**Things to think about when you’ve been counter offered**

When you accept a new job offer and hand in your notice, it’s possible that your current employer will make a counter offer to incentivize you to stay. This typically comes in the form of an increased salary and benefits package and is often a substantial increase on your current remuneration.

In today’s competitive job market, counter offers are becoming more common as companies strive to keep their valuable talent. However, in many cases the counter offer benefits the company more than the employee. Accepting a counter offer can seem appealing if it means a higher salary at your current firm; however, 70 to 80 percent of people who accept counteroffers either leave or are let go within a year.

While accepting a counter offer may be beneficial in the short term, you may still be better off moving on to a new opportunity.

**Why do companies make counter offers?**

Hiring new employees can be challenging and expensive. Research has shown that it can cost as much as 213% of annual salary to replace a senior executive. Replacing staff with new employees is more expensive than retaining existing staff. The time taken to find, interview, and on-board new hires is widely underestimated, and there is also no longer someone in that position. The actual recruitment of a new employee can be expensive and uses valuable resources; but, the lost productivity of the previous employee can be even more costly.

Existing staff have the specific skills and business understanding to carry out the job. In particular, for positions requiring niche skills, it can be arduous to find and train new team members. Some industries have a candidate-led market due to a limited talent pool, making finding someone to hire with the relevant experience for the role in hand even more difficult.

Many employees, especially those in leadership roles, have a wide impact on the business, causing an increased loss of productivity across multiple employees if that leader were to leave. A counter offer can be a way to avoid this widespread cost to a business in the short term.

**Assess their motives**

Although on the surface, a counter offer may make you think that your company is finally pulling out the stops to make you feel appreciated, this is not usually the case. A counter offer is not about the business reaching out to meet your needs, it’s about meeting the needs of the company at that point in time.

Counter offers are frequently used as retention tools, in particular for times when a particular employee leaving is inconvenient. This could be for a multitude of reasons, perhaps because a significant project is yet to come to fruition, or because several other team members have recently departed. Equally, in special circumstances, such as hiring freezes, a manager could be keen to retain you rather than have a gap in their department.

Although on the surface it seems by increasing your salary the company is taking a financial hit, in actual fact they are saving money overall.

Often counter offers are delivered alongside emotional leverage about your value to the team and your time spent there. Perhaps your manager will insinuate that elusive promotion was in fact imminent or that the team would struggle without your expertise. While many of these comments could be genuine, a good business that values its staff would have made you feel appreciated before you felt the push to leave.

In simple terms, because you have the skills and experience for the position already, your value as a commodity is now higher.

**The statistics speak for themselves**

Figures from the National Employment Association reveal that 80% of those who accept counter offers end up leaving within the next 6 months – either because they accepted another offer or were let go. Pay increases often don’t fix the other pre-existing issues that led you to look for another job initially, meaning many candidates that do accept counter offers resume their job search relatively quickly.

**Consider the future**

There are some important factors to take into account before accepting a counter offer:

1) Broken trust

In many ways, leaving a job is a little like leaving a relationship. Once you have handed in your notice and expressed your desire to leave, you’ve had apalpable effect on the trust of the relationship which cannot be reversed. Consequently, your relationship with your employer may be irretrievably altered, in particular if you planned to move to a competitor. This could impact on the projects you are given or potential pay increases in the future.

2) It’s not all about benefits

Although it’s possible you will be happy in your existing role, it’s probably more than just money that led you to initiate your job hunt.5 The truth of the matter is that you were looking for a new job for a reason. An increased salary or improved benefits package from your current employer might present an attractive offer, but there’s more to job satisfaction than a salary.

3) Deal breakers

If you expressed potential issues to your employer before you handed in your notice – perhaps you wanted a pay rise or increase in responsibility – and these were not dealt with effectively, then it’s likely that issues will persist in the future. These so-called ‘deal breakers’ that made you look for a new role will likely persist if you stay.6

4) Expendable

Your job security will drastically decrease; if redundancies happen in the near future, you might inadvertently find yourself at the top of the list, after all – you’ve already expressed a desire to leave. Equally, could your company be developing a contingency plan, keeping you on in the meantime while they find a replacement?

Always consider your employer’s motives for the counter offer carefully before making a decision about the next step in your career.

Understand the value of new opportunities

It’s not just about assessing the potential pitfalls of a counter offer, but about considering the value of new opportunities. Will staying at your current company offer you the same long-term personal career development as moving to a new role? Your new employer has likely shown by their job offer and salary that you are valuable to them – could they offer opportunities and experiences that your current employer cannot?

While your existing employer might have offered you more money to stay, these small gains in the short term might not pay off in the long run. From an advancement perspective, you may be better taking a new role that can offer you the progression you are looking for, which may have not been offered in your current role.