

The art of salary negotiation, is to paint a realistic picture.

Negotiating a salary is as much about how you ask, as what you are asking for. In thin labour markets it is a complex challenge than can easily go wrong.

SALARY NEGOTIATION

The subject of salary negotiation has a much greater significance today, as companies considering taking on new hires are being ultra cautious about cost.

In a thin labour market only perfect fit hires are made. Where previously, a candidate who thoroughly met an organisation's hiring criteria might have expected a salary premium, today it takes that perfection to simply get the job offer.

Make sure you leave your salary negotiation until the final process stage, otherwise the hiring manager might not yet be convinced of your worth. However, from the outset you should ask the salary range at which the job is pitched, otherwise you risk wasting your own and the prospective employer's time. If you are attending for interview through a recruitment consultant, make sure they give you a detailed breakdown of the compensation attached to the role before you attend. If you are applying for a job directly to an organisation, indicate to the contact point your salary expectation. Without any express commitment on their part, ask them to confirm that there is some overlap between your expectation and their approximate range.

Apart from structured pay grading systems in the hiring company, there are two primary factors, that determine the salary level you should aim for.

The first of these requires you to complete an accurate assessment of your needs. Review your monthly requirements in detail and make sure you are clear in your own mind what these needs are. The second of these is your "value" in the market place. To be clear, this value figure has nothing to do with any salary a previous employer may have paid you but everything to do with how available an alternative to your skill set is, to the hiring company. Your value is determined by this factor alone and increased if your skill set is in high demand but short supply.

Other factors such as the location of the hiring company, existing resources in their organisation, any relevant additional attributes that you bring and your stretch potential for future roles can influence this. Today, your "value" is a far greater determinant of likely salary offer than your needs.

You can learn a lot about your "value" figure by talking with experienced recruiters. Ask them to back up their comments to you and cross reference to make sure you have a good understanding of the basis of your value in the labour market.

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Naturally, you need to deal with the salary question at interview when ever it arises. But be prepared for it, by making sure you have an idea of the overlap discussed earlier. Be frank, be realistic and be flexible about your expectations, don't give responses such as "open" or "not sure". You can always reverse the question by asking what compensation value they place on the role.

Despite how you may feel, employers are not simply trying to get the cheapest deal done. Most organisations are working to strike a balance between what they can genuinely afford to offer for a position, internal structural constraints they may have and what they feel they must pay in order to retain talent. No one wants to be re-hiring six months later due to under paying a new hire.

The new reality for many people, is that salaries are lower and will stay that way for some time. Be flexible around how the total value of your compensation package is structured. Don't get hung up about basic salary if there are bonuses, benefits or onboarding payments that can make up the difference.

Work through a compensation package step by step to ensure you get a true understanding of the value of each element and the terms under which it is being paid to you. If you are negotiating directly with a company, this is the process to

follow too. As with all successful negotiations, positive outcomes are about achieving a point of compromise acceptable to all parties and not ending with one party feeling short changed.

Begin your negotiation by thanking an employer for the job offer, re-affirm your interest in their company and their role. How you conduct yourself during the negotiation often has a significant impact on how close to your goal you achieve. Unrealistic expectations or over-demanding requests can indicate a lack of understanding and maturity and wind up in an offer being withdrawn. Make sure you continuously draw a link between your value to the organisation and the offer you seek. Remind the employer of your interest in and commitment to the job on offer.

Realise when the end is reached. Continually asking for more really turns employers off. In the case of most job offers, there is room for at least minor movement, so don't be afraid to look for it. Just remember that how you handle 'the ask' is as important to the employer as what you are actually asking for.

Hopefully, you will both end up in a long and rewarding professional relationship.

