

GETTING PAID WHAT YOU ARE WORTH

GETTING STARTED

You may be at the beginning of your career, or you may be halfway through it. Wherever you are in your working life, your ability to be paid the salary you want depends entirely on your understanding of how much value you bring to your employer—and how effectively you are able to communicate that value to the person who controls what you are paid.

The subject of money carries with it a great many emotional and psychological issues, and we tend to get overwhelmed and even avoid the mysterious job of assessing what we bring to the marketplace. But just as a store periodically shuts its doors to count its inventory, a regular stock take of all those things of value that you bring to your career and organization will help you decide how you need to supplement your skills and how to price them.

You should consider the following questions while you discover your worth to your employer, and decide how to translate that worth into compensation commensurate with your value:

1. How can you capture the true value of what you have to offer the marketplace?
2. Is there a logical design behind the way your organization pays its employees?
3. How important is it to your future prospects to choose your boss when you agree to take a job?
4. How much power do you have to position your job as a key contributor within your organization?

KEY TERMS

External equity: This is how your salary compares to that of people doing similar work for other companies.

Internal equity: This is the relationship your compensation has to others inside your organization.

Range: Every grade has a bottom, top, and midpoint. The midpoint is usually the competitive, open-market pay for that grade.

Salary structure: Many organizations have formal structures, into which they build their compensation plans. Your worth to the organization, as well the worth of your job, is assessed and assigned a place within the salary structure—most often within a “grade.” Grades makes up the salary structure like steps in a staircase.

Worth: This is not your intrinsic worth as a human being. In this context, “worth” refers to what you know, what you do, and what you produce to help your organization achieve its critical objectives.

FAQS

Aren't salary structures a closely held secret?

Yes and no. Most organizations don't like to broadcast their pay structures. Many employers, in fact, consider their compensation and benefits plans to be a valuable, competitive tool. However, there are ways of finding out what your organization's salary structure is. Sometimes all it takes is simply to ask someone who does a lot of hiring and salary reviewing for the organization about the overall breakdown of the different levels and the reasoning behind them.

If my employer has a formal salary structure, doesn't that limit my ability to negotiate a higher salary?

Not necessarily. You can negotiate above the offered salary by emphasizing more intangible assets that you bring to the table. These might include, for example, the market supply and demand for your abilities, or your institutional knowledge (how long you've been at the organization and how much valuable information you have in your head), and so on.

Can I count on the organization offering me a salary within the range that is assigned to my job?

Again, not necessarily. As much as organizations want to attract and retain the best possible employees, they also want to save money. So your initial offer may be a figure that your employer thinks you will accept, not necessarily a figure that is "fair" in terms of the salary structure. Therefore, an initial offer to you could be well below the range that is officially assigned to your position.

MAKING IT HAPPEN

Inventory Your Assets

You have assets that carry with them intrinsic worth, regardless of what's going on in the marketplace, your profession, or your organization. They include your education, talents, track record for success (it helps to be able to quantify the financial value of your successes if you can), contacts, public recognition, and passions. This list shows your "fast-moving merchandise"—the goods that your employer already knows you have, and routinely relies on for the value that they bring to the organization.

Indicate on your list which of your assets aren't being used to their fullest potential at present. Then create another list of ideas you have had to benefit the organization's future, as well as interests you have related to the organization but not necessarily to your current job. This list represents your upward mobility, either within your existing range or into an entirely different range.

Inventory Those Behaviors, Skills, and Knowledge Sets That Your Organization Values

Look around you and observe how the "stars" within the organization work and behave. There you will find a clue as to what the informal, unwritten values are in your company. While, on paper, you may have all the necessary skills and knowledge required, you also might have to acquire certain behaviors (such as working late or going to official receptions) that will help you get noticed by the key decision makers. It's when you are noticed by the people in power that you have the chance to market your worth to the organization. Likewise, if the organization values certain skills or levels of education—and if success within this particular organization is important to you—make plans to acquire them.

Understand How The Organization's Salary Structure Is Designed

The salary structure is not public knowledge, so you must ask around. Someone you know will know how the compensation is arranged within the organization. If you are considering an offer within a new organization or new department, ask frankly where the offer falls within the range assigned to your job title. Expect an answer somewhere around the midpoint of the range. If the answer is vague or

dismissive, that could be a sign that you are being offered a salary not within your range at all. Be prepared to negotiate.

Work for a Boss Who Is a “Star” within the Organization

Your prospects are limited by the prospects of your boss. Except in extremely rare circumstances, employees typically do not make more than their bosses. Find a positive, respectful, successful, and supportive supervisor, and your boat will rise with theirs. If, by contrast, you are stuck with a boss who is out of favor or in a department that is routinely underfunded, your own perceived value could diminish by association.

Know What Your Job Typically Pays in Your Marketplace

There are a wide number of variables that affect someone’s salary, but, with a little research, general information is available. Trade and professional associations conduct salary surveys that reflect both local and national trends, or salary computation tools are available for free online. Or ask people you know and trust. Don’t ask point blank for a specific figure, but talk in terms of ranges. Collect enough range information from enough people, and you will begin to get a picture of what your financial worth is, both to the organization and your bank balance.

Seize the Opportunity to Write Your Job Description

If someone asks you to write your own job description, it is a golden opportunity to position yourself as a valuable strategic player who is helping the organization to meet its objectives. Use verbs that emphasize the things you do to create change within the organization. The more strategic the role that you create for yourself, the higher you will be placed within your range—you might even be bumped up a grade.

Continue to Enhance Your Value in Four Different Ways

As you continue in your work, you can continue to improve your worth to the organization in these ways:

1. You are a well-liked and trusted team player, who is both productive and cooperative.
2. You are an acknowledged star performer among all the others who hold, or who have held, your job.
3. You are irreplaceable—you possess unique skills, talents, contacts, or reputation in your industry.
4. Your success track record is superior.

COMMON MISTAKES

You Assume You Have No Power over the Salary You Can Command

You can almost always increase your salary, either by elevating your stature, perceived and real worth, and the respect you are held in within the organization, or by changing employers altogether. If you choose to stay with the same employer, you may have to wait for regularly scheduled increases. But when the time comes, you can take a proactive role in determining what your increase will be.

You Take Your Income Personally

Your salary is a reflection of your perceived worth to the organization, not your intrinsic value as a human being, or even as an employee. If you are dissatisfied with your salary, reflect calmly and

systematically on the ways better paid employees managed to attract the higher incomes. Then follow their examples.

You Overlook the Worth of Nonfinancial Compensation

Remember that there are other valuable ways of being compensated: the opportunity to work with a prestigious or cutting-edge organization; the chance to do something that is meaningful and important to your personal set of values; tuition reimbursement while you are studying for an advanced degree; paid sabbaticals; the chance to learn important skills that will position you for an accelerated career progression later

MORE HELP

O'Malley, Michael. 1998. "Are You Paid What You're Worth?". New York: Broadway Books

Pat Scudamore and Hilton Catt. 2000. "Teach Yourself Getting a Pay Rise". London: Teach Yourself Books

Robin L. Pinkley and Gregory B. Northcraft. 2000. "Get Paid What You're Worth: The Expert Negotiator's Guide to Salary and Compensation". New York: St. Martin's Press