

A Winner's Guide to Negotiating



Pre-Interview Research • The Job Interview • You Receive a Job Offer-Now What? •
Assess Your Reservation Value • Assess Employer Reservation Value • The Bargaining
Range • How Aggressively Do I Bargain? • Finalizing the Negotiation • Linda's Top Ten
List of Negotiating Advice

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Pre-Interview Research

Research the Job Market

- Find out what the market is like for people with your skills
 - Talk to alumni
 - Talk to faculty
 - Talk to friends
 - Consult with career services
 - Consult salary surveys
- Use this information to get an assessment of possible salary offers

Think About Your Objectives

- Establish priorities: How important are the following?
 - Salary
 - Hours and pressure
 - Location
 - Ability to move up
 - Vacation
 - Title
 - Responsibilities
 - Opportunity to learn new skills
- Establish goals

The Job Interview

- Be hesitant to discuss salary- wait for an offer
- Don't give specifics about other offers
 - Unless they are better than they think
 - Can allude vaguely to them
- Avoid giving employer an acceptable range

Negotiation Strategies I

You Receive a Job Offer – Now What?

- Don't respond to an offer immediately – Call them back
 - Take time to compose yourself
 - Do some research
 - Plan your strategy
- Avoid making the first offer if a package is not presented to you

Negotiation Strategies II

Assess Your Reservation Value

- Absolute lowest package (combination of salary, benefits, etc) that you would be willing to accept before declining offer
- What does this depend on?
 - Alternatives to accepting a job with this organization
 - How much you like this job relative to your alternatives
 - Your level of risk aversion
- Assess a Target or Goal

Negotiation Strategies III

Assess Employer Reservation Value

- Absolute highest package (combination of salary, benefits, etc) that employer would be willing to offer before “walking away” from you
- What does this depend on?
- Alternatives to you (other candidates)
 - How much they like you relative to other candidates

How do I determine Employer’s Reservation Value?

- Find out the types of packages offered by this organization
 - talk to friends/alumni in the organization
 - talk to colleagues you met on job interview
 - talk to career services to find out about previous offers this organization has made

Negotiation Strategies IV

The difference between the two sides’ reservation values is the bargaining range:



This is the set of all possible agreements you could reach that are acceptable to both sides

Your objective: to reach an agreement close to the employer’s reservation value

Negotiation Strategies V

Remember...

- Always negotiate – it's the norm
- Make a counter-offer
- Employer will not offer their RV
- Remember that you are valuable
 - they want to hire you
 - remind them of your special skills
- Call other organizations you have interviewed with and let them know you have another offer

Negotiation Strategies VI

How aggressively do I bargain? Consider...

- Do I have other offers?
- Do I have other possibilities?
- How much do I like this organization?
- How much information do I have about their RV?
- How nervous does this make me?
- Who are you negotiating with?

Negotiation Strategies VII

- Hard and Soft approaches
 - Hard: "I'm going to need X to accept your offer."
 - Soft: "Is it possible to raise your offer to X?"
- You only have 1-2 "rounds" of negotiations
- If they say "no" to your counter-offer, ask "how close can you come?"

Negotiation Strategies VII

Finalizing the negotiation

- Get everything in writing before declining other offers
- Don't say too much
- Don't accept until you've got their "final offer"
- Once you've accepted, notify other organizations who have given you offers
- Celebrate!

Linda's top ten list of job negotiation advice

10. Think about your interests
9. Take steps to improve your BATNA
8. Make their RV worse (better for you)
7. Let them make the first offer
6. When you get an offer don't respond immediately
5. Prepare (RV, AV, how hard to bargain)
4. Do your homework on their salary structure
3. Think about what is important to you and cheap for them
2. Bring up specifics of the other offers if they are better than they think
1. Always negotiate: their first offer will not be their RV

For more information about gender and negotiation:

Babcock, L. & Laschever, S. (2003). *Women don't ask: Negotiation and the Gender Divide*. Princeton University Press: Princeton, NJ.

This information was written by Linda Babcock, and is presented annually in her workshop, "Negotiating the Job Offer."