

Are you getting paid what you are worth?

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Are you getting paid what you are worth? What are your chances of earning more if you changed employers? When an interviewer asks you how much you want as pay if you get the job, do you know how much you should ask for? You probably do not have answers to these questions because payroll records are usually kept as a closely guarded secret. Further, only a few people try to negotiate for more pay. Employees fear that they will lose their jobs and job seekers fear that they will not get the job if they negotiate for a better salary.

The reason here is that being underpaid is better than not being paid. This is the general sentiment especially in a struggling economy like ours where a lot of people have been losing their jobs. Chances are that if you are ten times more productive or more qualified than other employees in positions similar to yours, you are paid the same amount as your colleagues. This is because traditional compensation practices either follow pre-set pay policies that were established a long time ago or are not linked to productivity. Put simply, productivity linked compensation is such that employees who perform better get paid more than their underperforming colleagues. Failure to distinguish highly productive employees from those with lesser performance in relation to their pay discourages those that are highly productive.

Therefore, not getting paid what you are worth is not only bad for you but also for your employer. If your boss knows that you are a very productive employee, you can negotiate for a bigger raise than your company's pay policy calls for. Your boss knows that you are an asset to the company and losing you to your company's competitors will be a loss. Make sure you adequately research how much you are worth if you are going to have that talk with your boss. Here are a few things that you should research on to assess if you are paid what you are worth ahead of your salary negotiations: Know the responsibilities and level of your position. This will help you identify the right jobs to use when you do your salary comparisons. Job titles are misleading. An Assistant Accountant can easily be confused with an Accounting Assistant. Knowing the responsibilities of your position ensures that when salary comparisons are made, oranges are compared to oranges. You want to avoid a situation where your responsibilities are those of an Accounting Assistant but you ask for an Assistant Accountant's pay. This will make you look irrelevant in front of your boss. Furthermore, the level of your position has a significant impact on your pay. In companies which have proper pay structures, how much employees earn depends on their level in the company. It is important that you do not inflate the level of your position. For example, the difference between a junior managerial position and a supervisory position may be unclear. Do your best to ensure that, even though you have a junior manager's title, you will compare your pay to that of supervisors if your responsibilities and level are the same. Get valid salary information. Employers generally pay salaries that are competitive within their respective sectors. Salary information should be valid in the sense that if your company is a mining company, for example, you should get salary information from other mining companies. Also, you should get reliable information.

There are two kinds of salary information that you can use to make comparisons: employee-reported and

employer-reported salary information. Employee-reported salary information is gathered by asking other employees what they earn. This type of information is generally not reliable since employees tend to inflate their salaries to boost their social status. Employer-reported salary information is that which is gathered by approaching companies and asking them how much they pay their employees. Bosses generally rely on employer-reported salary information and incidentally, individuals find employer-reported salary information difficult to gather.

Employer-reported salary information may be obtained from formal salary surveys conducted by reputable firms. Note that not all firms that conduct salary surveys publish employer—reported salary information. You should explicitly ask the firms you approach what their sources of information are. Assess your performance and attributes in relation to your position and colleagues. After gathering valid and reliable salary information on positions similar to yours, be honest with yourself and judge your performance at work. How do you fare in your performance appraisals? Do you consider yourself a highly performing employee? Lying to yourself distorts what you think your pay should be. Your performance has to match your salary demands. If your self-assessment says you are not a highly performing employee, chances are that your boss agrees with you – in which case, asking for a raise may be suicidal. Your boss is likely to consider you a mercenary since you are asking for more pay without generating commensurate value for the business. Assess your employer’s ability to meet your demands. For a company that is struggling to stay viable, you may not be able to get a raise at all. One company offering the same services or products as your company may be in a position that allows it to give its employees a raise when your company cannot. Your expectations must be realistic. Bosses may be intimidating. However, for the good of the company as well as your personal development, you have to sit down with your boss. If you have a compelling argument why you deserve a raise, there is really nothing to fear. If your boss cannot give you the raise that you are asking for, negotiate. If you do not get any raise at all, assess if the reasons for not giving you a raise are valid or not. These negotiations may reveal the areas where you need to make improvements. If you feel that your boss has the wrong assessment of your performance, maybe you need to look for another employer who will value your contributions and pay you what you are worth. For more information about pay structuring, salary benchmarking and productivity linked wages, you can contact me using the details provided below.

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