



The Hidden Upside to Low-Power Negotiating

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

Visit **INSEAD Knowledge**
<http://knowledge.insead.edu>

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.

Alena Komaromi (INSEAD MBA '12D) is a financial services professional.

Don't miss our latest content. Download the free ***INSEAD Knowledge app*** today.

Follow INSEAD Knowledge on ***Twitter*** and ***Facebook***.

Find article at

<https://knowledge.insead.edu/career/the-hidden-upside-to-low-power-negotiating-14491>

Download the Knowledge app for free

