Salary negotiation

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Agenda

• Today’s goal
• What determines a salary?
• What doesn’t determine a salary?
• Components of a salary offer
• What is salary negotiation? (2)
• Before the negotiation
• During the negotiation
• Promises
• Afterwards
• Resources
Today’s goal

At the end of this session, you should know what you have to do to prepare for a salary negotiation for a for- or non-profit or public-sector job.
What determines a salary?

• The job: what the employer wants done
• What qualifications the employer requires and desires
• The local salary range for that kind and level of job
• The local benefits for that kind and level of job
• The local cost of living
• How hard it is to recruit employees to that location
• What resources the employer has to give to employees
• Your salary history, sometimes*
What doesn’t determine a salary?

- Your budget: you have to determine if you can afford to take the job at the salary or wage and benefits at which it is offered
- Your belief that you should be making a certain amount with your level of education and experience
- How much your peers are making at other jobs or other workplaces in other locations
- Your previous salary, if you have substantially changed fields
Components of a salary offer

Always:
- A salary or hourly wage

Benefits, sometimes:
- Moving expenses and/or a signing bonus, often with a requirement to stay a minimum time
- An annual bonus or profit-sharing, dependent on performance, yours or the organization’s
- Equity (ownership in the organization)
- Health insurance, sometimes for family members as well, sometimes with vision and dental
- Life and/or disability insurance, sometimes company paid
- A retirement program, sometimes with employer contribution
- Holiday and statutory vacation days, and sometimes paid vacation
- Parental leave

Other, sometimes:
- A non-disclosure agreement
- A non-compete agreement*
What is salary negotiation?

• Placing you within the range at which your job is compensated, balancing competing factors:
  • You want to be compensated fairly
  • You want to be compensated as well as possible
  • Your employer wants to compensate you fairly
  • Your employer doesn’t want to compensate you more than necessary to keep you productive at your job
Before the negotiation (1)

You must do research:
• What qualifications does your job require and desire?
• What other skills does your employer / your manager need and value?
• What is the usual salary range for the job type and the area where the job is located?

You must consider your profile:
• Where do your qualifications fall within the range of what is required and desired?
• What other qualifications do you have that your employer needs and values?
• What salary do you want?
• What salary can you accept?
Before the negotiation (2)

• Try to find a contact at that organization or someone who was previously at that organization and ask how salary negotiations have been handled. If you can’t, find someone who has that job, or that kind of job

• Find out what the rules are in the state where the job is located about asking for previous salary history

• Consider how you are going to handle illegal or inappropriate questions:
  • Your previous salary history, if it is illegal to ask in that jurisdiction
  • Whether you are willing to sign a non-compete agreement, if they are illegal in that jurisdiction
  • Whether you are married or partnered
  • What your sexual orientation and / or gender presentation is
  • Whether you have or plan to have children, and how many
  • Whether you have other family obligations, e.g. elderly relatives to care for
  • Whether you have certain medical conditions

• Do a practice negotiation
During the negotiation

• Come with researched data, not just your wishes
• Be polite, fact-based, and professional. Use pleasant, neutral affect
• Address areas you want to negotiate as deviations from the range: “you have offered me $X, whereas the local range for this job with my qualifications is $X+10K -- $X+25K.”
• If you have a competing job offer, you may tell your desired employer its terms if you want to use them to get a better offer, UNLESS the terms of the competing offer are confidential (check)
• You should be given a few (not many) days to consider the offer
• **Do not accept an offer during the negotiation: say you need to have the employment agreement reviewed by your attorney.**
Promises

Sometimes people make or imply promises during salary negotiations:

- What annual raises, bonuses, or other cash compensations usually are or are likely to be (what they have been in the past is data, not a promise)
- What the organization’s prospects are
- What might happen to benefits
- How often promotions come, or how easy they are to get
- Whether non-compete agreements are usually enforced

Anything not in writing should not be considered an indication of the future. It should be considered a sign of what an organization says to you and evaluated on whether it is fulfilled.
Afterwards

• Unless the offer letter is entirely uncomplicated, get an attorney to review it. Always get someone else to read it

• If the offer letter contains any portion of equity compensation, or any contingent compensation (e.g. performance bonus), or a non-disclosure or non-compete agreement, get an attorney to review it

• Talk over the terms of the offer with your spouse / partner / significant other, and if possible a friend with a comparable job

• Don’t take salary negotiations personally: too many factors are entirely unrelated to you

• This won’t be your last salary negotiation – immediately afterwards write up what went well, not so well, and what surprised you
Resources

- www.glassdoor.com and www.glassdoor.ca
- www.payscale.com
- www.salary.com
- For public-sector jobs, local, state, and Federal salary grades are published
- The Americans with Disabilities Act provides guidelines for questions employers may (not) ask and requests for accommodations: www.ada.gov