

Guide to Nailing Salary Negotiations in Tech

How to get the
best outcomes

F FACTOR



Salary negotiations can be stressful, but there are ways to take some of the anxiety out of the process, so that you don't end up second-guessing, over-thinking or fearful of saying the wrong thing and ending up with regret.

Here's a guide to getting it right no matter what situations the negotiating process involves.



FOR ADDED CONTEXT –
FROM RESEARCH-BACKED DATA

In Australia, the UK and US, the Gender Pay Gap in the High-Tech sector is 7% higher than their respective National Gender Pay Gaps.

The gender pay gap widens with career progression

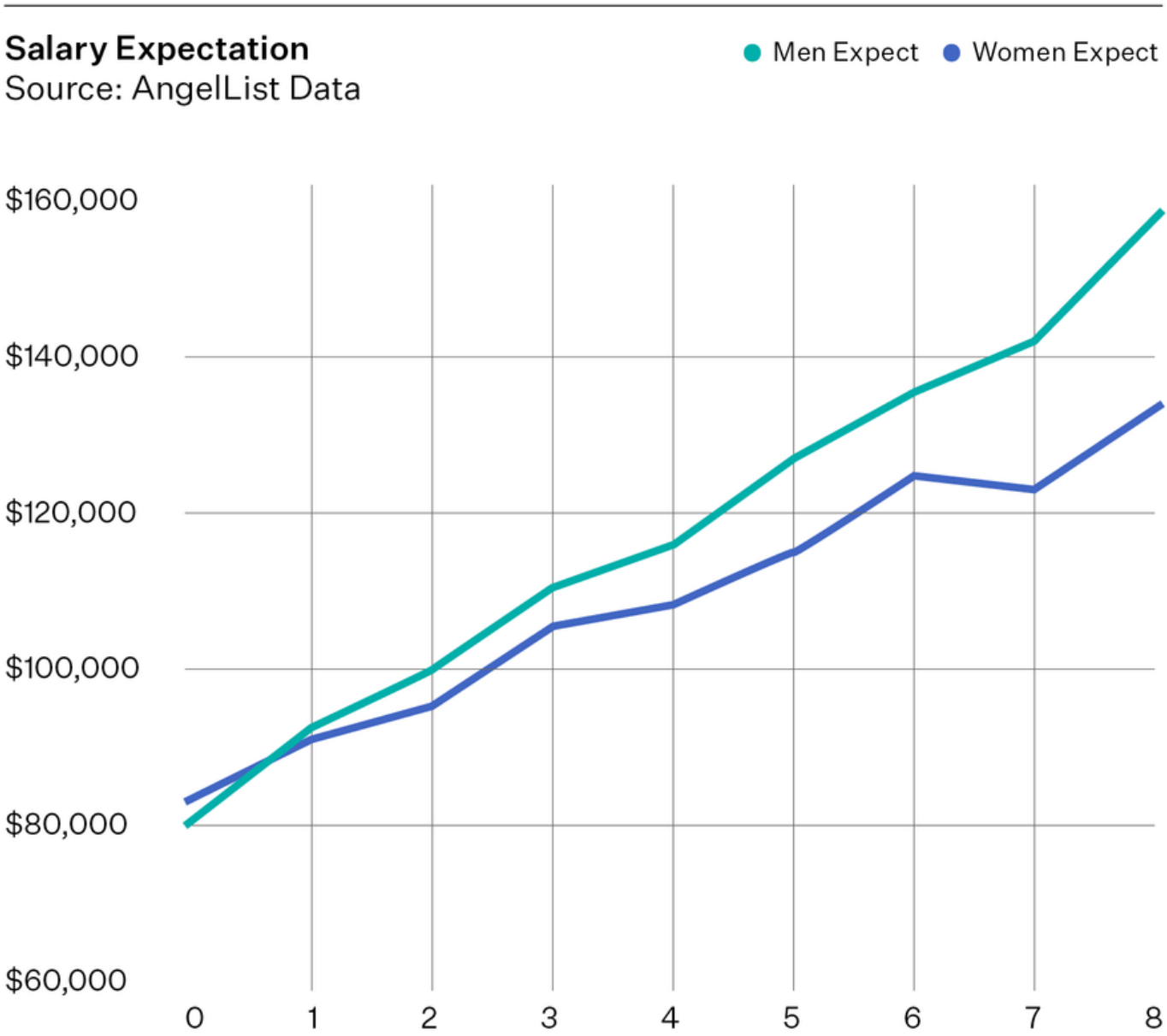
Women tend to move up the career ladder at a slower pace than men (a phenomenon known as the opportunity gap). Eg. a roughly equal percentage of men and women begin their careers as individual contributors, i.e. they do not manage people. In the US in 2020, 75% of men and 76% of women ages 20 to 29 are in individual contributor roles. However, by age 30 to 44, 36% of men became supervisors or managers while only 30% of women did.

Men are twice as likely to be directors or executives than women by age 45 or older. A total of 6% of women make it into an executive-level role at any time of their lives while 12% of men do.

Avoid the Expectation Trap

Research has revealed that there's a salary 'expectation gap' in the field of software engineering that grows over time, meaning that men's expectations increase at a higher rate than women's year on year. This is likely to be a significant contributor to the very real gap that exists in the tech sector as job applicants are typically asked to state their salary expectations either in their application or early in the interview process. We'd hypothesis that this phenomenon is likely to extend beyond the software engineering discipline to other related areas of technology.

Men increase their salary expectations by about \$9,000 a year, while women tend to increase theirs by \$7,000 per year (USD). By the time they have eight years of professional engineering experience behind them, men have salary expectations about 15% higher than what women expect.



TO AVOID FALLING INTO THIS TRAP WE RECOMMEND:

1

Know the value of your role defined by skills and level

2

If asked to state your salary expectations or requirements, ask instead for the range being offered. In fact, ask this even if salary is not discussed

How To Evaluate Your Worth

Asking for a pay increase or negotiating a starting salary in a new job both require an understanding of value - actual and perceived. You absolutely must understand what plays into this.

New Job

FIND OUT & CONSIDER

What is the base salary range being offered?

Ask the question directly: "What range are you looking to pay for this role?" You do not have to tell a potential employer your current, last or expected salary up front.

What is offered in addition to salary, non-cash?

eg bonus (guaranteed or not and if not, what is average it has paid out in prior years), equity (how much?), life insurance, healthcare, employee assistance prog' etc.

What is the market rate for your role?

Ask a good recruitment agent who specialises in your skill area. Check job board listings. Look at Glassdoor data. Check Payscale. Check upto-date salary survey reports - search online to find the latest ones.

What do companies of their type and size pay?

This can differ dramatically. For example a start-up vs a large bank. You have to weigh pros and cons in relation to your particular career wants and needs.

Pay Increase

FIND OUT & CONSIDER

What is the reason you are seeking an increase?

Be very clear about why you believe your salary should be increased and be prepared to clearly articulate it. They must be valid, business-specific reasons.

Is there a salary range for your role?

If so, find out what the range is and how it is defined. You should be able to see where you sit within the range in terms of meeting defined expectations, eg. Defined differences between mid-level engineer vs senior level engineer or Lead vs Manager etc.

When and how is your salary evaluated?

Companies usually have a philosophy and method for setting and reviewing salaries. Ask HR for this information so you can be informed before you set the wheels in motion to ask for an increase.

What is the market rate for your role?

Ask a good recruitment agent who specialises in your skill area. Check job board listings. Look at Glassdoor data. Check Payscale. Check upto-date salary survey reports - search online to find the latest ones.

Do's & Don'ts in Negotiations

DO KEEP NEGOTIATIONS DATA AND FACT-BASED.

DO SAY

“I’ve done some research, and it looks like the typical pay for somebody at my level is _____.” or “According to Payscale.com and Salary.com [or other sources], the correct salary is _____.”

DON'T BRING PERSONAL CIRCUMSTANCES OR EMOTION INTO IT.

DON'T SAY

“I can't afford to live on _____.” or “I'm getting married, so _____” or “I've been working long hours and just feel _____.” etc.

DO MAKE IT A BUSINESS CASE, NOT A COMPLAINT.

DON'T SAY

“I haven't had an increase since _____” or “I'm doing the job of 3 people, so _____.”. Frame your request based on the work you are doing, accomplishment and your request to be ‘commensurate’ with your level and workload.

DO MAKE IT A BUSINESS CASE, NOT A COMPLAINT.

DON'T SAY

“I'm sorry to ask, it's just _____” etc. Never apologise for talking about money.

What If They Say...

“It’s higher than we’d budgeted for this role.”

“We’re delighted to offer you the role at \$_____ (gut-punchingly below what you wanted) .”

“Unfortunately we can only go as high as \$_____.”

“Unfortunately we can only go as high as \$_____.”

YOU SAY

“I understand. I also believe I bring more to the table than the average candidate for the role.” and be sure to then articulate how.

YOU SAY

“Thank you so much. I’m really excited about the opportunity, however what I’d need in order to feel comfortable accepting this role is _____.” and/or “If you can do that, I’m on board” and/or “I know that the typical salary range for this role is _____, and I’m really looking to at least match that. Are you able to get to that level?”

YOU SAY

Nothing to start with. Be quiet and take a breath: “I appreciate your flexibility in trying to make this work. I do want this job, so I’m hoping we can see what we can do to make both sides comfortable.” then “How flexible are you with _____?” and discuss non-cash items like stock, flexibility, other benefits that would be valuable to you. If you’re not sure, say thanks for the offer and tell them you need a couple of days to think it through.

YOU HAVE 3 CHOICES

1. Take what’s on offer and ask if you can review in six months
2. Take what’s on offer and start looking for a new job immediately
3. Walk away from that demeaning job and never look back. Of course, you’ve got to first ask yourself if you can afford it—and if it’s worth sucking it up a little bit longer until you find your next gig.

In Summary

Salary negotiations are likely to make you feel somewhat anxious throughout your entire career, no matter how adept you get at them, so just expect that. But recognise then that you can still improve your negotiating skills even while you feel uncomfortable. Stick with these basic rules of approach:

-
1. Know what you are looking for
 2. Frame it in a positive, business-focused and collaborative way
 3. Have an appropriate fallback, so you always get something
 4. Ask for it
 5. Thank them for having the discussion

