

Salary Negotiations Are About More than Money

BY AMY R. RAMOS
SPECIAL TO THE DAILY SOUND

The reference checks on your first-choice job candidate were all positive, so you want to make an offer before another company snaps up this hot prospect. But your employment ad simply said the salary would be "competitive," and the candidate's cover letter said her salary requirements were "negotiable." It's finally time to discuss a specific dollar figure. To get some insight about how to handle this sensitive negotiation, I spoke to Deb Peters, who has worked in the high tech, medical device, and manufacturing industries and is currently teaching a course on compensation for the Human Resources Management Certificate Program at UCSB Extension.

Q. How should a hiring manager work with the HR Department to ensure a salary offer is appropriate?

A. HR needs to bring in valid numbers — such as recognized, reputable salary survey data from a firm like Culpepper, Radford, or Mercer — but sometimes hiring managers may have salary data from their professional network that HR wouldn't have. There may also be anecdotal information from former employees who left for other companies. You can put all that together so you know what the job is worth on the labor market before the recruitment process ever starts.

Q. If a manager wants to bring in a new employee at higher than the usual starting salary, does the manager need to be concerned about internal inequities?

A. If a manager believes the company is underpaying a whole group of people in a particular job, the manager should work with HR to address that larger issue, and not simply take care of the new person. To evaluate the new hire, I look at prior appli-

able experience, current salary, length of time in current job. Is the applicant in a hot field, or one where talent is scarce? What does she bring to the table that our company can't live without? There might be a strong case for paying this individual a higher salary, but it's important to look at the big picture. People will talk about the salary decisions you make—California law protects employees' rights to discuss salaries among themselves. I like to remind managers, "Whatever you pay this person, you'll have to live with it and the consequences." If the person turns out to be a mediocre performer, as a practical matter you're not going to lower the base salary.

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Q. What are some common pitfalls for managers when negotiating a salary with a new hire?

A. Neglecting to find out what's driving the candidate's job search, assuming that a candidate will be lured by a high salary when what matters most to that person may be a flexible schedule or the opportunity to work for a high-profile firm. It's also important for the manager to keep in mind the organization's pay philosophy—if your company's policy is to pay market salaries, it's hard to argue that you should be a pay leader for a single job. And if you decide that what the person will bring to the organization is worth departing from your established philosophy, be prepared to deal with internal politics and possible turnover.

Hiring managers need to ask themselves: Am I representing the company's interest or my own? And did I treat this candidate—and the rest of my team—the way I would want to be treated?

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