

## **Guide to Understanding and Negotiating a Job Offer**

Use this information and tips to successfully navigate the job offer process

### **What is a job offer?**

It is an offer of employment and, when signed by both the employer and the candidate, signals the final stage of the recruitment process.

The 'offer' is often extended verbally first then followed up with a formal written offer letter, usually sent via email. A typical offer letter outlines details such as: job duties, reporting relationship, start date, probationary period, starting salary, vacation entitlement, benefits plan (e.g. medical/dental/extended health; life/disability insurance), retirement planning (e.g. RRSP matching), company incentives (e.g. bonuses; commissions; profit sharing); Employee Assistance Programs (EAPs provide counselling, legal advice and other services); child care or tuition assistance.

Most offers have an expiry indicating that you need to respond by a certain time – you will want to pay attention to this and consider the details, ask questions, negotiate and sign on the dotted line in a timely fashion.

Tip: Check your junk email folder when you are anticipating an offer – they have been known to end up in the 'junk' bin!

### **Understanding Total Compensation.**

There's something you need to understand about your salary - it isn't your *only* consideration when you receive a job offer. Total compensation is an inclusive term and your base salary is just one aspect of your compensation 'package'. It includes the dollar value of any and all benefits (see the list above) your employer provides in your employment contract. So, you need to consider the price tag and value (to you) of all that your potential employer is offering and weigh how the offer fits with *your* needs. This is a very personal and individual thing. For some, salary is less important than vacation – consider the seasoned professional with a grown family who likes to travel. For others, medical and dental benefits are critical – think of the candidate with a young family.

What do you need to consider?

- **Calculate your budget**

When you graduate and are ready to make your first (or next) career move, it's the perfect time to think about 'how much' you will need to earn going forward. Will you be moving? Do you have a student loan to repay? Will you need to purchase or insure a vehicle for commuting to work? Take some time to figure out your budget. Be realistic and consult with financial professionals if needed.

This exercise should give you a sense of what you need to make ends meet and will help you take next steps in the offer process.

- **Assess your value**

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Successful job negotiations depend on preparation. Think through what you bring to the table - this is all about your skills, qualifications and experience. You need to convince yourself of your value before you can convince an employer and choose to negotiate what's on the table in the job offer.

### Food for Thought ...

There's another side to assessing value and that is to think about what you value most from the opportunity. When you're starting out, it may not be realistic to negotiate a higher salary – so what else is important to you? Is it growth potential in the company? Is it the opportunity to gather valuable career experience? Keep in mind that money and perks aren't *the job* – the work is.

- **Negotiate – or not**

Often company recruiters and hiring managers have an established salary range for the job and may or may not have room to maneuver – that doesn't mean you shouldn't ask. With your budget and value in mind, now is the time to prepare for negotiations. (And no, company representatives will not think you are greedy if you ask or a loser if you don't.)

- Do your homework – ask friends and classmates in your industry what they are or aren't getting. (Be sure to be tactful and professional in this research phase – as mentioned, compensation is a personal thing!) Check out online resources (e.g. PayScale, WorkBC, salary guides) as well to help you get a realistic compensation picture as you prepare to negotiate.
- Use a positive and professional approach – show enthusiasm for the offer and approach negotiations honestly and with a win-win mindset. No matter how things turn out, you want to leave your new employer still thinking they made the right choice in you.
- Think beyond the dollars – be open to considering “other” compensation. If you feel like you don't bring enough experience to ask for a higher base salary or you have been told that there is no salary ‘wiggle’ room then perhaps ask for tuition support or your professional association dues or for a salary review in six months.
- Prepare your case – get ready to clearly discuss what you are asking for and why. Employers are generally open to hearing facts about why you should get a better offer so don't let personal circumstances into the conversation.

Once you've considered the offer details and done your preparation, it's time to decide if you will move forward with negotiations - or sign on the dotted line.

Below are a couple of samples you can amend and use to help get your negotiation conversations underway. BCITSA Career Specialists are also available to support you.

Lastly, congratulations on your new job!

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### **Sample 1: Negotiation conversation starter ...**

Dear \_\_Hiring Manager name\_\_

*Thank you for offering me the xx position at ABC Company. I am excited about the opportunity and I look forward to making a valuable contribution to your team.*

*I do have a few questions and would like to discuss these with you before I accept the position. I am hoping we could connect over the phone. I am free this afternoon after 4:00 pm. Let me know if this is convenient for you or please suggest an alternative day and time to connect.*

*I appreciate your offer and I look forward to getting started.*

*Thank you in advance for your time,*

*Respectfully,*

*Your name*

*Your phone number*

### **Sample 2: Negotiation conversation starter ...**

Dear \_\_Hiring Manager name\_\_

*Thank you for offering me the xx position at ABC Company. I am excited about the job and I look forward to making a valuable contribution to your team.*

*I would like to discuss compensation before I accept the position and thought I would start by sharing my thoughts with you first then follow up with a phone call.*

*Your offer is for a salary of \$43,000 per year. I have done some research both online and with my network and starting salary for similar positions is closer to \$50,000. As we discussed, I successfully completed an internship at a leading marketing agency and was invited back to work on 2 campaigns while completing my Marketing Communications studies. With this in mind, I would like to explore a salary range of \$48,000 to \$50,000 annually.*

*Once again, I appreciate your offer and will give you a call tomorrow morning before 10 am.*

*Thank you in advance for your time,*

*Respectfully,*

*Your name*

*Your phone number*

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### FAQs

#### Do I negotiate in-person, by phone or via email?

You may not want to hear this, but these conversations are better voice-to-voice on a call – email would be the next choice and a combination is likely the most realistic approach (in-person is often not practical). You will notice the two samples above start with an email response – this acknowledges you received the offer then suggests a phone conversation as a next step. These are not easy conversations, but good preparation will help – and consult with a BCITSA Career Specialist.

#### How do I handle 2 offers?

Finding yourself on the receiving end of two offers is awesome – and nerve-wracking! You will need to compare the details of each written offer and ultimately decide which one is better for you – while the clock is ticking. This is a good time to seek advice from those you trust in your network. Having two offers at the same time can provide leverage for your negotiations but try not to pit employers against each other.

Sometimes, you receive one written offer and are anticipating another. Should you ‘stall’ so that you can compare offers? Yes, but tread carefully and above all, professionally. Don’t string employers along with other offers (no fakes, for sure) waiting to see if something else comes along. Employers won’t be surprised that you are actively looking – and may have asked about this in the interview. If time is running out on Offer 1 and you think there could be an Offer 2 coming soon, be honest and ask for more time to make your decision.

#### **Sample 3: Asking for more time**

*“I am thankful for your job offer and I’m excited about the possibility of joining ABC Company. Before receiving your offer, I committed to a conversation with another company, and I’d like to see it through. I know you wanted my response by Friday, would it be possible to have a few extra days to finalize my decision?”*

If the timing doesn’t work out, you may need to make a tough decision to accept the offer in hand and withdraw from other job competitions or walk away from the offer you have and take a chance on receiving another.

#### How do I decline an offer?

This is another difficult conversation to have especially when you know they will be disappointed in your news. When you decline an offer don’t procrastinate, say thank you, keep it simple, provide a reason (be brief) and offer to stay in touch. It is a small world and chances are that your paths will cross professionally again.