

Negotiating your salary - Know what you're worth and how to get it

By Mary Ann Blackwell

In recent years, negotiations as a field for academic and professional concern has grown dramatically. Professional schools now offer courses on negotiation and universities are beginning to appoint faculty who specialize in negotiations. Consulting firms offer the same information to corporations.

Everyone negotiates something everyday. Negotiation is the process of getting what you want from others. Generally, it involves a give and take dialogue to reach an agreement when you and the other side have some interests that are shared.

Everyone wants to participate in decisions that effect them. Today, fewer and fewer people will accept decisions made by someone else, especially when it comes to one's own career and compensation.

Most of us are familiar with the conventional ways to negotiate. However, the method of "principled negotiation" ("PN") was recently developed at the Harvard Negotiation Project. In this method, issues are decided on their merits rather than through a haggling process. The older strategies of hard and soft negotiating have been replaced by the method of "principled negotiation" which is hard in respect to the merits but soft on the people.

There is no hidden agenda using the "PN" method. It enables you to be fair while protecting your interests. Each negotiation is unique but the basic elements do not change in "PN." This method applies regardless of whether you or the other side are more experienced. It becomes easier to use this strategy if each side is familiar with the "PN" method.

Basic needs must be satisfied and negotiations are not likely to make much progress if the economic well-being, security, a sense of belonging, recognition, and finally control over one's life are not addressed. In negotiations, the difference between substantive issues and relationship issues must be considered. Substantive issues involve liabilities, numbers, dates, prices, conditions, and terms. Relationship issues are ease of communication, degree of mutual understanding, balance of emotion and reason, degree of trust and reliability, attitude of acceptance (or rejection), and relative emphasis of persuasion (or coercion). Your potential negotiating power will depend on your use of each source of power in harmony—drawing upon all of these elements.

Two-way communication underscores the legitimacy of your last offer and suggests how the offer meets the other sides interest. The complete impact of such negotiation power will be greater if each element is used in ways that reinforce the others.

The methods used with "PN" are more effective if you believe in what you are saying and doing. You should try to find an approach that makes sense and is comfortable.

Techniques in salary negotiations

The job is yours but now negotiating begins. Assessment of the offer is difficult but it is an important part of the career evaluation process.

1. Do you accept the offer now or wait for another?
2. Do you want a better deal?
3. Do you accept the package or part of it?
4. Is the salary competitive?
5. What about benefits?
6. Assess the whole job offer compared to your present position?

Three basic steps that will help you determine whether the move is right for you are listed below. Answering these questions will help you see what you're getting into, and what to expect once you start the job.

1. Study the company. Review:

- business records and financials (analyze the company and its business)
- company culture (check on working and social styles).

2. Study the position. Look at:

- job description (a written job and responsibility description)
- review (the background of the position)
- evaluate the position (must fit into your short and long term career plans).

3. Study the salary and benefit package. Consider:

- base compensation
- vacations
- bonuses (if any)
- special insurance coverage
- pension plans (SERP's)
- life insurance
- 401(k) company contribution
- company paid health plan
- stock option
- company paid memberships.

The key is to organize yourself so you can arrive at some decisions about your job or career quickly. You can manage a job search in two or even more avenues as long as you're focused. The idea is to move into a job or career where you will flourish.

Making yourself marketable

Doing a good job at a good company no longer is a guarantee of job security. As a result, highly skilled workers now tend to view themselves as free agents. Additional training with skills for a particular job, plus a premium on writing, speaking, and people skills are necessary. In a work force where everyone is considered temporary, the good jobs of today and tomorrow will go to those ready to take advantage of the new technologies. Become computer literate, master niche functions within the company; develop an area of expertise that will make you indispensable to your company and desirable to others.

The answer lies in combining skills.

1. Become familiar with personal computer applications and with Internet and online services.
2. Polish your communication skills.
3. Think globally—learn a language.

Salary negotiation tips

As a good negotiator, you can disagree without being disagreeable. You are always negotiating if you get part of what you want.

1. Start high—real high.
2. Show some resistance to even the best offer.
3. Always make trades.
4. Keep an open, positive mind.
5. Find attractive alternatives to accommodate both sides.
6. Be creative by doing your homework prior to the negotiations.
7. Make offers and ask what the other side needs.
8. Make every negotiation a win-win solution.
9. Make a wish list in order of importance.
10. Get it all in writing before any changes.

How to prepare

- Research industry-wide salaries. Reference guides, trade groups, working professionals, and college professors can help. Among the many useful publications: "The Almanac of Jobs and Salaries," "Where the Jobs Are," "The 100 Best Jobs for the 1990's and Beyond," and the government-published "Occupational Outlook Handbook."
- Prioritize requirements in order of importance. Job placement experts suggest sorting out proposed salary, benefits, and perks in three categories: must have, nice to have, and dreams.
- Be realistic in your demands. Don't ask for things you probably won't get, like the corner office or a company car if you're applying for an entry-level or lower-management position. You're more likely to get what you want if you can prove perks will make you a more productive worker.
- Be flexible. For example, propose getting extra vacation time in return for accepting a lower salary, or suggest getting a higher salary for dropping participation in the company health plan.
- Be firm. Don't start off negotiations with phrases like, "Would it be okay if" ... or "Would you mind awfully." Emphasize your educational background, experience, and talent when discussing the job, salary, or benefits.
- Refrain from discussing money, benefits, or perks until a job is offered. Your bargaining position improves once the company has concluded you're the one they want.
- Get it all in writing. At the very least, a letter from the company confirming you have the job, your starting date, job title, and whatever terms were agreed to.

Re-negotiating while on the job

Many organizations conduct annual salary reviews; others deal with salaries and raises on an ad hoc basis. Depending on the type of organization you work for, you may be involved in an annual salary review process where a performance appraisal is linked to raises. You may work for an organization where raises are largely determined by an annual cost of living increase or employee organizations such as collective bargaining units that negotiate higher salaries.

The idea that employers regard performance as the most important in personnel decisions is no reason to believe they reward only performance. To do a good job is not enough. You must communicate to others that you are a producer who is able to get things done for the group and organization. Performance is important, but some employers reward people on the basis of seniority and politics. One must focus on performance but make sure it gets communicated to the right people who have the power to give rewards.

One can network his or her way into a job and career by being in the right place at the right time and with the right group of promoters and sponsors. Obtaining performance raises will be based on cost of living increases, performance criteria, bonuses, or promotions. The average salary-based increase is usually three to eight percent. A few employees will receive major salary increases of ten to thirty percent. For a significant boost in earnings one generally must change jobs within the organization.

Performance raises are usually given to everyone—by across the board increases—despite individual performance differences. Many times the preference of employers will be using salary history and comparative salary figures in justifying the salaries in the workplace.

To avoid the politics of performance appraisals, the key is to document your daily work accomplishments. The daily or weekly diary of your accomplishments should include the following categories:

- achievements
- problems solved
- new initiatives
- additional duties and responsibilities performed outside your job description.

In addition to achieving visibility within the organization, you will need to do more through meetings, memoranda, and other recognizable deeds.

The second key to getting your performance recognized and rewarded is to have a sponsor or promoter who takes a personal interest in seeing you advance. You should build networks with mentors in the organization by finding successful people you admire and attach yourself to them.

You should be in a strong position to talk to your employer assuming you have gathered comparable salary data, documented your performance, and regularly communicated your performance. While speaking with your employer about a raise or a promotion, you should focus on why you deserve the money or position.

Threatening to quit if you do not receive a promotion is unwise unless you have an alternative job offer. Prepare a list of considerations in order for you to stay with the organization. During a discussion with your employer stay focused on your professional value to the organization and the many reasons for promotion.

With all things considered, your employer may try to persuade you to stay by offering a compensation package as well as a promotion. The alternative employer should be told that you have been offered a package promotion and raise exceeding their offer. When you do have an alternative job offer, then you have the power to return and negotiate with your present employer for a better compensation package and promotion.

You should return to your new prospective employer and share/inform them of the new compensation offer. The perspective employer will then decide if they can match the new offer and/or promotion and raise. Be aware that within this process for a better position and more compensation you could alienate both employers.

Research

To find a salary range for a particular position, you can consult several publications such as "American Salaries and Wage Survey" by Helen S. Fisher, "The Almanac of Jobs and Salaries," New York Avon Books and "Job Related Almanac," N.Y. Wiley & Sons. The Department of Labor has a bi-annual publication entitled "The Occupational Outlook Handbook." For accurate salary range information, consult the Department of Labor's "Area Wage Surveys and White Collar Pay: Private Service Producing Industries."

Different communities, employers, and organizations can account for as much as forty percent variation in salaries. One needs to think nationally, but act locally when dealing with salaries and salary ranges.

Contacting professional associations is another good way to acquire accurate current salary information relevant to your profession. Many major professional associations conduct annual salary surveys (Like ALA's—see page 18) of their members which are usually published in association newsletters, magazines, or special reports. The Internet is also one of the richest and most efficient resources for salary information.

Remember: If you know what you are worth and how to get it, you will always be the strongest candidate.

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