

SUCCESSFUL SALARY NEGOTIATIONS

THE RIGHT REASONS TO NEGOTIATE SALARY

- ◆ When you know that your skills, experience and education are worth more than the offered amount.
- ◆ When you know that the pay range for the position is less than the industry average.
- ◆ When you know that the cost of living is higher in the area where the job is and the salary offer does not reflect that.
- ◆ When you have been made multiple offers with similar salary and benefits packages.

KNOW YOUR VALUE/ DO YOUR HOMEWORK

It is imperative that you research compensation levels—both the employer's and its competitors. In doing so, you will have the facts necessary to negotiate effectively and increase your bargaining power. Performing preliminary research is the only way to know if you are getting a fair offer.

- ◆ Evaluate your personal salary requirements (**BE HONEST!**). How much do you need to earn?
- ◆ Find out what your skills and level of experience are worth in the job market (i.e. internships, co-ops, volunteer and part-time work, education level, etc.).
- ◆ Research career fields and salary averages for various occupations.
- ◆ Investigate cost of living adjustments to salary based on employment location (Excellent web resources at <http://www.salarylist.com/>).
- ◆ Develop a salary range with a high, low and middle range (Make sure your range is not too spread out).
- ◆ Examine the company's hiring history to find out what they have historically paid/advertised for this position and the skill/experience level required for the position. This area is a little more challenging to research. You may be able to conduct informational interviews, or if you know someone at the company speak to them. Many companies' websites offer job postings and may list salary ranges and job descriptions of the positions for which they are hiring.

WHEN TO NEGOTIATE

- ◆ Ideally, the best time is **AFTER AN OFFER IS MADE** by the employer. Discussing salary before an offer is made may screen you out of the job if your requirements are too high or it may lock you into a low salary.
- ◆ When asked what your salary requirements are by a potential employer during an interview, **INDICATE A RANGE**, not a dollar amount. (i.e. "Based on the industry average and my level of experience, I am seeking between \$33k and \$37k") This range should be slightly higher than the low end of your range (ex. low range \$30k, mid range \$33k, and high range \$36k based on industry research and assessment of self). *Once the offer is made, then consider negotiation.*
- ◆ Occasionally there will be circumstances where salary requirements will be discussed prior to an offer and it is important to handle each situation with confidence. While these are not negotiations, they can influence how later negotiations may go. Here are some examples of situations where salaries may be discussed and suggestions on how to handle these discussions:
 1. When responding to an ad or application- indicate "open" or "negotiable" under salary requirements. Under salary history, you can indicate "competitive" unless it asks for specific salary dollars. If asked for specific salary dollars you can list total compensation package (i.e. base salary, bonuses, medical, profit sharing, etc.). Be aware that most companies verify past salaries with previous employers; therefore it is important to be truthful.
 2. At networking events, discuss with others what your interests are (not specific jobs but more general positions) and get their opinions on salary ranges for those positions.

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3. When dealing with recruiters and employment agencies, be honest about your expectations and salary history.
4. Try not to negotiate over the phone. If the subject is brought up on the phone, ask to meet in person to discuss if possible.

HOW TO NEGOTIATE?

Effective negotiation is less complicated when the employer addresses the salary issue first. When this happens there are three possible courses of action: accept the offer, refuse the offer, or ask for something else.

- ◆ **Maintain an honest yet non-emotional response.** This response should be based on your research. First, restate the offer - then “digest” it. Your body language should demonstrate thought, not emotion. If it is less than you expect, you can indicate that it is lower than you expected based on your research. Be prepared to verify how and where you researched. Then counter their offer with your research response and desired range. It is very important to remain objective, positive, and courteous during this conversation. For example, *“I appreciate your offer and have thought it over carefully. Although you offered me \$25,000 per year, I was expecting \$30,000 to \$40,000 per year. I’ve researched similar companies and have found that to be the market range.”* They will respond with what they are able or not able to offer. Sometimes this may involve speaking to another person in the company and getting back to you. Know that an employer will not usually rescind an original offer as a result of your counter offer. The employer should return with a response which, hopefully, meets your needs; otherwise they will discuss why they are unwilling or unable to negotiate and state that the offer stands.
- ◆ **Salary is not the only area to negotiate.**
When the employer responds with a “no” to the above scenario or in certain jobs/industry when salary is non-negotiable from the start, know that you have other options to negotiate. These include: bonuses, salary reviews (consider timing, basis and percentage) health, dental, life and disability insurance, retirement or pension plans, overtime policies, profit sharing plans, vacation and sick days, tuition reimbursement, employee discount, company car/expense accounts, termination contract, stock options, relocation/moving expenses, professional memberships, certifications (i.e. computer programming) and sign on bonuses. Of course, the position and the company will dictate what is offered and what you can negotiate. Sometimes human resources departments can offer information regarding the specific benefits and what options are available, then you can come up with some suggestions to make your offer more appealing. For example, you may negotiate the timing of your first salary increase. Instead of receiving your first increase at one year, you may negotiate to be evaluated in six months and receive the same percentage allowable at that time based on your performance.
- ◆ **Know when to say when.**
If you feel like the employer is getting frustrated with your proposals or states that is all they can do for you, stop and evaluate what is on the table. You do not want to give the impression that you are impatient or greedy. When the company comes back to you with their final offer, be prepared to evaluate the offer and make a decision.

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THE FINAL OFFER

- ◆ **Take time to evaluate the offer.**

If you are pleased with the offer, try to resist the temptation to accept the job on the spot. Instead express your enthusiasm about the possibility of joining the firm/organization and ask for a couple of days to consider the offer. *“I am very excited about your offer. I’d like a day or two to think it over. I will contact you on Friday morning.”* One to two days is usually acceptable. Weigh your options and evaluate your total compensation package (salary, benefits, incentives, allowances, etc.) Ensure you are clear on specific duties, responsibilities and performance expectations.

- ◆ **Get the offer in writing.**

Once both parties have confirmed an offer verbally, ask for a copy in writing. You should follow up the conversation with a thank you letter outlining your understanding of the terms of the offer, your enthusiasm about starting with the company, and your appreciation for their decision to hire you.

- ◆ **Refusing the offer.**

If you are dissatisfied with the offer and do not foresee a positive response to your expectations, you should refuse the offer. Be sure to communicate to the employer that you thought it over carefully and appreciate their interest. Be polite and pleasant when turning the employer down—you want to keep the possibility of future employment options open.

Source: <http://www.sc.edu/career>