

COUNTER OFFER TIPS

The truth about counteroffers

You've interviewed for a position with a new company. The company likes you and makes you an offer. You analyse everything: career development, growth potential, salary, benefits, and intangibles. After some thought, you decide to accept the offer.

What happens next?

You attempt to resign from your current company. Oops! It doesn't go as smoothly as you planned. Your boss is upset about losing you and presents you with a counteroffer. A counteroffer is an attempt by your current company to persuade you to stay.

Staying is easy

No doubt about it: change can be scary. Employment changes are like journeys into the unknown: they can cause feelings of risk, challenge, adventure, and possibly, fear. It's natural to have anxiety about leaving a comfortable position 'where everyone knows your name'. You're familiar with the strengths and weaknesses of the company, how the office mail system works, what constitutes a lunch 'hour', and where to get a good coffee.

Don't let familiarity cloud your judgment. Ask yourself whether the new position is a positive step toward advancing your career. Will it be better for you than your current position? If the answer is yes, then proceed with pursuing the position. Familiarity will follow!

Why companies make counteroffers

Some companies never make counteroffers. In others, it's a fairly common practice. Consider what happens when an employee (like you) resigns:

First, morale is likely to suffer, particularly among your closest co-workers. Management will notice, and your resignation may be perceived as an unfavourable reflection on your boss. Your absence could jeopardise the progress of a big project, lead to increased workloads for colleagues who remain behind, and even mess up vacation schedules! Furthermore, it could be expensive (in terms of time, energy and money) to replace you.

A cheaper 'solution' for the company is to make you a counteroffer. This may consist of a raise, a promotion, change in title or job description, or a combination of these factors. It may even be just a promise of change to come.

Be aware that this 'solution' may actually be a stalling technique. By buying you back, the company has bought itself some time, perhaps to finish that big project, reorganise other team members, or search for a suitable replacement for you.

What does a counteroffer sound like?

Because your company wants to attract you to stay, a counteroffer will usually come cloaked in flattery. It may sound something like this:

"But you know we're right in the middle of a big project! And you're much too valuable to the team to desert us now!"

"We didn't want to tell you until next quarter, but we were just about to give you a

raise/promotion to show you how much we appreciate your work. Why don't we make it effective immediately instead of having you wait any longer?"

"Why, we had no idea you were unhappy with anything here. Let's discuss this further before you make some rash decision. Whatever it is, we can work it out."

"You know we have great plans for you here! But the company you're going to work for? What can they do for you?"

Counteroffers can be tempting and ego-inflating. You also may detect an underlying threat that by not accepting the counteroffer, you'll be throwing away your entire career, future, life.

Why counteroffers don't work

It's true: counteroffers very, very rarely work. There are several reasons for this:

Trust. No matter what the company says, you will forever be a 'marked' employee. You have demonstrated your lack of loyalty by considering another opportunity. People will feel jilted, even if you accept a counteroffer and stay. Trust and acceptance among your immediate colleagues may be irrevocably lost. Managers, too, have long memories, and won't forget your lapse in loyalty –no matter how brief it may have been.

Most likely, your basic reason(s) for thinking of leaving will eventually resurface. There are a myriad of reasons why you may have considered a change: perhaps something in particular bothered you about your position, or maybe you were presented with an irresistible opportunity. In any case, changes made as a result of a counteroffer may appease you in the short term, but rarely last for the long run. Statistics show that if you accept a counteroffer, it's still extremely likely that you'll voluntarily leave or be terminated within 6 months to a year.

While it may be true that your current company values your work, your interests and career will always be secondary to your boss's career and way down on the totem pole compared to the company's profit or survival. Reconsider the flattery that makes up a counteroffer: is it really about you??

If your counteroffer involves an increase in money, consider the source of the raise. Is this just your next raise, granted early? In that case, will the counteroffer simply prolong your review cycle? Remember that all companies have budgets which include strict wage and salary guidelines.

What you can do

Rather than setting yourself up for the feelings of confusion and guilt that may arise when a counteroffer is presented, be prepared.

When resigning...

Avoid any possible misunderstanding by submitting your resignation in writing.

Focus on the positive opportunity you've been offered with your new company. At your resignation meeting, don't feel pressured into giving reasons for resigning. Simply state that you've been presented with an opportunity that you cannot pass up.

Handle your resignation right the first time you do it. Be professional and courteous, not disgruntled or weak. Offer to help during the transition time, then follow up with your best effort.

Then, after you've done all that you can, move forward! Look ahead to your new opportunity, complete with fresh challenges and all the excitement that goes with the start of any journey.

Good luck!

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.

Provided by the trainer, Bob Marshall, CPC