

JOB OFFERS

ISSUES OF COMPENSATION AND NEGOTIATION

The last work of your job search deals with determining your fair market value in your field and to your hiring organization. With this knowledge, you and your hiring manager can discuss compensation competently and, finally, negotiate salary and benefits, reaching a mutually satisfying conclusion.

The employer wants to maintain equity among new recruits and current employees of similar background and responsibility. Wage compression is a challenge to many companies where salaries of experienced employees whom they want to retain fall behind those of new hires. The employer must balance competing forces: the constraints dictated by the internal salary structure of the organization and the direction determined by competition in the marketplace.

Students are concerned about educational debt, a return on their investment in the desire to increase compensation over their pre-graduate salaries, and competition with their peers.

The key to confident bargaining is information. What do you need to know and how can you gather the data? Try to depersonalize the situation by assessing your objective worth. Role-play a sample discussion with a trusted, knowledgeable colleague to determine what issues might arise and how you want to handle any difficulty.

Compensation

Understanding the underlying factors in determining appropriate compensation will help you interpret your offer and give you credibility and authority in negotiation.

- ♦ Although salary discussions generally begin in the second interview or following a job offer, the subject can occur at any time. If the employer interjects questions about salary before you have delved into the job responsibilities, explain you need to understand the entire job description before you discuss compensation.
- ♦ Do your homework before you begin the interviewing process:
 - ♦ Your best advantage is figuring out in advance of interviewing your wants and needs, including significant work values and priorities. Think about your preferences in type of company, job,

- responsibilities, advancement potential, intellectual challenge, compensation, co-workers, environment, and possible personal flexibility. Be creative in considering non-monetary rewards.
- ♦ If the employer asks what you expect, demur about providing an exact dollar figure, if possible, and give neutral statements about compensation based on responsibility and qualifications. On a job application put “open,” “negotiable,” or “competitive.” If the employer asks for a range, suggest a figure between three and ten thousand dollars. If the employer does not ask for a salary requirement, do not volunteer that information as the employer might use it to screen out your resume.
 - ♦ When you fill out an application, make sure you understand the fine print; you may be granting approval for a credit and/or background check. Most employers in the finance or banking industry will do a credit check before extending a job offer. Past-due checks, large outstanding balances on credit cards, and bad checks can cause you to lose a possible job offer.
 - Companies consider a variety of circumstances in making an offer and so no offer is completely standard:
 - Your academic credentials
 - Your prior experience
 - Position responsibilities and special skills required
 - Industry and regional norms
 - Local cost of living
 - Internal salary structure and policies
 - Your prior salary
 - Current business conditions
 - Comparative salary information from similar graduate programs
 - ♦ Employers conduct extensive research before making salary decisions. You should, too. Consider the type of industry, growth rate of the company, geographic region, and the importance of related experience. Review salary studies from NC State employment surveys, *Employment and Earnings* published by the US Department of Labor, *Salary Survey* published by the National Association of Colleges and Employers, *The Occupational Outlook Handbook*, and similar reports from comparative graduate programs; ask family, friends, and alumni familiar with the industry or organization, professional associations, and human resources departments; consult business journals and job search web sites.

- ♦ Consider compensation an entire package which may contain salary, signing and year-end bonuses, equity, stock options, a wealth of insurance policies, 401k and pension plans, profit sharing, housing, relocation and moving expenses, family leave, vacation, holiday, and sick/personal days, professional development including tuition and continuing-education reimbursement, loan repayment, and salary progression in the next three-five years.
- ♦ Do not take an offer on the spot. Take notes on the details of the offer and wait for the written document. Until you have received a written job offer, nothing is absolute. This time is well spent comparing your list of preferred values with the unofficial promise from the employer.

Offer Evaluation

If you have more than one offer, how will you make a decision? Look first at the big picture. Clarify your goals and compare each offer with your list of priorities, values, and requirements. Reflect on your desired career path as well as your personal lifestyle objectives.

You can ask the employers to delay your date for a commitment, depending on when in the hiring cycle the offers come. Always be appreciative and polite and ask for the time you really need.

Consult with experts in the field. Seek out reactions and opinions of those in whom you have confidence and ask them to go through your decision-making process with you. Others with a different frame of reference may point out questions, issues, or benefits you have not considered.

Try imagining yourself on the job; actually visualize yourself at work. Go through an entire day:

- ♦ How was my commute: what time did I get here and when will I leave?
- ♦ How am I dressed?
- ♦ What does my workspace look like?
- ♦ What is my schedule for the day?
- ♦ Do I feel at home with the corporate culture?
- ♦ How do people communicate?
- ♦ Who are my colleagues, supervisors, and subordinates?
- ♦ What are the power politics?
- ♦ What skills will I use?
- ♦ What are my challenges and what will I learn?
- ♦ What autonomy will I have?

- ♦ How closely will I be supervised or mentored?
- ♦ What authority and what resources will I have?
- ♦ What kind of professional development can I have?
- ♦ Who will be in my network?
- ♦ How soon can I contribute and be successful?
- ♦ How will I be evaluated?
- ♦ What are the risks?
- ♦ What is the financial health of the organization?
- ♦ How is my standard of living?

In the final analysis no one job will offer you every benefit you want; you will always need to make compromises. At some point, you must trust that your own vision, judgment, intuition, and emotions will make the right decision for you.

Negotiation

Know your recruiter: some employers are not willing to negotiate and their first offer will stand. Consider your relationship with the employer before you insist on negotiation. Will your request to negotiate damage the good intentions of the offer? Once the initial offer is in play, so is the actual job offer; the employer can back away from you if you have changed the playing field.

With that understanding, many employers expect you to negotiate, especially for sales positions. If you are not willing to negotiate for yourself, how can the company trust you to get the best deal with customers or on behalf of clients?

If you receive an offer from a company with strong potential career opportunities and appealing job responsibilities, but the compensation package is less than you think fair or than your worth in the marketplace, you can move to upgrade that offer.

Back up your request with specific reasons why you are worth the amount you want. Each situation is unique; the objective is for both you and the employer to feel satisfied in the end.

- ♦ Make sure the negotiation stays win-win, and both parties feel good about the resolution. Trust is critical; if you insist on playing hardball, you may sour future working relationships. Your goal is an efficient, workable, lasting agreement. Be prepared, avoid absolute numbers,

- and use figures based on objective reality rather than on extreme wishes. Listen carefully.
- ♦ If your offer is low, say how much you like the company and that you think you are a good match for the job. Alluding to your research, relate that the salary is less than you expected and not in the range of other companies. Ask what can they do for you.
 - ♦ If your offer is middling, ask if the employer has any flexibility in the salary portion of the total compensation packet?
 - ♦ If the offer is good, explain that you and the employer are close to terms and ask how much room does the employer have to negotiate salary.
 - ♦ If salary is non-negotiable and you still want the job, explore other alternatives. Ask about job progression and discuss a 60-90-120-day performance review with a potential minimum percentage increase or a year-end bonus. Ask how promotions are handled and whether you can expect salaries to jump dramatically if you stay in the job.

Offer Refusal

If you decide to refuse an offer, first, do so immediately by phone. Next, write a formal business letter acknowledging the offer with your decision to decline. You may give your reason for taking another position, but this statement is optional. Be friendly and professional: this same contact might be a future employer, a networking contact, or a client.

Offer Acceptance

Review the written proposal. Write an appreciative business letter of acceptance stating your decision to accept the offer; include your understanding of the final terms and details of any negotiations not in the original offer letter. Establish the next steps and close with warm regards.

A job acceptance is binding, so your job search must end instantly. Your professionalism and integrity stands behind this important decision.