Negotiating a Job Offer

At some point in the job acceptance process, you may feel compelled to try and “push the envelope” a bit to see if you can elicit a better compensation package (salary and benefits) from the employer. This is something that you need to be very careful about, especially as a recent graduate. Employers are probably already offering you a very competitive salary for the field because they are trying to keep the interest of the best candidates and stay competitive with other employers. There are a few cases in which the terms of your job offer may be negotiable, but you need to be well prepared to make the case effectively.

When is negotiation justified?

► You have higher offers from the same and other industries.
► You have directly relevant past work experience/internships that are beyond the qualifications sought for the position.
► You have skills above and beyond requirements of the position.
► Offer does not reflect your past work experience/internship skills.
► Offer does not reflect your transferable skills.
► The average salary for graduates/students in this industry, or function, or with this type of work experience is higher than the offer.

What is negotiable?

► Response to offer date
► A one time sign-on bonus (this does not figure into your salary)
► Start date
► Early performance reviews (60/90/120-day or 6 month reviews with attached raise)
► A title promotion and raise after 6 month or a year
► Bonus (base your expectations on a 5-year performance history)
► Moving/Relocation costs
► Professional memberships (the cost of these can be quite large)
► Help finding employment for spouse
► Help with locating housing
► Company car, gas, maintenance, and insurance
► Travel reimbursement
► Laptop computer for business
► Work schedule, flex time, vacations, holidays, personal and sick days
► Stock options
► Salary

When to negotiate

1. After you have received a firm offer!
2. Negotiate if there is sufficient reason why you deserve more.
3. Negotiate only if you really want the offer and are prepared to accept it.
4. Do not feel obligated to negotiate. Remember that negotiation is not required; in fact, it should be relatively rare for first job offers. Once you have more experience, you will be a more competitive candidate and much more likely to negotiate your job offers.

First response to an offer

The offer is usually given first over the phone, then followed up with a letter explaining it in more detail.

1. The first thing you do, no matter how terrific or how poor the offer, is to be pleased and excited that the company wants you. Don’t let your concerns show.

2. Ask when you can expect to receive a written offer.

3. Ask how much time you have to make a final commitment. Do not accept the offer immediately, no matter how excited you are about it. You are entitled to a reasonable amount of time (at least a few days) to peruse the details of the offer, evaluate the offer, and decide if there is anything you want to negotiate.

4. After you have had time to evaluate the offer, call the person who made the offer and tell them you would like to discuss the offer. Reiterate your interest. Tell them you have some questions, and then take the plunge.

I’ve decided to negotiate, but I don’t know how to approach it

► “I am excited about the job offer, and I know I have what it takes to be successful in this position. Could you help me understand how my salary was determined? Was my internship/work experience considered?”

► “I have an interview with another company scheduled for next week after you require my response. I want to be sure I am making the best career decision for us both. Could you extend my response date to . . .?”

► “I have planned a trip for a long time (i.e. I’m getting married, etc.). If it does not impact the training program, could I delay my start date until . . .?”

► “I have a vacation planned during the probationary period (a few months after you begin the job). Would it be possible for me to take unpaid vacation during that time?”

► “I have an offer in the same industry for xxx more; is there a way for your offer to be competitive with that?” (This must be true – do not bluff).

Be prepared to answer questions similar to the following:

► “How much will it take to get you?”

► “How much are you looking for?”

► “What are your salary expectations?”

► “What are your salary requirements?”

You are being asked to name a figure. If you give too high a figure, you have priced yourself out of the market. If you give too low a figure, it will appear you are not confident about your skills and abilities. Do your salary research before you call to negotiate (ideally, before your interview). Decide two things before you make the phone call – how much you will ask for, and how much it will take for you to accept the position. Be honest. If you are asked how much it will take to get you, give them that figure.