic, the interview process is seen as a time for an employer to determine those individuals from a broad field of candidates that are desirable to be hired and to narrow that field to one who will be offered employment. The negotiations process begins when the interview process ends and is the process of determining the compensation that this individual will receive.

Organizations and prospective employees that integrate their negotiations into the traditional interview process, however, will find that their employment negotiations result in longer lasting,

more effective employment relationships. More areas of potential disagreement are vetted and resolved, and both parties to the negotiation find that their relationship has strengthened through the process as they have collaborated on their first project.

Often in employment negotiations, as in many other situations, issues arise not from *what is said* as much as from *how it is said* or *when it is said*. The conversations between prospective employer and prospective employee begin with relatively little defined about the role under discussion. Even attributes such as reporting relationships and compensation are often highly fluid and heavily dependent on the individual who finally resides in the role. As such, much is malleable over the course of the negotiations. The earlier the negotiations begin, the more that can be discussed and resolved. What ends up happening is that each party to an integrated negotiation is able to influence the other party's understanding of the role and its attendant attributes as those understandings evolve; often a jointly developed view of the role emerges.

In a traditional salary negotiation, beginning only after the interview process, each side has arrived at its own understanding of the role and those understandings are then pitted against one another, demanding compromise from each party. Items such as staffing, reporting structure, scope of responsibilities, and even location can come into play when introduced early in an integrated process. Such topics are often off-limits in a traditional process. Raising them late in the game in a traditional "negotiation" stage is often unproductive, and worse, sometimes counterproductive.

## Collaboration

The key element to an integrated negotiation—even more important than the stage of the negotiation at which issues are raised—is collaboration. It cannot be stated often enough that the parties must work through the negotiations together. We have seen any number of attributes of a role (job content, compensation, reporting structure, among others) evolve through integrated employment negotiations. These elements were able to be altered and managed due to the cooperative manner in which they were raised and negotiated; they were raised early and in the context of items to be resolved, not as demands to be met. The parties remained flexible and open to negotiation, keeping their focus on finding a deal that works for both parties, rather than taking a confrontational, demanding approach.

The other major benefit of beginning negotiations early in the traditional "interview" process is that there is not, in that early stage of discussions, the same level of pressure that exists in the traditional salary negotiation stage. At that traditional late stage of the process, each party is feeling the time pressure to execute a deal and often time deadlines begin to develop. Further, each side has come to their own understanding (whether shared or not) about content of the role and they begin to narrow the items about which they wish to negotiate. Being asked to reintroduce to the negotiations an item one considers closed seems inappropriate at best, unfair at worst, and adds pressure and conflict to the process. Integrating the negotiations into the traditional interview

process starts the discussions sufficiently early that nearly everything is still on the table in an exploratory and negotiable manner.

Each side may:

- Raise any issue of interest
- Determine their counterparty's perspective on the issue

### **Knowing When to Put it on Paper**

One other point worth noting at this stage centers on the timing of committing offers to writing. Certainly it is vital to commit final agreements to writing, but putting offers still in negotiation on paper only serves to solidify positions and limit negotiations. Until the parties have a firm understanding around all elements, details should not be offered in writing. Continue to negotiate verbally, keeping each side more flexible. Only move to a written offer when each party is comfortable that an understanding exists. When each side feels this comfort, it is likely that the only disagreements that arise from a written offer will be the result of errors or true misunderstandings rather than substantive disagreements.

### **Building Trust**

Integrated employment negotiations are different and more effective for both parties. There are still some basics that apply, however. The primary need for preparations, for example, still exists. Each side must know themselves.

A candidate must know how he/she fits a role:

- Are you a fit? A reach? Overkill?
- Are there reasons why someone who is overqualified or under-qualified for the basic job requirements might want this role?
- Are there reasons beyond the basic fit that you might want this role?
- For the employer, know what you seek in the role; what is most important and what is flexible?
- Are there internal comparables that dictate compensation ranges?

Each party must, in addition to knowing themselves, know their counterpart, as well as the market and the industry.

It is also important to get to know your negotiating counterparty. This is a vital component of an integrated negotiation. To the extent that each party enters the process interested in establishing a long-term relationship, gaining comfort and building a functioning working relationship is crucial. Developing trust will facilitate the negotiating process as it unfolds.

Of course, we all hope for openness, trust, and flexibility from a negotiating party, and these negotiations are no different. Trust and flexibility are, of course, two-way streets and in order to foster those attributes in the relationship, we must each provide them, too. It is crucial that each party remains as flexible as possible. Be willing to discuss any component of a prospective employment agreement as well as the content of a candidate's current employment. Being flexible on every element of a role's content or compensation might just create the flexibility your counterpart needs in order to be flexible on an item important to you.

## **Conclusion**

In conclusion, the key to finding long-term success from employment negotiations resides in treating them somewhat differently than any other business negotiation. Like any negotiation, keep it professional and not personal, but unlike most, early and complete disclosure will facilitate the process. The most important change is also one of approach and perspective: view the employment negotiation as your first collaborative project with a new co-worker, your counterparty. Differences are items to be resolved together, not demands to be met by your counterparty. Don't wait to begin building a successful, collaborative relationship with your counterparty. Begin building that healthy relationship during and throughout the traditional interview process. By following these simple steps, you will find that integrated employment negotiations lead to more successfully negotiated employment offers, but more importantly, they will also lead to longer-term and more successful employment relationships.

## ABOUT THE EXECUTIVE

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TOM VALLE is a senior vice president of Jackowitz & Company, a national retainer-based executive search firm based outside Boston. Mr. Valle is responsible for search assignments and client relationships in financial services, life sciences, and technology. His projects have included all major business functions, including general management and chief executive officers.

Prior to joining J&Co. Mr. Valle spent over six years with an executive search firm that was owned by Fidelity Investments, both as an associate and an account manager. In addition to managing senior level search assignments, Mr. Valle also hired, trained, and directed the firm's in-house research team.

Previously Mr. Valle served as deputy chief secretary and senior advisor to then-Massachusetts Governor Paul Cellucci. He also served as Governor Cellucci's campaign manager and as deputy campaign manager for both former Massachusetts Governor William F. Weld and current Massachusetts Governor Mitt Romney. Earlier in his career, Mr. Valle founded and ran his own political consulting and public relations firm. He began his career directing field operations for the Massachusetts Republican Party.

Mr. Valle holds an A.B. from Bowdoin College (with honors in philosophy) and received an M.B.A in finance (with high honors) from Boston University. He serves on the career advisory networks of both of these schools. Mr. Valle has lectured at Boston University on a variety of topics including integrated employment negotiations.

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