



Cornell's Center for Advanced Human Resource Studies

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***Targeted Benchmarking on  
Offer Process – Ownership, Partnership, Process  
and Practices***



CAHRS Partners have the opportunity to benchmark with other partner companies on HR topics of interest. The benchmarking is typically conducted with 5-7 other CAHRS Partners selected by the company that initiated the request. The CAHRS office identifies the appropriate connections at selected companies and the benchmarking company then schedules 1:1 phone calls to explore their questions.

Examples of recent requests include: Sponsorship Initiatives, Organization Designs and Structures, Diversity Metrics, Talent Management Practices, Competency Models and a variety of HR Policy Questions (i.e. Relocation, Cost of Living, Airline Mile Usage, etc.).

CAHRS partners find this more qualitative approach to benchmarking very valuable for revealing novel insights and practices, as well as for building their network. At the conclusion of the process, the benchmarking company shares an anonymized summary of their findings with the participating companies and CAHRS, who then makes them available so all partners can benefit from the learning.



## CAHRS Benchmarking Summary

### Offer Process – Ownership, Partnership, Process, and Practices

Six companies participated in one-on-one benchmarking conversations facilitated via the CAHRS program. Conversations focused on the Offer Process, specifically ownership, partnership hand-offs, approvals, and other process related items. Discussions included team members involved in the process from both the Talent Acquisition and Total Rewards/Compensation side. While these handoffs and partnerships often focused on higher level, “non-standard” efforts, the discussions were inclusive of all levels of recruitment across the partner organizations. These discussions aimed to help better clarify the role that compensation partners, business leaders, and recruiters/talent acquisition associates played in the process to better understand the interconnected and individual scope of activities.

Conversations included organizations in the Consumer Products (3), Medical Devices (1), and Pharmaceutical (2) industries. The representatives from those organizations included members of Executive Talent Acquisition, Total Rewards, and Operations related groups that had accountability for recruitment, offer creation (inclusive of all compensation components), approvals, mobility, and other elements of the offer package process.

In the sections below, the summary responses aim to provide an overview of each conversation topic. These discussions took place in June 2021. All responses have been anonymized to protect the identity of respondents and organizations involved.

#### ***1) What role or department is responsible for offer recommendation?***

During each conversation it was clear that across all organizations there is communication and partnership across Total Rewards, Talent Acquisition, HR Partner, Hiring Manager, and other parties. In no company does one internal group or organization own all aspects of the offer recommendation process and all companies rely on the flow of information between groups to build competitive offers. All companies indicated the Recruiter plays a key role in ensuring all candidate information, including ledgers, buy out documentation, claw backs, etc., is collected and in the hands of the team member(s) creating the offer recommendation.

Where companies did differ was in the team or team member responsible for “driving” the offer process. Across all discussions there was an even split on who generated the initial offer recommendation, but for certain organizations the position level also factors in. Total Rewards/Compensation, Talent Acquisition/Recruiter, or HR Partner are accountable in different organizations, but at the Executive level we did find the Total Rewards/Compensation group plays a more active role in initial offer creation/recommendation. Only one organization noted that Talent Acquisition plays no significant role in the construction of the offer and focuses more on all aspects leading up to offer creation (i.e., candidate interaction, collection of candidate information, etc.).

## **2) What roles typically approve offers? (i.e. Recruiter, Total Rewards, Hiring Manager)**

While each organization may have had a different order for approval flow, every organization was very similar when it came to which individuals are required to approve a final offer for release to a candidate. The level of offer is a major factor in required approvals for each individual organization, but across participating companies and industries those approvers tended to remain consistent.

At more senior level roles within each organization – Senior Director, VP, etc. – approvals include some version of HR, Compensation/Executive Compensation, Hiring Manager, and Additional Business Leadership. Depending on the size of the company and/or offer components, such as equity buy out or sign-on level, senior level HR/CHRO and Executive Committee approval is also required.

Below the Senior Director/VP level, companies remain consistent in who is required to approve offers. Roles at this level tend to be more consistently “within range” and, in those instances, typically require only Business Leader level approvals. As offers become more complex, however, peer companies did indicate that HR, additional Business Leader level, and Total Rewards approval is required.

One common discussion point for all organizations was an ongoing desire to continue refining the speed of the offer process. Participating organizations shared that any work they had done to streamline approvals, provide greater accountability to approval owners, or to leverage technology in the offer creation/approval process did result in a better employee and candidate experience. It did appear, however, that overall “time to offer” impacts were limited and are still an area of ongoing focus for most of the organizations.

Volume of offers, often as dictated by size of organization, appeared to influence the alignment of specific TA and TR team members to the business. For higher level roles it is more common for the Business/Group to have a single point of contact within Total Rewards and/or Talent Acquisition. If, however, offer volume is more significant (comparable to other large organizations), the single point of contact tends to expand across a greater number of potential partners within the Total Rewards and Talent Acquisition groups. This is done to account for volume but does still keep the partnerships to a smaller group of familiar individuals. Conversely, for mid-to-lower level roles, most participating companies indicated that a single point of contact is not an efficient way to manage offer volume.

**3) *If approval process is not automated, what role drives the approval process?***

All companies have automated approval workflows available, with half utilizing this technology at the Executive level. In those instances, two companies reported using Workday while one company reported using an in-house technology driven approval process.

A consistent theme across all participating companies was the use of technology in the approval process for positions below the Director/Executive level. Companies indicated using the Applicant Tracking System (Taleo), Workday, or an internal system to obtain approvals. The difference between Executive and non-Executive approvals appears to be a combination of both volume considerations and, most critical, the unique nature of higher level offers that require more discussion and result in approvals via email or meeting. However, final approvals are all tracked via some form of workflow technology.

Typically, the individual responsible for driving the offer process (see question #1) was also responsible for following the offer approval process. For those organizations that followed a manual approval chain, this individual is a key component in ensuring the offer process does not stall and that all other parties have visibility to the approval process.

**4) *When an offer requires relocation/mobility, which department owns the overall offer process?***

Two of the companies participating in discussions have elements of Talent Mobility built into their Total Rewards organization while other organizations have a separate team of Mobility partners. Depending on the size and international footprint of participating companies there were variations in responses, but mobility, in general, is an area where most companies struggle with unique candidate situations and the resulting influence on the offer process.

The overwhelming response was that ownership of the offer process does not shift to the Mobility organization when a move is involved and instead remains with the responsible party. Two companies did indicate that work on net-to-net calculations are handled within Total Rewards/Compensation, but all companies highlighted that a close partnership and ongoing conversations between internal parties were the key elements of success.

**5) Who/what department or role has the final decision rights regarding offers? Does it differ by compensation component? (LTI, cash sign-on, base salary, etc.)**

Companies reported a split in which individual or group owns final decision rights on an offer. Most companies indicated that below the Senior Director/VP level is where Total Rewards, Compensation, or the Head of Comp for a particular group makes the final call on the offer details. At Executive levels or in niche areas, however, companies reported that Business Leaders and top Executives are more likely to play a role in influencing final offer details. All companies noted that there are salary ranges or guidance based on position levels that allow for Total Rewards to justify offer levels more clearly while also allowing Business Leaders to understand what flexibilities may or may not exist in certain situations.

Components of the offer do play a role in ownership of the final approval. For “standard” offers that fall within a specified range or do not include additional components like LTI or sign-on, the Hiring Manager and other business leader(s) tend to be more involved in the decision with Talent Acquisition and/or Total Rewards. As the components of the offer become more complex, companies reported that Hiring Managers remained involved in the discussion, but the final decision trended towards Total Rewards ownership, in most cases.

**6) At what thresholds are additional levels of approval required? Are these thresholds driven by monetary value? Are they driven by components of the offer?**

All participating companies indicated that additional levels of approval are, in some capacity, threshold driven. While thresholds varied based on monetary level, the themes were consistent around Executive offers and offers with additional components (LTI, Sign-on, Mobility, etc.) requiring additional approvals as compared to standard offers that fell within guidelines.

Another consistent theme is the connection between Total Rewards and the Business. In almost all discussions, business groups have assigned Talent Acquisition and Total Rewards partners assisting with recruitment of higher-level positions. Companies reported this alignment has built stronger business knowledge within TR and TA and also aids in the speed to approve offers when additional levels of approval are required. For levels below Director/Executive offers, however, there was a split of organizations maintaining the assigned Acquisition and Rewards partners with those that approached offers on a more ad hoc support basis.

Most participating organizations noted approvals may, at times, be required from an Executive Compensation or Management Compensation Committee. This was most often true of higher-level, Executive roles but also includes situations where equity buy-out or sign-on components are larger than typically expected. Several companies reported experiencing higher levels of success when Compensation Committee meetings occur more frequently and, even more so, when a mechanism exists for ad hoc approvals in critical talent areas.