



Tips on Talking About Pay With Executive Recruiters

By Sarah E. Needleman

CareerJournal.com recently spoke with Joie Gregor, vice chairman of executive-search firm Heidrick & Struggles International Inc., about talking about pay with executive recruiters. Ms. Gregor, who works in New York, has placed CEOs and other top executives at some of the world's largest corporations, including Cardinal Health Inc., Citigroup Inc., Home Depot Inc. and Starbucks Corp.

- **How can senior-level candidates know what's an appropriate package to ask for?**

As a candidate, you are responsible from a diligence standpoint to understand how compensation plans are formulated, what they mean to you now, in the future and against your current plan. When interviewing for a job at any level, particularly at a public company, you want to pull the company's financial documentation from the Web and study it. Then you need to extrapolate and see where you fit into that framework to determine what would be acceptable, realistic and pragmatic. You've got to get smart. If something is new or unclear, get outside help from a compensation expert.

- **What kinds of questions about pay are OK to ask?**

The best candidates don't lead with compensation; it follows. Typically they've done their homework. People who are inexperienced will bring up the topic in the initial conversation, and it puts a question mark in my mind immediately.

An exception is if a candidate senses that the structure in their current company is different than the prospective employer's, and they want to draw it to my attention. Part of judging a candidate comes through how quickly they see the differences in plans and grasp the subtleties. Do they ask the right questions? My role is to try and guide them in the right direction. I am looking for them to raise issues. It shows me the level of their analytical skills. It's the next level of endorsement that I have the right person.

- **What's a common mistake executives make during pay negotiations?**

Drawing a line in the sand. They say, 'I make X today,' or 'I have so much equity, and you couldn't possibly afford me.' That's a very naive statement. Compensation should be viewed holistically. What I may have to do is say: Let's take a step backward and think about how we can offset that to supplement to where you are today or step you into a new type of plan over the next few years. For example, you may be cash-rich today, so we will

try to move you toward a more equity-based plan. Or, it could be the other way around.

- **What do candidates who handle pay negotiations well have in common?**

They're very fact-based. They really know the numbers and they understand in depth their own compensation plan. They also typically have better conceptual skills, because they see all the parts of the compensation plan. They're able to say, 'I could trade this off and take this aspect, because in the end, I'll get where I want to go.' They have the ability to say, 'I gave up something, but two years from now I'll make it up. I'm willing to bet that in the long run, I'll actually be rewarded more handsomely for my work.' I think they really see that. They grasp it and are able to work it. Those who are less experienced are not able to think so holistically.

- **As a recruiter, what's the most challenging aspect of pay negotiations?**

It's typically keeping both sides patient long enough, because the client wants the search to be done, and the candidate wants what they want and when they want it. My job is to facilitate and keep them both moving down the same path. It's a constant back-and-forth buffering.

- **What's a common mistake candidates make when interviewing for a CEO job?**

Some can play too hard to get, and they don't get themselves mentally and emotionally into the process quickly enough. They're standing on the peripheral, saying, 'I'm not sure,' and they don't invest the time to understand the company's strategies, issues and opportunities quickly enough. They've annoyed the client, and it's too late at that point. I've seen this countless times.

-- Ms. Needleman is associate editor at *CareerJournal.com*.

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