

Whether your top employee just gave notice or you're the one resigning, you're likely to toy with the idea of renegotiation.

"Those work-from-home Fridays *do* sound nice..."

"If I bump up his base salary just a bit..."

As the employer, extending a counter offer to a talented employee can be tempting. Good managers aspire to keep their top performers on board, and losing them can impede their own success. The loss of a skilled and experienced member of the team can be costly, too – not only does interviewing for a new recruit take valuable time; there are also agency expenses, lucrative projects put on hold, dampened team morale, training expenses, and the time bringing a new employee up to speed. One employee's departure impacts the entire organization in ways many don't factor in until it's too late.

From the employee perspective, the idea of accepting a counter offer can be even more enticing. Despite the common misconception, counter offers aren't only defined as an increase in salary (which, frankly, might be appealing enough on its own). A counter offer can often go further by including additional medical benefits, more desirable responsibilities, support staff, paid vacation, tuition reimbursement, a major promotion – just about anything that will rival that new job offer and persuade an employee to stay put. Plus, who doesn't want the recognition that comes when a boss demonstrates he or she will do just about anything to keep you on board?

But no matter what your perspective when it comes time to talk counter offers, the most sound advice remains the same: Just say no.

HERE'S WHY:

Delaying the Inevitable

Happy employees don't consider other opportunities. They don't "put feelers out." They don't take phone calls from recruiters. They don't click on targeted job adverts. If an employee has taken even one interview, it is because they've been dissatisfied.

While an enticing counter offer may change their mind today, it only delays their eventual departure. In fact, studies show that 85% of employees who accept a counter offer are gone within six months, either voluntarily or not (EEK!).

Money Ain't a Thang

Countering with a pay increase is like trying to heal a bullet wound with a band-aid. The issues that caused the employee's unhappiness will still be there when they're no longer distracted by the smell of cold, hard cash. Still unsatisfied, though perhaps better dressed, their search will restart in short order – now at a higher salary requirement.

Broken Trust

Counter offers soil the breeding ground for distrust and negativity. Always wondering if the search has resumed, employers never have the same level of steadfast confidence in the employee. The employee's commitment to the company will often come into question. Teammates may feel resentful as they learn that less loyal workers receive the rewards. Now instead of one unhappy employee, you've got a whole team.



Burning Bridges

Not only does a counter offer have the potential to turn a well-oiled team into a toxic work environment, but the company that extended the original new job offer has to resume their search. This takes time, energy, often multiple rounds of interviews and approval, all of which translate to lost revenue. When deliberating a counteroffer, the employee should strongly consider whether it's worth damaging their reputation with potential employers. That offer – or any other from this company – won't come around again.

First to Go

Employers often make a counter offer in panic because they face a team gap that will take months to recruit, replace and train. Retaining the employee in order to conduct a stealth search for a potential replacement is often the goal of a counteroffer. The employee accepts the offer in good faith only to be laid off when the employer's search is successful. In another scenario, due to their perceived lack of loyalty and commitment, the employee might find themselves at the top of the cut list should business take a turn for the worse.

Prepare for a Drought

So, you accepted? Great! Don't count on a raise anytime soon. You just got one, remember? Oh, you'll be reminded of it each time that you ask. Sounds like a easy route to "Disgruntled." Hey, wait - isn't that why you were looking in the first place?

At the end of the day, keep the communication lines flowing and have the job satisfaction conversation long before you reach a resignation. If an employee voices that he or she is dissatisfied, it shouldn't come as a shock to their employer. It should be a progressive compromise in which both employer and employee recognize one another's expectations.

To the Employer: Pay your employees a solid market rate (higher when possible), and keep a finger on the pulse of their all-important work/life balance.

To the Employee: Approach your boss about added benefits or perks. Your wish list may not be granted, at least not immediately, but you're proactively addressing an issue that may lead to increased job satisfaction.

When someone resigns, it's time to part ways. Shake hands. Exchange well wishes. Move on.

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