



Be an Effective Negotiator — How to Get the Salary You Want

I

ONCE WHEN FLYING TO A MEETING, I began talking to the man seated next to me on the plane. He told me that he had been downsized about six months earlier from a senior management position and was on his way to a job interview. My seatmate said that he had made the final cut in several previous interviews, but had never been offered a job and hoped that this interview would result in an offer. When I asked him what kind of a salary he was seeking, the man reached into his briefcase and pulled out a carefully typed sheet that he said he always showed a potential employer at the *beginning* of the interview.

On the top of the sheet was the heading "Employment Terms," and below was a list, as he described them, of his job "requirements." I read down the page and saw that he was seeking a salary of \$125,000, equity participation, 31 days' vacation a year, tuition reimbursement for graduate courses, a private parking space, and so on. I had read enough to know why he would be still looking for a job after his interview. He was ignorant of even the elementals of salary negotiating.

Negotiating a financial package is every job seeker's final hurdle. It is also their nightmare. The topic of one's own worth can make even the most secure person apprehensive. Further, many people are so happy at having received an offer that they fail to take advantage of their leverage at this critical time. The temptation is strong to settle salary questions as quickly as possible and be willing to accept an employer's first offer. However, this may not be the best way. Your negotiating strength is never greater than at the moment the firm invites you to join its team. This chapter will suggest several ways to prepare yourself for salary negotiations.

Guidelines for Salary Negotiations

1. Avoid Premature Disclosures

We have already seen that questions about salary requirements can surface early in a job search, particularly in newspaper advertisements or during phone screening interviews. In a perfect interviewing scenario, the question of salary requirements should occur only after the employer has made the decision to hire. However, today, the salary question is often raised early in the hiring process. But just as you would never show your cards before sitting down to play poker, it doesn't make sense to commit yourself to a specific figure before you have a better understanding of the job requirements and the employer's expectations of its employees. What do you do?

You reply in one of the ways suggested earlier:

I'd hesitate to give a specific figure until I have a better understanding of the job description and your expectations for the position.



If you have researched local legal salaries, respond with a range:

2

I believe that figure is in the low end of the range for this position in the San Francisco Bay area. With my credentials and this job profile, I would think that a salary of X, at the higher end of that range, might be more appropriate.

You can shift the focus away from the salary to the topic of the job fit:

I'm honestly not comfortable discussing money right now because I don't want to box myself in prematurely. First, I'd like to know a little more about the position and what it's like working at your firm.

You can say that you are flexible, but put the burden on the employer:

My salary requirements are negotiable. I'm interested in finding the right opportunity, and I'll be open to any fair offer when I do. What's your salary range for this position?

2. Research Pay Levels

Instead of underselling yourself or overestimating your worth, before you go into a job interview, research levels of legal compensation in your area. You can, of course, obtain this information informally from your networking contacts and from friends at other firms. However, more precise legal salary resources are available on these Internet salary calculators:

www.lawcrossing.com: Under the site's job resources, go to Salary Survey, and you will find salary information by firm name and city.

www.findlaw.com: Click on **Legal Careers** to connect with the salary finder.

www.law.com: This will take you to the career center at **www.lawjobs.com**.

These sites have excellent data and insider information from "greedy associates" geared toward law firms in specific geographical areas. However, this information might be slightly skewed to big-firm salaries.

For perspective, compare these figures with the legal salary surveys in three general salary finders:

www.careerjournal.com: This is the salary survey of the **Wall Street Journal**. Under "Salary Survey Info," click on the "Salary Calculator," navigate to "Law," and select one of the "Legal Salary Tables."

www.salary.com: This site has a **Salary Wizard**. Select "Legal Services," enter your zip code, and then choose a specific legal job title to create your personalized Salary Report graph. This salary



finder includes information for many levels of attorneys, in a wide geographical diversity, including associates who are 0-3, 2-5, and 5-8 years out of law school. In addition, salary information is provided for specific legal job titles, such as General Counsel, Associate General Counsel, Judge, "Top Legal Executive," Managing Attorney, and so on.

http://jobstar.org: Here is a **catchall site** that offers a Quick Guide to salary surveys and can connect you to more than 300 general and profession-specific salary surveys.

3. Consider All Pay Elements

If the initial offer of the base salary seems low, do not decline the job in haste. Rather, take this as a clue to negotiate for other forms of remuneration. In some situations, it might make sense to trade a lower salary for a company car, more vacation time, flexible working hours, or child-care benefits. For example:

Sara, a senior associate, leaves her well-paid position with a law firm to be director of a law school's career planning office. Although her level of compensation at the law school is well below the compensation level of her firm, she accepts the offer of her new position partly for the tuition benefits that will greatly assist the education of her two teenage daughters at the university.

Weigh carefully the value of a full medical, dental, and vision benefits package. Sometimes, when bound by salary-scale restrictions, employers will have the flexibility to sweeten a seemingly lower offer with retirement, stock options, or profit-sharing plans.

4. Request Frequent Performance Reviews

A position that pays a premium salary, but is reviewed only annually—if at all—may not be as good a deal as a job with a lower starting salary, where the associate's work is reviewed two or three times in the first year. This offers the opportunity to negotiate incremental salary increases based on performance—terms some employers might accept. You might say:

I would be willing to accept your offer if my salary were reviewed in six months.

5. Place a Value on the Job Itself

If the initial salary offer is low and you feel you have little "wiggle room," try to calculate the position's real value to you in terms of positioning; that is, in terms of improving your skills, broadening your work experience, building your resume, or providing access to a particular professional network.

Recall the case of Howard Lardner. Howard was a lawyer who desired to transfer his considerable abilities in fund-raising to a development position at a university or private foundation, but was unable to find employment. His solution was to accept, as much for the resume credential as for the



work experience, a far less remunerative position as Director of Development for a private school.

4

6. Make Notes on Verbal Understandings

In informal compensation and benefit discussions, particularly when the salary figure has been negotiated, well-meaning employers, anxious to conclude the hiring process, will sometimes sweeten the pot. They will add elements to the total package in areas where they have a certain amount of flexibility. A new hire, for example, may be promised three weeks of vacation, rather than the standard two. Again, a lawyer who brings significant business portables to the firm may be assured of the full-time assistance of a secretary or paralegal, or a promise may be made of remuneration for continuing legal education.

Later, when work piles up or vacation time comes around, these pre-employment assurances may be forgotten, not necessarily through malice or duplicity, but through an oversight on the part of the head of the firm's hiring committee. Another employer, after salary negotiations and discussion, may call to say that you are hired and your starting salary is a certain amount, but the follow-up letter confirming your employment will quote a figure thousands of dollars less.

These true-to-life examples, and other similar experiences, illustrate the necessity of not trusting memory alone and the need for making careful notes of any pre-employment verbal assurances. This does not mean a tight-lipped stenographic record of the conversation, but a casual noting of figures and promises at the time they are enunciated. This can be done very easily and in a self-deprecatory way by saying, "That's great! I'll probably forget to tell my wife the details when I get home; so I'd better write them down."

Wait for all the terms to be stated when an offer is made, and be sure to clarify any areas or arrangements about which you are not completely clear. Assumptions, especially when talking about working arrangements, can be dangerous.

An employer will usually follow up its verbal offer with a letter containing the salary and other employment agreements. If your informal understandings are not included in this letter, then refer to your notes. Write back your acceptance, including the terms that were negotiated at your meeting as you understand them. Your notes will ensure that no items are overlooked.

7. Always Request Time to Consider an Offer

When you receive an offer, just as when you are invited in for an interview, stall. Ask for time to consider the offer before accepting. Say that you want time to "crunch some numbers" or "run it past my financial advisor." But no matter how hard you are pushed, especially over the phone, never accept when the position is first offered, and always play for time.

You need the opportunity to reflect in the clear light of day and want to avoid making a serious employment decision impulsively. Business practice today seems to be to offer about a week to think



over an offer, but you can stretch that for a couple of more days by asking for it in writing. Then, decide whether you want to accept it or make a reasonable counteroffer.

5

8. Make a Counteroffer

Your approach to salary negotiations will usually reflect your personality and your communication style. For some people, everything is on the table, everything is negotiable. But others, believing that salaries are preset, hesitate to negotiate anything and accept an offer as soon as it is made.

As general rule, it is safe to assume that the first salary figure quoted is probably the minimum. After all, with an eye to the bottom line, law firms want to control costs. When a managing partner quotes a figure, it is probably at the low end of the range and a place to begin negotiations. Therefore, after a salary figure is stated, I suggest a simple negotiating ploy that threads the way between asking for everything and asking for nothing.

When you have the offer in hand and have waited a few days, call back and express your enthusiasm and appreciation for the offer with words that, at the same time, contain praise for the company, but are also a request for a higher figure, or some additional perk. Here is the simple formula: "I like X; I like Y; I like Z. However . . ."

An example:

Mr. Bramante, I deeply appreciate your offer. This is the kind of position I've been seeking; I'm impressed with the quality of people at your firm; I like the idea of working with Mr. Angelo, and the benefits package is excellent. However, I was thinking that based upon my experience and considering the job profile, a figure of X would more appropriate.

Alternatively:

However, the offer is lower than I anticipated. Perhaps we should consider a one-time signing bonus of \$10,000.

In Determining Your Terms, Consult the Cost-of-Living Index

In order to help you determine your salary requirements, especially when moving to a new area, you can easily make a cost-of-living comparison between your old and new locations. The Cost-of-Living Index is produced by the American Chamber of Commerce Researchers Association (ACCRA). These Index numbers, with 100.0 as the national average, are based on the composite prices of groceries, housing, utilities, transportation, health care, clothing, and entertainment for each of its listed cities. The Index for major metropolitan areas is published quarterly.

Sample ACCRA Cost-of-Living Indexes can be found on the Internet. Using the index and simple math, Julia Grant can come up with an estimate of the level of compensation she would require in



the San Francisco area, with a cost-of-living index of 179.8, to at least match the buying power of her present salary, in the Atlanta area, where the Index is 101.8.

6

To calculate the San Francisco equivalent of a \$52,000 Atlanta area salary, Julia would use this simple formula:

$$\frac{\text{San Francisco}}{\text{Atlanta}} \frac{179.8 \times \$52,000}{101.8} = \$91,842$$

Cost-of-living comparisons between some cities are surprising. Suppose that Julia receives an impressive offer of \$75,000 from a San Francisco firm. To evaluate that offer in Atlanta dollars, she would reverse the order of the cities in the formula and come up with the buying power of the San Francisco offer:

$$\frac{\text{Atlanta}}{\text{San Francisco}} \frac{101.8 \times \$75,000}{179.8} = \$42,464$$

In terms of buying power, she would obviously be taking a cut in salary, even though a quick glance at the raw figures would suggest a generous salary increase of \$52,000 to \$75,000.

For the mathematically challenged, several other websites also have cost-of-living calculators available for your use.

A note about cost-of-living figures: Remember when using an Internet cost-of-living calculator that Index numbers cited for a particular city may vary significantly from one website to another. These variables in Index ratings appear to be due to the date of the Index figures on which the individual calculators are derived.

A Final Word

Most employers, except those who are hiring new law school graduates, expect a counteroffer. A salary offer is a window of opportunity. You have nothing to lose by asking, but your goal in negotiating is to reach a mutually acceptable agreement with a colleague, not to squeeze every possible dollar out of the firm. **Remember,** if you do not ask, you will not receive.