

## APPENDIX

# 1

## NEGOTIATING A JOB OFFER

**I** tell my students three important things to remember when they are negotiating a job offer: (1) There is a big difference between a job *interview* and negotiating a job *offer*. Never negotiate the terms of a job offer during an interview. We know of many situations where people have not received offers because they started talking about compensation during the job interview. (2) Moreover, there is a big difference between negotiating a *verbal* job offer and a *written* job offer. Don't start negotiating the terms of a job offer before it is in writing. We know of many situations where verbal offers were made to a candidate but never materialized into written offers, even though the offerer said, "It's just a formality . . ." (3) Finally, there is a big difference between *receiving* a written job offer and *accepting* a job offer. Don't sign immediately on the dotted line until you've had a chance to privately read the contract terms. We know of many situations where an excited job candidate is offered a job and is handed a contract and pen to sign immediately. This high-pressure technique does not allow the candidate to reflect on the offer and ask questions, much less negotiate the terms.

Negotiating a job offer should be thought of in three distinct stages: (1) receiving the written offer; (2) evaluating the offer (against other alternatives); and (3) accepting or rejecting that offer.

When negotiating a job, you need all the essential skills covered in Part I (Chapters 1, 2, 3, and 4). In addition, you should understand your own bargaining style (see Chapter 5). You should be well-versed in building trust and relationships (Chapter 7) and know the dynamics of power (Chapter 8) and how to craft creative solutions (Chapter 9). This appendix is designed to provide specific strategies for this all-important negotiation that will recur throughout your life. We organized this appendix into three phases: preparation, in vivo process, and post-offer.

### PREPARATION

Salary negotiations are extremely important because they affect your livelihood and welfare for years to come. Think of it this way: assuming an average annual pay increase of 5%, an employee whose starting annual salary is \$55,000, rather than \$50,000, would earn an additional \$600,000+ over the course of a 40-year career.<sup>1</sup> The average starting salary for the

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<sup>1</sup> Marks, M., & Harold, C. (2009). Who asks and who receives in salary negotiation. *Journal of Organizational Behavior*, 32(3), 371–394.

class of 2017 was \$49,785.<sup>2</sup> The people who choose to negotiate their starting salaries increase it by an average of \$5,000.<sup>3</sup>

**Focus on Your Interests**

This step sounds easy enough, but for a 28-year-old, it means an ability to project forward in time and to be concerned with things such as retirement and benefits, which can amount to 30–40% of total compensation. Weigh your pros and cons by making a list of deal breakers, optional items, and disposable ones (see also: Exhibits A1-1 and A1-2).

Think about each issue or concern that is important to you in the negotiation. Develop a positions-and-interests chart and attempt to be as analytical as possible, even about issues that seem qualitative, such as the value of location, being near friends and family, etc. Be ready to talk about your interests and needs, but spend equal time listening to the needs of the employer.

After you determine which issues are important from your perspective, revisit your list and attempt to create an even more detailed list, breaking down each of the issues into smaller and smaller

**EXHIBIT A1-1**  
**Checklist of Needs and Wants**

Necessary Living Expenses	Additional Living Expenses
<ul style="list-style-type: none"> <li>• Housing (including utilities)</li> <li>• Auto and commuting</li> <li>• Computer/cable/internet/phone</li> <li>• Childcare</li> <li>• Insurance (auto, home, life, professional)</li> <li>• Personal (food, medical, clothing, household)</li> <li>• Student loan debt</li> <li>• Taxes (income, property, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Recreation and entertainment (vacations, events, activities, books, etc.)</li> <li>• Services (professional and household)</li> <li>• Continuing education</li> <li>• Children’s expenses (lessons, schooling)</li> <li>• Gifts, charity</li> </ul>

*Source: Cates, K. (2013). Tips for negotiating a job offer. Kellogg School of Management, Northwestern University, Evanston, IL. Used by permission of Karen Cates.*

**EXHIBIT A1-2**  
**Compensation and Benefits**

Compensation	Retirement	Paid Leave	Protection
<ul style="list-style-type: none"> <li>• Salary</li> <li>• Bonus</li> <li>• Other variable pay</li> <li>• Stock/equity interest</li> </ul>	<ul style="list-style-type: none"> <li>• Pension/401K</li> <li>• Guaranteed pay plans (supplemental unemployment)</li> <li>• Savings plans</li> </ul>	<ul style="list-style-type: none"> <li>• Vacation, sick, and personal days</li> <li>• Training time</li> <li>• Holidays and special travel considerations</li> </ul>	<ul style="list-style-type: none"> <li>• Insurance (life, disability, health, other)</li> <li>• Care plans (child, elder)</li> <li>• Wellness programs</li> </ul>

*Source: Cates, K. (2013). Tips for negotiating a job offer. Kellogg School of Management, Northwestern University, Evanston, IL. Used by permission of Karen Cates.*

<sup>2</sup>Tuttle, B. (2017, May 12). New college grads could be looking at the highest starting salaries ever. *Money*. time.com/money

<sup>3</sup>Marks & Harold, “Who asks and who receives in salary negotiation.”

subsets. Breaking up the issues into smaller subsets does two things. First, it allows the negotiator (you) to be much more specific about what is important (e.g., the paid aspect of a vacation or the number of days allowed off). Second, it provides greater opportunity for creative agreements.

Remember, it's not always about taking the highest-paying job. For example, when Shannon Miles (CEO of BELAY, a virtual assistant company) was returning to work in a sales position after maternity leave, she felt her current work schedule was not working for her new family. So she negotiated with her boss to work remotely and part time, for less pay. She coined this option "the third option" which concentrated more on remote working so she could care for and enjoy her new baby.<sup>4</sup>

### Research the Company and the Industry

Research the company and the industry. Several websites offer salary surveys, job listings with specified pay levels, and even customized compensation analyses. If it is a government or state job, salary information is usually publicly available. When in doubt, contact people who hold similar jobs and ask them "what they think the market is," but don't ask them what their salaries are, advises salary negotiation expert Victoria Pynchon of She Negotiates consultancy.<sup>5</sup> Pynchon specializes in helping high-powered women who work in male-dominated fields where it is critical to know what men make to avoid unknowingly accepting a lowball offer. Doing your homework ensures you don't ask for something that has already been institutionalized. The taboo of discussing salaries is fading quickly. Millennials in particular, are turning the tables on salary secrecy. Because they are accustomed to posting nearly every aspect of their lives on social media, they have no hesitation about revealing what they make. However, before disclosing your salary, follow a few rules of thumb: don't bring it up to brag; don't betray a colleague's salary information; and prepare to be disappointed when you discover that your peers make more than you do.<sup>6</sup>

### Determine Your BATNA and Your Reservation Point

Remember that you always have a BATNA. Even if you don't have more than one job offer, you still have a course of action. For example, you may choose to "extend" your job search indefinitely, travel abroad, do freelance or volunteer work, take a research assistantship at a university, or take a nonprofessional job while continuing your career search. All of these options are possible BATNAs; they should be unpacked, individually assessed and the best one focused upon and evaluated carefully. Only then can negotiators devise a thoughtful reservation price.

Our BATNAs are never as attractive as we would like them to be. The rare times when we have two or more fabulous job offers in hand, two bids on our house, and lucrative investment opportunities, we can afford to push for a lot more in negotiations. Obviously, you are in a much better position to successfully negotiate an attractive compensation package if your BATNA is strong. As we stated in Chapter 2, your BATNA is dynamic and it is important to not be passive about it.

It is important to think about how to improve your BATNA. Most negotiators do not spend adequate time attempting to improve their current situation. As a result, they approach negotiations feeling more desperate than they should.

### Research the Employer's BATNA

Developing your BATNA is only half the work that needs to be done before the negotiation. The next step is to determine the other party's BATNA, which requires tapping into multiple

<sup>4</sup> Wilding, M. (2018, May 2). This CEO is pioneering a new approach to work flexibility and supporting mental health. *Forbes*. forbes.com

<sup>5</sup> Suddath, C. (2012, November 26). The art of haggling. *Businessweek*, 4306, p. 98.

<sup>6</sup> Weber, L., & Emma, R. (2013, April 16). Workers share their salary secrets. *Wall Street Journal*. wsjournal.com

sources of information. In many cases, employers have several people applying for the same job, particularly entry-level jobs. Even if they don't have other suitable job candidates, their BATNA may be to hire an outside contractor, consultant, or delay hiring.

Probably no other information is perceived to be more valuable in preparing for a job negotiation than what similar employers are offering or what current employees are receiving. It is important to keep in mind that such comparables or benchmarks can affect the perceived attractiveness of the job offer in question, but the negotiator may be unaware of this. For example, people are more likely to accept a lower-paying job that pays other employees the same amount than a higher-paying job that pays other employees even more. People do not want to be “underpaid” and would even give up more absolute money if this meant they are treated like others.<sup>7</sup> Concerns for social comparisons (comps) are more important when people evaluate a single option than when they evaluate two options. Moreover, discrepancies in pay (i.e., social comparison concerns) may take priority over absolute salary amounts in situations in which choosing a job that is favorable via social comparison but unfavorable in terms of actual salary can be “justified,” as in the case when an inferior (i.e., dominated) alternative is present.<sup>8</sup> An analysis of how MBA students react to job offers revealed that signing bonuses did not affect acceptance rates; rather, job candidates strongly consider how responsive companies are to their questions and whether recruiters are cordial (rather than derogatory).<sup>9</sup>

### Determine Your Target Point and Plan Your Opening Offer

Remember that your target point is usually your opening offer (or your response to the counterparty's opening offer). Stated bluntly: your target point is as good an offer as you could hope to get. The key is to make an aggressive enough offer so that you will not regret it in the event that it is accepted by the other party, but not so aggressive as to insult the counterparty, with whom you will (hopefully) have a long-term relationship.

### Prepare Several Scenarios

You have made your best assessment of the employer's BATNA. The negotiation is fast approaching. Now what? Most likely, the negotiations will *not* go as planned. Rather than being caught off guard, prepare your response to several different scenarios including the following:

- The employer agrees immediately to your counteroffer.
- The employer makes a low-ball offer (in your eyes) and flatly states, “This is our final offer.”
- The employer makes one small concession.
- The employer asks you to make a “reasonable” offer.

<sup>7</sup> Bazerman, M. H., Loewenstein, G., & White, S. (1992). Reversals of preference in allocating decisions: Judging an alternative versus choosing among alternatives. *Administrative Science Quarterly*, 37(2), 220–240; Bazerman, M. H., Schroth, H. A., Shah, P. P., Diekmann, K. A., & Tenbrunsel, A. E. (1994). The inconsistent role of comparison others and procedural justice to hypothetical job descriptions: Implications for job acceptance decisions. *Organizational Behavior and Human Decision Processes*, 60(3), 326–352; Blount, S., & Bazerman, M. H. (1996). The inconsistent evaluation of comparative payoffs in labor supply and bargaining. *Journal of Economic Behavior and Organizations*, 891, 1–14.

<sup>8</sup> Tenbrunsel, A., & Diekmann, K. (2002). Job-decision inconsistencies involving social comparison information: The role of dominating alternatives. *Journal of Applied Psychology*, 87(6), 1149–1158.

<sup>9</sup> Porter, C., Conlon, D., & Barber, A. (2004). The dynamics of salary negotiations: Effects on applicants' justice perceptions and recruitment decisions. *International Journal of Conflict Management*, 15(3), 273–303.

## Consider Getting a “Coach”

Job coaches can help people advance their careers and achieve their compensation goals. They are people who help managers plan their future. A recent study done by Capital One found that one in five female millennials have not identified a career path. Additionally, 66% of female millennials do not feel like they have as much control in shaping their future career, and even more astounding is that 80% of female millennials took a job that didn’t even match their career goals or values. This is where a career coach can help navigate and identify your real needs and wants in a job. “Coaching is worth it, not only to gain confidence in your application and how you present your experiences in interviews, but also to be able to talk with someone who knows the larger job market. And, you’ll come away with much more than a sharpened resume and cleaned up LinkedIn profile.”<sup>10</sup> CEOs have always taken coaching seriously, at least when it comes to negotiating their compensation packages. For example, lawyer Joseph Bachelder has negotiated contracts for top corporate executives for more than 35 years, pioneering the idea of CEO contract negotiation.

## Rehearse and Practice

It is important to plan for negotiation. According to global online compensation company PayScale, negotiating for a raise requires a three-part action plan of proving worth, building PR and practice. Practice asking for a raise by pretending that a friend or a loved one is the boss. It might even be helpful to state your case to a mirror!<sup>11</sup> *New York Times* bestselling author Ramit Sethi says of practicing before a negotiation, “Don’t shoot your first basket in the NBA. After all, if you don’t practice, you’ll be going into negotiations cold with a hiring manager whose job it is to negotiate all day.” If you feel awkward about negotiating, Sethi suggests “[Going] to your local farmer’s market and haggle for small items, or try negotiating on Craigslist. Every little bit helps.”<sup>12</sup>

## IN VIVO: DURING THE NEGOTIATION

You have done your preparation. Now it is time for the actual negotiation. First, turn your cell-phone off and put it away. If it rings, you have done yourself in. And if it is sitting in clear view, this will lead to a less trusting and collaborative experience for all parties involved.<sup>13</sup> Second, don’t ramble on. Plan short, concise answers to common questions beforehand.

## Think About the Best Way to Position and Present Your Opening Offer

Assuming you are prepared and the organization is as well, you are in a symmetric situation and according to the *Anchoring Information Model*, you should make the first offer. However, don’t feel compelled to deliver your opening offer in the first seconds of the interaction. Late opening offers are more beneficial for the offer-maker than are early opening offers.

<sup>10</sup> Lusinski, N. (2018, April). 15 signs you need a career coach, according to experts. *Bustle*. [bustle.com](http://bustle.com); How one coaching session helped me land a senior-level position I love. (2018, April). *The Muse*. [themuse.com](http://themuse.com)

<sup>11</sup> Rosner, B., & Campbell, S. (2011). Recession proof your career. *Pay Scale*. [payscale.com](http://payscale.com)

<sup>12</sup> Sethi, R. (2018, April 25). Salary negotiation: How to negotiate better than 99% of people. I will teach you to be rich. [iwillteachyoutoberich.com/blog/salary-negotiation/#1](http://iwillteachyoutoberich.com/blog/salary-negotiation/#1)

<sup>13</sup> Przybylski, A., & Weinstein, N. (2013). Can you connect with me now? How the presence of mobile communication technology influences face to face conversation quality. *Journal of Social and Personal relationships*, 30(3), 237–246.

Avoid ranges, unless they are “bolstering ranges.”<sup>14</sup> Avoid round numbers. Negotiators who require a more precise salary such as \$63,500, might receive a counteroffer of \$62,000, while an applicant who requests \$65,000 is more likely to receive a counteroffer of just \$60,000.<sup>15</sup> Remember to supplement your offer with a compelling rationale. Use objective standards. Focus and select those standards that are favorable to you and be prepared to indicate why standards unfavorable to you are inappropriate.

### Assume Their Offer is Negotiable

Do not ask, “Can I negotiate the offer you have made?” Always assume the offer is negotiable and articulate your needs and interests. Consider the following conversation starters: “I have some questions about the insurance coverage that I would like to talk about,” or “I have some concerns about the moving allowance, and I need to talk to you about it.”<sup>16</sup> A survey conducted by salary.com found that 84% of employers expect job applicants to negotiate their salary during the interviewing stage. For example, when Sara McCord finally received an offer after searching for a full time job in her field, she said yes right away. Then, after working at the company for a while, she had a conversation with a peer who stated that she was so happy to be working at a company that paid her well. When she told Sara her salary, Sara knew she has made a mistake by not negotiating her salary because her coworker—who was hired just before her—was making \$10,000 more than her for the same job.<sup>17</sup>

However, many job applicants do not push employers at the negotiating table, particularly women. In one investigation, 57% of male MBAs took the liberty of negotiating their salary for their first job, compared to only 7% of (equally qualified) females; the men ended up making \$4,000 more per year on average.<sup>18</sup> The failure to negotiate a first offer from an employer can cost workers a lot of money. Negotiate on behalf of your spouse and children, or *future* spouse and children. If you don’t negotiate your first job offer and someone else gets your position for 7% higher, that lost 7% translates into hundreds of thousands of dollars in the future.<sup>19</sup> The effect is even more dramatic for an MBA student negotiating a \$90,000 job offer. What’s more, if you do not negotiate what you want in that brief window between the receipt of a job offer and your acceptance of it, you may never get it. Your power is greatest when you are responding to “their offer” because it is the one time the employer may want you more than you want them.<sup>20</sup> (For a list of things to ask for in your negotiation, see Exhibit A1-3.)

<sup>14</sup> Ames, D. R. & Mason, M. F. (2015). Tandem anchoring: Informational and politeness effects of range offers in social exchange. *Journal of Personality and Social Psychology*, 108(2) 254–274; Mason, M. F., Lee, A. J., Wiley, E. A., & Ames, D. R. (2013). Precise offers are potent anchors: Conciliatory counteroffers and attributions of knowledge in negotiations. *Journal of Experimental Social Psychology*, 49(4), 759–763.

<sup>15</sup> Mason, Lee, Wiley, & Ames, “Precise offers are potent anchors.”

<sup>16</sup> Cates, K. (2013). Tips for negotiating a job offer. Kellogg School of Management, Northwestern University, Evanston, IL; Grasz, J. (2010, November 10). Nearly one-third of employers willing to negotiate salary increases for current employees for 2011. *Career Builder*. careerbuilder.com

<sup>17</sup> McCord, S. (2018, April). What you should learn from my \$10,000 career mistake. *The Muse*. themuse.com; Salary negotiation: Separating fact from fiction. (2018, April). *Salary.com*. salary.com

<sup>18</sup> Suddath, “The art of haggling.”

<sup>19</sup> Williams, G. (2013, July 2). Are women lousy salary negotiators? *U.S. News & World Report*. money.usnews.com

<sup>20</sup> Clark, K. (1999, November 1). Gimme, gimme, gimme: Job seekers don’t realize they can ask for more—lots more. *U.S. News & World Report*, pp. 88–92.

### EXHIBIT A1-3

#### Things to Ask for When Negotiating an Offer

Some things to consider asking for when negotiating an offer (other than a higher salary, which is always worth asking for):

- Extra vacation days
- Flexible scheduling
- Telecommuting
- Delaying your start date to have time off between jobs
- Personal days and parental leaves
- Gas reimbursement
- Public transportation reimbursement
- Increased family benefits
- Supplemental insurance coverage
- Increased job training
- Gym memberships
- Food delivery
- Concierge services
- Dry cleaning services
- Education grants
- Tuition reimbursement
- Childcare; eldercare assistance
- Adoption assistance
- An earlier salary review
- Better or different equipment or software
- An expense allowance
- Share options in company stock
- Professional development courses

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*Source:* Graves, J.A. (2013, July 9). 6 crucial benefits to negotiate besides salary. *U.S. News & World Report*. money.usnews.com; Brandon, E. (2006, June 14). Negotiating for job perks; ask and you might receive. *U.S. News & World Report*. usnews.com; Liveten, S. (2006, October 6). The power of the perk. *Forbes*. forbes.com

### Put the Focus on How You Can Solve Their Problems versus Making Demands

Companies don't hire out of charity; they want to know why you are the right person for the job. Salary negotiations are really about candidates helping recruiters to solve their problems. So, focus the conversation on how you can help the company succeed in their goals. The discussion should not be so much about what you *want*, but about what you can *provide*. Pynchon coaches her clients to say something like, "I walk on water, and I can walk on water at your company too."<sup>21</sup> Aiming too high may eliminate you from consideration, so think carefully about your target point.

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<sup>21</sup> Suddath, "The art of haggling."

### **Don't Reveal Your BATNA or Your Reservation Point**

Negotiators have a million ways of asking people about their BATNAs. Asking a potential job recruit about his or her current salary and wage package is one of them. Remember that this information is your business, not the recruiter's. If you are currently employed, redirect the discussion by indicating what it is going to take to move you (e.g., a more exciting job and a wage package commensurate with the job). If you are not employed, explain what it will take to hire you. Ward off direct attacks about your previous salary by explaining that your acceptance of a position depends on the nature of the job offer and wage package. We coached one candidate who was bombarded with blunt questions about his reservation point to say, "I can see why you might want to know that information, but you can probably see why it is not in my best interest to reveal that. I would like to discuss the terms . . ."

You should be prepared to take the initiative in the conversation. Practice by role-playing. If the employer attempts to get you to talk about why you are leaving a former job, avoid falling into the trap of trashing a former employer—even if you did have a miserable experience. It is a small world, and a relationship you do not immediately see may be involved. Even more important, the employer will probably get the wrong impression about you (e.g., regard you as a troublemaker or overly critical).

If you have not yet been offered the job, but sense that the employer wants to find out what you desire in a job offer, avoid talking about salary or specific terms until you have an offer. You are in a much weaker position to negotiate before you have a job offer than after you are offered a position. If you have been told that "things will work out," or "A job offer is coming," express appreciation and inquire when you will receive formal notice. After that, schedule a meeting to talk about the terms. While you are negotiating, you should assume that everything is negotiable.

If you are told that some aspect of the job is "not negotiable," ask questions, such as whether everyone (new hires and veterans) receives the same treatment.

### **Imagine Negotiating on Behalf of Someone Else (Not Just Yourself)**

Many people are reluctant to negotiate their job offer because they feel greedy or have a hard time being assertive. However, these same people are quite effective when negotiating for a company or for someone else. One solution is to approach a job negotiation as if you were negotiating on behalf of an important company: your own family. If we think about the direct effect our salary will have on our ability to provide for our children, our spouse, and our parents, we can be much more effective. Even the unmarried student without children is well advised to think about the family he or she may have in the not-so-distant future, and negotiate on behalf of those people.

## **POST-OFFER: YOU HAVE THE OFFER, NOW WHAT?**

### **Think Before Posting Anything on Social Media**

First and foremost, don't post anything negative about your experience on social media. Documented cases of employers discovering candidates' postings following interviews that ultimately led to job offers being retracted have occurred. A recent study by the Society For Human Resource Management found that 84% of employers use social media to recruit new employees, and 43% of employers screen job candidates through social networks and search engines. Additionally 36% of companies have disqualified job candidates after doing an online search or viewing

an applicant's social media.<sup>22</sup> A reporter hired fresh out of journalism school landed a job with Delaware's largest newspaper, until the company discovered a post on his personal Tumblr blog trumpeting the hire with quotes from the offer letter and use of the company logo. Upon discovery, the newspaper called to rescind the offer due to what they said was an illegal use of the company logo, as well as disclosing private information contained in the letter.<sup>23</sup> Plano, Texas attorney Jason Van Dyke was ready to begin a new job as an assistant district attorney in Victoria County, but then received a notice that the District Attorney's office had rescinded its job offer. Mr. Van Dyke speculates the reversal could be related to media coverage of a Twitter exchange he had regarding a case that he had been involved with three years prior.<sup>24</sup>

### **Do Not Immediately Agree to the Offer**

Do not start negotiating until you have a firm job offer and a salary figure from the employer. Do not prolong negotiations however, this approach only frustrates the employer. Instead, give the employer positive reinforcement. Job negotiation coach Karen Cates suggests saying something like "This looks great. I need to go over everything one last time before we make this official. I will call you at [a specific time]."<sup>25</sup>

### **Get the Offer in Writing**

If the employer says it is not standard to make written offers, be sure to consult with others who would know this (e.g., the company's human resources division). At the very least, inform them you will write down your understanding of the terms and put it in a letter or memo to them. Keep notes for yourself regarding the points agreed to during each meeting.

### **Be Enthusiastic and Gracious**

Someone has just made you an offer. Thank them and show your appreciation but do not accept immediately. Say, instead, "Let me go home and think about it." Make an appointment to return the following day and state your negotiating position in person.

### **Assess the Interviewer's Power to Negotiate with You**

Before you begin negotiating or contemplating a counteroffer, determine who in the company has the ability to negotiate. Generally, those persons higher up in the organization are the ones who negotiate and the ones who care most about hiring good people. You should be well versed about the advantages and disadvantages of negotiating with an intermediary, such as a human resources manager (see Chapter 10 on multiple parties). If you sense that things are not going well in the negotiation, try to bring someone else into the loop. However, make this move in a gracious way, so as not to antagonize the person with whom you are dealing.

### **Do Not Negotiate if You Are Not or Could Not Be Interested**

Suppose that you are the lucky person sitting on four job offers, all from consulting firms (A, B, C, and D). You have done enough research, cost-benefit analysis, and soul searching to determine that in your mind, Firms A and B are superior in all ways to Firms C and D. The question

<sup>22</sup> Thottam, I. (2018, April 26). These social media mistakes can actually disqualify you from a job. *Monster*. monster.com

<sup>23</sup> Stillman, J. (2012, April 17). Would you fire someone for blogging about your job offer? *Inc*. inc.com

<sup>24</sup> Reddick, R., (2017, April 27). Bad judgment on social media may lead to job offer withdrawals. *Androvett Legal Media and Marketing*. androvett.com

<sup>25</sup> Cates, "Tips for negotiating a job offer."

is: should you remove yourself from consideration at Firms C and D, or continue to show interest to potentially improve your power position when negotiating with Firms A and B? Bottom line: don't falsely show interest if you have no intention of accepting an offer. Instead, politely inform Firms C and D that you will not be accepting their offers at this time. You still have a wonderful BATNA, and it saves everyone a lot of time.

### Exploding Offers

**Exploding offers** are offers that have a “time bomb” element to them (e.g., “The offer is only good for 24 hours.”). The question is, how do you respond to them? In our experience, companies usually do not rescind exploding offers once they have made them (unless as a matter of courtesy, it is for family, medical, or emergency reasons). Generally, we advise that job candidates who receive an exploding offer above their BATNA to seriously consider the offer. It certainly cannot hurt to inform other companies that you have an exploding offer and move up the time of the interview if at all possible.

### Do Not Try to Create a Bidding War

Bidding wars occur regularly on Wall Street, in professional athletics, and in the business world. We do not advise however, that job candidates attempt to create bidding wars between their job offers. Rather, we advise job candidates to signal to potential employers that they have attractive BATNAs, that they do not want to start a bidding war, and that they tell their first-choice company what it would take to get them to work at the company. A Hong Kong–based recruiter notes that while working with bankers, some would lie about their salaries to create bidding wars among potential employers. In one instance, a Singapore candidate told a potential employer he made 50K more than he actually did, with the belief that they would offer him more money. It backfired, and the company said they were no longer interested in the candidate. The managing director of the recruitment firm states, “It really destroyed his credibility and he didn't get the job.”<sup>26</sup>

### Know When to Stop Pushing

It is important to know when to stop negotiating. Many employers only tolerate three or possibly four rounds of negotiations.<sup>27</sup> Negotiators should stop when they see one or more of the following signals<sup>28</sup>:

- the other party is not responsive
- reciprocal concessions are becoming miniscule
- after some back-and-forth, the employer says, “Enough!”

### Use a Rational Strategy for Choosing Among Job Offers

If you find yourself in the lucky position of having multiple offers, you are then faced with a choice. First, you should recognize this enviable position as an approach–approach conflict. How should you weigh the choices? The simplest way is to use Multi-Attribute Utility Theory (MAUT) by constructing a spreadsheet listing the choices along a row (e.g., Company A, Company B),

<sup>26</sup> Morlock, S. (2017, October 11). Bankers in Asia start lying about salaries as tough job market bites. *E Financial Careers*. [efinancialcareers.com](http://efinancialcareers.com)

<sup>27</sup> Suddath, “The art of haggling.”

<sup>28</sup> Cates, “Tips for negotiating a job offer.”

and the relevant attributes along a column underneath (e.g., salary, signing bonus, travel, vacation, commissions). Then, fill in the cells with the details of the offer and how they “stack up” compared to the others (on a scale of 1–5 or 1–10 in your mind). Next, you can simply add the columns to find a “winner.” A more sophisticated version of this strategy is to multiply each cell value by its importance before adding columns (with importance defined on a scale of 1–5). For example, salary may be highly important (maybe a 5), whereas moving expenses are less important (maybe a 1 or 2). This distinction gives a more fine-grained assessment.

### **State Exactly What Needs to be Done for You to Agree**

Once you have determined which job offer is the most attractive to you, a powerful negotiating strategy is to let that employer know exactly what it will take for you to agree. This technique is effective because the employer can put aside any fears about the negotiation dragging on indefinitely. When you make your demands though, provide logic and a clear rationale. Requesting something viewed as outrageous may lose you the job. One man applied for an entry-level job in a company that paid an admittedly low salary for the industry. The salary was made clear to the job applicant in advance. The candidate went through several rounds of interviews and ultimately demanded double over what the employer was willing to pay. He was intransigent about his demands. Ultimately, he was not offered the position.<sup>29</sup>

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<sup>29</sup> DeZube, D. (2010, November 19). Salary negotiation: Always ask for more, or take the offer? *The New York Times*. nytimes.com