



COMPENSATION NEGOTIATIONS

Negotiation is not a process that starts at the tail end of a good interview. Negotiation starts with the submission of your resume and builds as you add your tangible value. However, at some point in the interview process, there comes that moment when you realize that the roles have switched and that the interviewer is now selling you on the benefits of working for their organization.



You might notice that the interviewer begins to include phrases like "we" and "us," and the emphasis switches from the past and present, to the future. Other signals may include a request for references or a "tour of the premises." Perhaps the interview is taking much longer than you expected. In some cases, you may be invited to lunch and introduced to others. Compensation becomes an issue. You may be asked, "How much are you looking for?" or "What would it take to bring you on board?"

At this point, it is useful to have some general information about the industry's compensation levels. The most reliable information you can develop about salary ranges for positions in your area of interest, comes from research and through your networking contacts.

Compensation negotiations require tact, sincerity, and firmness, but make sure the match between what the interviewer is looking for and what you have to offer has been established before this process begins. If the question of compensation comes up early on in the interview process, politely but firmly postpone it by saying that you would prefer to discuss compensation when you know more about the requirements of the job. Then follow up immediately with a specific job-related question. If the interviewer insists on a figure, you can give a range, making sure that the lower end of the range is one you can live with if necessary.

When you have established the match, the old saying: "Whoever speaks first, loses," applies. The important fact to remember is that managers are paid to control costs, and labor costs are no exception. When a manager gives a figure, it is likely to be on the low end of the range for that position and therefore a place to begin negotiations. Use words that are most comfortable for you. Be direct and firm but polite. The following dialogue can be used as an example:

Interviewer: *"What salary (income, compensation) are you looking for?"*

Job Seeker: *"Money is important to me. However, at this time in my life I am far more interested in finding the right opportunity. This position really interests me and so I am going to be flexible. What did you have in mind for the position?"*

You are not playing "hard to get" or being "tricky" when you respond this way. You are aiming for the best possible compensation level and should negotiate for the highest base salary permitted for the position.

Remember, future increases are calculated on your base salary, which is established at the time of hire. If the salary offered does not meet your expectations, and if asked, be candid about the fact that the offer is lower than you had anticipated, and ask the interviewer to work with you to raise it to an acceptable level. When this is not possible, you will have to make a decision about accepting the offer or turning it down.

IMPROVING A JOB OFFER THROUGH NEGOTIATION

The good news about a persistent and organized job search is that it always works. The length of time required will vary, but the outcome of the process is always the same. By consistently following the simple, but specific guidelines set out in this manual, you will eventually receive a job offer. And for some, there may even be multiple offers. So, once you receive a job offer, you are all done, right? Not necessarily.

There is an old expression that "the devil is in the details". This simply means that working out all the final points, (in this case the terms of the offer), can be a job in itself. You certainly don't want to come this far, only to be disappointed with your potential new job because it did not meet your expectation in some way. Fortunately, there is usually room for change in just about every job offer. But how do you improve the terms without putting the offer at risk? That's where a little knowledge of a few negotiation principles and techniques can really make a difference.

Most people don't realize that many aspects of a new job are open for discussion and can potentially be changed or added to. Here are some of the items that are often subject to negotiation:

- Starting Salary
- Annual Bonus
- Early Salary Reviews
- Signing Bonus
- Vacation
- Starting Date
- Perks (Car, Club Memberships, Stock, etc.)
- Relocation Assistance
- Benefit Eligibility Dates
- COBRA (Insurance) Reimbursement

It is important to keep in mind that once a job offer is extended, there is a reversal of the roles you have been playing up to that point. You now become the "buyer" and the company takes on the role of the "seller". After all, you have been selected from all the other potential candidates and deemed by the company as the best fit for the job. They definitely want you to say "yes" and become part of their organization. As a result, they want to work out the details and get your acceptance. Put another way, you now have leverage. The choice to use this leverage is in your hands. If you decide to give it a try, here's how to have the best chance of negotiating success.

STEPS TO A SUCCESSFUL NEGOTIATION

Be enthusiastic and appreciative, but don't commit on the spot: A job offer is the goal you have been working toward so let them know you are happy to have their trust and confidence as demonstrated by their offer to you. However, you need enough time to fully review and consider the offer before accepting it. By taking some time to think it over, you will have the opportunity to determine what, if anything, you would like to change. Most companies understand this fact and will gladly give you time.

If possible, be non-committal on your response time. Instead of saying you will give them an answer by a certain date, reply that you would like a few days to think it over and get back to them with any questions you may have.

This puts more control in your hands, since you will determine how long you need. If pressed, try to get at least three or four days. During this evaluation time, you can also notify other companies you may have interviewed with and advise them of your current status. Details are not necessary, but they may still be interested in you and want to accelerate their process before you accept another job.

Get the offer in writing: Most companies will give you an offer letter as a standard part of their hiring process, but ask for it if it is not readily offered. It is very important to see the terms of the offer in print so you can be absolutely sure of the specifics. The wrong time to discover you misunderstood some key aspect of a verbal offer is after starting a new job. Carefully review the written offer and make sure you understand each item, and that it is consistent with what you were told.

Assess the offer against your preferences for an ideal opportunity: At this time, you may want to revisit your preferred criteria in the Establish Targets stage and assess whether or not the job meets or exceeds your goals for a positive opportunity and also contains few if any of the things you noted to avoid.

Review the offer and make a list of all questions: During the interview process, it is inappropriate to ask questions about pay, benefits, policies, working hours, and other items that affect you. However, once the offer is extended, you are free to ask any and all questions. Remember, you are now the buyer. Now is the time to get all the important information you require to make a good decision. List each question and make sure you have a clear and satisfactory answer to each one, before you make up your mind. Some of the questions you might ask are:

- How long before I am eligible for benefits?
- How much does group insurance cost?
- What are the standard holidays?
- How often will I be paid?
- If the position is bonus eligible, what has been the recent bonus history?
- When will I be eligible for a salary review and what are typical salary increase amounts?
- What is the possibility for advancement or promotion?
- What is the short-term and long-term outlook for the business?

List and prioritize all desired changes: It's not likely the potential employer will be willing to change everything to suit you. Consequently, it is important to decide in advance which items are critical and which are not. This will allow you to focus on the key issues and not get caught up in a discussion of minor points. It will also give you a few topics to remove from consideration as a show of good faith in reaching a compromise over the more important items. After all, most successful negotiations involve "give and take" by each party. Pick your battles and be prepared to compromise.

Prepare notes in advance of the discussion: This is not the time to "wing it". Instead, carefully consider how you would like the conversation to go. Notes will be very helpful in organizing your thoughts and keeping you on track.

Have the negotiation conversation in person or by phone: Instead, request a face-to-face meeting since you can have your notes in front of you during the discussion. If a personal meeting is not possible, schedule a telephone meeting. Try not to negotiate through email. These are important discussion points that require direct dialog.

Be enthusiastic, but firm: Don't forget to express your strong interest in the job. In fact, this is a very good time to remind them of your key qualifications and your good fit. It never hurts to help them remember why they offered the job to you in the first place. However, as you conclude this part of the conversation it is appropriate to let them know that there are a few items that are keeping you from feeling completely confident about accepting.

At this point, refer to your notes and outline what you would like to change. As mentioned above, be prepared to drop some of your items in order to get approval on the more important ones.

Make the decision easy for them: It's important to keep in mind that the company wants you to accept the offer. Their motivation is to conclude the negotiation and get you on board. They obviously don't want to hire any of the other candidates or they would have offered them the job first. And they definitely don't want to start the search all over from scratch. So, you have a strong position from which to ask for reasonable changes.

Once you have decided on your final position, make the choice easy for them. Tell them that you are ready to accept the offer if they will grant your request. Don't make it an ultimatum, but be firm. In the end, if they refuse, you can always accept the position as offered. More times than not, however, you will be able to improve the offer.