

COMPETITIVE PAY RAISE TACTICS

On Day 1, you “set your pay raise strategy” which included choosing the *type* of pay raise to request. In most cases, for most women, the focus is on getting a Competitive Pay Raise or a Merit Raise, or a combination of the two.

A third type of increase called Variable Pay might also be a part of your strategy. I’ve included Variable Pay Tactics in the Appendices because it can play a role in adding to your income, especially if you hit road blocks to getting a decent Merit Raise.

In this supplement to the Build Your Custom Plan module, we’ll cover tactics for getting a Competitive Pay Raise. If you discovered that your salary is *below* market value, your near-term pay raise request needs to be for a Competitive Pay Raise.

We’re going to cover a lot of ground here; I want to be thorough because a Competitive Pay Raise is where so many women need to start, and where the raises of 10% or more are likely to happen for you. So let’s get to it.

Simply defined, a **Competitive Pay Raise** is a salary increase to make your pay competitive with the market. Many career women and most of my coaching clients find that their pay raise request needs to start here, so you’re not alone if that includes you.

Think about it: if you’re chronically underpaid relative to the standard market value, any other type of pay increase is merely a vain attempt to catch up.

For example, if you discover that your current salary is 6% below the market value and your employer grants you a 3% so-called Merit Raise this year, in reality, you haven’t even reached the baseline starting point for fair and **Competitive Pay**.

It’s from *that* baseline — a *fair and competitive pay* baseline — that a **Merit Raise** should be *added*. Otherwise, you’ve made no genuine *salary* progress even *after* your “merit raise.”

Accepting an 3% or 4% raise (or even a cost-of-living adjustment) in a position that is 6% or more below the market value means you won’t be able to catch up. At least not at your current job with your current employer.

While this sounds discouraging at first, think of this way: there’s a lot of pay raise potential there, and I’m going to help you get it. Besides that, you now have a focus for

your initial pay raise efforts. If you were unclear before about how much to ask for, now you know. Once you have this pay parity baseline in place, then focus on net pay gains.

What if, in your market value research, you uncovered a really wide pay disparity? What if your current salary is 7% to 10% or more below market value? How do you convince your manager to give you a “raise” of that size when employer and market norms for raises are closer to 3% to 5%? It’s just too out of whack from what a pay raise looks like.

Well, I have an answer to that for you. There’s a tactic I’ve had several of my clients use with excellent results. And that is, to simply label your **Competitive Pay** increase request as a **salary adjustment** instead.

Again, that’s a **salary adjustment**. So you’re not really asking for a raise per se; you’re reframing the request as a correction. So label it a salary adjustment or a salary correction, whichever you think would be received better where you work.

How can you get a salary adjustment going where you work? Some negotiation experts advise that, after gathering your market value research, you ask your manager for advice and help in correcting the situation.^{1, 2} Now that may sound crazy at first, but I’ve seen it happen with some of my clients, so I know it works.

One woman, let’s call her Hannah, is a young professional in the health industry who followed my advice. Going into her job performance review, she learned that her manager had already submitted her recommended pay increase of 2.5% to Human Resources.

Yet after she presented the market value numbers showing how much she was underpaid, her manager went to Human Resources to push for Hannah’s salary adjustment.

HR was skeptical and so did their own research to validate the data. They subsequently approved a 10% increase. That’s quadruple the 2.5% that was submitted.

You can see how being prepared and following a Pay Raise Process that includes third-party market data can have tremendous results.

And in her situation, Hannah didn’t have to launch a months-long pay raise *campaign*. She got the big fat pay increase in the near term.

It doesn't always happen quickly. It took my coaching client, Natalie, (not her real name) almost six months to get a sizable pay increase. She and her manager worked to completely reclassify her job and change her title from Nutritionist to Student Health Coordinator. This allowed her to get a salary adjustment of 17%!

The 17% salary boost by itself is remarkable. But I love Natalie's success story because there's something even more remarkable about it: all this happened during the second year of an employer-wide wage freeze at a large bureaucratic university! Yet Natalie received a 17% increase in her wages, made retroactive by three months. See what's possible with the Pay Raise Process?

Now let's focus on you and the action steps you need to take. You bring the data to your manager revealing the wide pay disparity between your salary and the market value for your job.

A welcome response would be for your manager to take the initiative and start corrective action. That's what happened with Hannah, the health professional who got a 10% increase instead of 2.5% because of her manager's response to the data.

But what if you don't get a welcome response? The reality is, you need to be prepared for some sort of push-back. Some reasons or excuses. "I'm sorry, but you know the budget is already set." Or, "That's just way too much to ask for at one time."

Or, as in the case of Natalie, the university employee, she probably heard something like, "I'm sorry. The university has imposed a wage freeze. My hands are tied." Well, now we know that Natalie was proactive about her pay and helped untie those hands! And she used the Pay Raise Process that you've been doing in this course.

If you're facing that situation, you're going to do what Natalie did and respond by asking for advice. In a pleasant tone, and I'll emphasize pleasant, not pleading or anything like that, here's the question to ask of your manager:

"What would you do if you were in my position?"

You might preface the question with a buffer line such as, "I see. I'd like to ask your career advice on this: what would you do if you were in my position?"

Or, depending on your working relationship with your manager, you could say something like:

“I’m turning to you for help with a strategy for dealing with this disparity. What would you do if you were in my position?”

If your manager comes up with suggestions, or even additional information that helps you craft an agreeable option, or comes up with a creative idea for reaching agreement, your negotiation conversation is back on track. If your manager comes up short, don’t let it stall your progress.

Instead, you’re going to say, “I’m wondering if you would be open to discussing a few work-around ideas that I have.” Again, you’ll say this in a warm, friendly tone (perhaps with smile). Then pause, and wait for the response.

SALARY ADJUSTMENT TACTICS

Let’s say your manager accepts your research and reasoning for a significant **salary adjustment** and agrees to advocate for you to upper management or Human Resources. Work together with your manager to devise solutions for getting approval. I have a few tactics for you that have worked for some of my private clients.

One way to get your **salary adjustment** is to change job classifications. Or, invent a new job title that comes with higher pay. It might even be labeled a promotion. (While this addresses the issue for you as an *individual*, the *position* remains underpaid.)

Another way is to reframe the *total* salary increase request as a *combination* of pay adjustments to include a **Competitive Pay Raise** plus a **Merit Raise**.

Or a combination of **Competitive Pay Raise** plus a cost-of-living adjustment, if for some reason you’re not currently due a **Merit Raise**.

Maybe a *combination of all three* will get you to the pay level you deserve; suggest to your boss that your requested increase is a combination of a **Competitive Pay Raise**, **Merit Raise** and **COLA** altogether. That might allow her to justify and accept the total amount you’re requesting. Make it clear that once your salary is caught up with the market, you won’t be requesting out-of-the-ordinary adjustments.

If you work for a small-enough employer, where fiscal policies, procedures and compensation cycles are usually more flexible than a larger organization’s, you might *split the timing* of the combination approach I just described.

For example, you could lobby for your **salary adjustment** around six months before the usual time of year in which merit raises (or COLAs) are doled out. With this two-step approach, you might meet with less push-back than if you lobby for one big pay jump at one time.

Your goal in whatever strategy you choose is this: to reach or surpass the median of the market value salary.

HOW MUCH?

Now we address the question: “**How much of a raise** should I ask for?”

Remember the goal with a Competitive Pay Raise: you’re aiming for pay parity with the market value. You’ve already run the numbers between market value and your current salary, so that’s your “how much” figure or range of figures.

Put another way, the dollar amount or percentage amount increase should be enough to reach at least the median, or 50th percentile, of the market value salary for your job. At least. You know from Day 3 that your target goal will be higher.

What if your efforts to correct your salary meet with a brick wall of resistance or outright refusal? What if, even though your salary is way out of line with the market, your employer ignores the need for any Competitive Pay Raise or **salary adjustment** or consistently claims there is no room in the budget?

In that case, finding a new employer, one willing to offer you a fair and competitive salary, might be easier than an extended campaign for a **salary adjustment** at your current job. That’s not an easy choice to make, but it’s one to consider.

TIMING YOUR REQUEST

What about timing your request for a Competitive Pay Raise or salary adjustment?

There are two main timing choices: Either address it soon after you uncover the disparity, or wait until your next Performance Review. The timing you choose will depend on your strategy.

Here are some other timing options for requesting a Competitive Pay Raise:

- Ask at the completion of an important project that went well.
- Ask after you've scored a major win for the company.
- Ask after you've won an internal or external award or recognition of some type.
- Ask after you've completed a certification that your employer required.
- Ask after you've been assigned new job responsibilities, especially if that involves a promotion and new job title.

Your choice to combine the different types of raises or to split the timing of your request will also drive your decisions about *when* to ask.

Before we close, let me slip in a confidence builder here in case you're feeling queasy about requesting a Competitive Pay Raise.

Your request for pay parity is perfectly legitimate if you're negotiating on the merits. If you're a reliable professional doing your job well, then getting paid what you're worth is a reasonable and meritable expectation.

It's what a new hire would expect or ask for if he started in your job today. I said "he" on purpose here, and I'll say it again: *Market value pay is what a new hire would expect or ask for if he started in your job today.* So isn't it a reasonable expectation for someone already on the job? Meaning you? Yes!

Hear me on this: your request for pay parity is not about greed. It's not even about need. It's about getting paid a fair and competitive salary for the job you're doing. Let that sink in and go get what you deserve.

NOTES

1. Lee E. Miller and Jessica Miller, *A Women's Guide to Successful Negotiating: How to Convince, Collaborate, & Create Your Way to Agreement* (New York: McGraw-Hill, 2010), 195
2. Negotiation Skills: How to Work with Your Counterpart in Negotiations <http://www.pon.harvard.edu/daily/negotiation-skills-daily/turn-your-adversary-into-your-advocate-the-benefits-of-seeking-advice> Accessed June 23, 2017