CONSIDERING A NEW EMPLOYMENT OPPORTUNITY

SEPHTON FINANCIAL

WIDOW & WISDOM™

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WHAT IS IT?

In the past, workers stayed with the same company for years and years, working their way up in the company. However, times have changed. Businesses facing hard economic times restructure, forcing employees to look for new jobs. It's also become common for workers to change jobs several times throughout their careers as they seek higher salaries and new professional opportunities. Whether you're forced to seek a new employment opportunity or are willingly doing so, you'll eventually be faced with an important decision: When you're offered a job, should you take it?

MAKE SURE THE OFFER IS FIRM BEFORE YOU EVALUATE IT

Although it may be useful to explore an employment opportunity, don't waste time dreaming about your new position until you have gone through the interview process, gathered data on the company, and received a firm offer of employment. Only then should you take time to compare the offer you've received against the job you already have or a job offer you've received from another company. You'll have the facts, and you can make a more informed, unemotional decision.

INVESTIGATE THE COMPANY

Where to look for information

Gather some data that can help you evaluate what kind of future you can look forward to with the company you're investigating. It's a good idea to do some research on the company before you have an interview so you'll know what questions to ask and be able to fairly judge the answers you receive. There are many ways to get background information on a company. Here are a few:

- Check your local public or university library--Many references are available through public or university libraries that can help you obtain information about a company or an occupation. Following are references that can give you general information about the company (including some financial data):

    1. Dun & Bradstreet's Million Dollar Directory
    2. Standard & Poor's Register of Corporations
    3. Ward's Business Directory
    4. Thomas' Register of American Manufacturers

- You should also look for information on a business in consumer or trade magazines and/or newspapers. Magazines and newspapers may contain up-to-date information about the company's future, its products and services, and its successes and failures. You may also be able to find out something about the company's key executives and philosophy. Rather than check the magazines individually, check one or more of the following indexes:

    1. Business Periodicals Index
    2. Readers' Guide to Periodical Literature
    3. Wall Street Journal Index

- Look for information via the Internet--If you have Internet access, you can use it to find information on a company without leaving your home or office. Many excellent resources exist, including the following:

    1. American City Business Journals, www.bizjournals.com -- This site will search the archives of many weekly U.S. business journals, looking for the name of the company or organization you are researching. As a result, you may be able to access articles, press releases, and snippets of information about the company.
    2. Dun & Bradstreet, www.dnb.com -- At the Dun & Bradstreet site, you can find information (including financial) about millions of companies. If you want a detailed report, however, you'll have to pay. You may want to do this once you are seriously considering a job offer.

Tip: Whatever research method you choose, it's often easier to find information about public rather than private companies and well-established companies rather than new ones. To get hard-to-find information, you may want to contact the public relations liaison in the company and ask for general information and/or an annual report. You may also be able to get information by asking individuals who do business with the company or who have worked there in the past or by asking about the company at your local chamber of commerce.

What kind of information to look for

As you research a company or organization, try to find answers to some or all of the following questions:

- How strong is the company financially?
- Will the company be taken over by another in the near future?
- Is the company planning to expand?
- How many employees does the company have?
- How long has the company been in business?
- Is the company privately or publicly held and by whom?
- What successes and failures has the company experienced?
- What is the company's philosophy?
- Is the company a part of a growing industry?

Answering these questions can enable you to determine whether the company or organization is a good match for you and help you decide whether the company has a strong track record and an exciting future. Supplement the information you get via your own research by asking questions during your interview to fill in the gaps or to expand your understanding of the company. If possible, try to talk to one or more employees who currently work there to get a handle on the company environment and future.

ASSESSING THE JOB OFFER

Salary and bonuses

You probably have some idea of what you want to earn, and the salary offered by the company you are evaluating may or may not match your expectations. Obviously, if the company offers you more than you expect, you have no problem. But what if the company offers you less? First, find out how frequently you can expect a pay review and/or a raise, and try to determine how much the pay increase is likely to be and on what is it based (e.g., merit, cost of living). In general, you should expect the company to increase your salary at least annually. Next, ask about bonuses, commissions, and profit sharing that can add a lot to your income. To fully evaluate the salary you're being offered, try to find out about the average pay for that job in your area. You can do this by talking to others who hold similar jobs, by calling a recruiter (i.e., headhunter), or by doing library or Internet research. The following resources can help you:

- Bureau of Labor Statistics, Office of Compensation and Working Conditions Phone: (202) 606-6225 Internet: www.bls.gov
- Bureau of Labor Statistics, Office of Employment and Unemployment Statistics Phone: (202) 606-6400
- JobStar Salary Info Internet: www.jobstar.org

Many salary surveys are available on the Internet that you can use to research salaries in your profession.

Benefits

Never overlook the value of good employee benefits. Benefits can add thousands of dollars to your base pay, and some benefits (including group health insurance and disability insurance) can be difficult to obtain privately at a reasonable price. Although many companies offer them, the type and quality of benefits vary widely from company to company. Find out what benefits the company offers and how much of the cost the employee must bear.

Future opportunities with the company

You'll want to find out what opportunities exist for you to move up in the company. This includes determining what the company's goals are and the type of employee the company values. Will you get to use skills you already have? Will you need more training and education? Is your philosophy regarding work in line with the company's? (If not, you may have trouble getting promoted or may end up leaving the company.) In addition, make sure the company has a future at all. If it's a new company, it may be at risk for folding in the near or distant future, so take time to evaluate the company's structure and plans and, if possible, to find out some information about the financial soundness of the organization. If the company is well established, determine if it is in a growth industry and try to find out (possibly by checking annual reports or articles about the company) what plans it has for the future.

Working environment

You may be getting paid well and the company may offer great benefits, but you still may not be happy working there if the working environment does not suit you. To evaluate the working environment, pay attention if you get a chance to tour the company's offices. Do employees seem extremely busy? Do they look happy? Bored? Is the office space cold or inviting? Do people seem relaxed and friendly? Tense? In addition, try to meet the individuals you will be working with closely. Do they seem like people you would be comfortable working with? Do you sense any hostility? Do they say they like their jobs? Finally, consider how much time you must spend at your job. Are the hours suitable? Will you work a lot of overtime? Will you have to punch a clock, or is the scheduling somewhat flexible?

CONSIDER THE FINANCIAL AND EMOTIONAL IMPACT OF TAKING THE JOB

Professional and personal consequences

To evaluate the professional and personal consequences of taking the job, consider the following questions:

- How will taking this job positively or negatively affect your finances? Consider increases or decreases in salary, cost and availability of benefits, and related costs of taking this job, including relocation, spouse potentially losing his or her job, and the cost of transportation.
- How will this job indirectly affect your finances? For instance, will taking this job lead to better opportunities in the future? Does taking this job mean taking on additional financial risk (e.g., if the job doesn't work out or the company downsizes or goes out of business)?

- Will taking this job make you happier? Aside from the financial implications of accepting the job, consider the emotional consequences, both personal and professional. Will you be happier than you are now? Will your family be happy with your choice? Will you work longer hours or have more time to relax? Will you be better respected or be able to expand your professional horizons?

Ramifications of golden handcuffs

Sometimes employers use nonqualified deferred compensation plans as golden handcuffs to make sure that key employees stay with the company for a specified period of time. If you are a highly compensated or key employee and participate in such a plan, you may lose certain benefits if you leave the company prematurely under the terms of the plan. Since your monetary loss may be significant, consider this before changing jobs.

SHOULD YOU ACCEPT THE OFFER?

Despite the time and energy you spend researching and evaluating, the hardest part is yet to come: deciding whether to accept the offer. Begin by assembling the facts, data, and information you have gathered. Think back to the interview, paying close attention to your feelings and intuition about the company and/or the position. Consider not only the salary offered to you but also what future you can expect with the company, and think about whether you believe you would be happy and excited working there. If you're having trouble making a decision, try writing down the pros and cons of accepting the job; it may then become clear whether the positives outweigh the negatives. Sometimes, you may really want the job, but you're unhappy with the salary or the benefits offered to you. If so, it's time for negotiation.

Making the job offer acceptable through negotiation

Some people are afraid to negotiate a job offer because they really want the job and are afraid that the company will rescind the offer or respond badly if they attempt to negotiate. However, if you truly want the job but find the salary, benefits, or hours unacceptable, it's better to face rejection than turn down what otherwise would be a great opportunity. The first step in negotiating is to tell your potential employer what it is that you want. Make it clear that you are immediately willing and able to accept the offer if this aspect of the offer could be changed. Be specific. Name the amount of money it would take or the exact hours you would like to work. However, don't threaten the company, and if you really want the job, don't imply that you'll walk if the offer remains unacceptable. Stay neutral.

What will happen? The company may refuse your request, either because company policy does not allow negotiation or because the company is not willing to move from its original offer. Or, the company may make you a second offer, perhaps offering you more money but not as much as you requested or offering to make up to you in benefits what they can't give you in salary.

In either case, the ball is back in your court. If the offer is still unacceptable, you may have to turn the job down. However, if the offer is better but not exactly what you want, ask for a day or two to think about it.

It's also possible that the company will accept your counteroffer outright, especially if you have unique talents or experience. At this point, there isn't much else to say except, "Thank you, I look forward to working here."

NOTES:

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