

## TO COUNTEROFFER OR NOT?

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Companies are regularly faced with resignations of key staff members and the easiest solution seems to be to make a counteroffer and keep the status quo. Before you decide on this course of action, you should try first to determine the reason for their resignation.

The first step is determining the reason for their resignation. The cliché answer of “more money” is rarely the real or only reason why employees resign. While salary may factor into it, more than likely the reasons include one, or a combination, of:

- A perceived lack of opportunity
- Poor management
- Mismatched culture
- Long commute
- Need for flexible hours

Based on the employee's answer, you then need to consider what you have the power to change.

- Alter upper management structure
- Create a new managerial position
- Provide a flexible schedule
- Accommodate telecommuting

Be honest with yourself. Because, if you counter with only money and the employee accepts, you still haven't fixed the real issues and the initial negative feelings the employee had will continue.

Once you pinpoint the employee's real reason for leaving, and if you can amend the situation, decide whether you should.

- Are the employee's demands best for the company?
- If you knew about the problems before, why didn't you act earlier?
- Has the employee been searching for a new job for a while or were they approached by a recruiter?
- Is convincing them to stay a short-term or long-term solution?

All of this information affects whether or not you extend a counter offer. So make sure when you're in this position you don't act hastily or out of desperation. Consider the repercussions of your decisions and don't be afraid to gracefully let employees leave. It's natural for employees and companies to part ways through the years. And, sometimes it could be for the best.

