



## Negotiating salary.

For most people, negotiating salary is difficult. Try to think of it from another perspective: you're discovering what money the company has allocated for someone with your skills in this role. When you have accepted a position and salary discussions begin, the employer will have a salary figure upfront based on market expectations and comparable salaries within the company. The employer knows this number, but you don't; your challenge is to determine how much the company is willing to pay for the position.

The employer (or HR) expects you to negotiate. You want to collect as much as possible. It would be a shame to leave money on the table. If companies are willing to pay more for a position, and you are qualified, you should be compensated accordingly. In preparing for your negotiations, keep the following in mind:

- ✓ Research salaries in your field;
- ✓ Negotiate your salary from a position of strength;
- ✓ Let them make the first offer;
- ✓ Silence is golden—and your most powerful negotiating tool;

**Research salaries in your field.** By researching the salary beforehand, you will know if you are getting a fair deal. The better prepared you are, the better armed you are for the salary talks. Salaryexpert.com is an excellent resource that allows you to customize your search around location, competencies, and years of experience. You might also look to appropriate professional association and trade journals and your network (recruiters, peers, network associates) for further data points. For the truly proactive person, here is an interesting do-it-yourself method: Say you're interviewing for a position as a customer service representative. Choose six companies with similar positions. Call each one if you can, and ask to talk to their customer service representative. Explain to the representative you're negotiating salary for a similar position similar and name the responsibilities. Ask what the pay range for this position is in his or her organization; tell them you are calling a number of others and that you'll compile and share the results with all. They'll participate because they're just as curious as you about their own worth in the open market. Get their contact information so you can keep your promise and send the results.

**Negotiate your salary from a position of strength.** If you engage in salary discussions before you are offered a job, you will have almost no bargaining position. You want to negotiate from a position of strength, so wait until the job offer. Once you know they want you, you are in a much stronger position. An interesting role reversal takes place if you postpone salary discussions until offer time. Interviews start with employers buying and you selling. If you postpone discussing salary, however, the role is reversed. They are in a position where they want you. They've decided to ask you to join them, so they're selling the job to you. This is the only time they'll be anxious to reel you in. Further, HR or the negotiators do not want to lose face. Here are some approaches to build into your strategy:

- ✓ Respond confidently to any premature salary gambits on their part:
  - "I'm sure we can come to a fair salary agreement if I'm the right person for the job, so let's agree on that first."
  - "Salary? Well, so far, the job seems to have the right amount of responsibility for me and I'm sure you pay a fair salary, don't you?"
- ✓ Soften your approach with honesty :
  - "Discussing salary is always awkward for me, so..."
  - "When we discuss money upfront, I get worried I'll be screened out or boxed in, so could we...?"
- ✓ Ask questions to find out what's so important about knowing your salary requirements:
  - "I notice we're back on salary again. May I ask you a question? Are you wondering if you can afford me? Or do you just need it for an application? Or is there something else?"
  - "I notice we've come back to salary. I'm happy to discuss money, and even share my tax return with you at some point if it's important. But is it possible to take a moment to explain why we need to discuss it now?"
- ✓ Close with a strong wrap-up:
  - "I'm sure we can come to a fair salary agreement when the time comes."
  - "I know I need to make you more than I cost. Let's make sure the fit is right before we discuss salary."
  - "Maybe you've noticed by now that it's a principle of mine never to discuss salary upfront. If we're going to work together, we'll have to respect each other's principles, so let's focus on how I can help you make money."
  - "Most people I talk to say salary is just the finishing touch to the person who can play for the team. Let's talk about money as soon as we're sure I'm the player you're after."
  - "I don't want to appear difficult. I can understand that you want to be sure you can afford me, and I won't require a salary out of line with the job. But it's a principle of mine not to discuss salary yet, because it can throw us off track. What's really important is whether I'm right for the job and what I can produce for you."
  - "Compensation is about third on my priorities list right now. First is making sure we can work together, and I'd prefer to concentrate on that for now."
- ✓ If they insist you have to commit first, ask questions to find out what they have in mind:
  - "Well, I'm sure you have something budgeted for this position. What range did you have in mind?"
  - "I have some idea of the market, but I'd be interested in starting with your range for the moment."
- ✓ When asked about present or previous salary:
  - "I'm paid very fairly for my responsibilities in my present job, and I expect a fair salary with respect to my responsibilities here."

Regardless if an ad demands your salary history or expectations, employers will not pass you over if you're right for the job, provided you show them respect. Employers want these figures as part of their screen. They don't want to waste time talking to you if they can't afford you. Your best approach is to acknowledge the need to screen, then stick to your principles about postponing money talks until there's a match. Write in your cover letter something like:

- ✓ "You've requested a salary history. I'm paid roughly the market value of a [Job Title] with X years' experience and though I'm not willing to publish my compensation package, I'd be happy to discuss it in an interview. I am sure salary will not be a problem for me for this position."
- ✓ When an application form asks for salary expectations, write "Open." When it asks for previous salary history, leave it blank.
- ✓ If it says, "Fill in every blank and answer every question" put "competitive" in the salary slot and write a note at the bottom: "I'll be glad to discuss this personally in an interview."

If you are filling out an application form online that lists salary as a required field, attempt to put in a range. If it does not allow a range, only a specific number, it is even more difficult. In either case, follow the processes below:

- ✓ After having done your research, decide on a minimum acceptable salary to you, and then add \$5,000 to that number. That will be the bottom of your range. For example: If you would accept \$45,000 for a job, your bottom range will be \$50,000 (\$45,000+\$5,000). Then, decide on a salary that would make you feel fairly compensated for this job, and add another \$10,000. This will be the top of your range. For example, if you think you are worth \$65,000, then the top of your range will be \$75,000. Thus, your range will be \$50,000–\$75,000. Ranges should span at least \$20,000.
- ✓ If the application form allows only a specified number, put in the higher figure (namely \$75,000). However, in your salary negotiation strategy, be prepared to bump this figure up further because they are preparing to bump it down (as described in Section 13-3).

Managing your response to the salary question takes practice. If getting them to make the first offer adds thousands of extra dollars into your pocket, it will be well worth the extra discipline required on your part.

**Silence can be golden...literally:** Your most valuable negotiation tool is to say nothing. Not only is it the most effective approach, but it also does not compromise your principles of being respectful of others, and it keeps you modest and non-confrontational.

At this point, you've done your salary research, deferred any salary discussion and negotiation until an offer has been extended, and extracted a salary number from the employer. Here is what you need to do now:

- ✓ When you hear that figure or range, repeat the number in a contemplative tone. Count to thirty silently. This will feel like an eternity, but stay silent; those 30 seconds can yield you extra money.
- ✓ Use this time to calculate exactly what the offer is. For example, you can convert an hourly figure to a yearly figure by doubling it in thousands. So \$18 an hour is about \$36,000, based on forty hours a week with no overtime. To go from weekly to yearly, multiply by 50; for example, \$1,000 a week equals \$50,000 a year.

With the stage now set, you want to pursue the following goals simultaneously:

- ✓ **Let them counteroffer:** For most interviewers, that silence will be devastating and uncomfortable. In 99% of the cases, they will break the silence: “Is something wrong?”, “Is it not enough?”, or “We can up the offer by \$4,000, but not a cent more.” Respond to the first two questions with, “I was hoping for a bit more.” If there is a counteroffer, repeat the figure aloud and again go into silence mode.
- ✓ **Find out what is in their “bank vault”:** During this silence, they may come back with another offer, or ask: “Exactly what were you expecting?” Reply with a figure well above their offer. You do not need to justify or rationalize it—this is not about fairness, but merely the value they have placed on the job. “I was hoping in the high sixties.” Two possibilities now exist. First, if your statement is still within their means and they feel you are worth it, they will move closer to this number. They might suggest: “We might be able to reach a little deeper, but it’s not easy for us.” Asking “How deep?” will prompt them to offer a new figure, which you should contemplate in silence...again. The second possibility is they can’t meet your desired range: “I’m afraid we just can’t go any higher for this position.” “We really want you as part of our team, but we have to get permission from higher authority.” You have achieved your goal of assessing the contents of the bank vault, so be careful here: the higher authority could reject your offer, and you don’t want to come across as unreasonable.
- ✓ **Responding with the truth:** Be honest: “Sounds great,” “Sounds acceptable,” or “Sounds disappointing.” You’ll know if the range is fair because you researched your market value beforehand. *Don’t compare the offer with your most recent salary.* Instead, use those thirty seconds to compare the offer with your research. Grounded in your knowledge of the market value for the position and your experience, you’ll have calculated two figures before going into the interview—the highest you’re worth and the lowest you’ll accept. On the other hand, all the research in the world won’t help if the company has a different idea about the salaries it pays.