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NOTES

Career Advancement Programme



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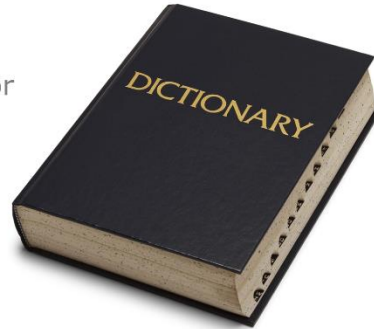
Lesson 7: Salary Negotiation

Summary sheet

Defⁿ.

negotiation
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Bargaining process between two or more parties seeking to discover a common ground and reach an agreement to settle a matter of mutual concern or resolve a conflict.



Negotiation is not about saying a string of magic words and dazzling a person with linguistic trickery. It really is about understanding another person's point of view and aligning your interests with theirs to find a common solution.

Myth 1: Good negotiators are born, not made

- Individuals with innate charisma and the ability to persuade others are rare
- Negotiation is a skill that can be learned and polished
- Negotiators learn to read others, assess motives and adjust their own strategies accordingly
- They learn that their success depends on their efforts to research and understand an organization and its goals
- Although some practitioners may appear to have natural ability to negotiate, their confidence probably comes from adequate preparation
- With the required commitment and dedication, individuals can learn the art of negotiation in the same way they can master other crafts



Myth 2: Go with your gut feeling

- It is not true that great negotiators rely heavily on instinct and can sense when a deal is going well or poorly
- What outside observers refer to as instinct is more likely the result of skills learned through training and practice
- Successful negotiators devote time to researching the other parties including what the other side is likely to want
- Such knowledge places a negotiator in a much stronger position than if he or she was simply to “trust their gut” throughout the negotiation
- Intuition is fine but not as a replacement for careful research and planning

Myth 3: Experience is the best teacher

- Professionals benefit from experience and negotiators are no exception, experience is just one teacher, not necessarily the best teacher
- It is natural to feel confident about your skills when you gain experience, however it can be a mistake to grant too much credit to experience alone
- Confidence can be a double-edged sword and may derail a negotiation by encouraging excessive risk-taking
- Successful negotiating requires the awareness that a strategy that worked in the past may not work in every situation
- Even after years of practice, research and preparation remain vital components of a negotiator’s toolbox
- Experience can provide negotiators with a beneficial level of comfort, but it won’t compensate for an absence of training in effective techniques and strategies

Truth about negotiation

Negotiation can be that race to the middle if that’s what you want it to be.

- It is not very effective
- The best way - think about how everyone involved can win
- This is what is known simply as a ‘win-win’

That is the truth about negotiation if you are looking for a long lasting relationship, being concerned with the other side’s needs. In reality, negotiation is part of how we communicate in and out of the workplace - can be improved through training and practice. Some people see it as adversarial process – one wins, one loses.

However, it can be a mistake to approach the negotiating table anticipating or even encouraging confrontation. Negotiation is not about strong-arming an opponent into submission. Keeping egos in check allows all parties to feel more comfortable voicing opinions and concerns. The goal is for all parties to feel positive about the negotiation process. Keep the conversation focused on long-term, mutual benefits rather than short-term gains.



Principles of a good negotiation



- Be clear about what you want
- Be wary if you believe you are the target of a bluff.
- Often, a resistant party is masking a lack of confidence in the deal
- By remaining calm and cognizant, you can more easily steer the conversation back toward productivity
- Don't become distracted by attempts to move the deal away from your goals
- Paradox of choice. More options doesn't mean agreement is more likely
- Successful negotiators are mindful of how they present themselves and of how body language can bolster or undermine their verbal message
- Showing warmth and interest can go a long way toward smoothing the process
- Negotiations can sometimes be frustrating but it's vital to avoid viewing the other parties as irritating. Remember – win/win
- Mastering the art of negotiation can bring many benefits, including the ability to work more effectively with individuals or groups of differing cultures, a better understanding of how interpersonal skills can underpin success, and the knowledge to create strategies for overcoming challenging situations

Your Salary Negotiation

Your starting point is the basic salary offered in the job description

Know your worth

How can your skills and experience begin making money for your new employer? You need to be able to put it into concrete terms so that you can say categorically I will do X that will result in Y, therefore I am worth Z% of the revenue that I generate.



You can use your previous experience to promise your future performance. This is where you refer to your CV to make your point. You will have had concrete numbers that you generated based on your performance and tasks completed.

If you have no previous experience then you can take things from your personal life and speak of how these personality traits will allow you to perform in the job

A salary negotiation does not necessarily have to involve getting more money in your bank account. There are other areas where you can negotiate:

Extra days off - working one day a month at the weekend in exchange for a day in lieu may be of no consequence to you but may provide needed cover for the company. Perhaps working flexible hours so you can pick up the kids is ideal for you so you can work earlier and finish earlier. How much would this be worth to you?

Dental care for the family - If your kids are going to need braces in a years time then you may want family dental cover. Again you do not need to let them know that your kids are reaching that age but it is something that could be very valuable for you and may not cost much for the company.

Other areas for negotiation:

- Flexible working hours
- Share options
- Favourable KPI's

When it comes to your first 6 months in the job, your KPI's are hugely important, so perhaps you want to manage your employers expectations about what can be achieved in this timeframe. If you can see some easy wins given your skill set then you can allow more pressure there versus somewhere you feel that you may struggle. It is about controlling the flow of information so that you do not reveal too much too soon.

More Money

Let's assume that you do indeed want more money than they are offering. What do you do? How do you approach this? Assuming that you have built a relationship with the employer at this stage it is about doing what we have discussed so far in this lesson.

1. If you have done the research to this point to understand what exactly is lacking in the department that you are joining you can explore this more deeply by suggesting how you can add value straight away.

2. You can come straight out and ask how the basic salary amount was arrived at and from there work to deconstruct it so that you can rebuild it from your liking.



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