

Changing role of human resource management assignment



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Journal of the American Dietetic Association Volume 104, Issue 7, July 2004, Pages 1064-1068 doi: 10. 1016/j. jada. 2004. 05. 201 | How to Cite or Link Using DOI Copyright © 2004 American Dietetic Association Published by Elsevier Inc. | Cited By in Scopus (0) | Permissions & Reprints| | Practice Application: Business of Dietetic Salary and compensation negotiation skills for young professionals¹ and ² Robin L Pinkley Available online 20 June 2004.

Referred to by:| | Salary and Compensation Negotiation Skills for Young Professionals Journal of the American Dietetic Association, Volume 107, Issue 4, Supplement 1, April 2007, Pages S23-S27, Robin L. Pinkley PDF (68 K) | | Article Outline Negotiation perspectives Barriers to negotiation The question of salary Steps to success The counter-offer What distinguishes the best negotiators, the class of negotiators called master negotiators, from others who have lots of experience but do not bring back the kinds of outcomes that master negotiators bring back?

Masters are distinct from other negotiators in that they have a very firm objective—to maximize their own gain. Normally, people want to find an outcome that maximizes joint gain. When the objective is to maximize joint gain, what people end up doing is measuring it in terms of “when-when” or “happy-happy,” which would be fine, except happy-happy is really, “can you live with it?” Both parties work to obtain their bottom line. Having obtained it, they are satisfied and they quit. Joint gain is a counterproductive objective. Not only does it decrease the gain that you get, it actually decreases the gain to the employer.

Master negotiators have the objective of maximizing their own gain, and then using the best of the win-win strategies, which are strategies for finding ways of enhancing joint gain. Salary and compensation negotiations are the most important negotiations in your life. They affect professional and personal well-being, and the objective should be to maximize your own gain. Secondly, master negotiators have a clear plan for maximizing their own gain. What they do is very simple. Master negotiators recognize that they have to partner with the other side.

They have to manage not only themselves in their own strategies, but they have to manage the other side's strategies in order to take them to where the master negotiator wants them to go. In addition, master negotiators use a very flexible strategy while having a firm objective. Master negotiators pull from the best of the creating strategies and the best of the claiming strategies, to apply them specifically to the person with whom they are negotiating, the circumstances of the negotiation, the boundaries around and limitations of that negotiation, and the kind of negotiation they are doing.

Everything effective negotiators do falls into these categories. Convince the employer that you're the best candidate; you're the one they really want, and do so in a way that is respectful and constructive. Constructive negotiation means being honest and being straight-forward. Being honest does not mean being timid; it means telling the truth clearly and accurately. You need to be interested in problem solving and try to constructively brainstorm to find the best solution for yourself in such a way that it

translates into utility for the employer. That, in a nutshell, is what effective negotiators do.

Negotiation perspectives Most negotiators who are considering negotiating salary and compensation tend to fall into a couple of different categories. In Perspective A, negotiators don't want to come across as greedy by asking for too much because they want to start on the right foot and have a good relationship with their employers. In Perspective B, negotiators believe they can do this job better than most people because of their personal skills, education, and experience. Headhunters and recruiters, even the ones who don't negotiate, believe that it is acceptable to attempt to negotiate.

The majority expect candidates to negotiate, so 90% of employers do not include all of the value they are willing to offer for a position in the first offer. If you accept the first offer as made, you are not claiming the value that you could have obtained. You are walking away with less than they expected they would need to pay you. You increase the probability that you would be behind not only the external market and how others are doing, but also the internal market. The longer you stay in the same position, the more likely it is that you get behind the market.

We find that only 25% to 50% of people negotiate salary and compensation. Actually, when we talk to candidates they tell us that 50% of the time they negotiate. But when we talk to recruiters, they tell us that only 25% of the people they interview attempt to negotiate a job offer. Only 15% renegotiate salary and compensation, despite the fact that the longer you are in a position, the more likely you are to be behind the market. Isn't that an

interesting difference? I think it's because some people negotiate in such a timid way that the recruiter never even knew they were attempting to do so.

There are many men in the dietetics profession, but the majority are women. However, women on average are paid 75 cents compared with the dollar that a man receives for the same position. The statistics get even worse when we talk about minority women. For example, African-American women get about 63 cents on the dollar. Over the course of a lifetime it can accumulate. Fifty years of work and the fact that people move about every 5 years, starting with a base salary of \$50,000, over a lifetime career the financial differences for those women who negotiated and those who don't is over a million dollars.

Women are much less likely to negotiate salary compensation than are men and, when they do, they do it in a way that is less assertive. There are all kinds of evidence that suggests that this factor alone, the failure to negotiate, accounts for at least half of the variance between men's and women's salaries. If we can get women to negotiate job salary and compensation, and do so effectively, we can wipe out that difference. Ninety-two percent of women, compared with 21% of men, view themselves more in Perspective A than in Perspective B. The vast majority of potential employers prefer person B to person A.

You would think they would prefer people who don't negotiate, but recruiters prefer people who negotiate to those who do not, as long as they do so constructively. When you negotiate effectively, you are modeling exactly the kinds of skills, personality traits, and strategies that employers want: a good

problem solver, someone who is capable, someone who thinks strategically, someone who does their homework and has detailed information about value, someone who is willing to assert that value in a way that is highly constructive, and someone who is flexible.

Barriers to negotiation Why don't people negotiate? Many people think they lack power. Who do you think has more power, candidates or recruiters? Is it the person who is being asked or the person who is asking? The person who is being asked has already had the employer acknowledge their pick, that you are their preference. You have not yet decided that this is the organization for you. In reality, you have more power in many instances than the recruiters. However, these things do vary significantly in terms of the economy.

In the current economy you have less power than you had in the past. In response, some recruiters are using strategies they would not have used in the past, but most will still negotiate. If you talk to recruiters, guess who they say has more power? You. Another reason why people don't negotiate is that they are afraid it will hurt the potential organization's perception of them. Well, we've already distilled that myth: they are actually going to perceive you in a more favorable light if you negotiate than if you don't. Negotiation is a productive decision-making process.

It is not one that necessarily instills conflict. A lot of negotiation has to do with how you approach it personally. You can be very warm and direct and respectful to the employer, but it doesn't mean you have to make concessions and compromises all over the place. You can assert yourself and

still be extremely likable and personable. The question of salary history is one of the first things that any potential employer asks for. They ask you for that information for two reasons. One is because they want to know how much they are going to have to pay you.

The other is to look at the salary they are offering compared with other candidates they are considering, and to look at their salary in terms of how much you make vs the other candidates. Employers make all kinds of attributions about why it is you are being paid more than others, and it's not because they think you must have negotiated and the other party didn't. The attribution they make is if you are paid more, you're better. If you're paid less, you're not as good. Salary says things about the quality you bring to the organization, as well as how much they are going to have to pay you.

You cannot afford to have information that you are behind the market in the marketplace. We also find that if you go in and start at the same time as other professionals in your organization, and they negotiate and you don't, they end up making more money than you do. If your performance is equivalent, you would think they would let you catch up. It doesn't happen. That self-perpetuates regardless of whether you are staying in the same position or moving positions. If you want something, and the employer is not offering it in the front end, you'd better ask for it.

In addition, you need to realize that what you get paid is a combination of what you're worth and whether you negotiate, and if you do negotiate, how successfully you do so. Therefore, if you want to have the salary compensation that you believe you're entitled to, you've got to learn to

negotiate effectively. Steps to success Step one: start negotiating. The worst thing the employer can say is, " No. I'm sorry, it's not negotiable. " The worst thing that will happen if you don't negotiate is you'll end up with less than what the employer is willing to pay you. Step two: learn the right time to negotiate. Premature negotiation is a bad thing.

Normally, you don't want to have the discussion about salary and compensation until you've been made an offer, if at all possible. The problem is that if you are willing to tell employers the salary and compensation you want, before you get an offer, you need to recognize that they are going to use that information to determine what they need to pay you and whether or not you are in their subset of potential candidates. Are you likely to go in and lowball how much you say you want, or ask for the extreme? Most people lowball. They lowball because they don't want the chance of being kicked out of the pool.

They want to increase the probability that they are going to get an interview. However, if you start by asking something or saying something that will keep you in the pool, it will probably haunt you as you discuss salary and compensation later. The employer will use whatever you said to make up a proposal to you that is also lowballed and probably low in terms of the market. You want to avoid the problem of being kicked out of the pool, and therefore being able to provide high numbers when you talk about salary and compensation, numbers that can be substantiated by information that is available in terms of the marketplace.

Doing your homework before you've even had the first interview is very important. Occasionally, employers will insist that you talk about salary and compensation right away. If they do, you want to be able to talk about it. You want to be able to say: "I've done my homework. I've gathered this information, and what I'm finding is that for positions of this type, with this level of experience, salaries tend to be this. I perceive myself as somebody who is higher in terms of that market. Therefore, what I'm shooting for is this amount. Of course, we can discuss salary and other aspects of compensation in some detail later. Cite the market. Give reasons why you are putting that amount out there. You want not only to gather pertinent information, but also plan your own approach to the negotiation. First, you should think about all of the issues that are relevant to you in this negotiation. Now, many of those are likely to be concrete issues, such as salary. Sometimes there are other issues that are also really important (eg, the responsibilities, the upward mobility of the position, the quality, and how much this fits with what it is you really enjoy doing in terms of profession).

Things like these are implicit issues, but we want to assign value to the implicit issues, just like the more concrete issues; otherwise, you will allow salary and other forms of compensation to dominate, which leads you to accept an offer even though that opportunity might not be as good as an alternative. You want to manage yourself by including issues that are of value beyond specific concrete issues. You want to list all the issues that are relevant. Next, you want to consider what your bottom line is for these issues. Now, it could be that you only have a bottom line for salary and that everything else is just a combination.

As a matter of fact, I encourage you to focus more on having a bottom line for the overall package than for each issue. If you have a bottom line for each issue, it's going to make even the trivial issues deal breakers. It's going to mean that you might be willing to reject an offer that is far better than any alternative, simply because the employer didn't meet the bottom line on one of your least important issues. You need to come up with some metric that allows you to compare each issue to another, apples to apples, not apples to oranges, so that it will allow you to determine and move in accordance with giving up lesser issues for the sake of getting more important issues. To do that you can come up with a point scale of some sort (Table). You can start with 100 points and divide it across the issues and the issue options, in terms of their relative assessment value. Doing this exercise is also a very informative way to figure out what you care about in a job. You can start with salary in dollar figures, but then translate that into points.

Then think about the other things in terms of points in accordance with how valuable they are compared with salary. The only relevant point is that you create a point system that informs you of the value of each issue compared with the others, the values of how much you give up or gain during the negotiation. The point system also allows you to compare the overall value of this deal with another possible offer or your current position. Table.

Sample point system for assigning value to issues in a salary/compensation negotiation

Issue	Options	Recruiter points	Candidate points
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Bonus	10%	0	+2, 800	8%	+400	+2, 100	6%	+800	+1, 400	4%
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	+1, 200	+700	2%	+1, 600	0	Job Assignment	Division A	0	+1, 000
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	Division B	+500	+750	Division C	+1, 000	+500	Division D	+1, 500
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+250| | Division E| +2, 000| 0| Vacation Time| 3 weeks| 0| +1, 600| | 2. 5 weeks| +700| +1, 200| | 2 weeks| +1, 400| +800| | 1. 5 weeks| +2, 100| +400| | 1 week| +2, 800| 0| Starting Date| August 1| 0| +1, 000| | July 15| +500| +750| | July 1| +1, 000| +500| | June 15| +1, 500| +250| | June 1| +2, 000| 0| Moving Expenses| 100%| 0| +3, 200| | 90%| +400| +2, 400| | 80%| +800| +1, 600| 70%| +1, 200| +800| | 60%| +1, 600| 0| Insurance Coverage| Plan A| 0| +1, 600| | Plan B| +800| +1, 200| | Plan C| +1, 600| +800| | Plan D| +2, 400| +400| | Plan E| +3, 200| 0| Salary| \$95, 000| 0| +6, 000| | \$90, 000| +1, 500| +4, 500| | \$85, 000| +3, 000| +3, 000| | \$80, 000| +4, 500| +1, 500| | \$75, 000| +6, 000| ...| Location| San Francisco| 0| +4, 000| | Los Angeles| +500| +3, 000| | Atlanta| +1, 000| +2, 000| | Chicago| +1, 500| +1, 000| | New York| +2, 000| 0| Full-size table View Within Article You also want to include the value of your best alternative to a negotiated agreement.

Your best alternative may be another offer you have elsewhere that's worth more than your current position in terms of all the issues. You need to compare the current offer to your best alternative because you want to keep yourself from accepting an offer that does not provide as much value as your best alternative. If there is an impasse and you can't reach an agreement and don't take this job, what does that mean? If you accept a job that is really low in compensation, the problem with that is, again, salary history is predicated on that amount.

It will take forever to get yourself back up to where you should have been, if you start out behind in that regard. Sometimes it is better to reject a low offer and stay in the market for another month or two than it is to accept a low offer. That is why it is important to think about your walk-away. If you <https://assignbuster.com/changing-role-of-human-resource-management-assignment/>

just pick a bottom line and focus on it, guess what you end up with? You get the bottom line and you quit. Pick a bottom line and stick to it, but get information and think about what you aspire to, what you would like to obtain. Determine what is your highest goal for this particular position and use that as your target.

Then what you have is a bottom line that you stick to, but a target that you focus on. What that ends up doing is it makes it so you don't satisfy and quit right after you get your bottom line. You walk away with a salary and compensation that is worth more than if you just picked a bottom line and focused on it. Your target should be the highest amount you can defend. Where did that salary come from? What do you have to substantiate it? How does it compare to the information you obtained from the market? What is it you have to say to verify and confirm the reasonableness of that position?

If you made it up, now you have no credibility in the rest of the negotiation, plus you now have a black mark against you in terms of the way in which you do business. The counter-offer How do you counter-offer? It is important for you to base your strategy both on your own bottom line and walk away and the whole overall picture; however, it's also very informative and tells you what directions to go in, if you know why the employer selected a particular compensation package and salary. For example, one of the things that is common is the basis of your education and the quality of the institution that you went to.

An organization will compare you to all the candidates in the whole national network, all the candidates who have the same experience from varying

institutions. They will have biases about the quality of the education and the experience that you came from, one institution vs another. You need to know if the employer uses those kinds of measures for determining what kind of salary and compensation you get because then you can address such issues: " I know you did a great deal of work to survey the market, to see all the viable candidates that were out there.

I know you did an amazing job based on my interview for assessing the value of each of us relative to others. I know that having done all that work, you've decided that I am the most promising candidate and are making me the offer. Given that, you have just told me that I am better than the marketplace. You have just told me that the skills I bring to the table are at the top of the pool you saw. Well, guess what? What you're telling me is my experience and background and education come together to make me at the top of the market.

Therefore, I anticipate that you will pay me at a level that reflects that. " To make those kinds of addresses, you have to know why the employer made the offer they did. You need to be familiar with all of the issues that are often included in negotiating, things like compensating additional education or paying for you to go to conferences. You need that information and you need to think about how it compares to others, as you ask questions about the nature of what it is the employers are proposing.

Whenever possible, should you be the first one to put an offer on the table in negotiations of this type? It's interesting and we've all been told that you don't want to be the first to put an offer on the table. People are afraid they

are going to ask for an amount that is less than the organization may be willing to offer them. What we find is that most agreements, and this is particularly true in salary and compensation, fall between the first offer and counter. It falls somewhere near the middle because we have this compromise, win-win mentality.

Because of that, we end up near the middle. Except it is closer to the first offer. The first bid on the table becomes an anchor against which every other solution is compared. I would rather have my target out there than the employer's proposal. If you don't know what the employer might propose, don't make an offer because the cost is too great. Because dietetics professionals have ADA's 2002 Dietetics Compensation ; Benefits and Salary Survey, the probability that you will ask less than what the employer is willing to offer is very slim.

Now, I've said before, don't talk about salary and compensation until the employer makes an offer. They will tell you they are going to make you an offer, or you're going to be in that pool, which is when you want to talk about it. You should feel free at that moment, if they have not given you a formal offer, to tell them the things you are looking for. It's advantageous to do that before the employer makes an offer because it can often mean that the recruiter will go back and negotiate with the organization to try and enhance the offer that they give you.

It's easier to do that at this point than to get them to go back and try to change after the fact. If the employer makes the first offer, don't come in with compromises. Respond with good supporting information about the

marketplace that corresponds to the contribution you think you are going to bring. Your goal is to change the form of the offer, not the value of the offer below your target. To do that, it means that you can either compromise or have the employer compromise, or you can find other creative ways of enhancing your value without costing you value.

Remember, you want to try to shoot toward obtaining your target. Typically, organizations are willing to discuss what issues are the most important to them and ones on which they have less flexibility. That way you get a sense of their priorities vs your priorities. Salary is most important to the candidate, bonus is second, and office is third; the recruiter's priorities are not the same. When priorities are not the same, it provides a wonderful opportunity for enhancing gain without costing benefit. In negotiations, we have a tendency to talk about one issue at a time.

We talk about salary, resolve it, and move onto vacation. However, it is better to talk about combined issues—talk about vacation at the same time as salary. If you talk about one issue at a time, the only strategy available is compromise. For example, salary is the first issue that is the greatest importance to both sides. The two sides want opposite things, but they care about it equally. Somebody has to compromise. But that is only one type of issue. In most issues, one side does not value it at the same level as the other side. That is the case with bonus and office.

The candidate cares much more about bonus than they do about office space, while the recruiter cares a lot more about what office they send you to than they do about bonus. If you compromise you would have a bonus of

\$10, 000 and an office of ' y'. If you are willing to take a step back on an issue the employer cares less about to take two steps forward on an issue you care more about, then what you find is that by trading off those issues, rather than compromising, the employer gets what they care more about and you get what you care more about.

You end up with, instead, a bonus of \$15, 000 and office space ' x'. You want to find creative ways of maximizing your own gain. You need to listen carefully and ask questions about what is motivating the recruiter's offer. Sometimes they can't give you salary of a certain type because there is that boundary (internal equity within the organization), but you have other compensation issues. For example, you just finished getting your master's degree and you owe money to the institution. Since they have a program where they pay for education, would they be willing to compensate for the degree you just obtained?

One of the things that people use more and more successfully are contingency contracts, whereby you determine where the employer has certain expectations that you will bring in. You can, however, even though they cannot pay you as much salary as you like, create a system whereby you are additionally compensated, contingent on the additional value you bring in beyond the employer's expectations. It's these kinds of strategies that require us to realize that negotiating does not involve all issues that are " I want the opposite thing as you" and " We care about it equally. " Those things are strategic, not the objective.

Another thing that people are using very successfully is early performance reviews. Perhaps the employer can't pay you this because the starting position only allows for this; however, based on your performance, you could be reviewed in 6 months and get your salary increase then as opposed to 1 year. It's that kind of flexible thinking that we find is very productive in salary negotiations. If you follow these steps, if you think creatively, if you are determined to maximize your own gain, and are willing to be assertive in terms of that and still be warm, respectful, and constructive, you can achieve your goals.