It has been said that you are never as valuable to your employer as the day you are hired. The same can be said for the day you attempt to leave your job.

Have you ever received a counter-offer after accepting another offer and giving notice to your employer? Many of us have. A counteroffer can be a tempting proposition considering that you have built close relationships, established a level of longevity and security, proven your skills and become comfortable with surroundings at your current company.

A counteroffer is frequently a temporary solution presented by your employer to serve its own needs for the short-term—meaning that many of your same issues will continue to exist. During my 36 years in the search profession, I have seen a few counteroffers work out successfully for the long-term, while many others have failed within 1-2 years.

Counteroffers should be evaluated on a case-by-case basis. It is important, however, to (1.) beware of potential pitfalls of counteroffers, (2.) remember the reasons you are looking to change jobs and (3.) focus on the big picture.

STRATEGIES
Using leverage of another job offer usually comes with high risk and is not a desirable way to achieve monetary and other goals with your current employer. Regular communication with management regarding personal goals should net your best results toward obtaining a higher salary, a new role or a promotion. When negotiating with your employer, be careful about sending a message that you are highly dissatisfied with your job. Instead be specific about what needs to be improved and emphasize the many positive aspects of working for the company.

Your goal may be financial in nature such as a higher salary or incentive package. You may find yourself beneath an average pay range for your position, education and experience level or you may be an exceptional performer that is earning only average pay. In either case, you need to substantiate your monetary requests by documenting your accomplishments and by researching average compensation for your position.

Your goal may be related to changing your current role in some way (i.e., a promotion, new role, additional responsibilities or transfer to another department or location). In this case, prove to management that you are deserving of a promotion or new role and that the company will benefit because...
you will be more satisfied, motivated and productive.

By approaching management at an early stage of dissatisfaction, you increase your chances of getting the salary or position you want. You also give your employer an opportunity to treat you fairly without you holding another job offer over them. If frustration builds and you attempt to leave your employer without ever expressing concerns to them, you are being unfair to them and to yourself, and you increase odds of an adversarial counteroffer situation.

RECEIVING A COUNTEROFFER

Upon giving two weeks notice, you will likely have an exit interview where you will be asked why you are leaving and what the company can do to keep you. This is an appropriate time to emphasize that (1.) you are leaving for a better opportunity, (2.) you are not leaving simply for a higher salary, (3.) you are grateful for your time spent with the company and for their support and (4.) you are not interested in a counteroffer.

If your employer values your talents (even if they have not shown it over the years), they will likely make a counteroffer, regardless of your reasons for leaving. This usually occurs within a matter of days. If you hold a key position in the organization, your employer will not want the position to be vacant for potentially several months or longer and they will not want to spend the money or time necessary to refill the position and train a new employee. After all, your employer’s main goal is profitability, and lost productivity, rehiring and training costs easily can be $10,000 to $100,000 or more, depending upon the level of position, length of search and relocation factor.

Depending upon why you are leaving, a counteroffer may come in one form or a combination of many forms, including:

- Salary
- Bonus
- Perks
- Promotion
- Newly established role
- Added responsibilities
- Transfer to another department or location.

It is understandable that employers commonly make counteroffers since they are trying to take care of their own needs, just as individual employees are doing.

THE DECISION

Upon receipt of a counteroffer, be careful about getting caught up in the excitement of what may be a short-term solution. Remember the original reasons you were looking to change jobs. If you consider accepting a counteroffer, get terms in writing and make sure that your key issues are being taken care of with minimal future risk.

Be especially cautious about accepting a monetary counteroffer. It is possible that you did not receive this money earlier because of deeper issues like unfair treatment, lack of recognition or unfulfilled promises by your employer. If you receive a counteroffer involving a new role, again look at why your employer did not pay attention earlier to your goals and offer you a new role before their backs were against the wall.

Ask yourself the following questions to get a handle on risks associated with accepting a counteroffer:

1. Is your company making a counteroffer primarily to serve their own interests?
2. Is your employer doing more for you mainly because of your leverage?
3. Is your employer likely to follow through on promises contained in the counteroffer?
4. Will your employer treat you fairly down the road?
5. Will management always look at you differently because of your attempt to leave?
6. Will you have the label of a disloyal and discontent employee?
7. Will your relationships with co-workers be affected?
8. Will you be bypassed for future salary increases because you’ve already received your raise or because you are now at the top of your pay grade?
9. Will you be first to be terminated if the company downsizes?
10. Will many of the same problems at your company continue to exist?
11. Is the counteroffer only a temporary solution to your issues?
12. Will your industry reputation be damaged by failure to honor the commitment to a job offer?

It is crucial for you to determine (1.) level of risk in accepting a counteroffer, (2.) amount of risk you are willing to take, (3.) chances of achieving your career goals by staying put and (4.) likelihood of being with your company several years from now.

Good luck in choosing the right path for your future!

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