

SALARY NEGOTIATION AND JOB OFFERS PACKET

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Negotiating salary and benefits with a prospective employer can be intimidating and uncomfortable, especially if you do not feel adequately prepared. Job seekers either fear being perceived as too aggressive or not assertive enough. They do not want to risk losing the opportunity for employment, but don't want to settle for a below average salary. You can overcome this fear, however, by becoming familiar with the appropriate time and methods for negotiating a complete compensation package.

PLAN YOUR SALARY DISCUSSION

Before beginning the interview process with an organization, plan your salary discussion by completing a five-step salary assessment to determine your ideal salary range.

1. Review all current bills and anticipate expenses to determine the minimum cash requirements to meet your financial needs.
2. Clarify the "**average market value**" of your position in the current employment market as well as with the specific employer.
 - a. Research current salary trends for your type of job by asking friends or relatives, companies, placement services, and other knowledgeable sources. Some good websites to review include hireosugrads.com, glassdoor.com, and onetonline.org.
 - b. Review salary surveys from professional journals, the Bureau of Labor Statistics, state labor offices, jobsmart.org, National Business Employment Weekly, and other resources. It may be wise to add 3-4% to the previous year's market salaries to allow for an increase in the cost of living.
 - c. Investigate how salaries and benefits of the prospective employer compare to its competitors.
 - d. Consider cost-of-living differences of major cities. These websites are good resources: homefare.com, virtualrelocation.com, and bestplaces.net/COL/.
3. Determine a **realistic "dream" figure**. Select a salary that would cause you to celebrate, but that would not price you out of a job in your field.
4. Establish your desired salary range. Place your average market value, as determined from your research, on the bottom end of your range and your realistic "dream" salary on the top end of your range. Your range should span **\$5,000 - \$7,000**. Although this range may appear high, realize that negotiating down is much easier than negotiating up.
5. Determine if the salary that was offered to you is up-to-date with current economic trends in your industry and your level of experience. It may not be necessary to negotiate your offer if it's a competitive offer.

The employer should present the first salary figure. Employers may ask of you initially, **"What are your salary expectations?"** Employers are seeking a dollar figure. However, you can turn the question back to the employer by summarizing the responsibilities and expectations of the position and by following the summary with "What has the organization budgeted for a position of this nature?" or "What figure or range did you have in mind for someone with my qualifications for fulfilling this type of position?"

REACTING TO THE INITIAL OFFER

When an initial offer has been extended, you will likely judge the offer in one of two ways. You will either regard the offer as fair, or the offer will not be as agreeable as you expected.

Reaction 1: If you believe the employer's offer for compensation is a fair offer, you may want to try one more time to increase the value of the proposition. This attempt may be initiated by stating to the employer that you are very close to an agreement. The appropriate next step in this reaction is to disclose again a desired salary range using a low end that is at the employer's offer and a high end that is slightly above the offer by asking, "How much liberty to negotiate do we still have?" Using this strategy may result in a slight increase in your offer or in the same offer. Regardless of the result, the offer will be no less than the salary you have already judged as equitable and worth considering.

Reaction 2: If the employer's offer is less than you believe is equitable, your strategy should be to continue negotiations by offering incentives, using leverage questions, and discussing the value of benefits while trying not to negotiate below your desired range.

Incentives, such as an early or immediate starting date or a re-emphasized skill package that directly relates to the employer's needs, may cause an employer to re-evaluate and increase the offer they have extended.

Leverage questions and evaluation questions may also result in the employer increasing the extended offer, especially if the organization has a pressing need to fill the open position. You should stress your potential assets to the employer of your sincere interest in the position with the one barrier to acceptance being a suitable salary package. Some questions might include:

- **What is the time frame for filling this position?**
- **Will compensation time or pay be given for weekend responsibilities and overtime?**
- **Are performance and salary reviews based on standard raises for all employees or determined by individual performance**
- **How does the company recognize, evaluate, and reward outstanding employees?**
- **What potential career paths within the company might someone entering this position pursue?**
- **What is the complete compensation package for an employee at my level?**

After continuing negotiations through this reaction process, you should have a clear understanding of the value in the entire compensation package, including salary, benefits, potential for professional growth, and employer stability.

ABOUT QUESTIONS OF SALARY HISTORY

Sometimes employers will request information regarding salary history on an initial application or during an interview. **Employers utilize salary histories for several reasons:**

- It helps them gauge an appropriate beginning salary range to offer.
- They are able to determine if a prospective employee's expected salary falls within the budget for the position.
- It indicates a prospective employee's performance based upon the frequency and amount of salary increases or raises previously received.

WHEN ASKED ABOUT SALARY, HOW SHOULD YOU RESPOND

On an application, you may use appropriate words, such as "open", "negotiable", and "competitive". When asked about your salary history, acknowledge the request, but try to respond in a general manner.

Examples Include:

- **"Because of my steady increase in knowledge, experience and responsibilities, my salary has also steadily increased"**
- **"I would have to contemplate and calculate the exact figures with pen and paper"**
- **"I hope that this organization is one that will continue to recognize my contributions"**

Regardless of how you respond to a question about salary history, avoid creating a relationship between your salary history and a current potential offer. The salary in question should be based uniquely on the value of the vacant position and your qualifications for it.

WHEN TO BEGIN NEGOTIATING

Although you **should determine a desired salary range prior to an interview** (refer to page 2 of this packet for tips), **DO NOT initiate discussion of compensation during the first interview.** Instead, use the initial interview to focus on the assets you could provide to the organizations, rather than what it might provide to you. In the event an employer broaches the subject of salary in your initial interview, do not evade the discussion.

The ideal time to begin salary negotiations is after a job offer has been officially extended but before you accept the offer. Prior to receiving a job offer, there is nothing to negotiate. The interview phase is the process of learning if you would be the best candidate for the position. Once the offer has been extended from the employer, it is clear that the employer is convinced that you are the best candidate.

Good job! Your hard work preparing for your interviews turned into several job offers. Now you have to decide which position to take. It is important to spend some time collecting all the details for each position and compare and contrast what the best option is for you.

JOB OFFER COMPARISON

Use the matrix below as a decision-making tool when comparing multiple job offers. You may find it helpful to prioritize the importance of the items listed before you begin the employer comparisons. In the "My Needs" column, weigh the criteria on a scale 1 to 10 (**1 = Least Important, 10 = Most Important**) to determine your value for each factor.

Record the details about each job offer in the appropriate columns. Finally, compare the offers in light of what you find the most important from the "My Needs" column.

Criteria	My Needs	Offer 1	Offer 2	Offer 3
Career & Professional Factor				
Position Title				
Promotion/Personal Growth Potential				
Decision Making Authority				
Type of Work/Use of Talents & Skills				
Other				
Company Factors				
Size of Company				
Company History/Stability				
Work Environment/ Company Culture				
Characteristics/Values				
Management Style				
Other				
Personal Factors				
Salary Base				
Bonus/Stock Options				
Weekly Hours				
Benefits (Pension, Insurance, Vacation)				
Perks				
Geographic Location				
Travel Requirements				
Special Expenses (Relocation, Commuting)				
Other				
Total Scores				

BENEFITS

In evaluating the value of the overall compensation package, the value of benefits should not be overlooked. The following list mentions benefits common to salary offers. **Keep in mind that you may be able to attain some of the one-time benefits by negotiating them into a salary offer that you initially judged as inequitable.**

- Paid sick leave
- Paid vacation
- Medical, dental, and/or vision insurance (make a special note of deductibles and amount of premium employer pays)
- Relocation assistance
- Signing and/or year-end bonuses
- Guaranteed promotions and raises within an established time
- 401K and other investment matching programs
- Profit sharing, stock options, and/or pension plans
- Cell phone stipend
- Gym memberships
- Company car or car allowance
- Car insurance or insurance allowance
- Car maintenance and gas or allowance for each
- Compensation for unpaid overtime
- Expense account
- Financial planning and tax assistance
- Tuition assistance
- Child care
- Work schedule flexibility
- Home-base work opportunities
- Professional development programs and/or professional association memberships

MAKING A FINAL DECISION

When an employer extends a final compensation package offer, it is best to not accept the final offer immediately.

- The appropriate action is to express your excitement at the prospect of becoming a part of the company and to ask for a few days to give the offer your final consideration.
- During that time, seek the opinion of mentors, advisors, friends and family, and a Career Consultant to compare their advice with your own instincts and observations.
- You can make a list of pros and cons to help you make your decision.
- Upon making the final decision, contact the organization and verbally accept or reject the position.
- If you accept the position, write an official letter of acceptance. Detail the specific position, salary and benefits you are accepting and promptly forward it to the employer. The employer often send this type of letter for your approval and signature.
- Even if you decide to reject the offer, send a letter of appreciation. It is important to maintain communication and relationships with all employers and organizations, even the ones you do not accept. Remember, you may want to work there in the future.