

□ Fashioning and Negotiating a Compensation Package

Any well run organization will have a compensation range for a position and hopefully the person enters at or below the mid-point of that range so there is room for increases later. However, when hiring a CEO often times attracting the right leader is so crucial that what the board prefers to pay and what they are willing to pay to get the right person can be quite different. So, first find out what the candidate has been earning and what their expectations are. It might be said, “We are thinking of a salary around X amount, plus additionally benefits. How does that fit with your expectations?” Once a verbal compensation offer is made then a formal job offer with all the specifics of the compensation package is presented in writing. It might include relocation assistance, retirement, incentive plans, vacation, insurance, car, housing, an allowance for conferences, etc.

With the offer having been made, if a search consultant is involved, they would ask the candidate for their thoughts on the offer. The relationship between the organization and the candidate such that if either is seeming to be unfair, unreasonable or inflexible damage can result. So the consultant would ask for the candidate’s reaction and then call the board chairman to help him or her understand the candidate’s thoughts and see if some accommodation can be made. All concerns should be addressed at once rather than making several petitions for modifications to the offer.