



The Counter Offer Conundrum

By Roger Olofsson

We've all been there before, at least once in our lifetime. The difficult break-up conversation, "it's not you, it's me". So, you've decided to break-up, you've moved on, your bags are packed and it's time for pastures new. But wait, your partner has a counter-offer, "don't leave me and I'll promise to buy you a new car". Do you consider it? Take the car and hold in there for another few months of the torturous relationship. No, of course you don't, that is presuming your moral compass is working correctly. Because this situation is not just about a few extra benefits, its far more complex than that. There are numerous qualitative factors to consider than a simple financial transaction. It's a definite "no". Stick to the plan. Given this, when it comes to leaving your job, why do people struggle so much with the counter offer?

It rarely works

In our extensive experience, anyone who accepts a Counter Offer only stays for a limited time. We expect this is down to the fact people have already 'mentally' dissected themselves from an organisation and find it difficult to re-engage. In fact, our recent research shows that over 80 percent of people accepting a counter-offer find themselves leaving the organisation within 6-months. This is usually because counter-offers are ultimately a knee-jerk reaction from the host company rather than a considered business decision.

It's too late

If a company does counter-offer a generous uplift in salary, why did you need to threaten to resign before

they offered? If a company truly values you and your specific contribution, they'll raise your reward scheme aligned to your performance as you grow and develop with the company. Why do you need to resign for them to remember to tell you how much they care about you and how much you are worth to them? It's just too late and you've already made a conscious decision.

No quick fix

You are either in or you're out. If you are not happy with something in your current company then voice it out and deal with it, try to fix it and come up with solutions along the way. If you are in the right organisation you will be appreciated for your initiative, solution focus, openness and your trust in management and the organisation. If you are not, then you are in the wrong company and should probably leave anyway. Do not use resignation as a tool to try to fix disgruntlement or disagreement with your company. If you do, that sense of loyalty won't be there anymore and once again, you'll end up leaving at some stage later.

It's them, not you

Remember that no matter how flattered you may feel by a new-found favouritism treatment, your current employer is trying to retain you only for their needs, to avoid having an inconvenient disruption to their plans etc. It's certainly not for you and your specific needs. A counter offer rarely has your best interest at heart and is almost always driven by selfish motivations on behalf of the management in your current organisation.

Its already broken

And now your company is rolling out the red carpet. You're called in to the Managers Office, then the Directors Office, then the Managing Director. "Wow, I've never even met these people before". Because now you've decided to leave, the company has started to care. But it's too late. The trust in the relationship has already been broken. Try to imagine, if a new promotion is on offer, if it stands between you who has already shown your propensity to look elsewhere and an equally qualified colleague, who do you think will get it? Exactly.

Get back to the Fundamentals

So, whenever you find yourself in this counter-offer situation, you need to go back and think about the

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fundamentals. What's the key reasons for you deciding to look at another opportunity in the first place? Drill down to this and analyse it. It is likely that there are reasons that are fundamental and very difficult to change such as culture, organisation, structure, values, etc. No matter what your employer promises you in the counter offer; more money; new role; bigger portfolio; greater responsibility; newfound freedom; or authority, it is unlikely that anything will change on the more fundamental level and you will be surprised how quickly the new excitement turns into status quo and the old disgruntlement returns.

Prepare in Advance

So, your resignation is already with your Manager and he's asked to meet you at 3:00pm. Before you take the meeting, you need to make sure you go in fully prepared. Draw the red-lines of what would or would not be acceptable to you. Here's a few items to consider before you attend the difficult meeting:

- 1) Can the situation be reversed – be honest with yourself. If the decision has already been made to leave and you are committed to leave, then don't let anyone persuade you otherwise. Be strong, even against the most prepared and persuasive business opponent.
- 2) Do your research – know what you are worth to your existing employer and indeed your prospective employers. Use this as the basis for any negotiation being open, honest and clear in your needs.
- 3) Have a game plan – even if you stayed with your current employer, what career prospects will you have if you decide to

continue. Or will this just be the same conversation again in 6 or 12-months?

- 4) Know your peers – are they comparably paid? Ok so not many go around with payslips pasted to their heads, but you must have an idea of what your peers get paid and how you compare.
- 5) What are the prospects – aside from the benefits, where will this course of action lead in terms of your longer-term career path.
- 6) Be honest and transparent – don't play games suggesting a competitor has offered to double your salary when they have not. That is just wrong.

Decide

Now you've had the meeting. You have a counter-offer in your hand. You have an offer with a new employer in hand. What to do? Here at Olofsson & Company we have the pleasure of helping a wide range of professionals to find new careers. We're also proud to state we help prepare those professionals how to handle counter-offers and, if needed, we support them through the process. If you're not receiving the right level of support, its time you found a new recruitment firm to represent you.

And remember, whatever to ultimately decide, you've already threatened to leave and told the other party that you want to move on and packed your metaphorical suitcase. So, if you accept the counter-offer, you must continue to live with all the relationship foibles you didn't like. Moreover, you've ultimately changed your mind and want to stay. Awkward.

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