

Negotiating A Job Offer

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Negotiation is a strategic discussion that resolves an issue in a way that both parties find acceptable

The Dilemma of the Orange



Lesson?

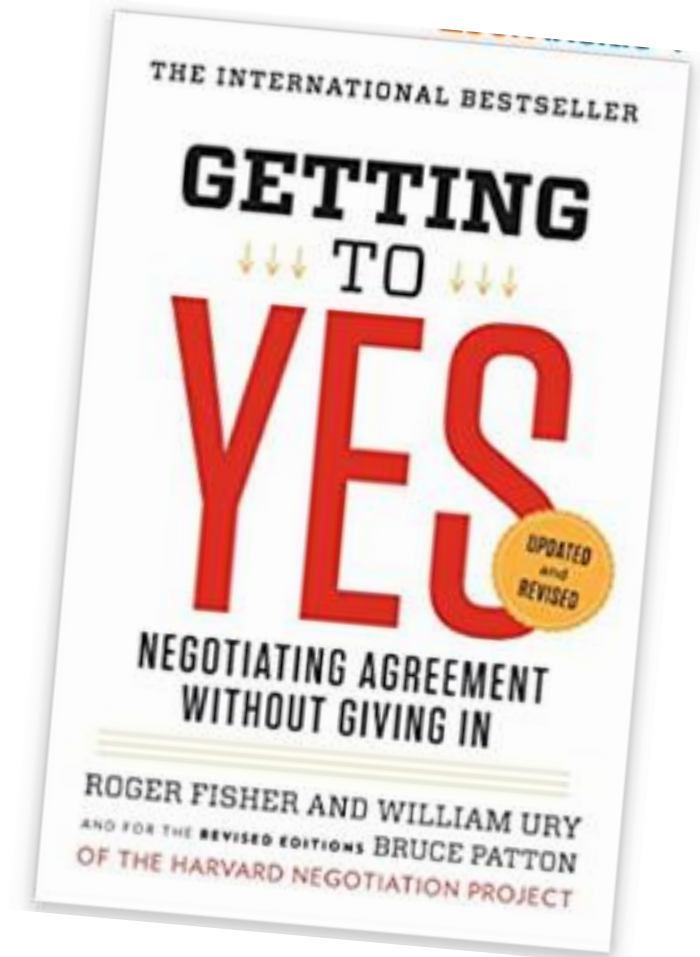
- Focus on interests rather than the problem/position

-----*What they want vs why*-----

A win-win negotiation is one in which both parties find alignment between their interests to create value for both sides.

Getting to Yes

- **4 principles for “Getting to Yes”**
 - Separate the people from the problem;
 - Focus on interests rather than positions;
 - Generate a variety of options before settling on an agreement;
 - Insist that the agreement be based on objective criteria.



Negotiation researchers **Roger Fisher and William Ury** (Published 1981)

Should I negotiate my first job offer?

- Reasons why you might think you shouldn't?
 - It's my first job and I don't have enough experience to demand a higher offer
 - I'll be grateful for whatever they offer– I just need a job!
 - I'll look like all I care about is the money and I'm not committed to the work
 - I'll seem greedy/ selfish/ ungrateful- I don't want to give a bad impression
 - Negotiation feels adversarial and I prefer to avoid conflict
 - I'm afraid I'll mess things up because I don't know how to negotiate
 - I'm afraid they will rescind the offer

To set your mind at ease

- Generally, salaries are tied closely to specific job classifications
- Companies have arrived at their numbers from benchmarking
- Employers are not trying to take advantage of you
- Often the initial offer will contain a lot of the benefits you might seek

Should I negotiate my first job offer?

- You should absolutely negotiate your offer!
- Most employers are expecting that you will negotiate
- There may be room to negotiate— you need to find out!
- This will ensure you know you got the best offer you could have gotten
- The hiring manager wants to know you are happy- not resentful- of how you are being compensated
- Sometimes they want to see that you are a strong negotiator because it shows you will be skilled when negotiating on your company's behalf
- This is a collaboration- finding the right place in the marketplace— where you are both happy. Everyone feels good. Think of this as a business problem.
- Worst outcome they say, “no, this is the best we can do”. Then you know.

When should you begin the negotiation?

- As late as possible in the interview process

You want to have the most time to prove that you are a valuable resource so they will make you a strong offer to persuade you to join their team, vs them trying to see what the minimal offer is that you will join

....nevertheless, negotiation can begin much earlier

The dreaded salary question

- **What is your current salary or expected salary?**
 - If too high, you can overshoot, or if too small, you have now set the starting point.
- Asking current salary is illegal in many states & list is growing
- Asking expected salary is legal- but try to avoid disclosing this too early
- The first number you put out there acts as an anchor
- Anchoring Phenomenon: “Items being negotiated have both positive and negative qualities—qualities that suggest a higher price and qualities that suggest a lower price. High anchors selectively direct our attention toward an item's positive attributes while low anchors direct our attention to its flaws.”

--Adam Galinsky of the Kellogg School of Business at Northwestern University

How to answer

- On application
 - can enter a “0” (add negotiable if room) or can give a really wide range (e.g. \$40K+)
- On the phone/interview (stall or flip-it):
 - “I’m sure your organization will offer a competitive salary for the role and we will be able to find a place of mutual agreement”
 - “I will need to see the whole compensation package in order to determine a specific number”
 - I will need to learn more about exactly what the position will entail and expectations for this role.
 - Flip it around and ask them, “What is the salary range you expect to offer for this position?”

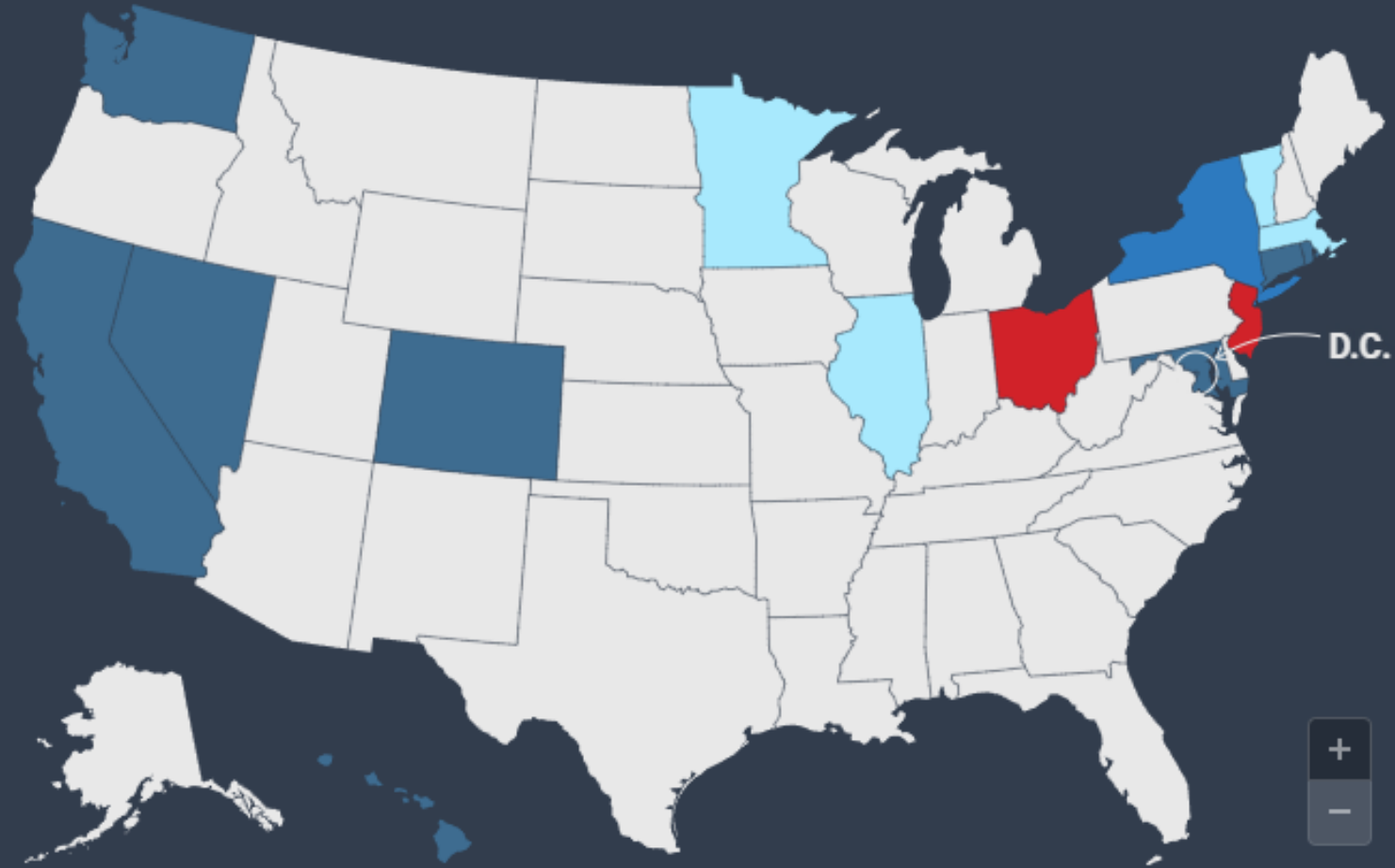
Do your research ahead of time

- Know your value in the market you are searching
 - Watch for similar job postings with salary info included (<https://www.govdocs.com/pay-transparency-laws/>)
 - Salary.com - salary and benefits calculator
 - Glassdoor
 - **Talk to colleagues/informational interview (Ask, what is a reasonable expected entry level salary range for a job in X)**
 - use salary surveys published by professional organizations
 - Cost of living comparison calculator: <https://www.bankrate.com/real-estate/cost-of-living-calculator/>
- Know what you are seeking and what the minimal acceptable offer is that you would accept.
- Have a list of your top priorities for your offer (1. Base salary, 2. ?, 3.? etc...)

Pay Transparency Laws by State

Status of Pay Transparency Laws

- Both Local and Statewide Laws in Effect
- Law(s) Passed but Not Yet in Effect
- Statewide Law(s) in Effect
- Local Law(s) in Effect
- No Pay Transparency Laws



*Similar legislation is under consideration in other jurisdictions, and employers should always monitor the latest developments wherever they have locations.

The job offer- a comprehensive “package”- negotiable items

- ***Base salary**
- Health and retirement benefits
- Annual bonus (*find out what this is*)
- Vacation time
- ***Sign-on bonus**
- ***Relocation assistance**
- ***Stock options**
- Professional development options
- Tuition reimbursement
- Flexibility of work schedule
- Telecommute options
- Immigration paperwork
- Parking
- Office space
- Maternity/paternity leave
- Childcare assistance/School admissions
- Job for spouse
- Accelerated review process for promotion
- Gym membership
- Wellness program
- ***Start date**
- Salary advance
- Job Title
- Car allowance

***bold** = items most often negotiated

You receive an offer

- Verbal: Thank them and show appreciation
- Ask if they can provide all of this to you in writing. It isn't official until it's in writing!
- DO NOT let them pressure you to give them an answer at that moment!
- If you are feeling pressured, tell them you will need some time to review the offer and consider it. Slow things down and take your time!
- Don't tip your hand during this initial conversation
- Do not commit to anything!

“Thank you so much for offering the position to me. I’ve been really impressed with the company and it seems like a very exciting opportunity for me. Will it be ok for me to take a few days to think about it (and discuss this opportunity with my family)”

Question you should always be focused on:

Can I succeed in this position and be happy with the offer in front of me?

If not, what do I need to achieve this?

Counteroffer

- Respond via email if possible- helps to give you time to articulate your case clearly, and the email can be circulated to others who may need to weigh in on the decision.
- Rule of thumb- 10-20% above base salary in the offer (3-7% @ UCSF)
- You will need to have justification for the number you arrive at
- -----
- Open with a greeting- always be polite and gracious
- Thanking them again, but suggest that you want to counteroffer, but don't say how much
- Make your case to justify your counteroffer, highlighting what value and experience you bring to the job
- Restate the job offer and propose your counteroffer

Hi Brittany

I want to let you know again how excited I am to have received this offer and I've been considering it over the weekend and everything sounds good, although I would like to discuss two items and get clarification on a couple of things.

I think I'm a particularly good match for this position, where I would add significant value to ACME Corp. I have a strong technical background and have built and managed teams of technical people. I am exceptionally good with clients, and have taught short courses on building rapport with and managing clients. I have an MBA and have successfully managed many portfolios of business in the Widget Making industry over the past seven years.

All of these qualities contribute directly to the core components of this particular position, and that's why I'm excited for the opportunity to work with Tom and his team in this capacity at ACME Corp.

Your letter offered \$50,000 and I would be more comfortable if we could settle on something in the mid-50's. Based on my conversations with colleagues in the field, I feel that this amount better aligns with what I've been hearing from them and takes into account the qualifications and experience I bring to this particular position.

I also would like to discuss start date. Tom had suggested that they would like for me to start by the first of next month. If there is some flexibility there, I would really appreciate an extra 2 weeks to be able to get my affairs in order and wrap up things at my current position.

Clarification on stock options etc...

Thanks for your time, and I look forward to talking with you on Monday morning at 10:30 ET!

All the best, Josh

Adapted from <https://fearlessalarynegotiation.com/salary-negotiation-email-sample/>

If the offer was more than 20% below your minimum acceptable salary:

The offer was for \$65,000 base salary, and I understand that there are other benefits included with the offer. But in order to be comfortable accepting the offer and making this transition, the base salary needs to be \$80,000.

If you are in a position where you have multiple offer(s) this is when you could add this to the counteroffer:

I also want to let you know that I am considering a strong offer from another company right now as well. So I'm working to determine the best opportunity for me to contribute and propel my career forward. I appreciate you working with me throughout this process to understand this opportunity and design a compensation package that is beneficial to us both.

When they respond to your counteroffer-

- You will likely get an email back from them thanking you for considering and then asking to find a time to talk by phone
- You will need to be prepared for this final discussion and know where you stand on other pieces of your compensation package
- With email you can build in strategic delays, with the phone/zoom, you can always ask to stop and continue later. Do not feel like you have to answer everything on the spot!
- What is your lowest acceptable salary number?
- What is your list of priority items in order of importance?

Principles to follow throughout

- Always open and close each step with appreciation and enthusiasm
- Negotiate with integrity
 - This is not an ego trip; give in on some points
 - Balance satisfaction with maintaining a good relationship
- Be sure that points are documented in writing at every stage of the process
- Avoid miscommunication when negotiating
 - Keep details notes of each conversation
 - Follow up each conversation with an email summarizing the agreed-upon points

How do you know when to stop negotiating?

- For entry level jobs, usually only one major negotiation conversation, though in faculty position or later career points, you may expect to go back and forth about 2-3 times
- Prioritize 5 most valuable things to you
- Keep in mind, salary is most expensive to them, other items may be of less cost (vacation time, relocation package, sign-on bonus, parking, etc...)
- You have to stop asking at some point – this will signal that you are collaborating with them, not trying to wring them dry.

Sign-on Bonus

- Generally 5-20% of the base salary
- Most often used for hard-to-fill positions or to entice a particularly talented candidate to come aboard
- Could leverage your own needs here- need to get professional clothes, a car down payment etc...
- Sometimes offered in lieu of/as a substitute for “moving expenses”
- May come under specific conditions (read carefully):
 - Requirement to pay back if you leave within a certain amount of time
 - Payment may be split up and paid in increments (when will you get the money?)
 - May introduce new terms into your contract such as a non-compete clause

Non-Compete Clause

- FTC banned non-compete agreements in April 2024, but a federal judge overturned... currently in limbo
- Be careful what you sign, and make sure you understand the implications
- May need to ask about this upfront during interview process
- <https://www.ftc.gov/news-events/news/press-releases/2024/04/ftc-announces-rule-banning-noncompetes>
- 5 States have fully banned these: CA, CO, ND, OK, MN

Things to keep in mind

- Ultimately, you need to get what you need to be successful and happy- don't accept an offer that doesn't meet your needs. Be willing to walk away
- Hiring is extremely expensive, they want to know you will stay!
- If you get an offer, they really do want you
- It isn't always about money, but the salary you start with sets you up for years to come- and it's harder to "catch up " later with annual raises.

Other resources:

- ibiology, Bill Lindstaedt, MS (UCSF) 4: Compensation Negotiation Skills for Industry Scientist Positions: https://www.youtube.com/watch?v=_4evrufTUMg
- ***Negotiate Anything*** podcast, host Kwame Christian, [Director of the American Negotiation Institute](#) (resources on his website as well)
 - Salary Negotiation highlight Reel Part 1: <https://Inns.co/0erKSMYyFPO>
 - How to Gain Confidence in Negotiations Highlight Reel : <https://Inns.co/b1y-nK0Ror2>
 - How to Effectively Prepare for your negotiations: https://Inns.co/Z6hvewR08_k
- **Career Builder's Podcast**
 - e.g. The Art of Salary Negotiation with Josh Doody ([The Fearless Salary Negotiation](#)) <https://Inns.co/JE9nwRo06at>
- The Muse has many good articles including these:
 - <https://www.themuse.com/advice/how-to-negotiate-salary-37-tips-you-need-to-know>
 - <https://www.themuse.com/advice/8-important-articles-to-read-before-you-start-negotiating-your-salary>
 - <https://www.themuse.com/advice/salary-negotiations-hiring-process>

THANK YOU!

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