

## Counter-Offers: What You Need to Know



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Most of us can expect to receive or give a counter at least once in our professional lives. Because of this you're probably also familiar with the often quoted, but un-verified statistic, that 80% of the people who accept a counter-offer end up leaving their job within the following six months. Though in most cases that holds true, there are times where counter-offers can be beneficial to both the employer and the employee.

#### Candidates

Although counter-offers can feel flattering, it is important to not allow this feeling to steer your decision. In nearly every situation a counter-offer is a knee-jerk reaction to an unexpected event: you submitting your notice.

This is because often employers are usually unaware that you aren't happy in your current role, and it takes an event such as this for them to realise something isn't right. It is then logical and economical to attempt to retain the existing talent, rather than go through the costly and time-consuming exercise of finding a replacement.

Generally, counter-offers will at least match the remuneration of your new job offer, but they can also come with a promotion, change in role or even a move to another area of the business.

#### Reviewing Counter-Offers

Whatever the offer, it's crucial to be clear with yourself on your reasons for seeking alternative employment. This is because change, in this instance a decision to change jobs, tends to happen at a point of exasperation, where the status quo is no longer tenable. Therefore there was likely at least one significant reason driving you to explore alternative employment opportunities, has this improved

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offer satisfactorily addressed this/these?

If it was exclusively monetary, perhaps an increase in salary at your current employer will solve this problem. Similarly, if you wanted to leave for career advancement and you have now been offered it, this problem might also be solved. However, in both cases you must ensure you are confident that you will continue to receive future advancements in-line with your performance.

If your reason for change is a fundamental problem with your employer, then it is likely that the counter-offer, whilst tempting, will simply paper over the cracks. Taking an offer like this will invariably result in you being one of the referenced 80% who leave their role in the next six months.

It's also worth noting that accepting a counter-offer can put you in an awkward situation with the employer that has offered you a new job. In some markets this can negatively affect your personal brand and potentially impact your future chances of securing a role.

## Employers

As an employer, when you're chasing a candidate and they've accepted your offer in principle, at some point they will have to hand their notice in to their current employer. If they are valuable employees (and they should be if you're trying to hire them!), their employers will likely counter-offer. There is no way to prevent a company from presenting a counter-offer, but you can prepare the candidate for it. For example, here at Sourced, we make sure that all of our candidates are aware a counter-offer will be made, and how best to deal with it, during the applicant's first interview with us.

Sometimes a counter-offer is simply too good to turn down, or it genuinely addresses the candidate's key reasons for leaving. In these situations there is not much that can be done, so providing you have put your best offer forward in the first instance, it's best to move on.

## Holding onto your Talent

If you're in the unfortunate situation of having one of your employees hand their notice in, it can often feel like you have very little time to address this issue. This is largely true as the employee will expect you to accept their resignation almost instantly. If you would like to retain them, simply ask for 24 hours to come back to them with a response. There is no need to mention a counter-offer, simply ask for the time so that you can carefully evaluate your options.

As we've already mentioned, most accepted counter-offers only prolong the employee's decision to leave, so ensure you are clear on whether a counter-offer is to avoid short-term pain or if you truly would like the employee to remain with your business for a longer period of time. The worst case scenario is to retain talent only to have them become increasingly demotivated with the situation.

It pays to also look on the positive side of an employee leaving. Though it will definitely cause short term pain and probably result in added costs, it provides the opportunity to bring fresh, new, motivated talent into your business. It also gives you the chance to conduct an exit interview, which you can use to gain some valuable insights into how your business could be improved to retain other talented employees.

## Summary

There is very little fact based data around this particular subject area. We believe this is because each and every situation has a different set of variables. Employees, receiving a counter-offer is a highly probable scenario, so be ready to handle it when it occurs and go with whichever opportunity truly excites you. Employers, review both the long and short term benefits and also be prepared to acknowledge that every now and then, an offered candidate will change their mind. It's human nature!

Here at Sourced we're committed to getting the best solution for our candidates and clients, and it's for

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this reason that we spend a considerable amount of time discussing this subject with all parties. This way, there are no unpleasant surprises.

If you find yourself faced with a counter-offer scenario and would like some independent advice feel free to [get in touch](#).