

## Salary Negotiations

**For someone entering the job market, there is relatively little scope for negotiating a salary. This makes it all the more important to be well-informed about the standard income in a specific industry/sector. Additional qualifications such as exotic foreign language skills, work experience through placements, and volunteer work should all be added into the equation.**

At first, as someone entering the job market you generally aren't involved in a pure **salary negotiation**. You will normally encounter this as part of a job interview. In your first interview, it is often only the basic framework that is discussed. If your expectations are not too different from the company's, this is considered to be dealt with. In your second interview, there will be more detailed discussions regarding your salary. These will not only concern money, but also other components of the employment contract such as holidays, working hours, notice periods etc.

### Limited negotiating power

The possibilities for negotiating a starting salary are limited. Normally, companies have a relatively narrow negotiating framework for you to negotiate within.

**You can safely assume that as a graduate you have a negotiating framework of between 2,000 to 5,000 euros per year for your total gross salary. It may then be that a graduate starts off with 45,000 euros but his/her colleague with 43,000 euros.**



### Factors affecting your starting salary

One of the factors has already been mentioned: the **collective agreement**. Those who start off in a company with a collective agreement can generally bank on a higher salary than if there were none.

The **size of the company** is also relevant here: large companies are under a collective agreement on the one hand, and on the other hand offer benefits such as a company pension scheme, insurance policies, childcare and vouchers, and even holidays and working hours are generous in most cases. If a company has more than 1,000 employees, you can expect this to affect your salary significantly.

Another important factor is the **industry/sector** in which you start: the mechanical engineering, chemical and automotive industries pay very well (as they are often under a collective agreement and the rate of pay in the metal and chemical industries is attractive). The pay in industries/sectors such as media, tourism, the public sector and non-governmental organisations is not as good.

Other factors which you must consider when estimating a salary are the **region** in which you are applying and the **role** you will be assuming. Those taking on responsibility will generally receive better pay. Therefore, an engineer in production receives a higher salary than an engineer in construction. In regions such as Rhine-Ruhr, the pay is just as good as in Frankfurt and Lower Saxony. Salaries are especially high around Stuttgart and Munich, where the cost of living is also higher. However, here it depends a lot more on the industry/sector in which an employee is working and on the starting role.

**For example:** an engineer for Porsche starts at around 50,000 euros; an engineer in the public sector, even in Stuttgart, receives "only" the set rate of pay.



Even small to medium-sized companies offer many opportunities in this respect and focus actively on offering such to their employees. With any negotiation you should always remember: a **good start** should always be more important than fighting to the last euro. **Focus on getting your first job with a company that offers you good future prospects** so that you have the possibility of being promoted within the company, accepting increasing responsibility and taking on new challenges.

This does not necessarily have to be an international corporate group or a DAX company. Even small to medium-sized companies offer many opportunities in this respect and focus actively on offering such to their employees.

Ideally, importance will also be placed on **personal professional development** to ensure that you continue to grow and learn, both as required and in accordance with your wishes and goals. This could include language training, IT seminars and also individual coaching and internal assessment centres for identifying potential candidates.

Make sure you ask about training opportunities in your job interview: they should play an important role when choosing an employer.

## Negotiation starts early!

If you are invited to a job interview, negotiation begins upon confirming your attendance. **Another important element of negotiation is arousing interest.** If during the entire application process and in your interview you not only present yourself well from a professional point of view but also as a person, you will increase your chances of getting a "yes". And the more companies give you a "yes", the more contracts you'll have on your desk and the better your negotiating power will be.



## Preparation

Therefore, you should always be especially well prepared for a job interview. This includes learning about the company, presenting yourself well, and self-reflection with questions about motivation, working method and ideas and of course some questions of your own.

In terms of the interview in which salary will be discussed, prepare yourself as follows:

### Plan with a maximum, minimum and alternative target

When planning your salary negotiation, be prepared to enter the interview with more than one target in mind:

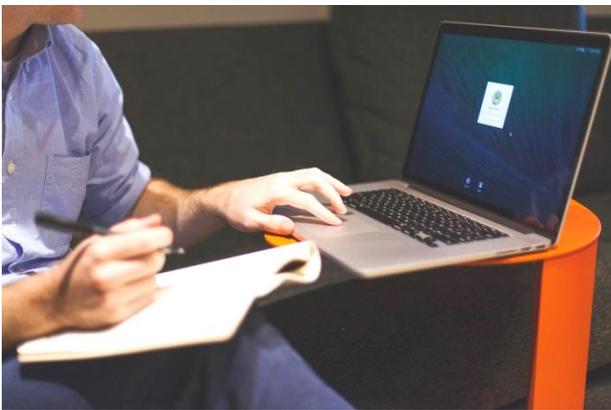
Consider beforehand a **margin between your minimum and maximum target.** When considering, refer to your research and then include your plus points. Your plus points could include practical experience gained through a student work placement, languages or special IT skills. A salary calculator is helpful for getting a realistic estimation of your net salary.

You can find information on starting salaries online. Make sure that the information is tailored for graduates and people entering the job market (see links at the end).

It is also important that you leave room for negotiation, **so consider alternative targets.** This could mean for example that you start with a lower salary during your trial period and then agree on a considerable increase after six successful months' work. It is important that you also document this agreement in writing!

An employer may prefer to agree on other salary components such as discounted travel like the “Jobticket” in Germany, further training, a supplemental pension plan etc. The advantage for the employer is that these do not entail any taxes or social security contributions.

- In the cover letter, specify a margin (max. €5,000) and in the interview **a concrete figure** – these should still be **above your personal maximum target**.
- It is important that you are aware of your value to the company and that you portray this convincingly.
- **Cater for change!** Be open to new positions with more responsibility and so automatically more salary; there should be an increase of between five to ten percent. These could come from within your existing company or new offers.



### Here is a check-list for negotiating your salary:

- **Be well-prepared:** as your salary negotiation will take place during your job interview, be very well prepared for it. The better you present yourself, the better your chances of a good salary.
- If you are negotiating as a working student for example, it is helpful to keep a **diary of your achievements** showing what you have learnt and how you have successfully supported the company. Without a diary you can often forget your own good deeds!
- **Busy yourself with numbers:** what is the usual salary in the respective industry/sector? What is the salary at the company to which I'm applying? How high is the rate of pay and which variable components are in the equation?
- **Establish targets:** what is my minimum target? This is where I exit the negotiations. What is my maximum target? I will be happy if I reach this. What options do I have for formulating an alternative target?
- **Record everything in writing:** make notes on the outcome and then check that it is also represented in the contract.
- **Be realistically assertive:** if you negotiate for a very high salary, you must also deliver! If you cannot do that, you won't survive the trial period, which in turn is bad for your career.

### Recommended reading:

Heike Friedrichsen: **Die erfolgreiche Gehaltsverhandlung**. Wichtige Tipps für Einsteiger, Aufsteiger und Umsteiger (**Successful Salary Negotiation**. Important tips for those starting, improving and changing their careers.) Cornelsen Publishing, 2008. EUR 6.95. ISBN 978-3589234714

→ It isn't the newest book, but it is a nice, compact guide to the additional benefit possibilities and everything salary-related.

Martin Wehrle: **Geheime Tricks für mehr Gehalt (Secret Tricks to a Higher Salary)**. Geldmann 2013. EUR 9.99. ISBN 978-3442174287

→ Both books are very good, but the second is definitely much more detailed and talks more thoroughly about the starting salary.

### Recommended websites:

Overview of starting salaries; unfortunately the data is quite old but the numbers give a good overview: [Weblink Einstiegsgehälter](#)

Staufenbiel's salary tables also give a good overview: [Weblink Gehaltstabellen](#)

From StepStone: [Weblink Gehaltsreport](#)

Specifically for those entering the metal and electronics industry:  
[Weblink Gehalt Metall- u. Elektroindustrie](#)

Regular collection and processing of salary data by the WSI (German Institute of Economics and Social Sciences) archive: [Weblink Sammlung von Gehaltsdaten](#)

Salary database with lots of information, albeit requiring a lot of searching:  
[Weblink Gehaltsdatenbank](#)

Salary calculator: [Weblink Gehaltsrechner](#)

The studies demonstrate well the differences between small, medium and large companies, at least in the subject fields of business administration, technology and IT. For other fields of study such as humanities and social sciences, it primarily comes down to the industry/sector and company size. Someone who has studied the history of the German language for example and starts working in a corporate group in corporate communication can have a similar salary as a business administration graduate.