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Hiring managers must sharpen negotiation skills

By Jennifer LeClaire - Special to the Journal

Hiring managers, it's time to sharpen your negotiation saw. That's because the negotiating edge is shifting to job candidates.

Indeed, job candidates are more likely to ask for higher starting salaries and companies may have to up the ante to get them on board. So says The EDGE Report, an annual study on employment and compensation trends conducted by Robert Half International and CareerBuilder.com.

Fifty-seven percent of hiring managers in the survey said it was difficult to find qualified candidates 12 months ago, and 91 percent said recruiting is equally or more challenging today. More than half (52 percent) of hiring managers who are having trouble recruiting cited a shortage of qualified professionals.

As the competition for skilled labor has become more pronounced, 58 percent of workers polled said they are more likely to negotiate a better compensation package today than 12 months ago -- double the number from last year's poll.

"To recruit successfully, companies must 'sell' applicants on the benefits of working for their firms. Organizations that are adept at promoting the positive and unique aspects of their corporate cultures to prospective hires have a significant advantage over their competitors," said Max Messmer, chairman and CEO of Robert Half International, a professional staffing and consulting firm headquartered in Menlo Park, Calif.

The market has been trending in this direction since 2004, but the bar continues to rise, according to Gayla Hensley, managing director for specialty recruiting firm The Mergis Group's Boston office. The result: a serious shortage of bright, driven, creative candidates with the interpersonal skills companies demand.

"As tight as the supply is most companies are not interested in making trade-offs or modifying some requirements. It can take more than six months to fill some of the openings," Hensley said, adding that many tight-budgeted organizations need candidates to have multiple skill sets and backgrounds. "In some cases," she said, "clients need one person to do the job of two."

That puts the candidate in the proverbial catbird's seat. According to Roberta Chinsky Matuson, president of

Brookline-based Human Resource Solutions, the old cliché "you only get one chance to make a first impression" holds true in the recruiting realm. If an offer to a candidate is below expectations, she said, many won't bother to even call back to decline the offer.

"Employers must continually check in with the candidates as they are going through the process of courting them to assess their interest and requirements," Matuson suggested. "Asking candidates their expectations right up front can help employers avoid wasting time on candidates they cannot afford. Employers should also make sure they remind perspective employees of the intangible benefits they can offer that other firms can't possibly match."

Negotiation is sometimes a matter of speed. **Dora Vell**, principal of **Vell Executive Search** in Boston, admitted she's been burned several times in the past few months by slow-moving hiring executives. The lesson: make decisions within days instead of weeks on top candidates in what has become a race for skill sets.

"Candidates not only get competing offers but get counter offers from their existing companies," **Vell** says, recalling losing a CEO candidate recently. That candidate is currently a general manager at a technology company. He decided to stay where he was when the firm added nearly 50 percent to his base and bonus and increased his stock options.

Hensley doesn't expect the negotiating power to shift back to employers any time soon. Historically, the first and second quarters are strategic times for companies to make hires, she concluded, which should increase the search activity among the same sized candidate pool.

Dora Vell is the CEO of Vell Executive Search, a premier retained technology executive search firm in Boston. Ms. Vell is an internationally recognized expert in recruiting technology executives including: CEOs, COOs, CTOs, CMOs, CROs, board members and others. She works with VC-backed, PE-backed private companies and public companies. She can be reached at dora@vell.com.