

The Interview, Part 6: The Offer

If you are at the point of receiving a job offer, you have arrived at the final protocol of the hiring process. Many of you are sharing some very painful stories of unattractive offers, if you have been fortunate enough to get this far. We are experiencing backlash from the hiring frenzy and ensuing bidding war of the late 1990's. The job market is a constantly moving pendulum. I have never seen it swing as far and as fast as it has in the past twenty-four months, making this the most difficult market I have seen in my twenty-six year career. You are not alone in your frustrations. You are part of a vast multitude.

The low offers that many are receiving now are the result of the supply and demand process. Earlier this week, I met with some of you at the Technology Leadership Conference sponsored by the Hunter Management Group and held in Greenwich, CT. Two of you reported that you had submitted your resumes to recruiters who had received either hundreds or thousands of others for the same position. Your frustration was very evident. Three hundred resume submissions for one CIO level position is a commonplace event. Most hiring executives will then leverage this to get the best deal possible for their company. What amazes me is that these same senior executives who "lowball" candidates are just as outraged and disappointed when they receive a poor monetary job offer. Perhaps no one ever told them that turnabout is fair play. We can just shrug our shoulders and say, "It's just business", or "It's just a game", but people get hurt by this and companies lose potentially great employees when they behave this way.

Any company that offers a job candidate less money than they were formerly earning is creating a cause of that person's departure. The only exception to this is if the candidate was previously overpaid. None of us likes to make decisions feeling as if we've been had or that a gun has been placed to our head. A job offer always works best when it is a welcoming gesture than when it is extended on a "take it or leave it basis". Unfortunately the latter has been the more common occurrence.

For many years I enjoyed a close relationship with the Caldor Corporation, a \$3 Billion regional retailer that fell victim to a forced bankruptcy in 1995 and which was subsequently pushed into liquidation by its creditors in 1999. For eleven years, I helped them to find some of the best senior technical and managerial people. One of the greatest sources of my admiration for their management team was that to the best extent possible, Caldor always matched or beat an unemployed candidate's previous compensation. They knew that they were building a relationship with people who were business critical. I estimate that I placed over forty IT professionals with Caldor. Many of them were still there when it closed down.

I know I have said this before, but the hiring process is a unique business situation. Both sides are decision makers who are attempting to make a "marriage". Egos sometimes get in the way and may be irreparably bruised. Both parties want to feel that they made the

best deal. Unfortunately, the companies carry most of the clout. I once heard of the Golden Rule of Business, which is: “He who has the gold, makes the rules”. But candidates do have some clout as well. We will explore two areas of importance. One will discuss the topics and timing of when to discuss the offer. The other will get into the psychological issues.

What should you discuss and when?

- This is very basic, but never discuss compensation, benefits, vacation, etc. until the hiring executive introduces these or related topics to the conversation. Focus only on the opportunity at hand. I am amazed at how many seemingly intelligent and sophisticated people still don't get this.
- If a search consultant is representing you, listen carefully to any coaching they may offer concerning compensation and related issues. If you feel you can't trust them, then end your relationship with them. It is commonplace for me to spend thirty to sixty minutes briefing a senior executive for an interview, arming them with as much information as possible. My time investment at the point of offer may be many hours spread over several days. Occasionally, a candidate will take matters into their own hands when meeting a client and either make independent demands or pursue some personal agenda related to compensation or the job itself. Without exception, my clients eliminate these people from further consideration.
- If a company asks what you are earning, be honest, tell them exactly and be able to produce verification (pay stub, W-2). Many companies, such as financial services firms, hire independent verification services to examine your work history and compensation. Any misreporting can lead to immediate termination after your hire. I have seen this happen.
- When asked what you wish to earn, avoid drawing a line in the sand. The killer answer is, “I must have at least ...”. You will never hear the offer if you are even a few thousand dollars over their target. You have no decision to make about any job until you receive an offer. Make it easier for a company to extend one. Once received, the balance of power shifts to you. You can always reject it. It is better to say that you are more interested in the opportunity and that you are confident they will make an appropriate offer. This works best if you know the target range. If pressed further, you might add that you anticipate receiving offers in a certain range (i.e. \$200,000 to 225,000 plus incentives). This is sending a very strong signal about where you want to be, but implies that you are flexible. If a company offers you a package that can be worth close to \$300,000, that is built upon a \$180,000 base, instead of a \$200,000 base, would you turn it down? Know your range. When speaking with your recruiter, be able to state what you really want. Also, share with them your “floor”. In other words, if the company offers below this level, you are rejecting the offer, without hesitation.
- Introduce all compensation issues at the time the offer is about to be issued. I placed an executive recently, who following a week of negotiations concerning base salary, bonus and benefits, shared that she had just spent thousands of dollars on her graduate degree program. She was hoping that my client would reimburse

her at least for some of this cost. One executive at my client company felt that this was a last-minute “bargaining chip” thrown out by my candidate to beat a competing offer. I doubt that it was, but nonetheless my candidate created the wrong impression, which caused me additional persuasive effort to consummate the hire. Had she discussed this when the original offer was about to be made, her request would have been considered as part of a package and my client may have given her more favorable response. Last minute requests are almost always viewed negatively. Organize your thoughts in advance and keep it simple.

- Related to the above item, hiring executives become very nervous when a candidate requests more than a few days to consider a job offer. Every one of us hopes to receive multiple simultaneous job offers. In our present marketplace and at the senior executive level, the odds of this occurring are very small. You must know who you are, what you are and what it is you want to do with your life. Ask all the critical questions during the interview phase. By the time of offer, you should know whether you want the job. If you don't have sufficient information, request another meeting or conference call if you are about to receive an offer. If you receive a job offer for an inappropriate position, for any reason, turn it down. If you are under financial pressure and need the income, accept the job, but understand you may be back on the market in the near future. Considering the financial aspects of a job offer should not require much time, if you have done your homework. Delaying a decision on such an offer doesn't help anyone. Your answer will be the same tomorrow as it is today. Some hiring executives feel that delayed responses to their offers are a sign of poor decision-making skills, which may have an impact on your relationships when you commence work. In some cases, companies have rescinded offers to candidates who can't make a decision in a few days.
- Once you have accepted an offer, you should be available to commence work within two weeks. Three or four can be acceptable if you are factoring in vacation or are wrapping up a major project. Delaying starts by more than a month is considered to be risky and is always viewed as a “red flag”. Many clients have shared vignettes with me about hiring someone who delayed starting work and then “shopped the offer”, and accepted another position. I have seen clients rescind offers if a candidate requests a start date of more than a month away, because they feel that the candidate is at greater risk of “buyer's remorse”, other competing offers or worst of all, a counter-offer. They feel that this newly hired person will change their mind and not show up. This forces the company to abandon its search for no reason, which is time consuming and costly.
- Oral job offers and acceptances are considered to be legal contracts. Nonetheless, it is always best to get it in writing.
- Avoid any opportunities that require a non-compete contract or some other restrictive covenant. These can severely limit your employment prospects after your departure. If you have to take the job, then ask your employer to include a clause that revokes the restrictions, or for gives you a year's pay, if you are laid off or terminated for any reason.
- You should have complete understanding of the job. Give offer letters, proposals and contracts careful scrutiny. I recently reviewed an offer letter that had the

appearance of a consulting contract. All management objectives had to be met by the end of this year. If met successfully, the new employee would receive a large bonus. The base salary was lower than appropriate. The job description and the short-term goals made the candidate feel that he would be laid off after at year-end. The company would be the winner because hiring him this way would save them nearly \$150,000 in consulting fees. The candidate rejected the offer.

What are some of the major psychological issues?

- If an offer is being made on a “take it or leave it” basis, it is better to leave it, if your personal finances will allow such a decision.
- If you have interviewed for a job that is at a level lower than yours, don’t expect the company to upgrade the job to accommodate you.
- Be able to differentiate short and long-term priorities. I have witnessed many cases where people have accepted offers considerably higher than their present compensation, only to have their careers go into limbo. I have also seen others who accepted positions offering the same or less money than they had been earning. The difference is that they recognized the upside potential of their new position. They made the investment and their careers flourished. If you are good at what you do, can deliver on your commitments and beat your goals, the money will come to you wherever you go. Companies reward performers.
- To the best of my knowledge, it is not written anywhere or carved into stone that every job candidate must receive a ten, fifteen or twenty per cent increase at the time of offer. I am also amazed at how many people claim to have seen this somewhere, yet when I ask for evidence, they can never recall the source. This is a marketplace and negotiating is the rule.
- Adopt a portfolio mentality. If you have not received a raise in the past year or two, due to economic conditions, merger, divestiture, etc., it is not up to your prospective employer to make up for the sins of your last one. Some companies will make accommodation for this with high-performance candidates, but they don’t have to. Does anyone send you a check when your investments go down? If they do, please call me immediately. I want to meet this person.
- Use the hiring process as a marketing tool. A company offers a candidate a compensation package based upon what they think the person is worth and perceptions of what they will accept. They admire risk-takers who believe in themselves. The same woman I mentioned earlier in this newsletter, who had erroneously factored in her educational expenses at the wrong time, impressed my client with her self-confidence. I had introduced her to my client last September. The hiring executive wanted to extend an offer to her then, but she was early in her search and pulled back in a down market to explore opportunities in some other industries. My client then froze the position and re-opened it in January. They asked me if this person was still available. In fact, she was and was now more interested in their opportunity since it was superior to any other she had seen. My client offered her the position, but their initial offer was too low. She delayed accepting and more than likely would have refused it since she had other very attractive opportunities on the horizon and wanted to compare them. My

client modified its original offer twice to speed up and ensure her acceptance. They admired her integrity, faith in herself and willingness to risk losing everything. Throughout this entire process, she was very patient, articulate and gracious. She will be a critical player in a senior business development and systems integration role. Her negotiations with my client showcased her skills, intelligence and composure, which made her an even more attractive hire.

The offer phase of the interview cycle is stressful at best. Prepare for it. Know what you want in advance. Be prepared to negotiate. Know your “show stoppers”. Keep faith with yourself and maintain your integrity. This is a time to display some of your strengths.

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