Salary Negotiation

A presentation from the
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Career Management

• Programs/Resources
  ▫ Web resources, job board, webinars, programs, career fairs, individual career advising (in-person and remotely). Visit: go.osu.edu/alumnicareermanagement for more info

• Career Changes
  ▫ Launching
  ▫ Transition
  ▫ Underemployment
  ▫ Unemployment
  ▫ Encore Career

• A Lifelong Process
  ▫ Assessment
  ▫ Exploration/Research
  ▫ Personal Branding
  ▫ Networking/Job Search
  ▫ Professional Development
Overview

Why (and when) you should negotiate

Research and Preparation

Assessing an offer

The negotiation process

Q&A
Why Negotiate?

• Accomplish a “win-win” scenario
• Achieve **market value** – you deserve to be paid what you’re worth!
• Most employers expect it – you could be **leaving money on the table**

When to Negotiate?

• Negotiation begins **upon offer**
• **Range** may be discussed earlier
80% of the work of negotiating should be done before you walk into the room.

Overcoming the FEAR FACTOR – negotiation doesn’t need to be SCARY

1. RESEARCH
2. STRATEGIZE
3. NEGOTIATE
Do Your Research – Know/Understand Your Worth

- Research your **market value** using:
  - Salary sites
  - Professional organizations
  - Informational interviews with people in the field

- Factor in the **cost of living** for your area

- Network within the company – especially with people in **comparable positions**

- Work your personal budget – what is **YOUR** minimum?
In your research:

- **Ask:** What is the **general range** for this position (within the company and within the industry)?
- Reach out to alumni, friends, colleagues within your **network** that you have good rapport with.

**Sites to assist in your research**

- [www.salary.com](http://www.salary.com)
- [https://www.glassdoor.com/](https://www.glassdoor.com/)

**Cost of Living Calculators**

- [http://www.bestplaces.net/cost-of-living/](http://www.bestplaces.net/cost-of-living/)
Caveats for Negotiation – Things to Keep in Mind

• Company pay and market value are not always the same
• Gaining market value begins with the first interview
• Negotiation is objective – don’t make it personal
• Look at the whole offer – this is about more than just a paycheck
• Attitude and preparation are necessary for success
Offer extended – now what?

1. **Don’t accept immediately** – ask for a few days to “digest”
2. **Talk** to a career coach or mentor/advisor
3. **Know where you stand:**

   Ideal salary: $_______
   Fair and Reasonable: $_______
   Walk-Away: $_______

   Where does the offer fall? Is there room for compromise?

4. **Build a case** for your counter offer

   Get information on the company’s current challenges, goals, and pain points
   Identify your valued skills – how can you help the company meet its challenges?
Assessing an Offer

• Acknowledge offer with appreciation and clarify decision time frame.

• Cultural fit and genuine enthusiasm for the job should outweigh salary (consider other factors of importance).

• More than a $5K difference in offer and target salary may require creating higher and more sustainable value.

• Assess status of your job search.

• Remember who is the buyer and seller– not what you need, but what you are worth.

• What is the future salary potential?
Possible Benefits – Total Rewards Package

- Bonus—signing, moving, resources (office, cell phone, computer, etc.)
- Cafeteria insurance plan—you pick the insurance benefits you want
- Car, car allowance, car insurance, car maintenance, mileage, expense account
- Health club memberships or discounts
- Defined benefit plan, i.e. pension plan
- Defined contribution plan, i.e. 401K
- Dental/medical/optical insurance—note deductibles
- Educational assistance programs; tuition reimbursement
- Employee assistance program (EAP)
- Lower interest corporate credit cards
- Life/accidental death insurance
- Paid sick leave
- Personal days off, compensation days, flex days, etc.
- Profit sharing and stock options
- Short- or long-term disability compensation plans
- Step contract (after 3 months review/salary increase, etc.)
- Review dates (60, 90, or 120 review, for example)
• **Who** will you negotiate with? (Schedule with this person)
• What will be on the table? **Define your priorities**—“tiered approach”.
• **Develop a range** of salary you will accept (walk-away against highest factual salary figure). **Be prepared** to back up any data point.
• **Focus on your goals**, not on winning. Alienating your future employer never a good idea. ROI more important than NPV.
• Even if you’re nervous, **avoid talking too much**—you may talk yourself out of what you want.
• **Have them make the first counter-offer**. (Provide range if pushed)

• Magic question #1 (“How is the salary offered determined?”)
• Magic question #2 (“Can I have a day or two to think it over?”)

• Leverage of another offer (**don’t use this unless you are prepared to follow through**). Previous salary only helpful if in your favor.
Take Aways

● **Do Not**
  - Discuss salary until the position has been offered to you

● **Do**
  - Postpone salary talk until you have time to sell yourself
  - Practice
  - Ask for a day or two to decide on an offer; if they refuse, this may not be the right company for you
  - Take notes during a salary negotiation

● **Continue Selling Yourself**
  - Confidence is important. If you appear nervous while talking salary, it is apparent that you are not completely sure you deserve what you are asking for.

● **Timing Is Everything**
  - When the employer has offered you the job, you have more negotiating advantage, because the employer knows you will be an asset to the company.

● **Maintain the Proper Attitude**
  - Be enthusiastic, polite and professional. This is not a competition!
Questions?

To access our online resources, visit: u.osu.edu/alumnicareermanagement (Coach’s Corner blog & podcast) go.osu.edu/alumnicareermanagement (office website)