

advancing women in business

every
woman

NETWORK



WORKBOOK

NEGOTIATING YOUR SALARY

An everywoman workbook

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ABOUT THIS WORKBOOK

ESTABLISHED IN 1999, everywoman works to advance all women in business. We produce a series of workbooks designed to propel women through the most challenging aspects of their careers.

Today, we deliver a range of innovative products and resources that realise the potential and talent of women in business globally. We also uncover success stories and elevate role models to inspire others across a diverse range of business sectors.

This workbook is just one of the titles available on the everywomanNetwork; there are also a range of other relevant topics which complement the themes discussed here, including:

- Career Planning
- Boost Your Self-Confidence
- Knowing Your Strengths
- Promoting Yourself
- Tackling Critical Situations

All of these workbooks are available to members of the everywomanNetwork and can be accessed at a time that suits them – as a downloadable pdf, or as an interactive online resource.

If you would like to find out more about the everywomanNetwork and how you can get involved, as an individual member or as an organisation, we would be happy to arrange a telephone call with you or a member of your management team to provide some more insight into how we can help you attract, develop and retain the best female talent. Email: contact@everywoman.com

“Fortune sides with him [her]
who dares.”

VIRGIL

Why don't women earn as much as men?

THE REASONS ARE MANY AND MULTIFACETED, some of which we can tackle ourselves and some which society will eventually change because courageous women and enlightened men have paved the way.

A combination of reluctance, embarrassment and fear about negotiation adds to the complexity of reasons for the gender pay gap and other forms of employment disadvantage, from pay discrimination to part-time work, unequal sharing of family responsibilities and the systematic undervaluing of women's work.

Unfortunately, there is also evidence that women are their own worst enemies when it comes to negotiating their salaries. Statistically, women are less likely to ask for a pay rise, or challenge their remuneration package.

Stop and think about the impact of that situation.

<http://equal-pay-day.com> marks the period of extra days in any year which women need to work to achieve the same wages that men earned during the previous financial year. So in 2014, regardless of which European country they work in, women work from 4 November until 31 December (42 Days) for zero salary, compared with their male counterparts.

The gender pay gap, which comes from a comparison of the average hourly earnings of men and women in full time jobs in the UK labour market as a whole, now stands at 19.1%.

Figures published by the Chartered Management Institute and salary specialists XpertHR in August 2014 show that on average, across all ages, the average male salary is about £9,069 greater than the average female salary; a 23% difference.

Women aged 40 and over are earning 35% less money than men, with the average wage gap between men and women in the 45-60 age bracket at about £16,680 per year. Part of this is due to the fact that women tend to suffer a big gap in bonus pay, about £11,000 in a given year, according to the current data.

There is also evidence to support the case that men's salaries start to outstrip those of women most significantly in the years after childbirth, despite the fact that the time women take away from work having and caring for children has decreased over the past three decades from seven years to eleven months.

There is better news for younger women. According to the survey, in three of the five most junior job levels, annual female pay rises surpass those of male colleagues, albeit only just. While younger women do still face significant pay gaps, 6% between 20

"Men generally earn more than women, so people can expect women to earn less. And so they do."

SHERYL SANDBERG IN 'LEAN IN'

and 25 and 8% between 26 and 35; they are much narrower gaps than for those in more senior roles.

The gender pay gap matters. Estimates suggest that equalising productivity and employment levels between men and women could increase UK Gross Domestic Product 10% by 2030 (Source: Thevenon, Ali, Adema & Salva Del Pero (2012) 'Effects of Reducing Gender Gaps in Education and Labour Force Participation on Economic Growth in the OECD' OECD Social, Employment and Migration Working Papers No. 138). Equality of pay has a major part to play in this.

"The right to equal pay means that there should be no difference in contractual terms of a woman and a man doing equal work, who both work for the same employer"

Equality Act, 2010

Unequal pay has a major impact on women's lives. Over the years, the loss of salary will impact not only the woman but also her family and the security of her own retirement. Women are more likely to be single parents bringing up children on one income. Statistically, women live longer than men.

Unfortunately, a woman's instinct that she could suffer a backlash for negotiating forcefully for herself is confirmed by research. Both men and women can react negatively to a woman who behaves in a way contrary to the gender stereotypes of women as accommodating and co-operative.

This is illustrated in research quoted by The Program on Negotiation at Harvard Business School in its report on Negotiation Strategies for Women:

Emily T. Amanatullah of the University of Texas at Austin and Michael W. Morris of Columbia University had male and female college students engage in a simulated job negotiation. The participants were told to negotiate either their own starting salary or a friend's starting salary through five rounds of offers and counteroffers.

Before negotiating, the women, but not the men, reported believing that they might be punished if they were perceived as too 'pushy' or 'demanding'. Further, this fear of backlash was unique to women negotiating their own salaries, as those negotiating for a friend did not anticipate social punishment for their behavior. Another negotiation study suggests that this fear held by women negotiating their own salaries is warranted: women and men alike penalized female job candidates who initiated salary negotiations, researchers Hannah Riley Bowles (Harvard University), Linda Babcock (Carnegie Mellon University), and Lei Lai (Tulane University) found."

What can be done about it?

The good news is that companies are starting to think seriously about gender equality issues, including equal pay. There is a common desire to share best practice and to be more transparent. Those who publish pay data are applauded by their staff for that honesty.

Individual women need to play their part as well. Make sure your salary reflects your value to the organisation and don't settle for second best. Now is the time to learn more about negotiation, understand what works, identify the pitfalls in order to avoid them and set aside your fears.

Let's get started!

What leads to success in negotiation?

EVERY ASPECT OF LIFE involves negotiation and most of us are better at it than we think we are.

Only when we stop to analyse how to negotiate in order to apply it in the workplace and to situations where the outcome matters greatly to us, does it take on an onerous quality, which leads to reluctance and fear.

Negotiation is usually a process by which two sides set out and eventually surrender, a series of positions. This can take a very long time and can sometimes lead to stalemate and bad feeling.

Ideally, a negotiation will produce a solution about which both sides feel comfortable; often described as a win:win position. The solution will be sensible, efficient and will enhance the relationship between the parties.

Achieving success in negotiation can be influenced:

1. Prepare thoroughly
2. Negotiate on objective criteria not entrenched positions
3. Have options and alternatives available
4. Handle the discussion objectively
5. Exercise communication skills
6. Down is not out - have a plan B

As a woman planning to negotiate your salary, be it in your current role, in the context of promotion, or for a new job, you need to think it through as thoroughly as you can. View the process as a business transaction. Approach it as though you were going in to bat for a third party if you can and leave your emotions out of it. Go into the process knowing it will be a negotiation. Almost nobody ever gets exactly what they ask for, especially not at the first time of asking, so temper goals with options and requirements with alternatives, so that you can achieve an acceptable outcome.

The second half of this workbook will help you prepare for a two-way conversation with your employer, using your personal strengths and weaknesses to inform effective negotiation. You'll also find hints and tips to help you ensure you have an effective and honest meeting - whatever the final outcome.

Register your details now to receive this resource, directly to your inbox at www.everywoman.com/equalpay