

Salary Changes Between Jobs/Employers

A recent recruitment posted here contained this snippet:

The salary ranges into the low six figures, but the company will not jump a candidate's salary more than about 10% above their current or most recent compensation.

How do you all feel about this provision? I for one think it's horrible and unfair, and can't understand the reasoning behind it at all. Isn't a candidate worth what their skills demand? How is their previous pay history relevant? Why should a programmer be compensated less for the same job for completely un-job-related reasons?

My first SAS job was in the public sector with little experience, and I was underpaid even for that. When I moved and was searching for new jobs, I found that few employers would pay what I was worth, *purely* because the last job had been relatively low paying. In the end, I had to lie about my past salary or refused to give that information (inevitably causing a protracted "discussion" with HR and/or recruiters).

Opinions on this practice?

Brad

Brad,

This situation should stimulate philosophical discussions:

1. You need to do your homework when discussing salaries. You need to know the market value as well as an honest evaluation of your own skills and experience. Then you need to answer how much you are willing to accept to move to a new job. If the offer is not high enough, it is your decision to accept or reject.

Should the new employer say "we only offer 10% over your current salary", then it is up to you to prove what the market value is and convince them of your value compared to market conditions. If they reject your argument, then do you really want to work for them?

When discussing salaries - you need to hone your negotiation skills as well as your sales skills. Remember you are trying to "sell" yourself and this may be the only time you have to wear the hat of a salesman. Be prepared and well versed on your market value to convince your new prospective employer your "true" worth.

2. This situation also brings up the realism of whether you should be honest about your current salary or not. If you tell a "white lie" and bump your current salary by say, 10%, you run the risk of being found out. And the new employer may reject you as a candidate just because you lied. As for me, I have always felt being honest is a personal attribute I can never "bend" or jeopardize, hence I would not lie about my current salary.

Instead, I would do my homework, evaluate the market conditions, understand what the new prospective employer needs, try to convince them I am worth X dollars and unwilling to accept less and can fulfill their needs better than most candidates. Ask the new prospective employer, "Do you want quality people or just average employees?" "You get what you pay for, right?"

If they still reject your arguments and presentation, do you really want to work for that company?

Never mind what other companies/agencies say or do. There is always room for negotiations - it is just a matter of how much either party is willing to compromise for a number of reasons.

Finally, make sure you are realistic in your expectations. I am sure everyone would love to get a 25% increase but is that being realistic or not - do your homework and verify your expectations. I have, in my own experience, received as much as a 30% increase to move to a new employer because I had what they wanted, did my homework, and they were looking even though I was happy where I was. It was a bit different in that they wanted me, so they had to convince me to leave.

In any case, you will need to answer some self-evaluation questions honestly, know what you want and do not want, and decide what is needed to move on, and go from there. But what is MOST IMPORTANT - ARE YOU DOING WHAT YOU REALLY ENJOY? If so, then consider yourself very fortunate indeed! Because you really are never working, right? You are doing what you want to do - everyday - and getting paid to do it - is that work or enjoyment???

Good luck - and do not pay too much attention to these industry statements like the one you posted. They typically concern the "average" situation/person, and are you "average"???

My two feathers worth,
Birdman

Charles Patridge
Email: Charles_S_Patridge@prodigy.net

Charles Patridge wrote:

> Brad,

> 1. You need to do your homework when discussing salaries. You need to > know the market value as well as an honest evaluation of your own skills and experience.

agreed. It has been my experience during my years as a recruiter that most people either undervalue or overvalue themselves, and are not willing to be educated as to what they are worth.

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> Should the new employer say "we only offer 10% over your current salary",

current average salary increase for job changers in the US is 7%.

> then it is up to you to prove what the market value is and convince them of your value compared to market conditions. If they reject your argument, then do you really want to work for them?

The employer first tries to determine the value of the job, and expect the value of the candidates the job will attract are within the appropriate range. The fact that this particular employer has this policy, and will not budge from it, is a reflection of their success in both recruiting and retaining staff (turnover rates during the booming late 90s of under 15% in their information technology groups, compared to NYC average of over 25%) It is their opinion that money is only one aspect of the job, and the candidate who only measures a jobs dollar value is not the one they necessarily want.

> 2. This situation also brings up the realism of whether you should be honest about your current salary or not. If you tell a "white lie" and bump your current salary by say, 10%, you run the risk of being found out. And the new employer may reject you as a candidate just because you lied.

Indeed, this particular client verifies previous compensation, and makes offers contingent in part on their accuracy.

> Never mind what other companies/agencies say or do. There is always room for negotiations - it is just a matter of how much either party is willing to compromise for a number of reasons.

Indeed there is always room for negotiations, but when a potential employer asks the candidate what they are looking for, and receives an answer that the employer considers more than they are willing to pay for a spot, they door quickly closes for that candidate, no matter how good. A person asking for a large increase in pay better be able to justify it.

I recently turned away a candidate who was making a salary in the 70K range but would not consider a change for a job paying less than 100K. I asked her why she "deserved" such a large jump. She claimed to be underpaid. I didn't spend a lot of time on this, just pointed out that she was making a bit more for her years of experience than some people I talked to, and a little less than some others, and that her skills didn't seem that exceptional. I didn't place her, and she is still working for the same company, which, she told me, just gave her a whopping 2% raise.

It hasn't been mentioned that company's have pay structures. I've had deals fall apart because a candidate's expectations were outside the company's ability to accomodate within that structure. From their point of view, the candidate was the wrong person. Just as a candidate should ask him/herself whether this is a company you want to work for, the company asks the same thing: is this a person I want working for my company?

Sadly, right now it's a buyers market. There are far more people looking for jobs than there are available openings. I talk to people all day who were making large salaries during the boom, or billing high hourly rates, and now cannot even get an interview because the company doesn't want to buy a bargain. One of my clients during the past 12 months has imposed three pay cuts on consultants, and are now offering their consultants an either take a permanent position or leave. The company, I think, is hoping for an exodus of consultants, which will leave them able to avoid costly lay-offs.

When I posted the position, I put in the phrase that has inspired this discussion because I don't want to waste anybody's time, not mine, not the candidate's and not the company's. When I receive a resume for a person, I try to find out what the person wants to do as well as what he/she has done. If there is a match, I then talk salary. Perhaps my client is willing to pay up to 150K base for the job, but has a target figure closer to 120. In all liklihood, they aren't going to hire a junior person for this job, even if they could get that person for say, 60K, because that person probably can't do the job. And they may not want to hire an overqualified person because though that person might be able to do the job, there might not be enough room for career growth for them to retain that person for several years.

So Charles, perhaps what they are looking for is a person who is average for the position, but who is above average in ambition.

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Arthur,

Your points are well taken. I did not address the other side of the hiring equation (the employer) as you candidly pointed out.

And I truly do understand the salary structures most companies have in place as I worked in HR for several years evaluating the Hay Points and other such Systems and also creating several variations for HR.

As I stated before in the posting, there should be some interesting philosophies introduced on the topic.

You did point out a few of them in your email to me. I intentionally left out the other side of the equation and other comments to hopefully draw such comments as you provided.

I have always believed in 2 plus sides to every discussion, and I look forward to other such contributions and challenging thoughts.

Regards,
Charles Patridge

Quentin McMullen <QuentinMcMullen@WESTAT.COM>

Interesting thread.

It seems to me I remember reading somewhere (perhaps _What Color is Your Parachute?_) that in salary negotiations, the first person to name a dollar figure loses. You have, in some sense, tipped your hand.

In my first job interview after college, I remember trying desperately to avoid naming a salary figure during my 5 minute interview with the PHB. I ended up making \$18k; I think it got bumped up to \$19k after a year (but then again all I knew was SPSS :)

My own experience aside, if it is reasonable for a potential employer to ask about an applicant's earnings history, is it also reasonable for the

applicant to turn the table and ask about what the previous person in the position was paid? What other people in company doing similar tasks are paid?

--Quentin
