

Employment Negotiation

Employer – Terry
Employee - Pat

Situation:

Pat is 28-years old, married with 2 children (3-year old & 6-month old), resides in Hingham, and has been an attorney for a Boston law firm for the past 3 years. Terry is the sole owner of the firm. There are 9 other attorneys who work at the firm. They range in age, experience, and salary.

The firm has been very successful and profitable each year for the past 25 years. Pat makes \$60,000/year, feels underpaid and deserves to make more money. Pat had a performance evaluation about 6 months ago and received an excellent rating. Terry told Pat that Pat would only be receiving a 3% salary increase as the firm was trying to keep the expenses low since the economy was beginning to slow down.

Both Pat and Pat's spouse work, which means that the children are in daycare Monday-Friday and costs \$300 each week (\$150 per child). The commute on the boat from Hingham to Boston is not that convenient (total commute time is 2 hours each way). Pat frequently works 12-hour days and weekends - whenever the firm asks. Pat works extremely hard, is very reliable (has only called in sick one day in 3 years), and gets along well with Terry and his co-workers. Pat enjoys the work, his co-workers, and likes the nature of the job. Pat has 3 weeks of paid vacation each year and pays 50% of the family health insurance coverage (his contribution is \$500/month).

Terry is thinking of the big picture and wants to make sure the company will continue to survive and grow if business begins to slow down. Terry is also concerned about any impact to the other 9 employees if Terry makes any changes to Pat's compensation (salary & benefits). Currently, the employer contribution to family health insurance coverage is 50% (\$500/month).

The Task:

You will be assigned to a group to negotiate on behalf of either Pat or Terry. As a unified group, you will agree (accept) or disagree (not accept) the terms.

You will need someone to "face off" with someone from the "other side":

- You will also need someone to take notes and document goals (demands) – for your group
- You will also need someone to document what the other side is demanding each time you face off

Please let Mr. George know when you've reached agreement – and please give him the terms in writing.

Pat:

Before your group "faces off with Terry", Mr. George wants a list of at least 2 things that you are demanding. After the negotiations, we'll see how you did and look at what you initially wanted versus what you actually got.

A few things to consider for your negotiations:

Pat wants substantially more money. Pat feels undervalued and under appreciated.

Pat's also a family person (like Mr. George) and would like to gain some additional time off (so the family can spend more time together).

Pat would also like to change the work hours. Currently works 9-5 Monday through Friday. Would like to work a four-day workweek that would be 4 ten-hour days. That way, more time at home with the kids and Pat wouldn't have to pay one day of daycare.

Also, please feel free to ask for other creative benefits.

Under no circumstances will Pat threaten "quitting". [Don't use an ultimatum unless you're prepared to back it up] Pat has put in 3 years with the firm, and doesn't want to start over somewhere else. Pat likes working at the firm, but with poor economic times forecast ahead, Pat doesn't think it would be easy to find another job.

Be creative, convincing, and support your argument.