

Job Negotiation

SURVEY FINDINGS

A study by the Society for Human Resource Management and CareerJournal.com



HR: Leading People,
Leading Organizations



Job Negotiation Survey Findings:

A Study by SHRM and
CareerJournal.com

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SHRM Research

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About This Report

In January 2004, the Society for Human Resource Management (SHRM) and CareerJournal.com, a Web site of *The Wall Street Journal*, jointly conducted an on-line survey to determine the opinions about and practices of job negotiations from the perspectives of both human resource (HR) professionals and employees. Copies of the HR professional and employee versions of the survey instruments can be found at the end of this report.

About SHRM

The Society for Human Resource Management (SHRM) is the world's largest association devoted to human resource management. Representing more than 180,000 individual members, the Society's mission is to serve the needs of HR professionals by providing the most essential and comprehensive resources available. As an influential voice, the Society's mission is also to advance the human resource profession to ensure that HR is recognized as an essential partner in developing and executing organizational strategy. Founded in 1948, SHRM currently has more than 500 affiliated chapters within the United States and members in more than 100 countries. Visit SHRM Online at www.shrm.org.

About CareerJournal.com

CareerJournal.com is the premier career Web site targeted to executives and professionals. Featuring more than 75,000 top-level jobs and 2,500 articles on all aspects of job hunting and career management, the site attracts more than 600,000 unique visitors monthly. CareerJournal.com features salary data, interviewing and negotiating tips, popular columns from *The Wall Street Journal*, and exclusive content from its own dedicated news staff. The site was recently named the best career Web site for 2003 by *Time* magazine, and received "Best of the Web" awards of the year from *Forbes* magazine, the Special Libraries Association, WEDDLE's Internet Guide, CareerXRoads and a range of daily newspapers around the globe.

About the Author

Evren Esen is a Survey Analyst for SHRM. Her responsibilities include designing, conducting and analyzing surveys on HR-related topics, and assisting in larger survey projects. She has a graduate certificate in survey design and data analysis from George Washington University in Washington, D.C.

Methodology

Both versions of the survey instrument were developed by the SHRM Survey Program and CareerJournal.com. An internal committee of SHRM staff with HR expertise also provided valuable insight and recommendations for the instruments. For comparison purposes, both employees and HR professionals received similar survey questions.

The HR professional sample was randomly selected from SHRM's membership database, which includes approximately 180,000 individual members. Only members who had not recently participated (approximately the last six months) in an SHRM survey or poll were included in the sampling frame. Members who are students, consultants, academics, located internationally and who have no e-mail address on file were excluded from the sampling frame. In January 2004, an e-mail that included a link to the SHRM/CareerJournal.com Job Negotiation online survey was sent to 2,000 randomly selected SHRM members. Of these, 1,724 e-mails were successfully delivered to respondents, and 418 HR professionals responded, yielding a re-

sponse rate of 24%. The survey was online for a period of two weeks, and two e-mail reminders were sent to nonrespondents in an effort to increase response rates. The sample of 418 HR professionals was, for the most part, similar to the SHRM membership population in terms of organization size except that the percentage of small and medium organizations was higher in this sample.

A similar survey was completed by 352 employees. The employee data were gathered from a convenience sample of visitors to the CareerJournal.com Web site—the online survey was given to every 10th visitor of the site. CareerJournal.com visitors tend to be executive-level professionals who are both active and passive job seekers. Readers should proceed with caution when generalizing these results to all employees.

Key Findings

Employees were asked if they attempt to negotiate their salary, bonuses and/or benefits when offered a position by a potential employer. HR professionals were asked if they expect there to be negotiations. Almost three times as many employees indicated that they always attempt to negotiate compared to HR professionals expecting negotiations. This may mean that employees think that there is more room for negotiation than there actually is whereas HR professionals only expect there to be negotiations in certain job categories or positions. This may also be attributed to the employees who were surveyed, which according to CareerJournal.com demographics consisted mostly of executive professionals.

Employees believe there is more flexibility in terms of negotiating salary, bonuses and/or benefits than HR professionals indicated. This finding is important in that employees may be overly optimistic about the negotiation process when, in actuality, certain parameters of compensation are fixed. However, examining the salary and/or benefits that employees have negotiated in the past, and comparing them to what HR professionals actually indicated as negotiable, it can be interpreted that HR professionals believe that certain components of salary/benefits are more negotiable than employees seem to believe. This may mean that employees are shortchanging themselves by not attempting to discuss benefits that HR professionals perceive as negotiable, such as early salary reviews, flexible work schedules and professional development opportunities to name a few.

In addition, employees indicated that salary, bonuses/incentives and paid time off are what they attempt to negotiate most, while HR professionals stated that salary, relocation costs and flexible work schedules

are components they are most willing to negotiate. The good news for employees is that almost all HR professionals indicated that salary is negotiable and therefore employee efforts to negotiate salary are not unwarranted.

Examining the data by employee gender, women are more likely than men to attempt to negotiate family-friendly benefits such as flexible work schedules and number of work hours per week. Whereas men are more prone to negotiate items with monetary value such as bonuses/incentives, perks, relocation costs, severance packages and stocks. While the priorities of women may differ from men in the negotiation of some benefits, it is interesting that when it comes to salary there is not a statistically significant difference in the percentage of men and women who attempt to negotiate. This does not imply, however, that both groups are equally successful in actually negotiating a higher salary. In fact, the survey revealed that women are less comfortable with negotiating compared to men, which may have implications in their ability to successfully negotiate.

Analysis by employee age showed that employees 35 years of age and younger are more likely to negotiate the number of hours per week they work than any other age group. This age group has a greater likelihood of having young children to care for which may be impacting their decision to negotiate this item. Differences in other negotiated items based on age follow a trend. In general, employees 36 years of age and older attempt to negotiate more benefits than those 35 years of age and younger. Employees 35 years of age and younger may feel that they have less leverage in terms of experience, skills, etc., to negotiate and they may also be less experienced in negotiating. An analy-

sis of employee years in the workforce produced similar results to employee age in that more years of work experience translated into negotiating more components of salary and/or benefits.

The survey findings also revealed that HR professionals are more willing to negotiate aspects of salary and benefits with executives than nonexecutives, and exempt than nonexempt workers. This is especially true in the negotiation of bonuses/incentives, perks, retirement benefits, severance packages, sign-on bonuses and stocks.

Overall, only one-half of employees indicated that they were either somewhat or very comfortable with the negotiation process and women are less comfortable than men. Employees seem to have mixed feelings when it comes to negotiation. They believe that the organization is more flexible in negotiating salary/benefits than HR professionals representing organizations actually indicate; yet they do not attempt to negotiate certain benefits that are negotiable according to HR professionals. This may be due in part to their discomfort with negotiation and uncertainty about what is actually negotiable.

Survey Results

Throughout this report, conventional statistical methods were used to determine if observed differences were statistically significant (i.e., there is a small likelihood that the differences occurred by chance). Therefore, in most cases, only results that were significant are included, unless otherwise noted.

Analysis by HR professional organization size and employee gender, age and number of years in the workforce are also included, when statistically significant, in the survey results.

Figure 1

- Almost three times as many employees compared to HR professionals indicated that they always attempt to negotiate their salary, bonus and/or benefits during the hiring process.

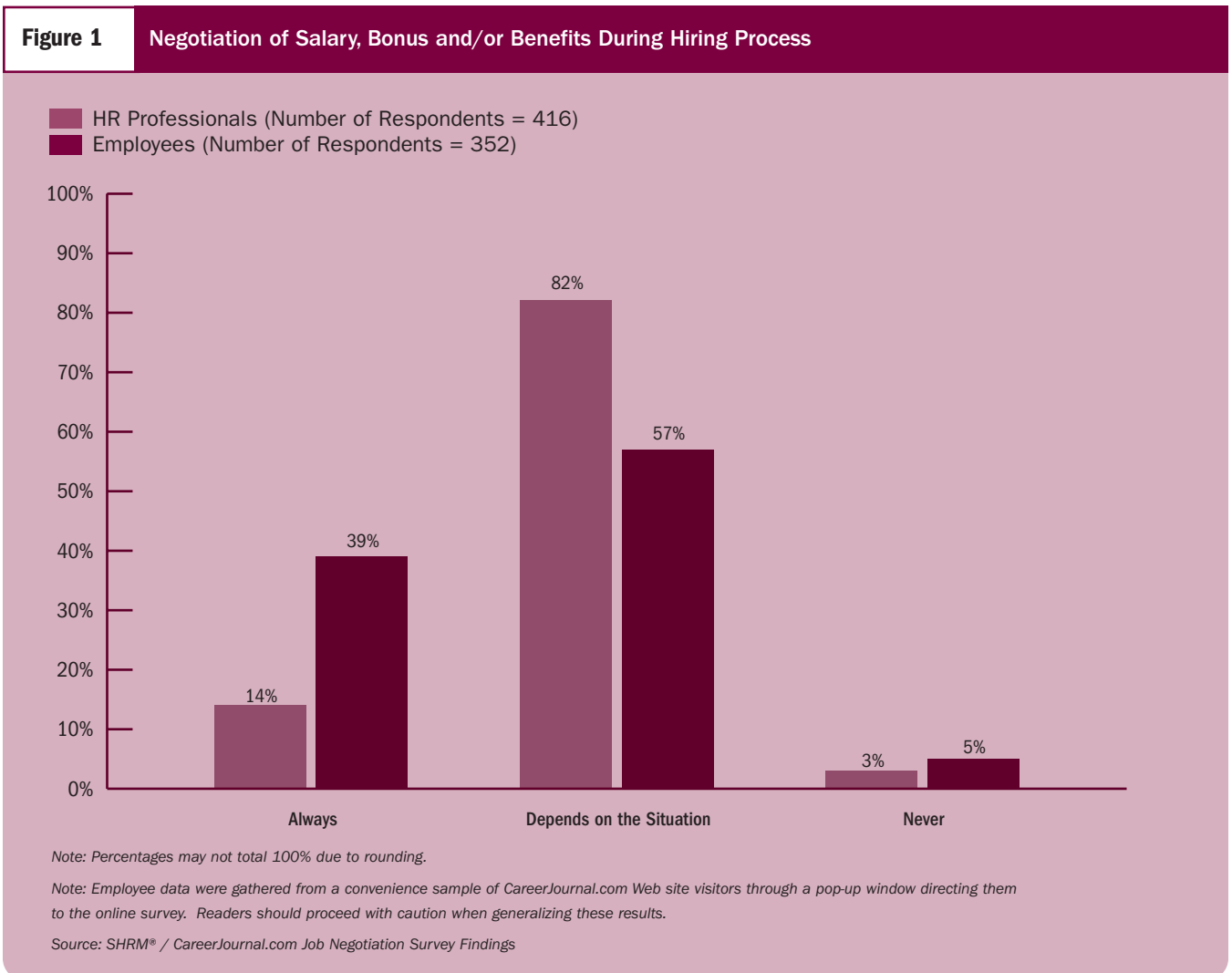


Table 1

- Employees 36 to 55 years of age are more likely to always negotiate salary, bonuses and/or benefits compared to those 35 and younger.
- Employees 35 and younger are more likely to never negotiate compared to 36 to 55 year olds.

Table 1 Negotiation of Salary, Bonus and/or Benefits During Hiring Process by Employee Age				
Employee Age	Number of Respondents	Always	Depends on the Situation	Never
35 and younger	131	30%	60%	10%
36 to 55	184	45%	53%	2%
56 and older	37	38%	62%	0%

Note: Percentages are row percentages and may not total 100% due to rounding.

Note: Employee data were gathered from a convenience sample of CareerJournal.com Web site visitors through a pop-up window directing them to the online survey. Readers should proceed with caution when generalizing these results.

Note: Sample sizes of the age categories are based on the actual number of respondents answering the age question; however, the percentages shown are based on the actual number of respondents by age who answered this question using the provided response options.

Source: SHRM® / CareerJournal.com Job Negotiation Survey Findings

Table 2

- Employees who have been in the workforce 11 to 20 years are twice as likely to always negotiate salary, bonuses and/or benefits compared to employees in the workforce only one to five years.
- Likewise, employees in the workforce only one to five years are more likely to never negotiate compared to those who have been working 21 to 30 years.

Table 2 Negotiation of Salary, Bonus and/or Benefits During Hiring Process by Employee Years in Workforce				
Years in Workforce	Number of Respondents	Always	Depends on the Situation	Never
1 to 5 years	50	20%	64%	16%
6 to 10 years	53	45%	51%	4%
11 to 20 years	95	45%	52%	3%
21 to 30 years	112	40%	58%	2%
31 or more years	36	39%	58%	3%

Note: Percentages are row percentages and may not total 100% due to rounding.

Note: Employee data were gathered from a convenience sample of CareerJournal.com Web site visitors through a pop-up window directing them to the online survey. Readers should proceed with caution when generalizing these results.

Note: Sample sizes of the years in workforce categories are based on the actual number of respondents answering the years in workforce question; however, the percentages shown are based on the actual number of respondents by years in workforce who answered this question using the provided response options.

Source: SHRM® / CareerJournal.com Job Negotiation Survey Findings

Figure 2

- The majority of both HR professionals and employees indicated that negotiations begin after the employer makes a formal job offer.
- More HR professionals than employees expect negotiations to begin during the interviewing process before a formal job offer has been made.

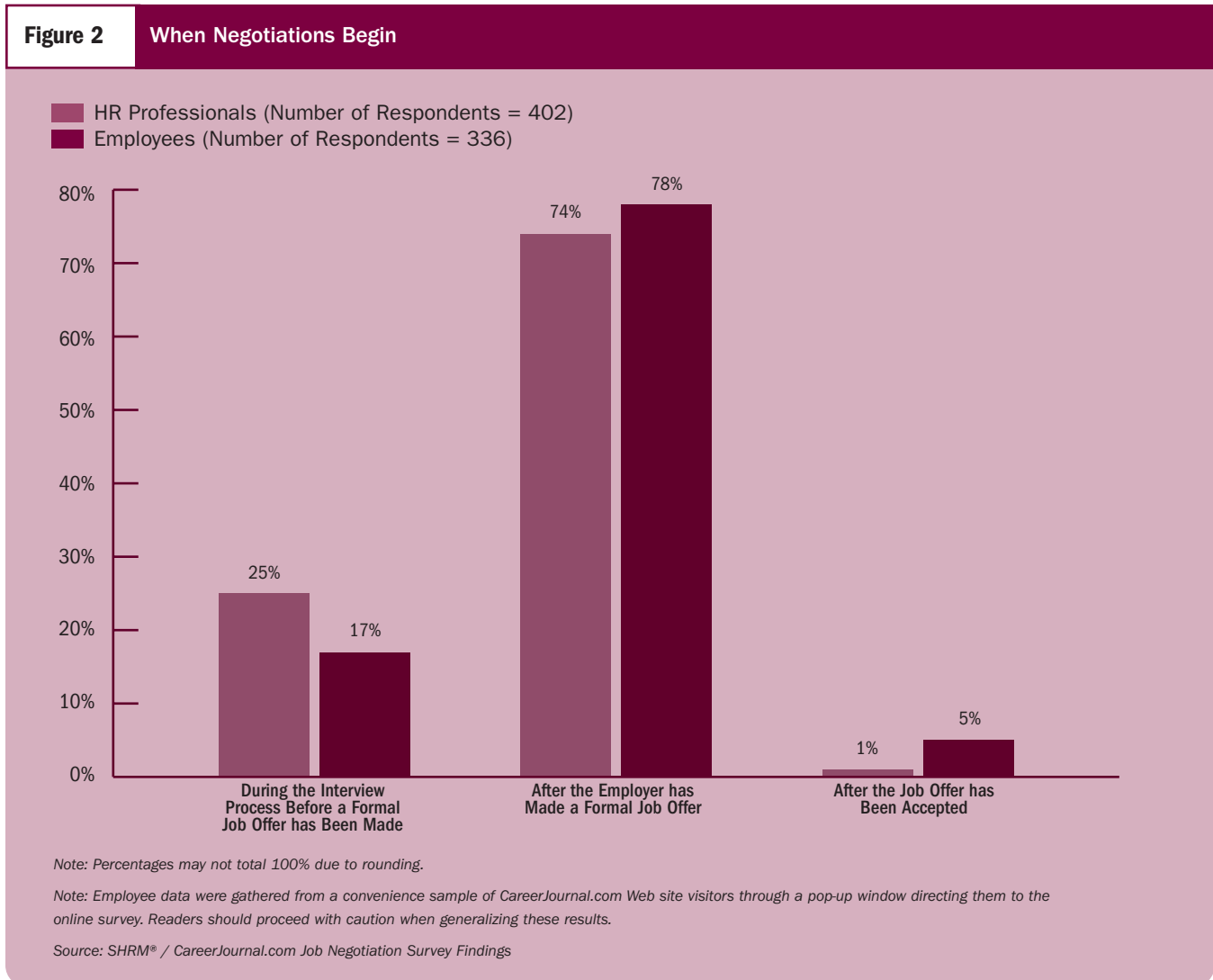


Table 3

- HR professionals from small-staff-sized organizations are almost twice as likely to indicate that negotiations begin during the interview before a formal job offer has been made compared to medium-staff-sized organizations.
- HR professionals from medium-staff-sized organizations are twice as likely to indicate that negotiations begin after the job offer has been made compared to small-staff-sized organizations.

Table 3 When Negotiations Begin by HR Professional Organization Staff Size				
Organization Size	Number of Respondents	During the Interview Before a Formal Job Offer has Been Made	After a Formal Job Offer has Been Made	After the Potential Employee has Accepted the Job Offer
Small (1-99 employees)	122	36%	64%	0%
Medium (100-499 employees)	158	19%	79%	2%
Large (500 and more employees)	128	22%	78%	0%

Note: Percentages are row percentages and may not total 100% due to rounding.

Note: Sample sizes of the organization size categories are based on the actual number of respondents answering the organization size question; however, the percentages shown are based on the actual number of respondents by organization size who answered this question using the provided response options.

Source: SHRM® / CareerJournal.com Job Negotiation Survey Findings

Table 4

- Employees 35 years of age and younger are more likely to begin negotiations after they have accepted the job offer compared to those 36 to 55.

Table 4 When Negotiations Begin by Employee Age				
Employee Age	Number of Respondents	During the Interview Before a Formal Job Offer has Been Made	After a Formal Job Offer has Been Made	After the Potential Employee has Accepted the Job Offer
35 and younger	131	12%	80%	8%
36 to 55	184	19%	78%	2%
56 and older	37	24%	73%	3%

Note: Percentages are row percentages and may not total 100% due to rounding.

Note: Employee data were gathered from a convenience sample of CareerJournal.com Web site visitors through a pop-up window directing them to the online survey. Readers should proceed with caution when generalizing these results.

Note: Sample sizes of the age categories are based on the actual number of respondents answering the age question; however, the percentages shown are based on the actual number of respondents by age who answered this question using the provided response options.

Source: SHRM® / CareerJournal.com Job Negotiation Survey Findings

Figure 3

- Overall, employees believe there is greater flexibility for negotiations about salary, bonuses and/or benefits than HR professionals.

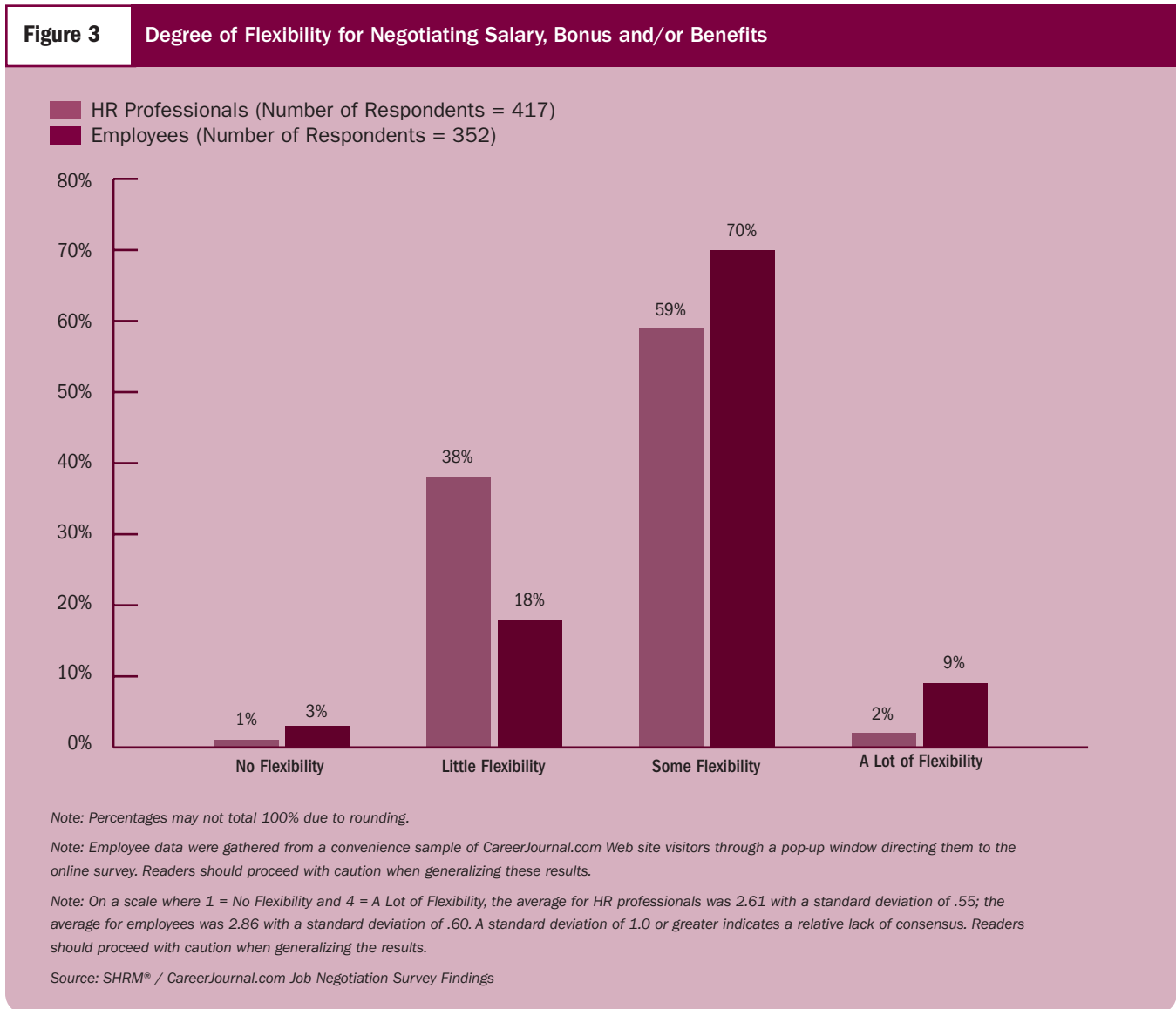


Table 5

- Employees 36 to 55 years of age believe there is more flexibility in negotiating salary, bonuses and/or benefits compared to those 35 and younger.

Table 5 Degree of Flexibility for Negotiating Salary, Bonus and/or Benefits by Employee Age							
Employee Age	Number of Respondents	Average	Standard Deviation	No Flexibility	Little Flexibility	Some Flexibility	A lot of Flexibility
35 and younger	131	2.76	.63	5%	21%	68%	6%
36 to 55	184	2.92	.59	2%	16%	70%	12%
56 and older	37	2.86	.54	3%	14%	78%	5%

Note: Percentages are row percentages and may not total 100% due to rounding.
Note: Employee data were gathered from a convenience sample of CareerJournal.com Web site visitors through a pop-up window directing them to the online survey. Readers should proceed with caution when generalizing these results.
Note: Sample sizes of the age categories are based on the actual number of respondents answering the age question; however, the percentages shown are based on the actual number of respondents by age who answered this question using the provided response options.
Source: SHRM® / CareerJournal.com Job Negotiation Survey Findings

Figure 4

- The top three components of salary and benefits that are negotiable according to HR professionals are: salary, relocation costs and flexible work schedules.
- The least negotiable are: retirement benefits, health care coverage and severance packages.

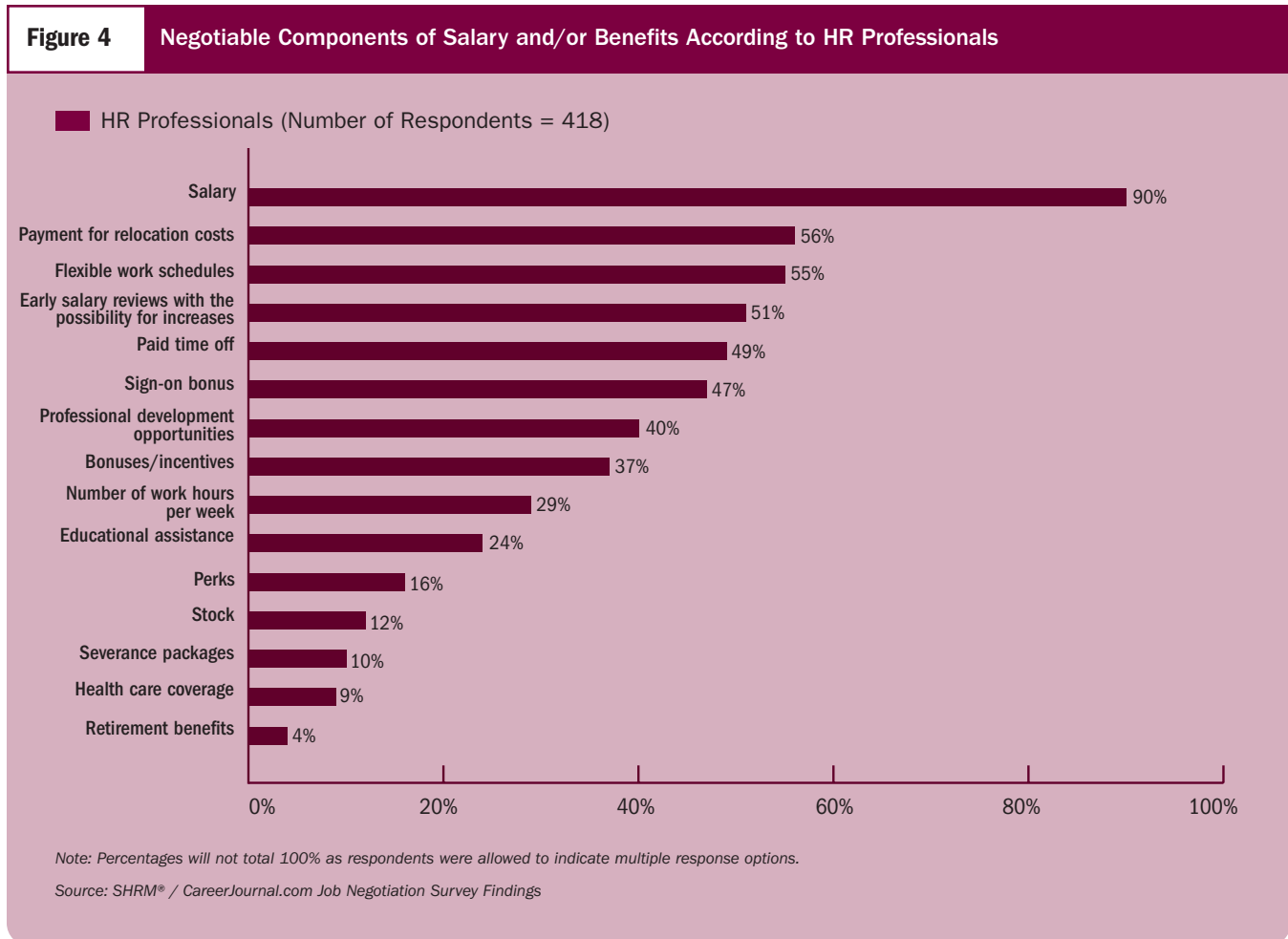


Table 6

- HR professionals from small-staff-sized organizations indicated they are more likely to negotiate early salary reviews with the possibility for increases compared to large-staff-sized organizations.
- HR professionals from large-staff-sized organizations indicated they are almost twice as likely to negotiate sign-on bonuses compared to small-staff-sized organizations.
- HR professionals from large-staff-sized organizations indicated they are almost three times as likely to negotiate stocks compared to medium-staff-sized organizations.

Table 6	Negotiable Components of Salary and/or Benefits by HR Professional Organization Staff Size		
	Small (1-99 Employees) (n=122)	Medium (100-499 Employees) (n=158)	Large (500 and More Employees) (n=128)
Early salary reviews with the possibility for increases (e.g., after three or six months)	60%	51%	43%
Sign-on bonus	36%	46%	59%
Stock (e.g., options, purchase plan, etc.)	12%	6%	20%

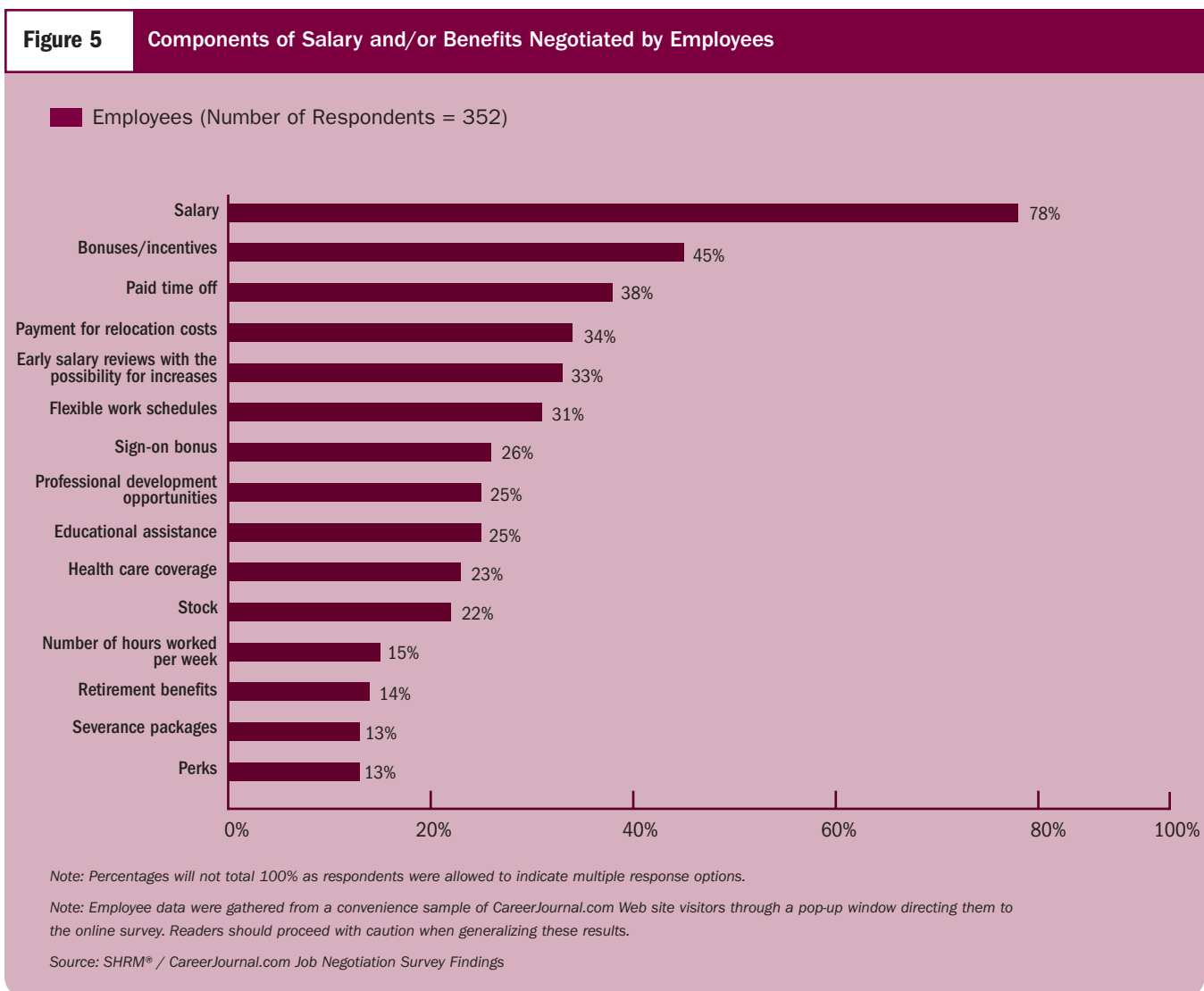
Note: Percentages will not total 100% as respondents were allowed to indicate multiple response options.

Note: Sample sizes of the organization size categories are based on the actual number of respondents answering the organization size question; however, the percentages shown are based on the actual number of respondents by organization size who answered this question using the provided response options.

Source: SHRM® / CareerJournal.com Job Negotiation Survey Findings

Figure 5

- The top three components of salary and benefits that employees have attempted to negotiate with a new employer are: salary, bonuses/incentives and paid time off.
- Employees are least likely to attempt to negotiate: perks, severance packages and retirement benefits.



Negotiated Benefits

- More employees attempted to negotiate the following salary/benefits compared to HR professionals indicating these salary/benefits were actually negotiable: bonuses/incentives, health care coverage, retirement benefits and stocks.
- More HR professionals indicated that the following salary/benefits were negotiable compared to employees attempting to negotiate these salary/benefits: early salary reviews (with the possibility for salary increases), flexible work schedules, number of work hours per week, paid time off, relocation costs, professional development opportunities, salary and sign-on bonuses.

Table 7

- Employees 35 years of age and younger are more than twice as likely to attempt to negotiate number of work hours per week compared to those 36 to 55.
- Employees 36 years of age and older are more likely to attempt to negotiate bonuses/incentives, paid time off, perks, salary and stocks compared to those 35 and younger.
- Employees 36 to 55 years of age are more likely to attempt to negotiate payment for relocation costs and sign-on bonuses compared to those 35 and younger.
- Employees 56 years of age and older are more than three times as likely to attempt to negotiate retirement benefits compared to employees 35 and younger.
- Employees 56 years of age and older are more than three times as likely to negotiate severance packages compared to those 35 and younger.

Table 7	Components of Salary and/or Benefits Negotiated by Employee Age		
	35 and Younger (n=131)	36 to 55 (n=184)	56 and Older (n=37)
Bonuses/incentives	34%	49%	59%
Number of work hours per week (e.g., working part time, fewer than five days per week, etc.)	23%	9%	16%
Paid time off (i.e., vacation, holiday and sick days)	28%	42%	51%
Payment for relocation costs	25%	38%	43%
Perks (e.g., larger office space, free parking, etc.)	3%	17%	24%
Retirement benefits (e.g., pension, defined contribution plans and defined benefit plans, such as 401(k))	11%	11%	35%
Salary	63%	87%	86%
Severance packages	8%	14%	27%
Sign-on bonus	15%	33%	30%
Stock (e.g., options, purchase plan, etc.)	15%	26%	32%

Note: Percentages will not total 100% as respondents were allowed to indicate multiple response options.

Note: Employee data were gathered from a convenience sample of CareerJournal.com Web site visitors through a pop-up window directing them to the online survey. Readers should proceed with caution when generalizing these results.

Note: Sample sizes of the age categories are based on the actual number of respondents answering the age question; however, the percentages shown are based on the actual number of respondents by age who answered this question using the provided response options.

Source: SHRM® / CareerJournal.com Job Negotiation Survey Findings

Table 8

- Men are more likely than women to attempt to negotiate the following: bonuses/incentives, perks, relocation costs, severance packages and stocks.
- Women are more likely than men to attempt to negotiate the following: flexible work schedules and number of work hours per week.

Table 8	Components of Salary and/or Benefits Negotiated by Employee Gender	
	Male (n=206)	Female (n=146)
Bonuses/incentives	52%	35%
Flexible work schedules (e.g., flextime, compressed workweeks, telecommuting)	25%	40%
Number of work hours per week (e.g., working part time, fewer than five days per week, etc.)	12%	20%
Payment for relocation costs	44%	20%
Perks (e.g., larger office space, free parking, etc.)	17%	5%
Severance packages	19%	5%
Stock (e.g., options, purchase plan, etc.)	32%	10%

Note: Percentages will not total 100% as respondents were allowed to indicate multiple response options.

Note: Employee data were gathered from a convenience sample of CareerJournal.com Web site visitors through a pop-up window directing them to the online survey. Readers should proceed with caution when generalizing these results.

Note: Sample sizes of the gender categories are based on the actual number of respondents answering the gender question; however, the percentages shown are based on the actual number of respondents by gender who answered this question using the provided response options.

Source: SHRM® / CareerJournal.com Job Negotiation Survey Findings

Table 9

- Employees with 31 or more years in the workforce are more than twice as likely to attempt to negotiate bonuses/incentives compared to those with six to 10 years.
- Employees with one to five years in the workforce are more than twice as likely to attempt to negotiate flexible work schedules compared to those with six to 10 years.
- Employees with one to five years in the workforce are more than three times as likely to attempt to negotiate number of work hours per week compared to those with 21 to 30 years.
- Employees with 31 or more years in the workforce are more than twice as likely to attempt to negotiate paid time off compared to those with one to five years.
- Employees with 21 or more years in the workforce are more than twice as likely to attempt to negotiate payment for relocation costs compared to those with six to 10 years.
- Employees with 21 or more years in the workforce are much more likely to attempt to negotiate perks compared to those with 10 years or less.
- Employees with 31 or more years in the workforce are about three times as likely than other groups to attempt to negotiate retirement benefits.
- Employees with 11 or more years in the workforce are more likely to attempt to negotiate salary compared to those with 10 years or less.
- Employees with 21 to 30 years in the workforce are about three times as likely to attempt to negotiate sign-on bonuses compared to those with one to five years.

Table 9 Components of Salary and/or Benefits Negotiated by Employee Years in Workforce

	1 to 5 Years (n=50)	6 to 10 Years (n=53)	11 to 20 Years (n=95)	21 to 30 Years (n=112)	31 or More Years (n=36)
Bonuses/incentives	34%	30%	46%	50%	64%
Flexible work schedules (e.g., flextime, compressed workweeks, telecommuting)	50%	19%	34%	28%	25%
Number of work hours per week (e.g., working part time, fewer than five days per week, etc.)	30%	21%	12%	10%	14%
Paid time off (i.e., vacation, holiday and sick days)	24%	32%	33%	46%	56%
Payment for relocation costs	20%	19%	37%	41%	47%
Perks (e.g., larger office space, free parking, etc.)	2%	2%	12%	20%	19%
Retirement benefits (e.g., pension, defined contribution plans and defined benefit plans, such as 401(k))	10%	8%	11%	13%	39%
Salary	52%	70%	82%	89%	83%
Sign-on bonus	12%	23%	24%	34%	33%

Note: Percentages will not total 100% as respondents were allowed to indicate multiple response options.

Note: Employee data were gathered from a convenience sample of CareerJournal.com Web site visitors through a pop-up window directing them to the online survey. Readers should proceed with caution when generalizing these results.

Note: Sample sizes of the years in workforce categories are based on the actual number of respondents answering the years in workforce question; however, the percentages shown are based on the actual number of respondents by years in workforce who answered this question using the provided response options.

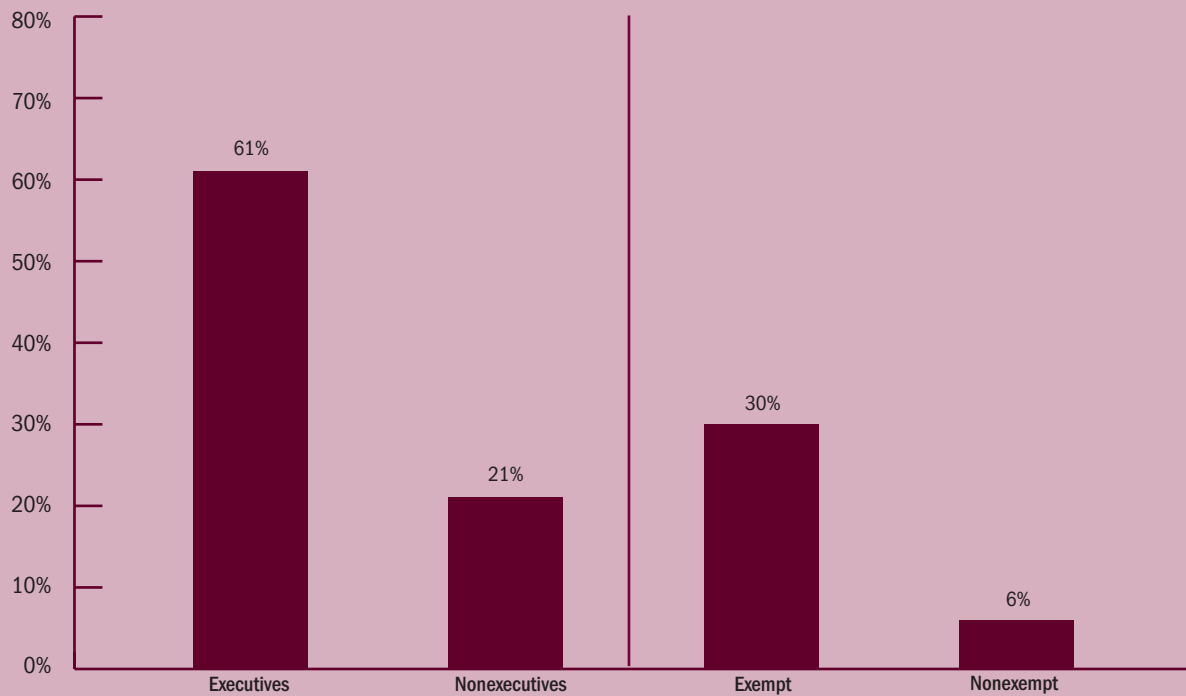
Source: SHRM® / CareerJournal.com Job Negotiation Survey Findings

Figures 6 through 20

- In general, HR professionals are more willing to negotiate salary/benefits components with executives than any other job level (i.e., nonexecutive, exempt and nonexempt).
- This is especially the case with the following: bonuses/incentives, health care coverage, relocation costs, perks, retirement benefits, severance packages, sign-on bonuses and stocks.

Figure 6 Negotiation of Bonuses/Incentives by Job Categorization According to HR Professionals

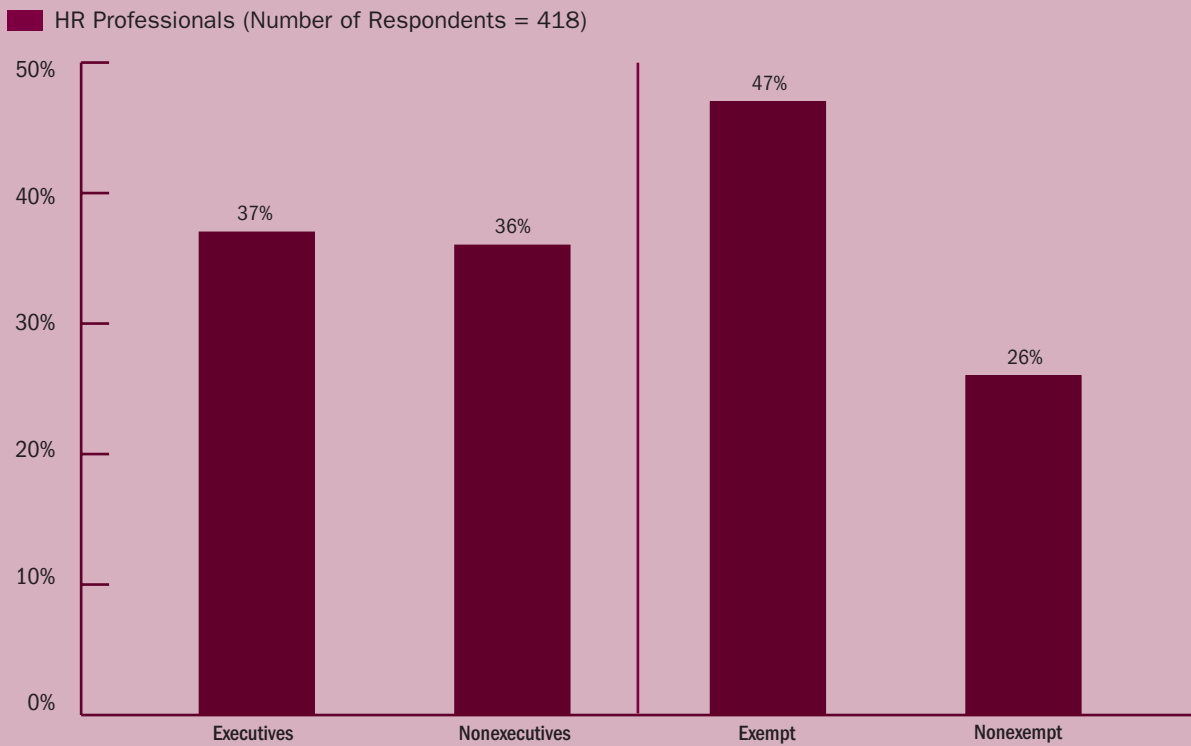
■ HR Professionals (Number of Respondents = 418)



Note: Percentages will not total 100% as respondents were allowed to indicate multiple response options.

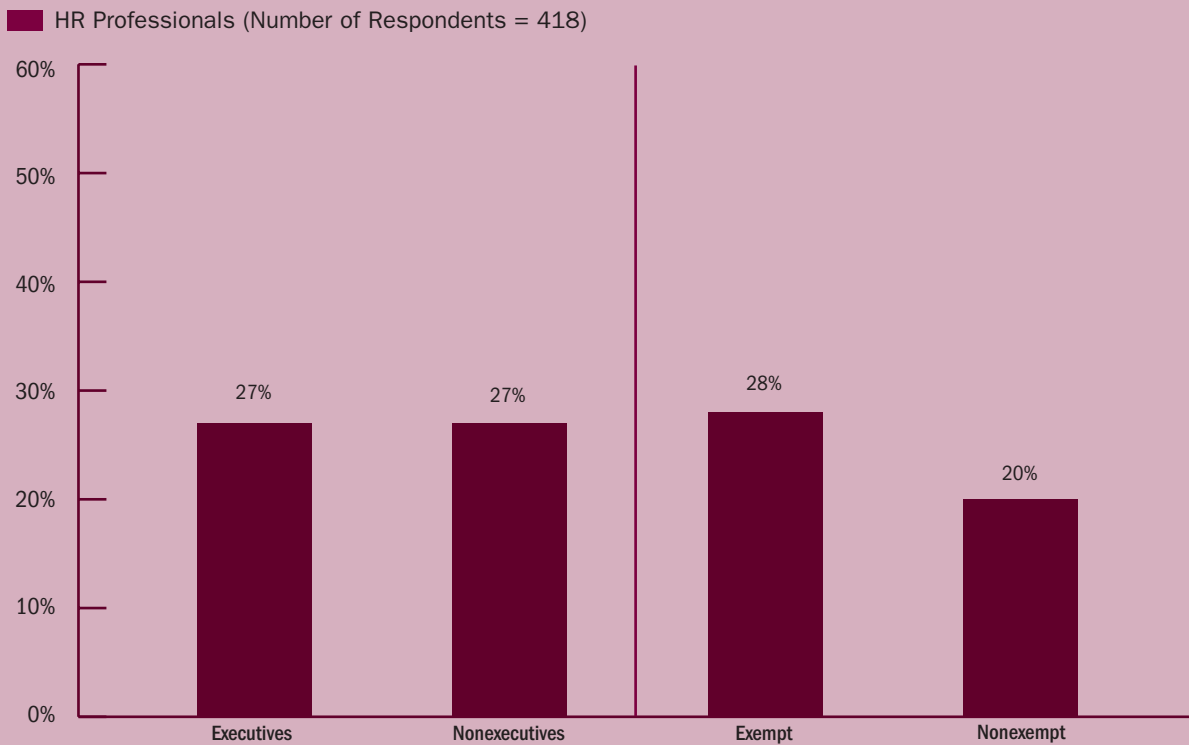
Source: SHRM® / CareerJournal.com Job Negotiation Survey Findings

Figure 7 Negotiation of Early Salary Reviews by Job Categorization According to HR Professionals



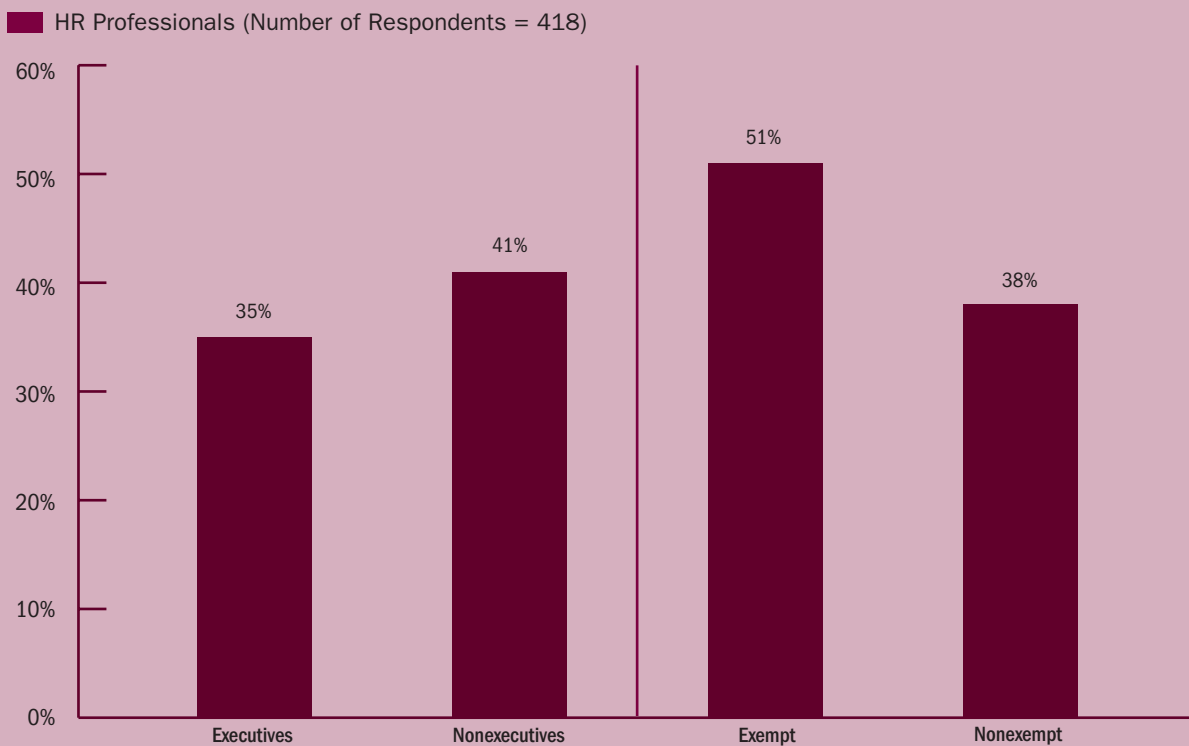
Note: Percentages will not total 100% as respondents were allowed to indicate multiple response options.

Source: SHRM® / CareerJournal.com Job Negotiation Survey Findings

Figure 8**Negotiation of Educational Assistance by Job Categorization According to HR Professionals**

Note: Percentages will not total 100% as respondents were allowed to indicate multiple response options.

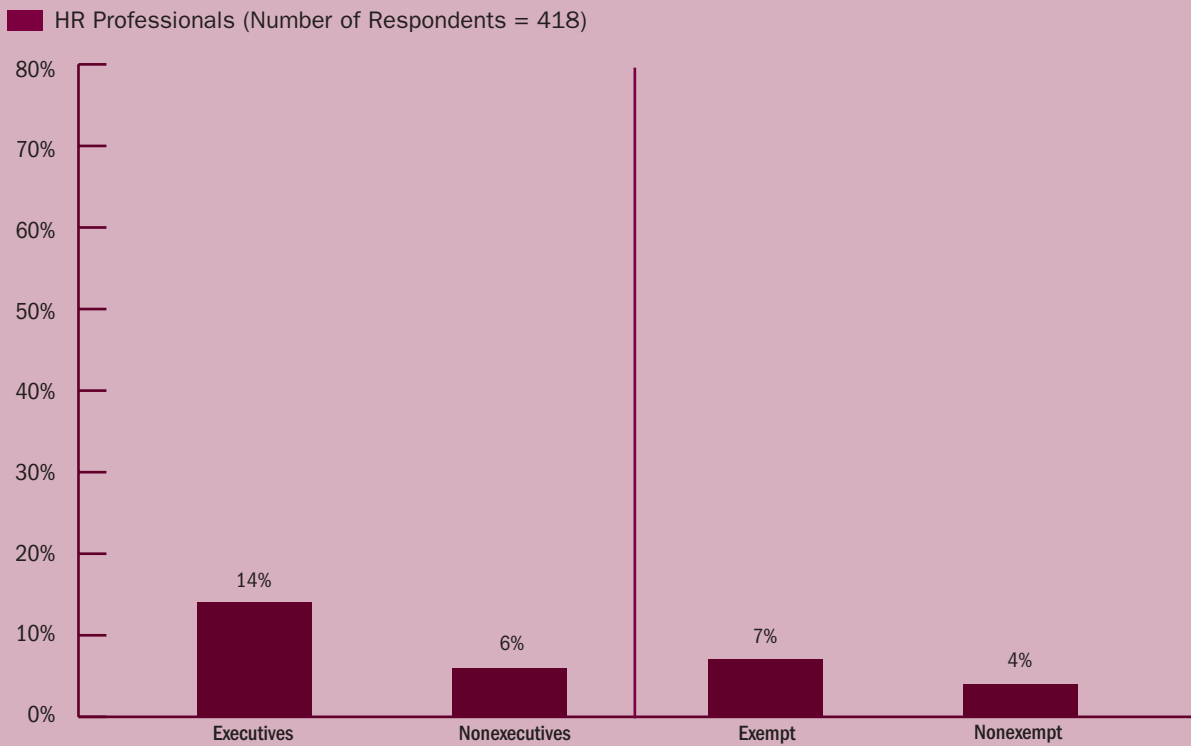
Source: SHRM® / CareerJournal.com Job Negotiation Survey Findings

Figure 9**Negotiation of Flexible Work Schedules by Job Categorization According to HR Professionals**

Note: Percentages will not total 100% as respondents were allowed to indicate multiple response options.

Source: SHRM® / CareerJournal.com Job Negotiation Survey Findings

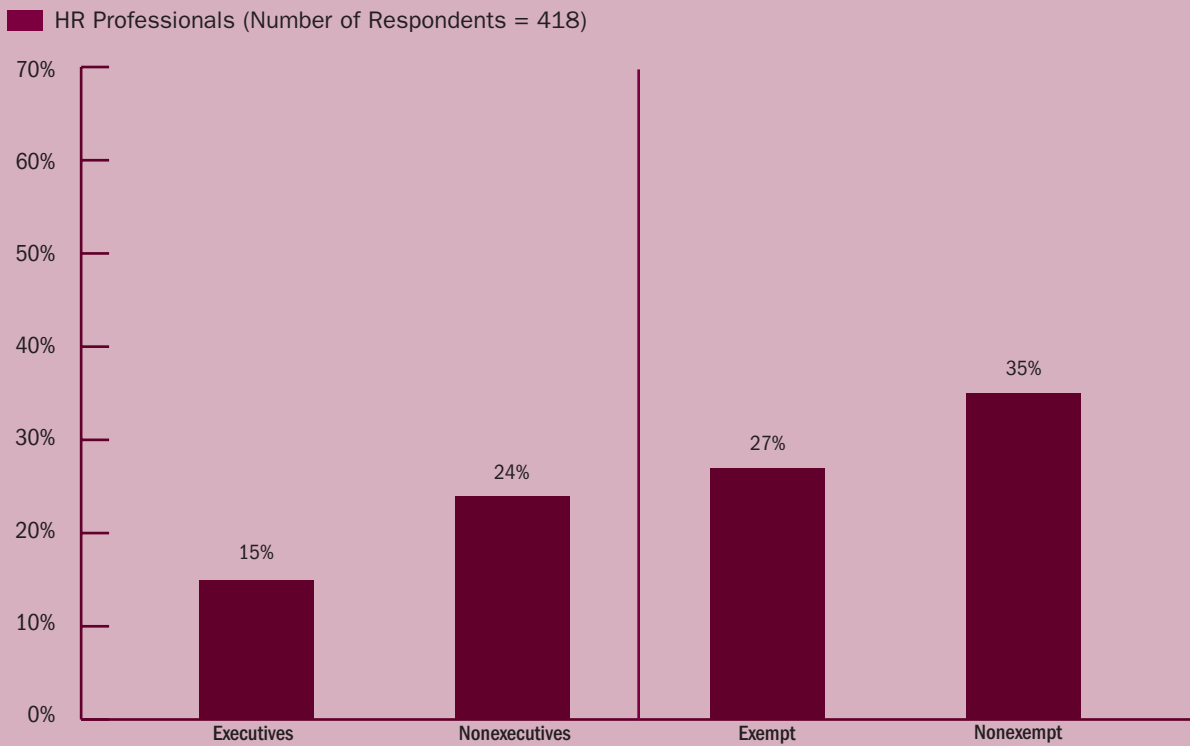
Figure 10 Negotiation of Health Care Coverage by Job Categorization According to HR Professionals



Note: Percentages will not total 100% as respondents were allowed to indicate multiple response options.

Source: SHRM® / CareerJournal.com Job Negotiation Survey Findings

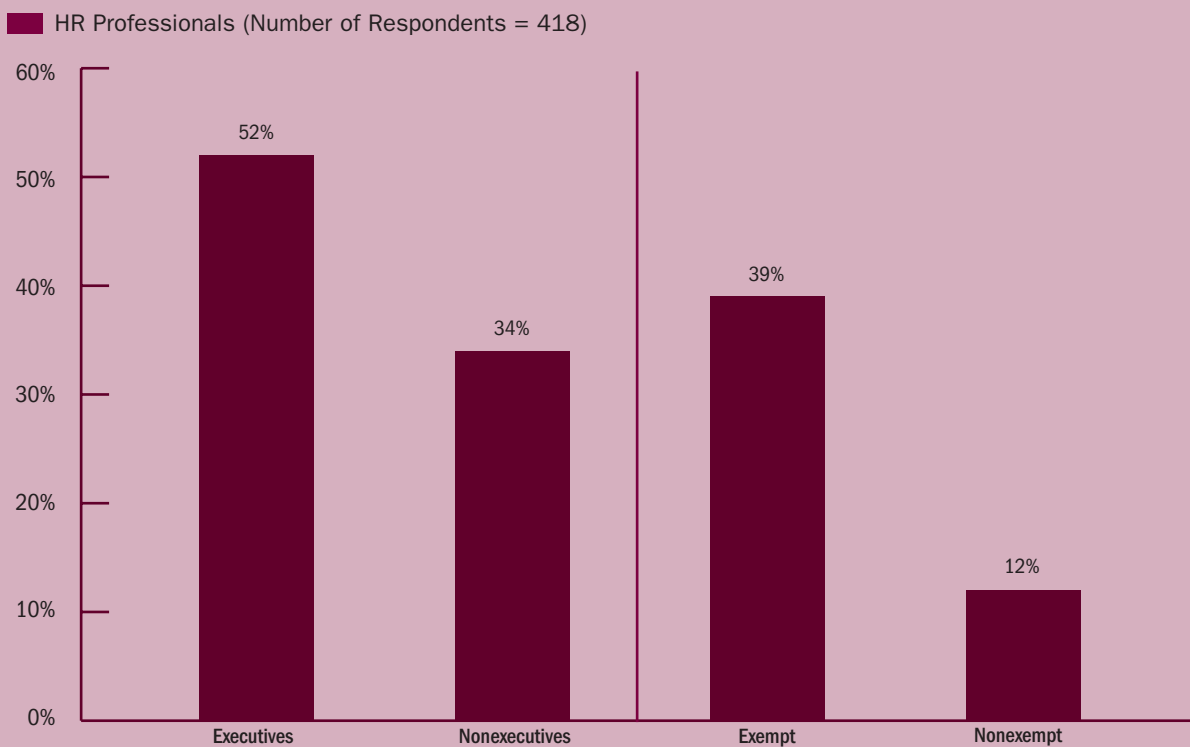
Figure 11 Negotiation of Number of Work Hours per Week by Job Categorization According to HR Professionals



Note: Percentages will not total 100% as respondents were allowed to indicate multiple response options.

Source: SHRM® / CareerJournal.com Job Negotiation Survey Findings

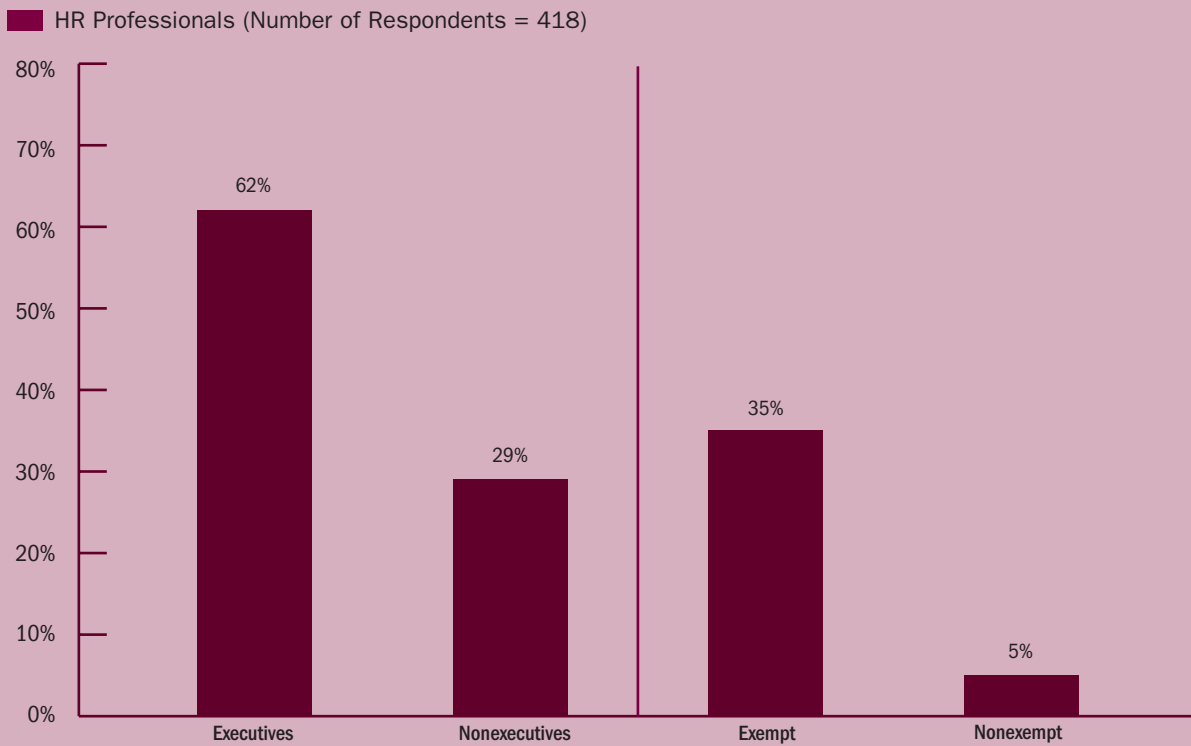
Figure 12 Negotiation of Paid Time Off by Job Categorization According to HR Professionals



Note: Percentages will not total 100% as respondents were allowed to indicate multiple response options.

Source: SHRM® / CareerJournal.com Job Negotiation Survey Findings

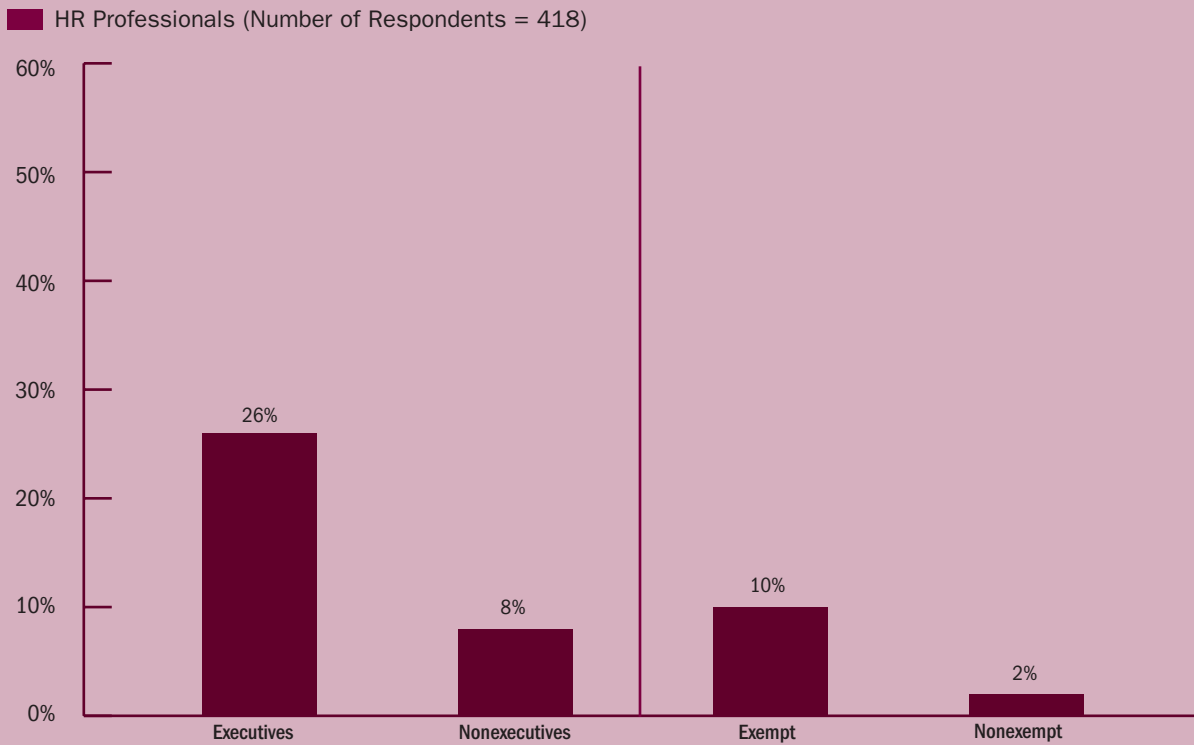
Figure 13 Negotiation of Payment for Relocation Costs by Job Categorization According to HR Professionals



Note: Percentages will not total 100% as respondents were allowed to indicate multiple response options.

Source: SHRM® / CareerJournal.com Job Negotiation Survey Findings

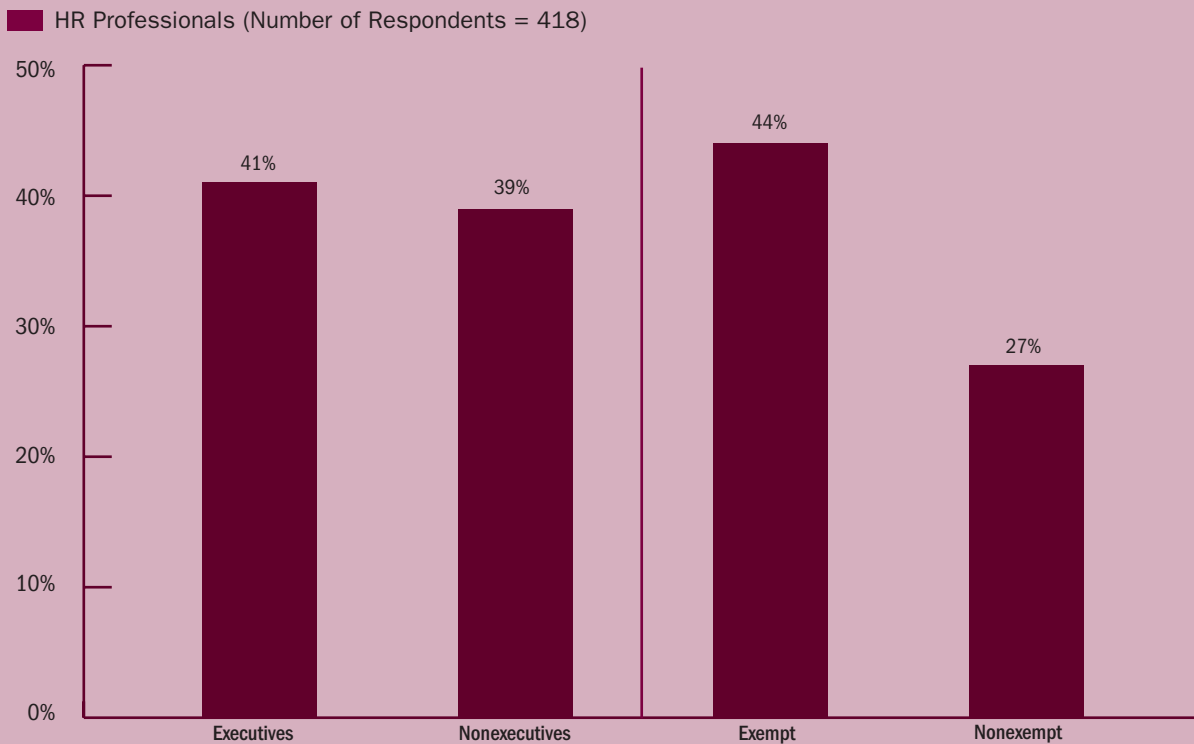
Figure 14 Negotiation of Perks by Job Categorization According to HR Professionals



Note: Percentages will not total 100% as respondents were allowed to indicate multiple response options.

Source: SHRM® / CareerJournal.com Job Negotiation Survey Findings

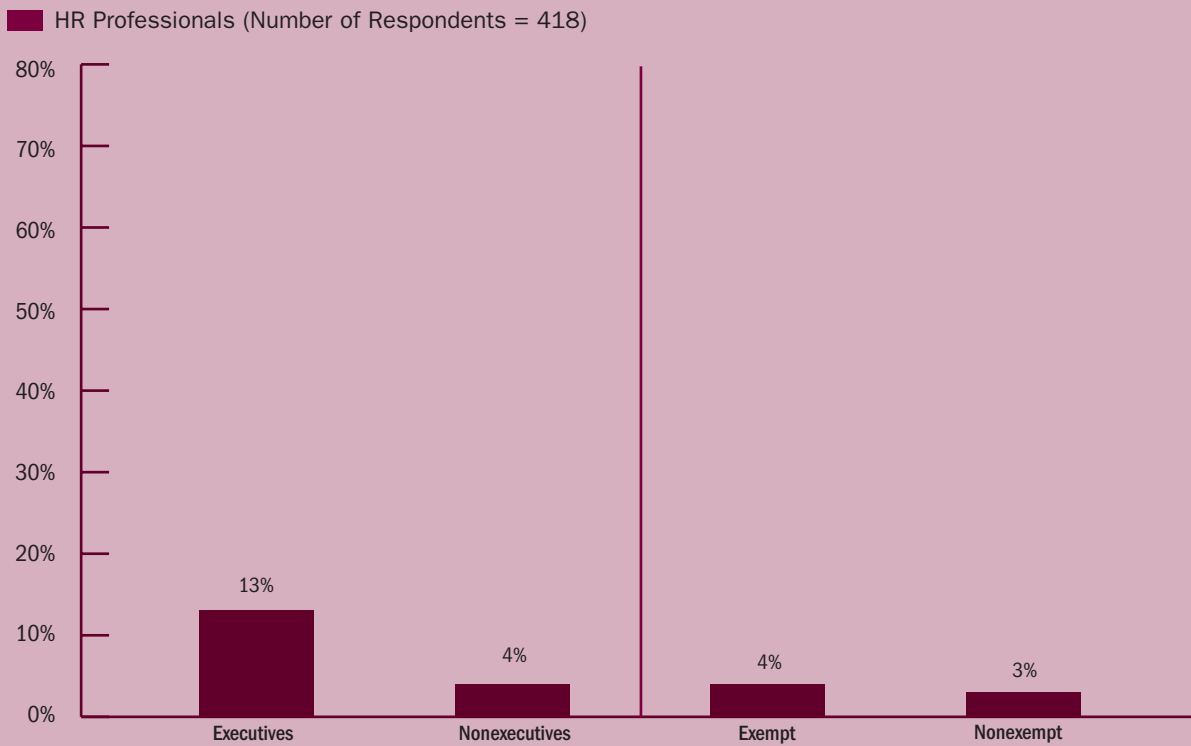
Figure 15 Negotiation of Professional Development Opportunities by Job Categorization According to HR Professionals



Note: Percentages will not total 100% as respondents were allowed to indicate multiple response options.

Source: SHRM® / CareerJournal.com Job Negotiation Survey Findings

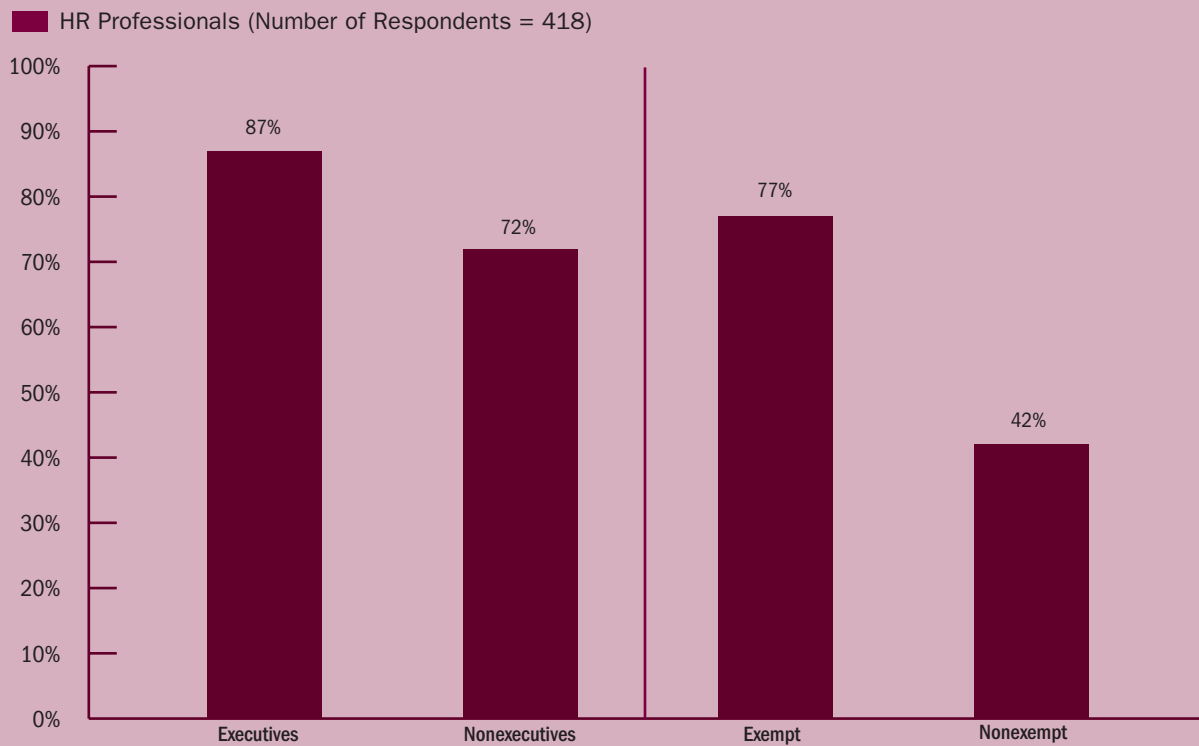
Figure 16 Negotiation of Retirement Benefits by Job Categorization According to HR Professionals



Note: Percentages will not total 100% as respondents were allowed to indicate multiple response options.

Source: SHRM® / CareerJournal.com Job Negotiation Survey Findings

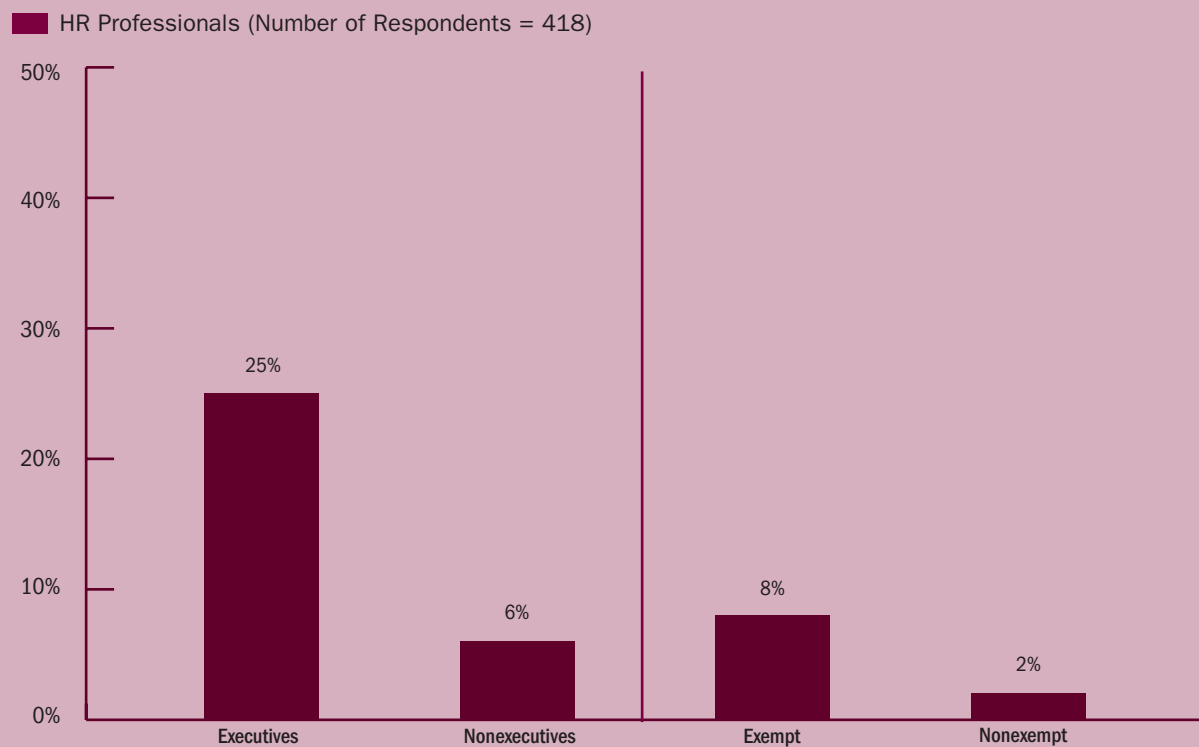
Figure 17 Negotiation of Salary by Job Categorization According to HR Professionals



Note: Percentages will not total 100% as respondents were allowed to indicate multiple response options.

Source: SHRM® / CareerJournal.com Job Negotiation Survey Findings

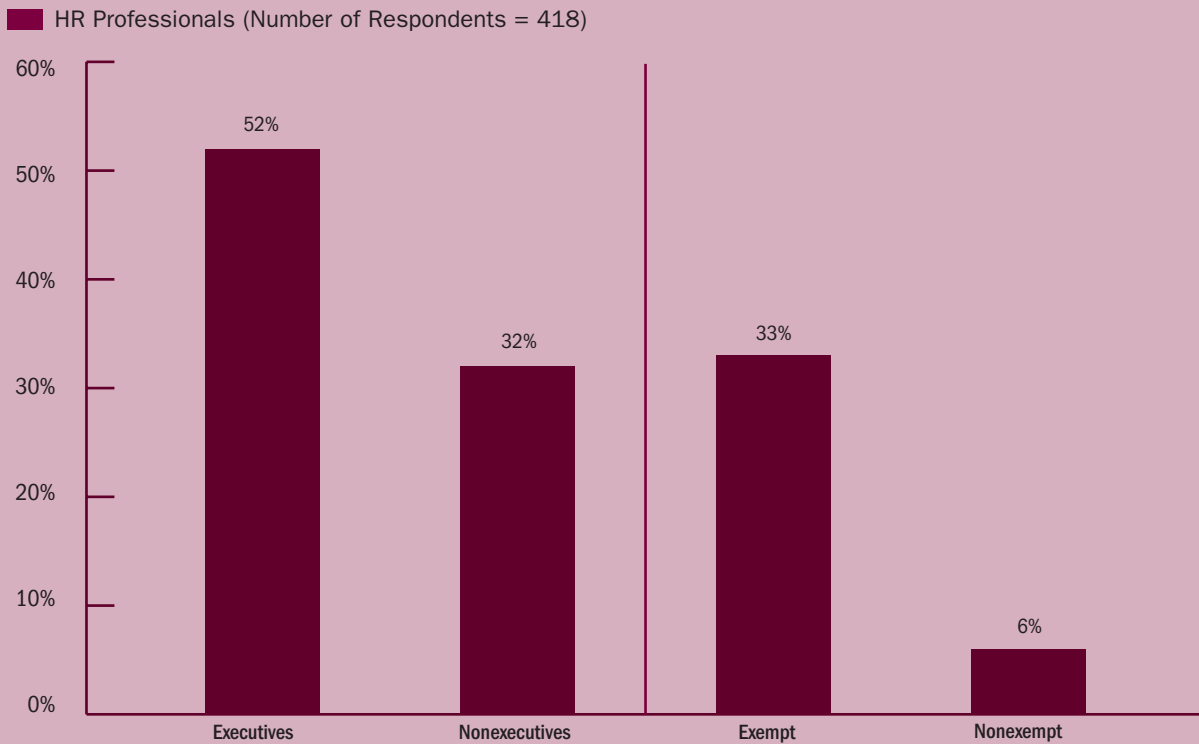
Figure 18 Negotiation of Severance Packages by Job Categorization According to HR Professionals



Note: Percentages will not total 100% as respondents were allowed to indicate multiple response options.

Source: SHRM® / CareerJournal.com Job Negotiation Survey Findings

Figure 19 Negotiation of Sign-On Bonuses by Job Categorization According to HR Professionals

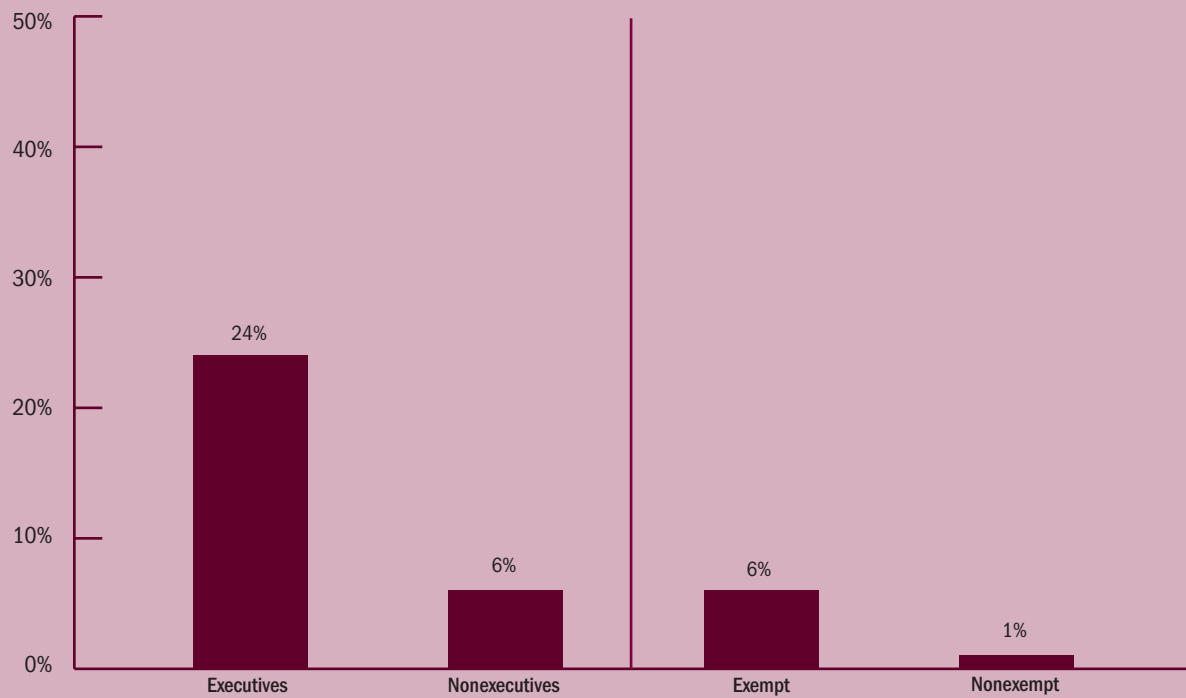


Note: Percentages will not total 100% as respondents were allowed to indicate multiple response options.

Source: SHRM® / CareerJournal.com Job Negotiation Survey Findings

Figure 20 Negotiation of Stocks by Job Categorization According to HR Professionals

HR Professionals (Number of Respondents = 418)



Note: Percentages will not total 100% as respondents were allowed to indicate multiple response options.

Source: SHRM® / CareerJournal.com Job Negotiation Survey Findings

Table 10

Negotiation of salary and/or benefits vary by job categorizations based on HR professional organization staff size (small, medium or large):

- Bonuses/incentives for nonexecutives (large > small).
- Early salary reviews for exempt employees (small > large).
- Educational assistance for nonexempt employees (small > medium, large).
- Number of work hours per week for executives (small > medium).
- Number of work hours per week for exempt employees (large > medium).
- Payment for relocation costs for nonexecutives (large > small).
- Sign-on bonuses for executives (large > small).
- Sign-on bonuses for nonexecutives and for exempt employees (large > small, medium).
- Stocks for executives (large > medium).

Table 10 Negotiation of Components of Salary and/or Benefits by HR Professional Organization Staff Size

	Small (1-99 Employees) (n=122)	Medium (100-499 Employees) (n=158)	Large (500 and More Employees) (n=128)
Bonuses/incentives—Nonexecutives	15%	22%	29%
Early salary reviews with the possibility for increases (e.g., after three or six months)—Exempt	55%	47%	39%
Educational assistance (i.e., tuition reimbursement)—Nonexempt	30%	16%	16%
Number of work hours per week (e.g., working part time, fewer than five days per week, etc.)—Executives	20%	9%	18%
Number of work hours per week (e.g., working part time, fewer than five days per week, etc.)—Exempt	29%	20%	34%
Payment for relocation costs—Nonexecutives	20%	30%	38%
Sign-on bonus—Executives	45%	52%	62%
Sign-on bonus—Nonexecutives	23%	28%	45%
Sign-on bonus—Exempt	28%	28%	43%
Stock (e.g., options, purchase plan, etc.)—Executives	22%	18%	33%

Note: Percentages will not total 100% as respondents were allowed to indicate multiple response options.

Note: Sample sizes of the organization size categories are based on the actual number of respondents answering the organization size question; however, the percentages shown are based on the actual number of respondents by organization size who answered this question using the provided response options.

Source: SHRM® / CareerJournal.com Job Negotiation Survey Findings

Figure 21

- Overall, there was not a statistically significant difference in the responses of HR professionals and employees about employee level of comfort with negotiation.
- One-half of employees indicated they were either somewhat or very comfortable with the negotiation process.

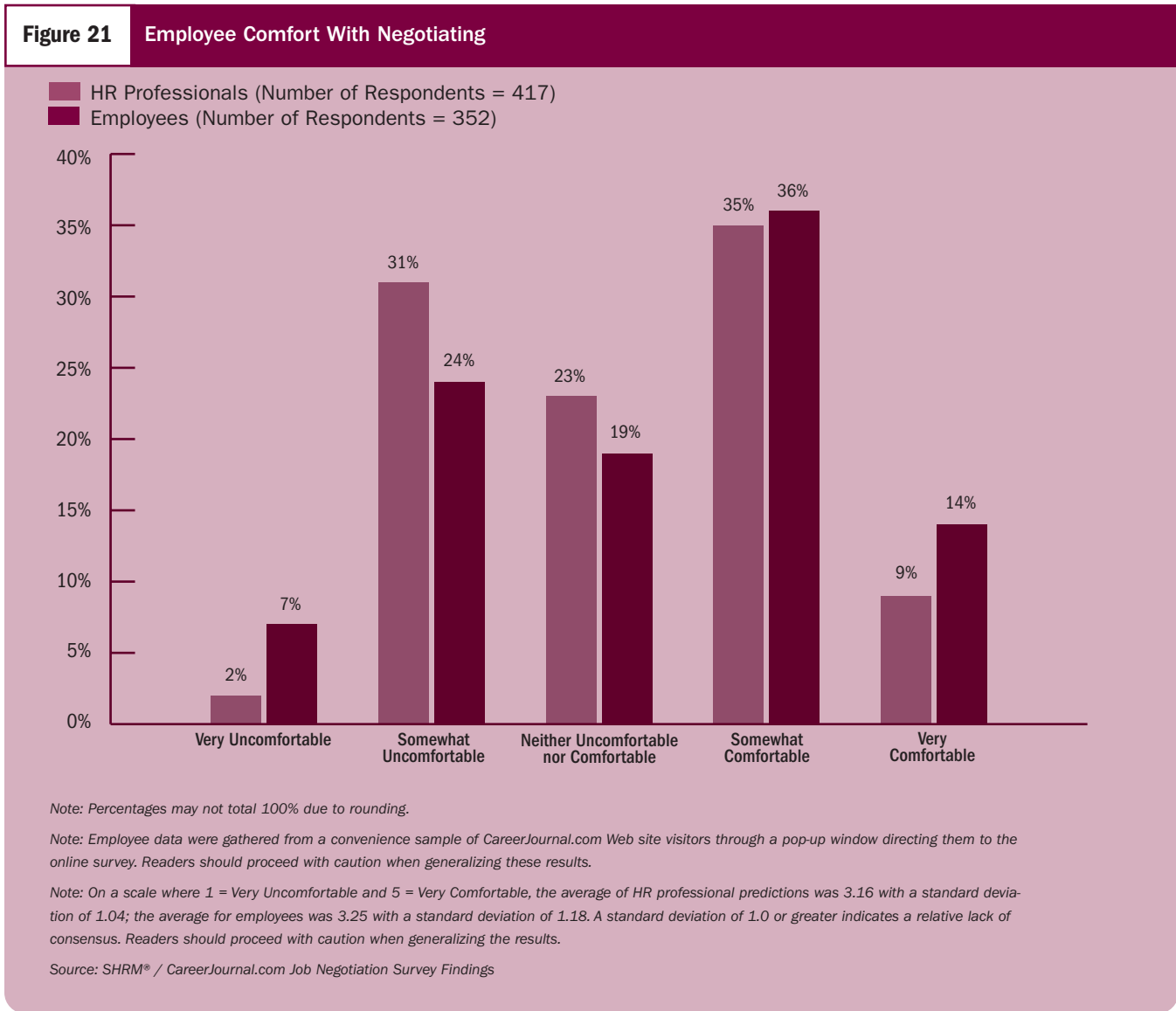


Table 11

- Overall, men are more comfortable with negotiating compared to women.

Table 11 Employee Comfort With Negotiating by Employee Gender

	Number of Respondents	Average	Standard Deviation	Very Uncomfortable	Somewhat Uncomfortable	Neither Comfortable nor Uncomfortable	Somewhat Comfortable	Very Comfortable
Male	206	3.43	1.11	4%	20%	21%	38%	17%
Female	146	2.99	1.23	12%	30%	16%	32%	10%

Note: Percentages are row percentages and may not total 100% due to rounding.

Note: Employee data were gathered from a convenience sample of CareerJournal.com Web site visitors through a pop-up window directing them to the online survey. Readers should proceed with caution when generalizing these results.

Note: Sample sizes of the gender categories are based on the actual number of respondents answering the gender question; however, the percentages shown are based on the actual number of respondents by gender who answered this question using the provided response options.

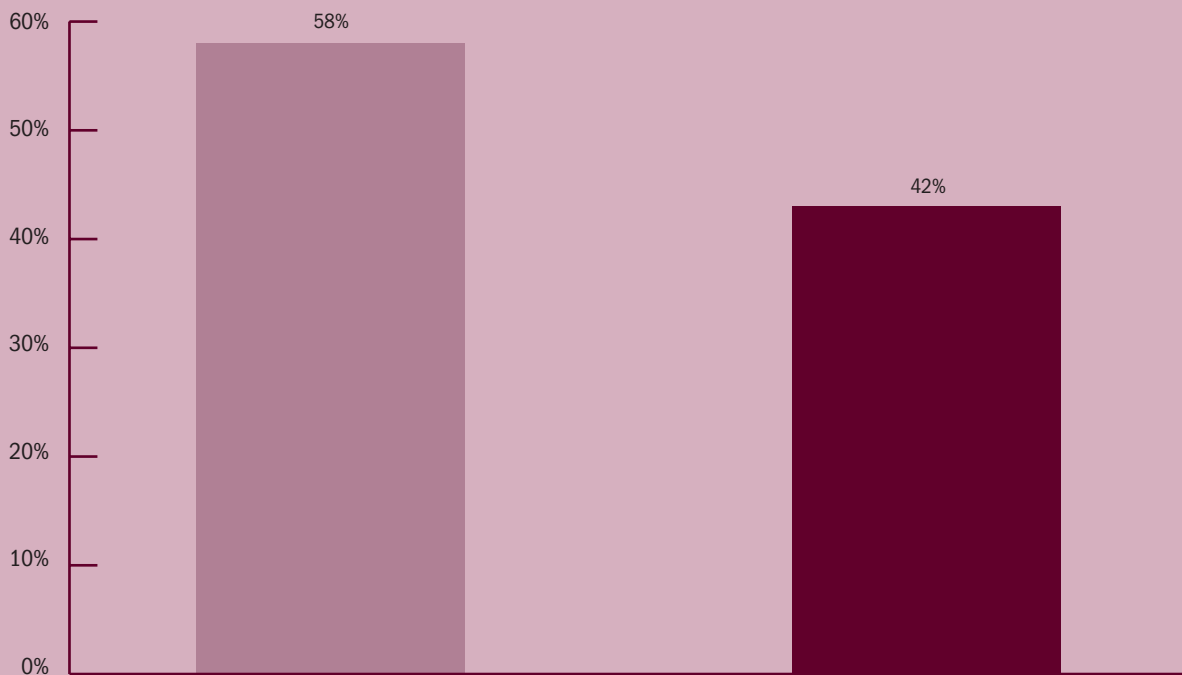
Source: SHRM® / CareerJournal.com Job Negotiation Survey Findings

Demographics

Figure 22 Employees' Gender

Males
Females

Number of Respondents = 352



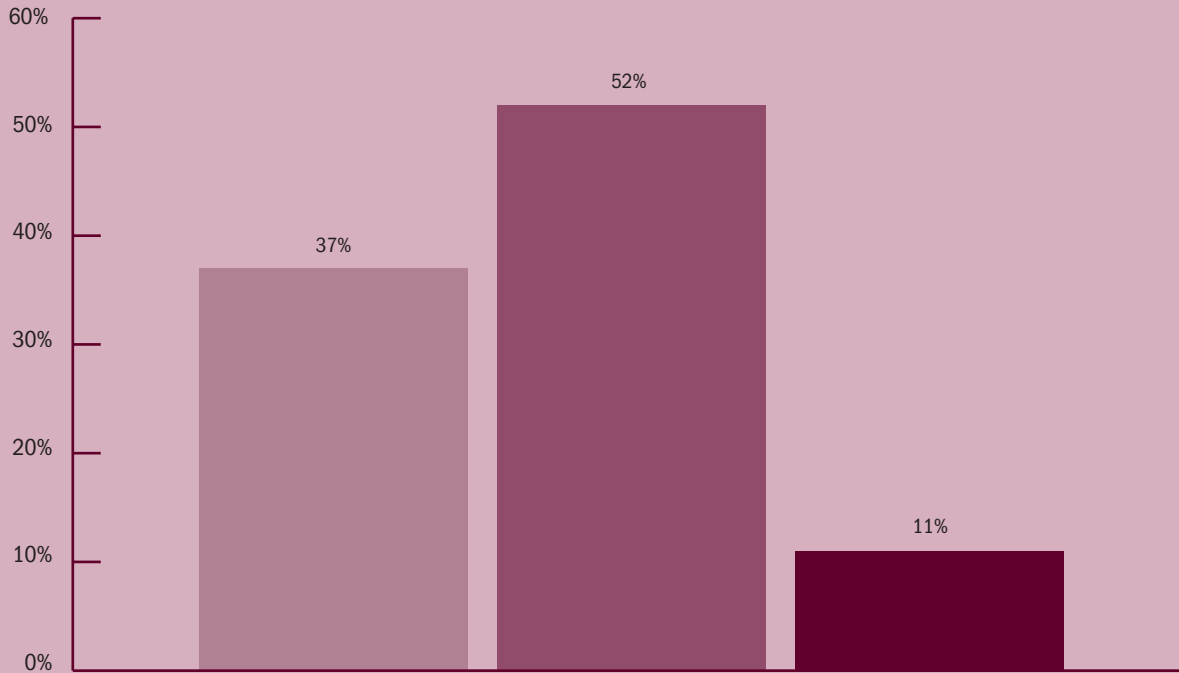
Note: Percentages may not total 100% due to rounding.

Source: SHRM® / CareerJournal.com Job Negotiation Survey Findings

Figure 23 Employees' Age

- 35 and Younger
- 36 to 55
- 56 and Older

Number of Respondents = 352



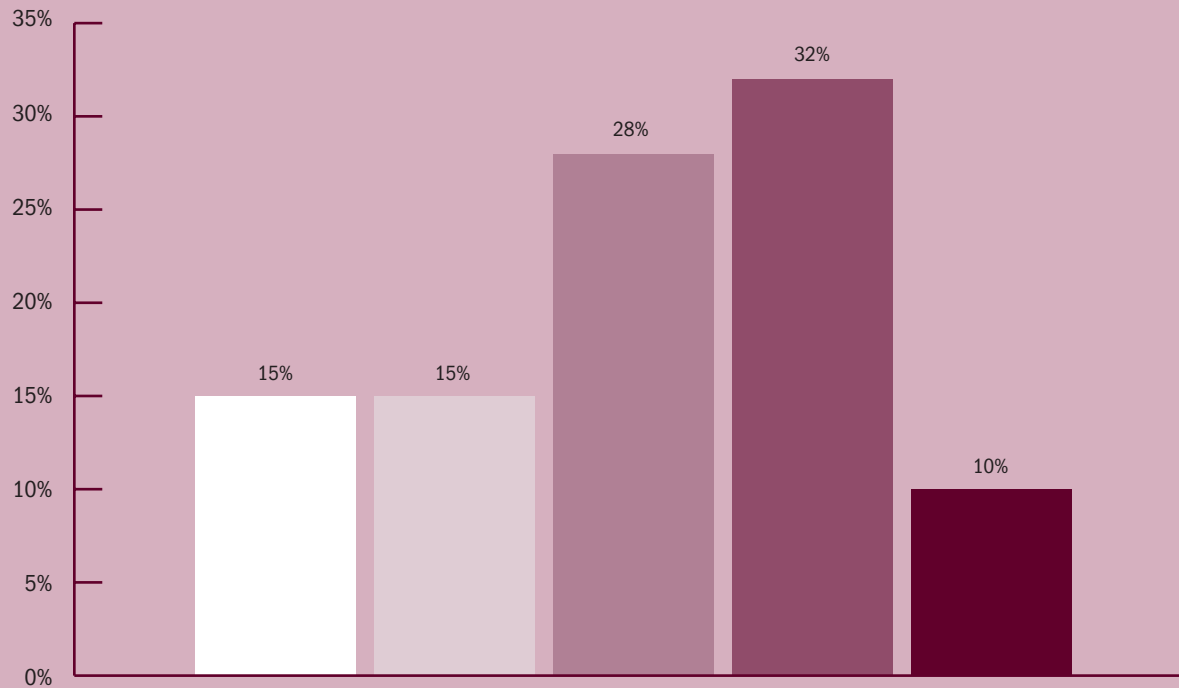
Note: Percentages may not total 100% due to rounding.

Source: SHRM® / CareerJournal.com Job Negotiation Survey Findings

Figure 24 Employees' Years in Workforce

- 1 to 5 Years
- 6 to 10 Years
- 11 to 20 Years
- 21 to 30 Years
- 31 or More Years

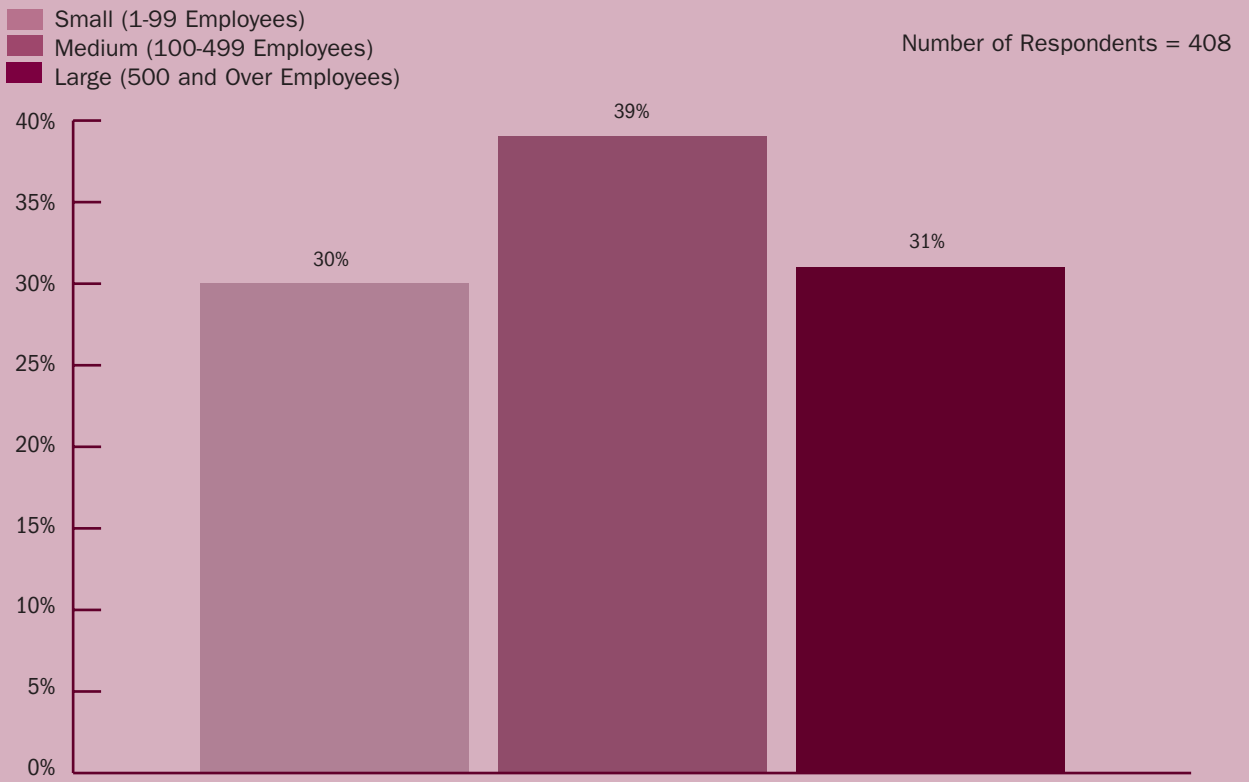
Number of Respondents = 346



Note: Percentages may not total 100% due to rounding.

Source: SHRM® / CareerJournal.com Job Negotiation Survey Findings

Figure 25 Organization Staff Size of HR Professionals



Note: Percentages may not total 100% due to rounding.
Source: SHRM® / CareerJournal.com Job Negotiation Survey Findings

Conclusions

Although most employees are comfortable with negotiating salary, bonuses and benefits, job negotiations can be difficult to navigate, especially if employees do not know which areas are negotiable and which are not. Salary is most commonly negotiated by employees, and HR professionals also view it as the most negotiable component of the employment package. HR professionals, however, are also willing to negotiate on employee relocation costs, flexible work schedules, paid time off and professional development opportunities to name only a few. Therefore, there may be room for prospective employees to position themselves to bring two to three components of their compensation/benefits package to the negotiation table after the employer has made a formal job offer.

Preparation for negotiations also increases the likelihood that prospective employers will accept what employees are requesting. This is especially true with salary negotiations. The prevalence of readily available compensation data through Web sites, studies and other sources is making it easier for employees to research the market rate for their salaries based on industry and job function. This means that employers also need to be equipped with this information so that they do not miss opportunities to recruit top talent by offering salaries below market standards.

Negotiations may not always end up with successful outcomes. However, negotiating components of salary, bonuses and benefits can be advantageous for employers and prospective employees creating win-win situations for both parties.

Survey Instruments

SHRM/CareerJournal.com Job Negotiation Survey Employee Version

1. When offered a position by a new employer, do you attempt to negotiate your salary, bonus and/or benefits?

- Always
- Depends on the situation
- Never (Skip to question 3.)

2. At what stage in the hiring process do you usually begin negotiations? (Check one.)

- During the interview process before a formal job offer has been made
- After the employer has made a formal job offer
- After I've accepted the job offer

3. In your opinion, how much flexibility is there for negotiating your salary, bonus and/or benefits with a new employer?

- A lot of flexibility
- Some flexibility
- Little flexibility
- No flexibility

4. Which of the following components of salary and/or benefits have you tried to negotiate with a new employer in the past? (Check all that apply.)

- Bonuses/incentives
- Early salary reviews with the possibility for increases (e.g., after three or six months)
- Educational assistance (i.e., tuition reimbursement)
- Flexible work schedules (e.g., flextime, compressed workweeks, telecommuting)
- Health care coverage
- Number of work hours per week (e.g., working part time, fewer than five days per week, etc.)
- Paid time off (i.e., vacation, holiday and sick days)

- Payment for relocation costs
- Perks (e.g., larger office space, free parking, etc.)
- Professional development opportunities (e.g., seminars, conferences, courses)
- Retirement benefits (e.g., pension, defined contribution plans and defined benefit plans, such as 401(k))
- Salary
- Severance packages
- Sign-on bonus
- Stock (e.g., options, purchase plan, etc.)
- Other (please specify): _____

5. How would you rate your level of comfort with the negotiation process?

- Very comfortable
- Somewhat comfortable
- Neither comfortable nor uncomfortable
- Somewhat uncomfortable
- Very uncomfortable

6. What is your gender?

- Male
- Female

7. Which category best describes your current age?

- 35 and younger
- 36 to 55
- 56 and older

8. For approximately how many years have you been employed in the workforce? (Round up to the nearest year.) _____

SHRM/CareerJournal.com Job Negotiation Survey HR Professional Version

1. During the hiring process, do you expect there to be negotiations about the potential employee's salary, bonus and/or benefits?

- Always
- Depends on the situation
- Never (Skip to question 3.)

2. At what stage in the hiring process do negotiations usually begin? (Check one.)

- During the interview before a formal job offer has been made
- After a formal job offer has been made
- After the potential employee has accepted the job offer

3. In your opinion, how much flexibility is there for negotiations about salary, bonuses and/or benefits?

- A lot of flexibility
- Some flexibility
- Little flexibility
- No flexibility

4. Which of the following components of salary and/or benefits are negotiable? (Check all that apply.)

- Bonuses/incentives
- Early salary reviews with the possibility for increases (e.g., after three or six months)
- Educational assistance (i.e., tuition reimbursement)
- Flexible work schedules (e.g., flextime, compressed workweeks, telecommuting)
- Health care coverage
- Number of work hours per week (e.g., working part time, fewer than five days per week, etc.)
- Paid time off (i.e., vacation, holiday and sick days)
- Payment for relocation costs
- Perks (e.g., larger office space, free parking, etc.)
- Professional development opportunities (e.g., seminars, conferences, courses)
- Retirement benefits (e.g., pension, defined contribution plans and defined benefit plans, such as 401(k))
- Salary
- Severance package
- Sign-on bonus
- Stock (e.g., options, purchase plan, etc.)

Other (please specify): _____

5. What are the job levels of potential employees for whom you are willing to negotiate the following components of salary and/or benefits? Are they executives, nonexecutives, exempt and/or nonexempt employees? (Check all that apply.)

- Executives
- Nonexecutives
- Exempt
- Nonexempt

- Bonuses/incentives
- Early salary reviews with the possibility for increases (e.g., after three or six months)
- Educational assistance (i.e., tuition reimbursement)
- Flexible work schedules (e.g., flextime, compressed workweeks, telecommuting)
- Health care coverage
- Number of work hours per week (e.g., working part time, fewer than five days per week, etc.)
- Paid time off (i.e., vacation, holiday and sick days)
- Payment for relocation costs
- Perks (e.g., larger office space, free parking, etc.)
- Professional development opportunities (e.g., seminars, conferences, courses)
- Retirement benefits (e.g., pension, defined contribution plans and defined benefit plans, such as 401(k))
- Salary
- Severance packages
- Sign-on bonus
- Stock (e.g., options, purchase plan, etc.)

6. In your opinion, how comfortable are potential employees with the negotiation process?

- Very comfortable
- Somewhat comfortable
- Neither comfortable nor uncomfortable
- Somewhat uncomfortable
- Very uncomfortable

7. How many people are employed at your location? _____

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Human Resource Management**

The Society for Human Resource Management (SHRM) is the world's largest association devoted to human resource management. Representing more than 180,000 individual members, the Society's mission is to serve the needs of HR professionals by providing the most essential and comprehensive resources available. As an influential voice, the Society's mission is also to advance the human resource profession to ensure that HR is recognized as an essential partner in developing and executing organizational strategy. Founded in 1948, SHRM currently has more than 500 affiliated chapters within the United States and members in more than 100 countries. Visit SHRM Online at www.shrm.org.



