

Win:Win Pay Negotiations



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13,000 Positions.
50 Major Industries.
11 Countries.

PayScale is a market leader in global online compensation data. With the world's largest database of individual employee compensation profiles, PayScale provides an immediate and precise snapshot of the job market.

Our patent-pending, real-time profiling system indexes custom employee attributes (such as industry-specific certifications) and specific job titles for every industry.

Our secure, on-demand business solutions, PayScale MarketRate and PayScale Insight, provide employers with accurate, reliable compensation detail never before available.

Agenda



- Why this challenge exists
- Balancing Power in Negotiations
- Comp Strategy & Philosophy
- Position Pricing vs. People Pricing
- Creative Approaches
- Q&A



Why the challenge exists



- The applicant has more negotiating power than the manager
- They really do pay more down the street
- People Pricing vs. Position Pricing
- Managers who lack confidence or skill when negotiating

Balancing Power in Negotiations



- Manager's perception is that the negotiating power rests with the applicant because:
 - Managers feel the pain of being understaffed
 - Applicants bring hope for a better tomorrow
 - Recruiting takes time and energy (ROI)
- Balancing Power in Negotiations
 - Transparency with information is important
 - ROI has to account for the challenges of internal alignment
 - Equipping managers with negotiation skills

Comp Strategy & Philosophy



- They really do pay more down the street
 - Your salary range is not based on lack of information
 - The market changes based on compensation influencers
 - Every company has a different strategy regarding compensation

- How to Empower Managers
 - Educate them about your compensation philosophy and strategy
 - Teach them how to sell the organization
 - Connect applicants with current employees doing the job at your organization.

Position Pricing vs. People Pricing

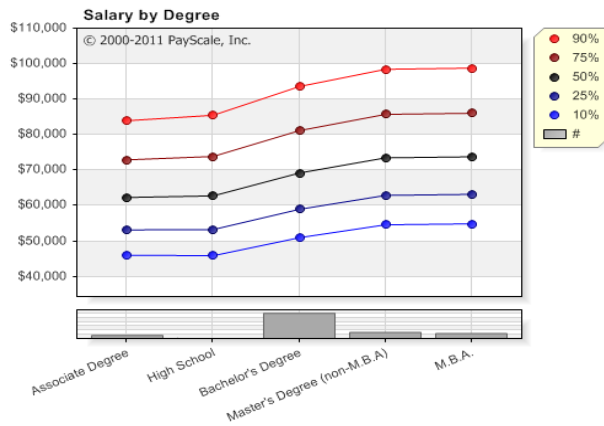


- Value the job vs. value the person
 - Organization put a value on the position; applicants see their value in the position.
 - Many applicants are looking for work at good organizations
 - It's hard for managers to turn away the possibility of something better
- How to equip Managers to deal with these challenges
 - Empower them with information (what is that worth)?
 - Have Managers develop a new job description with the business impact identified.
 - Teach managers to sell the opportunity that exists at the organization.

What's an MBA worth?



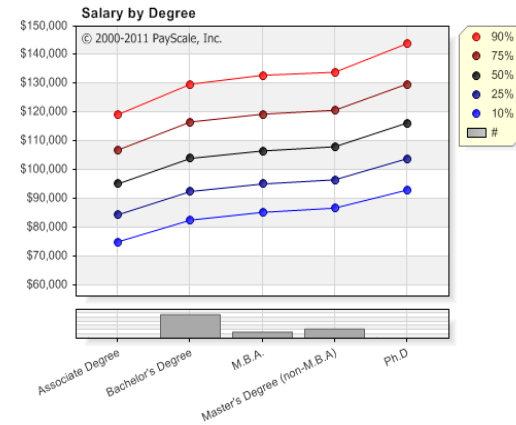
- It depends 10% vs. 3%



Salary by Degree

	Percent	Average	10th	25th	50th	75th	90th
Base Salary - Your Search		\$69,734	\$51,123	\$59,091	\$69,312	\$81,219	\$93,620
Bachelor's Degree	61.8%	\$69,734	\$51,123	\$59,091	\$69,312	\$81,219	\$93,620
Master's Degree (non-M.B.A.)	15.0%	\$73,995	\$54,746	\$63,022	\$73,577	\$85,802	\$98,470
M.B.A.	12.2%	\$74,291	\$55,016	\$63,304	\$73,873	\$86,115	\$98,802
Associate Degree	7.6%	\$62,800	\$46,191	\$53,317	\$62,431	\$73,020	\$84,027
High School	2.3%	\$63,290	\$46,043	\$53,411	\$62,890	\$73,969	\$85,550

Currency: U.S. Dollar (USD)



Salary by Degree

	Percent	Average	10th	25th	50th	75th	90th
Base Salary - Your Search		\$104,515	\$82,868	\$92,757	\$104,224	\$116,854	\$129,941
Bachelor's Degree	57.3%	\$104,515	\$82,868	\$92,757	\$104,224	\$116,854	\$129,941
Master's Degree (non-M.B.A.)	22.4%	\$108,574	\$87,004	\$96,825	\$108,272	\$120,929	\$134,099
M.B.A.	15.4%	\$107,146	\$85,543	\$95,373	\$106,821	\$119,566	\$133,043
Associate Degree	2.1%	\$95,692	\$75,355	\$84,720	\$95,432	\$107,186	\$119,449
Ph.D.	2.0%	\$116,772	\$93,255	\$104,127	\$116,489	\$129,984	\$144,005

Currency: U.S. Dollar (USD)

Negotiation Skills



- Timing of conversations
- Confidence
- Empathy/Likability
- Ownership for decision



Creative Solutions



1. Reduced FTE
2. Flexibility
3. More perks
4. Two-part offers
5. What motivates the applicant?



PayScale Delivers Where Other Compensation Providers Fall Short

PayScale operates the largest online salary database in the world. We allow organizations to price their jobs according to their industry, location, and the employee skill sets which make their workforce unique. PayScale goes beyond supplying the accurate data you need - we also give you the tools to efficiently manage your compensation projects, and the knowledge to stay up-to-date.

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