

NEGOTIATING COMPENSATION

POWER INTERVIEWING

PROFESSOR P



Preparing People for a Competitive Workforce.



It used to be a standard operating procedure for a firm to ask for your most recent W-2s prior to making you an offer. Hiring managers would then use this information to formulate a competitive pay package. Recently, some states have enacted laws that bar hiring managers from asking for your current or prior year's compensation. In these states, the firm cannot require you to give them your past year's W-2, although you can voluntarily provide this information. This has made compensation negotiation a bit more cumbersome, but you can use these new laws to your advantage if done correctly.

The law protects you from having to disclose your income.

Usually, the firm will give you a verbal outline of your offer before sending you an official contract. Negotiating the broad strokes of the contract before you receive the official written offer is essential.

This does not mean you must accept the contract once you have received it, but you should agree with the general terms. The last thing a company wants to do is write up a job offer, get all the required signatures, send you the contract—and then have you reject it.

Let the firm make the first move.

The key to negotiating your compensation package is to get the firm to make the first move. Let them outline the terms. Be aware that, in most cases, a company would not expect you to make a career move for less than what you are currently making or have made in years past. In most instances, the company will look to match your prior year's earnings and then provide other benefits and perks that entice you into accepting the offer.

A good offer is a package that matches your current compensation and offers you more upside. Making a move and having a company guarantee you more income does happen, but in most cases, your earning potential will come through incentives, NOT a guarantee.

Timing is everything.

Raise questions about salary after the official offer is made, not before. When you are interviewing, it is still unclear whether you will be selected for the position. As a result, raising this conversation during the interview may reflect your assumption that you have or will receive an offer. In addition, you are in a stronger position to negotiate when you have gathered all the necessary information about the position's scope and other aspects of the benefits package (e.g., health coverage, vacation), which generally occur after you receive the offer.

If the employer initiates questions about your salary requirements during the interview, try to avoid giving them an exact amount. Instead, we recommend that you give them a range that you were able to determine through the research you conducted.

Don't be concerned about a lowball offer.

If you are out of a job, don't be concerned about the company taking advantage of you and making a "lowball" offer. You might have to step back regarding income, but it's in the company's best interest to be competitive. The last thing they want to do is invest in you only to see you become a flight risk.

Use a persuasion technique when negotiating.

You can begin each conversation by expressing gratitude and appreciation as you negotiate. Continuously expressing interest in the position and discussing plans with the hiring manager is a great persuasive technique. You are, in effect, "selling past the sale," making it much easier for the hiring manager to meet your demands. Do not negotiate using email! Instead, talk to the hiring manager or recruiter when you are negotiating. The tone and context of an email can often be misinterpreted and misunderstood.

Do not negotiate over email.

One of the more common mistakes job seekers make during this period is focusing too much on the first year's compensation while ignoring other important factors. While the first year's compensation is important, consider how the role positions you long-term. For example, are you expanding your client base, enhancing your career, and growing professionally? Job seekers who focus on these factors are the ones who ultimately make more money and enjoy long-term career success.

Do your homework.

Before you begin the process of negotiating, research salary ranges for positions in your field and geographic area. Online resources such as Glassdoor.com, Salary.com, and the U.S. Bureau of Labor Statistics can be helpful for finding salary information.

Other excellent resources can be your network, including alumni and peers. If you decide to reach out to your network, do not ask how much they make! Rather, a sample question can be: What is your understanding of the average starting salary range for a new practitioner in the Greater Boston Area?



Manage your Time.

When you finally receive the official job offer, there is likely a time limit on the contract. Usually, a company never sends you an open-ended contract, giving you unlimited time to respond. Instead, most companies will give you 24-48 hours to respond.

A time limit on the contract can cause problems when interviewing with multiple firms. For example, let's say you receive a job offer from one firm, but the interview for your desired job does not happen until next week. If so, don't let the firm send you the official paperwork. Instead, have them make you a verbal offer, but try to avoid receiving the official paperwork. Tell the firm you are flattered but have committed to another interview, and you feel obligated to attend.

In most cases, the firm will respect your honesty and integrity. This will likely make the firm even more interested in you. You might even see them enhance their offer to get you to sign the contract.

Making the Ask.

Once you are ready to negotiate, how do you do it? In any successful negotiation, it's helpful to remember the three P's:

- Prepared
- Positive
- Professional

Prepare for the conversation by identifying and prioritizing the items you would like to negotiate and practicing how to make those requests out loud. Next, communicate your enthusiasm for the offer and appreciation for the employer's consideration during that conversation. The final step is to maintain your professionalism by providing any additional information or decision requested within the agreed-upon timeframe.

Here is a sample way to approach a negotiation conversation:

Thank you so much for the offer! I am very excited about this position. After reviewing the offer, I have only one question. The salary in the offer letter is \$_____. Through my research and speaking to professionals in similar roles in this area, it seems as if the salary range for this position for someone with my background is in the range of \$_____. Is there any flexibility in the salary level for this position that might bring it closer to this level?