

*Salary Negotiation*

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Understanding the compensation negotiation process for your career search

SADDELEBACK CHURCH 1 July 2019

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*Ministry Overview*

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*Things to consider*

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- Written offer – what do I say?
- In my last job I was well compensated, how can we bridge the difference?
- Research the salary before interviewing or taking the job
- What compensation items are important to me and my family?
- How do I answer questions about my salary expectations?
- What is my “Sustenance income level?”

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*Objectives*

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At the end of this workshop you will:

- Know the negotiation process steps involved in the hiring process.
- Understand the basic rules/guidelines in salary negotiations.
- Use the major areas that are “negotiable” within an offer.
- Identify other secondary areas that are “negotiable/considered” within an offer.
- Remember the basic rule of negotiations,  
*“the person who talks money first sets the bar for negotiations”*
- Learn how to keep the “offer” on the table and present an effective counter offer.



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*Filter for looking at a job opportunity*

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Most companies can only offer 3 of the 5.  
It is rare to find all 5.

What 3 are most important to you?

- Live where you work.
- Love who you work with.
- Love what you do.
- Work reasonable hours.
- Enjoy a good compensation package.



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*Legal Update*

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**2018 Legal Update  
in California**



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No Salary History Inquiries – LC 432.3

Effective January 1, 2018,  
for positions based in California, employers cannot:

- Inquire regarding an applicant's salary history
- Rely on an applicant's salary history in determining whether to offer employment
- Rely on an applicant's salary history in determining what salary to offer, unless voluntarily disclosed by applicant

\* Reaffirms Fair Pay Act (FPA) - prior salary, by itself, cannot justify pay disparity  
\* They can ask 'what is your "salary expectation"?'



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Employer Obligations – LC 432.3

Effective January 1, 2018,  
for positions based in California, an employer must:

- upon reasonable request, provide the pay scale for a position to an applicant applying for employment



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Justifications for Pay Differences

1. Seniority System
2. Merit System
3. System measuring earnings by quality or quantity of production
4. A "bona fide factor" other than:
  - sex, race or ethnicity, such as education, training, or experience

Burden is on the Employer!



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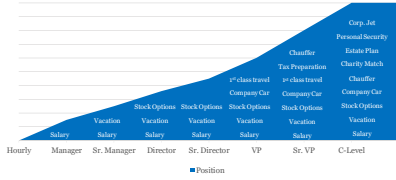
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### Negotiable Items

- Typically, position's level influences negotiable items
- Company size also influences title and negotiable items



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### Salary Negotiation Steps

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### Hiring Process – Typical Sequence

- Contact about position (typically HR)
- Interviews (phone, in person, team, hiring manager, HR)
- Verbal Offer (typically from HR)
- Negotiation
  - Counter offer (typically to HR)
- Final agreement/decision
- Written offer letter

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*Definition: The Act of Negotiating*

“To deal with some matter of affairs that requires ability for its successful handling: to arrange for or bring about through conference discussion and compromise, successful results for both parties involved”



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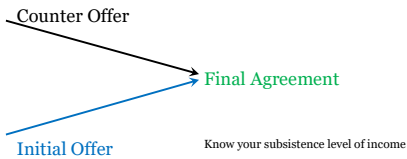
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*Salary Negotiations*



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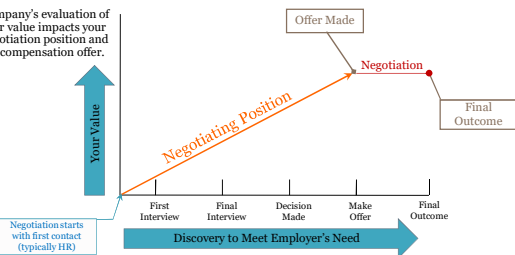
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*Negotiation Timing*

• Company's evaluation of your value impacts your negotiation position and the compensation offer.



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*Objective 2*

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**Understand the  
basic rules/guidelines  
in salary negotiations**

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*Basic Guidelines / Rules*

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- **The one who talks money first sets the pattern for negotiating.**
- Salary **ranges**, in general terms, can answer the question:
  - "How much do you make?" or
  - "How much do you expect?"
  - Ask "What is the budgeted range?"



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*Basic Guidelines / Rules (cont'd)*

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- **When you receive an offer:**
  - Receive the offer professionally
  - Take a few days to consider it
  - Establish specific time to get back to them
  - Never let them see your concern, even if not satisfactory
- **Come back with a counter offer:**
  - One that has several more items than you would like but are willing to use as "bargaining chips" for advantages or incentives.



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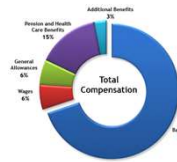
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*Basic Guidelines / Rules*

- Consider your **total compensation package** regardless of where the pieces come from (e.g.):
  - Base salary
  - Bonus
  - Signing bonus
  - Health care plans
  - 401K (match?)
  - Stock (options)
  - Education benefit
  - Car allowance
  - Commission plan structure




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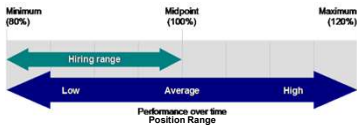
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*Salary Ranges*




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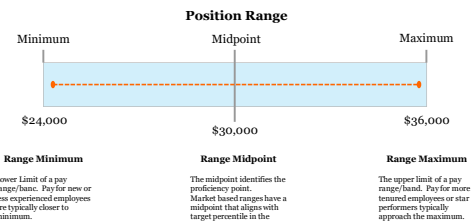
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*Salary Ranges*

- Example of a 20% midpoint spread (50% range spread)




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*Objective 3*

**Use the major areas that are  
“negotiable”  
within an offer**



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*Negotiable Items*

**• Basic**

- Base salary
- Signing Bonus
- Early Review and Increase
- Promotional Increase
- Guaranteed Draw
- Vacation Time



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*Negotiable Items (cont'd)*

**• Incentives**

- Bonus
  - Guaranteed
  - Discretionary
  - Company performance based
- Stock (Options/RSU)
- Equity Positions
- Profit Sharing
- Commission Plans / Percentage
- Deferred Compensation
- Promotional increase



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*Objective 4 – Additional Considerations*

**Identify other secondary areas  
that are  
“negotiable” or “bargaining chips”  
within an offer**



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*Other Considerations*

- **Time-off/Recreation**
  - Vacation Time
  - National Holidays
  - Personal Holidays
  - Company Sponsored Events
  - Charity Matching
- **Job Related**
  - Job rotation plan
  - Job sharing
  - Recognition programs



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*Personal Benefits*

- 401K (match?)
- ESPP (Employee Stock Purchase Program)
- Vesting Periods
- Education/Tuition Reimbursement
- Legal/Financial Services
- Professional Organization Dues
- Telecommuting/Home office
- Product/Service Discounts
- Event Tickets
- Meals



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*Health / Insurance Considerations*

- Medical/Dental/Vision coverage, cost
- Immediate insurance coverage
- Health club facility
- Health club membership subsidy
- Family sick leave
- Maternity (Paternal) leave
- Childcare programs
- Life insurance programs (employee/family)



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*Travel Considerations*

- Car Allowance or Company car
- Cell Phone reimbursement
- Company credit card
- Expense account
- Business or First-class travel
- Travel benefits
  - (eg. Club membership, TSA-Pre or Global Entry reimbursement)
- Assigned parking space or permit
- Rideshare programs



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*The Basic Rule*

**Remember  
the basic rule of negotiations**

**“The person who talks money first  
sets the bar for negotiations.”**

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*Salary Negotiations*

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Counter Offer - Set a specific time to call them back!

Initial Offer

Final Agreement  
(Written Offer Letter)

Know your subsistence level of income

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*Objective 6*

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**Learn how to  
keep the “offer” on the table  
and  
present an effective counter offer**

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*The Counter-Offer Sentence*

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- “I appreciate your offer and I am very interested in this [position]. I can start as early as [provide date]. However, there are a few things which would make me really excited about working with you.”
- (pause 5 second or until they ask “what are those?”)
  - No response – than ask “Would you like to know what they are?”
- Go through your list of items
- **Four possible responses:**
  - They revoke the offer
  - They tell you the offer is their “best-and-final”
  - They compromise and give some of what you ask
  - They give you everything you ask

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Summary

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Summary

- Reviewed Negotiation within Hiring Process
- Presented the Act of Negotiating
- Identified Basic guidelines/rules
- Presented Negotiable items
- Identified the Additional Considerations for negotiation
- Steps to Salary (compensation) negotiations:
  1. Initial offer
  2. Counter offer
  3. Final decision
  4. Written offer

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Website Resources

<https://saddleback.com/connect/ministry/career-coaching-and-counseling/lake-forest>

- 11 Commandments of Smart Salary Negotiations
- Salary Negotiations
- Job Offer Checklist
- Salary Questions

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*Thank you*

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**Questions?**

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*Updates*

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- Content changes:
  - Added content (with Notes) reflecting typical questions from workshop
  - Reorganized the Negotiable Items lists
  - Removed "stale" negotiable items
  - Removed 'Pay Ranges-Grade' slide – did not resonate with the audience
- Updated template:
  - Consistent with updated presentations (E.g. Branding)
  - Cleaned up use of the PowerPoint template
  - Reapplied PowerPoint template to all slides

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