

Negotiating your Compensation

Compensation discussions are a crucial final step in the job change process. It is important to understand the process and be prepared with the documentation that shall be sought, and have realistic expectations on what to expect. It is vital for you to understand the various components of your current compensation and create an Excel file listing the same, some of the components to list are:

- a. Fixed salary
- b. Variable salary (Performance Bonus)
- c. Deferred compensation (including Anniversary/Retention Bonus)
- d. ESOP's/Stocks
- e. Any other payout

Also list down the various deductions that are made from your salary like:

- a. Provident Fund
- b. Gratuity
- c. Taxes

Once the prospective employer decides to go ahead with your candidature, they will ask for the following documents to substantiate your salary and make an offer:

- a. Salary Slips of current organization (last 3 months)
- b. Copy of appointment letter of current organization
- c. Last increment letter

You should note that only documented salary shall be considered for purposes of raise calculation. Any compensation that is paid in cash will not be considered. Most organizations offer raises only on the fixed compensation that you earn currently. Increasingly organizations believe that the job market is national and they will not pay higher even in case of relocation to another city. They may however pay the relocation expenses to help you and your family to make the move.

Compensation raises are based on:

- a. Current industry practices
- b. Demand for the skill being hired for
- c. Your performance at the interview

Once you receive an offer, you should input the same in the Excel sheet created above to do a comparison. It will also help you in negotiating a better offer.

During the offer negotiations remember to:

- a. ask questions to understand the compensation structure
- b. work with your recruitment consultant to understand the flexibility available to get a better offer
- c. be polite and respond professionally, try to understand the organizations point of view, without seeming to be rigid and inflexible

Once you are ready to accept the offer, respond with a professional email mentioning the same.