

THE EXTRA POINT

BY JERRY ROBERTS



925 When is a Good Time to Ask for a Pay Raise?

When is a good time to ask for a pay raise? Is there a preferred time? If you're the former global head of PepsiCo, the answer is never. I'm Jerry Roberts, and we'll talk about her, her feelings on that topic, and why I think that anytime is a good time to ask. That's next, on The Extra Point.

Indra Nooyi, the former chairperson and CEO of PepsiCo, has said that she has "never, ever, ever" asked for a raise as she found it "cringeworthy" and cannot imagine working for somebody and saying "my pay is not enough."

Nooyi, 65, led PepsiCo for 12 years, stepping down as chairperson and CEO in 2018. Her comments on pay issues are included in her recently published memoirs, entitled *My Life in Full*.

Critics have pointed out that Nooyi's compensation in 2017 was \$31 million, so she can afford to not ask for more. However, she points out that she didn't always have that, and her opinion on raises has always been the same.

I began pondering this, and some thoughts and questions came to mind.

1. Is there a preferred time to ask for a pay raise? Yes, there is. That time is anytime you feel you are ready to step up and provide more value to your organization.

2. "If I've been doing a great job, shouldn't I qualify for a pay raise?" No, sorry, doing a great job does not in any way qualify you for a pay raise. I sense that a few jaws may have dropped with that answer, so I'll explain.

When we accept a position, we are told what is expected of us, and we accept the compensation offered, or we are successful in negotiating something more. The employer

expects us to give the job our best effort. Somewhere in the job description, those words may appear, "The employee agrees to make his/her best effort," etc.

If we do a great job, that doesn't mean we should be paid more for doing very well that which we already agreed to make our best effort for — right? We said we'd do our best, so why does the company owe us more because we did?

3. So, you might ask, "If doing a great job doesn't qualify me for a pay raise, then what does?" Very simple. The promise of providing the company more value in the future. That could be taking on additional responsibility. I will still do my job, and I'll also add some things to my schedule.

It could be a certification that you earn. This might allow you to charge customers more for your time, increasing revenue for the organization.

4. Why then, do I say that anytime is a good time to ask for a pay raise? Because it gives the worker and the organization an opportunity to discuss how that might happen. It allows both parties to talk about the future, and how the worker might fit into the employer's plans.

"Thanks for meeting with me, Joe, and asking how you can earn more money. By all accounts you've done well, and we believe you could be the right person for the new supervisor's position that's opening in three months. If you're interested, we'll provide management training to get you up to speed, and the job will include a monthly pay raise of approximately \$500 a month over what you're making now."

5. How else can one earn more? Some jobs allow for additional incentives to kick in, based on performance.
(Con't.)

For most people, however, a pay increase will be pegged to adding greater value.

As a business owner, I'm always willing to have that kind of conversation with workers. In fact, it's exciting to find out that someone is looking for earn more. If they still want to do that after we've discussed how they could qualify to do so, then maybe we've got something working here.

Regardless of the economic circumstances, employees and employers who follow this line of reasoning, should always be willing to talk about pay raises. There's something in it for both parties, and that's why the strategy makes sense.

That's The Extra Point. Be responsible and make something good happen today. For 93.3 and the Ray Gibson Show, I'm Jerry Roberts.

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