

Critical Compensation Tips - Key Salary Negotiation Advice

These job search salary negotiation and compensation tips, dealing with salary requirements, negotiating the salary and benefits you deserve, and more, have been gathered from numerous sources throughout Quintessential Careers and organized here for your convenience.

1) Know What You're Worth

Knowing what you're worth in the marketplace is key to effective salary negotiation. Three measures for determining what you're worth include market value, company value, and self value:

- Market value is the value of your skills in the open marketplace. What would most companies in your field pay for your skills?
- Your company value is what you're worth to the specific company with which you're negotiating. Can it find someone just like you for less? Do your particular skills provide solutions for the employer? Would your salary request create problems with other workers?
- Finally, your self value is based on what this job is worth to you. How badly do you want it? How much does salary play into your enjoyment of the job? Is there anything you'd be happy to trade for a higher salary, say, more vacation time?

Establishing a full picture of what you're worth and what the job is worth to you will arm you with the negotiating power you need.

2) Don't Offer Your Salary History

Providing salary history information on a job application gives the prospective employer the edge in future salary negotiations through knowing exactly what you're currently earning.

Should you tell a little "White Lie" and pump up your salary history? While the idea may seem appealing, it's best to stick with the truth. Some employers will check your salary history - and some will go as far as asking to see a pay stub or last year's W-2 form.

If the compensation package that a prospective employer has offered you is significantly below your expectations, make sure that you have exhausted all your options in terms of salary negotiation. Yes, there are companies that simply will not negotiate on salary, but given the current job market, that number has to be fairly small. Second, is salary the bottom line for you? Would you consider the offer if you could get major concessions on other elements of the compensation package other than salary, such as vacation time, bonuses, insurance premiums, etc.?

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Wondering about the protocol for including salary history with resumes? NEVER send a salary history with your resume and NEVER list salary history information on your resume. Employers use salary history for a variety of reasons. They want to see if your current salary is beyond the salary range for the position you are seeking, if you have made steady progress on salary in previous positions, and to gain the edge in salary negotiations, since they will have all your information and you will have very little of theirs.

A new study by Wetfeet.com has found that women have very different priorities than men when it comes to employment. Women demand good benefits, stable business models, and team-oriented environments.

More than 1,600 undergraduates were surveyed, and Wetfeet.com found that men expect to earn an average annual salary of \$55,950 compared to \$49,190 for women. Other differences centered on bonuses, stock options, as well as preferred type of company and industry

If you've included your salary request in your cover letter but wish you had asked for more, ask yourself how much you really want the position. Is the position a "dream job" at a "dream company?" If you really want the position, go for it. Try to determine if your current demands are in the salary range. Then go to the interview and knock their socks off.

Don't mention salary requirements until the employer does. spend the time leading up to the first mention of salary by showing how you'll make critical contributions to the company. Once salary is raised, be prepared with reasons why you now feel you warrant a higher salary. Perhaps you have since gotten a promotion, further education, or earned a certification. Most employers are willing to negotiate.

Salary information of any kind is strategic information that you should guard carefully. Never provide the employer with more information than you have to. You need to decide whether you are comfortable giving a salary requirement. If you have inside information and know the range of the position you're applying for and are comfortable stating your requirement, than go ahead and do so.

A number of employers use salary requirements to screen and sometimes eliminate job seekers. If you fall below the salary range, you may be labeled as under qualified, and if you fall above the range, you may be labeled as too experienced, or too expensive.

If you do not provide a requirement, however, you also run the risk of being screened out because you did not follow the employer's request. Never list any kind of salary information, history or requirements, on your resume.

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Salary requirements, if you plan to state them, belong in your cover letter. Simply add a line to your cover letter that states something like: "My salary requirement for this position is \$42,000." Other options include using a range, such as: \$40,000 to \$44,000, stating your salary flexibility or stating that your requirement is a competitive salary.

Requests for a salary history put job seekers at a distinct disadvantage because you are providing the employer with very valuable information and getting nothing in return (unless you feel being considered for the position is something of value). This information becomes critical if you become the applicant that the employer wants to hire because with your salary history, the employer can lowball your job offer, offering you a salary that is higher than your present salary (but not at the level you want). Your negotiation ability is severely limited.

For job-seekers making a major career change or jump, past salary becomes even less important. What can you do when asked for a salary history? First decide whether you even want the job. Ask yourself whether you want to work for a company that would base even a part of its hiring decision not on what you are worth to the company, but on what you have been paid in the past. Assuming you do still do want to work for the employer, you have a number of options. Most importantly, though, do not list your salary information on your resume. Create a separate salary-history page, similar to a reference page, that matches the format and look of your resume.

How long can you safely take between receiving a job offer and accepting or declining a job? You usually establish the timetable when the offer is presented. Employers always want to know sooner than later, mainly because they want to conclude the search, but also because they don't want to keep their other candidates dangling for too long in case you turn down the offer and they have to go to their next-choice candidate.

If you were not given a timeframe, reply in some fashion within a week. Even if you feel you need more time to make a decision, it's best to reconnect with the hiring manager by calling him or her to request the time. If you wait too long, the employer will probably just assume you are no longer interested and move on to candidate #2, leaving you out in the cold.

A final issue to consider! If you need a long time to make a decision about the offer, it's probably not the right job for you. In theory, by the time an employer makes an offer, you should have a pretty good idea about whether you would want to work at the company or not. What's stopping you? Are you waiting for another job offer? Are you not sure you want to make the change? Was the offer lower than you expected? Take some time to consider why you seem hesitant.

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The two most important principles in salary negotiation are:

1. Delaying salary talk as long as possible
2. Knowing what you're worth in the marketplace

Delaying salary talk enables you to negotiate from the best possible position, ideally after the employer has offered you the job. And when the employer asks you what kind of salary you're looking for, you will be in a strong negotiating position if you've researched your competitive market value.

What's the best way to negotiate for a higher beginning salary? It's a bit of a cliché, but the key to successful salary negotiation is information. If you know the industry going rate, the salary range for the position you're seeking, and are prepared to state your case for a higher salary when the offer is made, you will be in great shape to get a higher starting salary. Even in a good employment market, some companies do not negotiate salary; so even when you have all the information, you still might not be able to negotiate a higher salary.

When a job ad asks for your salary requirements, how and where should this information appear in your response to the ad? An employer request for salary requirements is purely a screening device to weed out people who would work for below the salary range and those who would work only at a salary way above the salary range. The key is to try to do some research and get an idea of the salary range of the position. If you can't find the range for that particular company, try to find the average for that type of company or industry.

A wonderful Web site that organizes and categorizes salary information is Salary.com. Once you have an idea of the range, the next step is deciding whether you would be willing to work for that salary and whether your work history would support your earning a salary in that range. You can read more salary-related tips and advice in [Quintessential Careers: Salary and Job Offer Negotiation Tutorial](#).

In your cover letter, simply insert a sentence stating that your salary requirement for the position is \$xxxxx. If you are unsure, you can also state in your cover letter that you are flexible in your salary requirements, but be aware that some employers will still screen you out with that statement.

Since benefits are valued at up to 40 percent of a job offer that includes a salary and benefit package, is it appropriate to ask for a benefit package in writing? All job-hunters should get the entire job offer in writing: salary, benefits, probationary period, reviews, etc.

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Having this information in writing protects both the employer and the prospective employee. We've known of a few job seekers that never heard back from companies when they've asked for the offer in writing, but our advice is always the same. You don't want to work for a company that is not willing to put its offer in writing. The only time we would recommend against asking for the offer in writing is when you are not yet at that stage in the negotiation.

- Is it inappropriate to ask for a salary offer in writing?
- Is it possible to ask too many questions about compensation?

If an employer doesn't offer any form of contract, it's advisable to ask for the offer in writing. If an employer seems unwilling, one way around the issue is to write an acceptance letter of the job offer in which you spell out what you understand to be the conditions of employment. That way, if there's a misunderstanding about the terms, it can be red-flagged before you start working there. For a position such as sales, where the various salary issues include commission levels, it is extremely important to get the specifics in writing. If a company will not put an offer in writing, you are probably better off not working for that firm.

A request for a job seeker's salary requirement is used by employers in the same way as salary histories are used, often as a screening device by employers. A typical employer who requests a salary requirement from applicants places job-seekers into three categories:

1. Job-seekers who requested a salary that was below the minimum for the position (and were perceived as not qualified)
2. Job-seekers who requested a salary in the range for the position (and were perceived as being the best candidates to interview, assuming they had the skills and experiences we desired)
3. Job-seekers who requested a salary well above the range (and who were perceived as being over-qualified for the position or just people who thought too highly of themselves).

As a job-seeker, you must do your homework! Conduct some research before you submit your salary requirement. The ideal situation is when you have a contact within the organization who can provide you with the actual internal salary range for the position, but if that is not an option, look at your own company for the salary ranges for a similar position, use your network to get salary ranges for similar positions in other companies, and use one or more of the salary guides (such as Salary.com) to develop an estimated salary range.

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Keep in mind that the size of the company, the industry it operates in, and the geographic location of the job will all need to be factored into the equation. Once you have an idea of the employer's salary range for the position, the next step is to see if your salary requirements will fit within the range.

If your desired salary fits the range, then you are in great shape. If you are well below the range, but feel you are fully qualified for the position, then request a salary on the lower side of the range, which also allows you to grow into the positions in terms of raises.

If you are well above the range, you may need to consider other options!

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