

A FAIR AND BALANCED OFFER

BY TIM R. JOHNSON

Framing a job offer properly can be the difference between landing a top-notch candidate and scaring him away.

WHEN PURSUING GAINFULLY EMPLOYED CANDIDATES—those top-talent hires that mean so much to the success of a firm—framing the best possible offer is critical. Approaching those best-of-the-best with new employment opportunities virtually always requires both promotional possibilities and a compensatory increase.

Recruitment that includes relocation almost always requires a salary increase of 15% or more, I've found—especially in the current real estate market—and usually comes with a whole grab-bag of surprise challenges. That means the most viable hires needed for company growth and success are just next door, on the staff of local competitors. Attracting talent from nearby competition, however, is no simple task itself; it requires a careful approach. Perhaps most important is framing the best possible offer. Here's an example of a common mistake that is easily overlooked, and just as easily overcome when handled appropriately.

In pursuing a top-notch candidate, a client of mine recently faced the challenge of how to frame the best offer. (To protect the innocent—and myself—let's call the candidate Joe and the company Tobinelli Associates.) Joe was interested in working for Tobinelli Associates upon the first introduction, and viewed the position as a highly advantageous next step in his career. After several meetings, both Joe and Tobinelli Associates felt that there was an excellent connection on both cultural and personal levels. Everything seemed to align well in everyone's favor. Then, the offer went out. And Joe turned it down.

Joe rejected the position because of money, even though he was well within the targeted salary range and was not looking for an unreasonable increase. Tobinelli could have easily overcome this negative reaction had they managed the offer stage more effectively.

Early on in the recruitment process, Joe made it very clear that his principal interests were a fair salary boost and opportunity for increased responsibilities in a new position. Both interests weighed in equally. Tobinelli wasn't sure they could deliver completely on the salary side, and were looking to offer about an 8% increase. To make up for what they felt was a shortcoming, Tobinelli framed the position as a high management post with several staff reports and significant business development responsibilities. The intention was to make the job sound "big"—in fact, "bigger" than it truly was—so as to inflate the growth opportunity in place of a much higher salary.

After listening to this new pitch, Joe actually asked for *more* money than he originally wanted, because Tobinelli made the job seem like it entailed significantly more responsibility than Joe had initially anticipated. Tobinelli countered with a revised offer—more than they first intended to pay—but it still wasn't enough, because they had already cast the die for the position, and it was too late to amend the job description. Joe decided to stay with his current employer, in a position with fewer responsibilities, and at a lower salary than he could have accepted.

What could Tobinelli Associates have done differently? First, never oversell responsibility to balance out what may be a lack in immediate monetary compensation, because that will have an adverse effect and cause candidates to want more money. Instead, sell *opportunity*. Explain that the position pays a certain figure on day one, but enumerate the opportunities for career growth (and with that, compensation growth) months and years down the line.

There's more to it than money, of course. For example, Joe mentioned during the interview that he desired to pursue an MBA. Tobinelli could have focused on the fact that they offer an excellent tuition reimbursement plan, and could have also explained to Joe the additional opportunities that would have been available to him once he earned that degree. Tobinelli should have focused on strong short- and long-term selling points, rather than trying to play a balancing act with salary and responsibilities alone.

The bottom line is that, regardless of what many say, salary is going to be a primary issue when hiring managerial staff members. But the salary needn't always be delivered on the first day if a firm has benefits and culture that are attractive to prospective candidates. Hiring firms always need to listen to cues from candidates about non-salary desires and focus on ways to help a candidate parlay into greater responsibilities and higher salaries in the future. Frame offers carefully. With responsibilities on one side and salary on the other, don't overcompensate for one to make up for a lack of the other. The key to a properly presented offer is balance, and when a firm looks at all angles, there are certainly more than two sides that hold weight.

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