How to Handle Compensation Negotiations

By Jennifer Salter

During a job search, the issue of compensation can be one of the most treacherous and anxiety inducing for many candidates. As a recruiter, I run across misinformation and misconceptions on a regular basis, which only serves to make the process more difficult than it needs to be. In fact, in the worst-case scenarios, this can lead to lost job opportunities and burned bridges. So, here are some tips on how to approach this delicate issue:

1. First, do your research! Prior to entering the job market, find out what the market will bear by looking at salary surveys, industry articles and similar jobs postings. When you do this, be certain to:

    a. Assess yourself honestly, taking into account your skills, level of expertise, and years of experience.
    b. Consider geographic area, as this can have a huge impact on compensation. An analyst in rural Kansas will earn a significantly different salary that an analyst in New York City!
    c. Clearly formulate your expectations, and be prepared to back them up if asked.

2. Looking for a substantial increase in compensation is not necessarily a problem; however, you should be prepared to justify it. Many employers will balk at an increase of more than 20%, and some even have a policy against it. Pre-plan how you will justify your request. If you can verbalize solid reasons, many employers will concede.

3. Be straightforward and don't play games.

4. DO NOT approach compensation negotiations the same way you would purchase a vehicle. I cannot tell you how many candidates have blown a great job opportunity because they don't believe me when I tell them that the offer extended is a real one, not a starting point. In fact, there are many times when I've had a hiring manager advocate for a candidate and stretch budgets to get them the salary they said they wanted. You can imagine how this manager feels when told it is not enough. If you honestly feel you are not being offered enough, this is fine, just be certain to respond with gratitude first, then back up your request with solid reasons. Also, ask for what you really want in the beginning, and if given it, DO NOT come back and ask for more.

5. If working with an agency of any type, understand their role in the offer process and utilize their services to your advantage. One of the reasons employers hire agencies is to deal with salary negotiations, to field questions, to smooth over potential misunderstandings, etc. Agencies can serve both as a buffer and an advocate between you and your potential employer, and doing so will often get you the best offer possible. Communicate honestly with your recruiter. Finally, do not attempt to cut the agency out of the process unless specifically instructed to do so by the employer or agency. This can reflect poorly on you, as the agency and employer have an established relationship.

In the end, if you research commensurate salaries based on position type and location and communicate with honesty and tact, the salary negotiation process should not pose any problems!