



UNDERSTANDING & HANDLING THE COUNTEROFFER

Many companies, as a matter of expediency, will present a counteroffer to an employee who has resigned. On the surface, this “buyback” may seem flattering, or even tempting, but it's a cluttered minefield... once you completely understand it.

Ask yourself: **"Why did it take resigning to uncover this new respect for my contributions?"**

All the reasons for leaving are still remain. It will be business as usual once you cave into a counteroffer, and agree to stay.

Consider the following:

1. If more money is offered, where is it coming from? Is it your next review early?

Companies have structured salary administration guidelines, that are closely adhered to. The spike from a counteroffer “adjustment” will typically preclude additional increases in the near future — because they front loaded a dollar amount that skews their salary progression. Companies always get even, either directly or indirectly. Accepting a counteroffer will be a short-term financial gain (at best).

2. You have alerted your employer that you are dissatisfied with some aspect of the job.

From this date forward your loyalty is suspect. Your employer begins searching for a replacement... you are there for the interim, and will leave on their schedule — not yours. If you accept a counteroffer, they immediately regain control, are back in charge and “purchase” some breathing room.

3. “We were just about to...”

Your current employer may offer you a new, improved position, a change in title and more money. Why did it take resigning to get the recognition they are telling you was so well deserved? Why are they just getting around to mentioning that “new, improved” position? Why did you have to force the issue by resigning? Expect to hear:

“You’re going to work for whom?”... “I know someone that went there and hates it”... “How can you do this to us?”... “This couldn’t have come at a worse time”... “I’ll let you in on our plans for you”... “Do you think you’re ready for that much responsibility?”... “I spoke to a person that works there, and he says they aren’t doing well”... “I can’t believe they’re hiring, I heard everybody is leaving”... “After all we have done for you”... “We were just getting ready to promote you”... “The cost of living there is high”... “It’s a really oppressive environment”... What if you fail? --- or hundreds of variations on these themes.

Comments like these are used to plant doubt that you are not making a qualified decision — at a vulnerable time in your life.

Your manager is persuading you to reevaluate doing something that is deleterious to him... not you.

In addition, they are forcing you to feel guilty about your decision to leave. Does it work? Sometimes. It works very effectively on people that are inexperienced, or have low self confidence or low self esteem. It is targeted directly at your insecurities. It is delivered to make you question your self worth, and ultimately conclude that there is too much risk and uncertainty attached to your new opportunity. Buyer's remorse begins, right on schedule... and they are going to exploit it for all it is worth.

They will help you — *benevolent managers that they are* — to avoid making a mistake, with an easy way out: don't leave. Decline the external offer. Accept our counteroffer. Go back to the way things were. Everything will be better. They present a solution that works, **for them**.

The fact is that bosses don't like to be fired. Also, they have more personal experience resigning than you do, and know the emotional sine wave you're on.

It is human nature (and rational) to think about staying in a known environment. Career change, like all ventures into the unknown, can be a difficult decision. **You know it makes perfect sense to leave**, and that others do it everyday. But you're hesitating... because they “made a gesture to keep you”. The company is pinning their strategy on two things: you will dive on more money, ignoring all of the other contributing issues that you know still exist... and you don't have the personal initiative or fortitude to leave for a better opportunity, which they have already diminished.

Look at both the job you're leaving and the new position as if you were unemployed. Which holds the most long term potential? Which can provide the best environment to expand your skills? Chances are it's the new one by a significant margin, or you would not have accepted it in the first place.

Throwing more money and hollow promises at you is a ploy, and nothing more. Your reasons for leaving haven't changed. The company hasn't changed, they have just tweaked how you view it, for now. Accepting a counteroffer is **much more for their benefit than yours**, and is a slippery slope.

COUNTEROFFER CASE HISTORY

A very competent and innovative mid level manager (from a Fortune 200) interviewed with a Fortune 50 — for a position as a Project Manager, charged with overseeing the design, development and implementation of a new technology. The position provided accelerated career growth, increased salary and more corporate visibility — plus the opportunity to bring a significant emerging technology to market, with his name stamped all over it.

He and his wife were very excited about the opportunity, the company, position and location after his interview. They told him he was well qualified, and liked by the entire interviewing team at the end of the day. While the hiring manager told him it looked like a great match, he would not make a commitment, because they needed to interview two other candidates. The candidate indicated he wanted to move forward, and confirmed the compensation they discussed was acceptable.

He had an agonizing two week wait.

They called him to extend a verbal offer. He accepted it on the phone the day they called him. It exceeded all of his personal expectations and professional objectives. Even the salary was slightly

bumped. The offer letter was sent overnight, and he returned a signed copy. He set up a house hunting trip for the following weekend with the company's real estate agent, and was discussing temporary living arrangements with her. Everything was a go. He was running at high energy.

We expected his employer would present a counteroffer, and counseled him on how to handle it. He indicated it wouldn't make any difference, because he was so ready to start with (*new company*). "Two weeks and I'm out of (*current company*). This is going to be great for my career. It validates everything I've done up until now." A counteroffer wasn't even in contention.

When he resigned, his employer "unveiled" their vision for a new product, and why they decided that he was the one person they needed to lead the development team, and bring it to market. They would promote him to Project Manager. They promised (in a detailed strategy memo) staff, funding and the resources to make the venture successful. They matched the Fortune 50's offer, a very significant raise for him. They convinced him that it was an outstanding opportunity, without the risk of the unknown (a new company and a completely different culture)... and assured him that it would positively impact both his short and long term career. They were looking out for his continued success, they told him, because he was considered such a high value employee (he had never been aware of that until he resigned).

He accepted their counteroffer.

He called the Fortune 50 manager and regretfully declined their offer, citing new developments at his current employer that precluded him from following through on his acceptance.

He immediately began high level design of the software and hardware architecture for the new product, but had difficulty getting staff allocated (after writing weekly reports, and identifying lack of staff as a major bottleneck in every meeting). After nearly two months of working alone as an individual contributor, he set up a meeting with the division manager (his new boss) to specifically resolve the staffing issues. The outcome was "I'm having difficulty freeing up the people you requested, so we will have to go to the outside. I have a meeting with (*VP name*), and I'll add it to the agenda. Write up some specs, and I'll get authorization to fund all the positions."

A few days later the Division VP sent him a email explaining that they decided to increase funding for an existing successful product, taking it to the next generation... and they couldn't fund both. Based on the projected costs of headcount and extended time to market, a decision to abandon the effort had been made – in favor of enhancing an existing product that would generate revenue quickly.

Decisions were flying around the company that impacted him, and he didn't have a clue.

The email went on to say that they were reassigning him to that project's current manager (now his peer) as a Principal Software Architect effective immediately. It concluded with "I am sure you will agree that this decision is in the best interests of (*company deleted*). I am confident you will give (*manager deleted*) your full support, and apply the same effort to (*new project*) you gave to (*cancelled project*). I believe you and (*manager deleted*) will make a great team, and deliver an exceptional product. Call me or (*Division Manager*) with any questions." **Dumped via email.**

He didn't call us for a couple of days, because he was so upset. He did forward the email to us... with his comments. He didn't agree that it was the best decision, and knew it definitely wasn't in his best interest. He got slam dunked for the "good of the company" and the "advancement of someone else's career" He prepared to transition to his new task.

They shelved his special project, never to see the light of day again. A decision that negatively impacted him was made and implemented - that he had no chance to debate, rebut or influence. His new opportunity was history, and his promotion was gone. They left his salary alone, but everything else was in turmoil. His in at 7 and out at 6 routine (most of his career there) changed to 8 to 5. He was an employee again, doing his job and detesting every minute of it.

He called the Fortune 50 Manager to explain that he had reactivated his search, and if they had a similar position available, he would appreciate being considered for it. The manager wasn't sure what was open, and suggested he check the company's web site (*always very encouraging inside advice*). He asked if the Manager would circulate his updated resume to other areas, and received agreement. Who knows if that ever happened? From the email in box to the trash?

Three months later (almost 7 months from his external offer) he is still waiting — and still working on someone else's project.

He interviewed at two other companies — one made an offer that was less than what he is currently earning, the other declined to make an offer. His “holy grail” is to get another offer that matched the first one in terms of responsibility, which will take time. Finding another high quality, stable, growth company that can equal the “benchmark” company is not easy.

He believes that his current employer was *probably sincere* about the project they gave him... but he had no control over corporate agendas, internal politics and upper echelon decisions.

His comments to us: “it's like someone hit the reset on my career... I've taken a major step backwards and it will take a long time to recover. Circumstances improved for a short time, and I did get more money, but the email cancelling my project, and outlining my new tasks crushed me. If I ever receive a counteroffer again, I'll just remember what happened... and remind myself that I did irreparable damage to my career by accepting it... not to mention the personal pain of getting shafted by people I trusted. I know the only way to gain any ground now is to leave. I'm just higher paid with the same issues that I had last year.”

Almost without exception, **people that accept a counteroffer will reinstate their search in under a year**. And people that have accepted a counteroffer once will tell you that they will never do it twice. It's a short term quick fix for the company — and a serious risk for the recipient.

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