

LAND A GREAT CATCH WITHOUT BREAKING THE BANK

10 Tips for Successful Salary Negotiations with High Performers



You've found a superstar with the ideal skills, personality, and experience for the position – Congratulations!

But you still have one hurdle to overcome – salary negotiations. Landing the cream of the crop without disrupting pay scales can be tricky. To help, here is a quick list of strategies for negotiating salary with high performers:

1. HAVE THE RIGHT MINDSET

Negotiation is a process, not a war. At all costs, avoid the pitfalls of the “us vs. him” mentality. Instead, enter the salary negotiation process prepared and open-minded. Always remember the ultimate goal, which is to hire the best possible candidate for your company.

2. DO YOUR HOMEWORK.

Rest assured your candidate will have done his. Before heading into negotiations, prepare yourself:

- Review relevant, up-to-date salary surveys.

- Know what your competitors are paying.
- Understand current market conditions (is there a candidate shortage, or are good jobs hard to come by?)
- Recognize economic conditions that are impacting your industry.
- Factor in cost-of-living differences (will the candidate have to move from Pittsburgh to San Francisco?)
- Develop a comprehensive compensation package to offer (see tips 7-10 for ideas).

3. USE A NEGOTIATING POINT PERSON.

In multiple interview situations, a candidate may ask salary questions of more than one interviewer. Be prepared. Prevent potentially catastrophic communication errors by designating a single person to discuss and negotiate salary with a candidate. If the candidate poses salary questions to another interviewer, that interviewer should defer to the point person.

4. GET THE FACTS.

Before opening negotiations, make sure you have the candidate's complete salary history information (including bonuses), as well as compensation expectations. As a rule of thumb, you will usually need to offer five to ten percent more to land the candidate, before factoring in cost of living differences.

5. EXPECT HIGH PERFORMING CANDIDATES TO BE SAVVY NEGOTIATORS.

Get ready for a sparring round. A top performer's success is due, at least in part, to strong negotiation skills. Instead of being put-off by an aggressive negotiator, remind yourself that this candidate will bring those negotiation skills to your company and use them in his new job.

6. NEVER LOWBALL A CANDIDATE IF THERE IS A GOOD FIT.

A high performer knows what he's worth. If you lowball him in an attempt to save a few thousand dollars, he will likely be insulted and reject the offer without even countering.

7. SELL THE INTANGIBLES.

To land a high performer without breaking

the bank, it's critical to identify his "hot buttons" – intangibles which are just as important to him as money, such as: challenging work; opportunity for advancement; location; flexible hours; performance/salary review after six months, etc. Leverage these intangibles to sweeten the deal when your pay range is maxed out.

8. BE UPFRONT IF YOU CAN'T NEGOTIATE.

If your initial offer is not negotiable (because of budgetary or other constraints), tell the candidate when making the offer. If possible, provide an explanation:

"We're offering \$70,000 in base salary. Others who have been with us for up to 10 years are within a couple thousand dollars of that base, so you can see how much we value you. In addition, you can earn up to \$20,000 in bonuses during your first year. As you build your accounts, you will have the potential to earn well over \$100,000 – which is what many of our business developers currently earn."

The candidate will understand that your base salary offer is firm, and will then move on to negotiating other parts of the compensation package.

9. DEVELOP A PERFORMANCE PAY PROGRAM.

To avoid high fixed costs, improve your offer with bonuses linked to performance. Remember, a high performer is driven. He relishes the opportunity to set and achieve objectives, so incentive-based pay is a big motivator. When discussing performance pay, let the candidate know that the two of you will develop measurable objectives he must attain to earn the bonuses.

10. THINK OUTSIDE OF THE BOX.

Develop creative ways to entice top performers to join your team. Beyond typical benefits like health/dental, 401(k), stock options, and vacation, consider what else your company could offer that would appeal to a top performer. Ideas include: tuition reimbursement; occasional telecommuting days; professional development perks (e.g., seminars, conferences, professional association memberships, etc.); or mentoring opportunities.



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