NEGOTIATING STRATEGIES
An aspect of the job search process that people tend to have the most questions about is negotiating; how does one go about negotiating? What are acceptable terms to negotiate? At what time during the employment hiring process is the best time to negotiate?

Most human resource professionals and hiring managers expect people to negotiate. **However, if you decide to negotiate, you must be prepared to walk away from the offer.** Why? Even though hiring professionals may expect you to negotiate, they do not have to negotiate. They may even rescind the offer. Before you begin the negotiation process, it is very important to be clear on what your goals are in regard to the position and to have an understanding of the value of your skills in the current job market.

**Should I Negotiate?**

During the job search process, it is vital to look at the status of the economy, industry standards and the skills that you bring to an employer. During a tight economy, there are many qualified job seekers seeking a limited number of jobs. Also, because some industries are much more competitive than others, simply getting your foot in the door in any position within that industry may be quite a feat. Therefore, you need to carefully evaluate when and if you want to negotiate.

A strong reason for negotiating is pure economics; if you accept an initial lower salary, even with annual raises, it will not make up for the money you could have made consistently over that same period of time if you were able to negotiate an initial higher salary. Many career professionals state that it is always a good idea to negotiate and to not undersell your skills in the marketplace. The theory is that you will never have as opportune of a time to negotiate as when you are initially hired.

However, sometimes desperate times call for desperate measures. You always need to look at your individual situation and your personal economic needs. If the economy is really tight and there are frequent layoffs, or you are a new graduate without a high level of skills, then you need to have realistic expectations. Sometimes, in order to gain experience in competitive industries, it is necessary to start at a low salary and “pay your dues” before obtaining higher level positions. Or, it may be necessary to take an interim position just to have some sort of income to get you through a tough economic period. You may decide that any employment is better than none, and it may be foolish to risk negotiating yourself out of a job offer. Whether or not you decide to negotiate, at the very least, it is vital to do your research and know what your skills are worth in the current marketplace.

**Importance of Assessing Your Goals**

What kinds of tasks do you want to perform during the day? What kind of skills do you enjoy using? What do you value? Are you willing to take a lower pay if a job includes other qualities you are seeking, such as a flexible schedule? Or, is your value to make as much money in the shortest amount of time, regardless of whether or not you like the job? There are no right or wrong answers. It is a personal choice as to what you want to achieve from a job. What terms and conditions are you willing to accept, or not accept?

A job is not solely about money. Salary is important, no doubt about it. Everyone wants to be fairly compensated for the work they do. However, money is just a small part of deciding whether or not to take a position, especially if you are a new professional entering the job market. Other factors to look at are:

- Mentoring – are there people in the firm that you can learn from, whether it is content knowledge, management style, or “showing the ropes” about a particular industry?
- Professional Development – will the employer provide additional training, seminars or classes? Do they have a tuition reimbursement policy?
♦ Is this a good entry-level position to start your career and gain experience? Especially in competitive environments such as the entertainment industry, one usually needs to start in an entry-level position and then progress into higher level management positions.

♦ Are you changing careers? If you are changing jobs to gain experience in a new career, is it a promising initial starting place to jump start a new career? If the employer provides training and it is a positive learning environment, it may be worth making the move, especially if the position can get you closer to your career goals.

♦ Are you looking for a promotion or a higher salary? Sometimes it is necessary and makes sense to change employers to increase your salary.

By being clear on what you hope to achieve in the new position, it will help you decide what terms are important for you to negotiate, or if you should even negotiate.

What is Negotiating?

Ideally, negotiating is a win-win situation for both you and the employer. The employer wants to know that you are a wonderful worker who has the skills and abilities necessary to get the job done correctly. You, as job seeker, want to know that you will be fairly compensated for the work that you do and, hopefully, work in an environment that recognizes your contributions. As you might imagine, the employer prefers to hire you at the lower end of the hiring range because it saves money. Of course, you want to be hired at the highest possible salary range that you can. This is where negotiating comes in and a possible win-win situation occurs. The ideal end result would be this: the employer is happy to find someone with your skills to do a terrific job and you are happy to be offered the compensation and opportunities you were seeking to obtain.

Reminder: You need to decide whether or not it is in your best interest to negotiate. An employer may rescind the job offer at any time.
Factors to Think About Before Negotiating

Successful negotiation takes preparation. It is not enough to think, “I deserve more money.” It is your responsibility as the job seeker to demonstrate to the potential employer that your skills are worth negotiating for and that you possess the skills to meet the employer’s needs.

1. Before negotiating, think about the **pros and cons** of the position. Is it in a geographic location that is appealing? Will the work itself motivate/interest you? Will the position increase your content knowledge and help your career development by increasing your skills set? Is the compensation enough to comfortably live on? Is it a fair compensation according to industry standards? Deciding ahead of time what qualities you are seeking in a position and how many conditions will be met will help you determine whether or not it is in your best interest to negotiate.

2. **Do your research!** By conducting information interviews with others in the industry and looking at online salary surveys, such as [www.salary.com](http://www.salary.com), you should be able to find a range for a salary comparable to the position you are seeking. KNOW WHAT YOUR SKILLS ARE WORTH BEFORE ACCEPTING ANY POSITION! If you discover you were hired at a lower salary than other employees, it is natural to feel resentful. Feeling resentful is not a good way to begin a new position. In order to successfully negotiate salary, you need to know what an ideal salary range is for the position. If you have unrealistic expectations, for example you state during an interview, “I was thinking of a salary of $75,000”, when the marketplace for someone with your skills is paying between $45,000 and $55,000, you have already taken yourself out of the ballpark and you are not even in the game for negotiating.

3. **Be prepared** to articulate and quantify your skills by providing concrete examples to the employer. Understand your skills and how they meet the employer’s needs. Addressing how and why you are the best person for the job gives you greater negotiating power.
Salary is just one item to negotiate. Others terms to negotiate may include:

- additional vacation or personal days.
- flex-time schedules such as coming in earlier or later in the day, or working four day work weeks.
- amount of tuition reimbursement to take classes, as well as time off to take classes.
- day care costs, health benefits, gym membership fees, payment of professional membership fees or parking fees.
- sign on bonuses or an evaluation within 3 – 6 months of being hired, with the potential for a raise at that time.
- relocation costs.
- 401(K) benefits.

When to Negotiate

- It used to be a hard and fast rule NEVER to bring up salary during an interview. There are some career professionals who say that it is better to find out about the salary up front so you do not waste the interviewer’s time or your time. However, it is usually better to wait until the employer mentions salary/compensation first, especially in a difficult economy and/or for new graduates.

- There are times when the hiring manager or recruiter will not proceed without knowing what you are looking for in your salary range. They will either state in the advertisement, “Salary History Required”, which you should address in a cover letter. Or, during the initial interview, the interviewer will specifically ask about salary requirements. It is acceptable to say, “I would like to learn more about the responsibilities of the position before we discuss salary.” However, some recruiters will not continue the conversation until they hear your salary range. That is why it is so important to do your research ahead of time and find out what salary ranges are appropriate for that position according to your level of experience. **Always provide a salary range rather than a specific figure!** You never want to state a figure too low from your worth, but you do not want to state too high of a figure so it takes you out of the candidacy pool. A salary range will also give you room to negotiate.

- A job offer is not usually extended to a candidate during the interview, but it can happen. Never accept a job offer on the spot! Choosing whether or not to accept a position is a big decision. When a human resource person or hiring manager calls after an interview, it is usually at that time that they will mention salary and compensation. Show enthusiasm for the position and let them know you are excited about the opportunity. After the hiring manager makes the offer, ask for the benefits package and all compensation to be in writing so you can review it carefully.

- After you receive the compensation package, spend some time evaluating the position. Will the position meet your values, goals and career objectives? Is the compensation fair based upon your level of experience and according to current job market standards?

Some books on negotiating state never to negotiate over the telephone; it is best to negotiate in person. If you have a face-to-face meeting, you can assess the recruiter’s or hiring manager’s body language and have a more personal dialogue. For people seeking middle and senior-level management positions, it is an excellent idea to suggest a face-to-face meeting. Usually people at higher management levels possess more negotiating leverage and may be negotiating more complex issues that need to be written specifically into the employment contract. However, for new graduates and new professionals, it is more common to negotiate over the phone with the employer, after the offer has been extended.
Whatever terms you negotiate, it is extremely important to get ALL agreements in writing, particularly if they are not stipulations that are within standard company policy. It is very easy for hiring managers to “forget” what they offered or for someone who hired you to leave the company. Without written documentation about specific terms that were agreed upon at your time of hire, you may be in a near impossible position to try and renegotiate those terms.

Example of negotiating after receiving the compensation package and reviewing it:

You call the recruiter at the agreed upon time.

“Hello Mr. James, this is Linda Jones getting back to you regarding the offer for the Account Executive position. As I mentioned before, I am very excited about this opportunity (show enthusiasm) and think my skills and qualifications are a good fit with your company. I do have a few questions regarding the compensation package.”

“I noticed the salary is $43,000.00. Because of my years of experience and the qualifications I bring to this position, I was thinking more along the lines of $47,000.00 for a salary.” (You need to stay within a practical range. Generally, a $5000 range is acceptable, but it does depend upon your level of experience. New graduates may need to have a smaller range from the starting salary because of their limited experience, while senior-level management will probably have a larger range.)

Next, listen to the hiring manager’s response. If appropriate, calmly reiterate specific reasons why your skills and qualifications meet the employer’s needs. You may also include that you have done some research about salaries for comparable positions and think that $47,000.00 is a fair figure, again taking into account the excellent qualifications you will bring to the position.

The negotiation may go one of two possible ways at this point. If the person is a human resource consultant, she might say, “I need to go back to the hiring manager to see if this figure is acceptable” and call you back after getting a response from the hiring manager. Or, she may say something to the effect of, “This is the highest amount we are willing to offer.” If the latter scenario is the case, you might ask if anything else is negotiable such as an extra week of paid vacation, more money in tuition reimbursement, or whatever other benefit is important to you.

It is critical throughout the negotiation process to constantly assess the hiring manager’s receptivity to your proposals. The negotiation process can decline rapidly if you misread the other person’s cues and reactions. The hiring manager may think he extended a phenomenal offer and is surprised you are not ecstatic about the offer. Remember, if you decide to negotiate, it is your responsibility to prove to an employer that your skills are worth the additional costs to the hiring manager and his department. Some managers expect you to negotiate, while others stand firm in their offers. That is why it is so important for you to assess the benefits of the job ahead of time; decide what the lowest amount of salary is that you are willing to accept within a reasonable salary range; and to be able to articulate why your skills and qualifications are a good match for that particular position.

The more you understand about negotiating, the greater success you will have in maximizing your compensation and benefits package to a level that both you and the employer can agree upon. That’s effective negotiating!

Excellent online resources about negotiating include:

www.rileyguide.com
www.quintcareers.com