

Ego is spelled M-O-N-E-Y

When I first entered the recruiting business twenty-eight years ago, I was fortunate to have a supervisor who was an excellent trainer, coach and mentor. My learning curve was exceptionally steep because my previous work experience was as an Air Force officer and broadcast journalist on radio. He must have had a great deal of faith in me, because as a new recruiter, I not only had to learn the processes of recruiting, but also had to learn the processes of my client companies and my candidates. He groomed me to be the top producer in a firm with 120 employees in about 3 years. I owe him my career.

Whenever a client was about to hire one of my candidates, he would always remind me, “Ego is spelled m-o-n-e-y”. He would also say that if a candidate states that money doesn’t matter, that’s when it seems to matter the most. I have witnessed countless times over the years where people have refused job offers because their ego would not permit them to accept something less than what they had in mind no matter how unrealistic. This is a very sensitive topic because we all tend to measure our success by how much we earn.

The central issue here is weighing short and long term priorities, before and during the interview process. Understandably, things are more complicated now by the slow market. Many unemployed candidates have admitted to me that they would literally accept any offer for any job and I don’t blame them. Nonetheless, it behooves us to seek answers to some of the following questions before and during the exploration of a new opportunity:

- What is my relative value in the marketplace? There is no easy answer here. You have to look in several places. You may have some insight into your company’s compensation structure, which more than likely uses a “banding” approach. You can check out the Computer World annual salary survey. If you have taken some interviews, talked with executive search consultants in the past year or just searched on line, you probably have some useful data. You also need to consider industry and geography, which can have major influence on compensation levels for comparable positions. Manufacturing in Cedar Rapids pays less than high tech in San Francisco.
- How much money do I need annually to meet my living expenses? Do you spend every penny you make, or are you an active saver? Ideally, the second choice is the preferred one, but I also understand that if you are middle-aged, with a home mortgage and two or three kids attending college, saving outside of a company 401K, may not be possible.
- How will this new opportunity benefit my career? What experience will I gain that will give me better career traction in the future?
- Is this simply a paycheck until something better comes along? If so, how will I explain that on future interviews?
- If this job is paying significantly more than I am earning, am I being hired to fix an urgent, critical problem only to face a layoff after I solve it? An unusually high

offer in many cases masks a problem with the company, its management and its future. This may be a desperation move by someone in top management to save their own job. If it sounds too good to be true, you know the rest.

- If this job is paying less than I am earning, what are the reasons? Is the company taking advantage of the poor market and thinking I am “over a barrel”? Are my previous earnings out of synch with their scale? Are they making a costly training and development investment in me that will add future value to my career? Are they simply offering me a job on a “take it or leave it” basis?

All of this probably goes out the window if you have been unemployed for a long time, have had hardly any interviews and are now considering an offer. But you should at least keep these thoughts in mind as you enter this new relationship to understand how it may affect you in the future.

Over the years, I have witnessed the following phenomenon. Please understand that this is not a scientific survey, but is based upon many conversations with practitioners in your field.

- Some people made their most successful career moves when they took a lateral or a reduction in pay. They recognized that significant career value would be gained by accepting a position under these circumstances. Many went on to enjoy exceptional career success, growth and financial enrichment.
- Many companies have sowed the first seed of a person’s departure by hiring someone for less than they previously earned. This is usually done in a “take it or leave it” hire. The new employee feels s/he has been had. They take the job because they need an income, but when the job market improves, they leave for greener pastures. I have seen this more times than I can remember. (Keep this in mind whenever you hire. You can reduce future turnover.) One of my best clients for over ten years always made a practice of offering unemployed people a compensation package that was at least equal to their previous one, if not slightly better. They viewed this as a welcoming gesture and they enjoyed stability in their IT staff.
- Some people have ruined their careers because they only moved for a significant increase, ultimately causing them to fall out of step with the market. Many of them, if they had spent their entire income, found that they had to become contractors to continue a revenue stream to support their life style. This is fraught with other pitfalls.

Some possible strategies to consider during an interview:

- Don’t bring up compensation until the company does. It always amazes me how many intelligent and sophisticated people overlook this.
- Don’t draw a line in the sand. When a company asks how much you want, the killer answer is, “I must have at least XXX”. If they were going to offer you \$500, \$1,000 or even \$5,000 less, you will never know it. Be flexible.

- Have a range in mind, based upon your assessment of the job, risk, location, career potential and your personal needs. When a company asks how much you want, you can then reply, “I would anticipate that my next career move will be in the range of (for example) \$175,000 to 190,000, plus incentives.” Another approach is to say, “I understand that you have a hiring range. I am excited by your opportunity and will give favorable consideration to an offer in that range”. This gives the company some room. As a search consultant, I always ask a candidate, as we near the time of offer, to tell me what they want. I typically say, “Give me three numbers: the first should be what you really want. If the company hits it, you will immediately accept their offer, without hesitation. The second number should be something less. You may hesitate briefly, but you will probably take their offer. The third number is the floor. If they go below that, you will not accept their offer under any circumstances and will move on”. Many candidates will ask for a day to think this over, which is fine. I find their answers to be very interesting. Some people find it to be a dose of reality; others go off the Richter Scale. Better to know this before the offer is made than after.
- Related to the above item, do your homework in advance. I have seen many opportunities bruised by post-offer negotiations. As the candidate, you don’t want to be beaten down. Companies don’t like to be held up either, once they make a selection. Be open, honest and flexible when asked what you want. Be ready to offer a pay stub or W-2 to verify your compensation.
- Don’t assume that a company or its recruiter knows what you want. Many people think that they will automatically get an offer that is ten to twenty per cent more than they earn, without asking. Not likely. This is a business deal and a sales process. Be ready to negotiate and assume nothing. You are responsible to articulate your desires at the time of offer to your search consultant or to the hiring company.

These are very broad issues. As you negotiate for your next position, it is likely that you will encounter circumstances that may be different. I would love to hear from you with any vignettes that I can share anonymously with the rest of the members. Also, I am willing at any time, to provide an objective opinion concerning your situation if you think that will help you negotiate a better offer. Don’t hesitate to contact me.

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Ed Pospesil
Chairman
Technology Executives Network GroupSM

Vice President
Bruner Consulting Associates, Inc.
33 Elizabeth Street, 3rd Floor

Derby, CT 06418
epospesil@brunerconsulting.com
www.brunerconsulting.com
www.theteng.org
Phone: 203-732-7084 / 866-566-2224
Fax: 203-732-9033

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