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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 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."
- "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?

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

Let's face it. When someone quits, it's a direct reflection on the boss. His gut reaction is to do what has to be done to keep you from leaving until he's ready.

Let's also face the fact that while staying is much easier and less scary than committing to the unknown, in the form of a new and challenging and potentially better opportunity, you should not let fear make your decision for you. Fear of change is natural and human but there is no growth without pain.

Before you accept a counteroffer, consider the following:

- 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.
- 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.
- 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?
- 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.
- When promotion time comes around, your employer will remember who was loyal and who wasn't.
- What type of company do you work for if you have to threaten to resign before they give you what you are worth?

The same circumstances that caused you to consider a change will repeat themselves in the future; even if you accept a Counter Offer. In fact, 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.

Remember, while your company is willing to counter your other offer, it is most often for their convenience, and not because you are irreplaceable. Most of the time, 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. Consider the fact that your present employer could be merely "buying time" with this raise until they locate your replacement. Suppose you were given an annual raise of \$12K as a counter offer. When they find a replacement for you in, say 60 days, the actual cost to them is only \$2000.00. This is small change to allow them to replace you, at a lower salary, with no loss of business continuity. Consider the following:

"We have made counter-offers on occasion, if a good person approaches the issue professionally", states a former senior partner of a Big 4 accounting/consulting firm. "But usually it was a stop-gap measure because we couldn't afford a defection at that point in time. We did not count on those people long term, and usually they'd burn bridges two or three levels up, if not with their immediate manager. It definitely put them in a career holding pattern." He went on to recall a long conference between himself, his boss, and two subordinate managers, in which a counter-offer/raise to a person two levels down was approved. "Immediately after that meeting, my boss called me and said, "We can't afford to lose him now, but our number one priority is to find a replacement, ASAP!" And we replaced him within a few months."

Another senior executive from a major financial service organization shared the following opinions, "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 may 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. In other words, flattering offers and comments are attempts to manipulate you to do something that is in your employer's best interests, and not necessarily yours. It's not about you.

Lastly, is just a bit more money, or a change in reporting structure, etc. going to change everything about your present situation? Consider the new opportunity you will be giving up that looked so favorable when you accepted it and consider the circumstances which caused you to consider a change? Those same circumstances that led you to consider a change will likely repeat themselves in the future even if you accept a counter offer. You will have more money in your pocket or a better title but be just as unhappy as you were before.

We strongly urge you to carefully think about all these facts before making a final decision. It is your career and your livelihood. One imprudent mistake at any time could be very costly in terms of your professional growth.

Advice: IF YOU INTEND TO STAY, DON'T RESIGN IF YOU RESIGN, DON'T STAY!