



JOB OFFERS

NEGOTIATIONS

REROUTING INC.
ROAD MAP SERIES
Part 5 - Job Offers and Negotiations
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J O B O F F E R S A N D N E G O T I A T I O N S

Receiving a job offer can be exhilarating! You have worked so hard to put yourself out there, submitted applications, went on interviews, and you finally get that offer you have been waiting for!

YAAAAS!

A verbal job offer is usually paired with a written letter for you to review and sign back to the organization. This offer of employment should be reviewed carefully so you understand what you are getting into. If you do not agree to terms laid out in the letter, then you would not sign it back. It is at this point you would engage in negotiations with the employer – but tread carefully so that you do not risk getting the employment offer rescinded (they take back the offer).

As we go through the Road Map Series Part 5: Job Offers and Negotiations, you'll understand what a job offer is and the terms that you should expect within an offer. We will also look at employment offer negotiations and declining employment offers.

Job Offers

For the most part, you should receive something in writing after being notified verbally about an offer of employment. If you don't receive something in writing, like a formal letter, I suggest that you ask for an email from the employer asking them to layout any terms and conditions of the employment offer. This will avoid any uncertainties that you may have.

Most organizations will already have a letter prepared for you to sign and agree to the employment conditions. However, if you are working for a small, family-run business - they may not have a formal process set up to document employment terms.

Terms of employment usually consist of the same information (across jobs and organizations) and it is not something that you should be afraid of. It is a contract that outlines the expectations that an employer has for you and what they will provide you with in return. It is there to protect you and the employer. It is something that you should review carefully.

Here are some of the topics and terms of employment you'll find in an offer letter:

- Your personal identifying information (name, address, etc.)
- The date you are expected to start working
- If it is a contract job, the end date of your contract
- Your job title
- Hours of work per week and possibly specified shifts
- Information about the offer being conditional upon any background or reference checks
- An outline of any probationary periods that extend beyond Employment Standards
- Statement(s) of compensation and benefits
- Statement(s) of vacation and time off accruals
- Statement(s) of policy adherence
- Accessibility statement
- Confidential information and non-solicitation agreement(s)
- Termination clauses (with and without cause, and voluntary termination)
- Privacy of personal information statement
- Offer expiration date
- A statement of acceptance and your required signature

The topics listed above are standard when it comes to employment contracts. However, the details and information that is further detailed within those topics, should be reviewed. Again, the employer is putting this in writing to cover themselves as well as you. If you have any questions regarding statements made in the offer letter, contact the employer and get clarification before you sign and send it back.

When deciding whether to take an offer, you must look at the entire package. What is the total cash compensation they are offering you - salary, commissions, are you being offered a bonus? What are the vacation and time off entitlements? What is the value of the benefits and pension package? Are there any other company perks like work from home, company cell phone, etc. What's the potential for additional training and development (a lot of companies offer tuition reimbursement for continuing your education that is in line with your position or a future position within the organization)? What is the company culture – are there company-sponsored social events or paid time off for volunteer work?

All of this should be considered when making your decision – the total package is more important than just the rate of pay. It is okay to ask for more information and obtain further details when making your decision! If you are not happy with the offer, but really want the position or want to work for the company in general, you may decide to negotiate the offer.

When heading into negotiations, it is best to come prepared and knowledgeable of what can be negotiated and some items that are non-negotiable. We will look at these further below as we review employment contract negotiations.

Negotiations

Once you receive an offer of employment, as stated above take the time to review the terms before signing back the employment agreement. Once you sign the offer back, there is little to no room to negotiate. Also, note that unless you are a dime a dozen, it will be very hard to negotiate an employment offer for several reasons.

If you are going to try to negotiate different terms than offered, you must consider several factors and ensure you do your research first. If you don't enter negotiations in a professional and well thought out manner, you may risk making your future manager frustrated with you - or worse, it may result in a rescinded offer. There are different items within an offer that candidates try to negotiate like total cash compensation, benefits and pension, vacation and time off entitlements, company perks, etc. There are various items that can be considered "negotiable" but there are also several that will be company policy and considered "non-negotiable". We will look at compensation, benefits and pensions, and vacation and time-off entitlements in a bit more detail as these are the most common areas of interest when it comes to negotiations.

Compensation Negotiations

A salary (or total cash compensation) offer is the most common part of an employment contract a candidate will try to negotiate. Within the job offer, you may be eligible for a salary, commissions, bonuses, etc. or a combination of various forms of compensation. All of these put together form a total cash compensation. Before going into negotiations, it's important to understand that compensation offers can be constrained by several factors. Company compensation structures (pay bands and pay grades for a job), budgets, internal equity practices, pay equity practices, pay increase practices, and setting precedence within an organization all play a role when preparing salary offers. Given all these constraints, it's fair to assume that the hiring manager has a departmental salary budget they need to abide by when hiring. Sometimes companies lose out on the best candidates because a candidate's pay range request (often collected during application or phone screen processes) is higher than the budget allows for.

When you are asked about your expected rate of pay or salary, be honest. And, YES, it may get you eliminated from the process if you're asking for too much. It frustrates employers and recruiters when a candidate states a salary request during the application process - then the employer makes an offer in line with a candidate's original request only to have a candidate try to negotiate a higher pay rate. In circumstances like this, I have seen an employer go back to the candidate and say the offer is firm or they may rescind the offer (take it back all together) and contact another successful candidate. An employer will look at this as a game that they are not interested in playing with a candidate who wasn't honest in the first place.

When a manager is putting together a salary offer for you they have likely reviewed your experience against others in the same job within the organization, ran a salary offer by HR for approval, maybe even had it approved by a member of the Finance team, and possibly a senior department leader before reaching out to give it to you. Take the offer seriously and move forward with negotiating a higher salary only if you have good reason to do so.

If you are going to negotiate a salary offer be sure you have a good leg to stand on. Some information that you can bring to the table is market data for the given job within the same industry (ensure it is LEGIT data), your current rate of pay if you are switching jobs (assuming the jobs are comparable) and that you cannot accept an offer for less money due to your expenses, or another offer or counter offer that you have received from another company. When you begin to negotiate, it may take some time for you to hear back from the recruiter or hiring manager as approvals may need to go through several approvals.

Benefits and Pensions

Gaining a better understanding of how benefits programs work will help you as a candidate understand what about a benefits program is negotiable and what is non-negotiable. A benefits program is a pre-built program that an employer will have with a benefits carrier (insurance company). If you are offered a full-time position, the company may also offer you benefits and participation in their pension (or other retirement programs).

If you are being offered a temporary (contract position) or a position with part-time hours benefits and participation in a benefits program may not be offered. If this is the case, it could be part of the way the company runs its business. If this is the case, there is no harm in asking if you could participate in the benefit or pension program. What we will look at in more depth is when you are offered a full-time position within an organization and they offer participation in the benefits and pension plan.

A company may have a tiered program based on levels of hierarchy within an organization; or, it may be one program for all employees. They may have a flexible benefits plan where they offer a wide range of options and you can pick from the options provided with some limitations. Those programs themselves are non-negotiable. Some companies will allow you to decline some coverage and some benefits may be mandatory like disability or life insurance coverage. If the benefits program premiums are based on a co-share between employees and the company, the co-share is not negotiable as it would be a company policy. Anything that would be considered a company held policy would be non-negotiable.

The only part of a benefits and pension programs that may be negotiable is any waiting period that may be applied. Some companies may require new employees to endure a waiting or probationary period before their benefits and/or pension come into affect. Waiving a waiting period is more common for a tenured professional who may be moving from one company to another, but if this is something that is important to you and will effect your decision making, it is something that you could try to negotiate. If they do not oblige, the reasoning may be that they do not want to set precedence – as it could make the company look discriminatory in nature if they favoured your request over other candidates/employees.

So to wrap up benefits in one quick sentence the programs themselves, non-negotiable as they are usually structured into a policy, but you could attempt to have a waiting period waived if you are moving from one job with benefits to a new job.

Vacation and Time Off Entitlements

Another component of a contract that candidates will try to negotiate are vacation and/ or time off entitlements. A company should always be providing the minimum as stated by Employment Law but anything above that is usually provided within a company's policy. If you are starting out in an entry-level role, it will be near impossible to negotiate more time off above company policy. Again if you are in the working world and are moving from one employer to the next, you may be able to bring your current entitlements to their attention and that you'd like them to match it – but even then they may only make policy exceptions for positions that are director-level and above.

Declining an Offer

Declining an offer that is not right for you is perfectly okay! Whether you have decided that the company's culture is not in line with your interests or maybe you have received a better offer from another organization – declining an offer should always be done professionally. Don't ghost them! It's a small world, and the recruiter that you ghost may come across your resume down the road. Honest communication is key to ensuring you maintaining your professional brand.

Reach out to the recruiter or hiring manager, preferable by phone, and thank them for the opportunity and provide them with an honest answer. If you feel the job isn't right for you, or maybe you received a competing offer, let them know they will appreciate it.

Getting an offer of employment is an exciting time, especially when it is a job that you really, like really wanted! Always take the time to review the job offer details outlined by the employer. Look at the entire package, as well as opportunities for growth and development. Remember that it is okay to accept a job that is not your dream job so you can gain experience and also get your foot in the door. Take everything into consideration when making your decision and if you feel the need to jump into a negotiation – do so professionally and ensure you have information to support your requests.