Negotiating & Evaluating Job Offers

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Negotiation Hurdles







Jobseekers do not negotiate job offers

Source: Glassdoor

Why don't people negotiate?

- Fear of rejection or losing the offer
- Lack of negotiation skills
- Discomfort with negotiation
- Lack of self-confidence
- Don't want to appear greedy

Myths about negotiation

- Your offer will be rescinded
- You need a counter offer to negotiate
- The goal is to get the most money possible
- Good negotiators take risks
- Someone 'wins' and someone 'loses' a negotiation

Benefits to Negotiation



Beyond a compensation offer, negotiation allows you to...

- Get clear on your priorities and vision
- Set boundaries
- Build a reputation of respect
- Get promoted (and better paid)
- Make a ripple effect on others who may be encouraged to negotiate

Bottom line? Negotiation is a life & business skill!

Components of a Job Offer



Wages

- Base salary
- Signing bonus
- Annual/ performance bonus
- Raises

Benefits

- Stock/equity
- 401(k)
- Insurance
- Paid time off
- Commuter reimbursement
- Tuition reimbursement

Perks

- Gym memberships
- Training/conferences
- Flexible schedule
- Remote/ hybrid work
- Free meals, snacks, & drinks
- Tech gadgets
- Discount programs

Principles of Negotiation



Relationships & Reputations



A negotiation is a collaboration...not a confrontation

Info gathering & Problem solving



Be prepared

Be personable, professional, and logical



Negotiation is expected, with some exceptions...

(unless clearly stated otherwise)

Government jobs

Some companies just don't negotiate! Fellowships More internships <u>Do not apologize.</u>





How did you determine the salary?

Where does the salary fall within the range for the role company-wide?

You do not have to negotiate...

(but you should still ask a few questions)

How is performance evaluated & rewarded?

What are the opportunities for advancement?

Preparing to Negotiate



Three step process for prep!

1: Determine the needs and wants of each party.

- What are minimum requirements (deal breakers)?
- What gets everyone excited about this possibility?
- What alternatives does each party have?

2. Research!

- What compensation should you reasonably expect? What is negotiable?
- What is the review cycle? What are the opportunities for future advancement?

3. Prepare your rationale for requests.

• What logical (and short!) rationale can you give for your request? What is the business case?

Receiving & Evaluating Offers



Receiving an Offer

Be appreciative, enthusiastic, positive

Get context for the offer

Get any additional info you need

Get it in writing

Set a date to respond

Getting context about your offer

- Multiple states have enacted salary transparency laws
- Be aware of your rights regarding salary transparency! (<u>link</u>)
- It is always a good idea to understand your salary in context of salary bands/ranges and levels within the company
 - Ex: "I want to be sure I understand this role within the context of other positions. Can you let me know the salary band for this position and and how that relates to the next level for this position? This just helps me when looking at the big picture and thinking longer term, knowing what the future might look like here at X company."

Is the offer much lower than expected?

<u>Before</u> negotiating...

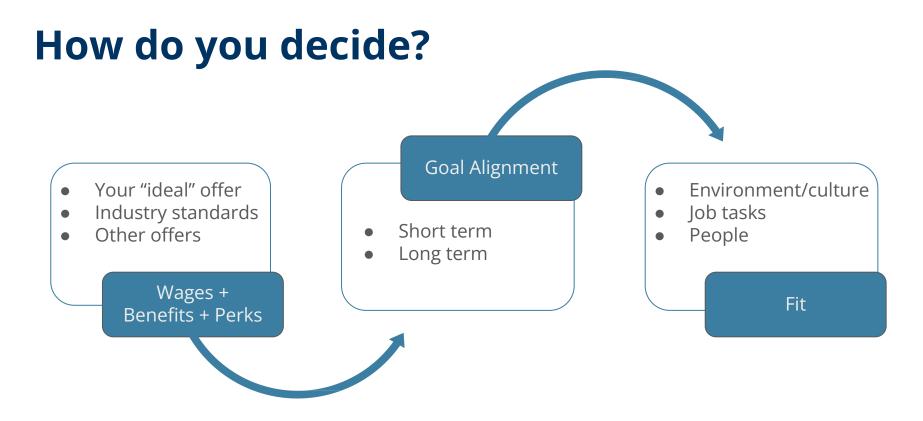
"The salary you are offering is quite a bit lower than I expected.

Can you tell me how you arrived at that figure?"

Get information you need to determine if this is the best offer

Be sure you fully understand:

- The role and scope, and potential for growth
- Who you will be working with (and for)
- What the urgent priorities are (how you can be successful)
- The overall company vision (short & long term goals)
- Company stage and potential risks



Think about the big picture!

Q: Should I strive to have another offer before negotiating?

A: Not necessarily!

Communication Tips, Techniques, and Scripts





Negotiate via phone or video

Ask open-ended questions

Be solution-oriented, interested, and positive



Silence is your friend

Ask questions

Make reasonable requests

Negotiating a deadline Extension:

- <u>The career center</u> suggests a 3 week deadline for campus recruiting offers (keep in mind, this is really for "new grad" roles.
- You can always ask for an extension.
- Ask for an extension *before* negotiating the offer itself.
- ONLY negotiate the offer if you are planning to accept.

What if they need an answer before they give you the written offer?

- Nothing is set until you sign.
- Do not lie, but say what you can honestly and with positive intent.

What are your salary expectations?

This approach is appropriate only in the early stages of the interview process

Technique #1: Delay

- "Before discussing a salary range, it would be very helpful to know more about the responsibilities so I can get a sense of what you need and then do a bit more research. Can we discuss this after I have interviewed?"
- "At this early stage, I would prefer if we focus on determining if I am the best candidate for the job. I am confident we will agree on salary once we determine I am the right fit."

What are your salary expectations?

This approach is appropriate only in the early stages of the interview process

Technique #2: Deflect

- "I expect to be paid a fair market rate based on my experience and the nature of the role. Can you tell me what your hiring range is for the position?"
- "Before I get into my salary expectations, it would be most helpful to have an idea of the salary range you have determined for this position. Can you share that information?" (this is only relevant to ask in states with transparency laws)

Technique #3: Direct Answer

• "Based on my research, I believe a salary in the range of \$xx-yy is fair for someone with my skills and experience. I am always open to negotiation, pending the details of the offer as a whole."

What is your current salary?

Current/previous salaries may be irrelevant - and in some states, employers can't ask salary history.

- "My previous position was different in that ... [explain how] therefore, my salary in that position is not relevant to this new role."
- "While completing my graduate degree, I have gained new skills which will add considerable value to my work in this role, so my previous salary is no longer applicable."
- "I believe I cannot share that information any longer as a job seeker in XX state but if you have questions about the industry rate for my skill set, I'd be happy to share my research with you and discuss your expectations." (only for states with salary transparency laws)

The offer is low?

- "I am very excited to receive your offer and am looking forward to joining the team. I was expecting a bit more in the base compensation, based on my experience and the industry standard. What flexibility is there in your offer?"
- "I appreciate the offer, but in my research I found that a base salary for someone with my background and skills would be a bit higher. I was thinking something like [specific number]."
- "I appreciate the offer, but I am seeing other companies offering salaries in the range of \$X-Y for similar roles. Does this align with your budget?"

You get pushback?

• "I understand where you are coming from, and I just want to reiterate that I do think I add high value to the team and that this would be a great fit. I think my skills are more in the range of [state a range]."

The salary is non-negotiable?

• "I understand if the base compensation is fixed; what possibilities exist for negotiation in the rest of the package?"

You have multiple things to negotiate?

• Negotiate the entire package, but be clear of the relative importance of each item.

You want to accept the offer as is?

- Consider asking if the salary could be reconsidered in 6 months, after a performance review
- Be polite and let them know you will get back to them after considering the initial offer further
- After considering, accept the initial offer and make sure any agreements made during the negotiation are in writing

You want to walk away?

- Don't delay getting back let them know in a timely manner as a courtesy
- Keep it simple and to the point while staying respectful/appreciative
- Keep the networking door open (if you'd like)
- Examples:
 - "Thank you for offering me this position—it's a great opportunity. However, after careful consideration, I have decided to accept another role with another company."
 - *"Thank you for this opportunity to work for your company. I appreciate it very much, but I'm afraid I need to decline your offer at this time."*

Pat yourself on the back! Celebrate the win of engaging in a strategic conversation.

I School Salary Data





2022 Median Salary \$175,000

2023 Median Salary \$168,000

MIDS Graduates

2022 Median Salary \$146,500

2023 Median Salary

\$151,500

MIMS Graduates

2022 Median Salary \$135,000

2023 Median Salary \$120,000

*Includes all roles/levels/industries/companies/locations; 2023 is DRAFT Career Reports: <u>https://www.ischool.berkeley.edu/careers/employers/why</u>

Final thought...

It's not just about getting the most money possible...

Successful salary negotiation means that both parties feel they have made the best deal.

Resources

- <u>I School Negotiation Worksheet</u>
- How to Negotiate Salary After a Job Offer
- <u>The Exact Words to Use When Negotiating Salary</u>
- <u>The Ultimate Guide to Negotiating Your Salary</u>
- How to Negotiate a Job Offer Without Losing Your Humanity
- <u>The Essentials of Job Negotiations: Proven strategies for getting what you want</u> (book)
- <u>Asking for a Raise Actually Works Most of the Time</u>
- PayScale's Salary Negotiation Guide
- Negotiating as a Woman of Color
- <u>The 14 Crucial Questions About Stock Options</u>
- Understanding Equity Compensation and What it Means for Startup Employees
- Equity 101 Course Series by Carta
- Equity 101 Slide Deck (internal use ONLY)



Contact: <u>careerservices@ischool.berkeley.edu</u>

Career Advising: https://www.ischool.berkeley.edu/careers/students/advising

Webinar slides:

https://www.ischool.berkeley.edu/events/2023/negotiation-techniques-s trategies