

How to Negotiate your First Salary

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Executive Summary - Negotiating the first salary is not easy. But it is important to ensure that the first salary is the best that one can get. It forms a base for future salary negotiations. The more money earned, the more money can be invested early on and one will not feel short changed. Researching on the salary range, Knowing the employer, Understanding the overall compensation and comparing job offers not just on the money aspect are some of the ways to negotiate better for the first salary.

The best way to improve your financial situation is to maximise your income. The first salary plays an important role as it is the base for future salary raises and negotiations. It is therefore a long-term investment. Let us see how best you can negotiate your salary -

Get the research done - One should know the salary range in mind for the position applied keeping in mind the qualifications, industry, location etc. This can be found out by talking to friends in the industry, reading about pay scale trends in the company and industry or using websites like [Glassdoor.com](https://www.glassdoor.com). Some other factors also need to be considered like location, niche skills might pay more than general skills, how keen is the employer to get the position filled. Sometimes there are too many candidates for 1 job. In such cases, negotiation might not help so much as the company has lot of options.

Know the potential employer - One should know the background of the employer like growth, success stories and future path. One should also what the employer is looking for in terms of skills, and people. The knowledge shows the employer your high interest levels in the job.

It is not only about the money - The negotiation is never only about money. One should think what he/she wants from the job, how the career growth path should be and what other components of compensation are of interest. Some might have constraints on location and office timings. The take home salary, gross salary, bonus etc. should be considered entirely to compare with other job offers. Other entitlements like vacation days, training, reimbursement of certification costs, stock options should also be considered. All these are part of the compensation and should be carefully

looked into and one should try to get most optimized compensation.

Compare different job offers - A person can have more than one job offer. These offers have to be compared from various perspectives. The company, work culture, growth prospects, position offered, salary, total compensation (including leave days, medical facilities etc.) should be compared and the best one should be selected.

Understand the total compensation offered - It is important to understand the total compensation figure and how it fits with your expectations. The take-home salary, the gross salary, taxation aspects should be clear. You should know the answers to these questions before deciding if the compensation is adequate for you -

- Does the company provide medical/insurance cover for you and your dependents?
- What are the expense reimbursements typically provided?
- Does the company offer stock options to employees and what are the terms and conditions for the same?
- Does the company offer opportunities for professional development, flexible working hours, moving allowance etc.
- Compare vacation time, benefits, growth opportunities, bonus etc. across job offers and decide which one is the best.

Different Negotiation Techniques - Depending on the situation, one should apply an appropriate negotiation tactic. For example, it is best to get a figure from the employer first. It is good to know the salary range for the job applied so that one can put forward a figure in case he/she is asked to quote one. One should be ready with a strong case as to why he/she should be paid that amount. In some cases, the company might be rigid on the figure, then one can negotiate for other stuff like a salary review after 6 months or stock options or signing bonus or facilities such as work from home or certification reimbursement. These will also improve your career prospects or financial status. It also helps to practice negotiating for salary with a friend or family member.

There is no harm in negotiating at the start of the career as long as it is professional and backed by research. Negotiation for the best compensation is just one aspect of your job. It is important to be ready to work hard, work smart, have the right attitude and try to excel at your job.

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