

10 Tips for a Successful Salary Negotiation

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You've been working in your position for a while and your boss has not offered you a raise. How do you bring it up? What do you say? Below are 10 tips to help you successfully discuss a salary increase.



- 1. Think of the interaction as a negotiation, not just a conversation.** A negotiation is a *process* for people to work toward *resolution*; whereas, a conversation has neither a prescribed process nor a goal. The process for negotiation at its most basic level is to: 1) exchange information, 2) identify what's important to each of you, and 3) develop options that meet those needs in a way that resolves the issue. Focus on what you need to know (either new information or testing your assumptions), what messages you want to get across, what outcome will meet your needs, and how you might get there in a way that works for both of you.
- 2. Get your boss's ear.** Sometimes the hardest part of the interaction is getting your supervisor's attention or agreement to talk about salary at all. Can't you hear it now? "Hi Joan. I'd like to talk with you about my salary." "Oh, Alberto. Um. I have a meeting, so I can't right now." As Stephen Covey, author of *The 7 Habits of Highly Effective People*, said: "Most people do not listen with the intent to understand; they listen with the intent to reply." Your boss is expecting your "reply" to be either walking away (problem solved for now) or trying to convince them that this is really important to talk about (but, I still have a meeting, so I can't — problem solved for now again). If you listen, understand, and, most importantly, *show* that you understand, your boss will be more likely to engage in the conversation (if not now, then later). "Okay, it sounds like now is not a good time. I understand that you are really busy. When would be a good time? Would it be helpful for me to send you an email with some potential times to get together?"
- 3. Have a reasonable, bold, and justifiable expectation.** How do you think you will do if you go into your supervisor's office asking for "more" or "a bump?" If you get anything, it will probably not be as much as you want. G. Richard Shell, Director of The Wharton Executive Negotiation Workshop, explains in *Bargaining for Advantage*: "...you'll never hit the target if you don't aim...transform your goals from simple targets to genuine — and appropriately high — *expectations*." Make sure your target is justifiable so you are ready when your supervisor asks why you feel that is the appropriate number.

4. **Have a defined alternative.** What are you going to do if your supervisor says, “No?” Slink back to your office or complain to your spouse? Have something actionable in your pocket that you can actually do if they says no — an offer to move to another department, an opportunity to go to another firm, an appointment to go to HR to discuss the fairness of your compensation, etc. Of your alternatives, figure out which is the best and what it is worth. With that, you have a comparison when you are negotiating with your boss. If you do better with your boss than what’s in your pocket, great. If you do worse, you have another way to get the raise you need. You can even share your alternative as you negotiate. If it is perceived as a point of information, it can be helpful. Be careful though, because if it is interpreted as a threat, it may send the wrong message.

5. **Know what’s important to your boss.** Do they feel overworked? Are they trying to get promoted? What are they trying to achieve professionally? How can you package your request for a raise in way that helps your supervisor meet their needs? If they feel overworked, maybe you can offer to take on more responsibility to justify a raise. If they are trying to get promoted, maybe you can talk to them about recommending you as the right person to fill the position so upper management will see it as a seamless transition (and you will get both a promotion and a raise). If they are trying to be a star in the company, ask how you can help. What can you do to make the department shine (and be compensated appropriately for it)?

6. **Anticipate their arguments.** What excuses will your boss put up to avoid giving you a raise? If they are facing pressure to cut the department budget, do you have a way for the department to reduce costs so that they can look good to upper management and leave room for you to get increased compensation? What about deferring the increase until a future budget period? If they assert that it is not appropriate for you to get a raise at this time, what will you say? (Remember to really listen, understand, and *show* that you understand.) How can you respect their position and get across what’s important to you? “Joan, it sounds like fairness and merit are important to you. Let me explain why I deserve a raise and it’s fair to other team members in the department...”

7. **Decide whether to name a number first or not.** If you have good information, use it to start the bargaining. You often hear people say never to name the first number. You want to propose a number if you have good objective data and an accurate understanding of the salary range for your position so that you can “anchor” the negotiation on the high-end of the spectrum. By anchor, I mean attempting to restrict the range of the negotiation to the area that is beneficial to you.

There is significant data that negotiation outcomes typically end up closer to the first reasonable number named. Deepak Malhotra and Max Bazerman explain in *Negotiation Genius*: “An anchor is a number that focuses the other negotiator’s attention and expectations...especially when the other party is uncertain about the correct, fair, or appropriate outcome...The power of anchors is substantial. Research has shown that anchors affect even those with negotiation experience and expertise.”

How confident are you in what you know? If you do not have good information, the typical advice is correct because you may ask for too little or have your boss dismiss your proposal because it's crazy-high.

8. **Discuss overall compensation, not just salary.** Get creative! What options can you generate that will make it easy for your boss to say yes? (As Roger Fisher and William Ury from the Harvard Negotiation Project call a “yesable” proposal in *Getting to Yes*.) What about increased contributions to your 401(k), or to your health insurance premium? How about an increased professional development allowance, a health club membership, or a parking pass? A combination of some of these with a less aggressive increase in salary can have the same overall monetary benefit to you.
9. **Focus on the overall package not the individual items.** When discussing options to increase your compensation, treat them as ideas and do not commit to individual pieces. Instead, acknowledge what sounds interesting and do not accept anything until you can summarize and agree to the entire package. “So, it sounds like we’re talking about a 5% increase in salary, 10% increase in my professional development budget and the annual health club membership. You will transfer your responsibility for the XYZ Project to me and I will take over reporting the weekly revenue figures. I can agree to that. Do I have all that right?”
10. **Summarize the agreement in writing.** Verbal agreements tend to be remembered differently by each person as time passes. Suggest writing down the arrangement you come up with together at the end of the meeting so that you both have an accurate and documented understanding of what will happen. If that can’t happen, either because your boss won’t or one of you has to go, recap what was agreed to in an email and send it to your boss. In a best case, they respond, “Okay.” Even if they do not reply, you have a time-stamped document that was sent to them with the detailed terms.

Now go in there and get that raise!



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