

JOB OFFER NEGOTIATION & EVALUATION

For most people, discussing salary is a nerve-racking experience. However, when managed correctly, it can contribute to a positive and more fulfilling professional relationship between you and your future employer. The following tips and guidelines will help you successfully manage the salary negotiation process and effectively evaluate job offers.

WHAT IS SALARY NEGOTIATION?

Salary negotiation is the process of determining and agreeing on the amount and/or types of compensation that an employer will pay an employee in exchange for some form of labor. Salary negotiation is not simply a series of talks designed to increase your pay. Rather, it is an opportunity for the employer and prospective employee to agree upon a complete compensation package that meets both parties' needs. It is an important part of the interview and hiring process, and should always be conducted in good faith.



Negotiating Principles

The way you approach salary negotiation has a tremendous impact on its outcome. The following five principles should always guide your negotiations.

1. Salary is best discussed when the employer has made you an offer.
2. Salary should be viewed in the context of other employment issues.
3. Know what you are worth and the current market salary range.
4. Most offers are negotiable.
5. It is okay to ask for what you want.

SALARY IS BEST DISCUSSED WHEN THE EMPLOYER HAS MADE AN OFFER

When an employer makes you an offer, it means that you've successfully demonstrated your full worth as a prospective employee. This is the best time to negotiate, as an employer who knows that you are the best person for the job is more likely to be flexible on issues of compensation.

What's more, if the interview process reveals that you have more to offer than originally expected, you could end up being considered for a different job with a higher salary range. Because salary negotiation shifts the employer's focus from your attributes to your requirements, a premature salary discussion may prevent the employer from learning that you warrant consideration for another opportunity.

SALARY SHOULD BE VIEWED IN THE CONTEXT OF OTHER EMPLOYMENT ISSUES

Salary is only one piece of a complete compensation package, which can also include health insurance, time off, flexible hours, loan forgiveness, and bonuses. Other factors, like a connection to the organization's mission, and professional advancement opportunities can also be considered as forms of compensation.

It is best to know about and consider all of the factors before discussing salary. You may find that the rate of pay being offered is more or less appropriate after you've considered the other benefits. For example, some candidates decide that flexible hours and upward mobility are more important than salary.

KNOW WHAT YOU ARE WORTH AND THE CURRENT MARKET SALARY RANGE

Successful negotiation begins with a great deal of background research, as you will need to determine the types and amounts of compensation that a person with your level of experience, education, skills, and other qualifications can command in your industry and target organization.

Base your salary requirements on information gathered from several sources. Speak to professionals in your field; review the salary ranges for similar positions in similar organizations; know the agency's size/budget; and visit different salary calculator websites to help ensure that your information is accurate. Also be sure to consider the relative cost of living in your targeted geographic locations. The following websites will aid you in your research:

- Salary.com www.salary.com
- Glassdoor www.glassdoor.com
- NACE Salary Calculator <http://www.jobsearchintelligence.com/NACE/jobseekers/salary-calculator.php>
- CareerOneStop www.careeronestop.org
- CNN Cost of Living Calculator <http://money.cnn.com/calculator/pf/cost-of-living/>

MOST OFFERS ARE NEGOTIABLE

Do not assume that an employer's first offer is the best offer. As a general rule, employers will negotiate within a range, but rarely exceed it unless you are an exceptional candidate. Most state and federal government jobs have rigid, non-negotiable salary scales based on education and experience. In nonprofit and private sectors, the salary is more flexible, but is limited by the importance of the position. In general:

- Entry-level base salaries are usually subject to no more than 10 percent of the original salary offered. Note that many top employers have set, non-negotiable salaries at this level.
- Mid-level positions typically have a negotiation range of 10 and 20 percent.
- Higher-level management and executive positions offer the greatest opportunities for negotiation.

IT IS OKAY TO ASK FOR WHAT YOU WANT

When you accept a position you are agreeing to make a significant investment in an organization. It is realistic and fair to expect that organization to make an equitable investment in you. As long as you are tactful and realistic, it is unlikely that an employer who has a vested interest will withdraw an offer because you tried to negotiate a better compensation package.

After researching the current market salary range and prior to an offer negotiation have an amount in mind. Decide what you want and what you will accept. This means knowing three important figures:

- Your “dream” salary - the most you can ask for without fear of alienating your prospective employer.
- Your bottom line - the lowest figure you will settle for.
- Your goal - a realistic amount you think you have a good chance of getting.

Managing Employers Requests for Salary Information

DURING THE APPLICATION PROCESS

Some job announcements will ask you to indicate your salary history and/or requirements in your resume and cover letter. This is a screening tool. If you list a number that is above what the organization can afford, you may be eliminated from the candidate pool. If your number is too low, the employer may offer you a lower salary than what was originally intended.

As a general rule, when salary information is requested in an application, you can:

- Ignore the request altogether; or
- Explain that you would be happy to discuss salary once you have more information about what the job entails; or
- Give a salary range (not an exact number) and indicate that your requirements are negotiable and flexible. Only do this if you are indeed willing to negotiate.

Some consider it risky to ignore a request for salary information, because the employer may view your application as incomplete and eliminate you from the selection pool. While this is a legitimate concern, know that it is equally risky to discuss salary before you have been made an offer. Furthermore, if an employer is impressed with your resume and cover letter, they will most likely call you in for an interview and raise the salary issue at that time. Ultimately, depending upon your own level of comfort, you will have to determine on case by case basis which method carries the least risk and the most potential reward.

DURING THE INTERVIEW

Employers may ask your salary history and/or requirements during the interview. If possible, avoid this discussion until you have been made an offer, or at least until the end stages of the interview process. The interview should center on the value you would bring to the employer; salary and other benefits are best discussed once you have proven your full worth to the employer.

If You Want to Know the Salary Range Before the Employer Makes an Offer

Your background research on the organization, the position, and the field of practice should help you estimate the salary range with some accuracy. Also, remember that salary is only one piece of a compensation package. As you move forward with the interview process, you may find that the position has more to offer than you originally thought. A salary that you would have initially ruled out may be more attractive once the employer offers you the entire benefits package.

If the Employer Insists That You Give Your Salary Requirements or History

If you have indicated that you would like to postpone the salary discussion in a polite and respectful manner, most employers will not push the issue. However, if the employer insists on knowing your salary information, be prepared to have a discussion.

Give the employer a salary range (never given an exact number) that is at the higher end of the position's pay scale. For example, if the position has a salary range of \$60,000-\$70,000 a year, \$70,000 should be at the middle or low end of your required salary range. This helps you to avoid giving a figure that is too high or too low. If you do not know what this specific employer is offering for this specific position, reflect on your market research. Base your requirements on average rates of pay for similar positions in similar organizations, keeping in mind the current value of your experience and qualifications.



Negotiating the Offer

Congratulations! Your hard work has paid off and the employer has made you an offer. However, your work is not done yet. Never accept a job offer right on the spot. Take time to consider the details carefully, get information on the complete compensation package, and make sure that there are no unanswered questions.

RESPONDING TO AN OFFER

Whether an employer makes you an offer via telephone, email, or in person, be sure to:

- Express your appreciation for the offer.
- Indicate that you have a few follow-up questions about the jobs (i.e. vacation time, start date, position title, etc.)
- Thank the employer for the information, and ask for time to consider the offer (anywhere between a few days and one week is standard).
- Ask if it is okay to call back if you have additional questions before making a final decision.

See the following sample response to an offer:

“Thank you very much for extending the offer. Again, this is an excellent opportunity. Can you tell me more about the benefits package (vacation time, health care benefits, the performance evaluation process, etc.)? Great, thank you for clarifying those details. I would like to take some time to think about the offer. Can I contact you with my decision by [insert a date or time frame]? If I have any questions before that time, do you mind if I give you a call? Thank you again, I look forward to speaking with you.”

Before you accept or decline an offer, consider every aspect of the job. The following questions can help you determine if this is the right position for you:

- Is your interest in the organization still strong?
- Will you gain new skills or strengthen old skills in this job?
- Is the position consistent with your short-term and long-term goals?
- How does this job compare to your ideal job?
- Who do you report to? What is that person’s management style? How much day-to-day supervision will you have?
- How will the position impact your personal life and relationships?
- Who will you work closely with? Are they congenial? Can you spend eight hours or more a day with them?
- Is the salary acceptable?
- How are the other elements of the benefits package?

Correspondence Regarding Offers

Although job offers are usually made over the telephone, you may want to follow up with a letter. Be sure to state any conditions you agreed to on the phone (starting or decision date, travel plans, etc.).

ACKNOWLEDGEMENT OF OFFER

- Acknowledge receipt of offer.
- Express appreciation regarding offer.
- Notify company of date you expect to make a decision.
- Ask for any specific information you may need for your decision.

ACCEPTING THE OFFER

- Accept the offer.
- Notify of travel plans and anticipated arrival date, if applicable.
- Indicate that you look forward to receiving a contract of letter of offer with details.
- Review the details of the offer, including salary, start date, and any other negotiated items.
- Express appreciation and pleasure in joining the company.

DECLINING THE OFFER

- Decline offer politely.
- Express appreciation for the offer and company’s interest in you.

DECIDING TO NEGOTIATE AN OFFER

If you are satisfied with the complete compensation package and you do not want to negotiate any aspect of the position, you can accept the position as offered.

If you are not satisfied with the complete compensation package you may want to negotiate one or more aspects of the position, keep the following principles in mind:

- Always negotiate in good faith. You should only go through with negotiating an offer if you are seriously considering taking the job.
- Always negotiate in person or over the telephone. Tone plays a big role in negotiation and it is more difficult to convey in written form.
- If you are considering other organizations, contact those employers, inform them of your offer, and inquire about the status of your application. If they are interested in you and have some flexibility, they may speed up their decision-making process. However, you may have to make a decision before you have complete information on all possible offers.
- You should only accept an offer if you intend to stick with it.