

Transcription - John Gates Part 3

Welcome back, I'm Kim Baillie, she's Fulyana Orsborn and this is Inside Exec.

We are concluding our very interesting discussion with John Gates today talking about salary and negotiations. And this week, in this final episode, we're looking at how you, and when you, negotiate within a framework of that range that we talked about in the very first episode.

In my recent experience and on that line is the overqualified approach. So when somebody's applying because they've just been made redundant, they apply for a job and they (the organisation) is reluctant to take them on because of what you said earlier, John, and that is, overqualified. Are you here only until you get the right position?

So I had two examples where these two senior people went through and they were succeeding in, they succeeded in the end, because they put up every counter-argument before the argument was raised. So they said, you might very well ask, why would I go for this job? What's in it for me and list all of those things. Why is it good for me for now? What is my strategy for staying with you? Why you? And then told them what's in it for them and said, you're going to get more value for money because I'm going to get this and this, quantified it in both cases, completely different professions and they both got their jobs. And I think because we know they're going to ask that, because we know they're going to have it at the back of their mind because they're going to be doubting, you can do that. One of them went an extra step and I said, I'm happy to sign a five year contract if you are. Nowadays I know people are not keen to do so.

That is such a beautiful example and you said it better than I could have ever said it. That is perfect. Those examples both anticipated the objection, the fear, very often that fear goes unspoken. You'll have a very pleasant interview, but it's nagging them in the back of their mind. They never ask a question about it because they feel awkward about it. And then the risk never gets dismissed. So that is the right approach to do that risk assessment on yourself and then bring the proactive statements just to get rid of that risk and to reassure them that you're not a mistake.

In relation to the salary, I'd like your thoughts on this, the approach they took was, OK, so you realize my salary is dropping and that was one of the questions and says, right, but what I will do is I will prove to you that I can achieve this and this and then we'll negotiate in 12 months time.

Yes, you can potentially renegotiate. Countries are different in this. For example, in Europe, they have employment contracts that last for a specific term. In the United States, we don't have those. Everything is "at will" employment. And so typically a good strategy for renegotiating your pay in a current job is to expand your scope, expand the things that you are responsible for, make your job a little bit bigger than it was when you first started. And then you can go, you can even enlist HR in this, if it's a big company, you can go say, here's the job description that I'm working under right now and it's graded at grade 16. What I'm actually doing is somewhat different and at a higher level and I think that's grade 17 or grade 18. Can we please look at the job description, revise it and then potentially regrade it? That is a very good strategy for doing it.

The very weakest strategy that I've seen for people trying to renegotiate is saying, the price of eggs is high or my third child just went into college and I need to make more money boss. Companies don't care what your personal expenses are. You need to give your boss, again, the ammunition to go through the system that's going to oppose paying you more. And they have to do battle for you. It's a political battle. So you have to give them the business reason why you should be making more.

Quite a dangerous thing to do is to go out and get another offer and bring it back to your boss and say, if you don't match this, I'm going to leave. Your loyalty will be called into question if you do that.

A really cool blend of that idea is to go to your boss and say, boss, I just want to let you know, my skills are apparently in high demand because in the last three weeks, I've had three different calls from three different recruiters. And right now, I'm hanging up in their face, not even talking to them, but before I can hang up, they tell me what the pay is and it's a little bit shocking to me. What can you do to keep my phone from from ringing? It's getting more and more difficult for me to ignore these requests to interview. I don't want to interview somewhere else. You know, that is a way you can bring how your skills have moved in the market back to your boss without having that competitive offer sort of situation. You're stressing all along that you're loyal, that you're not looking, you haven't gone off looking. You would really rather stay there. You just want some ammo from them to shut up these recruiters that are trying to dent you.

Just going back to the renegotiating in terms of what you're doing, another of the requests that we had come in beforehand was about if you are given a job description or a job brief and it's in HR speak and you don't have the knowledge to be able to translate that into a job task list, is there apart from the HR people, apparently in this situation just talk HR and use the words that they use through all their documentation, this fellow is having trouble matching up. So he's very literal. He'll read something on the job brief and it says the high level wording of what he's doing and he'll say, but I just do this. I can't seem to get through to him that what he says he's doing is the translation of the HR speak. I mean, this is why he came to me to have a look at it because he knew that I'd be able to translate for him knowing if he told me what he does. So we developed a job task list and I said go back to HR, give them this and say, this is what I do now. I'd like to be doing all of that job description stuff but I can't match the two. Let me sit down with you and talk about it so that we both have an understanding and then I can go from there. Is that the best solution for him?

I actually think yes. I mean, if you're looking at a job that's advertised that you don't have and it's full of gobbledygook that you don't understand, it's hard to know if you even want that job. But in this case, he's doing the job, but his job description is written in an alien language that he doesn't know. I think he's going to have to enlist the aliens to translate for him and to providing them with a task list is a brilliant cipher key. It's going to test whether this means this or this means that, they can confirm it or deny it and they can say, well, there are three things that are missing from this task list. And then he can say, well, I don't even do that. That's not even part of my job. Or he can say, yes, I do do that. I forgot to put it on the task list.

I will tell you that he did that. He went through that exercise and the HR people came back with a hybrid list and both parties are happy with it because now he can look at the hybrid list and say, I do most this stuff, but this other stuff I'd really like to get to. I know I've got the skills for it and now I can negotiate and say, I've been through this process. Now we've got this list that is a wish list for the next 12 months and I think that the range of what you pay me, because it's a renegotiation of an existing salary, so now we, I can say, you know, we've done the research. We've looked at the risks. We've looked at what needs to be done for the business. This is what I'll commit to for the next 12 months. And then we can do a review after that.

Yeah, yeah, I think that's a reasonable approach. Another kind of reliable way to get a raise. No, there's, there's a couple of clever ways. Like one is to go see, see what your boss needs done and then make an offer. You make an offer to expand your scope and take that on and do that thing that doesn't exist in your job description right now. And now instead of a software engineer, you're behaving more like a lead or a senior or something like that, you're doing things that the other software engineers aren't doing. (Yeah.)

Here's the, here's the trickiest way to get a raise. If you are a leader, hire somebody to work for you that makes more than you. This is the most, I have seen leaders do this many times. It doesn't happen often. Most of the time the leader will say, well, I can't hire that person. They make more than me. Well, you know what, they're bringing a strong value and you could make the case to the offer approvers that they should pay, they should pay them that much because they're going to deliver this mad value. And then six months later you go back and you say, I've got a person working for me that's making more than me. I think we should adjust this.

Salary compression, right? It happens in all organizations and it can be a very sneaky way for a leader to expand their income.

Interesting approach. We do have one last question. I think it's an interesting one in terms of our management of ourselves personally and it's how do you manage your reactions during the negotiations? I think when I put the question down, I was thinking more about the face-to-face time and not just rolling the eyes or just throwing yourself back in the chair. Either way, either side of the table, how do we manage the body language?

Well, I think that's an interesting question. I think most of the time the reaction is an emotional one. And we are often afraid in that moment. So managing your fear and your anxiety is probably the most important thing to try to manage in yourself. I can imagine somebody's eyes going wide if there's an offer that's an extreme lowball or they say, well, what do you think of this number? And it's 30% less than what you were positioning for. And I think if you're handling the positioning right and you're talking about a range, then you can quite easily say, well, if that's the pay, then good luck to you because I'm discussing with other companies a range of A and B and you're not even in that range. So let me ask you a question. If I really knock it out of the park and the interview is there an opportunity to get into my range? And if they say, no, this is just what it pays, then you have a decision to make whether you want to move forward or not, but that's your choice at this step.

But the real thing is managing the fear. And once you understand, this is why I created the

salary coach method really because it shows people what to say at every single step. And once you try to know where the landmines are buried, what to avoid, what to do, what to say at every step, like the fear tends to go away, especially if you have a coach reassuring you that this is a safe thing to do. It's not going to put your offer at risk if you ask the question in this particular way. A great example is severance. Like here in the United States, there's a lot of redundancy, a lot of layoffs. A lot of people have just been laid off and maybe they got three months of pay when they really needed nine months of pay. Now they're joining a new company and they are very curious about what that company might offer in severance, but it's how do you ask about severance when you're joining an organization? There is a specific time and a specific way to ask that is a safe way to ask. And I'll just give this one away for free as well right here. The time to ask is after they've offered you the job, but before you have said yes. And during that window of time, you can say, well, I'm really curious because of the job market right now, there's a lot of instability. You're hiring me into the C-suite. If there was an acquisition or something like that, my job might be at risk. Would you be willing to share with me your severance policy before I accept the position? That is a very safe way of exploring what severance might be on the table and it doesn't sound like you're asking for a prenuptial agreement the night before the marriage. It's not a shock. It's a normal question along with the benefits, questions, and how often do I get paid and all these other questions you're going to ask during that time? You can ask to see their severance plan and then if it's disappointing, you can ask, well, would it be possible to make an adjustment? I'm a little concerned about this and you can withhold your yes in exchange for some of these things that you want. And if they say no, it's not possible, we can't change it, they might make a concession somewhere else in the offer.

I think it's a very valid thing to be thinking about in this current economic climate. I think it's something that would not occur to most people. So that's a really valuable bit of insight. I do have one other submitted question and it's about very rare occurrence, the time where you are offered significantly more than you expected.

Well, that happens, actually. It happened to one of my clients not too long ago. We did a really, really good job of preparing her, talking about the range that we were looking for and an offer came in well above what she thought she was going to get. And my advice is always, even if you love the offer, don't accept it right away. Say, I appreciate this offer. I'm grateful for it. I'm excited about the possibility of working for you but I'd like a couple of days just to review this and think about it with my stakeholders and my family and the people that are advising me. And if it's okay, I'd like to ask a few questions. Then again, during that window of between when they offer you the job and when you say yes, there is an opportunity to improve the offer. You just have to know how to do that. That's what I do with my clients every day. In that case, she was making \$80,000 a year in the United States. She was a mid-career person. They offered her \$125, with 12.5% annual bonus. So that was like \$140. She almost doubled her pay in the initial offer. So I worked with her and I helped her to collaborate with them to see what was still left on the table and it turned out there was a lot still left on the table that they could offer her. They really wanted her and the salary moved up by \$7,000 and they gave her \$25,000 in company stock. (Oh, excellent.) Everything added up to over \$32,000 on top of that amazing offer. So don't assume that just because you got this amazing offer that that's as amazing as it gets sometimes.

And here's the thing, you get wowed by that offer. You don't want it to get away. You just say yes. You could be leaving \$30,000 on the table and not even knowing that you did it. So be careful at that step. And if you need some help, I'm sure that Kim will help you or Fulyana can help you!

John, it's been very engaging talking to you this morning. We certainly have heard lots of things that will resonate for our listeners. I think probably the biggest is to start thinking about the, if you're the employee or the potential candidate, the risks for the organisation in taking you on and making sure that you know what they are, preempting the objections, which we would always suggest is a good way to go with anything. It's about the, for me, what I hear is it's very much a Dale Carnegie approach. Think about what they want. Think about and make them the most important person in the room. The process is going to be that much better. It becomes clear, I think, for everyone.

The negotiation is not an, it's not a high stakes game of chicken. It should be a collaboration that feels safe and feels good. That's, I think, a good thing to leave on today is that what you think negotiation is, it may not be. You don't have to be afraid of it, if you know what to say.

Perfect. John thank you, as I said, for your insights today and for sharing your expertise with us and our listeners. We will put the details of your website and your coaching method onto the guest page that is on our website so that people can get in touch with you directly. (Thank you)

Thank you very much, John, really a pleasure.

Thanks, both of you. It has been a wonderful time and would love to do it again with you sometime.

So there is our three-part discussion with John Gates, salary coach. All the details, if you need them to get in contact with him directly, will be on the guest page on our website. For now, I'm Kim Baillie, she's Fulyana Orsborn and this is Inside Exec.