

Top 10 Tips for Successful Salary Negotiations

by Michael Chaffers

- 1. Be persuasive:** It's hard to force your boss to increase your compensation, and trying to do so can potentially damage your working relationship. On the other hand, it's much easier to persuade him that it might benefit the organization to pay you more, and that doing so will likely improve the way you deal with each other going forward.
- 2. Aim high, and be realistic:** Many researchers have found a strong correlation between people's aspirations and the results they achieve in negotiation. At the same time, you want to suggest ideas to which your boss can realistically say yes.
- 3. Start off with the right tone:** To be persuasive, you want to let your boss know that you will listen and seek to understand his views. At the same time, you expect your boss to do the same for you, so you can work together to address this issue. Avoid ultimatums, threats and other coercive behavior.
- 4. Clarify your interests:** Your compensation should satisfy a range of needs, not just salary. Make sure you have thought about other types of compensation that would be valuable as well -- like profit sharing, stock options that vest immediately, a bonus, greater work responsibilities, a quicker promotion schedule, increased vacation or flexible hours.
- 5. Anticipate their interests:** Just like you, your boss has needs and concerns of his own. To persuade him to say yes, your ideas will have to address those interests.
- 6. Create several options:** Joint brainstorming is the most effective way to find ideas that satisfy everyone's interests. Brainstorming works best when you separate it from commitment -- first create possible solutions, then decide among them.
- 7. Focus on objective criteria:** It is far easier to persuade someone to agree with your proposal if he sees how that proposal is firmly grounded on objective criteria, such as what similar firms pay people of like experience, or what others in the firm make.
- 8. Think through your alternatives:** In case you cannot persuade your boss to say yes, you need to have a plan B to satisfy your interests. Part of preparation is creating a specific action plan so that you know what you'll do if you have to walk away from the table.
- 9. Prepare thoughtfully to achieve your goals:** This is the only aspect of your negotiations you can completely control. To take advantage of all the above advice, you have to invest a significant amount of your time and energy.
- 10. Review to learn:** The only way you can really improve your ability to negotiate

is to explicitly learn from your experiences. After you finish negotiations, reflect on what you did that worked well, and what you might want to do differently.

The Offer May Not Be As Good As It Seems

by Carole Martin

Nicholas received an on-the-spot offer and was thrilled. This was the job he wanted, and he was anxious to get started. He was going to get an increase in salary from his last job as well as a starting bonus. What more could he ask for?

When he got home that evening, he sat down with pencil and paper and began to evaluate the offer and what he was getting overall. He was not only shocked by his discovery, but wished he could go back and talk about some of those issues. Unfortunately, he had signed on the dotted line that afternoon.

Most people quickly accept the first offer presented to them. Have you ever negotiated an offer?

Avoid Accepting an On-the-Spot Offer

It is generally wise to do some homework and evaluate what you are gaining and losing prior to accepting offer. Had he done his homework, Nicholas would have realized the following:

- Nicholas was offered \$55,000 per year, with a hiring bonus of \$5,000 paid in two payments over the next six months. **Gain: \$10,000.**
- When he looked over the benefits package, he discovered he would now have to pay the insurance premiums for his dependents. His last employer had paid the entire family's premiums. **Loss: \$4,200.**
- His new vacation package provided only two weeks' time off accrued over the next 12 months. His former package included three weeks of vacation. **Loss: \$962.**
- In his last position, Nicholas received a 6.5 percent yearly bonus based on company earnings. His new company does not include a planned bonus as part of the salary. Bonuses are earned based on performance and given as deemed appropriate. **Loss: \$3,250.**
- His former employer matched 50 cents for every dollar contributed up to 6 percent on his 401k. This company does not match funds. **Loss: \$1,500.**

More Can Be Less

Nicholas's calculations showed a loss of \$10,000 in the first year of his new job based on the cost of insurance premiums, lost bonus and lost matching 401k contributions. He quickly realized this offer wasn't as great as he originally thought.

Dealing with Questions About Salary History

by Michael Chaffers

QUESTION: How do I respond to the salary history question when I am currently grossly underpaid for the work that I do, and I am trying to correct that as I interview for new jobs?

ANSWER: Your best strategy is to keep them focused on what is an appropriate amount for you to make given your experience, skills and credentials today. This requires some homework, since you have to translate those intangibles into a dollar figure or a range of figures. In addition, be prepared to explain why you are seeking a significant jump in your salary and be ready to help the employer justify paying you this increased amount - - those people do not want to feel as if they are overpaying you. You could try saying, "I chose to work at my last job for less than my market value for very specific reasons (e.g., gain experience, restart career, they had money problems). Now that I have benefited from experience, as I look for a new employer, I want to make sure that I am being paid fairly for my talents."

As you follow this advice, do not forget that you have to be prepared to discuss your current salary, even though it ought to be irrelevant. If that information matters to the employer, they will either insist on talking about it, or they will learn it another way. Try to cover the issue quickly and steer the conversation back to its rightful place -- what you ought to make, given the value of your talents in the market.

Determining Your Value

by James C. Gonyea



How much are you worth in today's job market? Is your salary reflective of the level of contribution you have been making to your employer? The answer may surprise you as many employees are seriously underpaid.

The amount of money that you receive is, in great part, determined by negotiations between you and your employer. There's an old saying that goes something like this: "You aren't paid what you're worth; you're paid what you can negotiate." It illustrates the importance of knowledge in the salary (or raise) negotiation process. If you're equipped with little or incorrect information about your marketplace value, you're likely to be underpaid.

The dollar amount employers are willing to pay will vary -- sometimes drastically -- from employer to employer. It is not uncommon to find two people with similar backgrounds and talents receiving substantially different salaries from two different employers for doing essentially the same work.

Determining Your Worth

How can you protect yourself from being underpaid? The answer is clear: Know your worth before entering into any discussion about your salary, and be willing to promote yourself at the appropriate salary level.

This requires you to do some research. Your objective should be to determine the salary range typically paid by employers for someone with your background, experience and talent. Once you have identified a salary range, the final step is to determine where you fit in the range based upon your perception of your credentials.

Sources on Salaries

Where can you find information on salaries? Unlike years past when salary information was jealously guarded by employers and kept from the general public, today it's relatively easy to obtain. Here are some sources you can use:

Books

Check your local library and bookstores -- each will typically have several books that list salaries according to industry, occupation, type of employer and geographic region. One common source is the *Occupational Outlook Handbook*, published by the Federal Government.

Employment Recruiters

Check your Yellow Pages and the Internet to find employment recruiters who place people in your industry. Contact them and ask for their assistance in determining your value. Recruiters typically do this to maintain a database of potential candidates.

Networking

Contact a number of colleagues working within your occupational field or industry and ask them for their opinion concerning salary levels typically paid for a person with your credentials.

Job Listings

Monitor national, regional and local job listings. Employers will often post salaries as a means of qualifying their pool of applicants.

Personal Salary Surveys

Yes, you can conduct your own personal salary survey. Call several companies that hire people to work in positions similar to your own. Ask to speak to the human resources director or manager and ask for advice regarding how to determine your value.

Professional Associations

Check your local library for the names of professional associations that support people in your career field. Contact their headquarters and ask for any salary survey data that they may have available.

State Employment Services

Visit your local state employment service office and ask for any information they may have on salaries.

Ask Your Past Employer

If you left your last job under good circumstances, your past employer may have information on salaries and may be willing to share with you.

Armed with the above information, you should be able demonstrate to your employer a fair and reasonable salary level -- one that probably will be higher than what you could have obtained without such information.

Set the Right Tone for Your Negotiations

by Michael Chaffers

Most people would prefer never to negotiate. Others gird themselves for positional battles. When you ask your colleagues or your manager to meet with you to negotiate a change in a project, or a raise in your salary, anticipate having to deal with their anxiety and preconceived assumptions about negotiation. The first few things you say and do are significant in setting the tone for your negotiations. The following tips will help you establish a meeting in which it is easy to listen to each other and work together.

1. Clarify the Purposes of the Meeting.

Time is a scarce resource. Your colleagues will appreciate your ability to quickly focus everyone's attention on the reasons for the negotiation and the benefits of a successful resolution for all. You could say, making a final decision about the direction of this project is critical to meeting our deadline, getting this product out the door and hitting our revenue targets. For that reason, I have asked you all to convene and determine where we ought to go from here. This said, your colleagues should not resist investing time and energy in it.

2. Frame the Issue as a Joint Problem You Can Solve Together.

Most people dislike negotiating, especially over tough issues. But those same people may enjoy problem-solving. Present the activity as joint problem-solving so you can effectively engage them in a conversation around the topics you want to negotiate. You might say, I have this issue and I would really value your advice, or, I am not sure how to attack this problem and I could use your help. Then, you can work with them to better understand and attack the issue.

3. Start with the Other Side's Main Points or Concerns.

To make the meeting really feel like a joint problem-solving session, begin by raising the other party's critical needs or concerns. Then, invite them to add more points or otherwise explain their perspective. This will make them feel included in the meeting and will engage their full attention early on. Once they feel heard, they will be more likely to listen to your views and be open to finding a mutually beneficial solution.

6 Steps to Handling Money Questions

by Therese Droste

Everyone wants as much money as an employer is willing to shell out. Yet when it comes to job interviewing, salary questions make most people squirm. One reason is that such questions pressure you to tip your hand during the negotiating game. Winning the salary you want requires some evasive action on your part. Choose your words carefully, and don't be afraid to redirect a pointed question. These tips will help you stay in control of your compensation.

1. How to Handle Applications or Ads Requesting a Salary History.

Diane Barowsky, partner at TMP Executive Search, Chicago, advises job seekers not to include salary requirements. "True, when you leave out the information, you run the risk that the employer won't look at you because you've not put a salary in there. But you run a greater risk of selling yourself short because you don't know what the range is," she says.

Instead, write that you expect a salary commensurate with your experience and the job's demands. You could also write, "negotiable," because, frankly, salary is always negotiable.

2. What Are You Currently Making?

Answer carefully. State that the new job, while in line with your skills, can't compare to your current job. As such, your current salary isn't a good judge of what you should earn in this position. "Answer: What I'm making is not important. What is important is whether or not my skills are what you need, and I'm confident that the range will be fair," she adds. This allows you to reveal your self-confidence.

In addition, this levels the playing field if there are two candidates, says Barowsky. If you're currently underpaid, answering such a question directly will work against you. "What if you work for a nonprofit, and your pay is lower than that of another candidate who has the same skills and experience but has a higher pay because he is with a corporation that offers competitive salaries? You could be hired at a much lower figure than the other person would have received. It's not the past salary that's important, it's the skills and experience and what you can do for the organization," she says.

3. Get the Employer to Say a Number First.

Every employer has some type of salary range in mind. And they most often can play with that range, says Barowsky. "They have information you are not privy to. When you don't know what the employer has in mind, you can underbid yourself. Employers will jump on that. Later, you'll find out that someone two cubicles over from you is making more money for the same work you're doing," she adds. So find out what the range is before you state any salary requirements.

If the range is below what you want, state that you expect a range closer to XYZ. And make XYZ at least 10 percent to 20 percent higher than what you currently make. If you're grossly underpaid in your position, hike it even higher.

4. What If You're Really Pushed to State a Figure?

State a range that reflects the amount you want to make. And remember: Employers will always look at the low end of your range, so make the low end as high as you are comfortable with. If you make \$35,000, state a range of \$42,000 to \$55,000 or so.

5. Be Prepared. Do Your Research.

Research what others in the field make. Contact professional organizations and get their annual salary surveys. Read professional publications. Network and look on the Web to find out what others in your field are making.

6. Show Us Your Pay Stub.

If an employer wants to contact your old employers to verify your salary, think twice about the job. Frankly, do you really want to work with someone who will intimidate you? "If they badger you during the interview, a point where they're supposed to be wooing and impressing you, think of what it'll be like when you go to work there," says Barowsky.

The bottom line is you not only want good pay, you want respect. And a job that provides mutual employer-employee respect is bound to reap rewards.

Raising the Ante **How to Get the Raise You Deserve** *by Gayle Goddard*

You know you are worth it, but when it comes to asking for a raise, you get a little weak in the knees -- you and about 70 percent of the workforce. There are ways, however, to strengthen your pitch.

When Mary was hired as senior vice president of operations by a Boston-area real estate services firm, she was determined to prove her worth and, when raises were considered in 10 months, to increase her salary substantially. Because her company had no performance guidelines in place, proving her worth was up to her.

She knew she'd implemented valuable cost-saving measures. Having recently hired two people who would answer to her, she also knew she'd be shouldering increased responsibility. And the notes she had routinely taken during the course of her work let her accurately document her achievements.

"You can't expect other people to remember your accomplishments, so you need to keep these things out front," she says.

Because she was responsible for the budget, she knew what fellow employees earned. What she didn't know was how their salaries compared to those outside of the company. That's where the Internet proved invaluable.

"I did a market survey, which was one of the best things I could have done," she says. "I found out only two salaries at our company were below market, and one of them was mine."

Armed with surveys and confident of her value, she negotiated a 30 percent pay raise.

Although 30 percent dwarfs the three to five percent that is the current US average, it's still a testament to the power of a well-planned approach, says Brian Veasy, senior career advisor for Bernard Haldane Associates, a career management organization headquartered in New York.

"Don't just go in and ask. Do your homework first," Veasy says.

Start by knowing your job description and the company's compensation policies. Are there minimum/maximums or performance evaluations? Many companies have no tools in place to measure your performance, which leaves it up to you to chronicle your accomplishments. Your self-evaluation should include a general assessment of your strengths -- are you the company's best technical person, best rainmaker, best all-around resource?

"Today more than ever, it's important to take stock of yourself because there's so much change. People get a new boss every year or two," says Dan King, president of Career Planning and Management in Boston. "That means all the good things you've done probably aren't being recorded or remembered."

Next, use the Internet. Knowing what other people make and where they make it will give you a leg-up in negotiations.

"Once you know where you are and where other people are in terms of compensation, then figure out what you want. It doesn't have to just be salary," Veasy says. "Go for the whole package."

If the company has just had a shaky quarter, consider other items you can negotiate -- incentive compensation, stock options, an extra vacation week, personal days or education benefits. Use them to offset a lower raise offer.

Consider timing when making your pitch. You can bolster your case by making your move when internal factors are favorable. If your company considers raises every January, then that's the time to make your pitch. If you are just coming off a big achievement, however, you can use it to reinforce your value to the company. A company that has just posted big profits may also be more receptive to your request.

Knowing your boss's schedule is important. "You may want to put together a memo saying you want to meet to discuss your accomplishments," King says. "That way you don't risk catching your boss at a bad time."

Understanding your boss's personality also doesn't hurt. A nice guy boss may not respond well to a gangbuster approach. But if a gangbuster approach is required, figure out what your boss values.

"Some bosses value loyalty, others are by-the-number. For others, how well you get along with them may be important," Veasy says.

Relocation Negotiation **What to Ask for If They Ask You to Move** *by Michael Chaffers*

Sooner or later, many of you will take jobs that require you and your family to move. You will likely incur significant expenses in the process, and if you are like most people, you will want your employer to pay for at least some of them. The following advice should help you handle this negotiation as effectively and collaboratively as possible.

1. Focus on Your Interests.

The whole point of negotiating for something is to address your real needs. Before you limit what you ask for, make sure you know what you want. Think broadly and do not

limit yourself to financial expenses. For example, one client of mine decided these were her needs:

- Assistance in selecting and paying for childcare (She still had to finish paying her old nanny.)
- A higher cost-of-living subsidy
- A higher mortgage cost allowance
- A bridge loan, because she could not sell her house before she had to relocate
- Assistance in choosing a good local school for her older child

Once you have thought about what help you need, you can prepare to negotiate for a package that suits your unique needs.

2. Find Out What Assistance Is Typical.

Your preparation for this negotiation should include the following:

- Ask your new employer's HR department if the company has a written relocation policy or if it offers standard benefits.
- Find out who has recently moved at the company and ask about their relocation packages.
- Ask your friends or other contacts in similar firms about their experiences or their companies' policies.
- If you are using a recruiter, he should be able to provide guidance as well.

Keep in mind that companies tend to vary in what they offer, and larger companies have more standardized policies. Therefore, compensation can differ by industry, city or even position in the company (executives tend to get more). Nonetheless, the following expenses are commonly covered:

- Moving costs
- Temporary lodging costs
- Travel costs back home if you relocate before your family moves
- Assistance for a spouse who has to find a new job (may include job search reimbursements, referrals to a recruiter and arranging for interviews inside the company)
- Assistance in selling your house

3. Develop Ideas that Benefit Both Sides.

No matter what is standard, many companies are willing to negotiate packages that address the distinct needs of their new employees. Still, even though everything is negotiable, your employer is more likely to agree to your ideas if they benefit the company as well. So anticipate this reality, and provide the advantages for them when you share your ideas.

For example, my client made sure to tell her new company, "I will be able to work longer hours and be more productive from the start if I can get a few important matters settled quickly." Another client had an employer who, while willing to provide extra assistance for her relocation, did not want to set a precedent of deviating from its written policy. This person solved the problem by saying, "Well, what if we agree that this assistance will be called a signing bonus?"

4. Get It in Writing.

Once you and the company agree on a compensation package for your relocation expenses, make sure you capture that agreement in writing. A formal contract is not necessary, just a simple signed letter explaining what assistance is being provided by what time.

A negotiation about relocation compensation is the same as any other negotiation. If you focus on effective preparation, collaborative negotiating and out-of-the-box thinking, you will do well.

Critique Your Performance

by Carole Martin

The interview is over. Wouldn't it be nice if the interviewer handed you a rating slip on your way out the door to let you know how you rated in the interview? But lacking such a luxury, you must learn to review your own performance so that you can learn from the experience.

Use this opportunity to be objective about the situation. Were you prepared and practiced, or were you just "winging" the answers? Could you have been more effective with additional practice? What will you do to prepare for your next interview?

One of the most helpful things you can do post-interview is to let go of your self-recriminations by venting. After the interview, go to your car, or stop in at a coffee shop, and take pen to paper to write about what just happened. Just let your thoughts pour out. When you've finished, put the writing away, and let go! After a few hours, or a day, when you have had a chance to relax and digest the information, go back and revisit what you wrote. What can you learn from this experience? What will you do differently next time?

Rate Your Performance

On a scale ranging from one to 10 (10 being high) how do you rate yourself?

My overall feeling of satisfaction with this interview.

Did I arrive on time?

How was my introduction -- good greeting/handshake/posture?

Was I confident and professional at all times?

How did I speak - calm, clearly, not overly aggressive?

How was my nonverbal communication (body language)?

Did I handle the difficult questions with ease, or did I fumble aimlessly?

Did I have good rapport with the interviewer?

Did I talk about my strengths?

Did I talk about my weakness in a positive manner?

How did you do? Are you satisfied with your rating? If most of your rating numbers are in the five to 10 range, you're probably doing all right. Look carefully at the lower ratings

-- what were the problems? You may want to consider practicing with someone so that you can obtain more objective feedback on your answers and style.

No matter how your ratings added up, remember that some of what goes on in an interview, and behind the scenes, is out of your control. Also, keep in mind that interviewing is a learned and practiced skill. If you didn't do as well as you would have liked this time, work on your problem areas. Try scripting and practicing difficult questions or issues.

By critiquing your own performance, and learning from your successes and mistakes, you will be more prepared the next time. And, as a result, you will become more confident and accomplished at interviewing. You will also become more objective in choosing whether the job is right for you -- not just whether you are right for the job.

The Negotiation Dance

by *Carole Martin*

Summary

In this critical dance, always let the employer take the lead.
Try to postpone the discussion so you can do your homework.
Know your worth, evaluate the package and make your decision.

One step forward; one step back; step together, and back again.

To perform the negotiation dance, you must have a good sense of balance. Knowing your value will help you feel more confident about staying in step during the negotiation process. The employer takes the lead and you follow, staying with the rhythm. You move together through the process, taking care not to step on each other. The dance is never confrontational or harsh, but smooth and in harmony.

Often, the first step takes place on the phone. The interviewer asks for your salary requirement or the salary you're currently making.

First the Music Starts

You take a step back and try to postpone this discussion until you have more information: "Could you tell me the range budgeted for this position?" Or, "What would you typically pay someone with my background and experience?"

Postponing the salary discussion is the best step for you, at least until you have the information needed. By doing research ahead of time, you will feel confident knowing your worth. There is a point when the range, or your expectations, will be revealed, but it is better to wait for the interviewer to lead and give out the information first.

If the employer determines that you are right for the job, he will take the lead and make an offer. It is now your turn to move the dance to the next stage. But first you must evaluate the package. The following must be taken into consideration:

1. Base rate: Always the top priority.
2. Alternative compensation: Bonuses, commissions, stock options, profit sharing, etc.
3. Benefits: Premiums for insurance, paid time off, matching 401k, working conditions, etc.
4. Other perks: Car, education reimbursement, training, laptop computer and the like.

Let the Dance Begin

You call the hiring manager and say how delighted you are to receive the offer, but you have some questions and concerns. Scripting your dialog ahead of time will give you confidence to be succinct regarding what you want.

"Based on my eight years' experience in this industry, my MBA degree, and my proven ability to raise funds and build teams, I feel the base rate offered is low. Is there any flexibility here?" you ask.

In stride with you, the hiring manager asks what you have in mind. And because you have done your homework and know your value and worth, you are able to sell yourself based on what you will bring to the company.

"Based on the research I have done, I feel someone with my experience and background should be in the upper level of the range we have been discussing."

Hold your position and count to 10. Silence is a strong tool in negotiations. The hiring manager waits through the silence and then promises to get back to you. He is in sync with your movements. You've presented your case well.

The Final Steps

Whether you are negotiating for more money or some other perks, the rules remain the same. Let the employer lead, and maintain your own sense of balance. By preparing and researching ahead of time, you can feel more empowered in this process, as a partner in a dance, moving with the flow. The rhythm of the negotiation should be smooth, moving toward the final step: acceptance and agreement.

Thanks, But No Thanks - Turning Down the Offer

by *Carole Martin*

Summary

Turning down an offer takes professionalism.
Consider what accepting an undesirable job means.
There's nothing wrong with rejecting a bad fit.

In today's job market, it seems ludicrous to talk about turning down a job offer. Everyone should be so lucky as to even get an offer. But you need to stop and think before you jump out of desperation into a situation that is not good for you. Even though it may be uncomfortable, there are times when you have to say, "Thanks, but no thanks."

Great News: You've Got an Offer

George was laid off from his job in June. After four months of rejection, he finally got an offer. He was excited. Or was he?

It really wasn't the job he wanted. It was just one of the jobs he had applied for, because he was qualified and could perform the duties. The job really didn't match any of his values. Taking this job meant a long commute in heavy traffic. Financially, it was going to be a lateral move. But most of all, it was not a challenging or growth-related opportunity. The thought of going to this job day after day depressed him before he even accepted.

How could he turn down an offer after so many months of waiting? He was dreading telling his wife about the offer for fear she would think he was crazy for not taking it. How could he tell the company he didn't want the job after going through all those interviews?

Do What You Want

The company wanted to know by the end of the week. George was making himself sick thinking about the decision. That afternoon, he happened to catch a television show about taking care of yourself in stressful times. "Do what you want to do, not what others want you to do," was the message. George knew what he wanted to do. He wanted to continue looking for a better opportunity.

When he told his wife, not only was she understanding, but she was encouraging as well. "Life is too short to make decisions that are going to make you miserable," she told George. The decision was made. George would turn down the offer. Together they wrote a script to gracefully reject it.

Making the Call

The next morning George placed a call to the hiring manager. "I've thought over the offer extended and have made a career decision not to accept the position," he told the manager. "I am grateful to you for believing in me, and I hope there may be an opportunity for us to do business in some way in the future." The hiring manager was disappointed but said he understood career decisions and the need to do what's in one's best interest.

It takes courage and maturity to reject a job you really don't want. The best way to handle difficult decisions is to weigh the consequences and decide what is best for you. Since you don't want to alienate a business contact in the process, it is best to be as professional about the conversation as you can. Preparing a script ahead of time will assist you with your discomfort. No one likes confronting unpleasant situations, but one difficult moment compared to weeks, months or even years of work you find unpleasant is a small price to pay.