

NEGOTIATING A JOB OFFER

STEP ONE: PREPARATION

1. Before you can assess a job offer, you must make sure you have information about the market. Important research you should do:

- Identify salary averages for your field and in your geographic area of interest.
- Know what average salaries your peers received (i.e. those of Carnegie Mellon graduates with similar experiences).
- Identify norms in your field as far as which things you can negotiate, and which things are non-negotiable such as health insurance or location.

Where can you find this information? **See the end of this Success Guide handout for resources.** You can also talk with your Career Consultant, faculty, internship supervisors, and mentors.

2. Identify and rank your job preferences. This will help you remember that accepting an offer is about what you value in a position. Issues may include:

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|------------------|-----------------------------|---------------------|
| • Benefits | • Low Stress Level | • Recognition |
| • Challenge | • Making Decisions | • Responsibility |
| • Competition | • Mental Stimulation | • Salary |
| • Flexibility | • Personal Growth | • Stability |
| • Helping Others | • Physical Work Environment | • Supervisory Style |
| • Independence | • Prestige | • Teamwork |
| • Location | • Public Contact | • Variety |

3. Decide on the minimum amount of compensation that will make you satisfied – make it realistic with the type of job offered. Establish a budget and don't neglect to account for taxes taken out of your pay. There is no point in accepting an offer if you think you'll be unsatisfied and want to look for another job in the near future. If an employer refuses to meet or exceed this amount, it is to your advantage to keep looking.

STEP TWO: KNOW THE EMPLOYER'S COMPENSATION GUIDELINES

How does a job offer process develop? Although there are many ways that employers decide on the initial offer, they are typically presented from one of three different viewpoints. Companies fall into one of these three categories depending upon their attitude about salary and negotiation. Here are those various philosophies and what the difference might mean to you:

1. Fixed Offer: This type of company will tell you that they carefully research the job market and they make a very fair and firm offer. It will not do you any good to negotiate with this type of company. They operate on a take it or leave it basis so you may not want to waste your time negotiating.
2. Pay-Grade System: This is a system in which a salary range has been set and you will be paid within this range based on your experience and the duties associated with the job. However, you can often negotiate within the salary range. The pay-grade system is the most common compensation system encountered.
3. The Negotiator: This type of system is rare because most organizations work within a structure. In this framework, the employer will have the authority to raise or lower your salary without going through bureaucratic red tape. You can definitely negotiate with this type of organization.

STEP THREE: SALARY AND BENEFIT NEGOTIATION

If an employer makes an offer that is below your expectation, you don't want to offend them so you might start the conversation with positive comments, such as thanking them for the offer. You could also ask what the benefits include. To proceed, you could use one of the following phrases to begin the negotiation process:

Idea 1: "I am very interested in the position, and I would like to discuss the salary you are offering."

Idea 2: "I am very interested in your company. Thank you for the job offer. I wanted to know if the salary is negotiable?"

IF YES:

If the response to your question is, "Yes, we can talk about the salary. What did you have in mind?", then you need to present your 'case'.

Support your case by stating your skills, the average salary range for your level of experience in your field, and the average salaries for Carnegie Mellon graduates in your field. It is best to let the employer respond and then continue the discussion from his/her lead. Remember, you may be negotiating with the person who will be your supervisor. Stay polite. Try to make it a win-win situation.

IF NO:

If the response to your question is, "No, the salary is not negotiable", then there may be other areas to possibly negotiate.

Based on an employer's compensation guidelines, you may not be able to negotiate a higher salary. However, you may be able to increase your compensation in benefits. Negotiable areas include: vacation time (it's often increased for more senior employees), educational reimbursement, and salary review (you might negotiate a salary review after three months rather than six months or a year). If nothing is negotiable, then you can thank your contact person and let them know when you will give them your decision. Remember, you may be negotiating with the person who will be your supervisor. Stay polite. Try to make it a win-win situation.

STEP FOUR: ASSESSING THE JOB OFFER

Consider the pros and the cons of the offer. It may help to create a chart. A chart may also be helpful if you have had more than one offer and you want to compare and contrast the merits of each offer. Here is a sample:

FACTOR	OFFER A	OFFER B	OFFER C
Company Reputation/Stability			
Co-workers			
Health Insurance			
Job Responsibilities			
Location			
Overtime			
Paid Vacation			
Pension/Retirement			
Salary			
Signing Bonus			
Stock Options			
Supervisor			
Training/Professional Development			
Travel			
Tuition Reimbursement			

STEP FIVE: GET IT IN WRITING!

It would be nice if everything discussed would actually occur, but unfortunately it doesn't always happen that way. To avoid problems in the future, ask for a letter of employment which states all the employment conditions agreed upon, (i.e. salary and benefits as well as a thorough job description). This way, if there is confusion at a later date, you will have a written document to refer to stating the conditions under which you were hired. This document is especially important if the conditions of your employment differ from normal company policies.

A FINAL WORD

Keep in mind that if you decide to negotiate, as long as you conduct the negotiations in a professional manner, then your job offer will not be rescinded by the employer – even if the employer decides not to negotiate. Also, if a position is acceptable to you as it is first offered, then you should not feel like you must negotiate.

SALARY NEGOTIATION RESOURCES

- \$ Carnegie Mellon Salary Survey** – includes maximum, minimum, mean and median salary information from Carnegie Mellon graduates, listed by major and degree
http://www.studentaffairs.cmu.edu/career/students_alumni/post-grad-survey/index.html

- \$ Occupational Outlook Handbook** – provides career and salary information for approximately 250 occupations
<http://www.bls.gov/oco>

\$ JobStar Salary Guide – lists web sources, books, and tips on salary negotiation; includes links to articles and a salary relocation calculator. It also provides links to more than 300 salary surveys.

<http://jobstar.org/tools/salary/sal-prof.php>

Areas Include:

- Accounting
- Advertising
- Computer Fields
- Consulting/Contracting
- Economics
- Education
- Engineering
- Entertainment
- Finance
- Government
- Graphic Art
- Health-Care
- Human Resources
- Insurance
- Management
- Marketing & Sales
- Mathematics
- Media
- Non-Profit
- Performing Arts
- Printing
- Psychology
- Public Relations
- Science & Biotechnology
- Social Work
- Technical Writers
- Telecommunications

\$ Quintessential Careers – provides a variety of resources and links for job seekers including resources about salary negotiation

http://www.quintcareers.com/salary_negotiation.html

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