

NEGOTIATING & ACCEPTING JOB OFFERS

Introduction

Congratulations! Finally, all your hard work has paid off and you have received a job offer. It is tempting to accept your first offer, but there are many important factors to consider. Gather as much information as possible before you make a decision. This handout will help you consider all aspects of job offers. This is a big decision; it is important that you take your time and make the choice that is best for you.

Important Job Offer Factors

Job Responsibilities

Ask about the specific job responsibilities and the first project or assignment. You might find the prospect of working on a particular project or new venture, or with certain individuals at the firm, very compelling. Up to this point, the company might have been considering you for one of several assignments. What you do for your first assignment could be part of your negotiation.

Signing Bonus

A signing bonus is a one-time monetary award, typical to some career fields such as: investment banking, consulting, and marketing, particularly at the graduate level. They originated as a means of offering cash for start-up expenses, such as moving or a new wardrobe. Signing bonuses have evolved into teasers, incentives for students to accept one offer over another. Because future raises are computed as a percentage of your salary, it can be to the employer's advantage to entice you with a signing bonus rather than a higher base salary. Be sure to read the fine print of the signing bonus. If you leave the position within the time frame stated on the bonus contract, or renege on the position, you may have to pay back all or a portion of your signing bonus.

Relocation Package

The employer may offer you a relocation allowance; make sure you understand what it covers: moving expenses, house/apartment hunting, and brokers' fees are some examples. Some firms will offer you temporary housing when you begin your job, if a lease or home purchase cannot be finalized on short notice. In addition, you may be able to write off some moving expenses on your Federal Tax Return. Check with your Tax Advisor for more information.

Benefits Package

These are usually standard for all employees. However, there may be quite a difference from one company to another. Some employers may offer choices in health plans. Out-of-pocket expenses for health care, co-pays, dental and eye care plans, health club membership, and professional association dues, can be worth thousands of dollars. Retirement plans, vacation time, and other items can vary greatly.

Start Date

Employers recognize that you may need to complete your degree before you begin a new position. Your start date is usually negotiable. Find a solution that works well for both you and the employer. Keep in mind that as a new employee, you may not have much vacation time in your first few years of work. You can usually take some extra time between graduation and your start date to travel or visit family.

Deadline

When a company extends an offer of employment, they should provide a time frame in which you need to respond. This is often negotiable; be sure to ask for more time if you need it. If the organization doesn't give you a deadline, it is still appropriate to keep in touch regularly while you are making your decision.

Exploding Offers

An exploding offer usually has a very short acceptance deadline, which coerces the candidate into accepting before they can consider alternatives. Sometimes, it means that the signing bonus is significantly higher, if you accept the position immediately, than if you accept the position at a later date. It could also mean that the offer will be retracted, if you do not accept within a certain timeframe. The Career Center at Johns Hopkins University follows the National Association of Colleges and Employers (NACE) Guidelines for employers. Essentially, we ask that offers extended in the summer and fall not expire until Thanksgiving break, and offers extended during winter and spring not expire until spring break. More information and a copy of the guidelines can be found here: <http://www.jhu.edu/careers/Employers/guidelines.pdf>

Reneging

Once you have accepted a job offer, you have a professional obligation to work for the employer. Reneging on an offer, accepting an offer and then changing your mind and rejecting it, is unacceptable and unprofessional. It reflects poorly on you and on Johns Hopkins University, and it jeopardizes our relationship with the employer. Additionally, recruiters frequently talk to each other. If you renege, then you harm your reputation, and you run the risk of having a second offer withdrawn because of your unethical behavior. If you find yourself in a situation, which may force you to renege on a job offer, come to the Career Center and speak with a career counselor immediately.

Receiving Job Offers

Offers are usually made verbally, over the phone. In most cases, the recruiter will call you to extend an offer. You may be very excited, but remember five things:

1. **Express your interest and gratitude.** Be enthusiastic, professional, and appreciative. This will lay the groundwork for a positive discussion if you pursue the position and decide to negotiate.
2. **Ask for time to make a good decision.** Even if you know you will accept the position, ask for time to consider the offer in order to make an informed decision. It gives you bargaining room, it allows you time to think clearly, and it is customary. No employer will expect you to accept the job immediately on the phone.
3. **Get the details!** It is very important to get detailed information about the offer, including all of the factors listed above.
4. **Ask for the offer in writing.** Tell the employer that you will consider their offer, and that you would like to have the written offer and a benefits package sent to you before making a decision. There are a number of reasons why a verbal offer can fail to materialize. It is advisable to wait to accept one offer, or decline another, until you have the offer in writing.

Evaluating Job Offers

When you have the job offer in writing, carefully evaluate all of the information you are given. Now is the time to ask any questions you may have regarding the company, job duties, start date, corporate culture, benefits and more.

There are many intangible factors that you should take into account when choosing between offers. It may help to write out the pros and cons of each offer. Meet with a career counselor to help you sort through your options. Compare, the degree of challenge, visibility, advancement opportunity, location, community, and quality of life for each position. Also consider each firm's financial condition, size, growth rate, and position within its industry. The job offer comparison worksheet at the end of this handout may be useful.

Compare all components to decide how equitable your offers are. Keep in mind that the cost of living varies tremendously between cities. There are online resources on the cost of living index that allow you to compare salaries in different cities. It is important to conduct this kind of analysis before negotiating, especially if you are using other offers as your basis for negotiation. Negotiation can be very for many students. Discuss your opportunities with family members, faculty, staff, and colleagues to get as much feedback as possible. Remember, in the end, the decision is yours to make. If you feel that one job is for you and the other is not, follow your instincts.

If you have interviewed with several employers, and received a job offer from one of them, then now is the time to contact all the others and check on their progress. You do not need to tell Employer A that you have received an offer from Employer B; simply let them know that you are starting to receive offers and would like to make an informed decision. When you call, let them know that you are interested in the position and the company and ask several questions:

1. Where are you in the hiring process for this position?
2. What other information, if any, do you need from me?
3. I am starting to receive offers from other employers, when can I expect to hear from you about this position?

Negotiating Job Offers

Be careful not to confuse negotiating and offer with accepting an offer. When you are negotiating, you are implying that you are willing to walk away from the offer, if the employer cannot give you what you want. Should you negotiate? There is no one right answer for everyone and every situation. Generally, bachelor's level jobs do not have a lot of room for negotiation. At the graduate level, you may have more flexibility. If the employment offer comes up short of your expectations, and your research shows that the offer is below industry standards, you might have room to negotiate. If you are ecstatic about the offer, and you are thinking to yourself that negotiating is just expected, it might not be the best idea. The window of opportunity for negotiating terms is after you have the offer in writing but before you accept the position.

Five Tips for Effective Employment Negotiation

1. **Make sure you have the job offer** - get the offer and the entire compensation and benefits package in writing. Be sure to express your interest and gratitude to the employer. Wait to begin negotiations until after a formal offer has been extended.
2. **Prepare for the negotiation in advance** - take the time to learn how to negotiate and prepare for the conversation. Know what you are worth. Research what similar positions in the area are paying and what people with your level of experience are worth. The NACE salary calculator can be found here: <http://www.jobsearchintelligence.com/NACE/salary-calculator-intro/>. Having other offers can make you more valuable, so continue to apply and interview for jobs. Decide on your priorities (e.g. job description, start date, benefits, salary, and etc.).
3. **Consider the entire package** - it costs the employer much more than just your salary to hire, train, and employ you. Consider things from their point of view. How can you be more valuable to them? How can you save them money or bring in more revenue? If you can upgrade the position, based on your skills and expertise, then you will be worth more to the employer.
4. **Take your time** - be sure to ask for plenty of time to prepare, negotiate, and make a decision. This is a big decision; don't rush into it. We ask all employers to conform to the NACE Employer Guidelines. Essentially, we ask that offers extended in the summer and fall not expire until Thanksgiving break, and offers extended during winter and spring not expire until spring break. More information and a copy of the guidelines can be found here: <http://www.jhu.edu/careers/Employers/guidelines.pdf>
5. **When the negotiations are over** - when you and the employer come to an agreement, get the revised offer in writing and stop negotiating. Keep the tone of all negotiations positive. Sometimes and employer will not be able to give you what you ask for and you may need to walk away from the job offer.

Accepting Job Offers

When you decide to accept a job offer, be sure that all negotiations have concluded, and that all your questions are answered, then, call the hiring manager or your contact at the employer. Follow up with a written acceptance letter outlining the parameters of the job. Sometimes you need to sign the forms that the employer provides to you. Either way, the Human Resources Representative will let you know what to do; be sure to follow their directions exactly. Then, within one business day, notify all other employers, whom you have interviewed with, of your decision, and immediately stop all interview activity.

After you have accepted the offer, be sure you know the following:

1. The date, time, and location of your first day of work
2. What documents to bring with you to complete hiring paperwork
3. The company dress code

When you accept a job offer, you make a professional obligation to work for the employer. Be sure you have responses from as many organizations as possible before you make a decision. Otherwise, you may end up accepting an offer and then finding that a firm you had not heard from wants you to interview further. To avoid the temptation of a potentially unethical situation, make sure you have as many answers as possible.

Make an appointment with a career counselor to help you sort through your options.

Rejecting Job Offers

If you decide not to accept a job offer, be sure to do so graciously and professionally. It can be very difficult to turn down a job offer. It is best to call the hiring manager and tell them that after much soul-searching, you have found that the position is not a good fit for you at this time, and you are seeking (or have accepted) employment elsewhere. The hiring manager may try to re-open negotiations at this point to coerce you into accepting the offer. Such last-ditch efforts are often a bad way to begin a career. The hiring manager may also ask you a lot of questions about where you have accepted a position. Be discreet and humble. Say something like, "I would rather not discuss that." Try to leave on friendly terms if you can, you may run into this person again in your professional life.

Recommended Resources

Web Resources

- Salary.com: <http://www.salary.com/>
- The Occupational Outlook Handbook: <http://www.bls.gov/ooh/>
- The Riley Guide: <http://www.rileyguide.com/offers.html>
- Glass Door: <http://www.glassdoor.com/Salaries/index.htm>

Evaluating Two or More Job Offers

The worksheet that follows can be used to compare two or more job offers or employers. Completing the worksheet involves six steps:

- The factors to be considered are listed vertically down the left side of the worksheet. If you do not want a particular factor on the list, simply cross it out and don't use it. There are spaces for additional factors at the bottom of the worksheet.
- List each job (position and employer) across the top of the worksheet. The worksheet contains spaces for up to four possible jobs.
- Weigh each factor of a scale of 1 to 5. Ask yourself how important each factor is to you, and give it a weight number in the weight column.
 - 5 means the factor is very important to you
 - 4 means the factor is above average importance to you
 - 3 means the factor is of average importance to you
 - 2 means the factor is of below average in importance to you
 - 1 means the factor is of little importance to you
- Use a code to show whether each job and organization is positive (+), neutral (0), or negative (-) with regard to each factor you are considering. Base your judgments on the information you have obtained from your research.
 - + = Factor is expressed in the position or employer
 - 0 = Neutral; cannot determine, don't know, or doesn't apply
 - = Factor is not expressed in the position or employer

Place the code in the space just to the left of the parentheses.

- Multiply the weight by the code ($W \times C$), and enter the product inside the parentheses. For example: $4 \times + = 4$, $3 \times 0 = 0$ and $2 \times - = -2$.
- Sum the products in each column, adding or subtracting as indicated. The total score gives you the rank of each job among alternatives.

Comparison of Job Offers		Job/Employer1		Job/Employer2		Job/Employer3		Job/Employer4	
Factor	Weight	Code	W x C	Code	W x C	Code	W x C	Code	W x C
1. Job fits into career plans and goals.									
2. Job expresses my major values.									
3. Abilities can be used on the job.									
4. Works is interesting, involving.									
5. Salary meets expectations.									
6. Benefits are good, attractive.									
7. Advancement potential exists.									
8. Company has excellent reputation.									

Comparison of Job Offers Continued		Job/Employer1		Job/Employer2		Job/Employer3		Job/Employer4	
Factor	Weight	Code	W x C	Code	W x C	Code	W x C	Code	W x C
9. Size of organization is right.									
10. Pride in quality of products or services.									
11. Work associates will be compatible.									
12. Organizational culture fits my personality.									
13. Location of work is convenient,									
14. Work will challenge my best efforts.									
15. Management style is attractive.									
16. Immediate supervisor is respected.									
17. Company is growing or has growth potential.									
18. Reasonable job security exists.									
19. Job functions have management support.									
20. Working hours and conditions are agreeable.									
21. Company is in a growing industry,									
22. Training and/or paid education is available.									
23. Job allows adequate time off work.									
24. Community is acceptable for my family.									
25. Other (write in)									
26.									
27.									
28.									
Total Scores									
Rank									

The Job Offer Comparison Worksheet is adapted from the book:
Lock, R. D. (2005). *Job search: Career planning guide, book 2* (5th ed.). Belmont, CA: Thomson Brooks/Cole.