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Accepting a Counteroffer Can Be the Road to Ruin

By Paul Hawkinson

As the economy rebounds, companies are focused on retaining their best employees. This may be because they sense that top performers, exhausted from being overworked and underpaid during the recession, have new options.

Counteroffers are one talent-preservation tool companies use to prevent being "left in the lurch" by an employee who leaves. In making such an offer, your employer might appear to be doing you a big favor. Don't be deceived, though. You aren't the main beneficiary of an accepted counteroffer.

During my 40 years monitoring the hiring scene, primarily from the standpoint of the executive-recruiting industry, it's been clear that the company reaps the benefits when employees take counteroffers.

Industry pundits may argue that this is no longer true now that the employment paradigm has changed and the loyalty contract between employers and employees has been irrevocably broken. Employees control their destinies more now than a decade or two ago and it's sensible for them to use counteroffers to improve their earnings or careers.

But human nature is unalterable -- even as the workplace changes around it. Employers aren't charities. They want to avoid the transition turmoil generated when a key player leaves. They also know that for employees, changing jobs ranks as a major stressor with death, divorce, moving and other of life's undesirable speed bumps. They make counteroffers knowing that employees would rather avoid leaving the familiar and starting new someplace else.

As one human-resources executive told me, "My core belief is 'Better the devil you know than the devil you don't.' We understand that matching the salary, changing the job title, creating a new project or promises of any kind can tip the balance between going and staying. It is a lot cheaper to keep someone than the expense and aggravation of finding a replacement."

The Boss Saves Face

Accepting a counteroffer also makes bosses look good. They feel somewhat like jilted lovers or spouses when someone they need resigns. They think to themselves:

- What did I do wrong?

- Why didn't I recognize the problem earlier?
- This couldn't happen at a worse time.
- My own boss will be furious.
- This is one of my best people and his leaving could cause serious morale problems.
- I've already got one opening in my department. I don't need another right now.
- What if this resignation starts a mass exodus?

Let's face it. When someone quits, it's a direct reflection on the boss. Unless you're really incompetent or a disrupting thorn in the boss's side, he or she might look bad by "allowing" you to go. The gut reaction is to do what's necessary to keep you from leaving until it's convenient. That's human nature, too.

If you accept the counteroffer and stay, you'll always be viewed differently. In essence, by agreeing to stay, you've "blackmailed" your boss. From now on, he or she will consider you a "fidelity risk." You lose your status as a team player. You're no longer viewed as an insider.

Nothing Changes, Really

Meanwhile, your reasons for wanting to leave still exist. In almost every case, a counteroffer is a temporary fix -- a stall technique to keep you in your seat until the organization can find a suitable replacement. Ask yourself: If and when I feel underpaid, overworked or otherwise mistreated again, will I have to solicit another offer to correct it?

What about the prospective employer, which spent long hours and considerable expense to get you to the offer point? Presumably, you negotiated in good faith and arrived at a mutually acceptable offer. If you renege on your commitment, you taint your reputation. It's a smaller world than you may think. Word of your lack of integrity can poison your career for decades.

Not only can your reputation for untrustworthiness hinder your career progress among executives in your sector, but search professionals also will consider you untouchable for the openings they handle. If you think recruiters don't talk among themselves, you're dead wrong. Being blackballed by the search community can be career suicide.

In my four decades in the hiring community, only a small percentage of counteroffer acceptors I've known haven't regretted their choice. If in your naïveté you believe that your current company loves you despite how it's treated you, you deserve the ho-hum career it may offer.

But my advice is to refuse the guilt and the sweet talk it tries to lay on you. The momentary flattery just isn't worth it. Decent and well-managed companies don't make counteroffers. Their policies are fair and equitable, and they won't bow to coercion.

When you say, "I quit," mean it. It's really your only honorable option.

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