

Counteroffer Acceptance- The Road to Career Ruin



The following article was written by Paul Hawkinson back in the mid 1990's and is still very relevant today. Paul was an HR Executive and Executive Recruiter for many years. His experience of being on both sides of the fence gave him a perspective of what happens when counteroffers are extended and accepted. I hope you find it helpful.

- Jeff King

Counteroffer Acceptance: Road to Career Ruin

By: Paul Hawkinson

Mathew Henry, the 17th-century writer said, "Many a dangerous temptation comes to us in fine gay colors that are but skin deep." The same can be said for counteroffers, those magnetic enticements designed to lure you back into the nest after you've decided it's time to fly away. The litany of horror stories I have come across in my years as an executive recruiter, consultant and publisher, provides a litmus test that clearly indicates counteroffers should never be accepted. EVER!

I define a counter offer simply as an inducement from your current employer to get you to stay after you've announced your intention to take another job. We're not talking about those instances when you receive and offer but don't tell your boss. Nor are we discussing offers that you never intended to take, yet tell your employer about anyway as a "they-want-me-but- I'm-staying-with you" ploy.

These are merely astute positioning tactics you may choose to use to reinforce

your worth by letting your boss know you have other options. Mention of a true counteroffer, however, carries an actual threat to quit.

Interviews with employers who make counteroffers, and employees who accept them, have shown that as tempting as they may be, acceptance may cause career suicide. During the past 20 years, I have seen only isolated incidents in which an accepted counteroffer has benefited the employee. Consider the problem in its proper perspective.

What really goes through a boss's mind when someone quits:

"This couldn't be happening at a worse time."

"This is one of my best people. If I let him quit now, it'll wreak havoc on the morale of the department."

"I've already got one opening in my department. I don't need another right now."

"This will probably screw up the entire vacation schedule."

"I'm working as hard as I can, and I don't need to do his work, too."

"If I lose another good employee, the company might decide to "lose" me too."

"My review is coming up and this will make me look bad."

"Maybe I can keep on until I find a suitable replacement."

What will the boss say to keep you in the nest?

Some of these are common:

"I'm really shocked. I thought you were as happy with us as we were with you. Let's discuss it before you make your final decision."

"Aw gee, I've been meaning to tell you about the great plans we have for you, but it's been confidential until now."

"The VP has you in mind for some exciting and expanding responsibilities."

"Your raise was scheduled to go into effect next quarter, but we'll make it effective immediately."

"You're going to work for who?"

Let's face it. When someone quits, it's a direct reflection on the boss. Unless you're really incompetent or a destructive thorn in his side, the boss might look bad by "allowing" you to go. His gut reaction is to do what has to be done to keep you from leaving until he's ready. That's human nature.

Unfortunately, it's also human nature to want to stay unless your work life is

abject misery. Career change like all ventures into the unknown, is tough. That's why bosses know they can usually keep you around by pressing the right buttons.

Before you succumb to a tempting counteroffer, consider these universal truths:

1. Any situation in which an employee is forced to get an outside offer before the present employer will suggest a raise, promotion or better working conditions, is suspect.
2. No matter what the company says when making its counteroffer, you will always be considered a fidelity risk. Having once demonstrated your lack of loyalty (for whatever reason), you will lose your status as a "team player" and your place in the inner circle.
3. Counteroffers are usually nothing more than stall devices to give your employer time to replace you.
4. Your reasons for wanting to leave still exist. Conditions are just made a bit more tolerable short term because of the raise, promotion or promises made to keep you.
5. Counteroffers are only made in response to a threat to quit. Will you have to solicit an offer and threaten to quit every time you deserve better working conditions?
6. Decent and well-managed companies don't make counteroffers. EVER! Their policies are fair and equitable. They will not be subjected to "counteroffer coercion" or what they perceive as blackmail.
7. If the urge to accept a counteroffer hits you, keep on cleaning out your desk as you count your blessings.

Ten Reasons for NOT Accepting a Counter Offer

Where is the money for the Counter Offer coming from? Is it your next raise, early? All companies have strict wage and salary guidelines that must be followed.

You have now made your employer aware that you are unhappy. From this day on, your loyalty will always be in question.

When promotion time comes around, your employer will remember who was loyal

and who wasn't.

Once the word gets out, the relationship that you now enjoy with your coworkers will never be the same. You will lose the personal satisfaction of peer-group acceptance.

What type of company do you work for if you have to threaten to resign before they give you what you are worth?

1. Your company will immediately start looking for a new person at a lower starting salary.
2. When times get tough, your employer will begin the cutback with you.
3. Accepting a Counter Offer is an insult to your intelligence and a blow to your personal pride; knowing that you were bought.

The same circumstances that now cause you to consider a change will repeat themselves in the future; even if you accept a Counter Offer.

4. Statistics show that if you accept a Counter Offer, the probability of your voluntarily leaving in six months or being let go within one year is extremely high.

Special Note: When you do resign from your present employer, be sure to do so in writing, retaining a copy for yourself. This procedure is to protect you in the future because future reference checks could record the separation as mutually beneficial. Include any constructive criticism, if any, in order to solidify your position for leaving.

“Beware of the Counter Offer”

(Your whole career is at stake)

If you have accepted an offer from a new employer and on giving your notice to your present company a Counter Offer is made, you should consider the following:

Ask yourself if you were worth “X” dollars yesterday. Why are they suddenly willing to now pay you “Y” dollars today when you were not anticipating a raise for some time. (Consider the fact that your present employer could be merely “buying time” with this raise until he can locate a suitable replacement).

Suppose you were given an annual raise of \$3,000.00 as a counter offer. When they find a replacement for you in say 60 days, then the actual cost to them is only

\$500.00.

Is just more money going to change everything in your present job? Consider the new opportunity you will be giving up that looked so favorable when you accepted it.

The company will probably feel as though they have been “blackmailed” into giving you a raise when you announced your decision to leave.

Realize that you are now a marked man. The possibility of promotion is extremely limited for someone who has “given notice”. The company is vulnerable; they know it and will not risk giving more responsibility to someone who was previously committed to leave.

When economic slow-downs occur, you could be one of the first to go. You indicated your intention to go once before, so it is only natural that your position would be eliminated in a slack period.

You should know that statistics compiled by the National Employment Association confirm the fact that over 80% of those people who elected to accept a Counter Offer and stayed are no longer with their company six months later.

Carefully review in your mind all the reasons you wanted to make a change in the first place. Does the Counter Offer really offset these reasons?

If you intent to seriously consider a Counter Offer, be sure you ask your present employer to confirm all the details of said offer in writing.

WE STRONGLY URGE YOU TO CAREFULLY THINK ABOUT ALL OF THESE FACTS BEFORE MAKING A FINAL DECISION. IT IS YOUR CAREER, YOUR LIVELIHOOD. ONE IMPRUDENT MISTAKE AT ANY TIME COULD BE VERY COSTLY IN TERMS OF YOUR PROFESSIONAL GROWTH.