

Smart Salary Negotiation for Women

What to say and how to say it



Carmen, a senior sales representative at a pharmaceutical company in Philadelphia, has held her role for six years. She's consistently exceeded her sales targets, developed strong relationships with key clients, and played a crucial role in expanding the company's market share. Despite her achievements, the thought of asking for a raise still makes her nervous.

Many of us can relate to Carmen—anxiety often holds us back from getting paid what we deserve.

Here's the good news: You can negotiate your salary with confidence. This article will show you how.

What We'll Cover

1. Getting ready to negotiate
2. Having the negotiation conversation
3. What if they say "no"?

First, Getting Ready to Negotiate

A successful salary negotiation hinges on preparation. Doing your homework not only gives you the facts and figures you need, but also helps you steer the conversation, handle tough questions, stay cool under pressure, and ultimately position yourself for a more rewarding outcome.

Skipping salary negotiations can cost women up to \$1.5 million over a 40-year career¹

Here are six essential negotiation prep-work steps:

1 Identify what you want

In this case, the goal is a salary increase.

Carmen's current salary is \$85,000 per year.

2 Gather information and assess your value and bargaining power

■ Determine what kind of increase is justified

Without knowing the market rate for your role, you may undervalue yourself—or ask for more than is realistic. Start by researching what others in similar roles are earning within your company (if available), your industry, and your geographic area.

Websites such as Payscale, Glassdoor, SalaryExpert, and LinkedIn Salary can help, as well as industry-specific publications and salary surveys.

Your networks are also a valuable source of information. It can be tricky to ask someone directly what they earn, so consider asking what they think the market looks like for your role. That way, you can tap into useful information without the awkwardness.

Carmen learned that the salary range for her position and experience level in the Philadelphia area is between \$80,000 and \$110,000.

■ Identify your bargaining power

The inability to clearly articulate your value and why you deserve a higher salary can weaken your negotiating position.

Sources of bargaining power can include education and training, special skills and strengths, demonstrated performance excellence, awards and recognition, and anything else that sets you apart from your peers. Defining these can help prevent us from selling ourselves short, while also identifying areas where we might need to improve or enhance our contributions.

Carmen has consistently exceeded her sales targets, developed strong relationships with key clients and organizational leadership, and played a crucial role in expanding the company's market share. Her proficiency in Spanish and French is an asset when communicating with employees in European satellite offices. This suggests

she might qualify for a salary at the top of the range she identified. However, it's still important for Carmen to gather internal information about her company to better understand what she should reasonably ask for.

3 Gather information about the other side

Think about what options your employer might have if you weren't in the role. Do they have strong internal candidates, or would replacing you be costly and time-consuming?

Also, consider any constraints they might be working within, such as budget caps or distribution limits (i.e., there's only so much to go around). Understanding when and how salary decisions are made—whether it's tied to performance cycles, fiscal calendars, or leadership reviews—can give you a strategic edge.

And don't overlook the people involved: Knowing who the key decision-makers are allows you to tailor your message. The more insight you have, the stronger your case will be.

Carmen knows that the company's fiscal year ends June 30th, the raise determination process begins in March, and raises are set by the end of April. She knows that the VP of Sales works with the compensation team in Human Resources to set raises for the sales group.

She has some concerns about how easy it would be for the company to replace her. She was on the recruiting team when her department hired a junior sales representative and was amazed at the strength of the candidates. There are also internal candidates who could be promoted to her position, but they wouldn't have the deep client relationships she has.

4 Assess your negotiation parameters

Negotiation parameters provide a framework that helps you clarify your primary goal, the alternatives you'll accept, and other ways to achieve what you want.

■ **Interests:** What you're trying to achieve or gain

Carmen wants be compensated fairly with a higher salary.

■ **BATNA:** The Best Alternative to a Negotiated Agreement (i.e., Plan B)

If you can't reach an acceptable agreement with



your employer, what will you do? Will you search for another job, or will you wait it out at your current job and hope for a salary increase in the future?

Carmen believes she can find a comparable job in Philadelphia for \$95,000. She feels this is better than staying at her current job at \$85,000, so leaving the company is her BATNA.

- **Reservation Value (RV):** This is your bottom line, or the minimum you'll accept before resorting to your BATNA.

Carmen decides that the minimum salary she's willing to accept to stay at her current job is \$90,000. She knows she could earn more elsewhere, but she decides it's worth something not to have to change companies. So, \$90,000 is her Reservation Value.

- **Aspiration Value (AV):** Your aspiration value is the backbone of your negotiation strategy. The key is to be set an ambitious but potentially feasible target, since an unrealistic target won't serve you well.

Carmen needs at least \$90,000 to stay with her current employer, but her research suggests that as much as \$102,000 might be feasible. While a 20% increase is significant, her research also indicates that she's underpaid. Therefore, \$102,000 is her Aspiration Value.

5 Establish a mindset

A common misconception about negotiation is that it must be aggressive, confrontational, or result in a clear winner and loser. In reality, effective negotiation is a collaborative conversation focused on mutual understanding and shared value. Keeping this in mind can ease anxiety and reduce resistance from the other party.

Asking for a raise isn't unreasonable—it's often expected by employers. By framing the discussion as a cooperative effort rather than a conflict, you not only improve your chances of success, but also strengthen your professional relationships.

6 Develop your opening script

Think of your opening script as the launchpad that kicks off the conversation and helps set the tone. It consists of four components: an introduction, communicating a cooperative approach, asking for input from the other side, and conveying flexibility.

Here's how Carmen's opening script might look:

"I want to talk about increasing my salary as I know that you're about to begin the process of determining raises for the coming year." **[Introduces topic]**

"I'd like to have a conversation about my accomplishments this year and my contributions to the company."

[Communicates a cooperative approach]

"In doing so, I'd like to get your input on how I can improve my performance and impact." **[Asks for input from the other side]**

"I'm hoping that this dialogue can result in a substantial increase in my salary, perhaps as much as 20% (i.e., her Aspiration Value of \$102,000). However, I understand there may be limitations around how compensation is structured." **[Makes an offer that conveys flexibility]**

Second, Having the Negotiation Conversation

After the opening script, the conversation will be flowing, and Carmen will need to navigate it.

Suppose it goes like this:

Manager: "I agree your performance this year has been very impressive, but increasing your salary by 20% isn't feasible currently."

Her manager's response was focused solely on the salary request, disregarding her interest in discussing her contributions and potential to increase her impact. Carmen now needs to steer the negotiation back on track—both in terms of securing a meaningful percentage increase and fostering a productive dialogue that positions her for strong future raises.

Carmen: "Let's put the raise aside for a minute. I'm glad you recognize what a great year I've had. I'd also like to know how I can provide even more value to our company."



They continue discussing goals for Carmen in the coming year.

Carmen: "This has been helpful. I'm energized about the goals we decided for the coming year. Now, I'd like to revisit the idea of a raise. I understand that 20% isn't an option now. Perhaps a raise in the 10–12% range (\$93,500–\$95,200) might be feasible."

Manager: "Well, 10–12% is more reasonable, but it's still a bit on the high side. I need to see how this fits with the other raises and I'll get back to you."

Carmen needs to ensure that the manager isn't just brushing her off, so she arranges the next meeting.

Carmen: "That sounds like a good plan. How about we reconnect next Friday? Will that give you enough time to review everything?"

Her manager says yes, and they wrap the meeting.

Having a written record of the meeting is important

Carmen sends a follow-up email thanking her manager for a productive conversation, summarizing the main takeaways, and confirming the next steps.

Subject: Follow-Up on Our Compensation Conversation

Hi Lee,

Thank you again for taking the time to meet with me. I really appreciated our discussion—especially your recognition of my contributions over the past year and the opportunity to align on goals for the coming year. I'm excited about the direction we're heading and the ways I can continue to add value to the team.

As we discussed, I'd like to revisit the compensation conversation once you've had a chance to review things on your end.

Looking forward to continuing the conversation next Friday.

Best regards,

Carmen

How the conversation might go when they regroup

Manager: "I've reviewed the numbers, and while we can't quite do 12%, we can offer you a 10% increase (\$93,500, above Carmen's Reservation Value of \$90,000) starting next month."

Carmen: "Thank you. I appreciate you taking the time to revisit this. A 10% increase is a meaningful step, and I'm glad

to see my contributions being recognized.

I'd also like to continue the conversation we started about long-term growth. Would it be possible to revisit compensation again in six months, assuming I meet or exceed the goals we discussed?"

Manager: "Sure. Let's plan to check in mid-year and see where things stand."

Carmen: "Great—I'll make a note to follow up then. I'm excited about the goals we've set. Thanks again for your support."

How does the outcome align with Carmen's negotiation parameters?

Before negotiating a higher salary, Carmen was earning \$85,000. She believed she could land a comparable job for \$95,000, which would be nice, but changing companies could bring its own challenges.

To stay at her current company, she needed a minimum of \$90,000, making it her Reservation Value. Her request was a 20% salary increase, or \$102,000, which was ambitious but not unreasonable based on her research. Plus, since negotiation is expected, she did the right thing by aiming high.

Carmen's thorough preparation helped her achieve a 10% salary increase, or \$93,500—\$3,500 above her Reservation Value.

In addition, her manager appreciated her clear communication, openness to compromise, and focus on long-term growth—not just immediate gains. Her thoughtful and forward-thinking approach also demonstrated her leadership potential, strengthening her manager's confidence in her and deepening the commitment to supporting her development.

Timing and format

Timing is an important factor when asking for a raise, so be intentional about when the conversation will take place. Performance reviews are natural opportunities to discuss your achievements and future with the company.

If you recently completed a successful project or exceeded your goals, it's a great time to highlight your contributions. When the company is thriving financially or had an especially strong quarter, your request may be better received. Avoid asking during a crunch time or when your manager is under a lot of stress. If the company is cutting costs or laying off employees, it's best to put the money conversation on hold.

Face-to-face conversations allow for quicker responses if the discussion takes an unexpected turn, and they offer valuable visual cues—like body language and facial expressions—that can help you adjust your approach in real time.

Third, What if They Say "No"?

Hearing "no" can seem like a major setback, and we may want to back down, second-guess ourselves, or accept a low counteroffer. This discomfort with rejection is entirely human, but reacting with an angry ultimatum is not the answer. Remember, this isn't a power-play. Instead, embracing a "no" can pave the way for more honest and productive conversations—often leading to better outcomes in the long run.

To move forward, it's essential to understand the reasons behind the objection

So how do you uncover the reasons behind a rejected request? Ask thoughtful questions. This not only helps reset our emotions but also keeps the dialogue constructive and the negotiation on track. The questions below can help you plan your next steps.

- Would you help me understand your perspective?
- What can I do to improve my salary now and in the future?
- How can I add more value to the organization?

This is a chance to brainstorm together—sharing ideas and building on each other's input

Often, you'll need time to reflect before taking things further. Consider setting a time to regroup that works for both of you, so you can revisit the conversation with fresh perspective and clarity.

If Carmen did all her prepwork and her boss didn't meet her Reservation Value, she could have resorted to her BATNA (Best Alternative to a Negotiated Agreement) and pursued other opportunities.

Negotiation Is a Critical but Underused Skill in the Workplace

While men are four times more likely to negotiate their salaries, societal norms often discourage women from advocating for themselves. Thoughts like "I don't want to seem greedy" or "If they think I'm worth it, they'll pay me more" can hold women back from initiating these crucial conversations.

However, if you're underpaid, your silence can be perceived as contentment.

The cost of not negotiating extends far beyond the paycheck. Over a 40-year career, it can amount to as much as \$1.5 million in lost income, not to mention the emotional toll of feeling undervalued.¹ This can lead to frustration, strained relationships, and diminished motivation, ultimately stalling career growth.

With the right tools and mindset, you can learn to negotiate effectively

By following a proven approach, you can enter these conversations with greater confidence and control, increasing your chances of achieving the compensation and recognition you deserve.

Remember These Things When You Want to Negotiate a Salary Increase

First, successful salary negotiation begins with thorough preparation. Doing your homework not only provides the facts you need but also boosts your confidence. Second, your opening script sets a cooperative tone that encourages collaboration from the start and as the discussion flows. Third, hearing "no" can feel discouraging, but it's a natural part of communication—not a personal defeat. Embracing it can lead to more open, honest dialogue and ultimately better outcomes.

Next Steps

1. If you're considering negotiating a higher salary, begin your research using some of the recommended resources

¹This One Common Mistake Can Cost Women \$1.5 Million Over Their Lifetimes, finance.yahoo.com, 4/25





Linda Babcock, PhD, Professor Emerita, Carnegie Mellon University

Linda is a behavioral economist and spent 36 years as a professor at Carnegie Mellon University. She has published multiple best-selling books, including *Women Don't Ask* and *Ask for It*, that focus on barriers to women's advancement in the workplace and highlight the role of gender differences in negotiation. Her work is regularly cited in the world's most prestigious media outlets, and she works for businesses and non-profit organizations to help them increase gender equity in their organizations.

The views and opinions expressed herein are those of the author, who is not affiliated with Hartford Funds. Hartford Funds Distributors, LLC, Member FINRA.

MAI443_0525 4536777