

Salary Negotiation

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1 Introduction

When an individual joins the service, the pay brackets (Pay Chart) are set and standardized. Each rank has a fixed dollar amount depending upon the years of service. For each promotion, the service member knows exactly what the pay increase is to the penny including the amount one should receive according to the number of years accumulated, "time in service".

This is not the case in the corporate/private sector and to some degree, civil service industry. The next job position after military separation could be considered the first promotion in the corporate/private arena. In some cases the corporate/private sector pay ranges do not match that at which one received in service (active duty). There are also special compensations common with military that are not available in private and corporate settings. Para shoot Pay, Basic Allowance Subsistence, Basic Allowance Housing, Flight Pay, and others are options within the military but seldom offered in civilian jobs. One might discover that military pay is not as complicated as earlier presumed. Leaving the service, now individuals have to "ask" for pay and know what to ask for.

2 Definition

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.

Reference: *Definition of Salary Negotiation*, www.negotiations.com

3 Process

Anything and everything is negotiable when it comes to a corporate sector job offer, but offers are not as flexible in the Civil Service arena. Some areas to negotiate include: the benefits package, job title, work flexibility, salary compensation, severance pay amounts, hours of employment, working conditions.

Negotiations generally begin with an offer from a prospective employer. Typically, if a job candidate is going to negotiate for a salary, they should submit a negotiation between

24-72 hours after receiving an offer. The candidate should negotiate with only one representative from the company to eliminate confusion and mixed messages.

4 Understand the Market “Know Your Market Value”

Research the average salary of the career you’re pursuing on websites such as PayScale, Salary.com, or LinkedIn Salary. You need to know the market value of the position you’re applying for to speak intelligently about your income expectations.

Think about knowing your required salary amount the way you think about knowing your clothing size or shoe size. Just as Nikes fit different than Reeboks, the same job position may pay a different salary in different parts of the country.

Are you currently earning above or below the average salary for your job title? Why? Are you ready to make the case for your income requirements?

During negotiations, disclose your current salary, bonuses, and any other perks you expect. Explain your professional goals, and why opportunities for growth are important to you. You may finish up by stating you are eager to work for the company you’re interviewing with because of its forward thinking and upward mobility.

Reference: *What to Say When a Job Interviewer Asks What’s Your Current Salary*, by Suzy Welch, www.msn.com

5 Organizational Factors

There are several factors the company will consider when determining what the salary range for the advertised position:

- a. Industry Conditions (economy, stocks, and politics)
- b. Market Conditions (trending products, societal behavior)
- c. Geographic Location (West coast/East coast, city/rural-remote, coastal/mountain)
- d. What Similar Businesses in the Area Pay
- e. Hierarchy (top-level, senior/middle/first-level/entry-level management)
- f. Salary Range For The Position Within That Company (years & caps)
- g. Fair Market Value For The Position (national average, geographic loc.)
- h. Availability of the Skills and Experience Needed
- i. Career Advancement Bracket (room for pay raise, or promotion to different position)
- j. One’s Level/Stage and Experience in the Field

6 Research Salaries

As you research, look at the pay range related to your desired job both nationally and locally. Include the salary levels within the position (entry, junior management, middle management, senior management, executive staff, and CEO). It is important to understand how your industry (oil and gas, electric auto, food and grocery, housing, fashion, gaming, etc.) is trending nationally and globally, or if it is a basic commodity (food, shelter, transportation, clothing, medical, etc.). Is your industry stable in the region you’re considering?

Your interviewer will assume you know the pay range of the position. Your knowledge will be a measure of how much you know about your chosen position.

For example, the interviewer may ask, "What is your preferred pay range?" on a job that ranges from \$37K/year to \$45K/year at the level you are qualified for.

If you answer "\$70K/year," the interviewer is going to assume you haven't done your homework. If you are a 35-year-old with eight years of military experience, and you just asked for the salary a senior manager starts at in the company, you may have just lost the opportunity.

7 Discuss Salary in the Interview

During negotiations, disclose your current salary, bonuses, and any other perks you expect. Explain your professional goals, and why opportunities for growth are important to you. You may finish up by stating you are eager to work for the company you're interviewing with because of its forward thinking and upward mobility.

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If you're unsure exactly what to say, consider something such as: "As you may have noticed in my resume, my recent annual pay was \$55K/year. I noticed the national average for this position is \$39K/year. With my experience and direct contact with the corporate providers, I would like to earn at least \$40K/year, with an option to review my salary in six months to a year for an increase. At this time, my main priority is to work for "XYZ Company," as this field has been a passion of mine for years."

Final Thoughts

The more you know about the company, the industry, and geographical locations, the more comfortable you will be discussing salary negotiations. The job comes with pay, so all you have to do is stay within a reasonable range.

Discuss your goals, but stay away from having a bottom line deal breaker mindset. If the company cannot meet your salary requirements, you might not want to work for the company, or your expectations for pay for the position are off. If what you are asking for just cannot be met, but you feel your experience and education warrant the range you are asking for, consider asking the hiring manager to bring you in at a lower pay for a designated period of time, maybe 6 months, 9 months or 12 months, with a pay review at the specified time. A preliminary timeframe to work for a company gives both you and the hiring manager a chance to learn more about each other. If the company is not straight forward about salary negotiations, it is probably a sign of other questionable things to come.

In any case, be sure to leave a good impression on the interviewer by sharing that you either enjoy their products, or that you really believe in their philosophy and customer service and you are looking forward to working there. Staying positive does two things: 1. It shows the hiring manager you are serious about working with the company, and 2. It helps you make a better assessment of the positions within the company in your area.

Pay and benefits should not be a dreaded conversation. Instead it should be an exciting subject for you and your prospective employer. The company is ready to fill the position you are applying for, and you are on the verge of accepting a job with pay, benefits, and room for growth.

If you can't reach a salary negotiation you are comfortable with, ask about the company's view on education and promotions. All in all, your eagerness to work with a particular company, and your interest in growth, and promotion will be a clear indicator of your leadership potential, which are all good things.

So, get excited, do your homework, and go to your interview with confidence in your skills to negotiate a salary!

QUESTIONS?

Check these sites:

6 Things to Know About Salary Negotiations:

<https://www.forbes.com/sites/dailymuse/2017/08/07/6-things-you-need-to-figure-out-before-you-negotiate-salary/#42abe1ee240b>

Check Pay Ranges:

<https://www.indeed.com/salaries>

(Break the Gender Gap)

www.Payscale.com | <https://www.wgea.gov.au/addressing-pay-equity/what-gender-pay-gap>

LinkedIn Salary

www.linkedin.com/salary/