

SALARY NEGOTIATION

WHAT IS SALARY NEGOTIATION?

Salary negotiation is a process where one party negotiates the amount of their pay, income, earnings, commission, salary, wages, wage remuneration, annual review, or salary raise with another party. www.negotiations.com/definition/

WHAT SALARY NEGOTIATION IS NOT

Salary negotiation is not just an attempt to increase your pay. On the other hand, it is the chance for you and the organization to agree on a comprehensive compensation package that satisfies both your needs and the employer's. It is very important to the entire process of landing the right job, and as such, should be handled professionally and in good faith.

NEGOTIATING APPROACH

1. Salary is just one part of the compensation package in which you study all aspects including:
 - a. Health/medical benefits
 - b. 401K or other retirement benefit
 - c. Vacation/holiday time
 - d. Performance reviews, salary increases, bonuses
 - e. Career progression and upward mobility
 - f. Ancillary allowances – car, cell phone, etc.
 - g. Other: your connection to the organization's vision, mission, and culture
2. What is the salary range for this position in this market and location?
 - a. Research the compensation ranges based on your experience and education level, position, location, industry. Here are resources:
 - i. <http://www.salary.com/mysalary.asp>
 - ii. <http://www.payscale.com/>
 - iii. <http://www.indeed.com/salary/Urban-Planner.html?cat=degree&q1=Bachelors&q2=Masters&q3=PhD&q4=MBA> (Urban Planner Average Salary in US)
 - iv. <http://jobstar.org/tools/salary/index.php> (JobStar salary resource)
 - v. <http://www.jobsearchintelligence.com/NACE/salary-calculator-intro/> (NACE Salary Calculator)
 - vi. <http://www.glassdoor.com/Salaries/index.htm>
 - vii. <http://www.homefair.com/real-estate/salary-calculator.asp?cc=1>
 - viii. <http://www.datamasters.com/>
 - ix. <http://www.careeronestop.org/SalariesBenefits/SalariesBenefits.aspx>
 - x. <http://www.guidestar.org/Home.aspx> (Nonprofit guide)
 - xi. <http://www.onetcenter.org/overview.html?p=2>
 - xii. <http://jobstar.org/tools/salary/index.php>
 - xiii. <http://www.wetfeet.com/>
 - xiv. <http://www.nptimes.com/> (Nonprofit Times Salary Survey)
 - xv. <http://www.opm.gov/oca/11tables/index.asp> (Federal Salary information)

- Most offers are negotiable. The employer may initiate the discussion with a salary at the lower end of the range.

SALARY HISTORY & SALARY REQUIREMENTS

Salary History:

In some cases, organizations may require a salary history for consideration of your candidacy. Create a separate document that matches the layout and format of your cover letter and resume, using the same letterhead, font, format, and stationery. Following the reverse chronological layout of your resume, list your entries, beginning with your most recent position (sample below).

{Your contact information on letterhead that matches your resume and cover letter}

SALARY HISTORY

Planning Analyst

ABC Organization, New Brunswick, NJ

January 2009 – May 2011

Annual Salary: \$55,000

(or)

Beginning Salary: \$52,000, plus insurance, 401(k) and travel expenses

Ending Salary: \$55,000, plus insurance, 401(k) and travel expenses

You can (and should) include other compensation information, such as insurance benefits, 401(k), bonus

Salary Requirements:

In situations where a posting states “only submissions including salary requirements will be considered,” respond to this request in your cover letter, not the resume. Provide a salary range as this will allow for salary negotiation later.

The lowest salary range should be the minimum you would be willing to accept in this position, as you understand its responsibilities to date (limited knowledge) – to the highest compensation you could expect to be paid in this position, within the industry and location (different locations provide different salary ranges). For more information on salary calculators/information, refer to the resources above.

Alternatively, another option is to state that your salary requirements are negotiable based upon the position as you know about it, and the overall total compensation package, including benefits.

Provide this information toward the end of your cover letter, right before you thank the reader for his or her time and consideration.

RECEIVING AN OFFER

Congratulations on receiving an offer! Take time to consider the details carefully and obtain information on the complete compensation package so that there are no unanswered questions. Don't accept the offer right away.

How do you respond?

- Express your appreciation for the offer
- Indicate that you have a few questions about the compensation package (i.e. vacation time, performance reviews, health/medical benefits, 401K/retirement fund, start date, position title)
- Thank the employer for the information, and ask for time to review it (it is acceptable to take between a few days to one week)
- Ask if you may call back with additional questions before making a final decision

What do you consider?

- Is your interest in the organization still strong?
- Will you acquire new skills in this job?
- Is the position consistent with your short and long term goals?
- How does this compare to your ideal job?
- How will this position impact your personal life?
- Is the salary acceptable?
- How are the other elements of the compensation package?

If you are positively satisfied with the offer and considerations above and do not want to negotiate any part of the package, you can accept the position as presented.

OFFER NEGOTIATION

If you decide to negotiate the offer, always do it in good faith, and only if you are seriously considering taking this job. Wherever possible, your negotiations should be in person or over the phone. If you are interviewing with other organizations, it may be appropriate to inform them and inquire about the status of your candidacy (depending on the stage of the process). They may have some flexibility, if they are interested in you. Or, you may have to make a decision before you have complete information on all of your target organizations. You should only accept an offer if you intend to follow through with it.

Consider four steps in negotiating: Assess, Prepare, Ask, Package-it

When you negotiate, consider all aspects of the package – not just the salary. Contact the hiring manager in advance of the day you indicated you would give your answer. Schedule a time to meet or talk over the phone. Here's an example of your conversation: "I am very interested in this exciting and challenging role; and I am confident that I can add value to _____ through my _____ (academic and/or professional experience). Would it be possible to enhance the offer in

terms of _____ (salary, vacation, bonus, greater flexibility in work hours, the option of telecommuting, professional development opportunities, performance reviews etc.)?"

If the employer does not agree to consider your request, stay positive, thank him/her, and indicate that you will give your decision on or before the deadline you had set.

If the employer considers your request, express your appreciation. If it relates to salary enhancement, and you are asked what you have in mind. Do not state the exact figure you are targeting. Choose a realistic number that is slightly above the exact figure that you want (i.e. if the offer was for \$48,000 and you would like to increase to \$53,000, you might say "I have been targeting high \$50's/\$58,000" OR "I was hoping to move towards \$58,000.")

Finally, when negotiating, you need to be aware of body language or tone of voice, and comments such as "this is the best we can do." This should be the end of your negotiations. Keep in mind that if this is your ideal job, then you will want to accept it, recognizing that the employer may have already gone through considerable efforts to accommodate you.

CONCLUSIONS/ NEGOTIATIONS

Once you have concluded the negotiations, it is standard procedure for the organization to put this offer in writing to you.

If you decide not to accept the offer - contact the employer via phone, inform her/him, and express your appreciation for the offer. The employer may ask why you are declining the offer, so be sure that you are polite, clear, and concise, i.e., "As I mentioned before, this position is an excellent opportunity. However, I have decided to pursue another option. Thank you again for the consideration you have shown to me throughout the process."

Follow up your conversation with a formal note declining the offer. This is a professional courtesy which provides the employer with a lasting impression of you, especially for future career connections. You should express the following:

- Your appreciation for the offer of _____ position
- Your respectful decline of the offer
- Your hope/request to stay in future contact

Sources: *Ask for it*, Linda Babcock & Sara Laschever; *Getting to Yes*, Roger Fisher & William Ury; *Outliers*, Malcolm Gladwell; *Negotiation: Getting What you want*, MARGARET Neale: -

<http://ed.ted.com/on/p98GXdp4#watch>; *Negotiation*, Margaret A. Neale <http://leanin.org/education/negotiation/>