

## New Job Negotiation Role of Jean (Recruiter)

You are the VP of marketing for a large and well known privately held developer of multimedia software (Wahoo), that has its headquarter in downtown San Francisco with offices throughout the country. Although you prefer to recruit only at Harvard (your alma mater), you've been having difficulty finding the right candidate for several product manager positions you need to fill.

You just called to make an offer to a very promising individual, Chris. Chris is about to complete the MBA program at Southern Methodist University's Cox School of Business. You are very impressed with the initiative Chris took in contacting you about the position and in how Chris handled the interview process. Those who worked with Chris during his summer internship in product management raved about his skills and mentioned that they were sorry to lose him. While, Chris' marketing experience is limited beyond the summer internship, he is at the top of his class at Cox, seems extremely bright, and has a dynamic personality that will fit in well at the company. Your only concern is the extent of Chris' industry knowledge.

You are flying Chris to meet with you again so that you can discuss the details of the offer. Your hope is that you will be able to negotiate a reasonable package.

Although your company typically does not pay salaries at the upper end of the market, you have a very good bonus plan, that typically ranges from 2-10% of base pay.

Using salary guidelines from a consortium of 10 companies in your industry, you typically start a less experienced product manager at around \$75,000 to \$80,000, and a more experienced person at \$85,000 to \$95,000. While Chris' has some experience, he still falls closer to the lower range than the higher range in salary, although you are authorized to make an offer at the higher range, if need be. Your company does not have a formal relocation expense policy, but you know that last years pool of new hires were reimbursed for 70% of their moving expenses on average.

One issue that is likely to be a problem for the two of you, is that you prefer to have Chris in the San Francisco office so that you can get him up to speed personally and very quickly. If Chris locates in a different city, you may be unable to take the three-week trip that you have scheduled in Bali this summer. This really concerns you since you must get Chris up to speed before he/she begins the 6-week training program that all new employees attend. The failure to get Chris quickly may mean that you have to shorten your trip somewhat.

One additional issue is the amount of vacation time that Chris will get this year. You expect him to pay his dues like you had to before getting significant vacation time.

You have mapped out your preferences and the relative company objectives regarding all four of the issues on page 3. To help you plan for the negotiation, you have assigned points that reflect the value of each alternative associated with each issue.

You feel strongly that Chris will be a great addition to your company. Of course this does not mean that you will offer Chris the moon. In fact, you just got a phone call from someone to whom you had made an offer earlier this month (Monty). Monty had turned down your offer, but was now calling to let you know that his offer from the other company had been rescinded when it went belly-up. He made it quite clear that he would now accept your offer, should you make it again.

You told Monty that you would get back to him should you be unable to reach agreement with Chris. Had Monty accepted your offer, his overall package would be worth 7200 points to you. It is good to know that you can always hire Monty should your negotiation with Chris, not go well.

Your goal is to reach an agreement with the other person on all nine issues that is best for you. **THE MORE POINTS YOU EARN, THE BETTER.** You may determine what type of agreement is best for you by referring to "POINT SCHEDULE" on page 3.

The point schedule is a simple way to convey how much value the recruiter (you) places on each of the four issues included in this negotiation. For each issue, you have five outcome options (any one of which you can agree to with the candidate) with a corresponding number of points assigned to it. The magnitude of the points tells you how much value you place on that issue-option (relative to all of the others) and how much you will gain or lose by agreeing to it. For each issue, you are limited to the outcome options listed in the point schedule.

Please become very familiar with your PAYOFF schedule. Feel free to make notes or write on it. The highest number of total points you can obtain from this negotiation is 14,400 on the 4 issues. (*See page 4*).



## FINAL CONTRACT

PLEASE CIRCLE THE AGREEMENT ASSOCIATED WITH EACH ISSUE TO  
INDICATE THE FINAL NEGOTIATION AGREEMENT:

We reached a settlement and the settlement was as follows:

BONUS:	10	8	6	4	2	(percent)
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VACATION TIME:	3	2.5	2	1.5	1	(weeks)
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SALARY:	95	90	85	80	75	(thousands of dollars)
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LOCATION:	San Francisco	L. A.	Atlanta	Chicago	New York	(place)
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### Signature of negotiators:

Recruiter: \_\_\_\_\_

Candidate: \_\_\_\_\_