

# DEALING WITH DISAPPOINTING OFFERS

Recent trends have shown the United States economy to be a “soft economy”. We are seeing flat or declining revenue growth in many industries, higher costs of goods & resources, competitive international pressures, and a reduction of forces. This decade has seen an increase in “white collar”, middle and executive level unemployment like no other decade. There is a rapid trend towards decentralizing and downsizing major corporations while there is a new upward trend in small business start ups.

Many corporations have the feeling that this is a “buyers market” when it comes to hiring and offering employment packages. Certain professional fields that were hot in the late 1990’s are now overrun with qualified candidates for fewer jobs. Employers realize that they can get better quality employees at lower rates of pay. Another trend that the executive ranks are seeing is a lower base salary with emphasis on bonus incentives for performance. In a soft economy, corporations are requiring top talent that can perform and thus the incentive packages reflect this need.

The scent of decreasing corporate dollars is not something you can ignore. But aren't you worth a great salary anymore? It's not that simple.

Some salaries were inflated during the deep-pocketed dotcom boom. In this era many positions paid more than the market would bear. Today the market requires job hunters to ask themselves a key question when considering a salary offer: What is the current market for this industry? Employers have no reason to offer significantly more money than what the market will bear.

## Strategies

Before you get yourself into the situation of receiving a low-ball job offer, some strategies are needed to prevent or to respond to the job offer.

1. Do your homework. Research your industry and your specific trade to know what competitive salaries and incentives are like for your geographic area. Salary.com is a great resource for these types of comparisons.
2. Be prepared to do salary and cost of living comparisons for where you live as compared to a new relocation geographic area. Don't accept the job offer until you know what the impact will be on your finances in the specific geographic area that you will relocate to.
3. Be honest and open upfront with your recruiter and the employer during your first interview/consultation. Let the consultant know what you will be expecting for a compensation package. You need to “draw-a-line” in the sand as to what figure will be the difference between you accepting or declining a job offer. No games! Ask the employer if this will be possible. If not, don't waste their time or your time. If there is the possibility to meet that number after interviewing and strong presentation as to why you need this figure, then proceed. Labtech recruiters will present your salary demands as they present your candidacy.
4. Try to remember that most managers who present “low-ball” offers do so because they are trying to look good to their manager for staying under their budgets. Their motive is job security. They are not deliberately trying to insult you. Many times unemployed applicants get “low-balled” because the employer thinks they need the job and will take it. Their motives are still the same...keep under

the budget and look good to my boss. Therefore, you need to be prepared to sell to that motive of their job security. If you offer me what I am requiring, you will get x, y, and z from me (thus making you look good to your boss). You must be prepared to tell them what the x, y and z will be.

5. Always be in a position to justify the figure that you are requesting especially if you are requesting a significant increase over what you have previously earned. It must be clear as to what has changed in your background, technology knowledge, training, competitive knowledge, etc. to warrant the increase. Demonstrating significant accomplishments and providing strong job references that can support these accomplishments is a very strong strategy.
6. If you go into a job interview and find that the salary scale for your type of position and industry has suddenly slid downward, be prepared to determine if this employer will offer other incentives, accommodations or career mobility to make up for the loss in base salary.
7. Be prepared to negotiate an alternative compensation plan for instance a higher commission or bonus incentive plan in exchange for a lower base salary. Perhaps you can obtain a higher car allowance? Stock options, sign-on bonus and earlier salary review dates are always options.

### **If the Offer Stands-What Do You Say?**

1. Acknowledge that you have been impressed with the interview process thus far including the opportunity, the company and the interviewer.
2. Acknowledge that you feel very strongly about coming to work for the interviewer and employer and know that you can work out something that is a “win-win” for both parties. You want your employer to see that you are grateful and gracious and not just concerned about money. However, you are worth a price and you want to make sure that you get as close as you can. Perhaps it doesn't have to be just in base salary.
3. Acknowledge that you are a little disappointed that the potential employer does not think that you are worth the salary that you indicated early in the interview process as well as in discussions with your Search Consultant. Confirm that there was no misunderstanding as to the employer being able to meet that figure. Why were there any misunderstandings? Do you need to re-clarify any points as to why you deserve the figure?
4. Be prepared to counter with some creative suggestions:
  - a. If I accept this lower base salary, I would like to see a better car & cell phone allowance; or
  - b. Since I am required to relocate, I will need all of my relocation expenses covered as compared to just the moving costs; or
  - c. I know you are taking a chance on me just as I am taking some time in my career to learn your product line and participate in a formal training so my earning potential will be delayed. I would like to have a 6 month guaranteed bonus in exchange for me satisfactorily completing my training and probationary period; or
  - d. If my performance review is annualized, I would like to have a 6-month review during my first year of employment and if it is satisfactory, I would like to have an increase to the base salary that I originally requested. Isn't this fair in order to prove my worth to you?

- e. Lastly, take the offer if you have determined that this employer meets and exceeds your needs in terms of:
  - i. Job enrichment and challenge
  - ii. Career opportunity and mobility
  - iii. Competitive and market leader within the respective industry
  - iv. Other benefits and incentives are strong
  - v. Strong apparent working relationship with the immediate manager
  - vi. Company reputation is strong and unblemished

If the job meets all or many of these requirements, then it is likely that you will excel in the position and make up for the lower initial salary.

### **Do You Hold-Out?**

Bottom-line, what is important to you? Is it only money? If it is, your career will most likely follow the path of job hopping to the next company who has the money to lure you away. You will probably be receptive to counter-offers. Otherwise, you should have 3-5 parameters well established in your mind that you are requiring in your next position as well as employer that will cause job satisfaction and a career path that will bring a real sense of joy and accomplishment. In this case, money and rewards usually follow because the employee excels at what they do.

I am sure you are thinking though, "I know that I am worth more than this and I will see how many job offers I can obtain before I make my decision". You may already have one job offer already that is similar and awaiting another that appears to be worth more money. In any event, follow these suggestions:

1. Be honest and loyal to what you told your recruiter that you wanted to accomplish. Don't go on interviews for the sake of seeing how far you can go and to see what the offer will be. A job change should be more to you than money. If the money is not there, don't continue the interview process. Continue the process if you think the money will be low-balled but you can be happy with the other amenities offered by the employer.
2. Never accept a job offer with one company to only "play them" against another pending job offer. This tactic will label you as a "player". If you accepted the job, then forget about the others that call you. You took a lot of quality time in coming up with the reasons for accepting the job. Stick with it.
3. ***"But what if another job offer comes later that is the opportunity of a lifetime? Do I pass this by?"*** This will take a lot of soul searching, but you must not make the decision solely due to increase in money. Again, this is your career and what decision you make today will affect your career many years from now. If this new opportunity comes in late but it truly will impact your career path, level of responsibility, opportunity to be part of something much grander, etc, etc, then, accept the opportunity with apologies to those that you turn down. Again, discussion with your Labtech Recruiter, a Career Counselor, a significant other or pastor may be your best path to follow before you make any irrational decisions.

4. There will some real situations whereby you may be the “top-dog” in your profession and industry. As an analogy, you may be much like a sports free-agent within the NFL and open for all offers. In this case, all potential employers should know up-front by your recruiter as well as yourself during the first interview that you are entertaining offers only from certain select companies. If the potential employer wants to be involved in a competitive bidding situation for your top talent, then they know that going into the situation. Most employment interview processes however do not qualify for this type of situation. The Recruiter will make sure the potential employer knows that a low-ball offer does not bring the candidate to their company due to their prior outstanding accomplishments with a direct competitor. Again, this is not always the case that you may be in.
5. Never accept a counter-offer from your current employer. Your mind should have been made up as to why you are leaving the employer long before you obtain a new job offer. If you accept a counter-offer you have the target on your back and will probably be denied future raises, promotions or be the first person let go in the event of cutbacks. Even if you are leaving your current employer for the sole reason of increasing your worth, be honest about it. Pursue those jobs where you know without a doubt that you have the skills, knowledge and accomplishments to bring the higher salary. Usually this will be with a direct competitor in a similar position whereby the new employer capitalizes on your direct competitive knowledge.

If you are a recipient of a disappointing “low-ball” job offer, think carefully as to why you are making the job change in the first place. If you do not have to change jobs, then why take the offer. Your job changes should be well thought out as the purpose of the change. If you are in between jobs and needing employment, the “low-ball” offer may be necessary to get yourself back in the flow of the work-force. It is usually accepted that for every \$10,000 of income you earn it will take about one month of search activity to land a similar paying job. If you are earning a \$100,000 per year job and get an offer for \$90,000 after 6 months of searching, you may have to decide that this is really pretty good for the time spent and the remaining 4-6 months it could take to generate another acceptable offer. Remember large gaps of time on your resume will have detrimental effects in gaining interviews. Low-ball job offers early in the interview process should probably be passed by. It is also difficult to explain why you are going backwards in your income if you are a top candidate in your field.