

# Long Island Business NEWS

## Few Getting Salary Raises

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### ATTENTION EMPLOYERS: YOU'RE DUE TO HAVE MANY MORE DISGRUNTLED EMPLOYEES ON YOUR HANDS IN COMING MONTHS.

According to World at Work, an online clearinghouse of human resource and compensation information, for the first time in more than 30 years average U.S. salary increases are not keeping up with inflation. According to the government's latest calculations, in the 12 months through July prices for consumers rose 3.6 percent. In contrast, companies are anticipating a 2.8 percent bump in salaries in 2012, based on a survey conducted by the international human resources consultancy, Towers Watson. Just four years ago, base salary increases peaked at 3.9 percent ahead of the recession. When it hit, many companies imposed salary freezes.

The news isn't all grim, however. A recent survey by human resources firm Buck Consultants, which has a Melville office, revealed 76 percent of businesses that imposed salary restrictions during the last 18 months have recently lifted those freezes. Still, the dismal economic environment where many businesses are reducing staff, is certainly not ideal for an employee looking to ask for a raise.

### A WORKING STRATEGY

In fact, when the economy is in a downturn, most employees try to avoid drawing any attention to themselves, said Douglas Silverman, general manager of human resources for Nikon in Melville. However, "those who bring a high level of performance are justified in asking for a salary adjustment," he said, noting all salaries fall within ranges, well-researched by HR departments. If a good employee is at the 40 percent or 60 percent level on his or her salary range, there should be room for some movement, Silverman said.

Employers should be smart in identifying the best performers because once the economy turns around, those employees could be the ones headed for greener pastures, Silverman added.

Having a "strategic perspective" is crucial for employers, said Jennifer Loftus, national director of Astron Solutions, a human resources and compensation consulting firm in New York City. The cost of turnover for each employee – from providing temps or overtime to hiring and training a new employee – is generally 50 percent of that employee's base salary, Loftus said.

"If someone is asking for a relatively small amount, companies need to consider that if this person leaves, and they're making, say, \$50,000, it could mean a \$25,000 hit to the bottom line," Loftus said. "You really need to consider whether this person is a player."

### PLAYING THE ODDS

So what about those hard-working employees who feel they're getting salary-stiffed? Experts agree on several critical steps to better their odds of leaving the boss's office with a thicker paycheck in hand.

Preparation is key, said Silverman, noting employees need to familiarize themselves with their employer's pay practices prior to requesting a raise.

If the company's policy is to grant salary increases once a year, following a performance review, it's unlikely they'll grant requests during other times, he said.

"You need to have a game plan," Loftus said. And that plan should not include whining or complaining about your own financial situation. Dissing co-workers or dwelling on the negative – having to pay off a car loan, getting a divorce, dealing with a spouse's layoff – won't help, said Barbara Stahl, president and owner of Sea Cove Consulting in Northport. Rather, employees should express definitive ways they have helped add to the company's profits, she said.

Make a list of recent goals you have accomplished for the company, including cost savings, staff development, projects achieved, additional responsibilities you've taken on (whether by choice or not), Silverman said.

In addition to lack of preparation, another mistake employees make prior to asking for a raise is depending on unreliable online tools and salary calculators. PayScale and Hay Group are exceptions, reputable sites on what the current market for jobs are, Silverman said.

Still, the greatest advantage an employee has when negotiating a raise is letting an employer know someone else loves you. "Having a job offer puts you in another category," Silverman said.

Employers unable to meet the request of employees seeking more money may consider alternative benefits and perks in lieu of salary advancements. In fact, during the last year, companies have been placing a renewed emphasis on recognition of performance management, career advancement and development, Loftus said. "If you can't provide someone with a 5 percent salary increase or \$5,000, you might offer them attendance at a development conference," she said, noting that will help the employee build his or her skill base while benefiting the company at the same time.

In general, employees don't leave their jobs because of money, Stahl noted. "Money is a short-term fix," she said. "As soon as you get that raise, you're looking for the next one. Rather, feeling needed, appreciated and rewarded, that's why employees stay."

Ellen Cooperperson, CEO of Hauppauge's Corporate Performance Consultants, conducts employee assessments for local companies. She's found while money matters, it's not the most important factor in retaining top talent. "An engaged employee generates 26 percent higher revenue per employee," Cooperperson said, noting employers' focus should be on ways to motivate staff. "Interestingly enough, accountability is a very big motivator," she said, as are the opportunities to learn and grow.

To be sure, a flexible work/life balance has replaced money as the primary motivator for today's employees, Silverman said. Benefits such as free passes for an extra sick or vacation day, or a get-out-of-work-early or sleep-in pass, will go a long way in satisfying employees, Stahl said.

So could a simple pat on the back. "There's great power in acknowledging and appreciating the work people do. And that doesn't need to be with money," Cooperperson said. "Acknowledgement is a powerful tool."