

The Dangerous Allure of Counter-Offers

"They'll be sorry when I leave!"

What departing employee has not had that thought? In fact, has it crossed your mind?

All too often, employers do seem sorry - suddenly offering the kind of salary, promotion or opportunity for recognition that they had refused to grant before.

Of course they're sorry. You're about to leave on your timing, not theirs. There is probably work to be done, which they were counting on you to complete. You have just fired your boss, when he or she would prefer to have the right to fire you. You have created a vacancy, which they will need to fill at some expense. And if you weren't a terrific person, they wouldn't have hired you in the first place.

They say:

"You can't do this to us." (Have a nice guilt trip.)

"We need you" (until the project is done, and we can find a replacement).

"We never realized you were unhappy." (Our employee communications are not the best.)

Surprisingly, the very best companies rarely make counter-offers. They believe they treat their employees fairly and wish them well if a better opportunity exists elsewhere. If you work for one of them, don't be disappointed if you fail to receive a counter-offer.

But if you do receive one, take a moment for a reality check:

* First, executive search consultants know from long experience that there have to be strong reasons for leaving a job before most employees will consider taking a new one. If that is true in your case, have those reasons disappeared? Will staying on the job solve them?

* Second, if the counter-offer includes salary or job enhancement, what is the source? Are you simply getting your next raise or promotion in advance? And will you have to accept yet another job to get the raise or promotion after that?

* Third, your employer may appeal to your sense of loyalty. Ask yourself how loyal the employer has been to employees.

* Fourth, statistics are not in your favor. The National Business Employment Weekly reports that four out of five people who accept counter-offers are gone within the year. Like Caesar's wife, you cannot flirt with another and still be considered virtuous. Rest assured that your employer will assume you'll look again.

* Finally, let's not forget that new job. Just as there are reasons for leaving your current company, you have seen significant opportunities at your new company - or you would not have accepted the offer of employment. These do not disappear the moment you receive a counter-offer.

The best way to avoid the messy, embarrassing situation of a counter-offer is to take charge of the situation.

Here are a few tips:

* Resign in writing but hand the resignation to your boss. This helps you keep the initiative and stay in control.

* Tell him or her that you've carefully weighed the merits of the two positions and have chosen the new one.

* State specifically that you neither seek nor want a counter-offer and hope instead for an amicable departure.

* Last but not least, avoid the temptation to recite a list of grievances. They will only provide your employer with ammunition for a counter-offer.

To quit or not to quit is often a gut-wrenching decision. It involves one of those "passages" in life that require abandoning the comfort of the old and assuming the risk of the new. Also, there may be guilt about leaving your tasks to others, not to mention the "buyer's remorse" that accompanies most big decisions.

Your employer likely realizes the emotions you are going through and will use them in formulating and presenting a counter-offer, if allowed.

Weighing Alternatives

Counteroffer Acceptance:

Road to Career Ruin

A raise won't permanently cushion thorns in the nest

By Paul Hawkinson

Mathew Henry, the 17-th 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.

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 counteroffer 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 an 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 him on until I find a suitable replacement."

What will the boss say to keep you in the nest? Some of 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 V.P. 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 changes, 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 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.

*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.

*Counteroffers are usually nothing more than stall devices to give your employer time to replace you.

*Your reasons for wanting to leave still exist. Conditions are just made a bit 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?

*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.

If the urge to accept a counteroffer hits you, keep on cleaning out your desk as you count your blessings.

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Beware of Counteroffers

They may beg you to stay now, then give you the boot later

by R. Gaines Baty

You've been approached by another company and offered a position with growth potential and a moderate increase in compensation. You've analyzed and agonized over the decision to leave a good (or bad) job for what could be a better one, and have accepted (or decided to accept) the offer. However, upon resigning, your current boss asks you to stay. This appeal is known as a counteroffer or buyback.

In recent years, counteroffers have practically become the norm. "It's almost like a part of the accepted divorce proceedings, and allows the boss to save face with his boss," explains one departing Texas-based executive of a major airline. "And it sometimes has to take its course."

But while buyback offers can be tempting, take care not to fall into the trap or be blindsided to your own detriment. Career changes are tough enough as it is, and anxieties about leaving a comfortable job, friends and location and having to reprove yourself again in an unknown opportunity can cloud the best of logic. But just because the new position is a little scary doesn't mean it's not a positive move.

Since buyback gestures can create confusion and buyer's remorse, you should understand what's being cast upon you. Counteroffers are typically made in conjunction with some form of flattery. For example:

- * You're too valuable, and we need you.
- * You can't desert 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 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.

Counters 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, and/or
- * guilt trips

Of course, since we all prefer to think we're MVPs, it's natural to want to believe these manipulative appeals, but beware! Accepting a counteroffer often is the wrong choice to make. 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 for some time? 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 that his career may suffer. Bosses are judged by their ability to retain staff. When a contributor quits, morale suffers. Further, your leaving might jeopardize an important project, increase staffers' workload or even foul up a vacation schedule. It's never a good time for someone to quit, and it may prove time-consuming and costly to replace you, especially considering recruitment and relocation expenses. It's much

cheaper to keep you, even at a slightly higher salary. And it would be better to fire you later, on the company's time frame.

"We've made counteroffers on occasion, if a good person approaches the issue professionally," says a former senior partner of a Big Six accounting and consulting firm. "But it usually was a stopgap measure because we couldn't afford a defection at that point in time. We didn't count on those people long term, and usually they'd burned bridges two or three levels up, if not with their immediate manager, definitely put them in a career holding pattern."

The senior partner cites a long conference he once attended with his boss and two subordinate managers, in which they approved a counteroffer and raise to an employee two levels down. "Immediately after that meeting, my boss called me and said, 'We can't afford to lose him now, but our No. 1 priority is to find a replacement, ASAP!'" he says. "And we replaced him within a few months."

Another senior executive from a major Dallas-based bank says, "If it's a real 'hitter,' I'll try to get him to stay. But to be honest, any additional compensation is 'stealing' from his future earnings, and I'll always question his convictions, knowing he can be bought. Further, I'll wonder if I can really count on him [which equates to limited future opportunities]. In other words, the damage is done."

While your employer may truly consider you an asset and genuinely care about you personally, you can be sure that your interests are secondary to your boss's career and your company's profit or survival. Thus, flattering offers and comments are attempts to manipulate you to act in your employer's best interests, which aren't necessarily your own. In other words, they're not about you.

Accepting a counteroffer can have numerous 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 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". As one executive who requested anonymity says, "Like an adulterous affair that's been discovered, the broken trust is never fully recovered."

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 accepting counter offers leave, or are terminated, within six to twelve months anyway. Half of those who do succumb reinitiate their job searches within 90 days, recruiters say.

"They butter you up, give you more money, but nothing really changes. In fact, they can get worse," says one insurance executive in Utah who accepted a counteroffer. "My immediate boss was really agitated, since his boss interceded. At raise time, he told me that none had been budgeted (since I'd already gotten a raise), and that if I wanted, I could negotiate with the president as before." This executive, by the way, left the company within months.

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To be sure, recruiters have a vested interest in candidates not accepting counteroffers, since they can't complete their search assignments without willing candidates.

Attempted buybacks can demonstrate disrespect for your well-thought-out decision and commitment to the new company. Should your current employer decide to eliminate your position or pass you over for promotion, successfully countering their decision is unlikely. Besides, you've analyzed, accepted and committed to the new company, which has surely made plans and accommodations around you and they are counting on you. Finally, when making 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.