

# Should you accept a counter offer?

So you've landed a new job, handed in your notice, and you're about to start packing – when your boss calls you in and offers you a pay rise if you'll stay. What do you do?

You might have heard it a lot lately – it's a job seeker's market right now. There's huge demand for workers in many sectors, so it could be a great time to be exploring your options and applying for new roles.

But what if your current employer puts forward a counter offer – that is, better pay or conditions to keep your current job. Do you stay or do you go?

## Why employers make counter offers

Workplace culture expert [Jade Lee](#) says it's understandable for organisations to make counter offers because they don't want to lose valuable employees.

“Managers realise they can't replace you easily and definitely not in the notice period, and quite often they are worried about workload,” she says.

“In the short term, it can possibly work for the employer. But you'll know that you were being paid less than the company was willing to pay for a period of time, and this can also lead to resentment.”

## Why you might like to rethink that offer

Almost a quarter (23%) of people report that they have been made a counter offer at some stage, research for SEEK shows. But accepting such an offer may be more quick fix than strategic move, with 86% of people who accepted a counter offer no longer working for that employer, and 57% leaving within a year.

Lee says it's also worth thinking about the message a counter offer will send to the broader team. Almost half of people think counter offers are acceptable in today's workforce, and only one in 10 would look at their colleagues unfavourably if they accepted one, but Lee warns that sharing a counter offer with colleagues can lead to unrest.

“It's not good for morale when others in the team know that a colleague was counter offered,” she says.

## When a counter offer might work

A counter offer can be the answer to your problem in some circumstances though, says career and interview coach Leah Lambart of [Relaunch Me](#), but those parameters are narrow.

“There can be some benefits to accepting a counter offer, if you are generally happy with the company,” she says. “If the only reason you were leaving was because the company couldn’t meet your financial goals, then a counter offer can solve that missing piece.”

But if your current employer only offers more money, and doesn’t address other concerns you have with your position, this could be a problem.

“Money will not sustain someone long-term if there are other factors, like no progression or problematic workplace relationships, that are contributing to you wanting to look elsewhere,” says Lambart.

She recalls a situation from her days as a recruiter, where a young accountant was treated badly by partners in his firm.

“He felt undervalued, burnt out and taken for granted. I was absolutely flabbergasted when he turned down a role that he had accepted, for a \$10,000 counter offer and a corner office at his original firm! Six months later he was in my office again ready to finally make a permanent move, as nothing had changed and the extra money had become meaningless.”

## **Using a job offer as leverage**

If you’re planning on using a job offer to encourage a counter offer from your current employer, you’re not alone. Almost half of people (46 per cent) who accepted a counter offer actually intended on changing jobs rather than using it as leverage, but Lee warns this is a risky move.

“You need to be willing to leave,” she says. “And if you are willing to leave, you have to ask yourself what the issues are.”

So, while a counter offer may be flattering, and the extra money or perk can be tempting, it may not address the reasons you started looking around in the first place. Before you start looking around for something new, it could be helpful to consider what you really want for your working life.

“It’s much better to address concerns with your manager proactively, prior to looking for other work,” says Lee. “If the concerns are not addressed at that point, they’re unlikely to be addressed once an offer is on the table.” Then it might be time for a fresh start.

*Source: Independent research conducted by Nature on behalf of SEEK, interviewing 4800 Australians annually. Published April 2022.*