

Extending the Offer... And Getting a 'Yes'

Have you ever narrowed a list of viable candidates down to one finalist who is the perfect fit for your organization, only to have that candidate say, "Hey, wait a minute! What about my vacation? What about a bonus? And what about the cost of benefits and relocation?"

After tons of paperwork and the painful executive-level approval process, these questions can put a bad taste in your mouth. Usually, what the candidate is saying is, "I have this benefit at my current job or have been offered this by another organization so I want it from you."

What is the best way to handle this so the offer doesn't go down the tubes? Before you finalize plans for working up an offer, profile the finalist's motivations and current compensation needs, wants, and concerns.

When compensation, benefits, and relocation creep into the final selection process, things can get complicated, fast. By using a highly organized and thoughtful process, you can gather the information needed to address these important issues before the offer is made.



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Cover these questions up-front and you'll make the right hiring decision and ultimately close the offer.

How do you find answers to these sensitive subject matters? Ask the candidates a series of questions and explain that it's in their best interest to be candid so you can formulate an offer that works for everyone. This step is called profiling the candidate. But understand this is not related in any way to racial or criminal profiling.

The ideal person to conduct the profiling process is the human resources representative. In a best-case scenario, here is how the profiling process should work: The candidate states he's interested in the opportunity. The HR rep immediately asks, "Just to get a benchmark for comparison purposes, can you please give me an idea of what you're used to now, from a base salary and a bonus point of view?"

It's that simple. Ask the question then listen. Don't say another word. Let the candidates stew on it if need be, but let them answer the question. If you ask the right question in a professional, no nonsense and confident manner, you will be amazed at how often the candidates will start sharing.

Once you have the candidate talking about his most sensitive issue—his salary—getting the rest of the profile completed is a lot easier.

Ask additional questions in this order:

- Does your position include a bonus? If it does, roughly what do you expect for a bonus this calendar year?
- How many weeks of vacation do you get now? How many more years must you work before your next week of vacation is added?"
- Do you have a 401K? If so, how much does your organization contribute on your behalf?

A Reason for Change

The next subject is the candidate's motivation for changing jobs. A candidate's motivation to negotiate, accept an offer, show up on the start date, and then excel in the role is just as important as his qualifications. Getting to a candidate's true motivations is part of aligning for a long-term fit.

Start by asking, "If you were in the middle of an interview with our organization and someone asked you, 'Why are you interviewing with us for this position?' How would you answer that question?"

Typical answers may include:

1. Because I was recently laid off, and I need to take care of my family.
2. Because I'm unhappy with the leadership at my current organization, my peers, my job, etc.
3. Because of the reputation of your organization and what I bring to the table. I think we are an ideal match.

If you repeatedly hear self-centered answers, red flags should go up. Watch closely to see if the candidate's answers become more balanced as the interview process progresses. Normally candidates' answers will shift as they move through the interview process and learn more about the opportunity. The point is to pay attention, listen for what cand-

didates tell you about their motivations, and watch for their follow-up actions. The last thing to cover when profiling candidates is their reason for past job changes. If a candidate is currently unemployed, start there.

Ask, "What was the last date of your most recent employment? What happened? If you were downsized, why were you let go? Did you get a severance package? If yes, describe what you got." You want a reason for every job change on the resume. Be sure you get complete answers and/or details that make complete sense.

Always keep politely asking until you believe you've heard the "whole story." Once you have collected explanations for past job changes, look for red flags and make notations about them. If you see patterns occurring in the explanations, for example, "I didn't like this boss, and then that boss, and/or that peer," dig deeper during the interview process, and ask about these explanations while doing reference checks. Base your final decision on the facts you have collected rather than your gut feelings.

Compensation Expectations

The candidate might have a wide variety of issues in their current compensation package, and you may be limited in what you can offer. It is important to determine what compensation issues are most important to a candidate such as salary, vacation, scheduling and sign-on bonus. The best way to find this information is to ask the candidate and keep track of all the details with a Candidate Offer Checklist. Here are some questions to ask to make sure you are clear about their expectations:

Salary:

What is the candidate's current salary—exactly? What does the candidate want, and why, in a salary from our organization?

Bonus:

How much has the candidate been getting for a bonus? How does the bonus program at the candidate's current organization work?

Vacation:

How many weeks of vacation does the candidate get from his/her current em-

ployer?

Standard Benefits:

What is the candidate paying for health coverage with his/her current employer?

Employee Savings Plan:

What is the candidate currently receiving in 401k benefits? What's the organization contribution?

Start the checklist with a statement saying, "What you have now or have gotten in the past, does not necessarily equate apples to apples with what you might get from us. Please remember to focus on total compensation." Ask the candidate to be completely candid when answering any questions so you can make an offer that is fully comprehensive and attractive in the very first offer presentation.

A 'Total Package' Offer

Once you understand the needs, wants and motivations of a candidate, consider the complete compensation package "potential" that's available. Policies, budgets, and approval processes change all the time. Never assume that what you did for the last hire is what you'll do for this hire. There is rarely a one-size-fits-all approach to compensation.

Keep in mind candidates will compare all of their past compensation, benefits and relocation experiences to your offer. When you create a package that addresses all of the candidate's needs, wants and motivations, the offer presentation can be more like an award ceremony, where everyone is left with a win-win, enthusiastic feeling.

Closing the Offer

At this point, you have a pretty good idea of what your organization's capabilities are as they relate to the long list of compensation and benefit issues. Your minimum goal in preparing an offer should be to keep the candidate whole on all fronts. If the candidate is going to lose money because your health insurance costs more, you need to fix it. Typically, you do that by either increasing the salary or providing a one-time sign-on bonus.

Your next goal should be to offer an incentive to encourage the candidate to make the change. The candidate's perceived marketability will directly

dictate what level of incentive he wants. A disconnect between the candidate's perception of his own marketability or value and your own sense of his marketability, can lead to disastrous results when you present the offer. It is easier for an independent headhunter or external recruiter to get inside the candidate's head on these issues. They are able to motivate the candidate to be completely candid about what the candidate wants and needs and why.

The whole point of presenting an offer is to get a "YES"—not a "Maybe, I'll think about it" and never a "No, thank you"—before you present the final written offer. Never make an offer unless you know exactly what the candidate is going to say. Yes, there are countless variables. And yes, it is more of an art than a science. Negotiations require willingness from both parties to look for balance and to work creatively to get to a win-win situation.

Once the offer has been accepted and formally presented, remove all contingencies, and get all paperwork done as fast as possible.

Minimize the time between offer and start date and make the new employee feel on board immediately. Don't allow buyer's remorse or counter or competing offers to rain on your parade.