

How do you negotiate your salary?

Whether you're a job seeker or a current employee, salary negotiations will probably rank right up there near the top of your "most stressful meetings" index.

Much of what we feel about our employers and ourselves is tied to our compensation. So many plans, hopes, and expectations revolve salaries and raises. But in spite of the crucial importance of **how much money we make**, most of us approach our salary negotiations as victims. We walk in, we're given "the number" by the boss (accompanied, perhaps, by a few words of explanation,) we feel joy or disappointment, and we go back to work.

Most employers are willing to bargain over salary, particularly with new hires.

My students complain that they have no power to negotiate salary with their bosses. As a boss myself, I must respectfully disagree. If you're a crummy employee, you have little or no power. But if you're a good employee, you have a great deal of power.

What power do you have? You have the power to be more cooperative or less, to do outstanding or merely competent work, to be resourceful and creative or maliciously obedient. You have the power to make your department look good or bad, to help your boss succeed or fail. You have a **ton** of power.

Those employees who aren't held back by the typical employee-as-victim mentality and who actually do attempt to negotiate their salaries often do it so poorly that the results are disastrous. As they watch their former colleague's belongings being packed, the remaining employees are strongly reinforced in their belief that you either take the pay that's offered or you leave.

Here are a few suggestions which may help you get the salary you want without having to change employers:

A. Don't expect your employer to negotiate for you. Where money is concerned, your interests diverge somewhat from your employer's. To your employer, you are an expense. The more he pays you, the less profit he makes. Smart employers spend as little as possible to get (and keep) the talent they need. Trusting your employer to "take care of you" in the salary department could be a costly mistake indeed.

B. Do your homework. Prior to a salary discussion, make a comprehensive list of your accomplishments. **These** are what determine your value as an employee. What specific contributions did you make to organizational goals? What savings did you bring about? What additional revenues did you generate? Where did you increase productivity? Write these things down. Don't assume the boss knows of, or remembers, or appropriately values, your contributions.

Be informed of your boss' and your company's situation. Is your boss up for a promotion? Will he be needing an assistant? What are the company's numbers? When asked for a raise, bosses tend to paint bleak pictures of flat or declining revenues. Know the facts. Have major contracts just been signed? What's happening in the industry? What are the prospects for the future? If the company is in really bad shape, it would be foolhardy to ask for a raise.

If you're a job-seeker, find out as much as you can about the organization.

C. Be realistic. In salary negotiations, the 900-pound gorilla of supply and demand is both your ally and your enemy. On one hand, it generally prevents individual employers from paying talented people significantly less than the going rate for their services. On the other hand, unless you're a relative of the boss it will generally prevent you from negotiating a salary significantly higher than the market.

Know what comparable jobs paying elsewhere. Have current, published, impartial evidence in hand before you negotiate. Check the Web. Many professional and trade groups publish salary statistics for their industry. Check the employment sections of newspapers and trade publications. Ask colleagues and employment agencies. Salary reference guides are always available on the Web or at the library.

D. Your needs are irrelevant. Emotional appeals ("I need the money") are worse than useless in salary negotiations. From management's perspective, they're proof that not only do you not understand business, you can't even manage your own finances. Only the organization's needs matter, and only the organization's needs should be discussed. Focus entirely on how important you are to the company. Review the list of accomplishments you prepared. Show how you saved, or made, money for the company. Don't be shy.

E. Never threaten. The ultimatum ("If I don't get the pay I deserve, I'm going to have to start looking") is the nuclear weapon of salary negotiations, and it always blows up in the employee's face. Don't even **think** about it. Your right to work elsewhere is an implied condition of every employment relationship except slavery. You gain nothing by reiterating it to your boss. Threatening to leave smacks of disloyalty, and nothing's worse than a disloyal employee. If the boss says "no" to your threat, your only remaining choices are to back down (and lose face) or quit. Even if the boss says "yes" and you get the raise, you'll immediately become an outsider, someone who cannot entirely be trusted. If your threat reveals that you've been talking to a competitor, you're history.

Never, ever announce your intention to leave your current position unless you have a **firm, written** offer from your new employer. Before accepting the offer, you owe your current boss an opportunity to bid for you. Explain the situation as tactfully as possible, and give him time to prepare his response.

F. Change your job description. Merely doing your job – even doing it well – doesn't entitle you to a raise. To get anything more than a cost-of-living adjustment, you're going to have to do more or different things. Discover things the boss needs done, and suggest expanding your job responsibilities to include them. Make yourself indispensable. These additional tasks are the necessary quid pro quos which will let your boss save face when he gives you more money. They will also help you escape from the standard corporate legitimacy arguments (salary freeze, increase

limited by formula or percent, official salary range, one increase per year, departmental limit, etc.) Because this is a job change, it's an exception.

G. Krunch, then start high. The standard procedure of trying to get the other side to open, then krunching his opening, is best. When you finally do open, start high. Use your research about what is paid elsewhere as a reference point for your opening. Remember that your first number freezes your upside, and everybody tends to undervalue themselves. Your proposal will probably be rejected, but you'll have room to back down and let the boss save face. Rehearse before a mirror until you can say the number with confidence.

Don't forget non-salary and "quality of life" incentives like stock options, flexitime, health-club membership, child-care expense reimbursement, a choice assignment, a better office, more vacation, graduate or continuing education, etc.

H. Look for trade-offs. If you're already covered by your spouse's medical plan, consider asking for a higher salary or other incentives in lieu of participating in your new employer's health plan. If you meet firm resistance on salary, suggest additional vacation time instead. Signing bonuses (often amounting to 25% or more of salary) are increasingly popular and are frequently negotiable.

I. Timing can be everything. If you're a potential new hire, hold off the discussion of money, benefits, or perks as long as possible. Try to have the employer offer you the job first. Your leverage goes way up the moment they decide they want you. If the employer attempts to bring up money too early, finesse the issue with a statement such as, "Let's first decide if I'm the person you're looking for. Once that's settled, I'm sure we'll have no problem settling the details."

Always seize a good opportunity. If you've just done something spectacular, now's a good time to negotiate. Immediately after you win the sales award, complete the major project, develop the new product, etc., your leverage will be at its maximum. Your boss will feel grateful and somewhat obligated, and your importance to the organization will never be clearer. This leverage fades quickly, so don't dawdle.

J. Don't take "no" for an answer. If you get a "no," don't give up. It's only "no" for now, not forever. Push for a commitment to an early, specific date for a performance/salary review.

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