



**By Ruth Achterhof, Ph.D.**

Approaching salary negotiations takes a certain mind-set, preparation, and timing. This is an issue too important to relegate to a chance meeting in the hallway or the hope that an increase in pay will magically occur after you have your annual review.

You may already be aware that there is often an enormous difference between salaries or wages being paid for the same work being produced, sometimes even within the same company. Certainly variations between companies exist. The reasons are not all related to geography, cost of living, experience, education, or even skills; sometimes the reason is simply that someone knew how to negotiate a better salary and benefits package for themselves.

**Beyond the Salary**

Salary negotiations also can include benefits and working conditions that go beyond money. Number of hours, flexibility of hours, working from home, location of your office within the workplace, parking, childcare, performance bonuses, payments into your retirement accounts and stock options all can be accessory items that may be included in the negotiation, or be used as leverage points.

An important perspective to have when entering negotiations related to compensation is that the outcome can – in fact, will – affect your earning potential for many years to come. If you are seriously concerned about having a positive career path progression showing healthy compensation growth, then planning and strategizing for that growth requires a constant effort.

You want to be looking for ways to increase your own value by offering to learn and experience new things. Read and stay in tune with what is happening in your industry. Look at trends and potential events that can impact your line of work. These are all tactics you can use to increase your personal marketability before the negotiations even begin.

When the time comes to negotiate, here are some tips and strategies to keep in mind that should increase your chances for success:

**1. Negotiation requires confidence** that you can gain by knowing your own value and by knowing what salary and benefits are being offered in the industry for positions similar to yours. The strong emotions that are present during a negotiation can make focusing difficult, so the more you know and have prepared in advance, the more focused you can be in the actual process. While some information can be gained from outside sources, asking questions of the other party during the process can help you gain information. Questions can also increase your sense of confidence and sense of control in the negotiation process.

**2. Finding what is typical in the company and/or industry** gives you a starting point for information. Go beyond anecdotes and casual conversations. Do some research to find out what others are being paid for work similar to yours. Internet sites, professional associations, friends, employment recruiters and the U.S. Department of Labor's Occupational Outlook Handbook are places to check. This information can give you some ranges, but do not let it be your sole guide for locking you into a final outcome. If the negotiation is with



a current employer, ask others what they have experienced that would indicate the compensation philosophy of the company. Does the culture of the company appreciate a tough negotiation stance or consider it disloyal or greedy? Do managers appear open to creative solutions or are they very rigid with policies and procedures?

**3. Decide what factors or elements of a compensation package** are most important to you and what are the alternatives. Alternatives might include taking another job, rather than accepting small changes in pay and benefits where you are currently employed. Make a list of all the potential areas where you could be compensated differently (additional vacation time off, reduced work week, tuition reimbursement, stock options, bonuses, life insurance coverage, auto use, etc.) These alternatives are often ways to get around a wage that is not as negotiable due to defined pay levels in an organization. Know your upper and lower limits, but take care not to share them. The limits are for you to use as a measuring tool. If shared too early, they can limit a better outcome.

**4. If this is a new position, place "negotiable" on applications** or cover letters and use the same phrase during interviews. If pressed to say what your salary requirements are, ask the interviewer to share the current salary range for the position. If the interviewer won't share the information, consider terminating the interview. A company that will not share information in response to a reasonable request may not be the place for you.

**5. One of the preparations you should make in advance** of a salary negotiation is

preparing a list of all your accomplishments that show value to the organization and value you can bring in the future. Get in the habit now of building your "My Positive Things File" or "Brag File" by posting to it every month - or at least every quarter - on a regular basis. What work teams have you been on? What success did those teams have? Did you play an instrumental role? What compliments have you received from peers, superiors, suppliers or vendors? What training or conferences have you attended? What suggestions have you made that have been implemented? It is easier to record these as they happen than to recall them a year or two later. Reviewing your file as you enter a salary negotiation can help you point out the value you have brought to this or a previous organization.

**6. When asked for a salary history on a job application,** be sure to add to the amounts or ranges the words "competitive with a very good benefit package and working conditions." You will be communicating two things: (1) that you consider these all to be elements of compensation and (2) that you have had very good ones and expect that in the future as well. The first mention of numbers should come from the company side of the negotiation; if you go first you lose some control of potential gains.

**7. Realize a salary negotiation is not a "winner take all" situation** (also called "zero-sum" negotiation where each loss on one side is an equal gain on the other). While an employer wants to pay as little as they can and you want the opposite result, there can be very creative solutions. If the company is cash poor, but stock rich, and you have faith that by working there the company will grow even



more, then consider stock options or bonus payments rather than salary dollars. Look for creative solutions, especially if this company would be a star on your resume for future career opportunities.

**8. Make your negotiations two or more separate negotiations.** You are most likely going to get more if you consider salary, benefits and perks to be separate negotiations. Each part will end up being part of the whole, but they can be negotiated separately (even at separate times) to maximize a more positive outcome for you.

**9. Rather than accepting a package outright,** ask for at least 24 hours or a few days to “consider this important step carefully” and use the time to get a second opinion. An insurance, accounting, investment or banking professional may be able to point out a tweak or two that will have more advantages in the long or short haul that you have not considered.

**10. Not accepting an offer immediately also allows further negotiation** to take place. The additional negotiation would be based not only on the input you might get from others, but also additional alternatives and elements that you are able to see by stepping back and looking at the big picture. You may be able to see elements that you feel can make the results more beneficial for both you and the company. Tell the company representative when you will be back in contact with a decision and be sure to set up another meeting within that time frame.

In any raise or new hire salary negotiation, having an additional competitive job offer is

your best tool. This alternative gives you security and confidence in the face of faltering agreements, and serves as its own anchor. If another organization is willing to pay you more money for the same work, your case has been argued for you.

Even without a back up offer, planning and strategizing, confidence in your abilities and knowing your value as an employee can bring you more pay and benefits. Planning and timing can pay off with long term benefits that affect your career for years to come.

### Resources

Career Journal.com web site sponsored by the Wall Street Journal  
<http://www.careerjournal.com/salaryhiring/negotiate/>

About Negotiating Salary web site sponsored by The New York Times  
<http://jobsearchtech.about.com/od/salary7/l/aa101298.htm>

Salary.com – The New Salary Negotiation  
[http://salary.com/advice/layoutscripts/advl\\_display.asp?tab=adv&cat=nocat&ser=Ser5&part=Par22](http://salary.com/advice/layoutscripts/advl_display.asp?tab=adv&cat=nocat&ser=Ser5&part=Par22)

### Author bio:

Ruth Achterhof, Ph.D., is an online instructor and workshop trainer. She received her Doctorate in Organization & Management from Capella University with post-doctoral work in Training Design and Assessment. Dr. Achterhof received a Jones International University Faculty Excellence Award in 2005 and was also Baker College Center for Graduate Studies Instructor of the Year in 2005.