

Sooner or later, most of us face a resignation. Resigning is never easy, especially when you've worked at a position for several years, and have become part of a team. Some employers and coworkers take it personally and accuse you of abandoning ship. However, handling your resignation as professionally and thoughtfully as you handle your search for a new job can help make your resignation relatively smooth and amicable.

### **KEEP RESIGNATIONS SHORT, SIMPLE AND POSITIVE**

- Leave your employer on a positive note. Your moving on does not have to be a time for long faces. After all, you have just won an opportunity to advance, an opportunity for which you owe your employer sincere thanks. Thank your colleagues, too, for their help in preparing you to move onward and upward.
- If you have given your best to the job, you will be missed - especially by those inconvenienced by your leaving! Let them know that you intend to assist them in whatever ways you can. By showing your boss and firm due respect, you encourage future support you may someday need.
- When you resign, keep your conversations simple and concise. The more you say, the more questions you may have to answer. Avoid lengthy discussion about your new opportunity with your old employer. Typically, your resignation creates extra work for others.
- Chances are, your boss will be caught off-guard by your resignation, and will not be able to listen clearly to your explanations due to concerns about the sudden challenge your leaving presents. Because your boss is losing a valued employee and your leaving may create more work for him, he or she may express negative opinions about your new firm or position. This will only confuse you. You may find yourself having to justify your personal goals and decisions or absorb the personal frustrations of others. If you're dealing with volatile or vindictive personalities, it may be best to avoid revealing where you will be going.
- If you feel you may face a hostile atmosphere, resign at the end of your workday so that you are no longer on company time and are in control of your schedule. Try to schedule any discussions for the following morning when everyone can face your departure after time to absorb and reflect on the news. If you have to defend yourself at this first meeting, or if things begin to get out of control, ask to re-schedule the meeting for a more appropriate time.

### **THE ORAL RESIGNATION**

- Resigning orally may place you in the compromising position of having to explain your decision on the spot. Words are powerfully charged when you reveal a decision, which has such an impact on your organization. Choose your words with care. Your boss may want to probe for factors, which led to your decision. You may be asked who or what is the reason for your leaving, or may be invited to offer suggestions to help make the organization more effective. If you have had a close relationship with your boss, you may feel obliged to answer candidly.
- Don't fall for this trap! Use your head and discuss personal,

heartfelt matters outside the office. Remember, your interrogator is still your boss. Whatever you say will be viewed as biased - after all, you have severed your relationship with your organization - and may eventually be used against you. At this point you are no longer considered a team player, nor viewed as having the company's best interest at heart.

- Too often, resigning employees come to regret their comments when they are misinterpreted or exaggerated in the re-telling. Constructive criticism is no longer your responsibility, and carries a high cost, which could jeopardize your good references.
- Instead, offer sincere praise for the firm and those with whom you worked. Prepare yourself beforehand by focusing on several positive aspects of your workplace, and mention them liberally when the opportunity arises. Even if favorite aspects were, say, the great lunches, or humorous stories told over coffee, better to mention such things than to harp on disappointments or shortcomings. (These, you are addressing by moving on to greener pastures.) You want to be perceived as a positive, constructive individual in forward motion. People will remember your last impression. Make it your best performance. You may want to tell your boss something like:
- "I need to discuss something with you if you have a moment. I've been made an exceptional offer by another firm, and I've decided to accept it. My wife and I have given this opportunity a lot of thought. As much as I'd like to advance within this company, we feel the new opportunity is in our best long-term interest.
- We deeply appreciate all you and the firm have done for me here. I don't think I would have been presented this exceptional opportunity if not for your support and leadership. I want to thank you. I hope I can leave with your good wishes. You've been a friend as well as a boss."
- If probed for more information, you may want to claim that there is nothing else to say right now. Simply communicate that you are leaving a good opportunity for an even better one, which suits your aspirations.

### **THE WRITTEN RESIGNATION**

- Written resignations give you the time to effectively prepare what you wish to communicate, and give you greater control over your delivery of the message. You can't be thrown off-track by an unexpected remark as can happen during a confrontational conversation. A written resignation also reinforces the fact that you are really leaving and are not simply threatening in order to re-negotiate your position. Also, there is something permanent about the written word, which often circumvents interrogation.
- Under no circumstance should you state any dissatisfactions with the firm or individuals. Not only is it good manners to stress the positive when leaving, but items in your personnel file may long outlast the individuals and circumstances responsible for your dissatisfaction. You never know when your path will cross those of your former colleagues. To keep your resignation short, simple, and positive, you may want to write something like:

- "I want to thank you for all you have done for me here at [Company]. It's been a pleasure working with you, and representing the company as your [job title].
- I have accepted an offer with another firm and have decided to tender my resignation as of today. This decision has nothing to do with the exceptional opportunity you have provided for me here. You and the company have been more than fair with me, and I genuinely appreciate all your support.
- I wish [Company] continued success, and I want to thank you for allowing me to be a part of your team. Please feel free to contact me at any time if I can be of further assistance in helping with a smooth transition."
- Letters get filed and passed around to explain what happened, reducing the call for endless orations on the same subject. They also dispel any perceived ambivalence in your behavior during this delicate time.

*(Sample Resignation Letter included at the end of packet.)*

### **THE COUNTEROFFER**

- Surveys show that eight out of ten employees who accept counteroffers don't complete the following year with their employer.
- Why shun counteroffers? Because the factors that caused you to seek or entertain a better offer are likely to remain in force. Beside which, your current employer will probably lose trust in your loyalty.
- Accepting a counteroffer may permanently damage your reputation with your would-be-employer. Your prospective new colleagues may conclude that you were merely using them to gain leverage; you weren't in earnest as a candidate. Never underestimate the value of your perceived integrity in this situation.
- The best response to a counteroffer is to listen politely, perhaps even sleep on it, but decline. If your current firm denied you advancement before you secured an outside offer, it will probably thwart you next time you feel ready to advance. What's more, your firm may start looking to replace you the day you accept the counteroffer. Your plans for leaving may not be forgotten!

### **LEAVE ON THE RIGHT NOTE**

- Before leaving the firm, take time to speak with each of your support staff, peers, executive personnel, and others with whom you've worked. To the extent practical, clear up any unfinished business. Be sensitive to others' reactions and keep your conversations positive and constructive.
- Some people may naturally express their own discontentment, and may egg you on to agree with them. Don't! Instead, express your appreciation and tell your colleagues you'll miss them. A little time spent nurturing relationships before leaving for your new job will go a long way to build support for your future.
- Also keep in mind that it is professional courtesy to give your

**employer ample notice to help them prepare for your departure - typically, 2 weeks. However, you should try to get out as soon as possible to avoid recurring invitations to tell your story, and to avoid having to deal with the frustrations and pressures at the job as the firm adjusts to your leaving.**

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# 10 *Reasons For Not Accepting a Counteroffer*

- 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 is loyal and who is not.
- When times get tough, your employer will begin the cutbacks with you.
- Accepting a counteroffer is an insult to your intelligence and a blow to your personal pride; you were bought.
- Where is the money for the counteroffer coming from? All companies have wage and salary guidelines, which must be followed. Is it your next raise early?
- Your company will immediately start looking for a new person at a cheaper price.
- The same circumstances that now cause you to consider a change will repeat themselves in the future, even if you accept a counteroffer.
- Statistics show that if you accept a counteroffer, the probability of voluntarily leaving in six months or being let go in one year is extremely high.
- Once the word gets out, 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.
- What type of company do you work for if you have to threaten to resign before they will give you what you are worth?

# Why Counteroffers Are Lose-Lose Propositions

*As Featured in the May 23-29, 1999 edition of the National Business Employment Weekly, a publication of the Wall Street Journal*

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 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 executive 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 possible 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 shouldn't be underestimated. He or she can do more for you during a career lifetime than you might realize. But out of concern for client customers, 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 6 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 consequences 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 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 of 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 should a company wait until the eleventh hour to keep someone it claims to value so highly? Obviously, the move is pure 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.

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 of 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.

## When you want to quit and the boss says:

### 'Stay!'

You've landed a new job, composed a discreet resignation letter and broken the news to your boss. He goes into shock.

"I thought you were as happy with us as we are with you," he says. "Let's discuss it before you make your final decision."

Soon, you find yourself being offered a substantial raise, with promises of great things for the future if you stay. It seems the company that had been taking you for granted has suddenly realized it can't get along without you.

How flattering! How tempting! How dangerous!

You have just received a counteroffer: an inducement from your current employer to lure you back into the nest after you've decided it's time to fly away.

It's a delicious moment, and you have every right to savor it. But don't stop cleaning out your desk.

Career-planning experts say that accepting a counteroffer is almost always a bad idea.

"It never works out, not for more than a month or three, so forget it," advises Burton E. Lipman, author of "The Professional Job Search Program."

"Career suicide" is Paul Hawkinson's two-word opinion of counteroffers. In 20 years as an executive recruiter, Hawkinson says he has seen "only isolated incidents in which an accepted counteroffer has benefited the employee.

"Counteroffers are usually nothing more than stall devices to give your employer time to replace you," Hawkinson wrote recently in National Business Employment Weekly.

But they've just offered you a raise to make you stay. Why would they want to replace you?

Because, little bird, you are a loyalty risk. By threatening to fly to another company, you have demonstrated a lack of fidelity. You are not a "team player." You will henceforth be regarded with suspicion.

What kind of future can you expect at a company that doesn't trust you?

Chances are your boss didn't make that counteroffer because he wants to have you around forevermore. He just hasn't got anyone who can fill your shoes at the moment. Once a suitable replacement is found, you'll be *persona non grata*.

The time to leave is when you're ready to go, not when your boss is ready to get rid of you.

But it would be so much easier to stay in the old nest. Like any venture into the unknown, a job change is tough.

"That's why," says Hawkinson, "bosses know they can usually keep you around by pressing the right buttons."

Don't tear up that resignation letter.

Ask yourself why you wanted to leave the job in the first place. Chances are, those reasons still exist. The counteroffer only temporarily cushions the thorns in the next.

"Conditions are just made a bit more tolerable in the short term because of the raise, promotion or promises made to keep you," Hawkinson says.

"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?"

Who wants to work for a company where you have to get an outside offer before the boss will come up with a raise or a promotion?



## *Counteroffer Acceptance* *The Road to Career Ruin*

**THE FORDYCE LETTER, BY PAUL HAWKINSON**

Matthew Henry, the 17<sup>th</sup> 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 to fly away.

The litany of horror stories I have 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-out-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 counteroffer, 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 have seen only isolated incidents in which an accepted counteroffer has benefited the employee. Consider the problem in this proper perspective.

What really goes through a boss' mind when someone quits?

- "This couldn't be happening 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."
- "This will probably screw up the entire vacation schedule."
- "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 it's 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 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 will always be considered a fidelity risk. Having once demonstrated your lack of loyalty (for whatever reason), you will 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 will not be subjected to "counteroffer coercion" or what they perceive as blackmail.

If the urge to accept a counteroffer hits you, keep on cleaning out your desk as you count your blessings.

*Mr. Hawkinson is publisher of The Fordyce Letter, a monthly Missouri-based newsletter for the personnel, executive search and employment counseling fields. He was formerly an executive recruiter and consultant.*

## Sample Resignation Letters

(Date)  
(Company Name)  
(Address)  
(City, State Zip)

Dear (Employer Name):

This letter is to inform you that I wish to terminate my employment with (Company Name) effective (Date). I have accepted a new position and have decided to move on with my career.

I want to express my gratitude for a rewarding opportunity with (Company Name) and with you personally. This decision to pursue another opportunity was not an easy one. But it is right for me as I work toward fulfilling goals. I hope you will respect my position in this matter.

My efforts until my end date will be to wrap up my products here and turn over my responsibilities as smoothly as possible.

Sincerely,

(Your name)

Date

Dear (EMPLOYER NAME)

This is to inform you that I am submitting my resignation of employment, effective two weeks from (TODAY'S DATE).

I appreciate the experience (COMPANY'S NAME) has provided me, and I feel that I have fulfilled my duties to the best of my ability. However, after careful consideration, I have decided to accept a new position. I sincerely believe that this move is in the best interests of my family, myself, and my career. I appreciate your respect of my decision.

I wish all the best for (COMPANY'S NAME) in the future and will do my best to have all of my work in order by (LAST DATE OF EMPLOYMENT).

Sincerely,

(YOUR NAME)