

Severance Packages More Negotiable

By Barbara Kiviat

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As the economic slump persists, companies are becoming stingier with the severance packages they offer laid off workers. At the same time, more employees are asking their firms to tweak the terms of their parting pay, a shot to get more as they head for the door.

"The packages are smaller than they have been, and that makes the need to negotiate more critical," says employment lawyer Robin Bond, "especially since you don't know how long it's going to be until your next job."

The landscape of severance negotiation has changed dramatically since the last recession:

- In 2001, just 5% of professional workers and 4% of administrative and support staffers negotiated their exit packages, according to a survey by human-resources consultancy Lee Hecht Harrison.
- In 2008 a full 31% of professionals and some 22% of administrative workers did.

Building up the courage to ask for a better deal is particularly important today as struggling companies offer less: nearly a tenth of firms are on the cusp of reducing cash payments, according to a survey by the consultancy Hewitt Associates, and a good many are cutting back on benefits too.

So how do you go about negotiating severance?

The first must-do is keeping your emotions in check. "Don't negotiate on the spot," says William Ury, who helped start Harvard University's Program on Negotiation and co-wrote the industry classic book, **"Getting to Yes"**.

"You're going to be feeling a wave of emotions, such as, fear, anger, resentment and anxiety. Those emotions are all extremely natural, but they don't make for effective negotiations." Before you say anything, go home and process the news. Take a few days if you need to. (Read "**What to Do If You Get Laid Off.**")

Then build yourself up to the right frame of mind. Severance is money that a company gives you so that you'll sign a release promising not to do things like sue or trash talk the firm in the press.

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"It's not love, it's not a gift, it's a business transaction," says Alan Sklover, an employment attorney and the author of **"Fired, Downsized, or Laid Off: What Your Employer Doesn't Want You to Know About How to Fight Back"**.

If you agree to go beyond basic stipulations, perhaps you'd be willing to train the people who are going to take over your responsibilities, you could get a better package.

As you prepare (a process that should take hours, if not days, says Ury), think not just about what you want but also about what the company might want.

After picking the right person to talk to, maybe someone in HR but more likely your boss or another manager you peg as particularly sympathetic, make your request in as businesslike a way as possible.

If the firm is going to continue to profit from a big client you landed even after you're gone, mention that. It should be worth something extra. If leaving means forgoing certain pension benefits, ask to be compensated in cash. If you moved to a new city for your job and now you'll probably leave, ask the company to pay for relocation.

One way to talk about severance is as a bridge to your next job. HR managers themselves like to think of it this way. So call a few recruiters and ask how long they think it will take a person with your experience to land a new job.

If it's longer than your severance will last, make the case that you should be compensated for the entire time period. One tactic Barbara Barra, Executive Vice President at Lee Hecht Harrison, has noticed involves suggesting that your company extend severance pay by a few months but agreeing to cut it off early if you get a new job in the interim.

Of course, severance is about more than just cash. In many cases, the most valuable things a company can give you don't cost it much, if any, money. Being able to use your company e-mail, or even your office, while you job-hunt keeps an aura of employment that will make you that much more attractive to the next company.

Having a glowing letter of reference in hand helps in interviews. "Those are things that are really important to help you get another job," says Rusty Rueff, who used to run HR for video-game maker Electronic Arts and was also a senior HR executive at Pepsico.

Rueff also suggests making sure you're listed in your company's HR system as a person whom the firm would rehire because a potential employer may call and ask.

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And keeping your employment status as "active," even if you're no longer collecting any money or benefits, can help too. Rueff knows of one recently laid-off worker who negotiated that addition so that he would have an easier time refinancing his mortgage.

It's also a good idea to bring up any extraordinary hardships you'll encounter by not having a job. Bond, the employment attorney, helped one client, who was due for foot surgery, negotiate an extension of her health-care benefits. Simply asking to keep your company car for 30 more days isn't likely to get you far, but explaining how it's your only car and you don't have money to replace it immediately might.

Throughout it all, just make sure to keep a pleasant, professional tone. In negotiations, a threatening posture almost always backfires, says Ury. Hiring a lawyer or other adviser is a fine idea but there's no need to mention to your employer that you've done that unless talks take an uncivil turn.

Creating a paper trail is always a good idea. After each meeting, summarize what you were told and send an e-mail to the person who told it you, asking for confirmation that you understood all the points correctly.

Finally, keep in mind that employers can always improve your severance package.

Even if they act as if their hands are tied, there's no law saying they can't give you more, even though in the current environment they'll probably, at least at first, try to give you less!

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