



Have you ever accepted a new and promising position, with another organization, only to receive a counteroffer from your current employer? While you may have just substantially increased your salary, Charlene Bergman warns that accepting could cause irreparable damage to your relationships and reputation, while costing you a new and exciting career opportunity.

Consider this—you've just accepted a new role and now it's time to break the news to your current employer. You've anticipated an awkward conversation and rehearsed it to death, but your manager's reaction isn't what you expected. Although they claim to be surprised, their immediate reaction is to offer you more money and the prospect of improvements in your current role. You may be surprised, flattered or even embarrassed by their response, but what do you do now? Should you stay or should you go?

On the surface it seems like a straightforward decision, but it's one that could have both short and long-term ramifications on a promising executive career. If you're facing this predicament, tread carefully—it will likely lead to irreparable damage to your relationships and reputation, while costing you a new and exciting career opportunity.

Counteroffers are a sign of the times

Given a tight employment market, management gaps created by retiring boomers, and heightened competition for experienced leaders, the above scenario has become all too common in the executive ranks. Despite technology rapidly replacing roles across the workforce, robots and algorithms are no substitute for experienced executive leadership—a fact that's unlikely to change any time soon. Employers know that replacing their top talent is expensive, time consuming and unsettling to peers, team members and clients alike; it's also prone to unknown risks, so presenting a counteroffer to you; though poorly conceived, can be a natural reaction.

The band-aid solution that worsens the wound

The problem is that counteroffers provide only band-aid solutions and are usually destined to fail. Research profiled recently in the *Harvard Business Review* (HBR) [makes this clear](#). The study involved a national survey of over 600 senior executives who had quit voluntarily and more than 100 HR professionals who manage such transitions. Those interviewed estimated that counteroffers work out for employees in only 5% to 25% of cases and that, in all other instances, accepting a counteroffer from the current employer could be harmful to one's career.

The fallout of accepting a counteroffer is that employees typically end up leaving anyway, within a short period of time, and the reason boils down to a loss of trust on both sides.

Firstly, the employee is left to wonder why a resignation was required to reveal an inequity that was present all along. Money doesn't address the real issues and motivation for initially considering a career move or job change. Couple that with questions such as, "is my boss being disingenuous in recognizing my value today and why is that different than yesterday?" And "what will it take to win my next advancement?"

From the employer's viewpoint, there's often a corresponding loss of confidence in you, the employee. They will be wary about promoting you or awarding you the best projects or clients, knowing you are a flight risk. In the HBR study, 80% of senior executives and 60% of HR leaders pointed to diminished trust and compromised reputation among the executives and board members of the employee's current company. Over two-thirds of senior executives and HR leaders also said that superiors in the current company would question the employee's loyalty and commitment going forward.

Longer-term damage and lost opportunities

The ramifications of accepting a counteroffer extends beyond the damage done to relationships within your own organization. In the process of weighing other career opportunities, you may have consulted executive recruiters or interviewed with other prospective employers who have presented you with options or an offer only to learn you're staying put. This is where your reputation can take a big hit—given your actions, others will question your integrity and be wary of you reneging the next time you tap the market for a new opportunity.

But the greatest loss may simply be the opportunity cost of missing out on an exciting new role—one that you had decided to accept. In the final analysis, most executives make career changes for the new challenges and experiences that they bring, and not for the money. Yet accepting a counteroffer is often principally about money. Furthermore, promises that your current job will be altered to suit your career ambitions are inclined to be illusory or based on poorly constructed plans. A survey of counteroffer practices administered by the Hay Group found that 96% of counteroffers are *ad hoc* or situational in nature and a WorldatWork Journal survey indicated that only 6% of companies have counteroffer policies or strategies in place at all.

Determine upfront whether you're really ready to exit

Of course, much of this can be avoided by not letting things get to this point. Leaving to pursue a new opportunity may be exciting and emotional, but the career decisions have to be undertaken rationally with all the facts in hand. This includes understanding your options within your current organization and potentially having the tough and probing discussion with your boss or another senior person within your organization who has your best interests in mind. If that leads to a determination that you need to move on, you can do so without letting a counteroffer make you feel guilty or tempt you—or worse, make you second-guess your decision to go when it's the best course of action.

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