

Principles for Negotiating Salary and Employment Packages

*A compilation of resources, handouts, worksheets
and Web pages about salary negotiation.*

Caltech Career Development Center



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Salary quiz:

Circle your answer

1) True False Don't know:

Salary Negotiations affect not only your paycheck, but your performance on the job, too.

2) True False Don't know:

If the employer's offer is significantly higher than your market value, you should accept it and get it in writing right away.

3) True False Don't know:

Employers often will compute a salary offer to you as a percentage increase over your present earnings. To make the interview process go smoothly, get clarity on that range toward the beginning of the interview process.

4) True False Don't know:

Avoid interviewing for jobs whose salary is significantly below your expectations because it wastes both your time and the interviewer's.

5) True False Don't know:

At the time of final negotiations, you should start with a number that is at the high end of your range; that way you don't come in too low, and still have room to negotiate.

6) True False Don't know:

Good benefits won't make up for a poor base salary.

7) True False Don't know:

To find your fair market value, you just need to find what others in similar positions are earning.

8) True False Don't know:

Straight commission is the riskiest type of compensation, although you might have to accept it if you are inexperienced in the particular type of sales in question.

9) True False Don't know:

An average wage earner would add an additional million dollars to his career earnings if salary negotiation skills increased his income ten- percent.

10) True False Don't know:

You should tell recruiters and employment agents your current compensation in complete detail--even corroborating earnings with W-2s if needed.

11) True False Don't know:

One acceptable way to increase your negotiation leverage is to increase the answer to "What are your present earnings?" Add 10% to your base salary to cover benefits, and add in any anticipated bonuses when you give the employer or recruiter your "number."

12) True False Don't know:

Companies nowadays restrict their managers a percentage-range for raises. The goal in raise negotiations is to get the maximum in that range.

13) True False Don't know:

Any one of these questions you answered incorrectly could easily cost you thousands of dollars in a salary or raise negotiation.

Answers to Salary Quiz

- 1) **TRUE.** A poorly negotiated salary will generally show up as a poor attitude at work. That affects your performance and your chances for raises or promotions.
- 2) **FALSE** If you're overpaid, you want to know why. It won't last anyway, so the proper thing to do is accept it, then explore the rationale for the compensation to make sure it's not a mistake.
- 3) **FALSE** Most employers like to know what you're earning because they're worried that you won't last if they can't give you an increase; however, your best move is to delay any talk of salary until you know what exactly is entailed in the job. Otherwise, you could be screened out as too high or too low.
- 4) **FALSE** Don't interview just for "practice," but do interview. Explore where or how the job could be expanded to meet your level of competence and compensation.
- 5) **FALSE** At the time of final compensation, you should not start; let them go first.
- 6) **FALSE** There are many ways benefits and perks can make the whole package acceptable when the base salary is low.
- 7) **FALSE** There are multiple components that determine your fair market value.
- 8) **FALSE** Straight commission is the safest kind of compensation. It is acceptable in many situations, regardless of experience level.
- 9) **TRUE** Ten percent more earnings over a career lifetime adds up to over a million dollars.
- 10) **TRUE** Most of the time, it will give you points for being straightforward. There is some caution about letting your past earnings box you in, though.
- 11) **FALSE** Inflating your earnings is a bad idea. It has all sorts of potential dangers. The best strategy is to avoid discussion of your earnings at all until there's an offer.
- 12) **FALSE** The goal in a raise negotiation is to exceed that percentage if there's evidence that your market value will support the request. Often, that will look like a change of title which is "exempt" from the percent-range set for raises because it is not a "raise"; it is a new salary for a new job.
- 13) **HOW TRUE IT IS!** Any wrong answer could easily cost you thousands. What's worse, still, is that there are easily a hundred salary questions, not just these thirteen, that could cost you big bucks.

<http://jobsearchtech.about.com/gi/dynamic/offsite.htm?site=http://members.aol.com/payraises/salquiz.html>

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Salary Negotiation



Many people ask, “Why is salary negotiation necessary? Why can’t the employer just make a good offer up front and leave it at that? Isn’t this just a big game they play?”

Every employer, hiring manager, faculty member, HR manager, head hunter, and career coach we have talked to says that salary offers and pay packages must account for many variables. They must consider market value, skill level, expertise, education, geographic location, potential, urgency, long vs. short term needs, company culture, organizational size and growth, competition, the economy, pay equity with current staff, etc. So they work in salary “ranges and parameters” to find just the right compensation. The goal is win-win. They want good employees to stay and be productive and you want equitable and fair compensation. Here are some guidelines to help

Research is important. The more you can find out about “ranges” the better equipped you are to negotiate. During this research you should seriously reflect on your values that declare what is important to you in a position beyond the work performed.

- How important is salary to you in assessing satisfaction on the job?
- Are you willing to compromise your salary expectations for a job that encourages educational advancement through tuition incentive programs, or for one that offers flexible work schedules or options to telecommute from your home?
- Have you considered the relevance of health and retirement benefits in the context of your baseline criteria for accepting a position?
- What about stock options, vacation time, professional development options, or travel requirements?
- Is the work itself intrinsically rewarding? Do you like the organization?
- How important is security? How important is training? How important is geography?
- How much time off do you get – can you pursue your personal interests, family, or hobbies?



TRACKING THE CRITICAL FACTORS

While it may feel overwhelming to sort through all of the important aspects of each offer, this process is simplified by analyzing a job offer in segments.

First, consider the actual position:

- What would be your specific responsibilities?
- Are these duties compatible with your current employment goals?
- Will this position and its duties support your longer-term career interests?
- Can you successfully perform these duties?
- Are the routine tasks of the position those you can enjoy on a daily basis?
- How will your work be evaluated?
- Will your performance success include and/or depend on the work of other staff (as in teams or for group tasks)?
- What type of equipment, tools, or support will you have to perform your work?
- Are your salary and benefit requirements satisfied? Is there opportunity for advancement?
- Will you be developing new skills and expanding your experience?
- Will the demands of the job compete with your lifestyle?
- Will this employment opportunity become a mutually beneficial relationship - for you and the company?



Secondly, assess the organization for which you would be working:

- Are the values of the organization aligned with yours?
- Is the organization one of high structure or less?
- If the company is public, has its performance been consistent over time?
- Is the company growing? If so, how has its growth affected its profitability?
- Has the organization experienced periods of regression that resulted in layoffs? If so, what practices and policies guided the adjustments?
- Who are its competitors?
- What is the company's market share?
- Does the company have clear career ladders and a record of promoting from within?
- Is senior management representative of long-tenured employees or talent hired from outside the firm?
- Does the company have a high retention rate with its employees?

Thirdly, take a close look at the prospective staff that will surround you:

- What is the experience of your prospective supervisor?
- To whom does he/she report?
- What type of regular interaction can you expect from your boss?
- What is the prevailing management style of your potential superiors?
- Will you be expected to supervise others? How long have they been in their positions?
- Are the personalities of and overall chemistry among the employees in your immediate work environment appealing to you?
- Do the people in your work group display work ethics and habits that align with yours?

General Principles of Effective Negotiation (Salary, contracts, projects, etc.)

Definition: an effort to resolve a difference or explore an opportunity between parties.

Principles of Negotiation

1. Goal? Know what you want. Must have, Intend to get, Nice to get
2. Know the other Party: Must have, Intend to get, Nice to get
3. Know the issues at stake – avoid taking a position too early
4. Know and manage key expectations and assumptions – yours and theirs
5. ASK
6. Greatest human temptation is to settle for too little. Don't spend a lot of time figuring out the least you would be willing to take.
7. Make powerful demands. Have strong rationale for each negotiating demand.
8. Make concessions opportunities for gain. Never make a concession without making it conditional
9. Don't accept the first offer...you will never be forgiven
10. Don't concede until you know all the demands that relate to that concession.
11. Do "Hollywood" concessions. They appear to be big concessions but are really more dressing vs. core items. Power in packaging – put things together
12. Know your power – count your chips before you play your hand.

Common mistakes:

1. Failure to negotiate when you feel it is merited.
2. Seeing negotiating as "beating the other person."
3. Failing to plan properly
4. Making concessions without making them conditional
5. Getting stuck. Not knowing what values drive the price for the other person (status, personal needs, humiliation, etc.)
6. Failing to develop strong rationales for negotiating demands.
7. Failing to manage two sets of expectations – Theirs and Mine
8. Seeing the other Party as the "enemy."

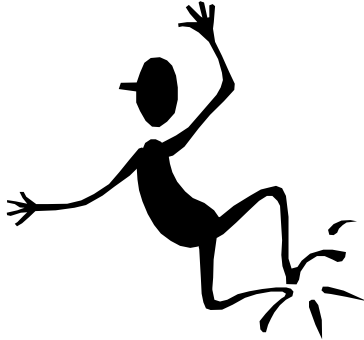
Bargaining:

1. Determine Best Option Outside Negotiation.



2. Come prepared to negotiate at the higher end of the settlement range. Keep as close to the HAP as is prudent, and don't reveal your LAP
3. When you make a concession, tell the other party why you changed your mind (let them know your values)
4. Every concession should be accompanied by a rationale.

5. Always construct the rationale in terms of benefits (positive or negative) to the other party.
6. Fairness. Much power in showing the other person what you ask for is fair based on objective criteria and not on some subjective hope, wish or fantasy you may have.
7. Legitimacy. Have something in writing supporting your point. They (survey, article, faculty) said it right here in this document. Here's why my position is legitimate.



Resources to get you started:

Caltech Career Development Center Salary Survey (also see our library)

<http://www.career.caltech.edu/life/salaries/index.shtml>

Science Next Wave Career Development Center

<http://nextwave.sciencemag.org/cdc/>

MonsterTrak articles on Job Search

<http://static.monstertrak.com/careerguide/>

The Riley Guide articles on salary information and negotiation

<http://www.rileyguide.com/offers.html>

Vault.com online articles:

http://www.vault.com/cb/careerlib/careerlib_main.jsp?parrefer=826

30 typical mistakes in salary negotiation

http://www.careerweb.com/rescen/car_advice/salary/30_salary_mstkes.html

Wall Street's Career Journal articles on salary negotiation

<http://www.careerjournal.com/salaries/negotiate/>

US Department of Labor Salary and Wages for United States by occupation, location, industry, etc.

<http://www.bls.gov/bls/blswage.htm>

Labor Market trends, topics, etc.

<http://www.acinet.org/acinet/default.asp>

State of California Wage and Salary Data

<http://www.labormarketinfo.edd.ca.gov/article.asp?ARTICLEID=263&PAGEID=67&SUBID=113>

Human Resources Web sites. These deal with Salary and Wage issues as well as other HR issues:

http://www.hrpowerhouse.com/hr_powertools/free_forms_library.asp

Negotiations Worksheet

Your proposal	Their proposal
Rationale	Rationale
Opening Position?	Opening Position?
Concerns about your opening position?	Their concerns about their opening position?
How might they respond to your opening proposal?	How might you respond to their opening proposal?
List concessions/accommodations you are willing to give Concession #1 Concession #2	List concessions/accommodations they might be willing to give Concession #1 Concession #2

How would a win-win negotiation look from your point of view?	How would a win-win negotiation look from their point of view?
What roadblocks do you foresee in gaining a solid agreement?	What roadblocks might they foresee in gaining a solid agreement?
How might you overcome these roadblocks?	How might they overcome these roadblocks?
What alternatives do you have if you don't get what you want?	What alternatives might they have if they don't get what they want?
What follow-up steps should you take after the agreement has been made?	What follow-up steps might they take after the agreement has been made?
What would happen to the other party if they were to give you what you wanted?	
What would happen to you if you were to give the other party what they wanted?	

Where can you compete? What do you have to offer?

- Reliability
- Training
- Location
- Proven Track Record
- Integrity
- Service
- Reputation
- Image
- Expertise
- Capacity
- Quality
- Problem solving
- Less risk to customer
- Flexibility

Common mistakes:

- Failure to establish agreed upon value up front
- Failure to differentiate from competition in ways that are relevant and important to buyer
- Giving a concession without getting something back
- Responding to a price reduction too early before you have a clear understanding of some of the trade-off opportunities
- Giving too big and too many concessions
- Failure to put self in Buyer's position
- Falling for the "missing comparison" – "Your price is too high." Compared to what?
- Failing to bring up price in the right manner
- Falling for Buyer's ploy and manipulations (e.g. "You have to do better than that." "We can get it from your competition cheaper." "If it were up to me, we would have a deal, but my boss...")
- Not preparing, but buyer is.
- Giving too much inappropriate information and expose their hand

Possible "hidden leverages" you as a seller have relative to the buyer/customer.

- Your customer has timing problems, shortages.
- Short-comings of the competitions products
- Not available in quantity or quality customer wants
- Understanding customer's limitation for using the competition
- Line manager wants your product over competition
- Knowing the hot buttons of the buyer (values)
- Economic landscape
- Provide total solutions to the customer situation

What do you want to know about the buyer?

- What the buyer's internal customers think about the product.
- How important is the purchase to the buyer
- How is the buyer measured (price, business, impact)
- How s/he views negotiation (win-win vs. win-lose)
- Motivation to buy. Why now?
- How sophisticated are they at negotiating
- Time constraints
- Financial situation – cash flow, capital, etc.
- What has been the experience the customer has had with the competition
- Corporate culture
- Who makes up the decision team?
- Who is the end-user?
- About the buyer's person – personality, preference, willingness to risk, etc.
- How this transaction relates to their business - - timing, strategic role, % of project?
- What concerns, fears, problems might they have about working with you?
- How are the buyers compensated?
- Buyers competition
- Buyers customers
- What is the buyer's position in the marketplace?
- Buyers capabilities
- Buyer's tolerance for risk
- Buyer's best option outside negotiation

What might you NOT want the customer/buyer to know and why?

- Your critical deadlines
- How much you need this
- Your internal pressures from others
- Your bottom line
- Your long term strategy (going to change/leave down the road)
- Your best option outside negotiation.

What does the Buyer want you as a seller to believe?

- You are just a commodity. Same as the competition and the only way you can be competitive and differentiate is to lower price.
- They can get the same thing down the street
- They have a better deal with your competition and so you will have to make major concessions to get their business
- That what you are offering is of less value than what you think it to be
- That you need them more than they need you
- That you have a better deal with them than you recognize
- That you as a seller don't appreciate their need for lower prices-higher quality



Negotiation Role-Play

<http://nextwave.sciencemag.org/cgi/content/full/2000/03/07/1?>
From Science's Next Wave online journal VID MOHAN-RAM

In Laurie Weingart's role-playing sessions, each member of the negotiating couple (in this case, a candidate for a junior faculty position and a department chair) scores points depending on how well they negotiate certain issues: lab space, teaching load, start-up funds, lab location, and salary, for example. Each negotiator has their own goals and priorities and they earn or lose points depending on how they resolve and settle an issue. The chair wants a lot of teaching responsibilities and needs to offer low start-up funds and salary, for example, but the candidate prefers a lab in a good location, a light teaching load, good start-up funds, and commensurate salary. Both the chair and candidate share some preferences--both want to ensure there is summer salary support for the first couple of years (it's standard for that department) and both would like the starting date to be later rather than sooner.

Stephanie Weinstein and Brian Knutson, attendees of Weingart's Survival Workshop, agreed to participate in the fictitious role-playing scenario. Weinstein has a Ph.D. in nutrition from Cornell University and has been conducting postdoctoral research at the National Cancer Institute in nutritional epidemiology. She is in the early stages of career exploration and will probably pursue a career in either the government or the private sector. She plays the role of the candidate seeking a junior faculty position. Knutson received his Ph.D. in social psychology from Stanford University and has been researching how the brain processes emotions at the University of California, San Francisco, as a National Institute of Mental Health postdoctoral fellow. He is currently moving along the academic career path, hoping to land an assistant professorship. Knutson has already had four "real" interviews and has two offers. He plays a department chair interviewing the candidate.

THE CHAIR AND CANDIDATE NEGOTIATE	LAURIE WEINGART'S COMMENTS
Chair: So, why don't we start off with issues that are most important to you and then we can go from there.	The chair is asking for information about priorities.
Candidate: Well there are a lot of things that are important in these decisions. Certainly, salary's important, where my lab is, what the payments for summer support are. The amount of space. How much teaching is expected ... really all these issues are on the table. Moving expenses, starting up funds ... really everything is important to me.	The candidate is being nonresponsive.
Chair: Obviously. What should we talk about first?	
Candidate: Well, why don't you tell me what a typical offer might be like? Give me an idea of what you're considering.	The candidate is again being nonresponsive, but is asking for an offer.
Chair: Well as you say, all the issues are important and that means we have a lot of flexibility in coming up with different packages. Of course the package that you get will depend on what is most important to you, what you are most interested in, and what will help you the most to be an effective faculty member. What helps you most may not help another faculty member. It's a matter of your own personal preferences. Of course salary's variable, I can tell you ranges and we can work from there.	Good attempt at setting the stage for an "integrative negotiation."

<p>Candidate: Yeah, I would say salary is a big thing.</p>	<p>The chair now knows that the candidate thinks that salary is a high priority.</p>
<p>Chair: OK. So typically our salaries start for beginning faculty at \$38,000 and then they go up. Now you've had X-years of postdoctoral experience and lots of publications. So you're on an upward trajectory; you've had some experience and so you would not start at \$38,000.</p>	<p>The chair is setting the stage for an offer.</p>
<p>Candidate: Yeah, I would hope--I mean, I'm actually making close to that now--I really would expect to almost double that starting salary.</p>	<p>Candidate wants an offer and is justifying the request.</p>
<p>Chair: Yes, being the university that we are, you would think we would have abundant resources to pay you industry standard, but of course doubling of your salary is going to be impossible for us. But we could certainly go up from that salary and add \$5000. It's not unwarranted for starting faculty at \$43,000.</p>	
<p>Candidate: Well, I should just tell you that I'm considering some positions within the government and GS-13 start around \$60,000.</p>	<p>A power tactic--the candidate is showing a strong alternative to the chair's offer.</p>
<p>Chair: Really?</p>	
<p>Candidate: Yes, postdocs can get a GS-13 at a government position. And those positions may have no teaching load. So if I'd be teaching as well I would expect to be close to that.</p>	<p>The candidate is giving the chair more information to justify her salary request.</p>
<p>Chair: OK. Well, maybe what we should do is visit some other issues and see how we can balance those off against raising your salary. We don't have new faculty starting off at \$60,000. But to get you near that range we'd need to make some other considerations. So, I'm going to give you a figure right now, the top of our payscale is \$52,000. That's the highest possible salary we can start you off at. Now, let's talk about moving expenses. We don't usually cover moving expenses. And if we were going to give you a higher salary, you could, you know, use some of that to cover moving expenses.</p>	<p>The chair shifts to another issue, once a possible impasse is realized on salary.</p>
<p>Candidate: Right, I certainly see that as negotiable. I would suggest that we maybe hold off on that ... it's probably a small amount of money. I should just say that I do have a lot of equipment, so the amount of space I need would be pretty large.</p>	<p>The candidate is providing more information on what is of priority to her.</p>
<p>Chair: OK. Well, let's come back to that. The reason I say let's come back to that, is to ... let's keep all the money stuff together. So another way of trying to approximate the salary you might get is to give you summer support to augment your salary.</p>	<p>The chair is linking issues together using logic and is trying to develop a trade-off across two issues--salary and summer support.</p>
<p>Chair (cont.): Now, not all faculty get summer support, so what we could do is try to make you an</p>	<p>In this role-playing scenario, this is not true. According to the game rules, all candidates typically get summer</p>

offer for summer support. Would that be helpful?	support--but the candidate does not know this. The chair is using a " bogey " tactic--pretending he wants something that the candidate doesn't (in this case summer support). Then he concedes on it in exchange for something the candidate really does want (such as comensurable salary).
Candidate: That'd be great. Very helpful. I do think that starting out--as I get more established and get grants--as I'm starting out, support for one or two summers would be useful.	Candidate shows a positive reaction to <i>perceived</i> concession on summer support.
Chair: We could do two years of summer support which would be about \$8000 for each summer. So that would pretty well make up what you could earn as a GS-13.	The bogey trade-off!
Candidate: That would be excellent.	A positive reaction.
Chair: Now we can talk about start-up.	Procedural suggestion to move things along.
Candidate: Right. I certainly came from a big lab and we had a lot of technicians and there may even be one that I want to bring with me. I really need to hire a couple lab assistants. We're really talking a lot of money here. You know, two or three people's salary plus buying equipment.	Candidate is making persuasive arguments.
Chair: Of course, that'll be coming from your grants later on. But, so two or three techs ... and equipment too?	Chair is clarifying the information and is questioning the request.
Candidate: I think equipment's going to be the bigger issue. These equipment can run a couple hundred thousand dollars and I don't know if you have ...	Candidate is providing more information about her priorities.
Chair: Yes, that would be difficult. But we could try. So start-up money. Typically the kinds of packages we provide to our faculty are on the order of \$100,000.	Chair is making an offer on this issue.
Candidate: I do know that the piece of equipment that I need to use is actually \$100,000 right there, and that's just one piece of equipment. I was really hoping for twice as much.	Candidate is making a counteroffer.
Chair: OK. What I'm going to do is make a note of your preferences here. Maybe we should talk a little bit about lab space and location.	The chair is processing the candidate's suggestion to avoid an impasse on an issue. This shows the chair is thinking about the package as a whole.
Candidate: I'll tell you now right upfront that the amount of space is more important to me than the location.	Again, more information on the candidate's priorities.
Candidate (cont.): Obviously I'd like to be in the building where everybody is. ... That'd be better for me in terms of collaborating with people. I really see my need--especially since you're going to give me a lot of start-up money to buy the equipment--I need a place to put it. I need the space, I don't want my technicians on top of each other.	Making persuasive arguments and stating preferences.

Chair: Yes. It's probably an issue as to where you'll have your office so that you still have contact with your colleagues.	An example of active listening. This shows that the chair is paying attention.
Candidate: Yes, it would be difficult to run backwards and forwards across campus, because the other places are so far away on the map. But you're right, if I have my office at least over here then I can ...	More persuasive arguments.
Chair: Well, I think you're correct in identifying this issue as a trade-off between the amount of space and location. And because the building we're in now is so popular, we're really strapped for space as you can imagine. Many of the more senior faculty have camped out here as it were, so ...	The chair is trying to identify a trade-off.
Candidate: And maybe it isn't so bad to have sort of two hats ... so that my students aren't bothering me in the lab ...	Positive reaction to suggestion.
Chair: Really our best location for that space is a building on the other side of campus. It's not ideal, but you would definitely have a much better chance of getting lots of space if you worked down there.	This is interesting: The chair is assuming that <i>his</i> best option for location is across campus and therefore not desirable for the candidate. He should have first asked for the candidate's preferences to <i>test</i> that assumption.
Candidate: If I worked there ... could I get the most amount of space available? 1100 square feet?	Making the trade-off!
Chair: Yes. That's correct.	
Candidate: Could we do that?	
Chair: Yes, let's do that right now. ... Seems like really the most optimal situation.	Note that the trade-off is vague--they haven't discussed the exact location. This could cause a problem later because they don't have a shared understanding of their agreement.
Chair (cont.): Alright, finally ... teaching and starting date. Teaching load.	Chair is processing a suggestion.
Chair (cont.): Obviously, one of the reasons we're interested in hiring you is because we need teachers. People to teach our courses. People are retiring and that has increased our need. Obviously we don't want you to teach too much or you won't be able to do research and get grants.	Chair is making persuasive arguments for both parties.
Chair (cont.): My position, personally, is to have an intermediate teaching load between the maximum and the minimum.	A compromise offer.
Chair (cont.): What are your thoughts about that?	
Candidate: Well, maybe we should talk about this in terms of a starting date.	The candidate is trying to shift the issue.
Candidate (cont.): I would ... prefer to not start for another year and I do understand you have some teaching needs and I would be willing to start sooner if my teaching load was less.	Trade-off...

Candidate (cont.): For example, if I started mid 2000-2001 and taught 10% to 20% of my time.	... and an issue offer.
Candidate (cont.): That way I could finish up my ongoing work--really until September 2001, but I would be willing to come sooner if my teaching load wasn't too heavy.	This is a trade-off without knowledge of other party's preferences (note they <i>both</i> want the same for starting date).
Chair: I see. We have some flexibility. We have more flexibility in terms of when you start than in terms of how much you teach. Probably your minimal teaching load is going to be 30%. But late September 2001 we could do.	Chair is making a counteroffer. The chair probably realizes here that they both want September 2001 as the ideal starting date, but he is not revealing that to the candidate--another bogey trade-off! This is a classic "distributive" tactic.
Candidate: So September 2001 and teach 30% of the time?	
Chair: Yes.	
Candidate: Sounds reasonable.	A positive reaction.
Chair: So now we're back to the expenses part. If we had a package where we gave you \$52,000 starting salary and then gave you two years of summer support that would approximate what you make as a GS-13. Of course, two summers after that you'll have to support yourself from grants. We can only offer partial cover for moving expenses. Perhaps 60%. Start-up money is also an issue. You requested ...	The chair is getting more creative and suggesting a multi-issue package.
Candidate: \$200,000 to \$250,000.	
Chair: I don't think we can do \$250,000 but \$200,000 is a possibility. With the realization that you're coming from a big lab and used to the equipment ... we don't want you to hobble when trying to get off the ground.	Chair is taking the perspective of other party--a very "integrative" approach.
Chair (cont.): So maybe the final offer would be as I just mentioned plus start-up expenses of \$200,000. I'll give you a few minutes to review that and see what you think.	An offer.
Candidate: I certainly think with the \$52,000 and the summer support for two years really does equate to what I was thinking and I certainly would be very happy with those. I feel like ... I really would have liked the \$250,000 start-up money. ... Is there any way?	The candidate has a positive reaction to the offer but is making a counteroffer.
Chair: I'm really sorry.	A negative reaction.
Candidate: Well how about could you increase the moving expenses at all?	Candidate is now <i>asking</i> for an offer.
Chair: Yes, unfortunately it's sort of a "relative" figure. We don't typically pay for moving expenses so it's more of a token. I was hoping the increase in salary would help with the moving expenses.	Vague negative response.
Candidate: OK, well. I think I could live with most of	

those.	
Chair: I mean with that package ... I mean we could change the salary, obviously increase your moving expenses, but I don't know if you would really ... if that would be in your best interests.	Trade-off made.
Candidate: No, I like the salary, I like the summer support and they're clearly more important overall than moving expenses. And that is a sort of token. To compromise, forget the moving expenses, do you think there's another lab building closer?	Candidate's priorities taken into account when considering trade-off.
Chair: In terms of space ... that building is the best offer. Especially with the amount of space that you want. Now if you wanted to reduce the amount of space you needed, then that might be one way to get closer to the main building. But I don't think you want that.	
Candidate: I would accept. So lab space we agreed on 1100 square feet? Two years summer support. Teaching load 30%. Start-up money, \$200,000. Moving expenses, 60%. Lab location ... across the campus. Nine month's salary at \$52,000 and starting date September 2001.	
Chair: Exactly!	

"Generally speaking, this is an effective negotiation," says Weingart. "There were examples of both integrative tactics (creating value and problem solving with specific trade-offs and information exchange) and distributive tactics (claiming value and using "bogey" trade-offs, persuasive arguments, and sharing some false information)." In the early stages of the negotiation, Weingart observes that the chair was "using more integrative tactics and the candidate was using more distributive tactics." As the negotiations progressed, she says the candidate shifted to a more integrative approach and the chair used more mixed integrative and distributive tactics. "The problems I saw were that not enough information was exchanged before some offers were made, resulting in opportunities for bogey tactics (pretending you want something that you don't and then trading it off for something that you **do** want) and some compromises that might not have been necessary." Consider these interactions and responses and use the issues raised to develop your *own* answers, strategies, and negotiation tactics.

Nine key Negotiating Points for the Academic Job

VID MOHAN-RAM *From Science's Next Wave online Journal:*

http://nextwave.sciencemag.org/cgi/content/full/2000/03/09/2?pub_date=2000-03-10&lname=Mohan-am&title=Nine+Key+Negotiating+Points&fname=Vid&view=full

Laurie Weingart, a negotiations expert and behavioral analyst, provides advice on nine issues that should be addressed when negotiating a junior faculty position.

Salary:

- "The more differentiated you are from other candidates, the more you'll be able to negotiate salary."
- Find out if it is a 9-month or 12-month contract.
- Find out the salary "norms" for the job market
- Use your colleagues and peers to estimate starting salaries.
- Find the equivalent starting salary in governmental or industrial occupations.
- "Negotiate for the extra summer support during your first few years and then wean off slowly."

Teaching load:

- You may want to make the "transition argument"--that you need time to settle in and get organized before launching a full-blown teaching schedule.
- "You may want to think about asking to minimize your preps the first year."
- Ask how many unique classes you'd have to teach.
- What will be expected in following years?
- Does teaching help you achieve tenure?

Start-up funds:

- "This isn't just your lab money. It's the money you need to get started and to make the transition into the academic world."
- "Think about all those incidentals that you need": Journal subscriptions, office supplies, software purchases.
- Negotiate how much money you'll need.
- Ask when those funds will be available.

Tenure:

- Ask what the renewable status of your contract is. Is it yearly? Is it a 3-year contract?
- "Sometimes promotion and the tenure decision are linked, sometimes they aren't."
- During contract talks, also discuss your starting date.

Lab needs:

- Go into negotiations confident that you know that you've thought about everything you'll need to start up your lab.
- Ask whether the institution already has pieces of equipment.
- If they do, is it accessible?
- If you have to buy equipment, will there be space for it?
- Where will that space be?

Research support:

- "More people are trying to negotiate a technician for life."
- You don't want to lose a technician if you lose a grant, so find out if you can negotiate for the department to pay their salary during times when your budget is slim.

Travel support:

- Do you have a fixed number of trips the department will pay for?
- Is it expected that you present data or research findings at all meetings?
- Some places will give you a pot of money--but make sure you justify *why* you need X-amount of dollars for travel and other expenses ...
- ... and *how* you spent it.

Secretarial support:

- This perhaps isn't negotiable, but it does affect how you do your work.
- Will somebody help you prepare your teaching materials and photocopy examinations?
- Is there someone who can help you prepare applications and grants, or deal with new hires?

Graduate assistants:

- How do you enlist the help of graduate students and generate interest in your lab?
- Initially, a few "free" hands in your lab will help you get organized, but later you may want to recruit graduate students to perform research.
- What is the institution's policy for this?
- How will you fit in with the graduate/Ph.D. program?
- Will you be required to sit on committees that are responsible for graduate students in your lab?

Master Plan for No-To-Go Successful Negotiators

www.Rob-Rutherford.com

Preparing for Negotiation

1. Know the Purpose
2. Understand issues thoroughly
3. For each party list:
 - a. Needs, wants, concerns
 - b. Strengths and weaknesses
 - c. Best Options
4. Assess ability to negotiate
5. Prioritize Demands
6. Develop commitment to negotiate
7. Select appropriate strategies
8. Cost Benefit Analysis
9. Back to the Top

In the Negotiating Arena

1. Seek win-win results when possible
2. Expect to win
3. Manage both parties' expectations
4. Know what you want
5. Avoid me vs. them attitude
6. Watch body language
7. Be flexible
8. Develop viable options prior to and during negotiation
9. Give and take creatively
10. Use power sources

11. Focus on needs and wants
12. Keep score
13. Gain best agreement Back to the Top

After the Negotiation

1. Get clear signed agreement
2. Reaffirm value
3. Reinforce the mutual benefits
4. Prepare for future negotiations



Salary Negotiation – a tutorial

http://www.quintcareers.com/salary_negotiation_tutorial.html

Two important principles:

Delay any discussion of salary as long as possible.

1. Know what you are worth in the marketplace.

Three Stages of Employers' Thinking About Salary

- Budget
- Fudgit
- Judgit

Budget:

- Occurs when employers first talk to you.
- They are looking to spend as little as possible.
- They start screening out people who are not in that range.

The BUDGET stage is the most rigid and refers to living within one's means (or a company living within its means).

Fudgit

- Employer still sees income as constant but is willing to shuffle the outgo to make room for new things.
- He or she is thinking in the FUDGIT stage that maybe he or she can meet your salary request by juggling some things around.
- The key word is maybe. Purchases (and hires) are very rarely completed in the FUDGIT stage.

Judgit

- The employer takes an objective but creative look at the desired employee and sees the person not as a liability but as a money-saving asset and makes an offer in line with the prospective employee's expectations.
- If you reveal your salary history or salary requirements while they are in the BUDGET stage, you can be screened out and never get a chance to interview and move them to the JUDGIT stage.

You are really not in a position to negotiate until the employer is ready to make an offer or actually makes an offer.

Base your salary negotiations on your competitive market value.

- Compensation should be arrived at by first determining your value to the prospective employer.
- This analysis must be based on how you will contribute to the profitability of the employer's company.

How to determine your competitive market value:

- Look up salary surveys in your field or even popular magazines (e.g. *Working Woman* puts out an annual salary survey).
- Ask other people in your field; do an informal survey of people in your profession. Use your network! Best choices: college students -- last year's grads from your major; experienced job-seekers -- people in your professional or industry association.
- Check the Internet for salary-survey information. (More on these Web sites later in this tutorial.)

More ways to determine your competitive market value:

- Printed materials, such as the *Occupational Outlook Handbook*. You can look online and search the [Occupational Outlook Handbook](#).
- Professional associations and trade journals in your field.
- Word-of-mouth from Career Services Offices, recruiters, employment agents, personnel professionals and your own network.
- Call similar companies directly and ask their salary ranges for the type of job you seek.

Remember

Salary negotiation can start *BEFORE* the interview . . .

What if an employer asks for your salary requirement or history in a want ad or job posting?

If salary is the most important issue to you . . . you have less of a problem.

If you are flexible about salary ..responding about salary to a want ad is trickier.

Responding to a Want Ad

- Avoid the salary issue altogether. Ignore the request for salary requirement/history.
- Say your salary requirement is negotiable.
- State your current salary and say your requirement is negotiable.
- Say you are earning market value for someone in your field. Or you expect to earn market value for someone with your educational background.
- Give a range in which the low-end figure is 10 percent above your current salary.

If you don't give a salary requirement, you may receive a salary-screening phone call:

- Politely ask what salary range they're considering for the position:

"I know we don't want to waste each other's time if we're way far apart on salary. May I ask you, though, what is the range you're considering at this time for the position?"

Working around the salary issue:

If they won't give you a range and won't schedule the interview unless you give your salary range, respond this way:

"Depending on the management philosophy of the company, overtime hours required, training and support available, medical and dental benefits, commuting and travel time, how well it fits with my long term career goals and opportunity for advancement, bonuses, commissions, and other profit-sharing type compensation, my salary expectations range from \$XX to \$YY. [Give a VERY WIDE range.]

"I'm free [X day and time] for an interview. Which time would work for you?"

The ideal time for a discussion of salary is deep into the interviewing process when both you and the employer have a strong interest in one another. There will be times, however, when an employer will attempt to engage you in a discussion of compensation early in the interviewing process.

When salary comes up early in the interview: What to say if you're asked about salary.

You have three options.

Option 1. Delay tactic.

How to handle the early discussion of salary and compensation in a job interview.

- Employer: "I assume you've seen our advertised salary range. Are you willing to accept a salary within that range?"
- Job-Seeker: "I applied for this position because I am very interested in the job and your company, and I know I can make an immediate impact once on the job, but I'd like to table salary discussions until we are both sure I'm right for the job."

Option 2 – non-specific response

How to handle the early discussion of salary and compensation in a job interview.

- Employer: "What would it take for you to accept a job offer with us?"
- Job-Seeker: "As long as you pay a fair market value, and the responsibilities fit my skill level, we'll have no problem."

OR

- Job-Seeker: "I feel my salary should be based on the responsibilities of the job and the standards of the industry."

Option 3 – throw it back to the employer

How to handle the early discussion of salary and compensation in a job interview.

- Employer: "If you were to receive a job offer from us, would you accept it?"
- Job-Seeker: "While I am very interested in the job and the company, it really depends on the offer. What would a person with my background, skills, and qualifications typically earn in this position with your company?"

There are four possibilities when salary is raised during the interview:

- **the salary range is acceptable;**
- **only the top of the salary range is acceptable;**
- **the entire salary range is unacceptable;**
- the interviewer doesn't give a salary range.

When the salary range is acceptable:

Handling an employer's job offer. Be sure to thank the employer for the offer, but be non-committal:

- Employer: "The salary range for this position is \$xx,xxx to \$xx,xxx. Are you able to accept a salary within that range?"
- Job-Seeker: "I really appreciate the confidence you have in making this job offer to me. I want to bring my talents and skills to work for this organization. Those figures you mentioned are within my expected starting range, depending on the entire salary and benefits package."

When only the top range is acceptable

Handling an employer's job offer. Be sure to thank the employer for the offer, but be non-committal:

- Employer: "The salary range for this position is \$xx,xxx to \$xx,xxx. Are you able to accept a salary within that range?"
- Job-Seeker: "Thanks so much for asking me to be a part of your team. I know my unique mix of skills and abilities will be a great benefit to the organization. Based upon my research and what I've been discussing with other companies that are currently interested, I would have to say that only the upper end of that range would be acceptable."

When the entire range is UNacceptable:

Handling an employer's job offer. Be sure to thank the employer for the offer, but be non-committal:

- Employer: "The salary range for this position is \$xx,xxx to \$xx,xxx. Are you able to accept a salary within that range?"
- Job-Seeker: "Thank you so much for the offer. I want to bring my skills and talents to your organization. The other companies I am currently speaking with, however, are considering me at a salary somewhat higher than that range. Of course, money is only one element, and I will be evaluating each overall package."

When the employer doesn't give a salary range

Handling an employer's job offer when the interviewer doesn't make you a specific salary offer and instead keeps pushing you for your salary expectations.

- Employer: "We want to get you onboard. What kind of salary would it take for you to accept a position with us?"
- Job-Seeker: "From my research, \$X is around the base level for salary for this type of position. Considering my enthusiasm and my general success in the things I set out to do, I believe I'm worth mid-range, say \$Y. What can you do in that area?"

When salary range comes up late in the interview

- It means the interviewer is really interested in hiring you.
- One option: "I'm ready to consider your best offer."

When the interviewer mentions and acceptable salary

"I would encourage you to make the formal offer. What is most important is the opportunity to work for you and your company. I am confident your offer will be competitive."

Cautions for recent Grads

- Please be careful!
- Your tendency is to be so glad that someone is offering you a job, that you accept whatever they offer with a beggar's nod and smile.

Guiding philosophy for new grads:

- The employer is choosing you, not your price. They really want to hire you! They think you'll make or even save them money!
- You must have the ability to do the work, or they wouldn't be making you an offer.
- If you think you have "no experience," remember the qualities that make you successful.
- Their hiring decision is 95-percent based on your personality, enthusiasm, and transferable skills. Only 5 percent has to do with your specialized knowledge. Since they can't teach manners and common sense, they hire it.

When the official salary offer is made:

When the offer is made, ask questions that have not yet been answered:

- What are the promotional opportunities of this position?
- To what position/level?
- How and when will my performance be reviewed?
- Will this include a salary review?
- What kind of salary progression would be expected in the first three to five years?

Be sure to get the complete salary offer in writing!

Evaluate the entire package:

When the offer is made, be sure to evaluate the entire compensation package -- not just salary. Benefits can add up to 30 percent to your total compensation! Here are some commonly offered benefits:

- Medical insurance. Employers get a group rate, so even if you have to contribute part or all of the contribution, it still is cheaper than you could get on your own.
- Dental insurance. Not included in most (if not all) medical plans, so you may want this coverage. Gaining in popularity, and, again, often at a cheaper rate than you could get on your own.
- Optical/eye care insurance. Eye exams, glasses or contact lenses, and other eye-related issues are not covered by most medical plans, so you might want a separate plan.

- What kind of salary progression would be expected in the first three to five years? What is the average range of raises? Are there performance-based raises and bonuses?
- Life insurance. Something we often don't like to think about it, but many organizations provide basic term coverage, which you can add to, to provide more coverage for your family.
- Accidental death insurance. Especially for dangerous jobs, but really for any employee.
- Business travel insurance. If you travel a lot for the job, it's wise to have extra coverage, just in case.
- Disability insurance. There are actually two kinds of disability insurance: short-term (up to six months) and long-term (beyond six months). You should really take advantage of this insurance.
- Vacation Days. Most organizations have a system based on level in the organization and years with the organization. Entry-level workers often start with a week or two of paid vacation.
- Paid Holidays. Most organizations also have certain holidays when they are closed for business and pay their employees for the day off (such as Thanksgiving, New Year's, Labor Day, etc.).
- Sick/personal days. Most organizations give employees a certain number of paid sick or personal days per year.
- 401(k) plans. Pension plans are giving way to 401(k) plans, which are also a retirement vehicle. Money is contributed on a pre-tax basis, offering you both a savings plan and a tax break. Employers often match (or match up to some level) employee contributions.
- Pension plans. Employer contributions that accumulate over time, but may also require you to be employed a certain period of time to be fully "vested" in the plan.
- Profit sharing. If you are working for a growing and profitable organization, profit-sharing programs can offer you great year-end bonuses based on the success of the organization or your division.
- Stock Options/ESOPs. Plans that allow employees to purchase company stock options at below-market prices.
- Tuition reimbursement. Organizations that want to encourage their employees to gain further education and training offer some form of partial or complete tuition reimbursement.
- Health clubs. Some organizations get a group discount to health clubs and country clubs for their employees.
- Dependent care. Some employers a plan for employees to deduct a pre-tax amount for care of dependents. Others subsidize (or even offer) child care.
- Employee Assistance Program. Free or low-cost counseling offered to employees for dealing with situations such as substance abuse and marital or family problems.
- Overtime/travel premiums/comp time. Many organizations offer some compensation for employees that work past normal hours -- whether when at the company or traveling on business.
- Parking, commuting, expense reimbursement. A perk that not many get, but some companies do offer various benefits related to commuting to the company.

Relocation Expenses

While many higher level positions will also include relocation expenses for new hires, new grads need to be aware that relocation expenses are rarely paid at the entry level. However, whether an organization offers a relocation package depends on many factors, including organizational politics, the economic situation, and the supply-demand balance for job-seekers with your skills and abilities.

What's included in a relocation package?

- House-hunting trip expenses
- Lodging fees
- Moving expenses
- Mortgage/Closing cost fees
- Brokerage fees
- Temporary housing expenses
- Spouse re-employment expenses

Use Internet Salary Calculators

Use salary calculators on the Internet to compare offers in different locales. Some examples include:

- [The Domestic Moving Salary Calculator](#)
- [The International Moving Salary Calculator](#)
- [The Domestic Moving Salary Calculator](#)
- [MonsterMoving.com Salary Comparison Calculator](#)

Finally, there are a couple of places to get specific information about salaries you can expect in different careers. Check out these sites:

- [Salary.com](#) -- truly one of the best places to start to get excellent free information about salaries, by profession and location.
- [JobStar: Profession-Specific Salary Surveys](#) -- which provides links to salary information on 35 professions as well as links to other occupational salary sites.
- [SalaryExpert.com](#) -- a great source for salary information in the U.S., Canada, and internationally.

Turning an Unacceptable Offer to an Acceptable One

Determine what it will take to make an unacceptable offer acceptable, and what items are negotiable:

- **Monetaries**
 - Salary
 - Promised increases
 - Yearly bonuses
 - Signing bonuses

- Profit sharing
- Stock option/ESOPs
- **Near-Monetaries**
 - Benefits
 - Overtime/Comp time
 - Company car
 - Travel awards
 - Relocation assistance
 - Expense coverage
- **Non-Monetaries**
 - Title
 - Training/Education
 - Access to technology
 - Promised review dates
 - Travel assignments
 - Home equipment usage

Deciding Whether to Accept the Offer

Use the time-honored balance-sheet decision technique to decide whether to accept:

- List reasons for accepting;
- List reasons against accepting.

When Negotiating Salary. . .

- Be sure and thank the employer for the job offer.
- Never negotiate at the time of the original offer. Ask for time to consider the entire compensation package.
- Decide whether you are going to negotiate in writing or in person -- depending upon your strengths. Read our article, [Job Offer Too Low? Use These Key Salary Negotiation Techniques to Write a Counter Proposal Letter.](#)
- Just do it! Most employers are willing to negotiate at least one or more elements of a compensation package.
- Negotiate with the proper attitude and demeanor. Never make demands. Always say you are hoping for more instead of expecting more.
- If salary is "off the table," consider other compensation issues, such as a signing bonus, performance bonuses, stock options, or earlier raises and performance/salary reviews. You could also consider other non-compensation perks, such as job title,

company car, vacation days, personal days, telecommuting options, insurance costs, tuition reimbursement, professional development funds, club memberships.

- BE SURE TO GET FINAL COMMITMENT IN WRITING!

If You Decide the Offer is Unacceptable

Respond to the employer in this manner:

- "I am still very interested in working with you and for your company, however, at this point I am not able to accept the offer for the following reasons:_____. If you were able to _____, I would gladly accept the position immediately. Are you in a position to help?"

Methods to Attempt to Sweeten the Deal

If you decide offer is acceptable, but you'd like to sweeten the pot:

- "I would like to accept your offer, and I'm looking forward to working with you and becoming a valuable member of the team." **[Wait for positive response.]** I am committed to working with you, and since you are my future boss, I have [some] minor issues I wanted to make you aware of. I don't know if you're able to make changes in these areas, but I'd surely appreciate your looking into the possibility. Would it be possible to _____?"

An Excellent Resource on Salary Negotiation

Jack Chapman, author of:

[Negotiating Your Salary: How to Make \\$1,000 a Minute.](#) . .

. . . and telecoach for individual salary negotiations.

His Web site:

<http://members.aol.com/payraises/>