

Counteroffer Acceptance

Road to Career Ruin

by Paul Hawkinson

Matthew Henry, the 17th-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've decided it's time to fly away.

The litany of horror stories I've 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 offer, 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've 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 happen at a worse time."

"This is one of my best people. If I let him 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."

"I'm working as hard as I can, and I don't need to do his 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 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 they have been confidential until now."

"The V.P. 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 side, the boss might look bad by "allowing" you to go. His gut reaction is to do what has to be done to keep you from leaving until he'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, are tough. That's why bosses know they can usually keep you around by pressing the right buttons.

Before you succumb to a tempting counteroffer, consider these universal employment 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'll always be considered a fidelity risk. Having once demonstrated your lack of loyalty (for whatever reason), you'll lose your status as a "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 won't be subjected to "counteroffer coercion" or what they perceive as blackmail.

If the urge to accept a counteroffer hits you, continue to clean out your desk as you count your blessings.

Why Counteroffers Are Lose-Lose Propositions

by R.Gaines Baty

Before accepting a counteroffer from your employer, consider whether you'll be the winner or the loser in this employment maneuver.

Although no statistics are available, many employees who give notice are receiving counteroffers from their current companies to encourage them to stay. These proposals can include one or more of the following:

A pay increase.

A promotion and/or added responsibility.

A promise of a future raise, promotion or other incentive.

The creation of a new, more appealing reporting structure or organization.

An employer may accompany its offer with an added motivator, such as a special call or visit from the vice president or CEO and other flattering gestures. Or it may try to manipulate a departing employee by heaping on a sense of false guilt.

The Prevailing View

Now suppose that after months of interviews and negotiations, you accept a position with a new employer. When your current company makes a counteroffer, you decide to renege and stay where you are. The popular notion is that you're the winner. After all, you'll be paid more money, keep your tenure and possibly receive a promotion.

Obviously, the jilted company loses. It must restart its search from scratch. Other good prospective candidates, who might have jumped at the job earlier, have long since accepted different positions or lost interest. The company has lost months of productivity and perhaps millions of dollars in unrecoverable revenue because the position has remained unfilled for so long

Any recruiters involved in the search lose as well. Counteroffers are a headhunter's nightmare. A recruiter can lose face with a client company, a substantial amount of time and allocated resources and possibly income when a candidate backs out after accepting.

What Really Happens

If you're considering a counteroffer, why should you care about the jilted company or the headhunter? Aren't you still so far ahead of the game that their misfortunes are just a small setback? Not really. In business, your reputation can be your most valuable asset. By backing out of a commitment to a prospective employer, a candidate loses all respect from the firm's leadership.

Consider the experience of a Seattle-based pre-IPO software company, which had recruited an executive for a Midwest regional manager's role after months of searching. After the candidate accepted the offer and committed to a start date, the firm stopped its search and announced the hiring to its staff, customers, and alternate candidates, says Sterling Wilson, chief financial officer of the company. The finalist then reneged on his acceptance.

"It was devastating to our organization and our progress," says Mr. Wilson. By reneging, the candidate seriously jeopardized the company's relationships and credibility, and the alternate candidates were no longer available.

"The search had to start over," says Mr. Wilson. "It caused a serious momentum loss for us, and didn't reflect well on the candidate personally."

Candidates who renege after committing to start dates are called "no-shows." One spurned vice president was so angry with a candidate who reneged that he shredded the person's resume, The Wall Street Journal reported recently. Another hiring manager complained of how draining it had been to lose a candidate at the final hour.

Why should a candidate care what a recruiter thinks, especially if they had never met previously? The value of a good search professional should never be underestimated. He or she can do more for you during a career lifetime than you might realize. But out of concern for client companies, reputable recruiters avoid candidates whose word can't be trusted.

It's Never The Same Again

The current employer who gains back its staffer may seem to be the big winner. Initially, it may appear to lose ground because of the pay increase or promotion it extends. However, these costs are minimal compared to the loss of momentum on a project or the expense of recruiting a replacement.

Still, winning back an employee is only a short-term fix, and the move may ultimately cause worse personnel issues. First, the company's relationship with the employee is never the same. Most employees who accept counteroffers leave within six to 12 months, merely deferring their inevitable replacement.

"We know the person is mentally 'out-the-door' and it's probable that he or she will leave in the not-too-distant future anyway," says a Dallas-based former partner of a Big-Five consulting firm. "We never quite trust them, and immediately begin contingency planning for a replacement -- on our timeframe."

Second, the line of previously loyal employees threatening to leave to gain a raise begins forming at the door. "If someone isn't committed to being here, it compromises our team and causes broad, negative ramifications far greater than losing that person," the former partner says. Ultimately, the integrity of the employer, manager, and indecisive recruit can all be irreversibly damaged.

Perceived Blackmail

Does the "no-show" really win? He or she may earn a bit more money, but the increase is borrowed from future earnings. An employer may make or attempt a few improvements, but will rarely change its culture for one employee. The employee's integrity, loyalty, and commitment are forever in question after this perceived blackmail tactic.

He or she will never be trusted or considered a member of the inner circle. Grudges will most certainly be held, whether overtly or covertly. Future advancement becomes more difficult, and the company will begin to seek a replacement.

A former division president of a major software company relates the consequence of accepting an employment counteroffer. "After receiving and accepting a competitive offer, I announced my resignation," he says. "The response from more senior executives was, 'you can't leave, you have too much to offer the company.'"

The firm offered him a sizable compensation increase, a promotion to corporate officer, and multiple stock options to stay, which he accepted. Nine months later, after a major project was nearly finished and his replacement waited in the wings, he was fired without explanation.

I'm sure they thought that I was no longer a 'company man'," he says.

Cathy Norris, president of the Norris Agency, a Dallas-based search firm, says a candidate who accepted a counteroffer called three months later to say he regretted the decision.

"Despite all the promises, none of the things that caused me to want to leave in the first place have changed," he told her. "And the big raise they gave me has since been cut back due to budget problems. Once I'd made the decision to leave, I should have followed through."

What Should You Do?

It's naive for executives to be surprised by counteroffers these days. In fields where talent is at a premium, the offers are a popular retention tactic. But why would a company wait until the eleventh hour to keep someone it claims to value so highly? Obviously, the move is purely defensive. You may feel flattered, but don't be fooled. A counteroffer isn't about what's best for you; it's about what's best for the company.

If you expect to receive an offer to stay with your firm, how should you deal with it? First, don't allow a counteroffer discussion to occur. Leaving the door open for discussion induces the company to invest time and resources into enticing you to stay. This can make you feel guilty, which makes it more difficult to stick to your decision to leave, even though you know you should honor it.

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Take an active part in your own career management. If your company is interested in your progression, you'll know it before you decide to resign. If you change your mind and stay, your motives and methods will always be suspect. Keep a steady course and don't look back.

Submit a courteous, positive and final resignation letter that leaves no room for discussion. By behaving honorably, you may have the option or re-employment with the company or to join a former boss elsewhere later on. You'll also have the chance to start a promising new role with additional challenges, an expanded network, an untarnished reputation, and a clear conscience. Everybody wins.

TEN STEPS TO A SUCCESSFUL GOODBYE

How to complete the final chapter in your current job

by Pat Stevens

The first impression you make on a new job is important, but so is your last one. In a volatile workplace, your resume is likely to become dotted with career changes and new skills. Being flexible and adjusting emotionally as you leave one job and prepare for another are essential career-survival skills.

How you leave says a lot about you, whatever the circumstances. The process of leaving isn't about packaging a box and moving to a new place. It's about cementing relationships and establishing a network that will ensure you a place in the business world. It's also about realizing that the desk next to you at a future employer may be occupied by your former boss.

To stay emotionally grounded while saying good-bye and beginning your transition, apply the following 10 strategies:

1. Express your appreciation and stay connected.

Take time to reminisce with colleagues about projects you've worked on, special times you shared and joint accomplishments. Consider sending short thank-you notes after you leave that mention their contributions to your success. Make sure co-workers have your address and phone numbers and remember to stay in touch with them.

Regardless of the circumstances involving a job change, it's important to "maintain dignity" and avoid embarrassing "yourself by burning bridges with co-workers and managers," says Don Kelley, a human-resources specialist at Texas Utilities in Dallas. Their ties to you are important links to the future.

2. Let go.

Letting go of security, embracing a new opportunity and exploring the unknown takes courage. Focus on what is instead of what was, Dr. Kelley advises. Since the primary safety net during periods of change is self-confidence, Dr. Kelley reminds employees in transition that they'll fit in and find a new identity.

During change, "your ability to tolerate ambiguity and uncertainty will stand as a critical skill," says Price Pritchett, founder of Pritchett and Associates in Dallas and author of "New Work Habits for a Radically Changing World" (1996, Pritchett Publishing Co.). "Learn to loosen up and be willing to wing it."

3. Leave your office in top shape.

Be meticulous about how you leave your office. Only take files that belong to you and make sure your desk, computer, records and files are neat, organized and complete. Provide employees with updates and leave notes about on-going projects.

4. Create a morale-building file.

Keep a file of positive work evaluations, thank-you notes and other documents that will supply you with enthusiasm, courage and hope in the upcoming weeks. Realize you've made a difference in others' lives and will do so again.

5. Don't be critical.

Avoid criticizing your company, co-workers and managers or participation in negative conversations about these subjects. You may feel bitter or demoralized, but letting others know your feelings will backfire.

Remember and discuss the positive events you experienced, even if there were only a few of them. Those left behind can feel disoriented or unsettled. Being a peacemaker will help you be remembered positively.

6. Prepare, reflect and move on.

Recognize that every work experience has value, and view your job as a bridge to the next one. Be introspective, realistic and excited. Dream about what might be. "There's always a place for talented people," says Alex McKenna, president of McKenna Group International, a career transition firm in Milwaukee, Wis.

7. Take time to play.

Schedule an enjoyable event before beginning the next phase in your life. It can be something simple like visiting a botanical garden with your family, having friends over for a barbecue or pursuing an activity you never had time for. Consider a vacation if time allows. Even long leisurely weekends can provide opportunities to laugh, become energized and relax.

8. Recognize the value of friends.

Don't neglect friends and networking opportunities. This change may make you feel reclusive and want to retreat into a corner. But contact with and reassurance from others may be what you need most.

You may be surprised to discover that many others have been through similar experiences. Successful people often have experienced worse or more unsettling events than a job loss. Identify supportive people and maintain contact with them. Also keep up a routine that balances church, family and social obligations even if you don't feel like it.

9. Analyze your financial status.

Review your finances and take steps to become more secure in a time of transition. Determine how leaving a job and taking a new one will affect your retirement, 401 (k) and IRA plans. Double-check your health, disability and life insurance plans to ensure your family will be covered during the transition. If not, review your COBRA rights and other options so that unexpected medical bills won't disrupt your financial security.

10. Be open to new possibilities.

"Change always comes bearing gifts," says Dr. Pritchett. It's up to you to find them. Your job change can be an opportunity in disguise. Don't be so reluctant to embrace change that you can't see new opportunities that become available.

Starting over is part of career advancement in today's turbulent workplace. Successfully ending the final chapter of one job will give you a good start on the first chapter of a new one.

How to Leave a Job Gracefully And Make a Good Last Impression

By Adelle Waldman

I quit.

It's a phrase that takes a lot of courage to say, especially when it's being directed at an employer. Utter it at the wrong time or in the wrong manner, and the results could be damaging to your career.

For Jennifer, an attorney in New York, it was a particularly gut-wrenching experience. The twentysomething had been looking for a new job for several months when she got an offer from one of the law firms where she had interviewed. The job wasn't her first choice among those she applied for, but it did offer more money than her current position.

She didn't know what to do: Take the job that was being offered or hold off for one of the ones she wanted more? It wouldn't be smart to turn down a sure thing, she figured, so she decided to quit. "I wanted to do the right thing and give them a full two weeks' notice."

Jennifer, who asked that her last name not be used for this column, told her boss that she got a better offer elsewhere and respectfully quit. Later that night, she regretted the move. She felt that she should have held out for a job she wanted more, and didn't want to take the new position in the interim. "I didn't sleep at all" that night, she says. The next day, she rescinded her notice.

Jennifer's boss was forgiving, and allowed her to keep her position. A month later, however, she was offered a job she really wanted at a different firm, and left, for good.

Still, Jennifer's transition was hardly smooth, and it probably wasn't the ideal way the situation could have been handled.

"Once you give notice, you've kind of crossed an imaginary line -- a point of no return," says Marc Karasu, a spokesman for Yahoo HotJobs. Jennifer could have tried to buy more time from the firm who made her the offer before she said yes, he says. In the meantime, she might have been able to tease an offer from one of the other firms she was interested in.

Mastering the ins and outs of moving from job to job is an important skill, particularly for young people, since we are likely to move around a lot. It's more than just being professional, it's about shoring your future career moves, and your finances. The average person will have 9.2 jobs between the ages of 18 and 34, according to the U.S. Bureau of Labor Statistics. Meanwhile, a survey from the Society of Human Resource Management last November found that 75% of employees are actively or passively looking for work, now that the economy is getting stronger.

How can you make a move as pain-free as possible?

First, schedule a private moment with your boss to break the news -- and do it tactfully, says Mr. Karasu. Instead of screaming, "I quit," Mr. Karasu suggests saying something about how fortunate you have been and how grateful you are for all the opportunities you have been given, but that you have an offer that you felt you couldn't refuse. In other words, don't be tempted to use leaving as an opportunity to blow off steam.

"You never know when your boss will be a good reference," says Deborah Keary, a director at the Society for Human Resource Management. "It's so dumb to make everyone angry before you go."

Paul Kitzrow made an effort to leave his job with some tact. "It was very hard to bite my tongue toward the end," says Mr. Kitzrow, a 23-year-old who recently left a corporate job to work with his uncle on a new business in Grand Rapids, Mich.

Mr. Kitzrow was tempted to offer "constructive criticism" about everything he disliked in his old job, but he had a feeling that it wouldn't go over well. Plus, he had taken some extra vacation time before giving notice, and his boss could have docked his pay for the days he took off but didn't.

In the end, however, he didn't burn any bridges, and his boss offered to write him a letter of reference for future career moves.

Don't burn bridges with co-workers, either. Remember that anyone you've worked with is a potential reference, career experts say.

Another way to make your transition as smooth as possible is to give more than two weeks' notice, says Ms. Keary. She says most employers won't be able

to find and hire a replacement in two weeks, so if you can give them extra time -- three weeks or a month -- to get started, they will usually be appreciative.

There's a caveat, though. Some employers get very upset when someone quits and may want the worker out immediately, she says. So before you tell your boss, you might want to reflect on how your boss has responded in the past when employees gave notice. Ms. Keary also suggests that, just in case, you download all the personal documents on your computer to a disk before you go in to see your boss. That way, if he or she ignominiously boots you out the door, you already have those things in your possession.

Presuming your boss doesn't flip out, Mr. Karasu suggests you do as much as you can to help your boss hire your replacement, which might include writing a job ad or even gathering and vetting resumes from possible candidates.

Another thing to do is to write instructions about how to do your job for your replacement and even to offer to make yourself available to answer any questions for a week or two after you leave, Mr. Karasu says. "If you've done all that, that's about all anyone can expect," he says.

Except maybe a hand-written thank you note. That's a little touch that Lorie Lebert, a career coach in Novi, Mich., recommends. The note should "thank them for understanding your position and for giving you the opportunity to begin with," she says. "A really nice thank you note goes a long way."

Of course, you should also resist the temptation to start completely slacking off after you've given notice, she says. "Work as hard as you possibly can," Ms. Lebert says. "People are watching you."

That's what Myles Perkins is trying to do, but it's hard. The 29-year-old Washington, D.C., resident works in commercial real-estate finance -- at least for now. He is attending business school next year and will take the summer off, leaving his current position in June.

In the meantime, he says he feels like a "dead man walking." "I've been passed over for a couple of projects because everyone knows I'm leaving and they don't want me to start something," he says.

Mr. Perkins feels like he's twiddling his thumbs a bit, without enough work to keep him busy throughout the day, but still wants to do his best. "My boss has been really good to me, and I don't want to appear to be a total slacker," he says.