Negotiating The Job Offer

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MIT Career Services for Postdoctoral Scholars

In collaboration with the GECD and the Office of the Vice President for Research, our mission is to provide current MIT Postdoctoral Scholars (Postdoctoral Fellows and Associates) initial guidance and encourage self-management of career exploration including job search strategies for both industry and academic tracks.

Career Appointments

- Please schedule an appointment for CV/Resume review, interviewing strategies, and other career related topics such as career exploration, job search strategies, networking and considering job offers. Please note that Postdocs are not eligible for Drop-In services.
- To make an appointment, login to CareerBridge
  - https://www.myinterface.com/mit/student/
- Find the link "Make an Appointment" on the left side of the page,
- Select “Postdoc Appointments” in the drop-down menu
- Select “Filter by Date Range”
- Postdoc appointments are with Bob Dolan in E25-143G
GECD Resources

MIT Career Development Center

Postdocs Career Services located in E25-143G

We offer…

• Mock Interviews (Behavioral based)
• Resume and Cover Letter reviews
• Job Search (Academic & Industry) and Negotiation advice
• Individual 1-1 Counseling Appointments
• Workshops (Interviewing, Resume, Networking, Presentation, etc.)
• Prehealth Advising
• Daily drop-in hours (11:00am-3:00pm…sorry no postdocs)
• Job listings – full-time, part-time, internships
• Plus a lot of other wicked good stuff !!!

Log into https://www.myinterfase.com/mit/student/ to schedule an appointment with a Counselor

Take Advantage of these Resources…We Work for You!
Today's Objectives

Intended Outcomes from today’s session:

- Why & When you should negotiate
- Understanding various types of offers
- Negotiation Ethics
- Learn what and how to negotiate
- What to do before, during, and after the negotiation process
- MIT Recruiting Policy
Why Should You Negotiate?

• Most employers are open to negotiate offers
• Some employers might offer less because they expect to negotiate with the candidate
• 100% of employers want their applicant to accept and be satisfied/happy with the terms of the offer

But. . .
• Only about 25% of job applicants actually negotiate
Why Applicants Do Not Negotiate

- Fear of conflict
  - However, both sides can win if you negotiate well
- Fear of the employer’s power
  - However, if you receive an offer, they want you
  - Most employers believe that the applicants have the power
- Fear of negotiating poorly

Adapted with permission from “The Art and Science of Negotiation” Rebecca Bryant, PhD
Graduate College, University of Illinois
Types of Job Offers

- Open ended date
- Specific date in accordance with MIT’s recruiting deadlines
- Specified date earlier than MIT’s identified recruiting deadlines
- Exploding offers
- Offers with incentives to sign on
- Internship conversion to fulltime offers
- Candidate selects when the official offer is made
Negotiating Ethics: Do’s and Don'ts of Negotiating

• Don’t string along an employer you are not interested in
  • Do: Thank them for the opportunity and inform them as soon as possible of your decision to decline
• Don’t request extra time to decide to simply to defer making a decision
  • Do: Share the reasons for why you need more time
  • Do: Meet with a GECD staff member to help you with your decision making process soon rather than later
Negotiating Ethics: Do’s and Don'ts of Negotiating

- **Don’t** enter any type of negotiations if not serious, or are doing so for entertainment
  - **Do:** Be genuine with the employer about your need to negotiate
  - **Do:** If not interested, turn down the job so that another student/postdoc may be given the opportunity
- **Don’t** expect all employers to behave the same in negotiations
When you Receive an Offer

• Express enthusiasm, even if the offer is below your expectations
• Obtain all the information you can about:
  • Compensation
  • Benefits
  • Scope of **Responsibility/Authority**
  • Start Date
• Take a few days to think it over
• Agree on a response date
Carefully Select Your Words

- Stay positive!
- Convey a sense of excitement about the opportunity
- Understand your emotion:
  Are You…

  “Surprised by the offer” or “Disappointed”
  “Excited about the opportunity” or “Excited about the offer”
How to Negotiate

• Negotiate in person or on the phone
• Email if that is your only alternative
• Negotiate with the decision-maker
• Never lie or misrepresent
Three Things to Know

Before Negotiations Begins you need to know:

1. What the company really needs from the position
2. In what ways do you meet or exceed their expectations
3. How well the position meets your needs
Employers Objectives

Hire the right “fit” for the job to:

• Solve a business problem
• Deliver immediate contribution to the team
• Drive a positive impact to the “bottom line”
• Generate a worthwhile “ROI”

It’s a business decision, not personal
Employers Objectives

You Will Not Be Offered A Salary Based On:

- What you want
- What you made in the past

But on - What you are **worth** to the employer
Salary Requirements (Responses)

Do not bring up salary before being made the offer.
If you are asked, below are some sample responses:

The DID Approach

• **Differ** - “I realize that salary is an important issue, but I need to understand more about the job before I can value it…can you tell me …”

• **Differ** - “I expect to be compensated at a rate that is commensurate with my education and experience”

• **Inquire** - “My research shows that students graduating from MIT with a degree in x generally are paid in the z range”. “Does that fit within your range?”

• **Inquire** - “What is the salary range for someone in this position?”

• **Divulge** - If all else fails, give a wide range…Based upon my research at MIT, I believe mid 70’s, high 80’s, low 90’s, would be appropriate, then ask… “is that within your range?”

**Differ, Inquire, Divulge**
Base Salary

- You will be offered a competitive base salary for your experience and degree
  - Recruiters and Compensation work closely with each other
  - Extensive market data research is performed to ensure the company stays competitive
  - Company salary goal is for retention
- Know your salary range for the position
  - Career Services
  - Salary Surveys online
  - Networking - peer and alumni information
Salary Information

• Refer to salary guides to determine the “Going Rate” for similar positions in your locale
• Also consider:
  • Graduating Student Surveys at MIT & comparable schools
  • [http://gecd.mit.edu/resources/data](http://gecd.mit.edu/resources/data)
  • Summer Experience Survey data
• Review the list of MIT graduating students surveys by major, degree, industry to see 10 years of salary data
• Professional Organizations
• Previous Internships
Sign on Bonus

• Why offered?
  • To beat the competition for top talent
  • Attract a “star” candidate with above market compensation
  • Lower than average base salary
  • Sometimes used for relocation

• But… Termination Clause – you will need to pay back the company if you leave within a specific timeframe!
Stock Options

- Not away to “get rich quick”
- Options “Vest” over a 3-5 year period
- Start ups often trade off low base salaries with larger option packages
- Sometimes part of a normal company practice
- Tax issues - you will end up owing taxes on the increase in value of the stock (ST or LT Capital Gain)
  - Before selling, obtain advice from a tax professional
- Restricted Stock – In order to sell, must obtain authorization (often has a 6 week black-out period each quarter)
Know What You Want

- Determine what are you willing to live with and without
- Decide which issues are important to you and why
- A job offer involves more than just salary
- Assign weights to each issue
- Think about your alternatives
- Remember, there is value in having the right job
Factors Affecting Decision to Accept Job Offer for Bachelor's Graduates

1. Job Content
2. Creative & challenging work
3. Fit with culture/environment
4. One of my top choices
5. Opportunity to make an impact
6. Location
7. Opportunity for career advancement
8. Fit with my experience & skills
9. Training/educational opportunities
10. Job flexibility & work life balance
11. Reputation of Employer
12. Best opportunity I could find at this time
13. Salary
14. Supervision & colleagues
15. Job Security
16. Benefits
17. Ability to meet my expected student loan/education...
18. Employer was willing to sponsor non-US citizen
19. First job offered
20. Didn't get into graduate/professional school

Look at what's #13
Factors Affecting Decision to Accept Job Offer for Masters Graduates

- Job Content
- Creative & challenging work
- Opportunity to make an impact
- Opportunity for career advancement
- One of my top choices
- Fit with culture/environment
- Fit with my experience & skills
- Location
- Reputation of Employer
- Training/educational opportunities
- Supervision & colleagues
- Salary
- Job flexibility & work life balance
- Employer was willing to sponsor non-US citizen
- Ability to meet my expected student loan/education debt...
- Best opportunity I could find at this time
- Job Security
- Benefits
- First job offered
- Didn't get into graduate/professional school

Look at what's #12
Candidate’s Compensation Objectives

- Salary Commensurate with Experience/Responsibilities
- Bonuses
- Vacation Time/Paid Time Off
- Relocation
- Flex Time/Telecommuting/Job Sharing
- Professional Development
- Sponsorship of Non-US Citizens
- Severance
- Memberships
- Equity (in small business)

- Stock Options
- Increased Responsibilities
- Dental and Vision Coverage
- Disability Insurance
- 401K matching program
- Tuition Reimbursement
- Flexible Spending Accounts
- Retirement Programs
- Other Benefits
Items You Might Be Able To Negotiate

- Salary Commensurate with experience/responsibilities
- Interview & start dates/site visits
- Bonuses
- Relocation
- Flex Time/Telecommuting/Job Sharing
- Professional Development
- Severance
- Memberships
- Equity (in small business)
- Stock Options
- More Vacation Time (maybe)
- Offer decision dates

But some items are not always negotiable:
- Dental and Vision Coverage
- Disability Insurance
- Medical or Section 125 Plan
- 401K retirement program
- Paid Time Off
- Tuition Reimbursement
- Flexible Spending Accounts
- Retirement Programs
- Sponsorship of Non-US Citizens
- Other Benefits

US compensation laws (FLSA) are designed to create equity and fairness
Benefits

- Can comprise up to 40% of your total compensation
- Many can be a part of salary negotiations
- Large companies typically offer more variety of benefits than smaller companies

But sometimes the smaller the company, the more flexibility exist to negotiate
Case Study

- **Base salary - $75,000**
- Parking
  - $70 per month
  - $840 per year
- Medical & Dental benefits
  - $100 per month
  - $1,200 per year
- No vision insurance
  - $200 per year on eye care
- No bonus opportunity
- No 401k match

- **Base salary - $68,000**
- Parking – free
- Medical, Dental & Vision
  - $80 per month
  - $960 per year
- Bonus opportunity (5-15%)
  - Average of $6,800 per year
- 401k match
  - 2% of salary
  - $1,360 per year
Case Study

$75,000 – base
  - 840 – parking
  - 1,200 – medical & dental
  - 200 – vision

Equals
$72,760 net annual comp

$68,000 – base
  - 960 – med, dent & vision
  + 6,800 – bonus
  + 1,360 – 401k match

Equals
$75,200 net annual comp

Evaluate the entire compensation package, not just base salary!
The Question: Does Starting Salary Matter
The Answer: Yes and No

• Yes, starting salary matters in the sense that you are compensated fairly for the work that you provide
• No, it is not necessarily a significant factor during the rest of your career
What Do You Want?

- Decide what you want to negotiate
- Have data to back up what you are asking for
  - Cost of living
  - Cost of moving (IRS Form 3903)
    - Must meet distance and time test
  - Start-up costs
- Have all aspects that you want to negotiate ready
- Know what you are willing to accept
Negotiating Strategy

• Determine the deal breakers and items to compromise
• Justify your request(s) based on how you meet or exceed their needs
• Develop negotiating questions (give and take)
The Employer’s Response

- You may have to wait while they discuss your requests
- You may want to negotiate again (maybe)
- “I will say yes if you can do ___”

Be prepared for:
- “No, do you still want the job?”
- “OK, we’ll do X, will you now accept?”
During Negotiations

• Display confidence
• Avoid pushing too hard or trying to move too quickly
• Back away from surprises until you’ve had a chance to think them over
• Be respectful

Practice different scenarios before your discussion
Closing the Deal

Once you are ready to agree on the final details of the deal, get it in writing! (wicked important)
Points to Remember

• Choose the offer that best meets your career goals and lifestyle values
• Assess your skill value in the marketplace
• Focus on the compensation aspect most important to you
• Look at the “big picture” and the future value of an offer
  – *Is this the next best place for you?*
On-Line Resources

- http://www.salaryvaluation.com/
- http://jobsearch.about.com/od/salaryinformation/a/salarynegotiat.htm
- GECD Student FAQ
  http://gecd.mit.edu/about/online_resources/student_faq
- MIT’s Recruiting Policies and Procedures
  http://gecd.mit.edu/employers/plan/policies

And of course, the GECD website for MIT salary survey data
http://gecd.mit.edu/resources/data

Note: All links tested and were are still active as of Nov 3, 2014
# MIT Policy – Recruiting Deadlines

<table>
<thead>
<tr>
<th>Type of Offer</th>
<th>Recruiting Cycle / Semester</th>
<th>Deadlines</th>
<th>Alternative if offer made after deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fulltime (summer internship conversion)</td>
<td>Fall</td>
<td>November 15th</td>
<td>One month</td>
</tr>
<tr>
<td>Fulltime</td>
<td>Fall</td>
<td>Last business day of November</td>
<td>One month</td>
</tr>
<tr>
<td>Fulltime</td>
<td>Spring</td>
<td>First business day of March</td>
<td>One Month</td>
</tr>
<tr>
<td>Internship</td>
<td>Fall</td>
<td>January 15th</td>
<td>One month</td>
</tr>
<tr>
<td>Internship</td>
<td>Spring</td>
<td>First business day of March</td>
<td>Two weeks</td>
</tr>
</tbody>
</table>

Note: Employers have agreed to these terms
Negotiating Job Offers

“And the day came when the risk it took to remain in the bud was more painful than the risk it took to blossom” ...unknown

Final Q&A