Looking for work during a historic downturn needn’t cost you your dignity. Multiple research studies suggest strategies for turning a negotiation disadvantage into opportunity.

The current pandemic has made job hunting an even more daunting experience than it usually is. While some sectors, such as grocery retail and medical care, have seen a boost, many others are witnessing record unemployment. For job seekers, it can feel like the balance of power has shifted to those companies still comfortable enough to provide employment opportunities. In these turbulent times, is there anything job candidates can do to improve their negotiation power? After all, no one wants to feel they must accept just any offer that comes their way.

In their INSEAD Knowledge article “The Four Horsemen of Negotiator Power”, Michael Schaerer, Adam Galinsky and Joe Magee explained that power comes from four sources, in the following order:

- Alternatives (often referred to as BATNA, or best alternative to a negotiated agreement)
- Information
- Status
- Social capital

Having a BATNA in a job negotiation is the biggest potential source of power. However, you need to watch out for a surprising potential downside: If you happen to have multiple not-so-attractive BATNAs (such as odd jobs or an unpaid internship), they may sway you to average down your overall expected deal and push you to accept a lower offer than if you had only one alternative with a high ballpark number.

The power of the mind

Admittedly, in the current circumstances, you probably won’t have a lot of alternatives lined up, let alone a juicy one. In this case, you would be better off imagining a strong BATNA, according to Schaerer, Martin Schweinsberg and INSEAD Professor Roderick Swaab.

Using simulated MBA job negotiations, they found that asking powerless individuals to imagine an attractive yet realistic alternative boosted their aspirations, led them to negotiate more ambitiously and improved their outcomes vs. individuals who just showed up.

The researchers found that this strategy worked well if the person who imagined the strong BATNA also made the first move during the negotiation. Also, it was critical for both parties to have overlapping interests. Otherwise, the enhanced ambition resulting from the mental simulation increased the odds of the negotiation derailing.

Your second best weapon as a job seeker is the
amount of information you can gather about the
company of your interest, as well as how you deploy
that information to demonstrate you are the best fit
for the role.

Advice from executive search experts

- Hannes Sommer (INSEAD MBA ’12J), CEO
  and founder of Sinceritas Executive
  Search:
  • Companies now operate in a crisis environment,
    which means that candidates should position
    themselves as crisis problem solvers.
  • Be selective in your job search and focus on
    companies with a business model likely to endure
    for the next 5 to 10 years. The best bets are the
    “winners” of the current situation, such as e-
    commerce, tech and pharma companies.
  • You may still approach firms that have
    implemented a strategic hiring freeze if you have a
    solid case to persuade a hiring manager of the
    benefits of hiring you.

- Renato Curti (INSEAD MBA ’92D), Managing
  Partner at Boyden Global Executive Search:
  • Job search principles in the current times remain
    the same, only the intensity of the search should be
    turned up.
  • Looking for a job is a full-time job itself and
    requires the same commitment. Set clear deadlines
    and adjust your selectiveness and flexibility based
    on the amount of time you have been looking for a
    job.
  • Consider seeking opportunities in alternative
    geographies affected differently by the crisis.

Of course, merely googling the company is not
going to dazzle the hiring manager. To stand out,
you should gather information about the challenges
the company is facing. Then you should clearly
delineate how your skills and experience will help
solve these problems.

When it comes to job negotiation, status – your third
source of power – is a little bit trickier, since it is an
asset that tends to accumulate over time. However, it
may be worth remembering that if you are invited to
an interview, it is unlikely to be because the hiring
manager has nothing better to do. List all your
attributes and accomplishments to date, no matter
how junior you are, and go to battle feeling
deserving of respect.

Your last asset, social capital, is the sum of your
personal and professional connections. You might
not need it for obtaining strategic information, which
might be publicly available or shared with you by
the hiring manager. However, if you are vying for an
internal position and already know people within
the firm who could put in a good word for you, now
is not the time to be shy about it. INSEAD Professor
Andy Yap has created a visual tool that may help
you map out your friends and foes when it comes
to reaching your goal.

Leveraging a low-power position

What if you obtained or imagined a really solid
BATNA, gathered a lot of information, tapped your
social network and even managed to play up your
reputation, but fear you’re still only one of countless
candidates for a given position?

The good news is that you may still be able to
leverage your less powerful position. According to
researchers Cameron Anderson and Galinsky,
powerful individuals are more likely to engage in
risk-seeking behaviour. As they focus more on the
payoffs than the potential dangers of their
negotiation tactics, they are more prone to blindly
divulging their interests (a risky behaviour for
negotiators) and to act more aggressively. Hence,
being in a less powerful position gives you an
opportunity to gather information on their main
interests, provided you can avoid reacting to the
other side’s potentially aggressive behaviour.

When facing a counterparty holding more power
than you, know your strategy, stick to your plan and,
if threatened, never retaliate with a threat,
advises negotiation expert Jeff Weiss.

But how can you stick to your plan? Andreas Jäger,
David D. Loschelder and Malte Friese found that the
poor outcomes that often befall low-power
negotiators stem from excessive concessions they
make right at the start of the negotiation. They
suggested a counterstrategy to avoid that fate:
Negotiators should set clear goals for themselves
and complement them with “if-then” plans prior to
engaging in the process.

In their research, successful if-then plans involved
low-power negotiators conditioning themselves
through repeating empowering statements such as:
“If my opponent makes an unreasonable request,
especially at the beginning of the negotiation, then I
will reject it and make a mutually beneficial
counteroffer.”

Tapping into relevant sources of power is important
to reduce as much as possible the power asymmetry
between you and the hiring managers you will meet.
Beyond that, you can take comfort in knowing that
holding a relatively less powerful position can have
tactical advantages in terms of allowing you to
better understand your counterpart and use your
learning to come out ahead of the pack.

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