

Launch

Interviews and Salary Negotiations



Insider Advice for Salary Negotiation

Increasing your salary is often the primary motivating factor in searching for another job. A successful salary negotiation strategy requires that you

understand several key issues. You must have a realistic expectation of the appropriate salary for the position, given your geographic location, skill set, and level of responsibility. You must also understand the total value of the compensation package, where benefits and other forms of compensation can account for as much as 30% of the total value.

Additionally, the employer must recognize the value you bring to his or her company. Discuss your skills and abilities with a prospective employer and demonstrate how they match the requirements of the position. Describe how your accomplishments reflect your ability to make a positive impact on the company. The more you convince an employer of your potential value to the company, the more leverage you will have in negotiating a higher salary.

Determining What You're Worth

The first step in determining an appropriate salary is researching competitive salaries for your geographic location, skill set, position, and level

of responsibility. There are several resources available for gathering this information. Utilize each of the following tools and compare results to determine an appropriate salary range for your position.

Salary Finder

Salary Finder is a good tool for discovering the appropriate salary for your position. In Salary Finder you can create a salary report for your job based on geographic location. Select your job category and specific job type. Verify that the position matches your responsibilities, select the appropriate geographic location and create a salary report. This report will give you an approximate salary range for your position.

Additional Research

Perform research using the Internet or your local library. Many job Web sites have salary estimators based on job category and location. You can also use your favorite Internet search engine to search for "Salary Survey," which will lead to other resources for regional and national salary information. Your local

library has resources such as the Occupational Outlook Handbook published by the Department of Labor, salary comparison articles published in local and national magazines, and career or trade publications which sometimes include salary surveys by career or industry.

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Use your interview to position yourself as the best candidate for the job and maximize your perceived value to the employer.

Networking

If you cannot find salary information on your career field, then begin networking. Ask colleagues in your field, former employers, members of professional associations, hiring managers, employment recruiters, state employment services, and headhunters what salary would be appropriate for your location, position, level, and skill set.

Providing Salary History and Salary Requirements

Some employers begin with salary questions early in the job search by asking for salary history and salary requirements before your interview. These employers want to determine if your salary requirements fit into the salary range allotted for this position. If they make this request, you must decide whether to disclose this information.

In most cases, providing salary history or requirements prior to your interview is not to your advantage. If you provide your salary requirements, you run the risk of pricing yourself out of the job, or setting a salary figure well under what they would have been willing to offer you.

Before discussing salary you want the opportunity to sell yourself, your skills, your capabilities, and your experience. You want to elevate an employer's interest in hiring you and maximize your potential value before negotiating the salary you deserve.

If a job listing requests that you provide salary information, you can either:

- Choose to overlook it and not address the issue of salary. Generally, if an

employer is impressed with your qualifications, you will not harm your chances for an interview by leaving out salary information.

- State in your cover letter that you are confident their salary range is fair and competitive, but you would prefer to discuss salary during your interview.
- Divert the emphasis from the subject of salary to how important it is to find the right fit with the right company, and stress how excited you are to have the opportunity to interview with them.

If the company insists that you provide salary requirements, offer a broad range of acceptable figures based on your research as to what a fair salary would be. This will let a company know whether or not you are in their acceptable range, and give you some room to negotiate. Be sure that the low end of the range is a figure you'll be happy with, not just the minimum amount you would accept.

Delaying the Salary Negotiation

The most important salary negotiation technique to employ is delaying all discussion of salary until the end of the interview, after you have had a chance to sell the employer on your qualifications. Use your interview to position yourself as the best candidate for the job and maximize your perceived value to the employer.

If the topic of salary comes up too early in the interview or job search process, try using one of the following strategies to delay a discussion of salary until you've had a chance to prove yourself.

“Before discussing salary you want the opportunity to sell yourself”

Learning the Employer's Salary Range

Wait for the interviewer to begin a salary discussion. If an employer asks you what kind of salary you're looking for, avoid stating a specific figure. Tell the interviewer that you are looking for a salary that is appropriate for your skill set and experience and that you are confident that together a fair compensation package can be negotiated. See if you can turn the question around and discover what budget the company has allocated for the position.

When negotiating salary, keep in mind that most companies fall into one of the following categories when setting the appropriate salary for a given job opening:

Open Range: There is no set salary for this position, and compensation will be entirely based on the candidate's skills, abilities, experience, and what he or she can bring to the job. For these positions, negotiate as high a salary as possible.

Set Range: The salary for this position will fall in a particular range. Candidates will be evaluated based on skills, abilities, and experience to determine where in the range they fall. For these positions, justify why you deserve a salary at the higher end of the range as part of your negotiation process.

Set Budget: The salary for this position is set to a particular dollar amount. If you find yourself in this position, then negotiate for additional benefits or other forms of compensation such as vacation time, a car allowance, or a signing bonus.

Starting a Salary Negotiation

Once an employer is convinced you are the best person for the job, it is time to talk salary.

Ask for a Range or Budget

Ask the employer what salary range has been budgeted for the position. If the interviewer offers a salary range, then take the higher of the figures and explain that this figure seems to be in your range.

Provide Your Salary History

If, in the past, you have been compensated at or above the fair market value for your position, and you are not seeking for a large increase in salary, then it is safe to provide your previous salary history to a future employer. Be sure to factor in all the financial components of your previous compensation packages when setting salary ranges. For example, "The range of my compensation package during the last three to five years in this career field has been between \$___ and \$___."

Share Research on Fair Market Value

Inform your employer that you have researched the competitive and fair market salary for this position given the responsibilities, skills required, and geographical area. Share a range of figures with your future employer. Describe why your abilities and qualification place you at the high end of this range. For example, "My research shows that a fair market value and competitive salary for this position is in the range of \$___ to \$___. Because of my expertise in _____ field and _____ years experience, I will fall into the high-end of this range."

Salary Negotiation Tactics

It is usually in your best interest for the employer to mention a salary figure first. On the other hand, you do not want to appear evasive. Once a salary range has been established and is on the table for discussion, consider the following tactics to negotiate a better offer. ■

Remain Silent

One of the best tactics is not to express your response to an offer. If the offer does not excite you, then simply remain silent. A few seconds of uncomfortable silence may convey that you are not entirely pleased with the offer, and prompt the employer to offer more.

Build the Responsibilities of the Job

Illustrate how the job responsibilities of the position will have a significant impact on the bottom line of the company and your perfor- ■

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mance of these duties will far exceed the employer's expectations, but also warrant a higher salary.

Build your Contribution

Demonstrate in tangible terms what you are able to contribute to the organization and forecast the success you will achieve in the position and explain how this clearly justifies a higher salary.

Ask for Flexibility in the Budget

One straightforward approach is to ask the employer if there is any flexibility in the amount budgeted for the position.

Ask for Fair and Competitive Salary

Appeal to the employer's sense of fairness. Use your market research data, previous salary history and competitive job salaries at nearby companies to reinforce that you are only looking for a fair and competitive salary.

Ask for Additional Benefits

If all else fails, then consider requesting an earlier review cycle (three or six months) where a performance-based salary increase would be considered or ask that additional benefits be included in your compensation package, such as a car allowance or stock options.

Remember that it is important for a salary negotiation to be a win-win situation for both parties. You never want to appear greedy or confrontational. Additionally, keep in mind that an employer may sometimes prefer to leave room at the high end of the budget range to allow for future performance-based raises.

Reviewing the Offer

Most employers want to provide a fair compensation package to their employees. This decreases employee turnover and saves money in the long run, as hiring and training new employees can be expensive. When you receive an offer, tell your potential employer you need a day or two to review the offer, even when you are eager to accept. Never accept a position right away. If an employer thinks that you are the best candidate for the position, a hesitation to accept right away may prompt them to increase the offer. Study the compensation package and decide if it meets your requirements. Remember, you are looking for a package that is fair for both parties.

“Salary is not the only component of your total compensation package.”

If the overall package is too low, submit a counter-offer. Use the information you have gathered about salaries for your position and reasons why you are more qualified than other candidates to make a case for a higher figure. If the salary is not negotiable due to company policy or budget cycle, try to negotiate for improvements in other components of the compensation package.

Considering the Total Compensation Package

Salary is not the only component of your total compensation package. There are other factors to consider, some with a clear “financial” value and others that provide a “quality of life” value. Additional financial factors can comprise up to 30% of your total compensation package, so consider these factors when determining the overall value of your compensation package.

Additional Financial Factors

- Health and medical insurance, which can include dental and vision coverage
- Life or disability insurance coverage
- Bonuses: signing, end-of-the-year, performance, or attendance-based
- 401(k) plans, and contribution matching
- Tuition reimbursement for work-related training or education
- Day care for younger children
- Health club memberships
- Company car allowances
- Cellular phone allowances
- Counseling or legal assistance
- Maternity or paternity leave
- Stock options or grants
- Relocation packages
- Shorter performance review cycles (3 months/6 months)

Quality of Life Factors

- Amount of vacation, holiday, or personal absence days
- Flexible work hours
- Telecommuting options that allow you to work from home one or more days a week
- Rapport with supervisor and fellow employees
- Enjoyment of work
- Hours per week required
- Amount of travel required
- Workplace environment
- Professional recognition
- Career advancement opportunities
- Location of company
- Commuting time

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Common Salary Negotiation Mistakes to Avoid

Here are five common salary negotiation mistakes you should avoid at all costs:

- Discussing salary requirements in your cover letter, resume, or too early in the interview.
- Accepting an offer too quickly. You should take at least 24 hours to review the offer before accepting.
- Understating or not clearly understanding how your skills and abilities will benefit the company. You need this information to justify your value to the company.
- Declining an offer because you didn't factor in the value of the benefits package or “quality of life” benefits.
- Being unprepared to counter arguments that the company can't afford to pay the salary you are asking or to negotiate for additional benefits.