

## Transcription - John Gates PrePodcast

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Welcome back, I'm Kim Baillie, she's Fulyana Orsborn and this is Inside Exec. This morning we recorded a great conversation with John Gates who is a salary coach and in the course of the conversation or, in fact, before the recorded conversation we were having a quick discussion, which I thought I might bring you today as a bit of a "teaser" for the three part podcast series that will be starting next week. Let's hear what John's got to say about salary negotiation.

The target audience initially was predominantly people that were in the same groupings as Fulyana was coaching at the time, or mentoring at the time I should say. It's grown from that because we were catering to that level, so C-suite level, we've found that we're getting a following of people who are ready to step up into the C-suite, or quite the opposite end of the scale, just starting out in their careers and wanting to know what their path is and work out what their path is in terms of their career.

Excellent, excellent. Well, I'm grateful to be here and it's interesting. I saw some research recently that suggested when you're just beginning your career, Kim, if you can negotiate an extra \$5,000 US in your pay package, in your salary, when you're just beginning your career, say you just graduated from college and now you're going into your first career job, that \$5,000 over the course of your lifetime career compounds into \$1.5 million extra in lifetime earnings. Or, alternatively, you could retire eight years sooner just because you earned \$5,000 extra at the beginning because it compounds through raises, through bonuses, through promotions, through every job transfer that you make. There's a higher floor. It just tends to follow you around through your career.

Surely becomes part of your thinking. It's part of your self-worth, is that you see that you started out thinking that you weren't worth this much, but someone said you were, so the external judgment becomes part of how you see yourself as well.

Right. I think most people never truly understand how to do this, how to negotiate pay. The average person might change jobs a handful of times in their lifetime. They're an expert at what they do, but when it comes to negotiating their own pay, they're up against someone like me who has done it for a lifetime, a career. I'm used to negotiating on the other side of the table, maybe five or six times a week I'm doing that. And it's always with somebody else's money. It's not with mine. So, the stakes are very high. Everyone's a beginner, and they're up against, they feel like the power balance is not in their favor. So, the vast tendency for people at all levels, including executives, is to very reluctantly negotiate. In my own experience, 80%, at least 80% of the offers I made as an executive recruiter were accepted without negotiation.

Yeah, this is my experience as well, even on the other side, people saying to me, well, no, and I'll say, well, why? Why is it good enough? Or why isn't it good enough? Have you asked that question?

Yes, yes. And I think that the reason why most people don't, especially if they're unemployed, is fear. The uncertainty of their life is at a high at that point. And they just want that uncertainty to go away. So, if the offer seems fair and reasonable and worth accepting, they

will do that. They only accept when they're, or they only negotiate when they're backed into a corner. And it's, it's like, well, I guess it's time for the Hail Mary now because it's either I'm not accepting or I'm going to risk getting more here.

Well, I hope you enjoyed that little "teaser" of the conversation that we had with John Gates. Join is for part one next week. For now, I'm Kim Baillie, she's Fulyana Orsborn and this is Inside Exec.