



COUNTEROFFERS

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Most hiring authorities never even think about the candidate they offered a job to receiving and actually accepting a counteroffer from the company they work for. The popularity of this tactic ebbs and flows with the availability of candidates. If the market is flush with lots of candidates, many firms don't worry about their employees leaving. When the market makes it difficult to find good employees, most companies, no matter what their size, will often try to make a counteroffer to a candidate who is resigning and try to get them to stay. In fact, there are lots of companies that pride themselves on their ability to make counteroffers to candidates and get them to stay . . . at least for a while. And then fire them when *they choose the timing of departure*.

The best hiring authorities realize that the candidate they want to hire, if he or she is presently employed, will likely receive a counteroffer. The best hiring authorities see it coming and discuss it with the candidate at the time of offer or as the offer is accepted.

WHO IS MOST LIKELY TO RECEIVE A COUNTEROFFER?

The best hiring authorities recognize the kind of candidate that is likely to get a counter offer and, if not warned about it, may accept it. The people who are most likely to get counteroffers when they go into resign are:

The **long-term** employee of the medium-to-small-sized firm who is in a very unique position with the company. The kind of person who has "all the company formulas in their head."

The kind of employee who is leaving for **one reason**. And the reason is usually something that might be easily rectifiable.



During the interviews, they go on and on about how much they love their job, love the company, love the people that they work with, love the success they've had and if it just weren't for the *money* . . . they got passed over for a raise . . . no *upward mobility* . . . i.e. no new title or they got passed over for promotion . . . or simply they've been *taken for granted* . . . they don't get any respect . . . "I drive 35 miles one way and the commute is awful. My company could let me work from home at least two or three days a week, but they just won't, so I'm leaving."

A **family member** . . . "I just can't get along with my dad anymore . . . I have to leave. Besides, it's time that I get out and prove myself without being the owner's/boss's son."

So the kid goes into resign and maybe the dad is really *glad* his son or daughter is finally going to leave the company, relieve the tension and be on his or her own. The father goes home and tells his wife, the mother. While he is somewhat relieved, the mother goes ballistic. "How could you let this happen? How can you let our daughter (son) who is going to inherit the company, take it over and run it, leave? What have you done to our family? What kind of a father are you anyhow? Can't even get along with your own children? This is terrible! I'm never going to forgive you!" Blah, blah, blah!

So, instead of sticking to his guns and dealing with what ought to happen, he goes back and gets the kid to stay. After all he knows that, "if mama ain't happy, ain't nobody happy."

The **long-term** employee who has held just about every position in the company and can be plugged into any job.

The **top performer** in the company whose revenue or performance is the "heart and soul" of the company, and their departure will be disastrous. They are usually unhappy because



of a new boss or new management. But when they go in to resign, the company will “come to its senses” and try to make things right.

The candidate who is leaving their job for **other people’s reasons**. “I love my job, but my spouse says I’m not making enough money. And you know, he or she is right. So, I’m leaving.” Or, “my boss is a yeller and a screamer and he takes everything out on me. My spouse says I shouldn’t put up with it anymore, so I’m leaving.”

The best hiring authorities pick up on the kind of candidate who is likely to receive a counteroffer. Once they offer the job to the candidate, they now have personal rapport with the candidate and they say something along this line:

“(John or Jill) we are really excited about you joining our company. This is going to be a great opportunity for both of us. You really will do well here. But I do need to ask you one important question: When you go in to resign, it is likely that your company is going to make you a counteroffer and try to get you to stay. You’re exactly the kind of candidate who is a prime suspect for that kind of thing. What are you going to do?”

Most candidates will look at the hiring authority like a deer in the headlights. They’re going to say something like, “I never thought about that.” They then start thinking out loud mumbling something akin to, “I . . . uh . . . don’t . . . uh . . . really . . . uh . . . know.”

WHAT THE BEST HIRING AUTHORITIES SAY

“Well, (John or Jill) you are exactly the kind of valued employee that someone’s going to try to keep. Let me share with you a few ideas based on my experience as to why it would



not be a good idea to accept a counteroffer and why it would be disastrous to your career. Would that be okay?”

(The best hiring authorities hand them a copy of this article that they downloaded from: www.babich.com or www.E57partners.com)

The best hiring authorities also review three or four of the reasons the counteroffers don't work . . . whichever ones are most applicable to the candidate. The article discusses all of them:

1. “If your company really recognizes your worth, they would have given you the added income, advancement, title, whatever . . . without the necessity of you “black-mailing” them by finding another job and threatening to quit.”
2. “If you accept the counteroffer, you will **more often than not** be looked upon as a person who was disloyal and **blackmailed** management or the company into giving you what you wanted. You are no longer trusted.”
3. “When the next salary reviews come around, you will already have received yours and you will be bypassed.”
4. “The reason that you are being made a counteroffer is because, at that moment, **they need you** worse than **you need them**. When this situation is rectified (and notice, I said “**when**,” not “**if**”) and you no longer have them over a barrel, your position in the company will not be very strong. ‘Turnabout’ is fair play. They will keep you long enough to find your replacement.”



5. “In essence, you are **firing** your company. No one likes to be fired, and they remember it and carry a grudge for a long time.”
6. “Good companies, (well-managed companies) don’t buy people back.”
7. “It is cheaper for a company to try to make you a counteroffer than it is to replace you.”
8. “Money and title are **temporary**. Nothing has really changed. After the “glow” from the money or title wears off, you will be right back where you were before.”
9. “The **emotion** of the moment of suddenly being made to feel **special** overrides the logical, common sense that forced you to consider leaving in the first place.”
10. “The ‘trust’ relationship that you had with your employer is no longer there. We are not ‘all in this together’ anymore. You are a ‘blackmailer.’ You cannot be trusted.”
11. “The fact that you can’t be **trusted** anymore affects everyone you work with. You held management’s feet to the fire, you blackmailed them and, what’s worse, **everyone in the company knows it**. You don’t think they do, but they do. No matter how “confidential” you think your counteroffer negotiations are, they aren’t. In fact, word gets around really fast, and not only are you now distrusted by your management, but all of your



peers and subordinates are irritated or downright mad that you got something they didn't."

12. "You caught management with their pants down. Most likely, they had no idea this was coming. Your immediate supervisor may wind up looking like a "doofus" for losing another employee. His or her butt might be on the line. They are buying time to find a replacement."
13. "Your departure is going to cause other people to have to cover for you. Your supervisor and his or her company (i.e. *your* company) are going to put "their finger in the dike" to keep you around simply because other people are going to have to take up the slack if you leave. But when they get a chance, they're going to replace you."
14. "Losing any employee never comes at a 'good time.' Your immediate supervisor is likely to say, 'How could you do this now? It couldn't come at a worse time?' Your ego will be stroked and fed simply to buy time for your manager to "recover" by replacing you."
15. "The world is motivated by self-interest. Your immediate supervisor is interested in his or her 'self.' Nobody wants to look bad. If your departure makes your supervisor look bad, he or she is going to do anything, at least for awhile, to look good by keeping you."

"(John or Jill), when your present employer makes you a counteroffer, tell them that you really appreciate their offer, but that you have made up your mind and you are going to leave.



No matter how tempting it is, **never accept a counteroffer!**”

The best hiring authorities are prepared for this. They may not go over all of these issues with the candidate, but at least the most important three or four.

The best hiring authorities know, however, that even if they make this presentation to the candidate *after* the candidate has received a counteroffer, the probability of the candidate accepting the counteroffer is about 90%. Although every one of these issues is true, once the candidate has received and is entertaining a counteroffer they get caught up in the “It’s different with me . . . I’m special” syndrome and “tune out” even the most logical, commonsensical things. The best hiring authorities counter the counteroffer before it’s given.