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Step up in workload, step down in title

In an era of budget-trimming, job hunters face a dilemma: While work requirements have inflated, titles and salaries have deflated

In 25 years, Nancy Cogger's career direction had been straight up - to chief marketing officer, with a salary and responsibilities to match.

So when she lost her job in a restructuring of the KFC Canada division of Prizm Income Fund at the end of 2007, she expected to land a similar role.

But in a flagging economy, she discovered such senior titles "have become as scarce as hen's teeth," she says.

When Ms. Cogger was offered a position with Imvescor Restaurants Ltd. in April, it came with many of the same responsibilities she had before. But the title was director of marketing - a couple of steps down from CMO. And it came with "a major haircut in the pay department," she says.

So why did she take it? "My ego was already in check after so many months of searching for a job. I wanted to work and it's a good company with a good opportunity to grow and move ahead in the future."

But when she signed her contract, "I told them they were getting a Ferrari for the cost of a Chevrolet," she says.

Ms. Cogger ran into a dilemma confronting many talented, unemployed executives in an era of budget-trimming, career experts say: While job requirements have inflated, titles and salaries have deflated.

"Cost-cutting employers are shedding high-paid senior staff, but the work still has to be done," explains executive recruiter Rick Chad, president of Chad Management Group in Toronto.

"This means that employees at all levels of the organization are seeing their workloads bloat, but there is no money in the budget to compensate them for their extra work" - nor reward them with the senior job title the work formerly earned, and the salary to go with it, he adds.

But job seekers should not be deterred, Mr. Chad says. "In this tight market, a step backward in title can be a very mature move, because it keeps you in the game. It's a career matter. Not working for a long stretch is not a great thing to have on your résumé."

In the future, he believes, employers will cut job candidates more slack for having taken a step backward to stay in the game. And it's always better to be on the inside when opportunities arise.

"A lot of companies are not filling senior positions to save money, but when the economy turns around, they are going to need to fill them quickly to get back into gear. It will be easier for companies to promote people who they know and have experience to those vacant positions, so you will have a jump on the competition."

In this economy, the quality of the job, not the title or pay, should be the main concern, pros say. "I think some candidates are their own worst enemy because their ego is in the way and they turn down good opportunities because they see themselves going back in terms of title," says David Kinley, managing director of recruiter Stanton Chase Toronto.

"If you are hung up on being called a vice-president or something with a C in the title and there is a great job as a director that will get you in the door in a company where you can prove yourself and get to move up, it can be a small step back for the opportunity to take future steps forward."

This is especially true for managers in their 30s and 40s, he says. In the long run, there will be ample opportunity for junior executives with solid experience to rise quickly as the aging baby boom generation retires, Mr. Kinley says.

At the moment, some categories of jobs at the top are disappearing, but that doesn't mean they are headed for extinction, says Thomas Kolder, president of executive search firm Crist/Kolder Associates in Chicago, which does regular surveys of the market for top executive jobs. "The reality of the world we are living in is that companies see big immediate savings by eliminating a big-ticket salary at the C-level. The slack has to be picked up by other C-level people, but there is no increase in their base pay," he says.

This happens in any economic downturn and the titles re-emerge when conditions improve, he adds. For instance, many companies are eliminating the position of chief operating officer, he says. The former work of the COO is being divided up, with the chief financial officer expected to take on broader responsibility for overseeing daily operations, quality control and efficiency. Meanwhile, chief executive officers have to take on added responsibilities for employee issues, implementing strategy and dealing with shareholders, he says.

Other endangered roles are group presidents and executive vice-presidents, as companies consolidate operations.

"As two groups are merged, a single group president could be expected to take on all the responsibilities that were formerly handled by two people," and typically with no increase in pay, Mr. Kolder says.

There is also a trend toward eliminating middle-management positions, such as vice-president of finance, and placing their responsibilities on the chief financial officer and controller, says Tony Lee, the Carlsbad, Calif.-based publisher of CareerCast.com, an on-line site that tracks job trends.

New hires are also facing big cuts in base pay - "20 to 30 per cent less than equivalent salaries being offered two years ago," Mr. Lee says. While his statistics are from the United States, he says his research finds similar salary shrinkage here.

It's showing up particularly in sales positions, he says. Since the downturn turned ugly last year, companies have increasingly switched to "performance-based pay." Base salaries are being cut by as much as 30 per cent, but that's offset by higher commissions on sales and the offering of bonuses for increasing profits or cutting costs.

The reason is simple: The company wins both ways. If performance is great, it has the money to pay the bonus and, if it is not, it has saved the money on salaries, he says.

Even though jobs are scarce, and the title and salary picture looks bleak, candidates do have some leverage to push for more on both, the pros say.

"This is no reason to just take what you are given," says Warren Lundy, partner of management coaching and career transition company Feldman Daxon Partners Inc. in Toronto. "I advise candidates to set their sights high. In many cases, I am seeing candidates still managing to negotiate more money and a higher title than they are originally offered."

That's especially true for top talent, Mr. Lee says. "Companies realize that they risk not attracting the same quality of people they might get if they paid more. If you have a track record of success, it would be a good tactic to try to negotiate a higher base salary. The employer will worry that, with a recovery, they could lose you to a competitor willing to pay more."

Even if you don't get it immediately, "go out there and keep pitching," Mr. Lundy says. "It may take a little longer to get where you want. But things will get brighter and you want to be in place to grab opportunities when they do open up."

That's exactly Ms. Cogger's game plan. When she was offered the marketing director's position, "I, of course, asked the executive team about the opportunity to eventually move up to vice-president." And she got them to agree to review the situation every six months.

"They said, 'Come on in, and show us your stuff, and we'll see what can happen,'" she says. "There is an opportunity to move ahead, and that was what I was looking for. Now I am doing my utmost to make it happen," Ms. Cogger adds.

"Hey, I have to prove myself again, but I am happy to do that."

Dealing with deflation

Here are tips from the pros for dealing with title and salary deflation:

Keep your ego in check

Recognize the new job realities. Realize it's not about you, nor is it necessarily a permanent step backwards.

Look beyond title and pay

Evaluate the work itself: Will it provide new challenges, experiences, skills, income and other rewards that you can enjoy now and capitalize on in better times?

Think longer-term

When times improve, your résumé will look better with continued work experience than with a gap. And when things turn around, if you're on the inside and prove yourself, you'll have a jump on the competition.

Push for more

Let them know if the initial job title and compensation offer don't meet your expectations. If you've reached the discussion stage, they may be interested enough to negotiate. Be armed with knowledge of what titles and salaries people in comparable jobs in your industry now have. Use every opportunity to explain how you can improve the organization's bottom line - one justification for higher title and pay.

Ask for reconsideration

If an employer won't budge now, ask for a commitment to review your salary and title in a set time frame, after you've demonstrated what you can do and when it may be clearer the economy is recovering.

Ask for perks

Employers that won't move on titles and salaries may be willing to make other concessions, such as extra vacation, health-care upgrades, use of a company car, flexibility in scheduling, telecommuting, training or tuition assistance.

Keep prodding

Advancement opportunities may be scarcer, but openings will occur, so make your ambition known to management and remind them regularly.

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