

## Employment offer and 23 ways to evaluate it

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### ***What is employment Offer?***

*Employment offers* are made by employers when hiring and include key details about the job, compensation, and benefits. They can be delivered verbally or in writing, and employees can respond by accepting the offer, declining the offer, or negotiating the terms of the offer. (Becker et al; 2010)

A job offer is an invitation for a potential employee to work in a specific position for an employer. The *employment offer letter* typically contains the details of the *employment offer*, including salary, benefits, job responsibilities, and the reporting manager's name and title. The offer letter may also cover the expected work hours, the desired start date, and additional details that are important for the prospective employee to know.

### **What is the purpose of the offer letter?**

Employers draft *employment offer letters* and give them to prospective employees when offering a job (Becker et al; 2010). These letters contain the conditions of employment that were discussed during the interview and job offer process. Once they are signed by both parties, the offer letter meaning is considered legal documents and can be used to resolve any disputes that might come up relating to employment terms.

*Employment offer letters* generally include standard information regarding the position, start date, and compensation. The position title and responsibilities are among the first items provided in an offer letter. Specific duties are listed in detail under the job description so the employee knows exactly what is expected of him.

Annual base salary and a payment schedule make up the compensation section. If the position provides the opportunity for bonuses, this information is typically omitted. Inclusion of compensation other than the base salary might be misconstrued as a guarantee of payment and become an area of contention between employer and employee.

An offer letter typically includes basic benefit information. Examples of employee benefits include disability, medical, vacation, and sick time. Explicit information regarding these benefits is typically included as part of a benefits package, which may be provided along with the offer letter (or offer letter email) or once employment begins.

### **How to evaluate an *employment offer***

#### **1. Research Your Prospective Employer**

Try to gather as much information as you can about the organization's people, its reputation, values, working environment, and culture, and your potential boss's management style. Could you fit in seamlessly or would it be a culture shock? Would you be proud to say that you work there?

Try to find out how stable the company is, what its market position is, and what its prospects are. You may not have a crystal ball, but you will want to feel confident that the organization you're joining isn't about to go bust.

### **1. Salary**

Many people see salary as the key factor when they are deciding whether to accept an *employment offer*. You need to evaluate how much your skills and experience are worth before you accept the salary that you have been offered.

It is also important to consider your prospects. The salary on offer might be suitable for now but, without guaranteed annual cost-of-living increases, your income could diminish in real

terms over time. If you have been offered a commission-based salary, are the bonus structures realistic? It might be worth asking your prospective employer how often people reach their targets, or whether there are any clauses relating to the bonus structure.

### **1. Benefits and Perks**

Benefits can make up a substantial chunk of your compensation package so it's worth assessing this part of your contract carefully, as their value is often less obvious than the value of the salary.

The salary that you have been offered might be higher than your current one but, if your employer's retirement plan contributions are lower, you could be worse off in the long term. On the flip-side, a generous benefits package and retirement plan can make up for a lower salary.

You might want to consider the following questions when assessing the value of your benefits package:

#### **1. Leave**

What's the vacation and sickness allowance?

#### **1. Health Saving Account contributions**

What are the premiums? Is a dental and ophthalmic cover included? When will you be eligible?

#### **1. Tuition reimbursement**

Will the employer cover your tuition fees if you decide to enroll in relevant paid educational courses?

## 1. Incentives

Is the incentive scheme based on personal achievements or the company's wider performance?

### 1. Insurance

What insurance plans are offered? How much will they cost?

### 1. Pension

What contributions will the company make?

### 1. Profit-sharing

Is there a plan to give employees a share of the company's profits?

### 1. Savings and Expenses

One of the biggest expenses to consider when evaluating an employment offer is your commute. Will your travel costs increase or decrease? Your new job might require you to move house. If this is the case, you'll need to take relocation costs into account.

Sometimes we forget about the hidden costs of a new job offer – a new wardrobe, for example, or insurance cover. If working from home is offered as part of your new contract, you might save money avoiding the commute but you could need to invest in a home office.

### 1. Time

The amount of time that your new job will take up (beyond core hours) can be difficult to judge. It might be worth talking to someone who has a similar role in the company to try to understand what workload you may be expected to take on or how much overtime you may have to work.

If you are paid by the hour, you might welcome the opportunity to work extra time. But if you receive a salary, you may end up resenting working for a company that expects you to put in 12 hours a day but only pays you for eight. If overtime is a regular expectation, it could even mean that you end up getting paid less per hour than you do in your current job.

### 1. Career Path

Getting a new job might be your priority right now, but you still need to think carefully about how it will impact your long-term career prospects. If you accept a job offer on impulse and it does not work out, you might end up desperate to leave. Repeat the same mistake, and you could find that your résumé becomes littered with several short-lived jobs. This could make you look unreliable to potential employers, leading you even further away from your chosen career path.

If it's the work itself or the potential career progression on offer that appeals to you – rather than the salary or the benefits – then it's especially important to consider how the job will serve you and bring you closer to achieving your career goals. Ask yourself whether it will challenge you, expose you to new experiences, and enable you to grow.

### **1. Research the role**

Read the job description and person specification again. You need to feel confident that the work itself is something that you want to do, and that it will give you satisfaction.

It's also important to be certain of exactly what will be expected of you, and that those expectations are realistic. If the job specification seems too long or too short, or if it does not match up to the job title, you might need to go back to the HR department for further clarification.

### **1. Your Values**

Take some time to think about your personal values and those of the organization. What qualities are important to you in a prospective employer? Do your values align with the companies? Perhaps you believe passionately in working for a company that has a good environmental record or that works closely with certain charities. Is your prospective employer active in supporting the causes that matter most to you?

Most companies provide information about their vision, values, and principles on their website. It might also be a good idea to check out the organization's corporate social responsibility (CSR) report, which outlines what it's doing to maintain its values. You can usually download these from companies' websites. If you still have any questions concerning the company's values after receiving a job offer, now's the time to raise them with HR.

### **1. Job Content**

It's also important to think about whether you will derive job satisfaction from the offer that's on the table. To answer this question, you need to know the kinds of activities you want to be involved in and the skills you want to use as a professional.. Think hard about whether the job is achievable and whether you feel you are going to be able to hit the targets set out.

### **1. Culture fit**

You must also do your due diligence on the organization and its people to make a sound judgment on whether you will enjoy working there. Ask yourself, is this a place where I will be happy? Where I will be challenged? And where I will thrive?

### **1. Your Circumstances**

Everyone has a different set of personal circumstances. What might be the perfect job for you could be

an awful job for someone else? On the other hand, if you need a paycheck right away it could make sense to accept a position that isn't your first choice.

Take the time to review the pros and cons. Making a list is always helpful. Also, listen to your gut; if it's telling you not to take the job, there just might be something there. Keep in mind that if this isn't the right job for you, it's not the end of the world. The next offer might just be that perfect match.

### 1. Pros and Cons

Make a list of the pros and cons of your current position (if you have one) and the job offer you are considering. Which one comes out ahead? If one outweighs the other, your decision making will be easier.

#### 1. Advancement

No matter where you are in your career, you do not want to get bored a few months or years down the line and have nowhere to go. If you didn't get a strong sense of potential pathways you might take during your interviews, do not hesitate to ask about them now.

Find out if the company tends to promote from within, and how long most people stay at the level of your new job. Ask about the routes your predecessors have taken, and about how easy it is to transfer between departments. These answers are particularly important if you are in a department or company that is not growing.

#### 1. Consider What Will You Learn

Every job has its required set of responsibilities. Do the ones presented to you sound like something that you would like to do every day? Or are there other skills that you'd like to be using but won't be able to in this new role? This should weigh heavily when you evaluate an *employment offer*.

#### 1. Move Forward

In a perfect world, each job on your career ladder should be an improved version of your previous one. That could mean anything from better benefits or a superior salary to a great work-life balance while also working in a role that both challenges and inspires you.

If you're staying in the same field, make sure that this new position moves your career forward. Are you taking on new responsibilities? Learning new skills? If it's a lateral move, how does this new job improve your career prospects in the future? Will it expand your skillset? Or are you doing more of the same, just with a different title?

#### 1. Pick apart the Personalities

You loved the company you interviewed with, but your prospective boss? Not so much. While a sweet

job offer might have you wearing professional love goggles, that can fade quickly once you have to report to a boss who's not your cup of tea. Try to determine what your boss' management style would be and see if it works for you.

Evaluating a job offer can be difficult. Do not feel pressured or rushed into accepting an employment offer. Keep the lines of communication open with HR and ask as many questions as you need to to help ensure you are making the right choice.

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