When to Give a Raise

It’s important to make your employees feel valuable. A large part of doing so is giving raises. The trick is knowing when and how much to provide. You need your employees to prove their worth but not feel over expended without proper compensation.

As a Specialty Quality and Regulatory Recruiter, I have seen successful companies follow the properties that I will outline in this article. Employees leave jobs for many reasons. Pay and lack of recognition are big ones.

Acknowledge Value

To award raises, you must understand value within your company. This means, creating key performance indicators (KPI’s) for each employee. That way, your employees will know what they are working toward. Make sure that your goals challenge them but are achievable.

Keep Your Employees Informed

Communication is essential in any relationship – this includes business. Keep your employees informed throughout the year of whether they are meeting their KPI’s. You could do this by quarterly reports. Most people want to do well. Taking the time to review job performance, write a report, and meet is an investment for your company. Growing the skills of your employees is cheaper than hiring.

But, of course, if you need to add to your team or upgrade the team you have, I can help you find the right employee to help you meet company goals.

Don’t Guess! Crunch the Numbers

If your employees reach their goals, it’s essential that you provide them with the correct compensation. This is not only essential for them but the financial stability of your company. Employees receive more salary when they are providing more return to the company. Top performers should get a bigger raise, but be careful.

Giving too much of a raise can cause drama. Employees talk. If a colleague earns less of a raise than another a coworker could get upset. When you give your employee the raise, explain what goals they completed to justify the number.

It’s also important to make sure what you are paying your employees is competitive. There are salary surveys that can help. And for Regulatory and Quality positions in the San Francisco Bay Area I can be a resource to let you know what the market is paying for these positions. Paying a competitive salary will help you keep your employees. If you don’t want to pay the market rate for good talent, your competitors will.

How-To Receive a Raise at Work

At some point, you are going to want a raise a work. Maybe you have been contacted by recruiters for jobs that pay more, but you would like to stay if your current employer would give you a raise. It is important to know the appropriate procedures to asking for a raise. This could determine whether you receive the compensation you deserve.

The following tips can help you maximize your raise when it is time to ask:

Show Your Value

The most essential part of receiving a pay raise is showing your added value to the company. Prepare a list of goals that you have accomplished before entering the meeting. Your employer wants to know why they should give you a raise. Demonstrate your value through performance evidence.

Examples of Added Value

- Cost Saving Report
- Staff Development
- Important Projects Achieved
- Productivity Improvement
- Customer Service Reviews

Read Your Employee Handbook

The employee handbook outlines when pay raises are granted. If your handbook states that pay raises are granted annually then you should not expect a meeting until the appropriate date. Some pay raises can vary based on performance. In that case, prepare a value report.

Talk About the Future

Your employer will probably ask you about your plan for the future within the company. Have a plan of other projects and improvements that you would like to achieve. And if you've been contacted by recruiters about other jobs that pay more, tell your employer about the calls and ask them if you might be able to get a salary adjustment. But again, make sure you can show how you've added value.

Be Prepared to Hear "No"

There is always the chance that you will hear "no" in response to a salary increase. A “no” does not mean that you will not receive the raise at some point. Usually your employer will respond with improvement that they would like to see before providing the raise. Listen to their constructive criticism so you can receive the raise in the future. And if you have been getting calls from recruiters for other higher paying opportunities, getting a “No” on your request for a raise may indicate you may want to talk with these recruiters to see what your options are.

Timing is Everything

Use common sense when you are asking for a raise. If you know the company is struggling financially, it is not time to ask for a raise. Instead, you should start searching for a job in a higher paying company.

You should also schedule the meeting at your employer’s convenience. Send them an email requesting a meeting and be patient. You are more likely to receive the raise if your employer does not feel rushed.

Dress the Part

Your first impression will set the tone for the meeting. There is a saying from career coaches that you should dress for the role you seek. In this case, if you want to be considered for a raise or promotion you should try to start dressing appropriately for that next level.

Take how you dress seriously, but since you are approaching your current employer you probably don’t need to dress as you would for a formal interview. But make sure you look professional and be confident.

Don’t Compare Your Salary to Colleagues

It can be disappointing to find out that someone in the same job position has a higher salary. However, a number of items factor into their pay scale.

Has your colleague been with the company longer than you?
Did your colleague have more job experience upon entering the position?
Does your colleague have more education than you?

Do not tell your employer that you are being treated unfairly. Focus on why you deserve the raise to be taken seriously. In fact, letting your employer know you know how much your colleagues are making can create more problems for you than it can solve. Best to stay away from bringing this up.

Asking for a raise can be awkward. Go into the meeting prepared and confident for your best opportunity of receiving a raise. As a Specialty Quality and Regulatory Recruiter, I help job candidates negotiate and maximize their pay rate upon entering the position. A well planned conversation with your employer about your salary can help you determine if you have a future with the company, or if it’s time to consider a change.

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10 Mistakes Successful People Never Make Twice

We all make mistakes. When a mistake occurs, we have two options:

1. Blame someone else and continue with the same behavior.
2. Learn from our mistake to make more productive choices in the future.

Successful people choose option two. You must use your mistakes as an opportunity for growth in order to meet your business goals. Of course, you can also apply these suggestions if you think of your career as a business as well.
It’s important to realize that you are not alone in making mistakes. The following are 10 common mistakes that successful business owners seldom make again:

Let Other People Bring Them Down

Successful people will always have “haters”. These are the people that are jealous, doubtful, or just do not like you. It is easy to be discouraged when someone is constantly questioning your decisions. To be successful, you cannot let “haters” bring you down. Be confident in your abilities.

Make Emotionally Driven Decisions

The most logical thinker can be ruled by their emotions. Unfortunately, emotionally based decisions can be detrimental in business. We often make emotionally based decisions from a disgruntle in a partnership or upset client. When emotions are high, take a moment to pause and rethink your decision.

How will this affect your business?
Will you regret this decision in a month?

Focus on the Short Term

If we focus on the short term, we will only achieve short term results. Create a plan on how you want to see your business in 5, 10, and 20 years. Work toward achieving your long-term goals.

Repeat Decisions that Previously Failed

A failed approach usually does not succeed the second time. When you fall short, take a step back, evaluate why, and change your approach. A successful business leader alters what is not working for the company.

Fail to Document Important Information

Paperwork is almost everyone’s least favorite task. However, you will be happy you were thorough at tax season or when a customer requests a prior contract.

Important Information to Document

- Revenue

- Expenses
- Contracts
- Customer comments/complaints (or performance evaluations)

Let Fear Dictate Their Decisions

Fear can make or break a business. Successful business leaders do not let fear hold them back. One way to approach this is to ask yourself, “If I had no fear of failure, what would I do?”
You will have to step outside of your comfort zone to get ahead. Often, the decision may turn to failure. Consider your failure as a learning experience and keep trying.

“I have not failed. I have just found 9,999 ways that do not work.” -Thomas Edison

Underestimate Physical Fitness

Physical fitness is for more than getting a nice beach body. Working out and eating right has a direct correlation on your energy level. Optimizing your energy and productivity is essential for leadership.

Chase Other People’s Dreams

Seeing other people succeed can be a motivator to reach your own goals. However, you must determine exactly what your goals are in order to be happy with your career. Someone else’s goals may come at a higher price than you are willing to pay. Determine what your dream is and what you are willing to do to achieve it.

Stretch Themselves Too Thin

At some point, we will all take on more than we can handle. Unfortunately, we are not machines and have a limit. Our work will start to decrease in quality and we can miss deadlines.

Be realistic with yourself. How much is too much? A successful business person knows their limits. Prioritize and don't be afraid to say No to things that will distract you or that you know you don't have time to help with.

Stop Believing in Themselves

You are your biggest cheerleader. If you do not believe in yourself, how do you expect anyone else to?

Boost your confidence with these tricks:

- Identify and ease self-doubt
- Stop listening to people who bring you down
- Recall your successes
- Trust and love yourself
- Give yourself permission to try and try again
- Consider each failure as new knowledge gained of what NOT to do next time

Success is a marathon! You have to be consistent to meet your goals. Avoid these ten mistakes to build your business leadership skills.

The Hidden Costs of Low-Ball Offers

Making an offer to a candidate at the lowest end of the range (or below) is just being responsible for your budget, right? At first glance you may think so, but are you really saving money? In my 20+ years of experience in putting candidates and companies together my answer would be a big NO, especially in a market that is very competitive for talent, and the better candidates may have other offers to consider as well.

Some of the companies that are known for making low offers feel they are being shrewd in their negotiations with candidates, and some even justify their low offers by saying they are trying to make sure people are accepting their offers because the really want to join their company and it's not just about the money. And while that may be true, but the company better have other things going for them (excellent benefits, unique or interesting technology, advancement opportunities, better commute, etc.) to keep those new hires onboard.

In some cases a company is not even aware they are making a low offer, but rely on some salary guide that is out of touch with the realities of the market.

From a candidate's perspective, the salary negotiations and enthusiasm for accepting an offer and joining a company that makes a low offer is drastically different from a company that makes a good (or even just a fair) offer. Candidates that are currently unemployed with no other pending offers may be reluctant to accept a low offer thinking they may miss out on a better offer. Or, they may accept the offer but continue to look for other/better opportunities and leave within a year anyway, leaving the company to go through the recruiting and training process again and incur all of the costs associated with it.

If the candidate receives a low offer from a company they quickly begin to lose the excitement they had when they applied for the position, and begin to wonder if the company will be cheap in other resources and in future raises. And if they have other offers, a low offer can make an offer from a less desirable company look better and increase the likelihood they will take the other offer. In some cases, a delayed counter-offer from their previous employer may also be more tempting if they have accepted a low offer from a new company.

You also need to consider the costs incurred by the position being open longer because you can't get your offers accepted. There are costs associated with someone not being in the role you are trying to fill, and the revenue that would be generated by a good, productive employee being in that role. Insurance companies and the American Management Associate calculate that each employee generates between 5x-10x the salary they are paid in revenue for the company. You can see how quickly the costs for every day the position remains open can accumulate. Not to mention the burnout of the other employees that are picking up the slack.

While salary guides can be useful tools they should not be relied on completely since you also have to take into account what your competition is offering for the same talent. Knowing and exceeding a candidate's salary expectations can pay off big dividends because the candidate is more motivated to show they are worth the money you are offering, and will work to exceed your expectations as well, which will ultimately save the company money in the long run. Remember, you get what you pay for. A happy and productive employee is a very valuable asset. Let them know you really want them on your team with a good offer and enjoy the additional benefits. It ultimately saves you more money than a low offer and increases your chances of attracting top talent.

Counteroffer Acceptance- The Road to Career Ruin

The following article was written by Paul Hawkinson back in the mid 1990's and is still very relevant today. Paul was an HR Executive and Executive Recruiter for many years. His experience of being on both sides of the fence gave him a perspective of what happens when counteroffers are extended and accepted. I hope you find it helpful.

– Jeff King

Counteroffer Acceptance: Road to Career Ruin
By: Paul Hawkinson

Mathew Henry, the 17th-century writer said, "Many a dangerous temptation comes to us in fine gay colors that are but skin deep." The same can be said for counteroffers, those magnetic enticements designed to lure you back into the nest after you've decided it's time to fly away. The litany of horror stories I have come across in my years as an executive recruiter, consultant and publisher, provides a litmus test that clearly indicates counteroffers should never be accepted. EVER!

I define a counter offer simply as an inducement from your current employer to get you to stay after you've announced your intention to take another job. We're not talking about those instances when you receive and offer but don't tell your boss. Nor are we discussing offers that you never intended to take, yet tell your employer about anyway as a "they-want-me-but- I'm-staying-with you" ploy.

These are merely astute positioning tactics you may choose to use to reinforce your worth by letting your boss know you have other options. Mention of a true counteroffer, however, carries an actual threat to quit.

Interviews with employers who make counteroffers, and employees who accept them, have shown that as tempting as they may be, acceptance may cause career suicide. During the past 20 years, I have seen only isolated incidents in which an accepted counteroffer has benefited the employee. Consider the problem in its proper perspective.

What really goes through a boss's mind when someone quits:

"This couldn't be happening at a worse time."
"This is one of my best people. If I let him quit now, it'll wreak havoc on the morale of the department."
"I've already got one opening in my department. I don't need another right now."
"This will probably screw up the entire vacation schedule."
"I'm working as hard as I can, and I don't need to do his work, too."
"If I lose another good employee, the company might decide to "lose" me too."
"My review is coming up and this will make me look bad."
"Maybe I can keep on until I find a suitable replacement."

What will the boss say to keep you in the nest?
Some of these are common:

"I'm really shocked. I thought you were as happy with us as we were with you. Let's discuss it before you make your final decision."
"Aw gee, I've been meaning to tell you about the great plans we have for you, but it's been confidential until now."
"The VP has you in mind for some exciting and expanding responsibilities."
"Your raise was scheduled to go into effect next quarter, but we'll make it effective immediately."
"You're going to work for who?"

Let's face it. When someone quits, it's a direct reflection on the boss. Unless you're really incompetent or a destructive thorn in his side, the boss might look bad by "allowing" you to go. His gut reaction is to do what has to be done to keep you from leaving until he's ready. That's human nature.

Unfortunately, it's also human nature to want to stay unless your work life is abject misery. Career change like all ventures into the unknown, is tough. That's why bosses know they can usually keep you around by pressing the right buttons.

Before you succumb to a tempting counteroffer, consider these universal truths:

1. Any situation in which an employee is forced to get an outside offer before the present employer will suggest a raise, promotion or better working conditions, is suspect.
2. No matter what the company says when making its counteroffer, you will always be considered a fidelity risk. Having once demonstrated your lack of loyalty (for whatever reason), you will lose your status as a "team player" and your place in the inner circle.
3. Counteroffers are usually nothing more than stall devices to give your employer time to replace you.
4. Your reasons for wanting to leave still exist. Conditions are just made a bit more tolerable short term because of the raise, promotion or promises made to keep you.
5. Counteroffers are only made in response to a threat to quit. Will you have to solicit an offer and threaten to quit every time you deserve better working conditions?
6. Decent and well-managed companies don't make counteroffers. EVER! Their policies are fair and equitable. They will not be subjected to "counteroffer coercion" or what they perceive as blackmail.
7. If the urge to accept a counteroffer hits you, keep on cleaning out your desk as you count your blessings.

Ten Reasons for NOT Accepting a Counter Offer

Where is the money for the Counter Offer coming from? Is it your next raise, early? All companies have strict wage and salary guidelines that must be followed.

You have now made your employer aware that you are unhappy. From this day on, your loyalty will always be in question.

When promotion time comes around, your employer will remember who was loyal and who wasn't.
Once the word gets out, the relationship that you now enjoy with your coworkers will never be the same. You will lose the personal satisfaction of peer-group acceptance.

What type of company do you work for if you have to threaten to resign before they give you what you are worth?

1. Your company will immediately start looking for a new person at a lower starting salary.
2. When times get tough, your employer will begin the cutback with you.
3. Accepting a Counter Offer is an insult to your intelligence and a blow to your personal pride; knowing that you were bought.
   The same circumstances that now cause you to consider a change will repeat themselves in the future; even if you accept a Counter Offer.
4. Statistics show that if you accept a Counter Offer, the probability of your voluntarily leaving in six months or being let go within one year is extremely high.

Special Note: When you do resign from your present employer, be sure to do so in writing, retaining a copy for yourself. This procedure is to protect you in the future because future reference checks could record the separation as mutually beneficial. Include any constructive criticism, if any, in order to solidify your position for leaving.

"Beware of the Counter Offer"

(Your whole career is at stake)

If you have accepted an offer from a new employer and on giving your notice to your present company a Counter Offer is made, you should consider the following:

Ask yourself if you were worth "X" dollars yesterday. Why are they suddenly willing to now pay you "Y" dollars today when you were not anticipating a raise for some time. (Consider the fact that your present employer could be merely "buying time" with this raise until he can locate a suitable replacement).

Suppose you were given an annual raise of $3,000.00 as a counter offer. When they find a replacement for you in say 60 days, then the actual cost to them is only $500.00.

Is just more money going to change everything in your present job? Consider the new opportunity you will be giving up that looked so favorable when you accepted it.

The company will probably feel as though they have been "blackmailed" into giving you a raise when you announced your decision to leave.

Realize that you are now a marked man. The possibility of promotion is extremely limited for someone who has "given notice". The company is vulnerable; they know it and will not risk giving more responsibility to someone who was previously committed to leave.

When economic slow-downs occur, you could be one of the first to go. You indicated your intention to go once before, so it is only natural that your position would be eliminated in a slack period.

You should know that statistics compiled by the National Employment Association confirm the fact that over 80% of those people who elected to accept a Counter Offer and stayed are no longer with their company six months later.

Carefully review in your mind all the reasons you wanted to make a change in the first place. Does the Counter Offer really offset these reasons?

If you intent to seriously consider a Counter Offer, be sure you ask your present employer to confirm all the details of said offer in writing.

WE STRONGLY URGE YOU TO CAREFULLY THINK ABOUT ALL OF THESE FACTS BEFORE MAKING A FINAL DECISION. IT IS YOUR CAREER, YOUR LIVELIHOOD. ONE IMPRUDENT MISTAKE AT ANY TIME COULD BE VERY COSTLY IN TERMS OF YOUR PROFESSIONAL GROWTH.

How Do I Discuss the Subject of Money?

During the employment interview, there's a good chance you'll be asked about your current and expected level of compensation. Here's the way to handle the following questions:

Question: What are you currently earning?

Answer: "My compensation, including bonus, is in the $110k – $115k range. I'm expecting my annual review next month, and that should put me in the $115k – $120k range."

Question: What sort of money would you need to come to work here?

Answer: "I feel that the opportunity is the most important issue, not salary. If we decide to work together, I'm sure you'll make me a fair offer."

In the answer to the first question, notice the way a range was given, not a specific dollar figure. However, in a situation in which the interviewer presses for an exact answer, than by all means, be precise in terms of salary, bonus, benefits, expected increase, and so forth.

With respect to the second question, if the interviewer tries to zero in on your expected compensation, you should also suggest a range, as in, "I would need something in the $115k – $120k range." Getting locked in to an exact figure may work against you later, in one of two ways: either the number you give is lower than you really want to accept; or the number appears too high or too low to the employer, and an offer never comes. By using a range, you can keep your options open.

Don't Come On Too Strong

Unless you're pinned down in the early stages of the interview, the best time to talk about money is after you've established mutual interest. If you initiate a discussion about salary and benefits, you run the risk of giving the employer the impression that money is the most important reason for your job search.

From a tactical standpoint, it makes the most sense to build your value and exercise restraint before the subject ever comes up. The greater your asset value is in the eyes of the employer, the stronger your offer will be. The principal objective during the first and second interview is to explore the opportunity and your potential contribution relative to the goals of the department or organization. Focusing on the money only sidetracks the greater issue of whether you and the employer can be productive and happy working together.

Once you know the job fits—and the employer sees your value—you'll usually be able to agree on a fair price for your services. And if you are working with a Recruiter, they should already know the salary range for the position and your desired salary range, and can do the negotiating for you. In fact, some people will request all salary negotiations go through their recruiter to eliminate any fear of hurt or uncomfortable feelings, or the negotiation process turning sour.