

Negotiation Exercise*

The negotiation exercise requires two persons to play the roles of employer and employee. The success in negotiation would be judged in terms of the amount of raise and other terms and conditions agreed upon between the employer and the employee. The objective of the employee would be to get as favourable a deal as possible and the objective of employer would be to provide a deal which does not disturb the existing remuneration packages for the staff in the same position given their experience and age. Read the roles carefully; devise a strategy for managing the negotiation before you actually start the negotiation.

Employee

You are young and have acquired MBA qualifications from a leading school of management. Immediately after graduation you joined Modern Tool Manufacturers as Assistant Junior Manager, Marketing Division. After having worked for two years as Assistant Junior Manager you were promoted to your current important position during a moment of crisis when the previous unit head left suddenly. You have handled the situation so well that after a few months, the word “Acting” was removed from your title, and you were confirmed in your new role as unit head.

When you were promoted, you had asked for a raise, but your boss had countered: “Let’s see how this works out. After all, you are pretty young and inexperienced for the job. I don’t have any doubts about you handling the job, but I would like to wait. If you are able to handle it, we’ll take care of you.”

It has now been three years since the promotion. Although you have been receiving raises every year, they have been of nominal nature. You have still not received the one big jump that would put you in the same financial bracket as the older, more experienced unit heads, though their responsibilities are the same as yours. You currently get an yearly salary of Rs 6 lakh.

In the past you have made a few tries to obtain the pay raise, but you were still somewhat in awe of the position that you held given your age. Your boss is a skilled negotiator and each time you have asked for a raise, demanding big money, your boss has maneuvered the conversation around so that you become very thankful for any small raise and equally thankful that your request has not been held against you.

This was the status on the day before Diwali when the company distributed bonus to everyone on the payroll. As they were passing out the envelopes, you realised that there was none for you. After talking with another manager about this mistake, you learned that according to a new policy this year, employees above the supervision position would not be paid bonus.

This change in policy has irritated you and you have finally decided to negotiate for the “big money.” It’s about time you got financially even with the rest of the unit heads who earn Rs 1.5 to 2 lakh per year more than you do. You are on your way to see your boss. You are going to be tough this time and not let anything wear you down.

*Adapted from *Lewicki, R.J. and Litterer, J.A. (1985) Negotiation: Homewood Illinois: Irwin: Modified to suit Indian situation.*