



# ENGINEERING RESOURCE GROUP INC.

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## What you should know about COUNTEROFFERS

After the announcement is made that someone is leaving their present company, sometimes the company will present the employee with a counteroffers. Before any counteroffer is considered, there are a few things that you should know.

### Background

Since counteroffers can create confusion and remorse, you **should** understand what's being asked of you. Counteroffers are typically made in conjunction with some form of flattery. For example:

- You're too valuable, we need you.
- You can't desert the team/your friends and leave them hanging.
- We were just about to give you a promotion/raise, and it was confidential until now.
- What did they offer, why are you leaving, and what do you need to stay with us?
- Why would you work for that company?
- The President/CEO wants to meet with you before you make your final decision.

Counteroffers usually take the form of:

- more money
- a promotion/more responsibility
- a modified reporting structure
- promises or future considerations
- disparaging remarks about the new company or job
- guilt trips

### The Reality

It's natural to want to believe these appeals and promises, but think about it: If you were worth "X" yesterday, why are they suddenly willing to pay you "X + Y" today, when you weren't expecting a raise for some time?

- Employers don't like to be "fired", which is what you are doing when you quit, you are "firing" your company. Your boss is likely concerned that he'll look bad, and/or that his career may suffer. It's never a good time for someone to quit, and it may prove time-consuming and costly to replace you, especially considering recruitment and relocation expenses. In addition, they know that statistically you are almost certain to leave them in the future.
- It's much cheaper and easier to keep you, even at a slightly higher salary. And it would be better to fire you later - on the company's time frame. Bosses who truly care about their employees will wish them the best, offer to act as a reference, and communicate their disappointment.

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- Having once demonstrated your "lack of loyalty" by having considered looking at another job opportunity, you will lose your status as a "team player" and your place in the "inner circle."
- You will always be suspected of being on a job interview whenever you are absent from work for any reason.
- In addition, numerous studies have shown that the basic reasons for wanting to change jobs in the first place will nearly always resurface. Changes made as the result of a counteroffer rarely last beyond the short-term, no matter how many promises are made.
- When making your decision, look at your current job and the new position as if you were unemployed. Which opportunity holds the most real potential? Probably the new one, or you wouldn't have pursued and accepted it in the first place. If you have made the decision to take another job elsewhere you should maintain a firm and final position.

### **Reasons NOT to Accept a Counteroffer**

- What type of company do you work for if you have to threaten to resign before they give you what you are worth?
- Counteroffers are made for the company's benefit and for the company's need. They are never made with your needs in mind.
- From where is the money for the counteroffer coming? Is it your next raise, early? (Many companies have strict wage and salary guidelines that must be followed).
- Your company will very likely immediately start looking for a new person at a lower salary.
- You have now made your employer aware that you are unhappy. From this day on, your loyalty will always be in question.
- When promotion time comes around, your employer will remember who was loyal, and who wasn't.
- When times get tough, your employer will begin the cutback with you.
- The same circumstances that now cause you to consider a change will repeat themselves in the future, even if you accept a counteroffer.
- According to statistics, employees that accept counteroffers, 50-80 percent voluntarily leave their employer within six months of accepting the counter-offer because of promises not kept. The majority of the balance of employees that accept counteroffers involuntarily leave their current employers within twelve months of accepting the counteroffer (terminated, fired, laid off, etc.).
- Once the word gets out (and it always does), the relationship that you now enjoy with your co-workers will never be the same. You will lose the personal satisfaction of peer group acceptance.