

Business Basics

How To Handle A Counteroffer

Tara Weiss, 03.05.07, 5:30 PM ET

Quitting isn't always as easy as you expect.

Say you've decided to accept a job offer. But when you attempt to resign, the boss throws out numbers instead of a farewell handshake. "Will you stay for \$5,000 more?" "What if we give you more money plus an office with a window?"

Be honest--you're not leaving because your office doesn't have a window. Remember at this point why you planned to leave, and ask yourself why your boss is showing his or her appreciation for you just now. Is it only because keeping you on staff is less bother than going through a job search?

In Pictures: How To Handle A Counteroffer

Still, for employees who aren't planning to seek a counteroffer out of a resignation, this can all be unnerving. It's flattering to have the boss beg you to stay, but "taking a counteroffer when you're resigning is like having an affair to improve your marriage," says David Moyer, of Moyer Sherwood Associates, a retained executive search firm.

Ultimately, if you stay, you're perceived as disloyal to management. "You're the person who put the boss over a barrel rather than work it out in nice fashion," he says.

Michael Watkins, author of *Shaping the Game: The New Leader's Guide to Effective Negotiating*, likens it to the breakup of a romantic relationship when one person has planned the end for a while and the other is caught off guard. "What you've done has damaged the relationship, and it's never going to be the same," says Watkins. "The person across the table knows you've been an inch from leaving. The next time you get a better offer, does that mean you'll be gone?"

Chances are, the answer is yes. So when you resign, don't burn bridges--especially if the boss tries to entice you to stay. Tell the boss you've made the difficult decision to take another job, and that you came to it after much thought.

This is not the time to say that you felt undervalued and that you had a miserable experience at the company. "Your boss has lots of influence on references in the future," says Karyl Innis, president of the Innis Company, a Dallas human resources consultancy. Tell him or her that you learned a lot and had a great time there.

Some employees believe the only thing that gets a boss's attention is a threat. Still, using another job offer as a negotiating technique is risky. "It's like holding a gun to someone's head," says Jay Gaines, president of the executive search firm Jay Gaines & Co. If you're willing to take the risk, go in knowing exactly what you want. Most important, ask for it in a way that's not perceived as bullying. It's all in the delivery.

Open the conversation by saying: Another company is pursuing me, and it's interesting to me for the following reasons. I haven't decided to accept it. I'm torn. It caught my ear because the offer seems to be addressing the exact thing I feel like I'm missing here. I want to understand what you're thinking in that regard. "Get a dialog going, but don't demand," says Innis. "One of the greatest career accelerators in the world is to ask."

Research shows that most employees don't leave their jobs because of money issues; they leave because they don't think their career development needs are being met. To that end, Gaines' firm tries to anticipate a counteroffer from the employee's current job and builds it into their offer in the form of job training, money and other perks.

"People are unprepared for the emotions and the craziness that comes with resigning," says Gaines. "Even senior people get caught in a tug of war. They lose their ability to make their decision."

The best way to avoid all of that: Anticipate your boss's reaction and plan what you're going to say accordingly.

In Pictures: How To Handle A Counteroffer