



Negotiation

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SALARY NEGOTIATIONS ESSENTIALS:

BUILDING YOUR TOOLKIT

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CONTEXT FIRST

DID HUNDREDS OF THOUSANDS OF WOMEN JUST DROP OUT OF THE WORK FORCE? (GUPTA, 2020)

- ▶ Collapse of women dominated industries: hospitality, education, entertainment, some parts of healthcare.
- ▶ Feel they needed to be “always on” “can’t disconnect” and being “judged” for caregiving.
- ▶ Childcare - working mothers and “double shift”.
- ▶ 1 in 3 women downshifting or leaving workplace.

Off Ramp- across sectors women lose 37% of earning power when they spend 3 or more years out of workforce. (Hewlett & Luce, 2005). *Harvard Business Review*

- ▶ “Covid 19 has disrupted the workplace in ways we’ve never seen before” (McKinsey & Company Women in the Workplace Report 2020)

THINK MANAGER THINK MALE

(SCHEIN, 1992)

The fact pattern:

- ▶ Less than 25% are C Suite CEO, COO, CFO, Exec. V.P., (Korn Ferry, 2020)
- ▶ Less than 20 % are directors on boards (Catalyst, 2019)
- ▶ Fortune 500 companies have 38 women CEOs and 3 women of color
- ▶ Of 3,000 top companies 167 have women as CEOs. (under 6 %; *Wall Street Journal*, 2020)

THINK MANAGER THINK MALE FACT PATTERN (CONTINUED)

“Women account for more than 75% of workers in 8 of the 20 occupations with the lowest median weekly earnings”.

Lower wage and service sector jobs in retail, personal care, health and food service industries.

Women are more likely to work part time.

In 2021 median weekly earnings for full time female workers was 83.1 % of men’s earnings.

(Cambon & Rivas, 2022)

THINK MANAGER THINK MALE:

IMPLICATIONS

- ▶ For today's women, a \$5,000 difference in starting salary can equate to **nearly \$500,000 in lost wages by retirement** (LeanIn.org, 2016).
- ▶ “Women with a college education born between 1955 and 1959 and **worked full-time, year-round each year lost, nearly \$800,000** by age 59 due to the gender wage gap” (Institute for Women's Policy Research, 2016).

WHY DOES THIS MATTER TO **ALL** OF US?



WHAT IS YOUR SALARY SITUATION AT THIS TIME ? REFLECTION #1: GROUND YOUR EXPERIENCE

- Take a few minutes to think about your current salary negotiation or a recent situation before we proceed:
 - Circumstances
 - Your Approach
 - Outcome

NEGOTIATION BASICS: SELF AND SITUATIONAL AWARENESS

1. KNOW WHAT YOU WANT OUT OF THE NEGOTIATION

2. AIM FOR COLLABORATION NOT COMPETITION
3. GO FROM BIG STUFF TO SMALL STUFF

Remember anchoring – the person who comes up with the first number has the power in the negotiation as every number that follows is compared to the first number

4. NEGOTIATION FATIGUE

Negotiate a few things not everything

NEGOTIATION BASICS

5. NEGOTIATE LIKE YOU WOULD FOR A FRIEND

Seek emotional distance from the process stay off the emotional rollercoaster

6. CONFIDENCE IS KEY

7. BE PREPARED TO WALK AWAY

8. GET EXPERT HELP

9. BE COMFORTABLE WITH DISCOMFORT

UNPACK THE OPTIONS FOR BUILDING TOOLKIT FOR YOUR SALARY NEGOTIATIONS

WHAT: Resources

Familiarize yourself with pay practices for your level, type of job, and your industry.

WHEN: Negotiating an External Offer

1. **Online:** Glassdoor.com., Salary.com, job search engines: Indeed.com and Monster.com
2. **Professional Organizations:** Attorneys, Nurses, Corporate Trainers
3. **Annual Reports: CD&A:** (check the Compensation Discussion and Analysis of the annual report)
4. **Social Media: Blog posts, Twitter. Online Communities**
5. **Friends and Colleagues**
6. **Organization Information – Pay Practices**
7. **Offer Letter – Look at the Compensation and benefits package THE TOTAL REWARDS...**

7. OFFER LETTER: WHAT IS IN TOTAL REWARDS?

PAY CLOSE ATTENTION

- BASE PAY (annual figure for salaried employees and hourly figure for non-exempt)
- DIFFERENTIALS – shift and geographic
- CASH INCENTIVES – annual bonus/incentive, commissions, profit sharing, COLivingA, COLabor, merit pay, timing of next review
- Equity and Long-term Incentives –stock options. Restricted stock, share units, long-term cash for performance, deferred compensation

7. OFFER LETTER: WHAT IS IN **TOTAL REWARDS?**

PAY CLOSE ATTENTION

BENEFITS

- **INSURANCE**- healthcare, dental, vision, prescription drug, life, pet, eldercare
- **RETIREMENT** – 401(k) programs, match contributions, pension, government
- **PAID TIME OFF** – holidays, vacation and paid time off (PTO), accrual rates, sick leave, parental/family leave, sabbatical
- **OTHER** – Employee Stock Purchase Plan (ESPP), tuition reimbursement/Assistance, student loan repayment, discount programs, recognition programs, remote work benefits, pet benefits

7. OFFER LETTER: WHAT IS IN TOTAL REWARDS?

PAY CLOSE ATTENTION

BENEFITS CONTINUED

- RELOCATION (**Tied to level of the job**)– origination services, household goods move, home finding assistance, transportation, destination services, home selling and /or home buying, relocation allowance, timing

7. OFFER LETTER: WHAT IS IN **TOTAL REWARDS?**

PAY CLOSE ATTENTION

OTHER

- **WORK CONDITIONS (May not be negotiable yet impact & important to how much you love your job)** – work schedule, location, office space, and growth opportunities
- **INTANGIBLES** – Organization and Team Culture, Brand Recognition, DEI, Direct Manager, Organization Leadership

FROM THE WSJ 4/7/22 THE INFLATION FACTOR: SALARY NEGOTIATIONS

- Those who don't push for more pay risk losing out on what extra money companies are putting toward raises this year. Employers say they set aside an average 3.9% of total payroll for wage increases in 2022—the most since 2008—according to the Conference Board, a research group.
- **“Even people who loathe asking for a raise can ill afford not to amid the highest inflation many have seen in their working lives.**
- **Questions are the No. 1 under-utilized superpower in negotiations,” she says. Acknowledge the number as a great start, she says, then point out accomplishments that might have been overlooked to justify why you are asking for more.**
- **For people who hate to negotiate, keeping the discussion as objective and fact-based as possible can help make asking for a raise less nerve-racking, says David Buckmaster, a compensation executive and author.**
- **Write down what you plan to say beforehand and be ready to cite market data on salary ranges—though avoid arriving with a manila folder stuffed with print-outs—he advises.**
- Improved salary-tracking websites, plus salary transparency laws in Colorado, New York City and other states and cities have made it easier to get more accurate compensation data that is harder for employers to dismiss, he points out. “There are a lot better tools now than there were prepandemic,” he says.
- **His advice for others? Don't be afraid to ask for more than you think you will end up with. “There's a lot of wiggle room to negotiate,” he says.**

JUST DON'T IN PAY NEGOTIATIONS

- ❑ DO NOT BE A JERK
- ❑ DON'T ASSUME
- ❑ DON'T BE CLUELESS
- ❑ DON'T WING IT
- ❑ DON'T TAKE THINGS PERSONALLY
- ❑ DON'T LISTEN ONLY TO YOUR LOVED ONES
- ❑ DON'T MELT DOWN
- ❑ DON'T STAY WITH IT IF YOU ARE NOT INTO IT

JUST DON'T

- **USE WISHY WASHY LANGUAGE**
 - I was hoping, I feel
- **USE COMBATIVE LANGUAGE**
 - Take it or leave it, you cannot be serious
- **DO NOT ACCEPT ON THE SPOT**

NEGOTIATION BASICS

I. KNOW WHAT YOU WANT OUT OF THE NEGOTIATION

REFERENCES & RESOURCES

- References:
 - Dixon, K. (2020). *Unlocking insider secrets of salary negotiations: Pay up*. Oregon: Oceanside Press.
 - Miller, M. (2022). *Guide to successful salary negotiation*. *Soaringme.com*
 - Inflation is driving workers to demand raises to fight rising prices. (April 7, 2022) *Wall Street Journal*
 - [aauw.org/salary](https://www.aauw.org/salary) Online, self-paced salary negotiation training.



THANK YOU



**COMMENTS, QUESTIONS &
REFLECTIONS**

