

Why Negotiation Principles Will be More Important to You in the New Economy

By Prof. Seth Freeman

There's a new economy taking shape. In a column entitled, "The New Untouchables," Tom Friedman tells this story to make a key point about the world we are entering:

"A Washington lawyer friend recently told me about layoffs at his firm. I asked him who was getting axed. He said it was interesting: lawyers who were used to just showing up and having work handed to them were the first to go because with the bursting of the credit bubble, that flow of work just isn't there. But those who have the ability to imagine new services, new opportunities and new ways to recruit work were being retained. They are the new untouchables.

"... Those who are waiting for this recession to end so someone can again hand them work could have a long wait. Those with the imagination to make themselves untouchables — to invent smarter ways to do old jobs, energy's saving ways to provide new services, new ways to attract old customers or new ways to combine existing technologies — will thrive....

"Just being an average accountant, lawyer, contractor or assembly-line worker is not the ticket it used to be. As Daniel Pink, the author of "A Whole New Mind," puts it: In a world in which more and more average work can be done by a computer, robot or talented foreigner faster, cheaper "and just as well," vanilla doesn't cut it anymore. It's all about what chocolate sauce, whipped cream and cherry you can put on top. So our schools have a doubly hard task now — not just improving reading, writing and arithmetic but entrepreneurship, innovation and creativity."

Meanwhile, A troubling piece in BusinessWeek, "The Disposable Worker" reports that "pay is falling, benefits are vanishing, and no one's job is secure. ...[C]ompanies are making the era of the temp more then temporary."

That means that, increasingly, firms are profiting by shifting risk onto you. As your professor, I want better for you than what BusinessWeek describes. And I want you to fare well in the world Tom Friedman writes about. So here, I want to offer some encouragement: negotiation principles will be more important to you in this brave new world, not less. Four reasons:

1. ***If you are to negotiate fair terms***, you'll need to be that much better prepared and aware of what the ranges are now, and what's possible. You may not do as well as you might have five years ago, but it's still reasonable to seek a favorable and realistic agreement. (To do that in this market, you may feel more comfortable using objective criteria (OC) opening offer strategy than midpoint strategy, because OC strategy is so grounded in fact and doesn't risk seeming too aggressive.)

2. ***If you are to negotiate effectively in a world where employers have more and more power***, you'll need to be well prepared to negotiate creatively too. That means understanding interests and creative options better than before, among other things. Maybe they won't budge as much on salary, but they may be willing to give you a premier rotation.

3. ***Since many jobs may be increasingly temporary***, it will be wise to negotiate for a different set of options, such as things that will make you more marketable in future assignments with future employers.

4. ***Most importantly, if you face a world like Tom Friedman, you'll need to know how to create wealth.*** If you are a negotiator-in training, you're learning how to do just that, in part by focusing on interests and brainstorming options to find promising ideas you can use to make your employer wealthier. That's a skill you can model in the salary talks too. It's also a skill that can help you develop new sources of income and new marketable ideas yourself and for other employers, which strengthens your BATNA and your long run prospects.

Be of good cheer. I do believe in the idea of abundance, and believe that you can develop your ability to see it, create it, and claim a just portion of it, even- perhaps especially- now. I want a bright future for you; here's to your good success finding it.