

# Successful Job Offer Negotiations

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# Why bother to negotiate?

- Because they often expect you to negotiate.



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- Because it can improve your life.

# Is it worth the costs?

- Over 80% of HR reps surveyed said that they would negotiate with new hires, but only 18% of new hires initiate negotiations
- Even if you cannot agree, you can leave a positive impression
  - Opportunity to demonstrate your diligent preparation and ability to pursue your interests in a cooperative manner
  - *Almost 0* chance that an offer would be rescinded as long as you are professional

# Internal framing to overcome self-serving mental blocks

- Find an “other” who can benefit that resonates with you:
  - family
  - women/engineers/junior faculty “everywhere”
  - your future self
- Raises/salary help you earn fair compensation for your talents
- Promotion allows you to increase your contribution/commitment to the company
- Even if you cannot agree, you can leave a positive impression

# Framing Career Negotiations

- Collaboration: How can we work together to find a package that works well for both of us?
- Fair compensation
  - recognizes high performance, increased responsibility, newly acquired skills from degree program
  - in line with market research, company grade, other offers
- Mutual benefit
  - issues that allow you to contribute more effectively (home office equipment; conference funding/time; tuition reimbursement)

# The Four W's of job offer negotiation

- Who
  - Preferably one of your eventual supervisors
  - Definitely someone with decision-making power
- When
  - After a firm offer has been made and you are interested in the job
  - Before accepting a position
- Where
  - Face to face at job site is best
  - Telephone second-best
  - Company may have norms about this that you should learn and adjust to
- What
  - Compensation
  - Relocation
  - Vacation
  - Promotion
  - (other things that don't end in "tion")

# *Potential* Issues to Negotiate

- Deadline for Acceptance
- Job Grade / Title / Track
- Job Responsibilities
- Location
- Starting Date
- Salary
- Signing Bonus
- Performance Bonus
- Stock Options
- Vacation
- Relocation Package
- First Salary Review Date
- VISA Help
- Professional development  
“release time” / costs
- Administrative support
- Home office funds
- Flextime / Telecommuting
- Childcare Assistance
- Tuition reimbursement
- Teaching load/type
- Research budget
- Conference travel funds
- RA / TA / grant support
- Hardware/software
- Dual career hiring

# Preparation

- Define and prioritize issues
  - Consider your and your constituents' underlying interests
  - Pick a subset of issues to negotiate over (which 1-5 issues are most critical and least satisfied in the initial offer?)
- Determine which (if any) issues are related to each other
  - E.g., Telecommuting and home office funds
- Determine the value of changes to various issues
  - e.g., “an extra week of vacation is worth \$2000 in salary to me”
- Generate alternative ways that they could meet your interests
  - E.g., can they supply manpower more easily than money?

# Walk-Away Point

- What's your resistance point?
  - Is there a chance you would walk away? At what point?
  - Even if you would not walk away, you can still ask for more
- Do you have any alternative possibilities?
  - What's your BATNA? Can you get a better one?
- **BATNA – Best Alternative to a Negotiated Agreement**

# A Tale of 2 Offers

- Company A offers
  - \$70k salary
  - \$5k moving expenses
  - \$5k signing bonus
- But, student wants an offer from Company B
  - This makes Co. A the BATNA

# A Tale of 2 Offers

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- But, student wants an offer from Company B
  - This makes Co. A the BATNA
- What does Co. B need to offer me so that it is identical to the offer made by Co. A?”
  - reservation point, consider comparison on all interests (salary/bonus, but also location, hours, career potential, etc.)

# What's your leverage?

- Positive leverage
  - What do they gain by hiring *you* (vs. the next best candidate)?
  - How do *they* benefit from giving you what you want?
- Normative leverage
  - What standards / norms support your position?
  - What value do you have in the marketplace?
- Negative leverage (threats, etc.) = Not appropriate

# Perspective Taking

- What is the other party's point of view likely to be?
  - What are their interests? Their BATNA? What do they value in an employee?
  - How desperate are they to sign you? To be done recruiting?
  - What is their authority / latitude for negotiation?
- What arguments are they likely to make and how will you respond?
  - Salary equity: performance / signing bonus instead, job grade change to higher range, early performance review
  - HR system/rule constraints: identify where they *can* negotiate
  - Never done that before: trial period, share evidence it works
  - Up to your boss: determine which issues to negotiate with whom

# Goal setting

- What's your target point – ideally, where would you end up on your key issues?
- What's your opening counter-offer?
  - Should be above target, so you have room to move and still reach your goal
  - Must be reasonable and supported

# The Negotiating Process

1. Obtain the offer. Express excitement / appreciation. Say you will look it over and get in touch with any questions or concerns.
2. Analyze the offer and collect missing information from the employer if needed.
3. Evaluate the offer and pick highest priorities to negotiate. Prepare your issues, tradeoffs, support for your positions (per previous slides).
4. Set a time to discuss the offer - be ready in case their best time is 'right now'.
5. Negotiate. ABC = Always Be Cooperative.
6. Obtain agreement and ask for the final offer in writing.

# Initiating a Negotiation Discussion

1. Tell the manager that you have thoroughly considered the offer.
2. Express excitement about the opportunity.
3. Indicate that you have specific areas for discussion.
4. Communicate the expectation that you both want a positive outcome and your belief that you can work through the areas for discussion successfully.
5. Indicate areas of agreement first. (“The health plan looks great!”)
6. Discuss and resolve differences.
  1. Ask questions
  2. Share leverage when appropriate (don’t “come out with guns blazing!”)
  3. Offer alternative ways to meet needs
  4. A signing point can help.
7. Affirm the agreement and accept the offer: Keep positive!
  1. Or take time to weigh it if not all needs met
  2. Or graciously decline if it is still below BATNA
8. Ask for confirmation of the finalized offer in writing.
9. Decline other offers graciously.

# Dodging the Salary Question in Interviews: Sample Scripts

- "I would prefer to learn more about the position and how I could contribute to the (team/department/company) before discussing salary."
- "Based upon my qualifications, where do you see me fitting within your range?"
- "Based upon my research, I know that the range for similar positions in this industry is from X to Y, and this is well within my expectations."
  - "What do you have budgeted for this position?"

# Getting the offer: Sample scripts

- “Thank you, I am really excited about the possibility of joining XYZ.” <Specific plusses from interview>
- “When can I expect to receive the offer in writing?”
- “If I have any questions about the offer, are you the right person to contact?”
- “Do you need my decision by a particular deadline?”

# Deadline extension requests

- “I understand you need a decision soon, and I will try to make one as soon as I can. That said, I am [interviewing, waiting for a decision] in the next couple weeks and wanted to see if I could get an extension for the deadline of [enough time + 1-2 weeks]. That way, I can make the most informed decision possible.”
- Responses range from “No extension” to as much as 6-8 weeks, depending on industry/situation.

# Starting Negotiation: Sample Scripts

- “Thanks for sending the written offer. I have read it carefully. I was impressed by [benefits you are happy with here]. There are a few areas of the offer that I wanted to discuss. Can we set up a time to talk through those issues?”
- “Thank you for [contacting me], I really appreciate it. I hope we can resolve these few issues quickly, so I can accept a revised offer and join XYZ.”  
[nice things].”

# First Issue: Start with biggest to you

- “The salary of \$XX,000 was a little lower than I had expected, based on my research of the market.”
  - You might also ask “how was the salary determined?”
- They may say it is non-negotiable or ask what you were expecting.

# Response: Sample Scripts

- Non-negotiable: “I understand. Is there room to increase [other alternative acceptable to you]”.
  - Or you explain you are not going to be able to take the offer at the salary and thank them for their time.
- What were you expecting? “My expectation was offer\*(~10%).”
  - “which is the average salary of assistant professors at the school last year, adjusted for inflation.”
  - “which is a little higher than the average salary for assistant professors last year, to account for inflation and [unique qualifications // X years relevant experience] that I bring to the position.”
  - “which would be competitive with another offer I received this month [IF TRUE].

# Response: Sample Scripts

- If offer to get back to you: “Thank you, I really appreciate your help, if you need any other information let me know.”
- If counteroffer below your target: “I appreciate the increase. [one more counteroffer may be ok: if we could get to \$XZ,000, it would make the decision much easier // it would be close enough to my alternative offer // salary wouldn’t be a main factor in my decision – *what you say here largely depends on context*].
- “The second issue that I wanted to discuss is vacation days...”

## Dual Career Hiring

- Non-academic – can inquire about spousal assistance after offer, but not a norm to preferentially hire spouses
- Academic – research school policy before fly-out. If none mentioned, do not expect help.
  - Ask mentors about norms in your field
  - If it will be a deal-breaker mention it after you're invited to visit (because hiring takes time)
  - If it is a key factor but not the deciding one, bring up after core part of school interview (when you've already made your impression on whether they want to hire you)

# Final Reminders

- This is an opportunity to be:
  - Positive
  - Professional
  - Problem-solving
  
- Not a time for:
  - Frustration
  - Aggression
  - Misrepresentation
  - Others' confidential information

Questions?

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