

**Business Week, the National Employment Association, the National Business Employment Weekly and others report that approximately 89% of the people who accept counter-offers leave their job within six months.**

<http://www.careerjournal.com/columnists/perspective/20040809-fmp.html>

**Accepting a Counteroffer Can Be the Road to Ruin**

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**By Paul Hawkinson**

As the economy rebounds, companies are focused on retaining their best employees. This may be because they sense that top performers, exhausted from being overworked and underpaid during the recession, have new options.

Counteroffers are one talent-preservation tool companies use to prevent being "left in the lurch" by an employee who leaves. In making such an offer, your employer might appear to be doing you a big favor. Don't be deceived, though. You aren't the main beneficiary of an accepted counteroffer.

During my 40 years monitoring the hiring scene, primarily from the standpoint of the executive-recruiting industry, it's been clear that the company reaps the benefits when employees take counteroffers.

Industry pundits may argue that this is no longer true now that the employment paradigm has changed and the loyalty contract between employers and employees has been irrevocably broken. Employees control their destinies more now than a decade or two ago and it's sensible for them to use counteroffers to improve their earnings or careers.

But human nature is unalterable -- even as the workplace changes around it. Employers aren't charities. They want to avoid the transition turmoil generated when a key player leaves. They also know that for employees, changing jobs ranks as a major stressor with death, divorce, moving and other of life's undesirable speed bumps. They make counteroffers knowing that employees would rather avoid leaving the familiar and starting new someplace else.

As one human-resources executive told me, "My core belief is 'Better the devil you know than the devil you don't.' We understand that matching the salary, changing the job title, creating a new project or promises of any kind can tip the balance between going and staying. It is a lot cheaper to keep someone than the expense and aggravation of finding a replacement."

### **The Boss Saves Face**

Accepting a counteroffer also makes bosses look good. They feel somewhat like jilted lovers or spouses when someone they need resigns. They think to themselves:

- What did I do wrong?
- Why didn't I recognize the problem earlier?
- This couldn't happen at a worse time.
- My own boss will be furious.
- This is one of my best people and his leaving could cause serious morale problems.

- I've already got one opening in my department. I don't need another right now.
- What if this resignation starts a mass exodus?

Let's face it. When someone quits, it's a direct reflection on the boss. Unless you're really incompetent or a disrupting thorn in the boss's side, he or she might look bad by "allowing" you to go. The gut reaction is to do what's necessary to keep you from leaving until it's convenient. That's human nature, too.

If you accept the counteroffer and stay, you'll always be viewed differently. In essence, by agreeing to stay, you've "blackmailed" your boss. From now on, he or she will consider you a "fidelity risk." You lose your status as a team player. You're no longer viewed as an insider.

### **Nothing Changes, Really**

Meanwhile, your reasons for wanting to leave still exist. In almost every case, a counteroffer is a temporary fix -- a stall technique to keep you in your seat until the organization can find a suitable replacement. Ask yourself: If and when I feel underpaid, overworked or otherwise mistreated again, will I have to solicit another offer to correct it?

What about the prospective employer, which spent long hours and considerable expense to get you to the offer point? Presumably, you negotiated in good faith and arrived at a mutually acceptable offer. If you renege on your commitment, you taint your reputation. It's a smaller world than you may think. Word of your lack of integrity can poison your career for decades.

Not only can your reputation for untrustworthiness hinder your career progress among executives in your sector, but search professionals also will consider you untouchable for the openings they handle. If you think recruiters don't talk among themselves, you're dead wrong. Being blackballed by the search community can be career suicide.

In my four decades in the hiring community, only a small percentage of counteroffer acceptors I've known haven't regretted their choice. If in your naïveté you believe that your current company loves you despite how it's treated you, you deserve the ho-hum career it may offer.

But my advice is to refuse the guilt and the sweet talk it tries to lay on you. The momentary flattery just isn't worth it. Decent and well-managed companies don't make counteroffers. Their policies are fair and equitable, and they won't bow to coercion.

When you say, "I quit," mean it. It's really your only honorable option.

By [J. Steven Niznik](#),

## **Should you Accept or Decline a Counteroffer?**

You agonize. You think about the impact on your family, coworkers and yourself. You sway one way, then the other. Finally, you make up your mind to [resign](#) your present job. You land a new job for more pay and growth potential.

On Friday morning, you get up the nerve. You give your [two-weeks notice](#), by handing your [letter of resignation](#) to your boss. You feel relieved, because you think the hard part is over. The excitement of starting a new job begins to replace the anxiety of quitting your present job.

But, by Friday afternoon, your boss messes up the works by making what appears to be an attractive counteroffer. Even your VP, whom you hardly ever see otherwise, asks you to reconsider. You're flattered, but confused. It's tempting to stay with what you know. Should you stay or should you go?

Even though they've sweetened the deal, keep in mind that they are likely making a counteroffer much more for their benefit than yours. Why did they wait until you resigned, to offer you what you're really worth to them? Once you've made it clear that you want to jump ship, your loyalty will be in question. They might be making a counter offer only to take advantage of you, until they find a cheaper or "more dedicated" replacement. For these reasons, most career advisors agree that it's not a good idea to accept a counteroffer. For more reasons, click the links under **Elsewhere on the Web** in the sidebar.

<http://www.careerperfect.com/CareerPerfect/interviewFAQs10.htm>

A counter offer can be a delicate situation and requires careful consideration.

Examine your initial reasons for wanting to make a change; often the reasons people make job changes are for issues other than money. If this is the case, then it is likely you will return to those same issues if you accept a counter offer, after the initial glow of more money and feeling appreciated by your current company wears off. On the other hand, if money, or not feeling appreciated as a result thereof, was the primary reason for making a change, you might be happy with accepting the counter offer. It is a good idea to list out the pros and cons for each opportunity and discuss these with someone whose opinion you value.

There are always some risks in going into a new position with a new organization; however, there are also risks in accepting a counter offer. Depending upon the relationship you have with your manager and/or management team, and the corporate culture (values, attitudes, etc.) at your present company, accepting a counter offer could change how you are viewed. There is the possibility of being seen as disloyal, and if the outside offer came at a very crucial time — say, when losing you would have been disastrous to a vital project or the bottom line — you may cause some animosity if the employer feels there is no choice but to counter offer to keep you on board. These feelings could pass in time, but it is also possible for you to be targeted for replacement (or passed over for promotion, important projects, etc.) at a time when it is more convenient for your current employer.

Remember, this answer assumes you have not yet accepted the offer from the new employer, and your current employer, learning of your consideration of the offer, makes you a counter offer. If you have already accepted an offer from the new employer, it is often considered somewhat unethical to withdraw your acceptance based upon a counter offer from your current employer; however, you still have to do what is right for you.

In the end, after weighing all the factors and perhaps discussing them with family members, close friends or a mentor, you will need to make a decision. Ultimately, you need to do what is in your best short- and long-term interests. And usually, what is appropriate for one party is appropriate for both parties concerned — even if not always apparent at first.

# Weigh these factors before you accept a counteroffer

**Takeaway:** You're ready to walk out the door and leave your days as an unhappy employee behind. Then, your boss makes an offer you can't refuse. Or can you? Here are some points to keep in mind as you decide whether to accept a counteroffer.

**By Ruby Bayan**

"I hate my job!" "I need a raise!" "I'm going nowhere!"

If thoughts like these have recently compelled you to update your resume, visit job sites, reconnect with your favorite professional search consultant, and make yourself available for job interviews, you should expect a possible face-off with the boss in the immediate future. But rather than a handshake and a toast to your new endeavor, your manager may make a "what can we do to make you stay" appeal—and you'll want to evaluate the situation carefully before deciding how to respond.

According to research conducted by [Christian & Timbers](#), employees who accept counteroffers typically end up leaving six to 12 months after the acceptance. So it's especially important to determine whether accepting a counteroffer is a true solution for your job dissatisfaction or merely a temporary fix. As you maneuver through your [Benjamin Franklin pros vs. cons decision-making process](#), consider these insights on whether to accept or reject a counteroffer.

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## The flip side

Do you need advice for creating counteroffers to retain top employees? Check out "[Successful counteroffers require groundwork and careful handling.](#)"

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## Understand what's driving the offer and why you're leaving

Companies in the tech sector often invest in specialized staff training and employee retention programs to ensure high job satisfaction; so theoretically, they should have low turnover rates. In reality, however, because these firms do invest heavily in their workforce, they not only make their employees their most valuable assets, but they also make the individuals increasingly marketable and prime targets for recruiters. So when a key employee resigns, management doesn't throw a send-off party, it prepares a counteroffer.

"The company's motive for a counteroffer is usually to protect itself, the stability of the function or group, and the project(s) that the unhappy employee is currently working on," said Seth O. Harris, Jr., technology and venture search specialist and partner at Christian & Timbers. Therefore, you need to fully understand the reasons why you're leaving and be prepared to stick by them.

Jim Slattery, system administrator of [Visicu](#), expressed his position on quitting: "I know personally that if I've decided to leave, it's going to have to be a seriously good offer to make me even consider changing my mind."

He said that if the things that make him happy at work—"great people, great tech, and a very large amount of responsibility"—are available, he probably won't be looking elsewhere.

"If I'm looking and find something I like—which is something that blows my current job away—then I'm leaving."

## Determine what you really want

Edwin Kinkito, systems engineer of [Currency Systems International](#), didn't have problems with his work environment; he wanted to be closer to his family.

"I couldn't stand being away from my wife, who was having a baby," Kinkito said. "The anxiety and loneliness made me look for better conditions." He wanted a solution, which a counteroffer could sufficiently provide.

It helps to have an open mind when confronted with a counteroffer, Kinkito said. He listed some tips to keep in mind when negotiating for conditions that will make you change your mind about leaving:

- **Ask for a resolution to your discontent.** Tell your boss what your problem really is. Your employer may have a solution you don't know about.
- **Ask about conditions you've always wanted.** Other than a raise or a promotion, there may be some benefits like new technology, special projects, career training, extended vacations, flexible hours, or different hierarchies that can be applied to your career path.

- **Be fair.** Your company could truly suffer if it loses you; but that doesn't mean you should be overconfident and aggressive in your demands. Ask for what you want but consider the company's goals and needs, too.

"Even if you don't get everything you've asked for in the counteroffer, it will probably be significantly more than what you had," Harris said.

In Kinkito's case, he was able to negotiate a counteroffer that allowed him to be closer to his family while continuing to work at a company that fed his interest in state-of-the-art technologies.

He pointed out that some counteroffers may include a retention timeframe. "The company may want to protect itself by setting a contract-type duration, for example, six months or one year, which binds you to the company," he said. "It works both ways. In that period of time, you can do your best to prove your worth and then be asked to stay under much better conditions."

You can also regard it as sufficient time to determine whether it would be better to part ways, he said.

### **Anticipate the repercussions**

If you turn down a counteroffer and leave, the only consequences you'll face are those that relate to the challenge of a new job. But if you accept a counteroffer, you may face a backlash that stems from your intention to ditch your team.

"Since you have been considering another opportunity," Harris said, "this calls into question your loyalty to the company."

He said if you accept a counteroffer, you will have branded yourself as an employee who is susceptible to leaving the company and will probably not be given serious consideration for future promotions. Further, you may not be given the opportunity to work on the best assignments because management feels that it risks losing you after a specified time.

Slattery characterized the situation as "bad blood" and said, "Someone will be pissed off at you for having the audacity to look for work somewhere else. You will be considered disloyal even though they were the ones that were underpaying you."

Slattery gave another reason you shouldn't make an about-face when you're already moving out the door.

"If they're willing to give you a big offer just to keep you around, they're probably only going to keep you until you've finished training your replacement," he said.

### **Either route requires professionalism**

Harris suggested that if you accept a counteroffer, you should make sure that things are well documented with your employer and that you establish quarterly reviews with your manager post-acceptance.

And if you decline the counteroffer, he advises taking the high road. "Make sure you properly complete the work you've been assigned and that you act as professional as possible in transitioning your responsibilities to a new employee. You absolutely don't want to burn bridges with the company or the management as you leave because it's the last thing people will remember about you."

It is best not to take the situation personally or lash out at your employer, he added. Simply explain to others the reasons why joining a new company is a better career opportunity for you.

### **The upshot**

Determining whether a counteroffer will address your concerns—without creating even bigger ones—is not a trivial undertaking. But ultimately, you will need to decide whether you want to give your employee-employer relationship another chance or pack up and ride off into the sunset.

Kinkito suggested you use this benchmark when weighing your options: "Be sure you will be happy with your decision and everything that comes with it."

## TEN REASONS FOR NOT ACCEPTING A COUNTEROFFER

1. What type of company do you work for if you have to threaten to resign before they give you what you are worth?
2. From where is the money for the counteroffer coming? Is it your next raise early? (All companies have strict wage and salary guidelines which must be followed).
3. Your company will immediately start looking for a new person at a lower salary price.
4. You have now made your employer aware that you are unhappy. From this day on, your loyalty will always be in question.
5. When promotion time comes around, your employer will remember who was loyal, and who wasn't.
6. When times get tough, your employer will begin the cutback with you.
7. The same circumstances that now cause you to consider a change will repeat themselves in the future, even if you accept a counteroffer.
8. Statistics show that if you accept a counteroffer, the probability of voluntarily leaving in six months or being let go within one year is extremely high.
9. Accepting a counteroffer is an insult to your intelligence and a blow to your personal pride, knowing that you were bought.
10. 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.

# Counteroffer Acceptance Road To Career Ruin?

## A Raise Won't Permanently Cushion Thorns In Nest

*The following article was written by Paul Hawkinson, publisher of the Fordyce Letter and appeared in a recent issue of National Business Employment Weekly.*

Mathew Henry, the 17<sup>th</sup> 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 have 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/her 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/her 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/her 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 **MIS** 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/her side, the boss might look bad by "allowing" you to go. 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 changes, like all ventures into the unknown, is though. That's why bosses know they can usually keep you around by pressing the right buttons.

**"During the past 20 years, I have seen only isolated incidents in which an accepted counteroffer has benefited the employee."**

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 "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.



# Evaluate counteroffers carefully before you decide to stay or go

by [Ellen S. Carey](#) | Published: 7/3/03

## **Takeaway:**

Once you've gone through the process of searching for and landing a new position, getting a counteroffer from your employer can present a serious dilemma. Staying put might seem attractive, but experts warn that this option may be a bad career move.

The stress associated with searching for, and hopefully landing, a new job is well documented. But the stress factor can easily increase tenfold when, after you've made and announced your decision to leave, your boss asks you to reconsider and extends a counteroffer.

At first glance, the job dilemma doesn't sound too bad. It's a nice ego boost to have people competing for your talent and skills. But before you decide to stay with your employer or move on to newer pastures, career coaches and hiring experts advise IT managers to seriously think through their options.

## **The first thing to do**

"The reason you wanted to leave in the first place is usually a good one," said Tony Lee, editor-in-chief of [CareerJournal.com](#). "Once somebody says he or she is leaving, it's clear the person doesn't believe in that company anymore. He or she is unlikely going to grow to be a long-term employee. It's a signal that there's something wrong."

Career counselors agree that IT managers should first and foremost examine why they began searching for, and eventually accepted, a new position rather than staying put.

If your company's counteroffer significantly addresses and resolves the issues that spurred you to look elsewhere, by all means consider it. But do so with your eyes wide open.

Recruiters say that, as a rule of thumb, employees who accept counteroffers are generally gone within six months to a year—either voluntarily or through termination. That's because the nature of counteroffers tends to leave bad feelings and a tainted relationship between the employee and the company. After all, the employee did make the initial decision to leave, and then the boss was prompted to react and could eventually feel like he or she was blackmailed into giving the staffer more money or a promotion—however well deserved the boss believes it to be. Also, while you may be glad to have the extra change in your pocket or a nice new office, eventually you'll wonder why you had to go through the stress of saying you were leaving before you were given what you deserved all along.

Take the experiences of Gary Peck, a former cruise industry IT manager who has both accepted counteroffers to stay, and, as a manager, presented counteroffers to staff he didn't want to lose. While both situations worked out for him, he believes that counteroffers rarely work.

"In most cases, I didn't make counteroffers. The employees become 'marked' and the real reasons they had for wanting to leave [eventually] become known," said Peck.

## **The counteroffer trend**

Experts are divided on how often counteroffers are made in today's job market. Several believe that in the current economy, counteroffers are much less frequent now than they were a few years ago due to the larger pool of candidates boasting similar skill and experience levels.

Others argue that today's economy is more hospitable to counteroffers. Already operating at reduced staffs and dwindling budgets, supervisors are often faced with the choice of making a counteroffer to an IT manager or losing a position due to the vacancy. In addition, the costs of a counteroffer (a raise, or more benefit enticements) are typically less than the time, money, and effort required in a search/recruiting effort to find a replacement. Also, just as importantly, staff turnover rates are used to judge management capability and an IT manager's departure can reflect poorly on a supervisor and the department.

## **Decide on your response before a counteroffer is made**

Experts advise that job seekers evaluate the possibility and decide ahead of time what their response will be if a counteroffer is made following a resignation announcement. Considering the offer when it's made often leads to a poor decision because you don't always have the necessary time to consider all the issues, according to experts. Regardless of the economy, counteroffers will always be a possibility for employees with specific skills that a company knows it can't afford to lose.

# You resigned. You were given a counter offer. Now what?

by [Linda Matias](#)

Breaking up is hard to do. To gear up for the fateful day, the “dumper” usually plays the scenario over and over in his or her mind until the perfect break up line is found; a line that has the right balance of honesty and diplomacy. The dumper’s vision usually ends smoothly, without complications, and a firm “we’ll part as friends” handshake. Unfortunately, breakups are rarely a mutual decision. The “dumpee” almost always throws a curve ball in the dumper’s perfect plan, he or she asks -- sometimes begs -- for a second chance.

Uncomfortable breakups are not restricted to one’s personal life; they can also creep into one’s professional life when an employer’s response to a resignation is a counter offer. In a moment of weakness, the employee may feel extreme pressure to cave in. Should he or she stay in the current job that has become stale or does he or she move on to take advantage of a more exciting opportunity?

Though the decision whether to stay or go is a personal one, there are common pitfalls that you must be aware of before accepting an employer’s counter offer. There are many factors to consider.

The moment you resign, your loyalty to the company is immediately questioned. Although your manager may say “We’ll give you anything you want” in an effort to persuade you to stay, be aware that this plea may be a diversion until the company finds a replacement. Your manager will do what he or she can to protect the interest of the company. Even if you are not replaced, you may be passed up for a promotion or not assigned juicy projects because you have gained the reputation of a disloyal employee, a non-team player.

However, let’s give your manager the benefit of the doubt. After all, he or she may be sincere in their quest to make things right but they may not have the authority to follow through. Therefore, don’t take promises at face value; get your counter offer in writing.

How management perceives you should not be your only concern. Your colleagues may become resentful that you were given a raise or company perks because, as they see it, you blackmailed the company into making a counter offer. As far as your colleagues are concerned, they put in as much time and effort as you to promote the growth of the company, and they will resent not being recognized for their contribution the way you have been.

Resentment can develop into a feeling of professional distrust and the dynamics of your relationships with colleagues may begin to shift. For the most part, the makeup of your day is defined by your connections with co-workers. When stresses begin to mount at work, it can trickle into other areas of your life. It is important that you consider your colleague’s reaction when making the final decision as to whether you should stay or go.

Resist the temptation to be roped in by and glamour of the benefits you may be presented. Take into account the core reasons why you decided to begin searching for another position. Was it because you wanted a prime parking spot? Or was it because your efforts weren't valued? Was it because you wanted extended lunches? Or was it because you want to get home at a reasonable hour? When all is said and done, are the perks that you are being offered sufficient to overcome your initial objections that motivated your search for another job to begin with?

**Statistics show that employees who decide to accept a counter offer end up getting fired or quit within the year.** Does that mean you shouldn't accept a counter offer? Not necessarily. What it does mean is that you should prepare for all the possible scenarios that may arise. Whether you decide to stay or make a clean break is up to you. Just be sure that your decision is an educated one.