



Transition Masters

Developing Job Search Presentation Skills

Compensation Negotiation

Presented and Developed by

Joe H. Jones

Compensation Negotiation?

- ▶ Some employers see employees as a “productivity product” to be purchased. They want to hire the most productive employee for the least amount of compensation (to keep them onboard).
- ▶ Some employees see themselves as “contributors”. They want to be hired to contribute the minimum amount of work (to remain hired) for the maximum amount of compensation.
- ▶ The difference between these two extremes is the reason for “compensation negotiation”.

Five Rules!



Compensation Negotiation

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Rule #1

- ▶ Don't be the first to bring up salary and especially salary numbers.

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Rule # 2

Know Your Bottom Line
Compensation
Requirement\$ and your
BATNA

(Best Alternative To a
Negotiated Agreement.)

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Rule # 3

- ▶ Learn as much as you can about what the employer typically pays for the type of position you are applying for.

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Rule # 4

Learn what the going rate is for a person with your experience and skills.

Salary.com, Indeed.com,
Glassdoor.com, Payscale.com, etc.

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Rule # 5

Know how to respond to salary requirement questions.



Compensation Negotiation

Salary Requirement Question Responses

1. “I simply want what is fair for someone with my skills and experience”.
2. “I will be glad to discuss salary after I fully understand the requirements of the position and other factors that may become part of the compensation package”.
3. “I am a reasonable person and will be glad to discuss compensation issues once I have an offer in writing”.
4. “Based on my resume, skills and experience what do you think I am worth to this company”?

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5. “I’m sure you have a salary range for this position. It may save us both some time if you would share what that range is.” OR “What salary range are you offering for this position?”
6. “I’m sure salary won’t be an issue when all of the factors concerning this job are clearly understood.”
7. “I’m sure you will make a reasonable offer considering my skills, experience and abilities.”
8. “I am looking at a salary range between (\$40,000-\$50,000) which would be negotiable depending on the requirements of the position and other compensation factors”

Possible Negotiable Items

1. Title, Office?
2. Health benefits?
3. Time off and vacations?
4. Child care, maternity leave and other family related situations?
5. Flex time, telecommuting, work from home, part time, full time, contract work?
6. Expense account/credit card
7. Car Allowance
8. Signing bonus
9. Relocation allowance
10. Salary/draw/commission
11. 401K plans
12. Tools/uniforms
13. Tuition reimbursement
14. Professional Certification/training/ meetings/conferences

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Learn what the going rate is for a person with your experience and skills.

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When is your
compensation reviewed?

Your Worth Is Based On.....

- ✓ Your career path (past salary, changing careers, etc.)
- ✓ The industry of the employer
- ✓ The geographic location (cost of living)
- ✓ Current demand for job seekers

Note: Sometimes the highest salary is not the best for you



Three Negotiation Models

Hard Bargaining

Based on will.
Short term

Principled Negotiation

Based on Criteria
Long Term

Soft Bargaining

Weakest. Save
relationship.

Negotiate using Objective Criteria (salaries from a 3rd party source)

Compensation Negotiation

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- ▶ Ask for a “fair compensation package”.
- ▶ If they really push you for a salary number, give them a range first (based on the ranges presented on the salary sites).
- ▶ See if you fit into their \$ range.
- ▶ Show them the “fair” salaries (all three that you will copy from three salary sites)

Using Salary Objective Criteria

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- ▶ Go to salary sites
 - ▶ Salary.com, Payscale.com, Glassdoor.com
- ▶ Copy salaries for your title, location and experience.
- ▶ Average them to develop a salary range
- ▶ Average the median salaries to determine a salary that is fair
- ▶ Use this objective salary criteria when negotiating with a company.

Website Examples

glassdoor IT Project Manager Salaries Tampa, FL

144 Salaries Updated Oct 26, 2020

Average Base Pay
\$82,671/yr
 6% below national average

Additional Cash Compensation: Average \$7,912, Range \$1,900 - \$18,766

Salaries for Related Job Titles:

Information Technology Project...	\$59K
IT Consultant/Project Manager	\$59K
IT Director	\$122K
IT Program Manager	\$65K
IT Project Manager	\$83K

salary.com FOR YOU FOR EMPLOYERS SURVEY CATALOG RESOURCES FIND A JOB

Home > Salary Calculator

IT Project Manager I

Salary Salary + Bonus Benefits How To Become

50% (Median) **\$79,348**

10% \$60,287 25% \$69,371 75% \$91,921 90% \$103,367

Do you know the following factors can affect your pay? Check it out to see how much you are worth.

- Location
- Education
- Years of Exp.
- Direct Reports
- Reports To
- Performance

PayScale For You For Your Business Compensation Research

Business Personal

Search reports

Project Manager, Information Technology (IT)
 Tampa, Florida 15 years

Market Range: **\$73k - \$143k**
 10% \$73k 50% \$108k 90% \$143k

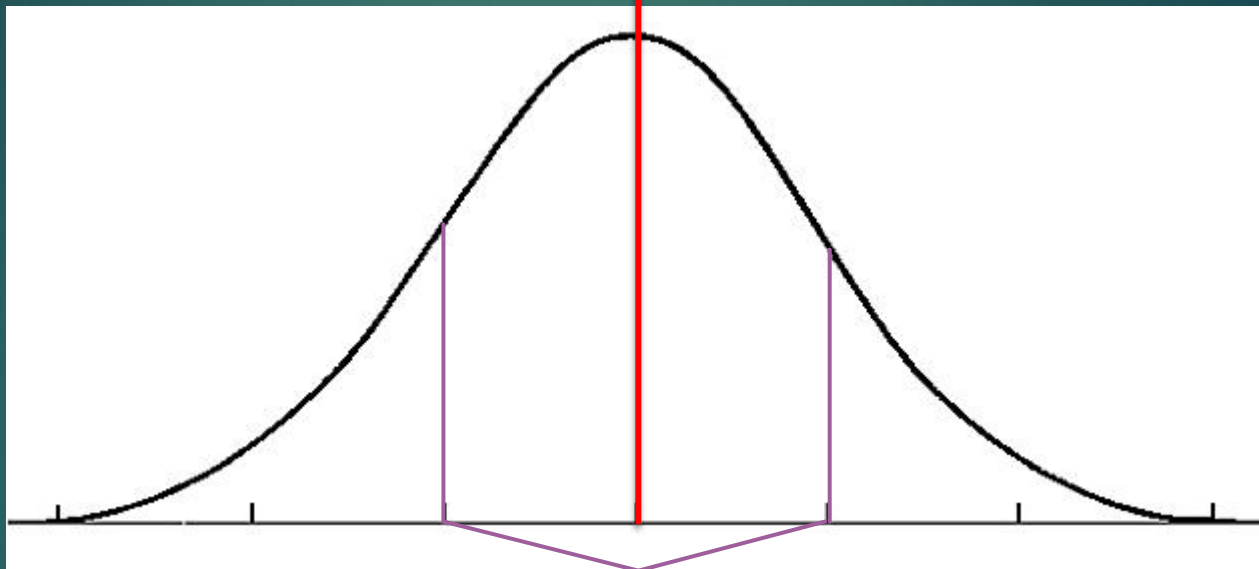
Your Variable Pay

Bonus Profit Sharing

Your bonus is lower than 100% of people like you. Why am I being paid more or less than other typical employees in the same role?

Projected Salary
\$95,798 - \$102,057

\$99,134 Median



Salary Range
Lower 25% 87,957
Upper 75% 110,654

Excel Example of Salary and Ranges

The screenshot shows an Excel spreadsheet with the following data:

	A	B	C	D	E	F	G
1							
2		IT Project Manager					
3		Tampa Florida			Range		
4			Median		25%	75%	
5		Payscale	105000		90500	125500	
6		Glassdoor	82671		73250	95750	
7		Salary.com	79348		69371	91921	
8							
9							
10		Average	89006.33		77707	104390.3	
11							

When They Offer You Work

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- ▶ Ask when you may expect the offer in writing.
- ▶ Ask for 24 hours to respond to their offer.
- ▶ Tell them when they may expect to hear back from you.



Write a Counter Proposal Letter

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▶ First Paragraph

- ▶ Statement of interest
- ▶ Enthusiasm for the job/company
- ▶ Key selling factors



▶ Second Paragraph – Negotiate Item #1

- ▶ Restate the particular point from the original offer that you wish to negotiate, followed by your counter proposal -- ideally supported through research, a desire to be fairly compensated, or reinforced by the value you will bring to the company.

▶ Concluding Paragraph - Conciliatory Comments with Strong Moving-Forward Statement

- ▶ Stress that your requests are modest and that your potential impact is great -- and that you look forward to accepting the job offer and getting a jump-start on the position as soon as possible.



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GET YOUR FAIR DOLLARS WORTH!

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