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Don't Let These Negotiation Myths Hold You Back—Here's How to Shake Them

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When I was just starting my company Rora—a career and negotiation agency for high performers—a friend received a job offer she was excited about. When I asked her if she planned to negotiate, she said, "Do you think I should? I don't want to hurt my reputation before I start!" Thankfully, I talked her into it.

In reality, the idea that negotiating will make a company think less of you is a huge myth—just one of many when it comes to offer negotiations. And a company that *does* think less of you doesn't really value you, which means you should go somewhere that does if your financial situation permits it.

Whether you're <u>considering a new job offer</u> or discussing a <u>raise</u> with your current employer, you should be negotiating. Negotiation can add more value to your life than you'd think—from impacting your lifetime earning potential by setting a higher baseline for future compensation to making sure you feel truly valued for the work you're doing now.

Yes, the prospect can be scary, but it's crucial to push past your doubts when you can afford to. I've helped more than 200 people with their offer negotiations and found there are common hangups that seem to get in everybody's way. Here are five myths that may be preventing you from succeeding—and how to move past them

Myth # 1:

Your Market Value Is a Fixed Number

You've probably heard that you should know your "market value"—and you've probably found yourself frantically Googling industry norms and pay ranges. But trying to base your negotiations around market value can be confusing and limiting.

Reality: Market Value Is a Moving Target

True market value isn't a hard-and-fast number you can find on the internet. Think of it more like the price of a stock—sure, there are historical variables that help determine the value of a business, but at the end of the day, it's largely based on dynamic and forward-looking factors like how investors value the company and what story the company is presenting to them. Your own market value is similarly dynamic: Yes, you have some history of performance, but it's really defined by how much other employers are willing to pay and what story you can tell about the value you'll provide to companies.

With that in mind, try the following to improve your estimation of your value during negotiations:

- Go big when benchmarking your salary. Consider your current salary and aim for at least 15% more (if you're negotiating a new job) or communicate the high end of salary ranges you see online.
- Always ask for more than you're offered. Remember that companies are focused on their bottom line, so they'll always try to offer the lowest number they can while staying competitive. In other words, companies pay what you're willing to accept, not what you're worth, so you should almost never accept the first number given. I've seen companies increase equity from \$140K all the way to \$1.5M, and signing bonuses from \$0 to \$150K, just because a candidate didn't jump at the first offer.
- Don't stop at what feels reasonable. Market value is a constantly moving target, and by pushing even slightly higher than what feels "reasonable," you're helping raise the expectation for everybody.

Myth # 2:

Compensation Can't Go Above the Range a Company Has Given You

If you've ever asked for a higher salary, you may have been told the company simply can't meet it because you're at the top of your "salary band." This kind of explanation can make it seem like there's simply no wiggle room and it would be silly to even try to negotiate.

Reality: There Are So Many Ways Around Salary Bands

Going outside of salary bands happens more frequently than you'd think. Even though they can *feel* set in stone, remember they are ultimately set by HR, a department whose job is to keep the company within budget, rather than your future team, whose job it is to move the business forward.

Armed with that knowledge, here are a few ways you can work around salary bands:

- Ask the right people. To get paid outside of a set salary band, you'll typically need senior-level approval. If you're speaking to someone in HR, try sussing senior level buyin out by saying something like: "I'm not sure the given salary band reflects my experience and the value I'd bring to the company. Could I speak with my manager? It seems there might be a misalignment of expectations for how I plan to contribute." You may need to work with the hiring manager to build your case for why the value you're offering exceeds the stated band.
- Negotiate to move to a higher band. If you feel the salary band is lower than your value, you could also ask to change your position title, level, or seniority, which can raise you up to a higher band. Try saying something like this to the hiring manager: "I'm very excited about the company mission, but I'm concerned I won't be able to have the impact I want to have given this title. I want to be doing senior-level work that allows me to add the most value to your organization."
- <u>Negotiate non-salary factors</u> to raise your total comp. Salary bands usually apply to base salary, which is often the hardest number to negotiate. If a company won't budge on the base, see if you can improve things like equity, annual or signing <u>bonuses</u>, relocation stipends, or benefits instead.

Myth # 3:

You Need a Counteroffer to Get a Company to Change Their Offer

Bringing competitive counteroffers to the table has become a popular way to negotiate higher compensation—so much so that some people believe they can't negotiate without having one to show.

Reality: Counteroffers Are Not a Requirement

While counteroffers *can* be a powerful negotiation tactic, they aren't always necessary—and can sometimes be a detriment. And in fact, bringing a counteroffer to the table isn't the most effective initial tactic, because it limits your compensation to the highest offer you've received elsewhere.

Here are some tips you can use when incorporating counteroffers into your negotiation:

- Don't share initially—even if the company asks. Companies will almost always ask you to share counteroffers early in the negotiation process and sometimes even suggest they can only negotiate if you have one. Get around this by saying something along the lines of: "I'd like my compensation to be based on my value to your company rather than how other companies are valuing me."
- Negotiate based on your value, with a nod to other offers. Return to the tips above and negotiate based on how much you believe you're worth first—while gently reminding them that you have other irons in the fire. Try something like: "I've given it some thought and have come up with an offer that would make me feel excited to give my 100% to [company] and forgo other opportunities on the table at [company names]." Then outline your ideal terms.

• **Use counteroffers as a last resort.** If the company absolutely won't budge and you have higher offers, then (and only then) is it worth bringing them to the table.

Myth # 4:

You're Not Passionate About the Work if You Negotiate Compensation

People have a lot of shame around negotiating. You might think that it shouldn't be about the money if you really care about the work, that you're not a team player if you ask more for yourself—the list could go on and on.

Reality: Companies Expect That Everyone Will Negotiate

Even if they act otherwise, companies expect negotiation as part of the process. After all, this is a business relationship. You're offering your skills and expertise and should be compensated accordingly even if you *are* passionate and excited about the work.

Here are some tactics to help you get over the shame of negotiating:

- Seek out professionals 10+ years older than you. After years of seeing the realities of the industry—including watching their peers get paid more because they negotiated, experiencing negotiation from the side of hiring managers, and being burned by companies promising that their low pay is worth it for the mission—they've typically lost this sense of shame and can help you start to move past it.
- Talk to peers who've negotiated. Understanding that everyone around you is
 negotiating can help normalize it and help you internalize that there's no shame in
 asking for more. And you might be surprised to learn what people have been able to get
 just from asking.
- Discuss your fears with a mentor. Getting an outside perspective from someone
 who's in your corner can help you validate whether your concerns are founded—or
 whether they're fears you should overcome.

Myth # 5:

You Can't Ask for Help With Negotiations

It's easy to feel like companies have all the power when you step into a negotiation. It's also easy to feel like you should have to go it alone—it's your career and salary, after all.

Reality: It's Normal to Need and Use Help

Most people don't realize there are others who can help you negotiate. The vast majority of people who negotiate a wildly better offer are able to do so because they have help. And often, they don't have to go looking for it, they're usually just lucky to have a really great mentor in their industry who's personally invested in them.

If you don't have this type of mentorship, you need to be more proactive. Don't assume you have to figure this out on your own. There's no shame in needing help. Whether it's a

negotiation professional like a lawyer or coach, your manager or mentor, or peers in the industry, it's totally normal to lean on other people for support and information. (I may be biased, but I think the most successful negotiations involve a little professional assistance.)

If you're still feeling iffy about asking for help, remember the following:

- Companies are experts at negotiation. While you're mostly negotiating with the recruiter, they might have support from an HR business partner, compensation analysts, and/or the hiring manager. In some cases, it's their full-time job to negotiate, and they probably have years or even decades of experience in getting the best deals possible for the company. Your compensation shouldn't be limited just because this isn't your area of expertise.
- Experts have more data than you. When it comes to determining your market value, companies often have much more info not only on what they're already paying folks on the team, but also on what people are making in similar roles at other organizations. Tapping into that kind of knowledge can help you avoid being left behind.
- It's normal to get help in other areas, and it is here too. You probably wouldn't think twice about working with a real estate agent to help you buy a house or an accountant to help you manage your money. Just as much is at stake when negotiating in your career, so it makes sense to get an expert in your corner.

I know that's a lot—and it's really only the tip of the iceberg when it comes to ideas about negotiation that hold people back. But if you can start rewriting your internal script about negotiation now, it will help you overcome the biggest myth of all—that you are not worthy. Negotiating successfully ultimately comes down to this: Believe in what you bring to the table and work with people who believe in you. My ultimate advice is to keep looking until you find a company that believes in your worth as much as you do.