



OFFICE OF CAREER SERVICES *GSAS: Evaluating & Negotiating Job Offers*

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GSAS: Graduate Student Information

Evaluating and Negotiating Job Offers

www.ocs.fas.harvard.edu/students/gsas-students.htm

Evaluating and Negotiating Job Offers

When many people undertake a job search, they understandably see the end goal as receiving a job offer. Yet for many, actually reaching this point is the most stressful part of the search process. How do you prioritize offers received, and those you still hope to? When is it appropriate to negotiate compensation packages, and how does one go about doing that?

This guide is meant to address some of the most commonly asked questions regarding this process. Below are some additional resources to help you research going rates for base salaries in different fields, as well as some to help you think about strategies for evaluating and negotiating offers.

Print Resources

Chapman, J. (1996). *Negotiating Your Salary: How to Make \$1000 a Minute*. Berkeley: Ten Speed Press.

Gardella, R. S. (2000). *The Harvard Business School Guide to Finding Your Next Job*. Boston: Harvard Business Reference.

Web Sites

Many Web sites offer a combination of salary data by job title, industry, and/or field, as well as salary calculators to help determine how salaries may be affected by cost of living in different geographic regions. Here are a few examples:

Salary.com
Careerjournal.com
Payscale.com
Vault.com/salary
Wetfeet.com
Jobsmart.org
The Bureau of Labor Statistics (www.bls.gov)

In addition, seek out trade journals and associations in your field of choice and see if they publish results of salary surveys or other information pertinent to recruiting. For instance, the Chronicle of Higher Education publishes an annual survey of university faculty and administrators (www.chronicle.com). Computer World magazine (www.computerworld.com) has an annual “100 Best Places to Work in IT” issue. There are also publications with helpful information regarding special interests, such as the best companies for working mothers (www.workingwoman.com) and employers that are “gay friendly” (www.gaywork.com). See the OCS Web site (www.ocs.fas.harvard.edu) for additional resources.

Commonly Asked Questions

How can I best prepare for negotiating a job offer?

It is important to start thinking about this process before you even begin interviewing with companies. Part of your research into a field or industry should be to explore what the going rates are for salaries in your chosen area. Keep in mind that base salary is typically based on the going rate for compensation for that particular job, and mitigated somewhat by size and prestige of the organization, as well as cost of living in the region.

First, do your research.

While Web sites that provide salary survey information based on different job titles are a helpful starting point, they are no substitute for asking people in the field what they consider to be the going rate for entry level positions. This is a good subject to bring up early on in your research when conducting informational interviews with people in the field. While it is never appropriate to ask someone how much money he or she makes, many professionals are happy to share what they would consider to be acceptable ranges for entry level compensation in their fields.

Next, think about what you want, and what you can reasonably expect.

Once you have done some research, you will next need to think about your own needs regarding compensation. First, figure out what you would need simply to survive in the area in which you are planning on living, taking into account expenses like student loan payments, transportation costs, and the like.

Next, take the salary range you believe you can reasonably anticipate based on your research. Considering the low end of that range, what is the minimum you would accept for your dream job? What is the highest salary you could reasonably expect?

Keep in mind that if you are looking at more than one type of job, you may be looking at different sets of numbers. One cannot compare, for instance, an entry level job in publishing with one in investment banking. The going rates for these types of jobs are simply too different.

Once you have some numbers clear in your head, you are ready to start interviewing.

When should you expect to start discussing compensation with employers?

Ideally, you should not have any kind of conversation with employers about salary or benefits until you have received an offer, or at least reasonably anticipate receiving one. You will be in the best position to negotiate once the organization is convinced that you are the right person for the job.

However, some employers will bring up the topic far earlier in the process, even as soon as the first interview. There are several reasons why this may occur. For example, in the case of nonprofits, government entities or educational institutions, they may have a very restricted budget for hiring and will want to make sure that you are willing to consider the salary that they are offering before wasting your time and theirs by continuing with the interview process.

Even in the private sector, the issue of salary may come up early on, particularly if the organization knows that they pay below market rate for the job in question. You may also find that some employers will worry that as a Harvard graduate, your salary expectations may be above what they are willing to pay.

What should I say if I'm asked about my salary requirements prior to receiving an offer?

You should initially address this question by indicating that your requirements are negotiable, and that you are certain that the organization pays a fair market rate for the position in question. You can also indicate that for now, your primary concern is with the position itself and your fit for it, and that you would be happy to discuss compensation once you have both decided that you are the right person for the job.

If the interviewer continues to push the issue, you could then ask her the range that she has budgeted for the position. Ideally, you want the interviewer to name a number first. If she will not do so and continues to insist that you state your requirements, name a very broad range. "Based on the industry research I have done, it appears that market rate for this type of job could be anywhere from \$60,000 to \$80,000, depending on the specific job requirements, size of the organization, and the total compensation package offered. But right now, I'm most concerned with learning as much as I can about the position."

The danger in naming a range from the start is that almost invariably if you get the job, you will be offered a number in the low end of the range you indicated. For this reason, it is important to qualify that your range was based on total compensation, not simply base salary. This strategy will provide you with a bit of room to negotiate later if necessary.

I've received an offer from a company that is not my first choice. What should I do?

Applying for jobs is not like applying to college or graduate programs: in all likelihood, you will not be able to evaluate all your options together. That being said, you should never feel like you must give an answer immediately. Thank the employer, reiterate your interest in the position, and ask if you may have some time to think it over. Ask them to put the offer and the details of the compensation package in writing.

If you are actively pursuing more than one opportunity, and you happen to get an offer from a second or third choice option, immediately get in touch with the other organizations in which you are interested. Let them know that you have an offer on the table, and that you need to know the status of your candidacy. Often if another firm is interested in you they will speed up the interview and offer process to keep from potentially losing you to another employer.

The question is a bit trickier if you do not have other active applications going at the time you received the offer. In that case, it is up to you to determine whether you wish to accept the offer, or continue your job search. You may at this point wish to seek advice from people with whom you have done informational interviews, as well as an OCS counselor, to help you make your decision.

Does the Office of Career Services have policies regarding the timing of offers that companies recruiting on campus must follow?

Yes. For instance, students interviewing on campus with employers in the fall of 2007 must be given at least until February 1, 2008 to make a decision on an employer offer. The full text for this policy may be seen at:

http://www.ocs.fas.harvard.edu/employers/07_08policies.htm

Keep in mind, however, that the OCS offer policies only apply to employers who participate in the on campus recruiting program. If you have any questions regarding whether or not an employer falls under this category, or any questions regarding OCS offer policies, contact the Recruiting Office at 617-495-7784.

Is it OK to accept a position with one employer, then continue interviewing in the hope of receiving a better offer?

In short, NO. This strategy is considered an egregious breach of ethics, and can seriously harm your reputation in your chosen field. Employers in competitive fields worry about this practice to the extent that it is not unheard of for a firm to rescind an offer if they find out that you have already accepted one from another organization. Keep in mind that recruiters within fields usually know one another and have been known to compare notes.

I have received more than one offer. Can I negotiate them against one another?

Yes, but be careful. This strategy works best when the offers received come from competitors within the same industry. In other words, if the market rate for the jobs should in theory be similar, then telling one employer that you have received a higher offer from another may encourage them to match it. It is advisable to seek guidance from a mentor in the field or an OCS counselor before attempting this tactic. And never lie to a company and tell them you have received a higher offer when you haven't—assume that they will call your bluff and ask for a copy of the offer letter.

Is it always appropriate to try to negotiate a higher salary?

First, keep in mind that the object of negotiating an offer is not necessarily to receive more in the way of money or benefits, but to make sure that you are not leaving anything on the table. That is, some organizations, particularly in the business world, anticipate that candidates will try to negotiate their compensation packages, and so will come in a bit low on their initial offer with the expectation that you will counter it.

However, this is not always the case. If you are looking at a competitive organization that hires many new graduates at once for entry level positions, such as consulting firms and investment banks, you might be offered a set package that is identical to those offered to the rest of your entering “class.” Unless you offer something significant in terms of additional relevant education or experience over and above the others receiving an offer, it is unlikely that you will be able to negotiate additional monetary compensation.

For those accepting positions in areas like education or the government, you may find that the salary ranges and starting salary rate are set by internal policy and will not be negotiable. But if you truly believe that the offer is low relative to similar positions in the same sector, or you have more to offer in the way of education or experience than is indicated in their official job description, then it may be worth attempting to negotiate. Again, it would be worth your while in this case to seek the help of a professional in that sector or an OCS counselor.

Is salary the only thing to consider?

No, there are many other aspects of compensation to consider and evaluate when deciding if the base salary is adequate and if the total package is acceptable. Be sure you have adequate information on the following:

- Monetary compensation
 - What is the base starting salary?
 - Is there a signing bonus?
 - Is there an annual bonus? Is it guaranteed? If performance based, is it based on your individual performance, that of your team, or that of your organization?
 - Will you have access to any kind of profit sharing or stock options? Do they offer a retirement plan?
 - When will you be eligible for a salary review? What have the increases in salary been historically for the position, and have they been based on cost of living or performance?
 - When will you be eligible for a promotion? What has the timeline been for others holding this job in the past?
 - Will the organization offer reimbursement for moving costs?
 - Do they offer tuition assistance for continuing education?

- Benefits
 - Does the company offer health insurance? Is it adequate for your needs? How much money, if any, will you be expected to pay per month towards your health plan?
 - Does the organization offer disability insurance? Life insurance?
 - Does the organization offer any help in finding a place to live? Do they provide mortgage assistance?
 - How many days of vacation do employees get per year? Sick days? Personal days? What are their policies regarding unpaid leave?
 - Are there money-saving amenities offered on site, such as child care or athletic facilities?
 - If the job requires long or unusual hours, do they have any kind of monetary allowance for meals or travel?

Aside from compensation, what other things should I consider when evaluating an offer?

The decision to accept a job is a very personal one, and often involves both following your instincts and taking a leap of faith. But there are still a number of things to think about, including:

- The potential career paths that could follow after accepting the position. What will you learn from this job? Where could those skills and experiences take you in the future?
- Do you like and respect the people with whom you will be working? Do you feel comfortable with the culture of the organization? Do people seem happy working there?
- Will you have the opportunity to meet new people in the field and expand your network of professional connections?
- Are you happy with the geographic region in which the job is located, in terms of cost of living, climate, proximity to family, and opportunities for a social life or cultural activities?

In the end, only you can decide whether or not a job is right for you. But we at OCS are here to help, and we strongly encourage students to schedule an appointment with a counselor when struggling with whether or not to accept an offer or trying to negotiate compensation.