

Never Accept a Counteroffer **It's nice to be wooed, but don't expect to stay long**

A tax accountant with a Chicago-based public accounting firm accepted a top corporate position at a local manufacturer that paid \$15,000 more than he currently earned. But the accountant changed his mind after his firm's senior partner made him a counteroffer.

The partner dangled a plethora of incentives, including the promise of a partnership in the near future. Three months later, after the tax season ended, the accountant was fired.

A manufacturing manager with a medium-sized metal products company in Albuquerque, N.M, accepted a new position that included a higher salary and better benefits. But he decided to stay put after his company agreed to match the offer and told him of great things on the horizon. However, he wasn't told that the firm might be merging with another. Six months after the executive decided to stay, he was merged out of his job. Following nine months of unemployment, he landed a lower-paying position.

Ask any executive recruiter and you'll hear dozens of heartbreaking stories like these involving counteroffers. Unfortunately, more executives seem to be getting and accepting them because of the inconsistent economy. Companies are operating with reduced staffs and any defections from the ranks create problems for those who remain. It's much easier for employers to sweeten the pot to keep executives from deserting than to conduct grueling and expensive searches for placements.

Mathew Henry, the 17th-century writer said, "Many a dangerous temptation comes to us in fine gay colours 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.

But in good times, or bad, the dictum remains constant. Counteroffers should never be accepted...EVER! Those rare instances where accepting one is beneficial occur about as frequently as being struck by lightning.

The Right Perspective

A counteroffer is an inducement from your current employer to get you to stay after you've announced your intention to take another job. It doesn't include instances when you receive an offer but don't tell your boss, or when you tell your employer about an offer you never intended to take in a classic "they-want-me-but-I'm-staying-with-you" ploy.

These are merely positioning tactics that can 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 accepting a counteroffer--tempting as it may be--is tantamount to career suicide. 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."
- "He's 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 him on until I find a suitable replacement."
- "We're working with a skeleton crew already. If I lose this one, we'll all be working around the clock just to stay even."

What will the boss say to keep you in the nest? These comments are common:

- "I'm really shocked, I thought you were as happy with us as we are 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*?"
- "How can you do this in the middle of a major project? We were really counting on you." (They're always in the middle of one.)

Just a Stall Tactic

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/her side, the boss might look bad for allowing you to go. It's an implied insult to his management skills. His/her gut reaction is to do what has to be done to keep you from leaving until he/she'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.

- ✓ Any situation is suspect if an employee must receive an outside offer before the present employer will suggest a raise, promotion or better working conditions.
- ✓ No matter what the company says when making its counteroffer, you'll always be 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.
- ✓ Counteroffers are usually nothing more than stall devices to give your employer time to replace you. Your reasons for wanting to leave still exist. They'll just be slightly more tolerable in the short term because of the raise, promotion or promises made to keep you.
- ✓ 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?
- ✓ By accepting a counteroffer, you have committed the unprofessional and unethical sin of breaking your commitment to the prospective employer making the offer.
- ✓ Decent and well-managed companies don't make counteroffers...EVER! Their policies are fair and equitable. They will never be subjected to counteroffer coercion, which they perceive as blackmail.

If the urge to accept a counteroffer hits you, keep on cleaning out your desk as you count your blessings. And, if you decide to stay, hire a lawyer to put your newly won promises in the form of a long-term no-cut contract.

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By Paul Hawkinson

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BEWARE OF COUNTEROFFERS: A Guide for Candidates

A recruiter has approached you, you've answered an ad in the paper, or a colleague you spoke with at an association meeting, shared information that caused you to look into another opportunity. You've gone through the interviewing process and received a great offer—and a better opportunity with a better company. You've analyzed and agonized over the decision to leave your current (good or bad) job, for what appears to be a better one, and you've accepted (or decided to accept) the offer.

However, upon resigning, your current boss asks you to stay and made you a counteroffer. Career changes are tough enough as it is. Anxieties about leaving a comfortable job, friends and location and having to reprove yourself again in an unknown opportunity can cloud the best logic. But just because the new position is a little scary doesn't mean it's not a positive move. Since counteroffers can create confusion and buyer's remorse, you should understand what's being cast upon you.

Counteroffers are typically made as some form of flattery, e.g.:

"You're too valuable. We need you."

"You can't abandon the team/your friends and leave them hanging."

"We were just about to give you a promotion/raise, and it was confidential until now,"

"What did they offer? Why are you leaving? And what do you need in order to stay?"

"Why would you want to work for that company?"

"The President/CEO wants to meet with you before you make your final decision."

Counteroffers usually take the form of more money:

A promotion/more responsibility

A modified reporting structure

Promises or future considerations

Disparaging remarks about the new company or job

Guilt trips

Of course, since we all prefer to think we're #1, it's natural to want to believe these manipulative appeals, but beware!!! Accepting a counteroffer is often the wrong choice. THINK ABOUT IT. If you were worth "X" yesterday, why are they suddenly willing to pay you "X + Y" today, when you weren't expecting a raise any time soon?

Also consider how you've felt when someone resigned from your staff. The reality is that employers don't like to be "FIRED". Your boss is likely concerned that he'll look bad and his career may suffer. Bosses are judged in part, by their ability to retain staff. Your leaving may jeopardize an important project, increase workload for others or even foul up vacation schedules. It's never a good time for someone to quit. It may prove time consuming and costly to replace you. It's much cheaper to keep you, even at a slightly higher salary. And it would be better to fire you later, in the company's time frame.

Accepting a counteroffer can have many negative consequences. Consider: Where did the additional money or responsibility you'd get come from? Was it your next raise or promotion - just given early? Will you be limited in the future? Will you have to threaten to quit in order to get your next raise? Might a cheaper replacement be sought out?

You've demonstrated your unhappiness or lack of blind loyalty, and will be perceived as having committed blackmail to gain a raise. You won't ever be considered a team player again. Many employers will hold a grudge at the next review period, and you may be placed at the top of the next reduction-in-force "hit list".

Apart from a short-term, band-aid treatment, nothing will change within the company. After the dust settles from this upheaval, you'll be in the same old rut. A rule of thumb among recruiters is that more than 80% of those who accept counteroffers leave, or are terminated, within six to 12 months. And half of those who accept counteroffers reinitiate their job searches within 90 days.

Finally, when you make your decision, look at your current job and the new position as if you were unemployed. Which opportunity holds the most real potential? Probably the new one—or you wouldn't have accepted it in the first place.

BEWARE OF COUNTEROFFERS!

They'll beg you to stay now... and give you the boot later!

**Part of the above material was taken from an article by R. Gaines Baty © 1995-1998 CS ASSOCIATES, LLC, which appeared in the National Business Employment Weekly.*

REASONS FOR NOT ACCEPTING A COUNTER OFFER

- ✓ What type of company do you work for if you have to threaten to resign before they give you what you are worth?
- ✓ Where is the money for the counter offer coming from? Is it your next raise early? All companies have strict wage and salary guidelines, which must be followed.
- ✓ Your company will immediately start looking for a new person at a cheaper price.
- ✓ 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 was not,
- ✓ When times get tough, your employer will begin the cutback with you.
- ✓ The same circumstances that now cause you to consider a change will repeat themselves in the future, even if you accept a counter offer.
- ✓ Statistics show that if you accept a counter offer, the probability of voluntarily leaving or of being let go in 12 months is 80%.
- ✓ Accepting a counter offer is an insult to your intelligence, and a blow to your personal pride knowing that you were bought.
- ✓ Once the word gets out, the relationship that you now enjoy with your co-workers will never be the same. You will lose the personal satisfaction of peer-group acceptance.
- ✓ Your employer may say, "How can you do this to us after we have been such good friends. . . .", thus causing a great deal of personal guilt which can carry-over into social encounters, etc. in the future.