

THE PROMOTION: BOSS

Instructional Page | Scenario #2

There is no time limit for this practice negotiation but try to keep it under an hour. Take about 10 minutes to read the following page and make notes about your strategy, questions you want to ask, and so on.

As you head into this negotiation keep in mind that the employee needs to drive this negotiation, don't give up any information, they need to ask for it. If they are talking about salary, don't be afraid to re-negotiate and be tough, ask them questions such as;

- How did you reach that number?
- OR -
- How did you calculate this number?
- Why do you deserve this pay raise?

Be ready to make counteroffers, which should not be the maximum amount but should increase each time.

- Keep in mind that you can say we can re-negotiate your salary after 6 months etc.

Be ready for them to ask for other things besides salary, and don't be afraid to say no. Ultimately you're the boss who makes the final decision, make your decision based on how well they are making the case for themselves.

Feel free to make this scenario your own and ask questions that come naturally to you, since you want to give the negotiator a real experience that they can learn from. **Try to think about how an employer would think, and be as conservative as you can with money. If their first ask is the maximum amount don't initially agree to it, see how low you can get them to go.** This is not meant to be a negative experience it will just give them a great opportunity to practice! So do not be afraid to be tough. But keep in mind you want to eventually come to an agreement that works for everyone.

Checklist
Item
#4

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Situation Description #2

You are the Human Resource Manager at Starbucks in San Francisco, California. You recently promoted an internal employee from Real Estate Representative to Real Estate Manager, after the Manager decided to retire. You interviewed several candidates for the position, many of which were overqualified and would have been excellent additions to the team. However, ultimately you decided to hire from within because the retiring manager left such a glowing review and this candidate has filled in on their job before. This individual also has made internal improvements felt by the whole staff. They have worked at Starbucks for six years.

They have been an all-star employee, helping increase sales in the San Francisco area by 25%. However, this employee got off on the wrong foot with the local grocery store owner who has since given the two coffee shop spots in his local stores to Dunkin Donuts your competitor. **This led to a decrease in sales and a loss of hundreds of dollars in revenue.** The employee apologized to the owner taking full responsibility and was highly transparent with Starbucks about the situation and ensured this would never happen again.

Starbucks will be going through some major transitions in the next year and will need this new hire to step up and take on new challenges that the previous manager did not have to deal with. You want to give this promoted candidate new opportunities that will help them grow even further within the company.

Before the promotion this employee was making \$73K annually, the retiring manager was given a raise every few years into the new position. They started off making \$86K and ended making \$98K. You also know that the cost of living in San Francisco is increasing and that this employee recently had a baby and is still paying off student loans. However, the economy is not thriving, Starbucks has authorized you to pay the new hire up to **93K (net)** a 27.4% increase from their previous salary, but **they have to ask for it.** (You cannot go over 93K)

Before you head into your salary negotiation, the head of Marketing pops in your office and asks you for some new social media ideas, and to email them with any possible ideas.

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Situation Worksheet #2

What is the maximum amount you are willing to give to the employee?

\$ _____

What is your ideal amount to give for the promotion?

\$ _____

What else could you offer to the employee besides money?

- 1.
- 2.
- 3.
- 4.
- 5.