Negotiating Job Offers

Objectives

1. Learn appropriate negotiating behaviors.
2. Identify factors involved in negotiation decisions.
3. Understand the negotiation process from initial offer to acceptance or decline.

Considerations

Once you have received a job offer, you have more power than at any other time in the interviewing process. Aside from the main goal of making the right decision, much can be gained (or lost) from the way you negotiate your offer.

Timing

An offer can arrive anywhere from one day to six weeks after your second or third interview. Occasionally, employers will give you the offer in person at your final interview.

Etiquette and Impressions

Continue to be mindful of your behavior and the impression you are making upon the employer when the offer arrives. Let employers know you are pleased to receive an offer, reiterate your interest in the position, and thank them for their consideration. Throughout the negotiation process, it is best to maintain a professional attitude that expresses gratitude, humility, and willingness to reach an agreement with which both parties can be satisfied.

As stated above, you have more power to negotiate and advocate for the best possible compensation package after receiving a job offer than at any other time in the employment process. However, it is important to remember that an employer can revoke the offer if something undesirable comes up (like a negative attitude) at any time in the negotiation process.

Every Negotiation is Unique

Sometimes you will have skills to offer employers which are in high demand. Negotiation will be easier in these situations. At other times, your offer is one of many with other candidates waiting in the wings if you do not accept. Many factors contribute to the degree to which your offer is negotiable, including the economy and labor market demand, employer need, availability of qualified candidates, available funding, and your skills compared to other candidates.

Research as much as you can about the organization, labor market, and what other individuals in similar positions are receiving. Be prepared to justify your negotiation with solid evidence as to why your requests are fair and reasonable.

Clarify the Offer

Be clear on all the factors that make up the offer. Get the following information before you get off the phone or leave the employer:

- Salary
- Location
- Reporting date
- Relocation expenses offered
- Signing bonus (if any)
- When they need your answer

Take Time to Evaluate the Offer

It is generally not in a candidate’s best interest to accept a job offer on the spot. Time is needed to evaluate all the important factors of an employment decision. Determine what you feel to be a reasonable length of time to make your decision (a few days to a week is most common), and be ready to ask the employer for this time when you receive an offer. Employers know you are interviewing with other organizations and will appreciate your being honest and careful about your decision.

The Negotiation Process

Negotiation is a process that may consist of several contacts with an employer before an acceptance or declination are rendered. Once the employer gives the initial offer, it is common for a candidate to take time to evaluate and return to the employer with a counter-offer or negotiated adjustment to the original offer. The employer then may need to reconsider and take some time before returning to the candidate with either acceptance of the counter-offer terms or more adjustments. This process continues until the
employer states that the current terms are their “final offer.” When the final offer is given, the candidate can still take time to consider but will need the next contact with the employer to be a notice of acceptance or declination. Below is a graphic representation of the negotiation/hiring process:

Factors That May Be Negotiated

You have nothing to negotiate until you have an offer. Once you receive an offer, it is important that you consider all possible factors.

**Salary (within limits)**

The offered salary may or may not be negotiable, and it may or may not be a fair offer. Prior to negotiating this factor, research salaries offered in your field by geographical location, experience, degree level, major, and previous offers. You will often find that the salary an employee receives varies greatly by job, employer, and region of the country. Resources are provided at the end of this guide.

**Location of Position**

Take the time to check out the geographic area of your new position. Does the community offer you the lifestyle you are looking for? Do you have the option to choose the location of the job? With some positions, negotiating where you will live can make the difference in accepting a job or not.

**Start Date**

Depending on the organization and your job, some employers might be able to offer a flexible starting date. If you have ever dreamed of backpacking or cycling through Europe, now may be the time. Maybe you just want to take some time off to relax. Now is the opportunity to negotiate when you will begin your new job.

**Performance Reviews**

Some employers may give bonuses for job performance. Often, these salary increases are attached to your performance reviews. If the organization incorporates this type of appraisal system, it might be possible to ask for an earlier review to increase your earnings more quickly.

**Relocation Expenses and Signing Bonuses**

Some employers may provide relocation benefits to help you move to the community where the employer is located. This may include travel to the community to look for a home or apartment, mortgage assistance, cost of moving possessions and vehicles, and/or hotel and food expenses until you are settled. It also may be in the form of a signing bonus, which is simply an agreed upon amount of money given to you at the time of your acceptance of the offer. If an employer does not present these benefits, you might want to consider negotiating for them.

**Desired Division or Department**

In general, not all jobs are created equal within an organization. Find out as much as possible about your options before you accept an offer. If you decide that certain divisions appeal to you more than others, let it be known before you sign. Your specific work assignment might be a factor that can be negotiated.

**Other Items That May Be Negotiable**

- Schedule
- Vacation days
- Company car/travel expenses
- Tools for work (i.e., laptops/iPads)
- Work space/office furnishings
- Expense accounts
- Professional development opportunities/funding
- Club/professional association memberships
Making the Best Decision

Making the best decision involves a host of factors. It might involve visiting The Career Center to learn more about effective decision making. At the very least, you should look at job offers as they relate to your individual needs, family situation, and career goals.

Individual Needs and Goals

Does this job match your values, interests, skills and beliefs? Does it provide you with the lifestyle, prestige, independence, creativity, security, and altruistic and economic returns you are looking for in a job?

Family Situation

Does this job accommodate your needs and lifestyle preference with regard to your family? Is the geographical location conducive to you and your family’s hobbies, community activities, and social support groups?

Career Goals

Is the nature of the employer, the job’s pay and benefits, and the work activities what you are looking for in a job? What is the employer’s reputation? Is the training program attractive and comprehensive? Does the organization provide advancement and mentoring opportunities? Will you be given significant responsibility? Are the surroundings and people pleasant? Is there job security? Does it offer professional, personal, and educational growth? Is the salary adequate for your needs? How does the benefit package compare to those of other employers?

Use Effective Decision Making

It is suggested that you evaluate each offer based on the same set of factors to determine which one best meets your needs. Only you can decide which factors are important. What is important to one person is not necessarily important to someone else. The Career Center has a sample employment decision-making exercise that can help you in evaluating and comparing offers.

Negotiating the Offer

Once you have decided on an offer to accept, you will need to take the following steps to ensure an effective negotiation.

Decide Your Conditions

It is important to determine what you want from the offer, but it is also important to know the minimum you will take from an offer. Create a plan that will allow some flexibility. For example, if you ask for more salary but the organization cannot offer more money, would you be willing to take a signing bonus instead? Remember, you only have one opportunity to get the most from this offer so thoroughly plan prior to any negotiation.

Negotiate from A Point of Power

Two strategies are typically used to negotiate effectively. The first involves going to the employer with a competing offer from another organization. Having a higher competing offer for the same type of position within the same industry is an effective negotiation strategy. **Never lie — employers communicate with each other!** Secondly, you can present the employer with research about salaries in the field and cost of living and/or market demand for your credentials and qualifications. Research that includes these items will give you a stronger position from which to negotiate. Just make sure your statistics accurately represent your background and the type of job being sought. Resources for this kind of research are provided at the end of this guide. Regardless of which strategy you choose, focus on the total package. Look for creative ways to achieve your optimal offer.

Call Early

If you make your decision early, it is perfectly acceptable to call the organization and begin negotiations. The earlier you negotiate, the more likely that the organization has not filled all of its positions and may be more inclined to negotiate with you.

Maintain Professionalism

Many candidates make the mistake of becoming too casual after they have received an offer. Remember, the person you are negotiating with may be your future supervisor or colleague.

Make a Decision

Be prepared to make a decision once the organization has stated its final offer. It is not appropriate to try to hold out for more time or another offer.

Commit Fully

Once you reach a decision, let your employer know that you are with them 100 percent. It is unethical to continue pursuing employment with any other organization after accepting an offer. You will need to withdraw your candidacy from all other applications upon accepting an offer.
The Final Step: Put It In Writing
When an offer has been agreed upon verbally, it is a good idea to ask the employer to submit the terms of the offer to you fully in writing before offering a formal acceptance. Seeing the written offer will help you to be sure both parties are clear on the terms. For more information on writing acceptance/decline letters, see the “Writing Effective Letters” guide at career.fsu.edu/Resources/Career-Guides.

Acceptance Letters
Congratulations! You have decided to accept an offer. Now it is time to write a formal acceptance letter restating your understanding of the offer to solidify the employment agreement. Include the following:
- Salary
- Starting date and time
- Location
- Any perks, signing bonuses, etc. that you negotiated
- Any other factors that you feel were vague or were not in writing

Decline Letters
Declining an offer should be done in writing and as soon as you accept another position. This is an important step because you may need this contact later on, so never burn your bridges. Thank the employer for their interest in you and state your wish to maintain a positive, professional relationship.

Summary
The bottom line in negotiating a job offer is finding a career that meets your values, interests, and skills and compensates you at the level of your expertise. Negotiating a job offer may be scary, but if done in a professional way, it can result in a better job package to start your career.

Additional Resources
Select Career Center Library Resources
Career Information Center volumes 1-13........IIA CIC 1-13
Dynamite Salary Negotiations: Know What You’re Worth and Get It!..............................VB K71
Negotiating Your Salary: How to Make $1,000 a Minute..............................................VB C45
The Academic Job Search Handbook...............................V H41
2014 Salary Guide For Technology Professionals:
The Value of Innovation.................................IIIB 15-1100 R6
NACE Salary Survey Starting Salaries
New College Graduates........................................IC N3

Select Online Resources
NACE Salary Survey naceweb.org/salary-resources/salary-survey.aspx
Occupational Outlook Handbook www.bls.gov/oco/
Salary.com www.salary.com
The FSU Employment/Salary Survey www.career.fsu.edu/stats
The Riley Guide www.rileyguide.com/salary.html

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