



**ROPELLA**<sup>®</sup>  
GROWING GREAT COMPANIES

# THE COST OF REJECTED OFFERS

*An offer rejection knocks your hiring process back to square one.  
What is the real cost of that rejection, and what can you do to prevent it?*



## THE COST OF **REJECTED OFFERS**

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It's been a long, arduous hiring process, but you're finally at the "finish line".

You couldn't be more excited to have found the perfect candidate. The stress of the vacancy has been building on your whole team, but relief is in sight. Even aside from that, you know this candidate is going to be a great addition to your team - an innovative thinker who will bring a fresh perspective to your organizational challenges.

You open negotiations with a mid-range offer. You still have plenty of flexibility for when the candidate counters, but you hope they will appreciate that you didn't low-ball them.

Then you get the call.

"I'm sorry, but I've accepted a better offer elsewhere."

What is the real cost of that rejected offer?





## VACANCY COST

Every day a vacancy remains open costs your organization money, not just in revenue but especially in trickle-down effects caused by stress on the over-worked department.

The average time-to-fill is 90 days, which can be damaging enough. When your offer is rejected after those 90 days, however, you often have to start back at square one.

If you have a viable back-up candidate in place, it will still typically require another two weeks to get everything finalized.

Without a back-up candidate? You really are starting over from scratch, incurring the costs of an additional 90 day vacancy.

## PERSONNEL COST

The disappointment of a rejected offer can have an especially detrimental effect on the morale of the hiring manager and those employees working in the department who are responsible for picking up the slack associated with the open position. They know the end is in sight as they near the finish line with the selected candidate, then face disappointment and stress when the deal falls through.

## RECRUITING COST

Recruiting itself can be rather costly – the average estimate is about \$4,000. Even “simple” searches incur the cost of conducting background checks and advertising on job boards. More in-depth searches may also require paying for out-of-area candidates’ travel to interviews and the completion of assessments.

Then, of course, there is the massive time requirement. Human resources personnel and hiring managers’ time is required to screen candidates, conduct interviews and secure approval for offers – time which is lost when that offer falls through. That is valuable time that human resources and hiring managers could better spend focusing on strategic initiatives.

## OPPORTUNITY COST

One of the hardest things about a rejected offer is the “what if...”

- What if that candidate would have turned out to be a superstar in your organization?
- What new direction might they have propelled the company?
- What innovations will be lost without them?

## COMPETITIVE ADVANTAGE COST

Not only do rejected offers “feel” bad, they look bad, too. They can erode your corporate culture among those employees affected. If word gets out, it can even diminish your employer brand – “If others are rejecting offers to work here, they must know something I don’t.”

## GET YOUR OFFER ACCEPTED

What can you do to improve the odds of your offer being accepted? Fortunately, there are a number of improvements that will dramatically improve your offer acceptance rate.

Perhaps the most effective strategy is to tighten up your overall hiring process. The first offer usually wins, and the most common reason organizations lose candidates is that those candidates accept an offer elsewhere. Therefore, you need to design your process to avoid this. Move as quickly as possible so that you are the first offer they receive.

You also need to make sure you are building strong relationships with your candidates. You need to be selling them on the opportunity and your organization, just as much as you want them to sell you on themselves. Communicate your excitement about what they could bring to the position. The more excited about the opportunity they are – and the more they know you really do want to hire them – the more likely they will be to accept your offer.

Finally, you need to do everything in your power to ensure the offer you make is one they will be excited about. Have an in-depth discussion with them before you even begin to prepare the offer, and find out where they stand – ask them straight up, what kind of offer would they eagerly accept, what kind of offer would they need to think about and what kind of offer would they confidently walk away from? And remember that compensation is about a lot more than salary – from bonus to vacation days to relocation, examine every angle and be creative in compensating for any shortfalls.





## ABOUT ROPELLA

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*As the world's leading Executive Search Firm specializing in the chemical, consumer products and technology industries, we understand the challenges you face in trying to find the perfect fit for those highly specialized and complex executive positions.*

*Ropella excels at finding those select few executive candidates with the right skills, qualifications, background and management style, who fit your compensation parameters and are ready to relocate.*

*We believe nobody should have to waste time screening resumes of candidates who aren't qualified, don't fit your compensation parameters, aren't serious about the role or aren't ready to relocate. That's why we developed the SMART Search System® to provide our clients with precise and predictable hiring results, giving them a huge competitive advantage.*