



## The Career Center

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### SALARY NEGOTIATIONS

Negotiation is the give and take communication process that allows the parties with an interest in the outcome to reach a mutually satisfying agreement. Effective salary negotiations are based on utilizing sound business principles in which you:

#### Prepare

- Rehearse
- Emphasize accomplishments rather than personal needs
- Ascertain and address company needs
- Ask intelligent fact-finding questions and
- Listen carefully.

#### PREPARATION

Every salary negotiator goes through two negotiations; 1) The first with yourself to help you decide what you want. 2) The second with the employer to finalize employment terms. Preparation is necessary to help you identify what the ideal variables are. Once you can define the ideal, you can make better decisions about any compromises you may have to make.

Prepare a list of questions about each position, its location, and outside factors (see attached sample).

Part of the negotiation process is to identify what they will automatically give you as a standard benefit, and what would be considered additional benefits. In your exploration questions, ask them to detail the standard benefits you could expect to receive.

Know the going rates in your field.

Know what it is about your skills and abilities that interests them the most (understand your bargaining power).

Plan what you will say and how you will say it. Develop convincing rebuttals to possible objections.

Remember, the employer *expects* to have to bargain. Your job is to convince him or her that what you bring to the relationship is valuable and should be compensated accordingly.

Practice with your consultant, your spouse, even a tape recorder, to improve your delivery.

#### TIMING

Whoever names a salary figure first, loses. Discuss salary **ONLY AFTER** you have been offered the job, in all other cases dodge the topic.

Example of the three phases of salary negotiations.

*First Phase*

In the initial screening process, they ask: "What are your salary requirements?"

You respond, "In the past I have always been paid according to the responsibilities of the position. I really don't know enough about this position to say. Tell me, what did you like best about the performance of the person who held this position last? (DISTRACT THEM WITH A QUESTION).

*Second Phase*

After rapport and interest has been established, but before they are convinced that you are the right person for the job, they ask: "What level of salary are you expecting?"

You respond, "Well, let me ask you. Is the level of compensation a key factor to who is chosen for the position?"

(If YES,) "Then in that case, what salary range have you budgeted for the position?" Once they give you a range, you can position yourself in the top half of that range. They say, "The range is \$35-45,000." You say, "Well that's about what I had in mind, but I see myself between \$40-50,000."

Once they understand what it will take to get you, they won't pursue it any further until they are ready to make an offer. If they continue to pursue a specific figure say, "Does this mean that you are prepared to make me an offer?"

*Third Phase*

Once they have made you an actual offer, you begin the process of negotiating first the salary, then the benefits.

NEGOTIATE BENEFITS ONLY AFTER THE SALARY HAS BEEN AGREED UPON.

SET REALISTIC, ACHIEVABLE SALARY AND BENEFIT GOALS - Remember, pigs get fatter, hogs get slaughtered.

Be prepared to ask for "disposables" -items that you are willing to through away so you will be appearing to make concessions.

FRINGE BENEFITS

Sales Commissions	Bonus	Stock Options
Equity Position	Health Insurance	Life Insurance
Disability Insurance	Dental Insurance	Optical Insurance
Paid Sick Leave	Personal Days	Retirement Annuity
Profit Sharing	Length of vacation	Pre-Defined Severance Pay
Outplacement	Expense Account	Tuition Reimbursement
Mortgage Funds	Start Date	Short-Term Loan
Executive Dining Privileges	Comp. Time	Company Car (gas & servicing)

Day Care Facilities	Pension Plans	On-site Fitness Center
Employee Assistance Program		Payment on Existing Student Loans
Memberships (i.e., country club)		Free Services from the Company
Season Tickets (i.e, opera, professional sports)		Matching Retirement Contributions (401K)

## WHEN DO I WANT TO GET IT IN WRITING?

Verbal offers are withdrawn all the time. That's not because the employer suddenly doesn't like you, but because of business decisions that affect the openings for which you were applying. In this age of forced mergers and acquisitions, it is not uncommon for a company to make decisions about the future of the company, only to have those decisions reversed by new management. Ideally, their offer and your acceptance should both be in writing. Until you have it in writing you have nothing.

Ask yourself these questions:

- How would an Employment Agreement be to my advantage?
- What should it cover?
- How long should it last?
- What are the dangers?
- What happens if I should want to break the contract later?
- How difficult will it be to negotiate the best possible agreement?

Generally, the only time it is not necessary to get the offer in writing is when there is an immediate start-date (you accept on a Friday, they want you to start on Monday). In that situation, your physical presence and their acceptance of you bind the deal.

## WHO WRITES THE EMPLOYMENT AGREEMENT?

Usually they will, however, if they are not in the habit of making offers in writing, you will. It doesn't have to be an elaborate multi-page "contract." See the attachment for examples of Letters of Acceptance and Employment Agreements.

## HAVE A POSITIVE ATTITUDE

Remember, the company would never have made an offer if they didn't want you and that they tend to put a higher value on something if they have to pay a higher price for it.

When you feel you have the least leverage to negotiate, is when you must demonstrate the most self-confidence. If you cannot communicate a fundamental regard for yourself and your skills, then successful negotiations will elude you.

Contrary to public belief, standing up for yourself does not threaten the likelihood of the company hiring you, it *strengthens* it. Employers quickly conclude that confident negotiators who can look out for their own interests, are probably better equipped to look out for the company's interests as well.

You may feel that you cannot afford to negotiate, when in fact, you cannot afford *not* to negotiate. If you don't place a high worth on your skills and talents, neither will the employer and vice versa.

## DO'S & DON'TS

1. DON'T be the first to mention a figure OR a range.
2. DO know what you are worth.
3. DON'T accept an offer at the time it is made.
4. DON'T be afraid to ask for more time to make the best decision (especially if you have other options).
5. DON'T accept any counter offers from your current employer. Forget it and move on (More than 50% of all employees who accept counter offers change companies within the following 24 months).
6. DO side step the money question until you know the employer is definitely interested in you.
7. DO negotiate an early salary and performance review regardless of what they offer you.
8. DO negotiate only with the decision-maker.
9. DON'T start negotiating until AFTER you have received an offer.
10. DON'T use the word CONTRACT on any written correspondence. Call it a Memorandum of Understanding.

## CONCLUSION

If the salary and benefits you are asking for are realistic, approach the negotiation with a cooperative, friendly, but persistent attitude, and are focused on what you can do to make a difference within their organization, they will hire you.