

Evaluating Job Offers & Negotiating Salary

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Congratulations! Finally after a long job search, you have one employer's offer and are waiting to hear from others. After you have spent so much time and effort trying to get an offer, the process of evaluating the offer to see if it is right for you often takes a back seat. This article is designed to cover: the seven factors in evaluating job offers, additional factors to consider, the three job offer options, negotiating salary, considering fringe benefits, success at work, and finally questions to help you evaluate this process. Remember that discussing your job offer with a career center adviser can be helpful.

The Seven Most Important Factors

A well developed approach is needed at this point and you should consider the following factors before making your final decision. Adjust the percentages based on your needs and values.

1. Job Content (30 percent Important)

Your first test for any offer is the nature of the work. People master the basics of the job between three weeks to six months. Ask yourself, "Am I proud of the products or services of the employer? Is the job interesting to me? Does this position fit into my long-range career plans and personal goals?" No matter whether the job is a lateral move or promotion, job content is most important. You can explain to your next employer what skills you learned no matter what your job title.

2. Your Boss (20 percent Important)

Don't dismiss this concern. Ask yourself honestly, "Can I work and get along with this person?" Almost as important as the chemistry is how the boss will serve as a mentor. You will want to feel comfortable with his/her interpersonal and management style. You will want to work for a supervisor who is capable and interested in your growth. Without a boss who is committed to helping you learn and succeed, other benefits aren't worth as much.

3. Salary and Benefits (15 percent Important)

Is the salary at market level? If you're not increasing your salary against your current or previous jobs, will you at least get the going rate? Would taking this position create economic hardship? How are individual increases determined (performance, job level, length of service, etc.)? How are salary reviews and promotions handled? Your salary should be reviewed on a regular basis; many organizations do it every 12 months. Your potential for salary growth quickly becomes more important than your starting salary. Don't think of salary as the only compensation you will receive. Remember: people

working solely for money will eventually feel unfulfilled. Think also of the benefits package when considering the offer.

4. Your Co-Workers (10 percent Important)

Will I fit into the corporate culture? Sometimes peers can be more difficult to deal with than a prospective boss. Talk to your potential boss about them before you accept the position. Get a sense of their personalities and work styles.

5. Typical Work Week (10 percent Important)

What is a typical work week like? How many hours a week does the position require? Remember your other commitments to family, friends and outside activities. Ask yourself, "Can I really coach soccer and be a star in the workplace?" Which matters most to you?

6. Location (10 percent Important)

Do you like the location or region where you'll be working and living? How long and arduous is the commute? Don't underestimate location as a satisfaction issue.

7. Organizational Flexibility (5 percent Important)

Is the organization rigid? Does it work strictly by the book? Will the employer be flexible during emergencies? How will this position alter my lifestyle? If it will, can I handle such changes?

Additional Factors to Consider

Searching for a position is difficult. After spending many hours on a search, making a careful decision regarding a job offer is important. Getting an offer does not necessarily mean you will take the job. Most employers will not expect you to make a decision on the spot. You will probably be given a week or more to make up your mind. Weighing the advantages and disadvantages of the job will help you make a more informed decision, rather than deciding on impulse.

There are some general parameters you should follow when evaluating job offers. How well the employer's values match your own is key to making a good decision. Consider ranking the following work values in order of importance by using this scale: 1-very important, 2-important, 3-somewhat important, 4-not important.

The Job	The Organization
<ol style="list-style-type: none">1. Duties and responsibilities2. Match for values/interests/skills3. Personalities of supervisors and colleagues4. Variety of work assignments5. Opportunity for individual achievement	<ol style="list-style-type: none">1. Technologically innovative2. High involvement in research and design3. Management styles4. Opportunities for growth and advancement5. Layoffs and restructuring

<ol style="list-style-type: none"> 6. Exposure to outstanding colleagues 7. Opportunity to work independently 8. Opportunity and frequency of travel 9. Overtime 10. Opportunity to apply academic background 11. Social significance of job 12. Physical environment and working conditions 13. Pressure and pace of work; turnover 14. Intellectual stimulation 		<ol style="list-style-type: none"> 6. Reputation and image of employer 7. Financial stability and growth prospects 8. Salary, benefits, and compensation 9. People in top-level positions 10. Personnel policies and flex-time 11. Training and continuing education 12. Required relocations and transfers 13. Public or private employer 14. Well established vs. fledgling company
<p>The Industry</p> <ol style="list-style-type: none"> 1. Growth history 2. Future need for goods and services 3. Dependence on the business cycle 4. Dependence on government policies and programs 5. Long-term future potential 6. Record of layoffs or downsizing 		<p>The Location</p> <ol style="list-style-type: none"> 1. Proximity of graduate schools 2. Opportunity for partner's career 3. Climate 4. Cost of living; distance from work 5. Community life; environment 6. Location of company headquarters and branches

Once you have ranked the values, star the ones ranked 1 or 2. Now you have a picture of what is important to you in a job. Consider this information when evaluating a job offer as well as your initial reaction about the people or place you have visited. Are the type of people you met the kind you would like to work with on a regular basis? Did they seem interested and excited about their work?

Three Job Offer Options

1. Stall

First and foremost, express appreciation for the offer. Tell them that because this is such an important decision you would like to ask them for some time to carefully think about your decision. Agree on a reasonable time frame to get back to them with your decision. **There is no reason to accept an offer immediately, and fortunately most organizations will not expect you to accept an offer on the spot.** Realize you have only one chance to make a counter offer. Know what you will do if the employer will not move in terms of the offer. It does not hurt to ask for what you want, but realize the

employer may say no. (It's a small world, and you don't want to burn any bridges you may need in the future.)

2. Accept

Show your appreciation for the offer. Ask the employer to confirm the offer in writing. Do not interview for any other positions. Reject all other offers by telephone and then with a short letter. Never renege on an offer you have already accepted. Report salary offers and job acceptances to your university career center (this information will be kept confidential). (You never have to accept a job when it is offered on the spot.)

3. Reject

Again, express your appreciation for the offer and for their confidence in you. Say something positive about the employer and be diplomatic. This can be done by letter and is a professional way to conclude your interactions even if you have already said it verbally.

Most employers will not discuss the issue of pay until they have decided to hire you.

Step #1: Perform Research On Your Salary Worth

Start by taking a good look at your own salary requirements as well as developing an understanding of what your skills are worth in the market. Keep in mind that your paycheck after taxes is approximately 28 percent less than your gross monthly salary. You do not need to tell anyone your salary requirements, Doing your research on salary ranges for a field provides you with a foundation on which you can make decisions. In order to know if the offer is reasonable, you need to have a rough estimate of your requirements. Research the career field and position to find a good salary range approximation. Salary range information is available from a variety of sources including your university career center, professional journals, and the U.S. Bureau of Labor Statistics. Consider your range in terms of low/middle/high. If you are considering salary and benefits in another region or city, be aware of the differences in the cost of living. Everything is negotiable, but the person with the most information typically wins.

Available on the World Wide Web is "The Salary Calculator™" at <http://www.homefair.com/homefair/cmr/saicaic.html>. Also "DataMasters" on the web has a cost of living index at <http://www.datamasters.com/cgi-bin/col.pi>. Use the research to come up with a base salary range, the top being the best you can hope to get and the bottom being the least you will take.

Step #2: Price Screening

Try to avoid discussing salary until an offer has been extended or at least you get a chance to meet the employer. Wait for the employer to bring it up. When an interviewer asks for a salary history, he/she is interested in establishing a starting point for negotiation and wants to know if you are within their range. When employers begin speaking with you, they are typically in the budget stage. They seek to spend as little as possible. The first inquiry may come in the form of an application. When completing application forms, be sure to use "open," "negotiable" or "competitive." Avoid stating a

specific figure or basing your desired salary on your current salary level and thereby getting screened out of the process. Employers like to spend their time interviewing candidates whose salary requirements fall in line with what they can pay for the position.

When stating a salary range, use the top figure of the employer's stated salary range, and extend the range to approximately 5 percent to 15 percent above. This shows that you are near their price range but interested in somewhat more compensation. If you must state your present salary, consider describing your salary history by stating the percentage increase in salary each year or with each job change. This way you do not have to mention any yearly salaries.

Step #3: Practice Negotiating

If you practice what you will say, it can benefit you financially. When negotiating, aim for the top of your estimated salary range, but be prepared to accept less. Many large employers either have formal pay structures or set entry-level salaries at fixed levels and are therefore not negotiable. Most employers try to hire above the minimum and slightly under the midpoint.

Step #4: Practice What to Say

Avoid being confrontational; be reasonable in your approach. The outcome should be a win/win situation. Reiterate that you are very interested in working for the employer and you want to find a way to work this out. Remember the first person to set a price typically loses. Practice is key. You can state that your preference is to focus the discussion on your competitive market value rather than your salary history or current earnings. You may want to state "at present my salary requirements are negotiable within the range of high twenties to low thirties initially."

Another way of putting it would be, "Given the responsibilities of this job, I would expect this position to pay in the range of...." If, however, you are not pleased with an offer, what harm can come from asking for more?

Once an employer has given you an offer, they have made an emotional investment in you, and it is highly unlikely that they will rescind the offer. Other ways to negotiate may include:

Say: "I'd prefer not to bias salary discussion based on my current salary (if you are employed). My research reveals that for this position the range is from \$28,000 to \$35,000 depending on other factors. I think I am within that range and I am curious to know what range you are considering."

Say: "As long as you pay a fair market value and the responsibilities fit my level of skill, I think we can work out a reasonable arrangement. You must have some range in mind. I'll tell you if its near my competitive value."

Say: "I am very interested in this offer. I need to have some clarification. Do you think that this offer is a fair market price given the responsibilities of the position and my talents?"

Say: "Thanks for the offer. I am very excited about working for you, because ABC employer is my first choice. However, knowing the going rate is _____, I was really looking for something in the range of \$32,000 to \$34,000; is there any possibility of that?"

Step #5: Get It In Writing

Most employers will send an offer letter confirming your start date and salary, employment location, and details of your package. If the employer does not offer this, ask, "Will you be confirming this in writing?"

If nothing arrives to confirm your agreement, it's a sign you still need to keep looking.

An employer cannot be specific about the amount of pay if it includes commissions and bonuses. The way the pay plan works, however, should be explained.

Take into account that a starting salary is just that, a start. Your salary should be reviewed on a regular basis. Some employers conduct an annual review. If the employer is pleased with your performance, how much can you expect to make after one year? Two years? Three years, etc.? Don't think of salary as the only measure of your compensation.

If you approach salary as something that you and the employer will agree on as mutually beneficial, your chances of salary negotiation success are greatly enhanced.

Considering Fringe Benefits

Don't focus solely on salary, because most employers offer a range of other benefits, sometimes worth as much as 30-40 percent in addition to your actual salary. Listed below are major categories of benefits and illustrative "generous" benefits in each category. It is unlikely that any employer will offer all these benefits at these high levels, but they provide a measure of what might be offered in specific areas by organizations with especially attractive benefit plans. When you evaluate a job offer, there is much to consider. Only you can be the one to decide whether a larger salary will balance more promising advancement opportunities, or whether better health insurance will make a longer commute worthwhile.

- **Vacation:** 1-2 years: 2 weeks; 3-10 years: 3 weeks; 10+ years: 4 weeks; extended service: sometimes 6 weeks.
- **Holidays:** Ten paid holidays a year. Some firms give employees a holiday on their birthday.
- **Retirement:** Pension is a percent of highest five years of salary at a typical rate, fixed at 50-60 percent of the highest salary years.

- **Life and Disability Insurance:** Pays full cost of life insurance coverage equal to a full year's salary. Added insurance available at a low cost. Provides disability insurance and pays for 50-65 percent of salary if employee is unable to work.
- **Medical Insurance:** Employer pays all or part of premiums on policy that covers all (or 80 percent of major hospital and other expenses). Employees usually pay for some (or all) of costs for routine physical and prescriptions. After the first \$100-\$200, employer pays for all dental expenses up to a ceiling of \$1,000.
- **Tuition Assistance:** Pays all or most of job-related classes. Some payment amounts related to grade received in course.
- **Stock Purchase or Savings Plan:** Stock options priced below market value or contribution matches are available.
- **Child Care:** Employer pays for preschool children, free or at a low cost.
- **Bonuses:** Cash awards may be given for useful job-related suggestions. \$100 - \$500 bonuses for hiring referrals.

Sources: Wendy Adams, Suzanne Andrews, Jeff Brown, Marlene Bryan, Perri Capell, *Career Opportunity News*, Max Carey, Jack Chapman, Don Doerr, Dave Edmonds, Phil Hey, Ed Holton, Keith Johnson, *Kennedy Career Strategist* June 1994, NACE *Job Choices 1997*, *Occupational Outlook Quarterly* Winter/1990-90, RPI Career Development Center, Russell Sage College Career Development Center, Karen Servance.