



Focus on your role, responsibilities,



Hannah Riley Bowles

*Senior lecturer, Harvard
Kennedy School*

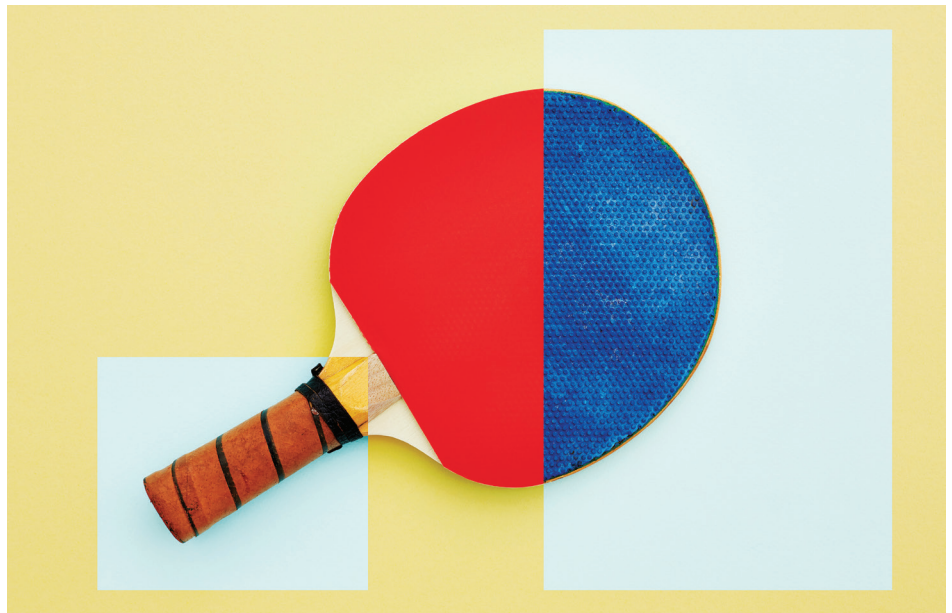
Bobbi Thomason

*Assistant professor,
Pepperdine University*



NEGOTIATION

Negotiating Your Next Job



and career trajectory, not your salary.



NEGOTIATION

IDEA IN BRIEF

THE PROBLEM

In job negotiations, professionals too often focus on pay and benefits and fail to think more broadly about how the opportunity will fit into their long-term career goals.

THE WAY TO START

Work backward from your career objectives to define the next steps you want to take. Be mindful of whether you're proposing something standard, an unusual arrangement for yourself, or an idea that will change the organization.

THE NEGOTIATION

Make sure you have all the necessary information and aren't operating under false assumptions. Explain why your request is also in the other party's interest. Seek input and feedback from people who could be helpful, and enlist allies to support your proposal.



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HEN WE ASK PROFESSIONALS to describe a career negotiation, the first thing many people think of is bargaining with a hiring manager over an offer package. That scenario may spring to mind because compensation negotiations can be especially stressful and awkward and therefore become seared into our memories.

Although reaching agreement on pay and benefits is important, failure to think more broadly about your career could mean losing valuable opportunities for advancement. For instance, women are increasingly urged to negotiate for higher pay as a way to close the gender wage gap. However, studies have shown that women's "80 cents on the dollar" is explained more by differences in men's and women's career trajectories than by differential pay for doing the exact same job. Our research and our work coaching executives suggest that negotiating your role (the scope of your authority and your developmental opportunities) is likely to benefit your career more than negotiating your pay and benefits does. And at times of work-life conflict, negotiating your workload and the conditions that affect it (including your



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responsibilities, your location, and travel requirements) may be critical to remaining gainfully employed and moving forward professionally.

As with other dealmaking, career negotiations should not be solely about getting as much as you can. The best negotiators generate mutually beneficial solutions through joint problem-solving and creative trade-offs, along with compromise. Furthermore, negotiating the direction of your career typically involves multiple stakeholders—including those in your personal life as well as those at work.

We advise professionals to think strategically about not just *what* they might negotiate but *how*. That means going beyond planning what to say at the bargaining table; it requires keeping your eye on larger objectives, ensuring that you are negotiating with the right parties over the right issues, and preventing misunderstandings from derailing your requests or proposals because they are unconventional or potentially pathbreaking.

In the age of Covid-19, the time is ripe to improve your career negotiation skills. Many people are changing how they work (shifting to remote or flexible arrangements, for example), what they are working on (being redeployed or responding to new priorities), and with whom they're working (collaborating in new ways across functions and geographies). And transformations in our work lives are increasingly interlinked with transformations in our personal lives—whether that involves relocation decisions, periods of intense dedication to our jobs, or adapting to spikes in caregiving demands.

Drawing from a research project in which we collected thousands of stories from recent professional-school graduates, mid-level managers, and senior executives from seven global regions about how they advanced at pivotal points in their careers, we propose four steps for preparing for your career negotiations. They progress in a logical order, but you are likely to return to earlier steps as your analysis proceeds. For instance, you might start out intending to negotiate for one type of opportunity but discover that you're better off negotiating for a different type. Or you might initially conceive of a proposal to present to your boss but then come to understand that your boss is actually not the key stakeholder who needs to be persuaded. Particularly for a complex and protracted negotiation, you should continually refine your analysis as you gain information.

1

Start with Your Career Goals

In our experience, negotiators too often start their preparation focused on the opportunity right in front of them, such as a job offer, rather than on their ultimate work and life aspirations. As you enter a period of change in your career, you should think about your short- and long-term aims and then map backward from those objectives to define the next steps you want to take. Don't forget to include quality-of-life considerations as well as professional ones. And be prepared to defer gratification if that's the right thing to do for the endgame.

Anya's story offers a cautionary tale. ("Anya" and all other individuals discussed in this piece are composites of case examples we studied.) When finishing her MBA program, she was evaluating two offers: one in consulting—the field she had previously worked in for several years—and one that would launch a new career in tech, which was what her heart truly desired. (Feeling torn between two industries is common in job searches.) The consulting firm was offering her more money and status than the tech company was—unsurprising, given her track record in consulting and her limited experience in tech (one summer internship). Focused on the terms of the offers, Anya started her negotiation preparation wondering if she should walk away from the tech company unless it matched the salary offered by the consulting firm.

Making compensation the deciding factor can be a mistake. If we'd been coaching Anya, we would have encouraged her to start with her career goal: transitioning out of consulting into tech. We would have encouraged her to compare the competing offers not only with each other but also against her vision of what she wanted to achieve in her first five years out of graduate school. Next we might have asked, "To improve the tech offer, what might you negotiate to fulfill your dream of a career in tech?" After all, her lifetime earning potential could be higher in that booming sector than in consulting. Perhaps she could accept the lower compensation but negotiate for an accelerated promotion track—a solution that might appeal to the tech company because it would not need to deviate from its compensation standards for MBA recruits.



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Such longer-term thinking often pays off. In *Chasing Stars: The Myth of Talent and the Portability of Performance*, Boris Groysberg reports that the financial analysts who were most likely to retain their star status after moving to a new firm were those who had looked beyond pay and carefully researched whether the new firm would provide them with the organizational resources to excel. They understood that being successful in one setting doesn’t guarantee success in another, so the compensation package was just one aspect of the job offer to consider. Our advice is to define from the start what you most want to achieve—whether that’s being a top professional, making money, or living up to some other ideal—and then keep that goal in mind as your negotiation progresses.

2

Understand What You’re Negotiating For

Career negotiations fall into three buckets. In *asking* negotiations, you propose something that’s standard for someone in your role or at your level. In *bending* negotiations, you request a personal exception or an unusual arrangement that runs counter to typical organizational practice or norms (for example, a remote work setup or a promotion to a position for which you lack the conventional qualifications). And in *shaping* negotiations, you propose ways to play a role in changing your organizational environment or creating a new initiative (such as revamping the way a project is run or launching a new business unit). Depending on whether you are in an asking, a bending, or a shaping negotiation, you will need to vary your arguments to win your counterparts’ support.

In asking situations, you must demonstrate that your request or proposal is reasonable because it fits with existing practices or norms—for example, a pay raise is warranted in light of an outside offer, or you deserve a promotion or a developmental opportunity because other employees with your track record or experience have received such rewards. Asking negotiations often arise in the context of routine conversations about role assignments. If you are asked to do work that would move you away from your career goals,

see if there is room for negotiation. For instance, you might be able to explain why the proposed change in your role is not in the employer’s interest: Perhaps it would hurt the performance of your team or damage the relationship with a high-value client. Another option is to agree to do the job for the sake of organizational needs in exchange for some other career-advancing opportunity. For example, you might say, “I will take on this role to help us out of the current crisis, but I would like to rotate into a job with more P&L responsibility after two years.”

If you are in a bending negotiation—seeking some special exception or privilege—you need to keep your counterparts from doing what’s easiest and simply saying, “No, that’s not the way things are done around here.” Justifying your request is particularly important if you are asking people to take a chance on you, such as putting you in a position for which you are not traditionally qualified.

Consider the case of Bela, who wanted to move from finance into a leadership role in IT as her company launched a digital transformation. The CIO considered her unqualified and seemed likely to dissuade the CEO from giving her the job. Bela came to realize that the CIO wanted someone more experienced to oversee the IT transition, in part because failure would reflect poorly on the CIO’s own leadership. So she asked for a six-month trial while the CIO searched for a potential replacement. Bela explained why her deep knowledge of the company’s financial systems and her track record managing cross-functional teams prepared her to succeed in this IT role or, at a minimum, keep the company on solid footing until she was replaced by a new hire.

Although any negotiation can backfire, bending negotiations are particularly risky because they may give the impression that you’re a prima donna seeking special treatment or unwilling to pay your dues. Deborah Kolb, an expert in career negotiations, suggests a role-play exercise to mitigate this risk: List the reasons why your counterparts would support your proposal; then come up with a list of reasons why they might say no anyway—and your possible responses. Beyond strategizing to get past “no,” we advise weighing the downstream career risks and benefits of entering into an exceptional or unconventional work arrangement.

Whereas asking and bending negotiations are focused solely on your personal career path, shaping negotiations



center on proposals to change the path of your organization or working group. Because that commonly means seizing leadership opportunities, shaping negotiations typically involve more parties and the backing of allies.

Consider Samir's desire to lead a restructuring of his firm, which was run by an elite old guard that he saw as out of step with globally competitive business practices. Samir recognized that he needed to build a cross-generational coalition to support this change. As he made his case to key colleagues, he found allies among the veteran leaders who recognized that the firm's legacy would depend on retaining bold thinkers like him. He also found peers who appreciated his vision for growth. Finally, with his spouse's support, Samir worked out a plan to relocate internationally for another position if the firm rejected his proposal. He then began the negotiation process with confidence that he had enough buy-in within the firm to lead a transformational change, but also a satisfying alternative for himself and his family if that was not possible.

Organizations may be especially receptive to bending and shaping negotiations during challenging or fast-changing times, when people are looking for ways to adapt and innovate. For instance, in light of the Covid-19 pandemic

and social distancing restrictions, many employees need to change the way they work. Their collective bending negotiations are a useful source of information and experimentation for organizations and individuals trying to figure out how to maintain high morale and productivity during the crisis. Organizations are also welcoming shaping proposals from employees who have ideas about how to redeploy resources and open new markets in response to economic disruptions at home and abroad.

3

Reduce Ambiguity About What, How, and with Whom to Negotiate

No one would ever advise walking blind into a potential negotiation, but people do it all the time. One risk is that you'll "get Wahlberged," as the journalist Kate MacArthur put it, writing about how Mark Wahlberg negotiated a payment of \$1.5 million to reshoot some scenes in a Hollywood



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film while his costar Michelle Williams accepted less than \$1,000 for the same work. That case has been highlighted as an example of women's failure to negotiate, but the underlying problem was a lack of information on what was negotiable. Williams had been led to believe that all the actors on the reshoot were effectively donating their time to save the film after another costar was pulled from the cast.

Reducing ambiguity is particularly important for ensuring that people from underrepresented groups—oftentimes women and people of color—get a fair shake. Many organizations are moving to make their recruitment and promotion practices more transparent so that all candidates have access to the same information and opportunities. Increasing transparency is obviously the responsibility of organizations, but individuals can take action too.

As you prepare to negotiate, write down all the questions you have: *What is potentially negotiable? How should I negotiate? Who will be my counterparts, and what do they care about?* There are many sources for this type of information. Talent professionals, for example, will explain in general terms what is typically negotiable and how (although they usually won't reveal the specifics of any individual case). Some information is available online. A media or YouTube search can give you perspective on counterparts' points of view on strategic issues. A LinkedIn search can help you find professional contacts who may tell you more about a hiring manager or a department.

Although your personal and professional networks can be a valuable source of information, you should not rely on them alone to get an unbiased understanding of the situation. Think of a field in which men tend to be better paid than women. If women confer only with other women about customary salaries, and if men confer only with other men, women are likely to enter pay negotiations with lower expectations than men have—and to exit with worse outcomes.

Stretch your inquiry beyond your closest networks to ensure that you have the broadest information possible. Recently many people have been learning from how organizations in other industries or geographies are responding to the challenges presented by the Covid-19 pandemic. Better information helps generate innovative solutions; it can also help you make a persuasive case for managing your career the way you want to during these turbulent times.

4

Enhance Your Negotiations Through Relationships—and Vice Versa

As you aim to reduce ambiguity, you will undoubtedly think of people you might go to for information or advice. You might also think of others who could provide social support—those who would encourage and stand by you and give honest feedback if you are off track. Don't forget to identify potential advocates for your proposal. Who might be willing to speak up in favor of it? Who are your allies? Connecting with people who can be helpful is what we mean by enhancing your negotiations through relationships.

Consider the example of Brandon, an engineer who landed a job as a private equity associate after finishing business school. Lacking finance experience, he had been advised that his prospects of making partner were dim if he did not make a distinctive contribution. Brandon hoped to do that by arguing for the creation of a small fund to invest in marketable robotics projects—an underdeveloped growth area for the firm. Before negotiating to spearhead this initiative, he sought advice from his former robotics professor, who could spot weaknesses in his proposal and help him fix them. He also found a partner at the firm who agreed to let Brandon shadow him on tech company boards.

To build a coalition of support for what you hope to do, you might start off by trying something akin to the shuttle diplomacy used by negotiators of international affairs: Make the rounds of key stakeholders, talking with them individually to solicit their feedback and input. Shuttling is more time-consuming than calling a summit of all interested parties (a meeting to pitch your proposal). But it enables you to privately explore people's interests and concerns and to incorporate their ideas into your game plan. It also helps you predict how people will respond when it comes time for you to present a formal proposal.

If you're concerned that shuttling around might make you appear conniving or manipulative, then be transparent about it. Explain that you're seeking input on an idea you have, and meet early with people who might block



your proposal if they felt you weren't consulting them. To broaden buy-in, you might also enlist others to help you get feedback, keeping in mind Harry Truman's words: "It is amazing what you can accomplish if you do not care who gets the credit."

Many of the negotiation cases we studied were rife with tales of conflict and resistance, but you needn't settle for compromises that leave both sides unhappy. The give-and-take that occurs when you're seeking a mutually beneficial deal can open your eyes to other perspectives, help you better understand your colleagues, and find ways of working together to create lasting solutions. In other words, career negotiations can enhance your working relationships—and we encourage you to strive for that outcome.

To generate goodwill and motivate agreement, we recommend that you explain to counterparts both why it is legitimate for you to be negotiating and how your proposal takes their interests into account. That's not always easy. For instance, we met one female executive who found out for the second time that a male subordinate was being paid



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more than she was. She probably wanted to say many things to senior leaders at her firm, but she chose the approach she knew would be most persuasive: "I know you are going to want to fix this, because it is inconsistent with company practices and values."

Or take the example of Sandra, who ran the U.S. division of a major business unit and wanted to globalize it. To achieve her aim, she had to make a strategic case for why globalization was in the company's best interest and why she was the right person to lead the initiative. Addressing the hopes and concerns of managers both at headquarters and in the non-U.S. business units required numerous rounds of conversation in which she seeded and got feedback on her ideas. Sandra told us: "Over time, the logic [for globalization and my leadership] became compelling."

THE FOUR STEPS outlined above take time to implement—and there will be false starts and reversals. Most of the career negotiations recounted to us by senior executives, managers, and other professionals lasted weeks or months. They started with preliminary conversations that gradually evolved, particularly as new information or the entrance of new players influenced the way various parties perceived their interests and the alternatives to agreement.

To maximize your odds of success, set targets for yourself that are specific and realistic—and that help hold you accountable to follow through with your plan amid pressing distractions and demands. Too often, negotiations fizzle or never get off the ground because larger goals become buried by everyday work.

One senior executive we interviewed told us, "You have a book to write of your life. Don't let anyone else write your chapters." We second that, but we also urge you to remember that great careers are not authored alone. Your narrative will be cowritten with work and life partners, and negotiation is at the heart of finding mutually gratifying ways for that story to unfold. ☺

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 **HANNAH RILEY BOWLES** is the Roy E. Larsen Senior Lecturer in Public Policy and Management at Harvard Kennedy School. **BOBBI THOMASON** is an assistant professor of applied behavioral science at Pepperdine University.

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