

# HOW TO NEGOTIATE YOUR SALARY



A GUIDE TO NEGOTIATING  
THE SALARY YOU DESERVE



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# How to Negotiate Your Salary

## A Guide to Negotiating the Salary You Deserve

Negotiating salary better is something that everyone should be focused on.

No matter when the last time you negotiated for a better salary was, the time will come again when the value of the work that you do is not reflected in the compensation you receive for that work.

When this time comes, it's important to approach the issue objectively, build an evidence-based case for your desired salary and negotiate for this salary.

This guide will cover the basics of negotiations, how to find out your objective value from job market data, best practices for salary negotiations, how to negotiate a raise and what you should do after a salary negotiation.

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# What are Salary Negotiations?

Salary negotiations are discussions between yourself and a representative of your current or prospective company that aim to help you secure a higher salary.

It doesn't matter if you're a long-time employee or a new hire: if you feel that your salary isn't enough, you should feel empowered to negotiate in order to get what you deserve.

When you decide that you want to negotiate for a better salary, be prepared to:

- **Build your case:** You will need to prove that you are worth investing in, with specific examples of value you've given to employers in your career.
- **Face some resistance:** Even air-tight cases for a salary increase can face resistance, so be prepared to answer questions, especially, "Why do you deserve this salary?"
- **Strike a Balance Between Firm and Flexible:** Your salary negotiations won't go well if you refuse to give any ground or say "yes" to a minimal salary increase. Be prepared to go back-and-forth during negotiations and be sure that any compromise reached is acceptable.

# Importance of Negotiating your Salary

It is important to understand that negotiating your salary is a perfectly normal part of the employment process and that getting the salary you deserve is part of advancing in your career.

Your salary is more than a deposit to your bank account: it's how your company shows you that they appreciate your work and value you and your skills.

Your salary is also how your company supports your work - life balance, with career development, work flexibility and health-related perks.

Negotiating for some of these perks will help you to get the complete salary and benefits package you need:

- **University Tuition Reimbursement:** College tuition is only getting more expensive, and negotiating for tuition reimbursement is highly appealing for people who want to continue their education.
- **Training, Professional Development + Certifications:** Not every company offers effective professional development and/or certification programs, and career-minded professionals should be sure to negotiate for professional development resources.

- **Mentoring + Coaching:** This perk is nearly priceless because it can lead to both professional growth and growth of interpersonal relationships with talented leaders in the company.
- **Childcare:** The costs and time requirements of child care add up quickly, and negotiating for childcare is a great way for parents to secure a better working arrangement.
- **Health + Fitness:** Other than medical and/or dental insurance, negotiating for health and fitness benefits (such as fitness stipends, healthcare/dental coverage, etc.) can add value to your bottom line.
- **Flexibility:** Being able to work from home, work while traveling or work on a different schedule can be more attractive to some people than a higher salary. While rupee signs definitely matter when negotiating your salary, these forms of compensation that should be considered before taking a new offer or re-signing on a dotted line.

# How to Find Out What You're Worth

Before you go into a salary negotiation, it's crucial that you find out, objectively, how much someone in your position, with your experience and in your location, should be paid.

Salaries range greatly by industry, seniority, and geography, and getting the salary you want will depend on asking for a realistic compensation package.

## Define Your Range and Do Online Research

First, you need to find out what people in your position, with your level of experience, are making in your area.

Being an office manager in Patna, Bihar, for instance, yields a different average salary than being an office manager in Bengaluru, Karnataka does.

To get a sense of what the ballpark salary is for your job title, a simple search on Internet will give you baseline information.

# Salary Negotiation Tips

Salary negotiation doesn't have to feel uncertain or intimidating.

As long as you've done research to learn a realistic salary range to ask for and have a plan in place for navigating the negotiation, there's nothing to worry about. Following these tips will also help you to have effective salary negotiations .

- **Have a salary range rather than a single figure:** When pressed for your salary requirements, you should always be sure to offer a range based on what others in the field are earning, rather than a single fixed number, says Sawan Kapoor, founder and CEO of Dire To Hire, India's leading career racing service. Having an acceptable salary range helps you to negotiate and find compromise more easily.
- **Don't Sell Yourself Short:** One common mistake when talking about previous salary is forgetting to include benefits as part of your total compensation, says author Don Hurzeler. For example, if you are earning INR 30 lakhs a year with a 20% bonus plus health, dental and other incidental benefits, you should answer the question by saying, "INR 36 lakhs plus generous benefits."



- **Practice your pitch at least once before the actual negotiation:** Find someone to listen to your proposal for salary increase, so you can feel the cadence of your speaking points out loud in a conversational setting. Much of a successful negotiation boils down to feeling comfortable and practiced.
- **Be gracious:** If you're at all worried about coming across as demanding or ungrateful, there's a very simple solution to that: be gracious. No matter the outcome, be understanding, appreciative, and thankful for the opportunity.
- **Be confident in your delivery:** It's extremely important to put on your game face when the moment comes for negotiation. Bring confidence to the delivery of your pitch and in the negotiations that follow.
- **Avoid accepting the first offer:** If you need time to evaluate an offer, say so. Schedule your next meeting 24-48 hours out and come back with your counter offer.
- **Understand your leverage:** Your negotiating power will vary depending on your current employment situation. For example, if you are unemployed and applying for work, expect to earn approximately what your old salary was or slightly less. This is unless you follow the SPT model and can build a value proposition that helps you target a higher number.

Asking these questions will also help during salary negotiations for a new or current job:

1. **“Can I negotiate this offer?”** Make sure to start off by asking if the offer is negotiable in the first place.
2. **“Besides the base pay, what other benefits are negotiable?”** This can include medical insurance, support for education and training, paid leave, vacation time, moving expenses, and PF/ESI contributions, just to name a few.
3. **“How did you calculate this number?”** By asking this question, you’ll be able to see if the number you’re being offered is a hard cap or a potential springboard for negotiation.
4. **“What’s the outlook for salary raises or promotions?”** Whether or not your salary offer is negotiable, it’s important to know what the future potential is a raise or promotion.
5. **“What metrics do you use to evaluate the success of employees?”** This is an important follow-up question to ask in salary negotiations and, if you end up working for the company, this information will help the next time you’re back at the negotiating table.
6. **“Can I get the salary offer in writing?”** Verbally settling on a negotiation in your favour is great, but it doesn’t mean anything until it’s on paper.

# How to Negotiate a Raise

Even if your manager understands the value you're adding to your company, it doesn't mean they'll proactively offer you a raise — you have to prove your case for a raise just as surely as you have to prove your case for a higher starting salary at a new job.

## **Leverage internal moves**

A new role in your company provides a great negotiation opportunity. If you are considering a promotion or new job with your current employer, don't buy the argument that management's hands are tied and pay growth is capped. Use market data to lay out what it would cost the company to try and hire off the street, and ask for it. You will likely find resistance, but be firm in your stance.

## **Choose your moment**

Maybe it has been a while since your last pay increase, but you still need to pick a good time to negotiate for a raise if you're serious about getting it. A great time to bring up the subject of a raise is when you know your manager is impressed with your performance and/or in a good mood.

## **Be firm and persuasive when stating your case**

Confidence and persuasiveness are essential for successfully negotiating a raise.

# What to Do After a Salary Negotiation

Whether you've just negotiated successfully or unsuccessfully, it's important to already start thinking about the next salary negotiation so you can set yourself up for success.

## **Your responsibilities will increase**

If your salary increase also came with a new job title, that's more of a promotion than a salary negotiation. But even if you still have the same job, your responsibilities still might increase if you were given a pay raise. Since you stepped up and showed your worth, you'll have to prove you were right about deserving more pay.

Your boss expects more out of you now, whether your higher salary came with changes to your responsibilities or not, and exceeding their raised expectations is important for getting that next raise or promotion.

If you didn't get something in writing, make sure you get a letter or e-mail from your boss with the details of the new role outlining what they expect from you. Most importantly, make sure you know when your job changes — whether it's immediately, or at the start of the next quarter.

## **Your boss will have more respect for you**

As you go back to work post-negotiation, you might find your boss trusting you more or asking for your input on bigger decisions. Moreover, after they've seen the kind of confidence you have and how you view your work performance at the company, they will likely have greater respect for you.

Salary negotiations can be tough and nerve-wracking, but when you have a successful discussion, it sends at least two positive messages to your boss. The first is that you have plans to stick around at the company for a while, which is a good sign to any leader. The second is that you're someone who is focused on the value of the work that they do and your boss will respect that directness and negotiation prowess.

### **You're not done negotiating**

After a salary negotiation, it's important to know that it wasn't the last. Your job might become harder if you end up taking on new responsibilities, or you might find yourself with a promotion next year.

A lot can happen in the next year or two, so it's important to consistently make sure that you're being paid fairly for the amount of work you're doing.