

Preparation for Evaluating and Negotiating Job Offers

The best preparation for evaluating and negotiating a job offer is to do your research.

- Start process before you interview
- Determine the market rate and salary range for the type of position, in a particular industry:
 - Review the collection of salary survey information online:
 - www.salary.com
 - www.payscale.com
 - www.wetfeet.com
 - The Bureau of Labor Statistics: www.bls.gov
 - Trade Journals/Associations in your field (published salary surveys)
 - Job listings, which indicate salaries for related positions
 - Professional contacts, alumni and peers
- Prepare a budget to determine financial needs
 - Decide what you WANT to earn, what you NEED to live on, and what you are willing to SETTLE FOR
 - Here are some free budgeting tools:
 - <http://www.suzeorman.com/suze-tools/>
 - http://www.finishrich.com/free_resources/fr_worksheets.php
 - www.mint.com
 - Consider the minimum and maximum of what you are willing to accept for your dream job
 - Elements to consider:

Monetary Considerations

- ✓ Salary
- ✓ Signing Bonus
- ✓ Commission
- ✓ Medical / Dental / Vision Benefits
- ✓ 401-K/Retirement
- ✓ Relocation Reimbursement
- ✓ Education Reimbursement
- ✓ Expense / Travel Reimbursement
- ✓ Parking / Gas/ Commute Stipend
- ✓ Vacation / Holidays
- ✓ Sick Leave / Other Time Off
- ✓ Bonus / Profit Sharing
- ✓ Performance / Salary Reviews
- ✓ Other Perks (Phone, Computer, etc.)
- ✓ Unpaid Leave
- ✓ Professional Development Funds

Non-monetary Considerations

- ✓ Job Content
 - How closely does the job mirror career goals
 - Major responsibilities desired
 - Degree of autonomy / supervision
 - Preferred industries and departments
 - Day-to-day job tasks
- ✓ Organizational Culture
- ✓ Work Environment (Office, cubicle, etc.)
- ✓ Availability of Feedback
- ✓ Potential for Growth
- ✓ Location / Commute
- ✓ Travel / Relocation Requirements
- ✓ Hours per Week / Start and End Times/Flexibility
- ✓ Start Date
- ✓ Training Programs
- ✓ Professional Membership Dues

- Remember:
 - Be realistic
 - Practice your salary negotiation skills
 - Document your skills and accomplishments, and be prepared to talk about them
 - Do not be the first to mention salary during the interview
 - Do not worry about what your friends are making, the employer certainly is not
 - Never lie about your salary history
 - RELAX! It is natural to feel uncomfortable discussing salary

Considerations When Evaluating Offers:

When you receive a job offer, it is important to take the time to evaluate the offer so you are making an educated decision. Things to consider:

- **Compensation** – Think about the entire compensation package - salary, benefits, perks, work environment - not just your paycheck
 - Does the offer provide a level of income enabling you to maintain your standard of living?
 - Is the offer 10% - 15% higher than your most recent salary?
 - Is the offer what you expected? Is it what you discussed in the interview or on the telephone?
- **Benefits**
 - What benefits are included? Is there a probationary period before you can receive benefits?
 - What premiums are covered by the company?
 - What is your out-of-pocket cost for benefits?
 - Did you receive copies of the benefits coverage?
 - Does it cost to park – if so, what portion of the parking fees does the company pay for?
- **Flextime**
 - What hours/days will you work?
 - How much time (%) will you be traveling?
 - Do benefits change if using flextime?
- **Retirement**
 - How structured is the retirement plan?
 - Is participation mandatory?
 - Are there any restrictions on accessing the funds?
 - At what age can you begin receiving benefits?
- **Vacation and sick days (PTO) and holidays**
 - How many paid holidays are offered?
 - What is the vacation policy? What is the sick policy – can sick days be used in place of personal days?
 - Can unused vacation days be carried forward or will they be lost if not used?
 - Can unused vacation and sick days be converted into cash?
- **Bonus and profit sharing**
 - Does the company offer any structured programs?
 - What do you have to do to become eligible to participate in these programs?
- **Signing Bonus**
 - Will the company offer a signing bonus in lieu of another benefit?
- **Performance and Salary Review**
 - Does the company have a policy about performance reviews and salary reviews? If so, how often?
 - Are their opportunities for advancement based on performance, seniority or both?

- **Travel/Expense Reimbursement**

- What is the policy about reimbursable expenses?

- **Other considerations**

- What are the potential career paths for the position? What are the professional growth opportunities?
- Do you like and respect the people with whom you will be working (corporate culture of the organization)?
- Will you have the opportunity to meet new people in the field and expand your network of professional connections?
- Are you happy with the geographic region in which the job is located, in terms of cost of living, climate, proximity to family, and opportunities for a social life or cultural activities?

Negotiating Job Offers

When do you negotiate? When the employer makes an offer.

- When negotiating job offers the levels of negotiation depend on the position, manager, organization and your perceived value. In general:
 - Higher-level management and executive positions offer the greatest opportunities for negotiations
 - Mid-level positions have a range of 10% - 20% in negotiations
 - Entry level has little room for negotiation
- Employers are mostly concerned with:
 - Finding a good match regarding your value and the position at a fair salary
 - If you fit into their budget contingent upon market conditions and company need
 - Added value items: Special skills and training and related experience (jobs, internships, etc.)
- Negotiations
 - If negotiations are taken by surprise
 - Express enthusiasm for the position and clarify the offer
 - Ask any informational questions you have
 - Say you will get back to them after you've had a chance to think about information
 - If they ask you what you were earning *during* an interview, you can respond by saying:
 - What is the salary range for this position?
 - I was actually in a different industry/function. I would like to have a competitive compensation package based on what an MBA would earn in this position.
 - If the offer has been received - some lines used in negotiating base include
 - I'm really excited by this opportunity. I was hoping for around abc or between a and b. Do you think we can negotiate?
 - My research indicates the typical salary range for this position is \$____. In light of my _ (qualifications, education, experience, accomplishments), I was hoping for a salary around \$_____ (tighter range within the original range). What can we do?
 - If offer is unacceptable
 - I am very interested in working for this company; however, at this point I am unable to accept the offer because_____ (the amount? Insurance coverage? Business travel requirements?) Do you think we can find a compromise?
 - If prepared for the negotiations
 - Express enthusiasm for the position
 - Clarify any aspects of the offer
 - Express reservations/hesitations

- Do not frustrate your employer and undermine your credibility
- Silence can be effective in face-to-face-negotiations
- Be honest and sincere
- Never say, "I need at least __dollars." Provide the interviewer with a salary range.

Frequently Asked Questions

Why will an employer ask about salary in the first interview?

Nonprofits, government entities or educational institutions have restricted budgets for hiring and will want to make sure you are willing to consider the salary being offered. In the private sector, if the organization knows they pay below market wage or if an employer is worried about your salary expectations they may ask.

What should I say if I am asked about my salary requirements prior to receiving an offer?

Address the question by indicating your requirements are negotiable for the right opportunity. Let them know that you know the organization pays fair market wages, and your primary concern is with the position itself and your fit for the position. Mention you are happy to discuss compensation once you have both decided you are the right person for the job.

What if the interviewer continues to push the issue?

Ask for the range which has been budgeted for the position. If the interviewer will not disclose the number first, name a very broad range. *"Based on the industry research I have done, it appears that market rate for this type of job could be anywhere from \$60,000 to \$80,000, depending on the specific job requirements, size of the organization, and the total compensation package offered. But right now, I am most concerned with learning as much as I can about the position."*

It is important to qualify that your range was based on total compensation, not simply base salary. This strategy will provide you with a bit of room to negotiate later if necessary.

Is it OK to accept a position with one employer, and continue to interview in hope of receiving a better offer?

NO. This strategy is considered breach of ethics, and can harm your reputation in your chosen field.

How do I answer salary history requests?

There are several ways to handle this situation. Disclose your salary history, but also include your salary requirements based on market value. Another way to handle if dealing with HR is to state your salary history is confidential and you will disclose to a hiring manager (be careful with this approach as it may rule you out). Either way, do not lie about your salary history. Do remember to include your total compensation which includes salary, bonuses and other incentives.

If I am currently underpaid in my job how can I avoid being underpaid in my new job?

You can avoid this happening again by knowing your market value. Do your research and prepare for the salary requirements question. Prepare to discuss your selling points (accomplishments, skills, experience).

When giving a range to an employer what is a typical range?

Typically a \$5,000 - \$10,000 range is given determined by your research.

What factors affect salary negotiations from the employer's perspective?

Some factors include:

Current salary compared to market norms

Rate of inflation
Cost of living and doing business in a particular region/location
Company's talent acquisition and retention programs
Available budget
Level of responsibility and perceived value Company performance aligning with % of increases
Precedents set for other employees in similar roles