

# Negotiating your own salary: Think big



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HRM Online  
June 19, 2014

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If you want to negotiate a higher salary for yourself, ask for a million dollars.

*Fortune* reported that a study from the University of Idaho showed that jokingly asking for a million-dollar salary increased the offer amount by more than 10%.

The study involved an administrative assistant candidate who listed her previous salary as \$29,000 and when she was asked what salary she wanted in job interviews, she either demurred or joked, "Well I'd like a million dollars, but really I just want what's fair".

In the cases where the job seeker didn't name a salary figure, the average offer she received was \$32,500. But in the cases where she joked about a million dollars, the average offer was more than \$36,000.

The study's author Todd Thorsteinson, a psychology professor at the University of Idaho, told *Fortune* that the increase was due to a psychological effect known as "anchoring", where people would fixate on the number mentioned, even if it was irrelevant, and it would influence their judgement.



However, University of Texas economics professor Rachel Croson warned that coming in with an extreme offer could make the employer disengage from the negotiations.

Croson told Fortune that mentioning a figure first was still an advantage and created the anchoring effect and the key was to find out the salary range for the position and name a figure near the top of the band.

Author Lisa Quast wrote a piece for *Forbes* in which she recommended that job candidates made an effort to fully understand the job and to research the company before heading into the interview.

Knowing your own strengths and differentiators was also a key factor and could be used to leverage a higher starting salary, she wrote.

In her *Harvard Business Review* blog, Amy Gallo offered the following tips for salary negotiation:

- Talk to people who can tell you what an employer might typically pay for a role
- Be reasonable and honest with yourself and the hiring manager about what salary you're willing to accept
- Offer solutions that will meet your needs and those of the employer
- Don't negotiate on salary alone, as non-monetary aspects often have more impact on your job satisfaction
- Don't accept the initial offer made to you, even if you don't have other alternatives, like a current job or another job offer
- Don't go into the negotiation with a list of demands

