Compa

How To Make
the Perfect Offer

Introduction

As a recruiter, the way you negotiate compensation has changed. New laws mandating pay transparency mean your role has shifted. Candidates are savvier, and show up with more data at their fingertips. Are you keeping up with the changes?
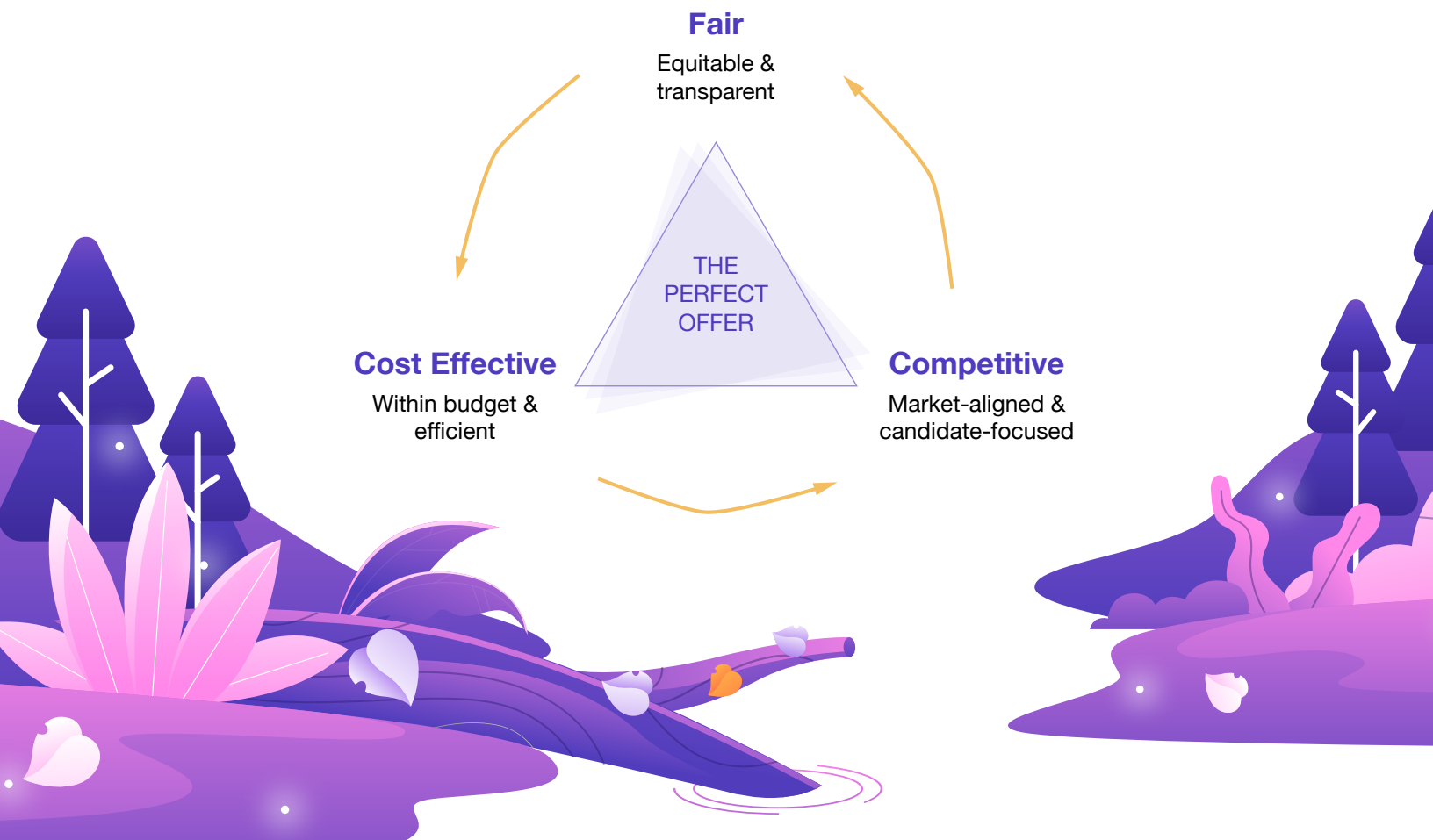
Pay transparency laws, which mandate that employers post salary ranges for the jobs they offer, will have wide-reaching effects, not the least in how you do your job.

Here at Compa that's exactly what we're interested in. In fact, we're obsessed with pay transparency, offers, and compensation. Can't get enough of them.

Wake up thinking about them. Go to bed dreaming about them. And with all of this obsessing, we think we've figured out how to make the perfect offer. You need the right data, accountable processes, and the skills to understand and communicate pay offers.

That means that the perfect offer has to be *fair, cost effective,* and *competitive.*

Compa helps you with all of that. Because it's not as easy as it sounds. Just like conducting an orchestra or cooking dinner, it's not enough to simply assemble all the right components. They need to be in the right proportions.

Fair
Equitable & transparent

THE PERFECT OFFER

Cost Effective
Within budget & efficient

Competitive
Market-aligned & candidate-focused

The perfect offer is fair

People should be paid fairly for the job they are going to be doing. That may sound obvious, but with new pay transparency laws, recruiters now have a more important role in making sure that's the case.

At its core, compensation should reflect the value that a job will generate for the organization. Fairness means that candidates are paid fairly compared to their abilities, to existing employees at the organization they are joining, and to employees doing similar work.

It's not enough that offers *are* fair, however. The candidate has to *know* they are fair. Candidates don't want to take your word. They want to see the data. That means you can gain a massive advantage by showing your work.

Do you have the tools to show them how you are calculating your offers? The more you can show candidates that their offers are based on market rates, are driven by your values, and are in line with what other people are making, the more likely they are to accept your offer. With modern data analytics tools, you can do all of that — at scale and not just anecdotally.

What you can do:

- Show candidates how offers are made. The more detail, the better.

- Talk about your organization's compensation philosophy and current industry trends.

- Leverage accurate data to show applicants that you are basing offers on up-to-date market conditions.

The perfect offer is cost effective

Too often, organizations treat recruiting simply as a cost center. They set a budget and expect recruiters to work within it. That's an important consideration. But there's so much more you can provide. That's why the perfect offer has to be as *cost effective* as possible.

Even now, as the economy experiences a downturn, recruiters aren't just *scouts*. You are also *strategists*. You are not just keeping costs down — you're also providing your organization with the best candidates at the right price.

There's so much that goes into your company's compensation strategy. The numbers must take into account budgets, workforce planning, guaranteed vs. at-risk pay, and financial performance. Decisions about compensation also have effects that reach far beyond each applicant. In aggregate and across all hires, compensation decisions add up to massive costs over time, throughout the employee lifecycle. That's because deciding how many people to hire and what to pay them are among your company's most costly — and most important — decisions.

As a recruiter, you're on the front line, seeing how those decisions play out in the dozens of compensation conversations you have every single week. You can, and should, be a part of those conversations. You have valuable insights about what your company is buying in terms of labor and how much it is spending to get it. With the right tools, you'll be able to guide an organization's spending priorities.

What you can do:

- Show internal stakeholders how your offer decisions are not just in the best interest of candidates, but also for the organization.

- Use data analytics tools to understand how your organization's compensation spending compares to that of its competition and the skills of their workforce.

- Make efficient compensation decisions by comparing your offers against those made for similar roles at other organizations.

The perfect offer is competitive

In a volatile labor market, the right data makes the difference between successfully navigating choppy waters and crashing against the rocks. Because you are at your most vulnerable when dealing with pay.

This part of your job is where a lot of mistakes get made. In a white-hot market, you struggle to keep candidates. In a down market, you're more budget-constrained as belt-tightening comes back into fashion.

That's why the perfect offer is *competitive*, which is important no matter what state the economy is in. It means you need as much competitive intelligence as you can find. Whether bear or bull, what you are offering in any economy speaks directly to your compensation strategy and competitiveness as an organization.

In a way, cost effectiveness and competitiveness are two sides of the same coin. You want to make offers that help your organization manage costs, but you also want to attract and retain the employees you need. Finding that balance can be difficult without the right data.

What you can do:

- Understand where the labor market is in real time, and communicate that to candidates throughout the recruitment process.

- Show standout applicants that you are offering them standout pay by comparing their offers to other comparable ones.

- Get offers approved quickly by bringing relevant context and the right data into conversations with internal stakeholders.

The perfect offer balances all three

Fair, cost effective, and competitive. The perfect offer must be all three.

You need the right data, accountability in your process, and skill in understanding and communicating pay. Perfect offers are made based on the best available data — real-time indicators of what job seekers are expecting, being offered, and willing to accept, plus the internal compensation data you already know. And you need it all summarized in a way that allows you to create the best offer for each candidate.

Compa helps you do exactly that — create the best offer for each candidate. And like a great conductor or chef, you're able to put them all together in the right proportions.

With Compa, you'll have access to real-time compensation data matched to your jobs. Compa provides tools and analytics to help you win more offers, faster. We do it by getting you the data you need, (e.g., guidelines, internal pay parity, past offers), by making it easy to capture competing offers and pay expectations, and by equipping you with data-driven, automated tools to craft winning offers.

Interested in learning more?

<u>Click here</u> to get a free, personalized demo of how Compa can help you craft the perfect offer.

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