



Should you accept a counteroffer from your employer?

Here's what to think about if your boss tries to talk you out of leaving for another gig.

By Dawn Wotapka

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You've survived the grueling job interview process and received a job offer. Now comes the really hard part: Dealing with your current employer.

What's the best course of action if you are a little unsure about this new opportunity or if your current boss counters with a competing offer? Here's advice on how to navigate the delicate process of (potentially) leaving your job.

It might be tempting, but don't jump at the new offer immediately. Let the person offering know that you're really excited about the opportunity, but you need a couple of days to think about it, suggests Lisa Phalen, a Phoenix-based leadership coach. Ask the person when you can get back to him or her. You'll usually be given a few days.

Delivering the news

Next, request an in-person meeting with your supervisor (or ask to meet over the phone if you work remotely) and begin rehearsing what you want to say. This is not a conversation for email. If you know you're done with the position, firmly but politely tell the employer you're leaving.

But, if you're open to a counteroffer, Phalen suggested starting out positive and saying something like: "I wasn't necessarily actively looking, but something came my way. As much as I like working here, and as much as I like A, B, and C, it was a significant opportunity. This other company offered me [insert reason, such as work at home, increased pay, etc.]. That is what attracted me to this other position."

This launches a delicate dance for both sides. First, you should be prepared to learn that your current employer is fine with your exit. "If you're going to go in and tell someone you've got an offer, you better be prepared to really leave," Phalen advised.

But your company also could come back with a counteroffer that matches or slightly improves upon the offer you got from the (potential) new employer. It's often worth it for employers to spend a bit more money to keep an existing employee. Companies can spend as much as 150% of a role's salary to fill it because of recruiting costs, lost productivity, signing bonuses, and the cost of training a new employee, Phalen said.

Will you get a counteroffer?

The likelihood that you'll receive a counteroffer depends on your value, your reputation and performance, and the economy.

During the recession, counteroffers were less likely as companies looked to shave employee count. These days, "it's just a feeding frenzy," said Bradford Hall, CPA, managing director of Hall & Co. in Irvine, Calif. "I don't think I've ever seen it this bad in 35 years of recruiting. To keep people today, you better give them everything you've got and treat them like they're part of your family. If you don't, they're history."

Hall said his firm hates to lose the knowledge of its key staff, so it generally extends counteroffers, but there are times when it is in the employee's best interest to take the new job.

Your position also matters, said Casey Alseika, who works in accounting and finance recruiting at the WatsonBarron Group. Accountants are seeing more counteroffers, particularly in tough-to-fill roles involving technical knowledge such as internal auditing, accounting policy, and SEC reporting. Such jobs involve a "specific skill set," he said, making it harder "for somebody to step into the role."

Should you take the counteroffer?

Deciding whether or not to accept a counteroffer involves a careful thought process. First, avoid getting nostalgic and fearing that you're leaving your current firm in a tough spot. Remember: Everyone can be replaced. Save the tears for later and think about why you're leaving. If extra money will keep you happy, the decision is easy.

But, more often, money is far from the only issue. Is the new role a bigger challenge that your current job can't match? Or does it offer more work/life balance, help you escape a bad boss, or shorten a lengthy commute? Such issues are unlikely to change.

"If you were unhappy with that job to begin with, and it wasn't solely because of the lack of flexibility or the salary, those conditions are going to persevere," said Joni Holderman, a career coach and résumé writer in Myrtle Beach, S.C.

If you decide to stay, get any new promises in writing and be prepared to work harder to show the extra money and perks are worth it. But be aware that you could be less happy down the road. It's common for things to get better for three to six months, then slowly revert back to the way they were, Alseika said.

If you do decide to go, make sure you leave on good terms. You may want to use that employer as a reference down the road—and you may even want to work there again. "You've got to say, 'I will stay as long as you need me.' Finish everything you've got going," said Hall, who has rehired former employees. Do that, he said, and "the door will always be open."



Dawn Wotapka is a freelance writer based in New York City.