HOW TO EVALUATE AND NEGOTIATE A JOB OFFER

By Rodney Apple, in partnership with APICS
INTRODUCTION

Most job seekers spend a lot of time and energy getting to the job offer stage which can take weeks or several months. As a job seeker, one thing you can count on for sure is that you’ll go through a wide range of emotions during this phase as you wait for the offer to arrive, evaluate the offer, negotiate the offer and eventually decide whether or not to accept the offer. These emotions can include anxiousness, excitement, frustration, confusion, anger, disappointment and everything in between.

Know that you’re not alone as recruiters go through the exact same emotions. You want a job offer that’s fair and attractive, one that you can accept and feel excited about. Recruiters long for the exact same thing. We want you to be happy with the offer and accept it, and of course we want to close out the position for our employer or client so they’ll be happy, too.

The most important thing to remember when evaluating a job offer is that it can and often will trigger major life-changing events. Think about all the things that can happen to people when they accept a new job. A new job could take you to a new location or lead you to meeting your future spouse. Taking a new job could bring about immense wealth or it could have the opposite effect. It’s truly mind boggling to think about all the ways a job change could impact lives.

Since job changes are capable of impacting our lives in a major way, it’s critical for job seekers to gain a good understanding of how the job offer process works and especially how to effectively evaluate and negotiate a job offer. No one wants to leave “money on the table” either, so improving your negotiation skills can make a big difference in the size of your paychecks.

Having spent the last two decades in recruitment, both on the corporate recruiting side and agency recruiting side, I have been closely involved with the processing of thousands of job offers for companies ranging from from start-ups to Fortune 500 firms such as Coca-Cola, The Home Depot, Kimberly-Clark and others. In this white paper I will share my knowledge on the subject of job offers and negotiation tactics so you can be better prepared to evaluate and negotiate future job offers that you receive.
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COMPENSATION BASICS

When it comes to compensation, there’s a whole lot of variability between employers in terms of how they go about structuring their compensation packages. As a job seeker, it’s important to understand the role of compensation within an organization, the typical components of a job offer, and the different approaches employers take to determine an offer package. Understanding compensation from an employer’s perspective can give you an advantage when the time comes to negotiate a job offer.

THE ROLE OF COMPENSATION

Compensation is a complex subject matter and that’s why there’s a profession dedicated to the field. Compensation professionals are responsible for determining and maintaining pay level guidelines that attract, retain and motivate employees. Since that employees are the most important company asset, and payroll is typically a company’s largest expense, compensation plays a vital role in the success of any organization.

Compensation programs within large and mid-sized companies are typically very well defined and structured while compensation programs within smaller companies are more informal or non-existent. Companies with dedicated compensation programs conduct quite a bit of competitive analysis, labor analysis, benchmarking and other market research in efforts to structure their compensation programs.

If a company’s compensation program isn’t competitive enough, the company could struggle to attract, motivate and retain talent. On the other hand, if a company’s compensation program is too rich or generous, this could have a negative impact on the company’s bottom line. This is why employers review their compensation programs periodically to ensure they remain competitive and fair.

Compensation Programs within Large Employers

Every large company or corporation will likely have dedicated compensation specialists that work within their Human Resources department. Compensation programs within large companies are the most complex and tend to offer the least amount of room for negotiation. Every position has a Job Grade (job level) with a firm salary range and if there’s a short-term or long-term incentive, it’s typically a set percentage based on the Job Grade. While salary is always something you can try to negotiate, you typically won’t be able to negotiate the short-term or long-term incentives.
Compensation within Mid-sized Employers
Mid-sized companies may have a dedicated compensation specialist or they may have a Human Resources Generalist that handles all compensation matters. Sometimes the compensation program could be outsourced to a third party. Compensation programs within mid-sized companies typically aren’t as complex or stringent as what you’ll find in large companies. Therefore, you will probably have better odds of negotiating offer package components in addition to the base salary, such as bonuses/incentives, for example.

Compensation within Small Employers
As for small companies and start-ups, they typically won’t have a formal compensation program in place due to the lower number of employees. Often times the responsibility for determining the components of a compensation plan lies with the owner, president, or his or her designee. With small companies, you’ll typically find the highest degree of flexibility in terms of offer components that you can negotiate.

CASH COMPENSATION COMPONENTS
Compensation packages vary by company and job level. Entry-level to junior-level positions often times offer a base salary only. Mid-level to management level positions typically offer a base salary and a performance-based bonus such as a short-term incentive and/or long-term incentive. Executive-level positions offer the most lucrative compensation packages that often include base salary, both a short-term and long-term incentive, and other perks.

Base Salary
A fixed compensation paid on a regular basis in exchange for an employee performing routine job functions, often expressed in an annual sum i.e., annual base salary.

Short-term Incentive
Rewards to an employee for achieving certain goals over a short period, such as a year or less. Short-term incentives typically entail a cash reward paid out on a quarterly, semi-annual or annual basis. Rewards can include a cash bonus or commissions (for revenue-generating positions such as sales). These incentives are measured based on an employee’s own performance, a department’s performance and/or the company’s performance.

Sign-on bonuses
A one-time bonus that’s included in an offer package only, falls into this category as well.
Long-term Incentive
Rewards to an employee based on company performance over a longer period of time, typically two to five years. These incentives can be paid in various ways such as cash bonuses, stock options, restricted stock, ownership or shares within a private company, etc. These incentives are typically measured based on an employee’s long-term contribution to the long-term success of the department and/or company.

NON-CASH COMPENSATION COMPONENTS
In addition to the cash compensation components of an offer package, which are typically viewed as the most important aspects of an offer package, most companies, especially large and mid-size companies, offer non-cash components as well. The most common are health care benefits, retirement plans (401-k and/or pension), and holiday, vacation and sick pay. Some employers offer other benefits such as a car allowance, gym membership, tuition reimbursement, child care assistance, and numerous other benefits and perks designed to attract, motivate and retain talent.
UNDERSTANDING HOW EMPLOYERS CALCULATE STARTING SALARY

From my experience, I’ve found that employers are all over the map when it comes to how they calculate and determine the starting salary component of an offer package. Some employers analyze a candidate’s salary history and salary expectations then add a certain percentage increase to determine the starting salary, in the spirit of giving the candidate a pay increase to motivate the individual to join the company. This percentage typically ranges from a 5% compensation increase on the low end to 10% on average to 15% or 20% on the high end.

Other employers don’t factor in a candidate’s salary history at all. Instead, they go through the interview and assessment process and determine what they feel the candidate is worth, in relationship to the candidate’s salary expectation. If the interview team feels that the candidate meets the basic qualifications for the job, but lacks the preferred qualifications, they may extend an offer that’s within the minimum to midpoint of their salary range. If they feel the candidate exceeds the basic qualifications, would hit the ground running and bring in a lot of value, they may select an offer that’s at the midpoint of the salary range or higher.

Peer equity is another factor that typically comes into play when determining the target salary range, especially for mid-sized to large employers. Peer equity is basically an analysis of what an employer is currently paying a group of employees that belong to the same job function or job family. Employers make every effort to avoid having one employee that’s compensated far above or far below anyone else within the same job function or job family. This is a risk-avoidance compensation practice that helps to alleviate the odds of an employee filing a complaint or worse, a lawsuit, for being under compensated compared to their peers doing the same type of work at the same job level.

Some employers will set very tight parameters for the target starting salary, such as having a rule in place where no hiring manager can offer a salary that’s above the midpoint of the salary range. To offer an amount above the midpoint, the employer would require approvals from management, human resources and/or the compensation department. This type of compensation practice is put into place to control payroll costs or when there’s a history of hiring managers offering way too much compensation.

LOWBALL OFFERS VS BEST FOOT FORWARD OFFERS
Unfortunately, there are companies out there that try to take advantage of candidates by making lowball offers. These companies will purposely set the salary offer at a low amount just to see if a candidate will accept it. If the candidate doesn’t accept the original offer, they’ll typically leave room for a modest increase via a counteroffer. Then they’ll try to make it sound like they went “above and beyond” for the candidate by agreeing to his or her counteroffer.

The opposite approach is for companies to put their “best foot forward” by developing the best possible offer that they’re capable of assembling—one that comes very close to matching the salary expectation of the candidate. Typically these offers will be very fair and reasonable and the employer’s goal is for the candidate to enthusiastically accept without countering the offer.

How can you tell if you’re getting a lowball offer versus a best foot forward offer? It’s tough to tell for sure but if you receive an offer that’s lower than, equal to or barely above your current compensation, and an offer that’s below your stated salary requirement, you’re likely getting lowballed. Now, there is an exception to this rule: if you’re highly compensated for the job level you’re in now, then perhaps the employer is offering the highest amount they can offer. Typically this will be communicated to you before or when the verbal offer is extended. If you receive a low offer and the employer doesn’t justify why they came in so low, then you’ve probably been lowballed. In this situation, I would want to understand why the offer came in low before you counter the offer. If the employer can’t provide a good reason for the low offer, and there doesn’t appear to be a good upside for joining the company, then it’s probably best to decline the offer as you’re most likely being lowballed.
ADDRESSING QUESTIONS ABOUT CURRENT AND DESIRED SALARY

The all-important “What’s your current salary?” and “What’s your salary expectation?” questions can be difficult to address, especially if you haven’t spent any time preparing your thoughts for how you would respond to these questions. I view these salary questions as a poker game where the goal of one party is to get the other party to lay down their poker cards first. The key to knowing how to address these questions is proper research and preparation.

It’s important to understand that the primary goal for the employer is to simply find out if you’re within their target salary range. Likewise, the primary goal for the candidate is to find out if the compensation for the job is within his or her salary range.

So why all the fuss with the current and expected salary question, if the primary goal is to find out if both parties are on the same playing field? Unfortunately, some employers have ulterior motives when they ask the current and expected salary questions. They want you to state your salary information first so they can determine how low of an offer they can get you at. In short, they want to lowball you so they can save a few bucks.

Another negative thing that can happen is that employers often use the salary question as a “knockout question.” If your current salary is outside of their target range, this can instantly disqualify you before you even have a chance to learn more about the opportunity to determine if you’re open to their salary range.

As a candidate, you should always strive to have the employer lay down their cards first and the best way to do this by beating the employer to the salary question. Of course, this isn’t always possible and you certainly can’t force the employer to play their cards first.

Here are tips to prepare for the current and expected salary question and how to go about addressing these questions:
1. **Know your worth and arm yourself with as much salary information as possible.** You’ll need to conduct research to find out what the average salaries and salary ranges are for similar jobs that you’re applying for and always factor in industry and geography as well. You can find plenty of good salary calculators online via a quick search on the term “salary calculators.”

2. **If you are asked the salary question especially in the preliminary screening stage, it’s best to avoid providing a specific number for current salary and desired salary.** Instead, tell the interviewer that before you can discuss salary, you need to learn more about the position and job requirements to ensure the role is a good fit and something you’re interested in seriously exploring. Similar to buying a car or house, you’re not going to share what you’re willing to pay for the car or house until you spend time researching both. Use this analogy if you receive any pushback.

3. **If you find yourself in a position where you’re being pressured into discussing salary, start by discussing salary ranges versus hard numbers.** For example, you could tell the employer that you’ve spent a lot of time researching similar types of positions within their industry and have found that a position like this typically pays between $X and $Y. Then ask the employer to confirm if this salary range is within their ballpark.

   Alternatively, you can also state a range for desired salary, but if you go with this approach, make sure you state that salary is flexible and negotiable as you’re the type of candidate that values all components of an offer package, not just the salary. Then ask the employer to confirm whether or not you’re in their salary range as well as what other incentives they provide as part of the overall compensation package.

4. **If the employer insists that you divulge your current salary, and you’ve exhausted all options for trying to get them to divulge the salary range first, this is where you’ll need to make a judgment call.** If you are highly interested in the job and feel that the company offers a lot of room for growth, then you may want to go ahead and give them the information that they’re asking for. If you do, try to get something in return, in particular more information about the salary range and incentives. When you give them your current salary, you should provide a desired salary range as well, not a hard number, but a range. If you don’t feel that the opportunity is worth exploring, you can always pass on it and walk away.
MY PERSONAL EXPERIENCE WITH THE CURRENT SALARY QUESTION

While you can incorporate all of the aforementioned techniques in efforts to avoid or deflect the current and desired salary questions, there are going to be times when you simply have no choice in the matter.

I worked for 10+ years in corporate recruiting and some of my clients would not schedule a candidate for face-to-face interviews until the candidate divulged his or her current and desired compensation. This requirement was typically part of the company’s compensation policy. If the candidate refused, no big deal, the employer would move on to other candidates.

How did this policy impact my employers’ ability to attract and hire top talent? It had no impact at all. I ended up processing well over a 1,000 offers during this timeframe and had a very high offer acceptance rate. The number of candidates over the years that refused to disclose their current / desired compensation was a very tiny number. Most importantly, there was never an effort during my 10+ years in corporate recruiting to lowball a candidate’s job offer. The employer demanded this information to ensure that the candidate was within their range, in the spirit of not wasting anyone’s time. So this is valid proof that the “offer lowball theory” simply doesn’t apply to all employers.

From my perspective, this type of behavior doesn’t happen with larger employers that have robust compensation programs and proper tools and processes in place for evaluating a candidate’s worth and calculating job offers. I’m not saying that all large corporations are fair when it comes to offers, I am only giving you my personal experience. Since you’ll never know their intent for sure, it’s critical that you take the necessary time to research companies to find out if they have a good reputation and treat their employees fairly. With the advent of social media, blogs and review sites like Yelp and Glassdoor, companies that employ unethical tactics such as lowballing offers can no longer hide this practice from the public. Do your homework and only entertain opportunities from reputable companies.

REVEALING YOUR SALARY TO RECRUITERS AT SEARCH FIRMS

If you’re working with a reputable recruiter, a.k.a. “headhunter,” at a search firm, it’s in your best interest to divulge your total compensation package and desired salary. Why is this situation different than with employers? Search firms are in the business of placing candidates with client employers so there’s zero incentive for a search firm to lowball a candidate that they’re attempting to place. In addition, most search firms are compensated by a percentage of the candidate’s annual base salary so the higher the base salary, the higher the fee/commission. At the end of the day, the search firm wants the candidate to receive the best offer possible as a happy candidate typically equates to a happy client. Before you divulge any salary information to a third party recruiter, always conduct research to ensure you’re dealing with a respected and reputable recruiter.
EVALUATING THE JOB OFFER

The biggest mistake candidates make when evaluating a job offer is to evaluate the compensation only. Candidates that make offer decisions based solely on the highest offer are setting themselves up for a long, bumpy road ahead with their career. While compensation is very important, you also need to evaluate the job, the company and especially the opportunity for growth. Getting promoted is how you grow your compensation the fastest, not by changing jobs the most often. Think long-term when evaluating the job offer, not short-term.

Does the job entail work that you really enjoy doing? Is the company growing at a good rate? Does the person you’ll be reporting to seem like a great leader to work for? Does the company have a good reputation within the marketplace? Most importantly, does the company offer room for growth? I recommend that you worry more about the work you’ll be doing and the opportunity for growth and less about compensation. With that being said, there are some good techniques you should follow to evaluate a job offer:

**Know Your Worth** - It’s important to understand your worth within the marketplace so you can properly evaluate a job offer and prepare yourself for negotiating, if necessary. If you’ve been working in the same profession for a while, as in several years or more, you probably already have a good idea what companies pay on average for someone in your profession. If you’re not sure, there are plenty of salary calculators on the internet that you can use to get some ballpark salary data.

**Determine Your Minimum Salary Requirement** - We all have bills to pay and savings goals to achieve for retirement. Determine the minimum amount of salary that you need pay your bills and contribute towards your retirement savings.

**Determine Must Have Benefits** - Health insurance is expensive these days. Depending on your personal health situation and if applicable, your family’s health care needs, a good employer healthcare plan could be a must-have benefit for you and your family.

**Understand Each and Every Aspect of the Job Offer** - When you receive an offer package in writing it should include an offer letter and benefits package summary. Make sure you read through everything carefully and write down any questions that you have. It’s very important to understand each and every component of the cash compensation, especially short-term and long-term incentives. If you receive a short-term incentive in the form of an annual bonus target, find out if the company pays only 100% of target or if the company will pay out at a higher percentage of target, such as 150% for example (for exceeding performance expectations).

The same goes for the long-term incentive. Can you achieve a higher percentage of the target incentive? If your incentive is rewarded with stock options and/or restricted stock versus cash, find
out what the vesting period is and analyze the company’s financial performance. If their stock has been losing value, and the company’s financial outlook isn’t looking that great, this may not be a lucrative component of your compensation package.

You’ll also want to find out how the incentives are measured. Is it’s based on employee performance, department performance, company performance, or a combination thereof? Ideally, you’ll want to know the historical payout averages for each incentive. Over the last three years, did the company pay out at target, less than target or above target (on average)? While past performance is never an indicator of future performance for incentives, at least you can use this data to help with negotiations and/or making a decision on the offer.

**Understand Each and Every Aspect of the Benefits Package** - Benefits are important for most candidates especially those with families. You need to evaluate the value of the benefits package just like you do with the cash compensation components of your job offer. Take the time to read through the company’s benefits brochure, write down any questions that you have, and be sure to pay close attention to the employee costs for health insurance premiums, co-pays and deductibles.

**Break out Your Calculator** - After receiving a job offer, you’ll have a short timeframe to make a decision. If you have basic understanding of Microsoft Excel, I recommend using this spreadsheet application to input all cash compensation variables within your job offer as well as benefit costs. If your offer includes short-term and long-term incentives, run two or three scenarios in Excel to calculate what you could earn if you hit your minimum bonus target, maximum bonus target and somewhere in between. This is the easiest way to calculate your earnings potential and out-of-paycheck expenses for healthcare benefits.

You’ll also want to analyze other benefits that the company offers such as vacation, holidays and other perks such as car allowance, tuition reimbursement, etc. Enter these benefits into a separate area of your worksheet and assign values by each benefit representing both the importance factor and quality factor.

**Check Employer References** - Before you make a final decision on an offer, be sure to check out the company’s reputation through websites such as Yelp and Glassdoor. If you have friends or family with connections at the employer, reach out to them in efforts to check references. If you find that the company offers a great compensation package but has a horrible work environment, high turnover, and other bad qualities, factor this into your decision-making process.

**Pull the Trigger or Negotiate** - After completing the analysis above, you should know exactly where you stand with the job offer. If you’re satisfied with the cash compensation, the job, company, benefits, etc. and feel that there’s good opportunity to grow with the company, then you may want to go ahead and accept the offer. If you’re not happy with one or more of the offer components, then it’s time to negotiate which we’ll explain in the next section.
NEGOTIATING THE JOB OFFER

The key to successful negotiation is preparation. You must conduct research and analyze every aspect of the job, company, opportunity for growth and components of the compensation package and benefits package. If you don’t take the time to prepare, the employer will always have the upper hand when you get to the negotiation table.

*Keep in mind that negotiation doesn’t have to be a difficult or nerve-wracking ordeal. You’ve made it this far in the interviewing process and the employer has selected you over a pool of other candidates. The employer obviously feels that you can add value to the organization so there’s a vested interest in sealing the deal to get you to accept and join the company.*

With that being said, the employer also has limitations in terms of what they can and cannot negotiate. Likewise, you need to set limits for what you are willing to accept. Know your worth and stick to it, otherwise you run the risk of making a mistake that you could live to regret for years to come.

You also need to keep emotions out of the negotiation equation. Remember that negotiation is a normal two-way conversation. Stay open minded and maintain a positive, enthusiastic attitude. Never come across as demanding or desperate as this is the quickest way to turn off the employer and ruin your chances of negotiating anything.

Be prepared to articulate the value you will bring to the organization in efforts to justify an increase to the starting base salary or whatever it is you’re trying to negotiate. I recommend preparing a script that includes a few short stories you can share to communicate all the wonderful things you’ll bring to the organization that will positively impact the company.

It’s very important to remember that salary isn’t the only thing that’s negotiable. You should develop a list, ranked in order of most important to least important, of other things that you would like to negotiate in the event the employer can’t meet your salary expectation. Here are a few ideas:
If you find that you’re in position where you have two or more job offers to decide from, of course run a full cost analysis to compare and contract every aspect of the offers, benefits, etc. More importantly, if you find that the some or all of the offer packages are “in your ballpark”, you definitely should put a higher emphasis or weight on the job, company and especially the opportunity for growth. Once again, getting promoted is how you grow your compensation the fastest, so focus on the opportunity that provides the best growth potential.

Lastly, if this is a job that you definitely want but the employer can’t quite meet your expectations with certain offer components, try to set the stage for future opportunities to negotiate. For example, you could state that you respect his or her decision not to negotiate a higher salary, however, you would like to know what you must accomplish in the first six months or the first year to deserve a future salary increase. In other words, you are telling the employer that you are willing to come in and “prove yourself”, except you’re asking the necessary questions to set the stage for future negotiations to your salary. This could be a win-win situation in the long run.
OFFER NEGOTIATION
DO’S AND DON’TS

DO’S

✔ Do research the average salary and average salary ranges for the type of job you’re interviewing for.

✔ Do research the company to determine opportunity for career growth, company reputation, etc.

✔ Do withhold salary information for as long as possible until you’ve learned more details about the job, company, etc.

✔ Do concern yourself with the type of work you’ll be doing and the opportunity for growth as much as you concern yourself with initial starting compensation.

✔ Do ensure that the compensation that’s being offered is fair and within your desired salary range.

✔ Do keep an open mind when evaluating and negotiating an offer.

✔ Do let the employer make the first move into the salary negotiation phase as knowing the salary range will give you an idea of the interviewer’s negotiating parameters.

✔ Do be aware of your strengths and accomplishments so you can demonstrate the value you’ll bring to the employer.

✔ Do be open minded about the offer and maintain a professional and positive attitude during the negotiation phase.

✔ Do be realistic in your expectations.

✔ Do consider every aspect of the compensation and benefits package, not just the base salary or any one component of the offer package.

✔ Do thank the employer for the offer when it is made.

✔ Do remember that getting promoted is how you grow compensation the fastest, not by changing jobs the most often.

✔ Do think about the long-term opportunity versus the short-term opportunity.

✔ Do try to negotiate other components of your offer (e.g. shorter review period, sign-on bonus, more vacation, etc.) If the employer can’t match your desired salary.

✔ Do aim high when stating your desired salary range as you can always come down but cannot talk your way back up if you aim low.

✔ Do be honest about your current compensation as falsifying or inflating numbers is dishonest and can get you into trouble down the road if and when the employer verifies employment and especially past compensation.
DON’TS

✖ Don’t try to negotiate right after the offer is made as you need time to analyze the offer package and come up with negotiation strategies.

✖ Don’t accept an offer strictly for the money.

✖ Don’t get into a bidding war if you have other offers as it can and typically will backfire.

✖ Don’t accept an offer until you’ve seen all of the terms in writing.

✖ Don’t give in too easily and don’t overplay your hand while negotiating.

✖ Don’t inflate your current earnings just to get a higher salary offer as it will come back to haunt you.

✖ Don’t get overly aggressive in negotiating the salary you want and don’t negotiate using ultimatums.

✖ Don’t accept the first acceptable salary offer you receive unless you’re confident in and excited about the job, company and opportunity for growth.

✖ Don’t feel pressured to divulge a specific figure on an employment application and instead, feel free to write in “negotiable” or “competitive”.

✖ Don’t hesitate to discuss the skills, experience and value you will bring to your employer and how they will help the organization meet its goals.

✖ Don’t act too eager to accept, even if the offer was more than you expected, as most employers leave room to negotiate.

✖ Don’t allow the employer to rush you into accepting a job offer that you know you won’t be happy with.
COUNTEROFFERS

Let’s say you just accepted an offer and submitted your two-week notice to your manager. You’re all excited and start counting down the days until you start the new job. What if your boss pulls you aside and asks you to stay on board or even better, offers to match or exceed your offer if you’ll stay on board? Do you know how to handle this type of situation, known as the “counteroffer”?

Counteroffers are a very delicate subject. It’s important as a job seeker to understand some of the reasons why employers decide to rectify the situation via a counteroffer, and the risks associated with accepting a counteroffer, so you’ll better understand the employer’s perspective and will be prepared to handle this situation if it ever happens to you.

Once you turn in your resignation, a two-week panic typically ensues, especially if you’re serving in a mission-critical job for your company. Your company will likely wonder what they did or didn’t do to lose your loyalty and they’ll likely become consumed with trying to figure out how they’re going survive without you, at least in the near-term until they can hire and train a suitable replacement. They’ll soon realize that recruiting, hiring and training a replacement takes time and costs a lot of money.

Enter the counteroffer. While it can seem flattering if your employer comes to you with a higher offer, begs and pleads for you to stay, and promises to take better care of you moving forward, you do need to understand the potential consequences of accepting their counteroffer.

- The relationship with your manager and other superiors could be jeopardized for good moving forward. The loyalty that you once had with them will be tough to get back. In addition, there could be doubts and concerns about your trustworthiness moving forward. These things can impact your ability to move up within the company over time and if there was a future reorg or layoff, they could remember how you broke your loyalty to them, and do the same to you by laying you off.

- Some companies offer a counteroffer for the sake of keeping the employee on board until they have time to identify a suitable replacement. From their perspective, you’ve been identified as a “flight risk”, and once the new employee starts, you receive a pink slip.

- Something led you to start looking for opportunities to begin with, such as lack of a promotion, being treated poorly by your manager, being overworked, being underpaid, etc. While more money is always nice to have, the factors that drove you to search for a new job likely won’t go away. Eventually you could grow dissatisfied again and have to start the process over for searching for new employment.

Are there times to consider a counteroffer? Absolutely. Perhaps you quit because of a horrible manager and when you gave your employer the reason for quitting, maybe they decided to fire that manager you worked for and decided to offer you his or her job. Now this would be a very valid reason to accept a counteroffer. I’m sure there are more. Just think long and hard about a counteroffer and all the things that could go wrong before you commit to it.

- Let’s say you left strictly because of pay and consider that it took putting in a two-week notice just to achieve a pay increase via a counteroffer. How do you know that your employer will offer adequate pay increases in the future? What if you’re up for a raise in a year and your manager states that you were just given one recently (as part of your counteroffer package)? If you do consider accepting the counteroffer, I definitely recommend having a serious conversation about your concerns and work out a plan in writing that dictate level of future pay increases based on achieving your goals.

- Remember that employer that gave you the offer that you accepted, then reneged on, to accept the counteroffer with your current employer? You can rest assured that the employer you reneged on will never consider you for employment again. Once you burn a bridge like this, they won’t forget about it.

- What about using an offer from another employer as a tool for getting your current employer to give you a raise or promotion? Horrible idea! Sadly, I have had this happen to me a couple of times. This is a highly unethical practice and obviously will burn a bridge with the company that gave you the offer. In addition, if your current employer has the slightest suspicion that you’re playing this game, you will likely receive a pink slip immediately.

Are there times to consider a counteroffer? Absolutely. Perhaps you quit because of a horrible manager and when you gave your employer the reason for quitting, maybe they decided to fire that manager you worked for and decided to offer you his or her job. Now this would be a very valid reason to accept a counteroffer. I’m sure there are more. Just think long and hard about a counteroffer and all the things that could go wrong before you commit to it.
CLOSING

You will most likely need to change jobs several times throughout the course of your career. Knowing how to effectively evaluate and negotiate job offers can have a significant impact on your livelihood, the size of your paychecks, along with your overall earnings potential.

For every job offer that you receive, it’s absolutely critical for you to consider both the short-term and long-term implications prior to making a decision. While compensation is an important factor when evaluating a job offer, the opportunity for growth is by far the most important factor along with job satisfaction.

Remember that the quickest way to increasing your earnings potential is through promotions versus switching jobs for more money. If you are evaluating two or more offers and all of them are in your ballpark, focus your time on researching which company offers the best potential for growth and go with that company.

Lastly, it’s extremely important to keep an open mind and positive attitude as you evaluate and negotiate job offers. Sometimes you may need to take a small step back to take a giant leap forward.

To your success!

Rodney Apple
ABOUT THE AUTHOR

Rodney Apple is the founder and president of SCM Talent Group, LLC — a national supply chain recruiting and executive search firm that recruits across the end-to-end supply chain discipline. For nearly 10 years, Rodney worked at the corporate headquarters for The Coca-Cola Company and The Home Depot, where he led professional and executive recruiting for their global supply chain organizations. To date, Rodney has successfully filled over 1,000 professional- to executive-level supply chain positions for clients ranging from Fortune 15 to startup. Rodney also authors “The Supply Chain Talent Blog,” where he shares advice on job search strategy, resumé optimization, interviewing tips, career development, hiring and more. For more information, please visit scmtalent.com.

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