

How to Negotiate Without Looking Like a Jerk -- WSJ

Publication info: Dow Jones Institutional News ; New York [New York]. 13 June 2022.

[ProQuest document link](#)

FULL TEXT

The trick is to change your framework

One of the most important skills for anyone in their career is how to negotiate. From that first paycheck all the way to settling on a retirement date, you're going to have to figure out how to bargain for what you want.

It isn't easy -- some of us aren't any better at it now than we were when we started out many moons ago. And apparently Gen Z hasn't completely figured this one out, either. A survey released last month by Fidelity found that 58% of young professionals, ages 25 to 35, accepted their current job offer without negotiating.

But those who did negotiate? Eighty-seven percent of them got at least some of what they asked for.

So it pays to try, although it's rarely fun. To get a sense of how best to do it, Barry Nalebuff has some advice. He's been teaching negotiation, strategy, innovation and game theory at the Yale School of Management for the past 30 years, and his most recent book is called "Split the Pie: A Radical New Way to Negotiate."

Tess Vigeland, the host and senior producer of The Wall Street Journal podcast "As We Work," spoke with Dr. Nalebuff for the podcast. Following are edited excerpts from the conversation.

The myth of the jerk

WSJ: Why do we hate negotiating?

DR. NALEBUFF: A lot of people think they have to become like a jerk. It's not who they are, it's not an effective way to negotiate, but they think it's necessary to protect themselves from being taken advantage of. And that's not true.

WSJ: It has always seemed to be automatically adversarial. You usually want something more, the person on the other side of the table usually wants to give you as little as they can get away with.

DR. NALEBUFF: If you don't have a different framework for negotiating, that's what people will resort to.

WSJ: This is the main thing in your book, where you're talking about a pie. Let's start with how you should be thinking of this as a pie rather than just a back and forth. What does that pie mean to us in a negotiation?

DR. NALEBUFF: People are typically confused what a negotiation is about. Let me give an example using my mother. Her landlord decides it's a hot market and wants to put the house she's renting up for sale. And so he says to her, "I'm going to list this house for \$800,000. But because I like you, you've been a good tenant. I'll sell to you for \$790,000."

OK. What's the pie? What's the reason they're having this negotiation? Most people think it's about the price of the house. But most importantly, they can save a 5% real-estate agent commission, which here would be about \$40,000.

WSJ: So that \$40,000 is really what they're negotiating over.

DR. NALEBUFF: Absolutely. And so she writes back and says, "Look, I like the place, I'm happy to buy it. I'm happy to pay market price. And I'd like to split the \$40,000 savings with you, \$20,000-\$20,000." He writes back and says, "I don't think you understand it's a hot market. And therefore I should get more of that \$40,000 savings."

Her response is, "Well, the fact that it's a hot market is why the price is going to be high, but that doesn't mean you should get any more of that \$40,000. If you sell to anybody else at \$800,000 you're only going to collect \$760,000. If I buy a comparable house from anybody else, I'm going to have to pay \$800,000. So you need me just as much

as I need you to save that \$40,000."

Setting the stage

WSJ: When you're going about this in your own life, how do you figure out even what the ingredients are in that pie, what you are going to negotiate over?

DR. NALEBUFF: You ask, what is it that we can create by working together compared to what we can achieve without any deal?

WSJ: Let me give you an example that I think is fairly common, particularly over the past year or so, as people have been negotiating whether to stay with their companies or not. If you're going into a negotiation with your current employer, you want maybe a raise or maybe you want a bump in title or maybe you want something else entirely. What are the things that you're not thinking about as you walk into that room or over the Zoom?

DR. NALEBUFF: We want to think about how to make the pie bigger. And what that means is you want to ask for things that are cheap for them and valuable to you, not what's costly to them. In particular, you don't want to ask for something that's worth a dollar to you and costs them \$10. And anything that they do for you that they have to do for everybody else is super-expensive for them. So what are the things they can give that are unique to you and not to everybody else?

WSJ: When you're asking for a raise, you kind of don't care if the company is going to have to do it for everybody else too. How do you get out of that mind-set of this is all about me, and how do you figure out what the company wants versus what you might be able to get from them?

DR. NALEBUFF: One thing I like to do is instead of asking people, where are you most flexible, ask them, where are they least flexible? And that will tell you what it is they can't do. And it also tells you all the other things that you can ask for.

I like to say to people: Try "yes, if," rather than "no, unless." So that if they're able to do this for you, you are able to say yes, because I want to give the other side what it is they want. And what they want me to do is stay with the company, be productive, create a larger pie. I want them to know that if they are able to provide me with what I'm asking for, they're going to get a yes, there aren't more things coming down the road.

WSJ: But how is that different from threatening to leave?

DR. NALEBUFF: It's hugely different because if you say "no, unless," they don't know what they're going to get if they say yes. Maybe there's going to be more asks down the road. Maybe you're just using it to get a higher salary somewhere else. So if you want them to make a special exemption for you, they want to know that they're going to be successful. That's a huge thing that you are giving them.

Eye on the pie

WSJ: It seems like for this to work, you need a lot of honesty, not just from yourself, but from the other side. What if you are negotiating with someone who really isn't willing to give that? Is there a way to work around it if you are up against a jerk?

DR. NALEBUFF: If they truly are a jerk, I think you might be looking elsewhere for where you want to work, or you want to help reduce the aspect to which they're a jerk. Say, "Look, my goal here is to create a big pie, and you may not know exactly now what I can create. I don't know it, but can we agree that if I achieve these goals, these key performance indicators, here's how I will be rewarded?" So we don't have to split the pie today. We can split the pie as it's being created.

WSJ: We have some questions from listeners. "How are you supposed to respond when companies ask about salary expectations and require it in a cover letter? I don't want to take myself out of the running by saying something too high, but I also don't want something unlivable."

DR. NALEBUFF: There's great research on this by a young scholar named Laura Adler. Companies value salary expectations of women less than they do of men, according to Adler's research. One of the things that suggests is that maybe you want to volunteer your historical salary, because that may be necessary to make it credible. Another thing is you say, "I want to be paid market wage. You understand market wage better than I do. And so, I'm prepared to accept something that is the appropriate market wage." Yes, you're putting a number out there, but

more important, you want to convey that you are prepared to accept what the market is.

WSJ: So then should she or should she not put that on her cover letter?

DR. NALEBUFF: If they're telling you they're not going to read the cover letter without a salary expectation, then I don't see how you avoid doing it. But the point is not to leave it at just the number. It is to say, "Look, I've written this number. It's my understanding of what the market is. I'm prepared to accept market wages if it turns out it's something other than that."

Don't say it's over

WSJ: Another question: "With the job market being as hot as it is right now. I'm wondering, is it a good idea to tell my boss I'm considering positions with other companies? In my three years of employment with my company, I've only received one raise. That was a 2% increase. The company I worked for was really hurt by the pandemic, but now I'm getting pinched with inflation to the point I'm making thousands less than when I started."

DR. NALEBUFF: Think about this in terms of a marriage for a moment. As a couple, you don't want to threaten your spouse with, "Look, honey, I want these changes. And if these changes don't happen, we're going to have a divorce." The response could be you got the divorce.

You want the other side to appreciate that you do enjoy working there. And that there's an issue, however, which is, inflation means you need to have a higher wage, and it's appropriate for them to pay you that. And I think the implication has to be -- and they should get without you saying it -- that if they don't be reasonable and they're not paying market wage, they're going to have to look to hire somebody like you and pay them a whole lot more money.

And so you want to convey the whole time the "yes, if" rather than the, "no, unless." You don't want them to think that you're in some sense already out the door and nothing they're going to do is going to keep you. It's: "I do enjoy working here, but there's one thing that we need to fix."

WSJ: I feel like that is the opposite of what a lot of us have been told over the years, which is that you are in the best negotiating position if you have, say, an offer from somewhere else that you bring that to the table if you're negotiating with your current employer.

(MORE TO FOLLOW)

June 13, 2022 02:32 ET (06:32 GMT)

DETAILS

Subject:	Negotiations; Geographic profiles; Wages & salaries
Business indexing term:	Subject: Wages & salaries
Publication title:	Dow Jones Institutional News; New York
Publication year:	2022
Publication date:	Jun 13, 2022
Publisher:	Dow Jones & Company Inc
Place of publication:	New York
Country of publication:	United States, New York
Publication subject:	Business And Economics

Source type: Wire Feed

Language of publication: English

Document type: News

ProQuest document ID: 2675835829

Document URL: <https://www.proquest.com/wire-feeds/how-negotiate-without-looking-like-jerk-wsj/docview/2675835829/se-2?accountid=44910>

Copyright: Copyright Dow Jones & Company Inc Jun 13, 2022

Last updated: 2022-06-14

Database: ABI/INFORM Collection

Database copyright © 2022 ProQuest LLC. All rights reserved.

[Terms and Conditions](#) [Contact ProQuest](#)