

Interview techniques: Negotiating the offer

Having received a job offer is only half the battle; no doubt you'll want to negotiate the best possible package. Here's what to look out for.

It is important to consider the entire package, and weigh up the remuneration not only in hard cash, but the career prospects ahead of you, the company's environment, the potential for promotion and bonuses.

Likewise, remember that this is an opportunity to negotiate your base salary and that all subsequent pay rises and annual salary reviews will be based on this initial figure.

In any negotiation your two major objectives are:

- To change the other party's impression of the strength of YOUR position
- To change the other party's impression of the strength of THEIR position

It is important from the outset to assume the role of job chooser rather than job seeker. Negotiating can be an elaborate game of bluff, and eventually what really counts is 'what the interviewer thinks you're worth'.

What are you worth?

A true professional will go into an interview with a clear idea of what they are worth. Do your sums before hand so that you have a ballpark figure of the minimum you'd accept and the most you could expect to get away with.

Take the time to calculate the following:

Minimum requirements are based on your living expenses and the cost of maintaining your current standard of living (or an acceptable one, in the case of a career change).

Your market value is based on advice from recruiters, adverts for similar jobs and salaries of other employees within that company. (Asking the agency who may have set you up with the interviewer is a good source.)

The salary of your present colleagues who were recently hired for similar roles, or by consulting salary surveys in trade journals.

Consideration should also be given to demand, anticipated skills shortages in your field, salary skews according to the industry (i.e. if you're a PA applying for a job with an accounting firm) and any unique skills you have to supplement your current position.

A dream salary is a figure that would make you really smile! Be realistic, but don't be afraid to aim for the stars. It's amazing how many times people sell themselves short because they were naive or misinformed about how generous a particular company can be. Some companies like to overpay as a means of promoting loyalty.

Having completed this you can now assess what would be a realistic negotiating band and from this come up with an opening gambit.

Opening gambit

It is important not to sell yourself short by mentioning a figure up front. Usually the interviewer will ask you during the interview what salary you would expect.

Sometimes they may even ask this when you initially apply for the job. It is best to avoid this negotiation trap by responding with the classic answer 'It depends on the package of benefits.'

Negotiating rule of thumb: the person who mentions a figure first, places himself at a disadvantage.

There are two useful things to bear in mind. Firstly, although the person making the offer is honour bound to negotiate, they are likely to be working with you and are therefore more interested in hiring the first choice candidate than saving the company a few thousand pounds.

Secondly, in monetary terms it's easier for the company to accept concessions than it is for the individual. Always assume that they want you more than you want the job.

The good news is that once an offer is made, the ball is in your court. This means they want you for the job and, short of embarrassing yourself by quoting yourself completely out of the market, you are in a position to lay down your expectations and let them beat you down from there.

Remember that by over quoting yourself, they may perceive you as over-qualified for the job. Likewise a low opening gambit would have a reverse effect and may even show inexperience on your part. Experienced recruiters are far better at this than you are, so it pays to do your homework beforehand.

If you're under pressure to mention what salary you would be looking for, it is best to quote a range that begins at 10 per cent below your ideal figure and ends at roughly 20 per cent above it.

For instance, if you are aiming for £30,000 a year, mention that you would be looking for something between £27,000 and £36,000.

The next step is to say nothing. Wait for a reaction. If the interviewer's comments are objectionable, you can then mention that you would consider a package including benefits.

This is a good 'get out of jail card' which opens up the negotiation. Alternatively you may wish to justify yourself with brief supporting comments.

On the other hand, if the interviewer mentions a figure first, you are free to consider whether their offer is unrealistic (according to your expectations), generous, or within the negotiating range.

Don't be afraid to say that you'll give it some thought and come back to them. Let them imagine that you have more than one offer to consider.

Settling on a figure

If an offer is made that is in line with your expectations, it's still worth negotiating for a little more, remembering that their offer is an opening gambit which is probably less than they are willing to pay. The intention to employ you is not likely to be withdrawn if you ask for more money.

'I was hoping for something more in the range of ?' or 'How much room do we have for negotiation?' are two ways of asking for more. If you suspect that they are unlikely to budge on money you can haggle for additional benefits (see following section) or request a three-month review.

On the other hand, they may make an offer that is below or close to your minimum. Your strategy now is to focus on the topic of money, and proceed in a calm, business-like manner with comments such as 'I'm very interested in the job but feel the salary doesn't justify the role' or 'I will have to go away and consider if I can accept a salary in that range. Is there any room for negotiation?'

Alternatively, you can call their bluff and say 'Working for your company certainly is my first choice, but I'm not sure if your offer is competitive with the other offers I've received.' Or 'Although the benefits are attractive and I'm particularly keen on the company's environment, I'm afraid your offer is too low.'

Remember to be diplomatic at all times, and show a willingness to reach an equitable conclusion. Always be firm, and give the impression you are working towards a mutually beneficial solution.

Surprisingly, one method that quite often produces a good result is to look them in the eye and, in an affirmative tone, simply ask 'Is that the best you can offer?'. On a personal level the individual is often prodded into committing himself to reassessing the offer.

Should you find that the other party is inflexible or unwilling to take the discussion further, your final strategy is to distract attention from the money by asking further about benefits. This will reveal whether the offer is supported by anything substantial.

You can, as a last ditch attempt, return to the subject backing up your assertion by mentioning the lack of meaningful benefits. Alternatively, the discussion may reveal that there is a lot of room to negotiate for further benefits.

For instance the company may have a set salary bracket for the position but may have a pool of company cars and could agree to include this benefit in your package. Don't rule out the potential of benefits in boosting the value of your take-home salary.

Decisions, decisions

Remuneration isn't simply a matter of hard cash. Today's companies are increasingly offering complex packages of share options, performance bonuses, pension and medical schemes, gym memberships, extended leave etc.

These can be win-win situations that reduce your personal taxation, increase your productivity, and offer year-end windfalls. Here's a guide to the possible benefits on offer.

Company car: This can be a liability more than an asset as you could end up being taxed for the privilege of being given the vehicle. Consider personal expenses such as parking etc, especially if you live in or near a big city. Compare the stress of travel to the annual cost of using public transport to get to work. Make sure you view a copy of the company's transport rules first to discover whether or not you would be allowed to take the vehicle on long personal trips.

Car allowance: A sum of money paid on top of your annual salary in lieu of a company car. The amount varies from company to company, but is usually between £4,000 and £5,000 per year.

Time off in lieu: An alternative to overtime pay which is really useful if you like to travel or frequently need to take days off to attend to family or personal matters. If the company is flexible it could be a bonus to work the occasional weekend and secure extra leave for personal reasons.

Expense accounts: These can be really useful for offsetting questionable personal expenses (e.g. lunch while travelling to see clients). It's tax deductible, and how you spend it depends on your ethics.

Pensions and life insurance: These are meaningful if the company makes a significant contribution on your behalf. Their contributions may however be withdrawn if you leave the company before a certain period of service.

Maternity/paternity leave: This can often be significantly more than the statutory minimum. Alternatively, if you are planning to start a family soon, joining a company that allows you to return after extended maternity leave can be very convenient. Paternity leave is useful if your partner is the major breadwinner and wishes to return to work shortly after giving birth.

Share options: This is a sticky one. The option to buy (and resell) a company's shares at pre-IPO rates can bring a welcome windfall. But in reality it is the high-risk companies that like to dish them out liberally. Consider them as a bonus rather than a part of your package unless you are very confident in the company's ability to grow.

Memberships: Free membership to organisations (such as the Institute of Directors) may have incalculable benefits for networking and increasing your credibility in the long term. Similarly, gym and other memberships can save you thousands of pounds a year.

As well as all the possible benefits, there are also many pitfalls to watch out for.

Fancy titles: These can falsely lead you into thinking that the unremarkable salary can be countered by a title that sounds interesting, such as marketing executive (which could be a marketing assistant). Be sure to get an accurate description of the job before accepting the offer.

Unpaid overtime: This can really add up, diminishing the value of your hourly income. Many of today's professionals are expected to work extra hours. Try to establish what sort of overtime culture prevails in the company. This could turn out to be a negotiating tool for a better salary.

Promises: These can be taken in good faith, but mean nothing unless stated as part of your contract. They may be delivered with the best intentions but you have no recourse if they fail to materialise.

Opportunity for promotion: Another open-ended promise that leaves you entirely at their mercy without any commitment from the employer to provide you with anything beneficial.

And finally ...

Take your time. Choosing the right job is an important and time-consuming process. If necessary, go away and think about the offer before coming back to accept or renegotiate.

Weigh up all the factors, such as commuting time, career opportunities and company profile before settling on an acceptable figure.

And, if it doesn't seem worth it, don't be afraid to turn down the offer and patiently wait for something better. At least you'll have more negotiating experience at the next interview.