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WORKPLACE

How To Ask For—and Get—a Raise Now

FORTUNE

Tuesday, December 14, 2004

By Anne Fisher

Are you harboring a New Year's resolution to make more dough? With the job market picking up, this may be a good time to ask.

"Companies have done so little hiring for so long, there is enormous pent-up demand for management talent," says Robert M. Fields, an attorney based in South Salem, N.Y., who has been representing senior executives (annual compensation \$500,000 and up) in salary negotiations for 25 years. "The dam is going to burst in the next few months." Recruiters surveyed by ExecuNet, an online job-search and networking service for managers making \$100,000 or more, agree. They expect hiring to jump 20% by midyear. CEO Dave Opton is hearing from plenty of people who are already cashing in on the job market's long-awaited turnaround—either by moving on to juicier jobs or by reaping raises designed to keep them where they are. "In nearly every case," Opton notes, "the bigger paychecks are a product of strategic negotiation." And there's the rub. In a recent poll of antsy executives, about one-third (31%) admitted they're unprepared to negotiate pay, and Opton believes the percentage of the unready is actually much higher.

If you suspect you may be ill-equipped to haggle, the first thing you need to know is that the past couple of years have brought a few changes. Due to various loudly publicized excesses and scandals, many boards of directors' compensation committees are no longer inclined to act as mere rubber stamps for whatever pay schemes management dreams up. The people above you may now have to justify every nickel. "So don't expect that your terrific performance will be rewarded automatically," says Rob Fields. "You have to ask. Wallflowers don't win."

How and when you ask matters too. Says Fields: "Banging on the table and making salary demands—or, worse, having an attorney bang on the table for you—doesn't work anymore." Instead, suggests Dave Opton, "pull together the data you need to position yourself, including what your peers elsewhere are making and what you've contributed to the company. Think of yourself as a brand you have to sell. Explain the features." Many managers, he

says, make the mistake of waiting to bring up money during a formal evaluation. "It's never a good idea, because those discussions tend to focus on how you can improve. Start a discussion about pay a few months beforehand."

Perhaps the biggest change of all: Salaries these days take a back seat to bonuses. "In the past the top 300 people in a company got essentially the same pay package as the CEO, only smaller," says Ravin Jesuthasan, a principal at compensation consulting firm Towers Perrin. "Now we're seeing many more customized incentive plans." If you're changing jobs, offering to take more of your pay in performance bonuses may make you a more attractive candidate. If you're staying put, play big or go home. "If two people are doing the same job and one is a star and one is not, the star will get all the money," observes Jesuthasan. "Companies are much more willing now to be 'unfair,' because they're only interested in retaining their best people." The heat is on.