

Publication : Straits Times
Page : B15
Date : 19 March 2012
Headline : How to go about negotiating for better pay
Byline : Joyce Teo

Article:



AT WORK WITH JOYCE TEO

How to go about negotiating for better pay

To get a good outcome, start by being prepared

FEW employees are really ever quite satisfied with their pay packet.

Perhaps for a brief spell of contentment after a decent pay rise, Oliver-like inclinations to say: "Please sir, may I have some more?" may subside a little.

But for the most part, employees tend to imagine they ought to be getting quite a bit more than what actually turns up in their bank account each month.

They look about and imagine they work harder than the next person or do a better job than someone up the line who may be out of his depth.

If being underpaid is giving you sleepless nights, then there is something you can do: try negotiating a better compensation package.

Experts say the trick is to really prepare for it, if you want to get a good outcome.

"Because emotions often run high when salaries and compensation are discussed, proper preparation is needed," says US-based Joseph Grenny, co-author of *Crucial Conversations*.

And this starts way ahead of any discussion on salary. Mr Horacio Falcao, affiliate professor of decision sciences and executive education programme director, negotiation dynamics at business school Insead says you should psyche yourself up as you polish the begging bowl.

And now is as good a time as any. The worst thing is to procrastinate. So, just find a time when your boss is in a good mood and start preparing.

"Gather information on industry averages and what gets someone above the average. Understand what activities or moves have helped people in the past: get better salaries, try to get alternative offers. Find different combinations of sala-

ry, bonus, benefits and others that could be good for you at a lower cost to the employer, see if there is any additional value you can bring to the table, et cetera," says Mr Falcao.

Have well-researched salary survey data, such as an annual salary guide put out by recruitment firm Robert Walters. This gives you an idea of what other people get paid for similar roles.

Always back up your numbers with research, experts say.

Mr Falcao cautions against greed or trying to prove some kind of in-house political point, especially if you already privately acknowledge that you're doing okay.

A big no-no is to threaten to quit your job to get higher pay, unless perhaps you are in a revenue-generating type of function in sales-focused industries and doing very well, says Mr Mark Ellwood, Robert Walters' managing director for Asia.

"If you do this as a bluff, what happens if your resignation is accepted?"

Mr Ellwood says that some 80 per cent of those who get counter-offers are back in the market within 12 months anyway.

"The salary rise will only cover the cracks temporarily as you still hate your job and you still hate your boss."

The worst thing is the move will likely not sit well with the firm.

"If you threaten to leave, the company may say ok, I'll give you the increase but then they will start to look for a replacement," he says.

"Once people feel that they have had their arms twisted, the trust is affected and your loyalty factor is going to be questioned."

What you should do, says Mr Ellwood, is to have a chat with your boss. "It's about having adult conversations with your boss on what the issues are.

"Give your employer the opportunity to come back to you. Tell him, look, I don't think my skill sets are being valued. My market rate is this or that."

Mr Grenny says that if your boss dis-

agrees with your point of view, ask him or her to share that reasoning with you.

"Add more facts or clarify the questions so that he or she may reconsider."

Says Mr Ellwood: "If you can demonstrate that you are being underpaid, there's a good chance of the boss fighting for you to get a higher pay."

"If nothing happens, at least you would have had your adult conversation and you can leave on good terms. It's not adversarial and you don't burn bridges."

If you're applying for a new job, remember that you are already negotiating at your first interview as you try to establish credibility and trust, says Mr Falcao.

You continue to negotiate in the subsequent contact points as you try to build on that trust, clarify expectations from each side, and try to design the best possible compensation package for yourself.

Then, you clearly negotiate when you discuss salary figures, he says.

The question is, do you have to reveal how much you made at your last job?

Mr Falcao says no, if it is not going to help you get a better salary.

However, if you do not wish to come across to your future employer as someone who is hiding something or being difficult, what you can do is to share the information and then explain that the very reason why you are moving jobs is to get a significant raise, advises Mr Falcao.

If your potential employer asks for your salary expectations, there is no harm in sharing this if you have the research to back them up, says Mr Falcao.

"For the research, you can use the Internet, contact former employees, seek offers from similar companies, ask colleagues who currently work inside, et cetera."

Of course, one worry is that you pick a figure, but in fact the company would have been ready to pay more, had you asked. However, this risk is small if you do your research well. And if you think you have extra skills or add some other type of value to the company, then by all means add a figure to the base salary to reflect that, says Mr Falcao.

Things get tricky if you decline to say how much you want.

In this case, it may be best to ask the interviewer what he has in mind and then ask where his number comes from, says Mr Falcao. "Alternatively, explain why you were not ready for the salary conversation and ask for time to research a fair salary proposal for both sides," he adds.

Do not assume that what the other party offers is fair without asking or checking, he says.

And, remember that negotiation starts way ahead and not only when you talk numbers. So start preparing for it.

joyceteo@sph.com.sg

To get a good outcome, start by being prepared

FEW employees are really ever quite satisfied with their pay packet.

Perhaps for a brief spell of contentment after a decent pay rise, Oliver-like inclinations to say: 'Please sir, may I have some more?' may subside a little.

But for the most part, employees tend to imagine they ought to be getting quite a bit more than what actually turns up in their bank account each month.

They look about and imagine they work harder than the next person or do a better job than someone up the line who may be out of his depth.

If being underpaid is giving you sleepless nights, then there is something you can do: try negotiating a better compensation package.

Experts say the trick is to really prepare for it, if you want to get a good outcome.

'Because emotions often run high when salaries and compensation are discussed, proper preparation is needed,' says US-based Joseph Grenny, co-author of *Crucial Conversations*.

And this starts way ahead of any discussion on salary. Mr Horacio Falcao, affiliate professor of decision sciences and executive education programme director, negotiation dynamics at business school Insead says you should psyche yourself up as you polish the begging bowl.

And now is as good a time as any. The worst thing is to procrastinate. So, just find a time when your boss is in a good mood and start preparing.

'Gather information on industry averages and what gets someone above the average. Understand what activities or moves have helped people in the past get better salaries, try to get alternative offers. Find different combinations of salary, bonus, benefits and others that could be good for you at a lower cost to the employer, see if there is any additional value you can bring to the table, et cetera,' says Mr Falcao.

Have well-researched salary survey data, such as an annual salary guide put out by recruitment firm Robert Walters. This gives you an idea of what other people get paid for similar roles.

Always back up your numbers with research, experts say.

Mr Falcao cautions against greed or trying to prove some kind of in-house political point, especially if you already privately acknowledge that you're doing okay.

A big no-no is to threaten to quit your job to get higher pay, unless perhaps you are in a revenue-generating type of function in sales-focused industries and doing very well, says Mr Mark Ellwood, Robert Walters' managing director for Asia.

'If you do this as a bluff, what happens if your resignation is accepted?'

Mr Ellwood says that some 80 per cent of those who get counter-offers are back in the market within 12 months anyway.

'The salary rise will only cover the cracks temporarily as you still hate your job and you still hate your boss.'

The worst thing is the move will likely not sit well with the firm.

'If you threaten to leave, the company may say ok, I'll give you the increase but then they will start to look for a replacement,' he says.

'Once people feel that they have had their arms twisted, the trust is affected and your loyalty factor is going to be questioned.'

What you should do, says Mr Ellwood, is to have a chat with your boss. 'It's about having adult conversations with your boss on what the issues are.

'Give your employer the opportunity to come back to you. Tell him, look, I don't think my skill sets are being valued. My market rate is this or that.'

Mr Grenny says that if your boss disagrees with your point of view, ask him or her to share that reasoning with you.

'Add more facts or clarify the questions so that he or she may reconsider.'

Says Mr Ellwood: 'If you can demonstrate that you are being underpaid, there's a good chance of the boss fighting for you to get a higher pay.'

'If nothing happens, at least you would have had your adult conversation and you can leave on good terms. It's not adversarial and you don't burn bridges.'

If you're applying for a new job, remember that you are already negotiating at your first interview as you try to establish credibility and trust, says Mr Falcao.

You continue to negotiate in the subsequent contact points as you try to build on that trust, clarify expectations from each side, and try to design the best possible compensation package for yourself.

Then, you clearly negotiate when you discuss salary figures, he says.

The question is, do you have to reveal how much you made at your last job?

Mr Falcao says no, if it is not going to help you get a better salary.

However, if you do not wish to come across to your future employer as someone who is hiding something or being difficult, what you can do is to share the information and then explain that the very reason why you are moving jobs is to get a significant raise, advises Mr Falcao.

If your potential employer asks for your salary expectations, there is no harm in sharing this if you have the research to back them up, says Mr Falcao.

'For the research, you can use the Internet, contact former employees, seek offers from similar companies, ask colleagues who currently work inside, et cetera.'

Of course, one worry is that you pick a figure, but in fact the company would have been ready to pay more, had you asked. However, this risk is small if you do your research well. And if you think you have extra skills or add some other type of value to the company, then by all means add a figure to the base salary to reflect that, says Mr Falcao.

Things get tricky if you decline to say how much you want.

In this case, it may be best to ask the interviewer what he has in mind and then ask where his number comes from, says Mr Falcao. 'Alternatively, explain why you were not ready for the salary conversation and ask for time to research a fair salary proposal for both sides,' he adds.

Do not assume that what the other party offers is fair without asking or checking, he says.

And, remember that negotiation starts way ahead and not only when you talk numbers. So start preparing for it.