

Why You Shouldn't Take a Counteroffer



By Alison Green / U.S.News & World Report LP – Mon, Mar 26, 2012

Thinking about using a potential [employer's job offer](#) to get your [current company](#) to counter and pay you more money?

Stop right there.

Using another job offer as a bargaining chip may be tempting, but too often, it ends badly. If you want a raise, then [negotiate it](#) on your own merits--or prepare to move on.

Here's why:

- 1.** Employers often make counteroffers in a moment of panic. ("We can't have Joe leave right now! We have that big conference next month.") But after the initial relief passes, you may find your relationship with your employer--and your standing with the company--has fundamentally changed. You're now the one who was looking to leave. You're no longer part of the inner circle, and you might be at the top of the list if your company needs to make cutbacks in the future.
- 2.** Even worse, your company might just want time to search for a replacement, figuring that it's only a matter of time until you start looking around again. You might turn down your other offer and accept your employer's [counteroffer](#) only to find yourself [pushed out soon afterward](#). In fact, the rule of thumb among recruiters is that 70 to 80 percent of people who accept [counteroffers](#) either leave or are let go within a year.
- 3.** There's a reason you started job-searching in the first place. While more money is always a motivator, more often, there are also [other factors](#) that drove you to look: personality fit, dislike of your boss, boredom with the work, lack of recognition, insane deadlines--whatever it might have been. Those factors aren't going change, and will likely start bothering you again as soon as the glow from your raise wears off.
- 4.** Even if you get more money out of your company now, think about what it took to get it. You needed to have one foot out the door to get paid the wage you wanted, and there's no reason to think that future salary increases will be any easier. The next time you want a raise, you might even be refused altogether on the grounds that "we just gave you that big increase when you were thinking about leaving."
- 5.** You may be told to take the other offer, even if you don't really want it--and then you'll have to follow through. Using another offer as a bluff is a really [dangerous game](#).
- 6.** Good luck getting that new employer to ever consider you again. If you go all the way through their hiring process only to accept a counteroffer from your current employer, then the former is

going to be wary of considering you in the future. If it's a company you'd like to work with, you might be shutting a door you'd rather keep open.

Now, are there times where accepting a counteroffer makes sense and works out? Sure, there are always exceptions. But it's a bad idea frequently enough that you should be very, very cautious before doing so.

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Never Accept a Counteroffer

It's nice to be wooed, but don't expect to stay long

Source: The Wall Street Journal 1998. Reprint from the National Business Employment Weekly.

By Paul Hawkinson

A tax accountant with a Chicago-based public accounting firm accepted a top corporate position at a local manufacturer that paid \$15,000 more than he currently earned. But the accountant changed his mind after his firm's senior partner made him a counteroffer.

The partner dangled a plethora of incentives, including the promise of a partnership in the near future. Three months later, after the tax season ended, the accountant was fired.

A manufacturing manager with a medium-sized metal products company in Albuquerque, N.M., accepted a new position that included a higher salary and better benefits. But he decided to stay put after his company agreed to match the offer and told him of great things on the horizon. However, he wasn't told that the firm might be merging with another. Six months after the executive decided to stay, he was merged out of his job. Following nine months of unemployment, he landed a lower-paying position.

Ask any executive recruiter and you'll hear dozens of heartbreak stories like these involving counteroffers. Unfortunately, more executives seem to be getting and accepting them because of the inconsistent economy. Companies are operating with reduced staffs and any defections from the ranks create problems for those who remain. It's much easier for employers to sweeten the pot to keep executives from deserting than to conduct grueling and expensive searches for placements.

Mathew Henry, the 17th-century writer, said, "Many a dangerous temptation comes to us in find 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 it's time to fly away.

But in good times, or bad, the dictum remains constant. Counteroffers should never be accepted...EVER! Those few rare instances where accepting one is beneficial occur about as frequently as being struck by lightning.

The Right Perspective

A counteroffer is an inducement from your current employer to get you to stay after you've announced your intention to take another job. It doesn't include instances when you receive an offer but don't tell your boss, or when you tell your employer about an offer you never intended to take in a classic "they-want-me-but-I'm-staying-with-you" ploy.

These are merely positioning tactics that can 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 accepting a counteroffer--tempting as it may be--is tantamount to career suicide. Consider the problem in its proper perspective.

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

"This couldn't be happening at a worse time."

"He's 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."

"We're working with a skeleton crew already. If I lose this one, we'll all be working around the clock just to stay even."

What will the boss say to keep you in the nest? 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 VP 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?"

"How can you do this in the middle of a major project? We were really counting on you."
(They're always in the middle of one.)

Just a Stall Tactic

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/her side, the boss might look bad for allowing you to go. It's an implied insult to his management skills. His/her gut reaction is to do what has to be done to keep you from leaving until he/she's ready. That's human nature.

Unfortunately, it's also human nature to want to stay--unless your work life is abject misery. Career change, like all ventures into the unknown, is 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 is suspect if an employee must receive an outside offer before the present employer will suggest a raise, promotion or better working conditions.
- No matter what the company says when making its counteroffer, you'll always be 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. They'll just be slightly 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?
- By accepting a counteroffer, you have committed the unprofessional and unethical sin of breaking your commitment to the prospective employer making the offer.
- Decent and well-managed companies don't make counteroffers...EVER! Their policies are fair and equitable. They will never be subjected to counteroffer coercion, which they perceive as blackmail.

If the urge to accept a counteroffer hits you, keep on cleaning out your desk as you count your blessings. And, if you decide to stay, hire a lawyer to put your newly won promises in the form of a long-term no-cut contract.