

# SALARY NEGOTIATION

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## At A Glance

Companies typically expect salary negotiations — here's how to prepare:

- Research typical salary ranges and benefit packages for similar positions
- Have a statement prepared to illustrate the value of your relevant skills and experiences when asked about your salary expectations

## Understanding the Context

- Negotiation is a conversation about bringing value to the table. You must communicate your worth, and justify the salary/benefits you ask for.
- Remember, the company already chose you. They will NOT rescind the offer just because you asked to have a conversation about salary/benefits. They may actually think better of you because you are communicating needs and wants.

## Prioritize Your Wants and Needs

- Have a BATNA (Best Alternative to Negotiated Price) — another option that you can turn to if you don't like their final offer
- Define Reservation Price or Walk-Away Point (lowest acceptable salary/benefit combo)
- What are your wants and what are your needs? (think about benefits)

## Conduct Market Research

- Consider company size and determine a realistic salary range
- Research average pay for your position in the area
- Research current news (Are they desperate to hire? Just had layoffs?)

## Beginning the Negotiation

- Meet in-person if possible, through a Zoom call, or over the phone to improve communication. Use email as a last resort.
- The Principle of Anchoring High
  - In negotiation, first pitch your ideal number (anchor high!) If you don't, the employer may choose to low ball your offer.
  - **Template** – “Based on labor market information, this position could pay anywhere between \$45,000 and \$52,000. Because of my skills in \_\_\_\_\_ and \_\_\_\_\_ I know I am bringing value to your team. I'm pretty sure you couldn't do \$52,000, but I'd love to hear what you can do.”
- Response options
  - If an employer comes to you with a predetermined salary number:
    - Respond graciously and ask for time to think about it (Delay decision if you are uncertain. Be sure to have a response for the company within 2 weeks)
    - During your 2 week time period, refer back to your market research to determine if it is a good offer and if you should negotiate

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- If an employer won't budge:
  - Try another approach i.e. "Do you have any flexibility around benefits offered (vacation time, signing bonus, etc.)?"
- If a recruiter says 'No':
  - This means they have reached their limit and cannot offer more - Steve Dalton, 2-Hour Job Search
- If a recruiter "does not have the authority":
  - Ask if you can be connected with someone who does to help you discuss your needs and wants
- Never reveal your reservation price.

## Language & Tone

- Use soft language, be flexible, be friendly, and be honest
  - Explain why you need the specific things you are asking for
- Avoid words surrounding "negotiation"
  - Use words or phrases suggested on Glassdoor:
    - "I am excited by the opportunity to work together."
    - "Based on my research..."
    - "Market"
    - "Value"
    - "Similarly situated employees"
    - "Is that number flexible at all?"
    - "I would be more comfortable if..."
    - "If you can do that, I'm on board."
    - "I would prefer not to leave."
    - "Do you mind if I take a couple of days to consider your offer?"
    - "Thank you."
- Aggressive goals does not equal aggressive behavior
- Don't give ultimatums
- If you can't come to an agreement, express your gratitude and explain this would not be a good fit for you "at this time"

## Expanding the Pie

- Pareto Efficiency - Approaching the negotiation with a win-win mindset
- Good word of mouth will spread about the company if you had a good experience negotiating with them (thus increasing positive hear-say for the company)
- Retention of employees increases when a company is fair in negotiation (reducing frequency of hiring and training costs)
- Brand value for you AND the company improves when you negotiate because there was a little bit of a struggle to get the best people on the team.
- It's comforting to finally eat your ice cream when you had to work to get it.

## Resources & Citations

- Informational Interviews
- Big Interview
- BYU Salary Data
- O\*NET OnLine
- Glassdoor
- Salary.com
- Payscale.com
- Business Insider
- Forbes
- Fearless Salary Negotiation
- Harvard Business Review