

How to Handle a Counter Offer

JDG Associates

The golden rule of counter offers should be that good employers will never offer them, and smart employees will never accept them. Unfortunately, circumstances can cause an employer to go around this rule. As a “smart employee”, you should understand the important reasons for declining a counter offer:

1. You never want to advance your career through force. If you have to solicit an offer and threaten to quit every time you want to receive better treatment from your company, you're better off going to an employer who appreciates their human capital and rewards them appropriately.
2. By looking for and/or having accepted an opportunity outside your company, you may be perceived as disloyal and may therefore lose your status as a team player.
3. By extending a counter offer, your employer may simply be buying some time. They may resent your threatening to leave, or may be concerned that, since you tried to leave once, you may do so again. They may then decide to look for your replacement. But they want to do this on their own terms. By accepting a counter offer, you are giving your employer time to identify a replacement without the loss of work that would have occurred had you actually left.
4. Statistics show that a majority of people who accept counter offers end up leaving the organization within 6 – 12 months of doing so. (Although the reason you started to look for a new opportunity was that you felt underpaid, or you felt you deserved a promotion, there were probably additional factors contributing to your discontent (i.e. you may be unhappy with how the company is being managed; you may be unhappy with some of your co-workers; you don't feel challenged, etc.). The counter offer doesn't usually address all these issues.). But, by having accepted the counter offer, you no longer have the option of going to work for the employer who extended an offer to you earlier. You've now burned two bridges.

Let's discuss ways to prevent a counter offer situation from occurring in the first place.

If it seems as if you are walking into a counteroffer situation (i.e.: your exit interview is suddenly scheduled with a senior executive, when they are typically handled by human resources), be prepared. As the conversation starts heading toward a counter, take command. Politely interrupt with a statement such as "The last thing I want to be inferred from my resignation is that I am trying to blackmail the company into keeping me. After doing my own thorough investigation, I've simply found a situation that I can't pass up. I hope you respect that." You may also want to again offer any help you may be able to provide to ensure a smooth transition before your departure.

Many times an experienced manager will try to use emotional tactics to keep an employee from leaving the company. They know how to push the right buttons to try to turn the situation to their advantage. Be wary of the following statements from managers:

- "I thought you were happy here. I'm shocked that you would try to leave us before bringing any concerns you have about your position to me."
- "We've been planning some things for you, but they have been confidential up to now. You should at least talk to the VP about them before making up your mind."
- "Your raise was set to go into effect next quarter, but we can make it effective sooner if it means you'll stay."

Before being swayed, ask yourself these questions: Do I deserve the things my manager is now offering me? Would he/she have offered them had I not threatened to leave? Presuming the answer to the first

question is yes, and the answer to the second is no, thank the manager for the offer but let him/her know that your decision has already been made. Tell him/her politely that you are only interested in agreeing on ways for you both to make a smooth transition.

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