

All About Counter Offers

You've been offered a position at a new company



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. You decide to accept the offer.



You then 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.

So what happens next?

Staying is easy - but is it the right decision?

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 you're familiar with its strengths and weaknesses of the company, how the office mail systems work, 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!

Some companies never make counteroffers. In others, it's 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 pay rise, 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.



Why some companies will make counteroffers

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 you to stay, a counteroffer will usually come cloaked in flattery. It may sound something like:

"We didn't want to tell you until next quarter, but we were just about to give you a pay rise /promotion. Why don't we make it effective immediately instead of having you wait any longer?"

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

"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."

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

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.

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 damaged. Managers, too, have long memories, and won't forget your lapse in loyalty.

Your reason(s) for thinking of leaving will eventually resurface. Changes made as a result of a counteroffer may appease you in the short term, but rarely last. Statistics show that if you accept a counteroffer, it's extremely likely that you'll leave or be terminated within 6 months.

While your current company may value your work, your interests and career will always be secondary to your boss's career, and the company's profit. 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 pay rise. Is this just your next pay rise, 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 can you do to be prepared?



Rather than setting yourself up for the feelings of confusion and guilt, 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.

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

EXIT

