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## Winning Negotiation Strategies for Your New Job

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### Introduction

Remember when you were a kid playing Monopoly and you got to the point in the game where you needed to trade property or offer money in order to make a monopoly? You had to decide what you needed to do to stay in the game, and then you had to work cooperatively with the other players to make it happen.



Well, when you negotiate your compensation and benefits package with a potential employer the process is very similar. First, you need to establish trust and credibility and establish rapport to convince the other party that they are making the right decision. Next, you have to consider your priorities and decide what you really want and what you are willing to give up. Finally, you must create a win-win situation where both parties feel satisfied when the deal is sealed.

The tips in this e-book are designed to help you strategize what you are willing to give up in order to get what you want.

### Negotiation – Understanding the Process

Many people don't negotiate job offers because they fear that asking for more will damage the relationship with the hiring manager. But negotiating effectively is not about being aggressive or giving ultimatums. It is about

working collaboratively to get what you want while satisfying the needs of the hiring manager. Below are some tips to help you better understand the negotiation process.

#### *Negotiation is a learning process.*

No one is a born negotiator. Everyone can learn to negotiate effectively for what they need and want. Even if you have never negotiated an offer before, you can be successful at it by following the guidelines I will discuss for creating a collaborative negotiation style.

#### *Never ignore job openings because of perceived salary shortcomings.*

People who keep an open mind and interview for a variety of positions can build a great deal of value into their candidacy. A lot can happen in between the time you first apply for a position and that position is filled. The hiring manager may decide to upgrade the position based on your skill sets and improve the quality of the original offer in an attempt to find the best candidate. Treat every position like it is the position of your dreams. *First, get the hiring manager to want you. Once this is achieved, it is generally easier to negotiate the appropriate salary package.*

#### *Surveys suggest that 85-90% of hiring managers do not make their best offer first.*

Employers know they may need to negotiate, so often they don't start with their best offer. Most positions have a salary range that is based on a budget and the hierarchy of the organization. It is very rare that a position has one set salary with no flexibility.

### *Counteroffers are generally 10-15% above the original offer.*

Assume there is flexibility in the salary range, and plan to negotiate. You will gain the respect of the hiring manager and increase your credibility within the organization.

### *Negotiation starts the moment you submit your resume and continues during the interview process.*

Don't sell yourself at one level and expect an offer for a higher level position. All your marketing collateral, including your resume, cover letters, bio, and elevator pitch needs to reflect your unique value proposition. The value you communicate throughout the interview process will be leveraged later on when you negotiate your compensation package.

### *Generally it is reasonable to request up to one week to make your decision regarding a position.*

Never accept an offer on the spot. You want the employer to view you as a prudent decision maker, and you want them to understand that you don't rush into big decisions.

Most people need at least a few days to review the offer and talk it over with others.

In some cases, you may want to stall responding to an offer because you have other interviews and/or potential offers in the pipeline.



### *Get the offer in writing.*

This protects you if, at some future date, the person who made the original agreement with you is no longer around. Things change quickly in companies, so it is important to secure a commitment that is stronger than a handshake.

## Negotiation Strategies

On the following pages are recommendations for building an effective negotiation strategy:

### *Understand your market value.*

Sometimes people undervalue themselves. Often they make decisions about salary based on what they feel they need rather than what the market will bear. All a salary really represents is what someone is willing to pay you to do a specific job at a certain point in time. That salary may have little relevance to the market value of the next position you apply for, even if it is in the same industry or in a similar functional area. In order to know your market value, you should:

1. Speak to industry contacts.
2. Review job posting boards and classified ads.
3. Contact recruiters and professional associations in your field to benchmark positions.
4. Refer to salary survey sites such as [www.salary.com](http://www.salary.com) and [www.payscale.com](http://www.payscale.com).

**Note:** I don't recommend using these sites as the sole benchmark for a position because it is difficult to ensure that you have an exact match on the job title, duties, and experience level for the salary ranges given. However, they can serve as a point of reference when you are gathering data.

5. Be aware that every job has unique factors such as location and industry that influence salary level.
6. Try to determine the flexibility of the employer you are dealing with. Is it a large company with strict salary ranges or a smaller company that determines salaries on a case-by-case basis?

### *Understand your priorities*

Examine what's important to you. This will improve your ability to negotiate effectively. You need to know what you are not willing to give up in order to decide what you would forgo to get more of what you want.



For example, is the "right" job title more important to you than a short commute to the job, or is a short commute more important? Is training more important than vacation days or vacation more important than

training? Is working for a specific employer in a specific department more important than the starting salary, or is the starting salary more important than the employer?

Think about these issues to determine their priority to you.

### *Uncover your competition*

Figuring out where you stand in relation to other applicants can help you develop a more targeted negotiation strategy. If you are one of two candidates being considered, your chances are better than if you are one of ten candidates. It is perfectly acceptable to ask a hiring manager how many other applicants they are interviewing for the position.

### *Don't be the first one to name a salary*

Getting the first offer provides information and commits the company. If you are asked your salary requirements prior to receiving an offer, quote a range based on your knowledge of similar positions, or ask the hiring manager what the salary range is for the job. Or, tell them that you are confident that their company pays competitively and salary will not be an issue. Ask if you could learn more about the position to determine if the fit for both you and the company is right before discussing the salary question.

### *Communicate salary information selectively*

If you must discuss salary, discuss it in terms of your total compensation package rather than base salary alone. Benefits, bonuses, vacation time, and overtime are all part of your overall compensation package.

### *Discuss compensation in terms of what is fair.*

Companies are willing to negotiate what is fair and reasonable as long as it doesn't stray from their budget for the position or their organizational structure. Prove that the salary you are seeking is consistent with the value you will bring to the company.

### *Think outside the box and be flexible.*

To be successful, you need to convince the other side to adjust its thinking. Show that what you are offering is better for the company. Develop proposals that maximize benefits for both you and the company. For example, you may be able to guarantee completion of a certain initiative the company needs to complete within a designated time frame, and link that project completion to a bonus or other reward.

### *Bring others into the negotiation mix.*

By bringing others into the negotiation process and making the commitment more public, you make it more important to them that you accept the offer. For example, if you are negotiating a complex salary package, it may make sense to consult your accountant. If you are negotiating a challenging non-compete clause, it may make sense to consult with your lawyer. Increasing the number of people involved in the negotiation creates more visibility for you as a candidate and can create a stronger desire on the hiring manager's part to close the deal and get you on board.

### *Create an advocate*

You are more likely to get what you want by getting the negotiator to be your cheerleader. If the negotiator seems to lack the authority to make decisions regarding the points you wish to negotiate, you will need to look past them to get the answers you need. For example, if HR is creating a roadblock, circle back to the hiring manager to engage your ally and get someone in a position of company influence to help close the deal.

### *Keep it professional*

Separate the person from the issue, and show respect when disagreeing. Blame any failure in the negotiating process on the issue creating the stalemate, not the negotiator.

### *Know when to walk away*

Sometimes, a mutually-beneficial agreement is just not achievable. It is important to know when that point is reached for you. So, *before you begin* the negotiations, determine your *absolute minimum acceptable* requirements. Without having those minimum requirements met, the "deal" is not good for you, and you must reject it. If the other side is in a position to meet your requirements, they will often do it when they realize you are ready to walk away. But, *don't bluff* because they *may* be unable to meet your requirements and the discussions will end.

## Potential Items to Negotiate

Anything is negotiable as long as you can prove why it is fair and reasonable to request something.

Think about these items in advance so you have ideas to suggest when you need an alternative to something you want. For example, suggest an earlier salary review if the starting salary is less than you want and apparently unchangeable. If they reject the early salary review,



suggest an alternative like a signing bonus, an increase in vacation time, training (either paid by the employer or as paid days), or whatever else is important to you in your list of priorities. If one alternative doesn't work, be prepared to offer another. And another. Make the case for why it makes good business sense for you to have any of the items you wish to negotiate for. Here are some common items to consider negotiating for:

- Comp time for late hours/ weekend work
- Career transition assistance
- Pre-retirement planning
- Educational tuition refunds
- Seminars/training
- Professional association dues
- Legal assistance
- CPA or tax assistance
- Cell phone/smart phone/laptop

## Overcoming Special Circumstances

Certain situations may make the negotiation process more challenging. Here are a few to consider with recommendations for how to negotiate effectively in these situations.

- Base salary
- Sign-on bonus
- Individual performance bonus
- Company performance bonus
- Commissions
- Earlier salary review
- Profit sharing
- Stock options
- Matching funds
- Stock purchase incentives
- Payroll deductions-401 (k)
- Keogh plan
- Cost of living increases
- Pension plans
- Matching investment programs
- Vacation time
- Health benefits
- Flexible hours
- Gas mileage allowance/ company car
- Parking
- Mass transit expenses
- Expense account
- Airline frequent flyer mileage
- Severance package

### *If your salary is low because you've been with the same company for many years.*

Discuss market rate and delay discussing specific salary as long as possible. Be prepared to discuss why you were willing to stay at a position where you weren't paid competitively. This may have occurred due to a variety of circumstances including company mergers and consolidation or pay freezes. Let the hiring manager know that moving forward you are seeking a position with a salary that is competitive.

### *If you are earning more than the new position pays.*

If possible, defer the salary discussion until the company has had a chance to understand the value you bring to the position. Show your passion for the role and suggest that salary is not the most important criteria for accepting the position.

### *When you have an offer from two potential employers.*

Try to get the company you are less interested in to improve their offer. This helps you build a better case for why the company you prefer should improve their offer as well.

### *When you don't have another offer.*

You can still mention that you are talking with other employers to improve your positioning and credibility. Doing so could nudge the employer to make you a better offer because they don't want to lose you to their competition.

### *Negotiating when you have limited bargaining power.*

The toughest time to negotiate is when you have little or no bargaining power, and the other side knows it. You need to be willing to take some risk to negotiate effectively. Even if you don't have a job to fall back on or another offer in your back pocket you should still consider negotiating for what you need and want.

### *Negotiating when you are working with a recruiter.*

Generally when you work with a recruiter, they negotiate the offer on your behalf. You can leverage your relationship with the recruiter to get information and to send a message to the company about salary expectations to help improve the quality of the offer. And the recruiter may be able to give you insider information on what you can expect from the employer in terms of an offer.



## Typical Negotiation Situations

This section is designed to showcase some of the typical negotiation situations you may encounter and give you the language to negotiate effectively in a variety of situations.

### **You are on a first interview with a company. The interviewer asks "What type of a salary are you looking for?"**

"Before we discuss salary I'd like to learn about the position and share with you how I can add value to your organization. Would that be alright with you?"

### **The HR manager informs you that the salary for the position you are being interviewed for is \$50,000. The HR manager knows that your previous salary was \$12,000 more. She expresses concern over your level of interest in the position.**

"Salary is not the most important issue for me. From what you've told me so far, the position sounds like an excellent fit for me. I'm much more interested in the quality of the job than the base compensation."

### **A hiring manager insists on knowing your past salary despite your attempts to table the conversation.**

"My compensation can range from \$80,000 to \$100,000, depending on bonus." By giving a range, you leave the discussion open.

### **You are asked to include salary history on an employment application prior to an interview.**

Complete the application by writing "Willing to discuss in a hiring interview." If asked about salary in the interview, use the techniques discussed earlier for deferring the salary question.

**You are offered a position with a start-up with a starting salary of \$100,000. You previously earned \$125,000 with a Fortune 500, but you're very interested in being part of a new venture.**

"I appreciate the offer, and can't wait to get started. Given the fact that my experience with a larger firm will certainly add significant value to this venture, can we discuss stock options as part of this package?"

**A hiring manager offers you a starting salary of \$70,000. Your research indicates that salaries for similar positions have a salary range between \$70,000 and \$90,000.**

"I'm very excited to receive an offer, and I really want to be part of your team. I'm a bit disappointed in the salary. My research indicates that \$70,000 is a more typical salary for someone new to this type of position. Given my seven years of experience, I consider myself someone closer to the mid-point of the salary range. Is there room to negotiate?"

**You have two competing offers. You'd like to work for this company, but the other position offers a higher salary.**

"I have a very generous offer from another company, but I'd prefer to work here. However, I just can't ignore the differences in the packages. If you could put together a similar package, I would be very interested in your offer."

**An offer has been extended to you, but there is a three month waiting period for benefits coverage. You've been told this is standard company policy.**

**You**

"So, if I understand you correctly, no one ever receives medical coverage before three months."

**Negotiator**

"Except in very rare circumstances."

Once they admit an exception has been made, you may be able to negotiate the same for yourself. Or you may be able to negotiate that they pick up your COBRA payments for the three-month period.

**You've been asked to sign a one year non-compete agreement and you think six-months would be more reasonable.**

**You**

"The non-compete agreement will probably keep me from working for a year, so I'm sure you'll agree to a one year severance package."

**Negotiator**

"We can't offer you a one year severance package."

**You**

"Then why don't we make the non-compete for 6 months?"

**You have just completed negotiating your employment package and you request the offer in writing. The negotiator responds by saying “I don’t think that’s necessary. You have my word.”**

“I certainly trust you but sometimes things change at companies quickly. I think it would be possible to avoid any misunderstanding if we put down in writing what has been agreed upon.”

## About the Author: Barbara Safani



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**Barbara Safani**, owner of Career Solvers, ([www.careersolvers.com](http://www.careersolvers.com)) has 15 years of experience in career management, recruiting, and executive coaching. Barbara partners with both Fortune 100 companies and individuals to deliver targeted programs focusing on resume development, job search strategies, networking, interviewing, salary negotiation skills, and online identity management. She is a six-time winner in the TORI (Toast of the Resume Industry) awards competition sponsored by Career Directors International and author of [Happy About My Resume: 50 Tips for Building a Better Document to Secure a Brighter Future](#) and [#JOBSEARCHtweet](#).

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Job-Hunt.org is a free “employment portal” Website which links to over 13,000 employers and job search and career resources. Advice from various job search experts is also provided, from protecting your privacy to using Craigslist, LinkedIn, and Twitter in your job search.

Barbara Safani is Job-Hunt’s “Finance Industry Job Search Expert” offering advice every month to help job seekers succeed in their job search.

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