

Handling Counter Offers

In the current, candidate short market, counter offers (when your candidate goes to resign from their current employer and they offer better terms, a promotion or some other enticement to get them to stay) are a real concern. You can have invested a lot of time and energy, to have the placement whipped from under your nose. The following is recommended:

1. Spend some time at your initial interview with your candidate, exploring their reasons for looking for a new role. Get past the "PC" answers such as "needing a new challenge" or "more money" – those are rarely reasons in themselves. This is what you will come back to if faced with a counter offer discussion later. It is important to bring these issues up as you go through the interview process, gently reminding candidate of why this role is suitable and matches the requirements they discussed.
2. Ask the question "what do you think your current employer will do when you resign". Gauge their reaction, find out if there is a history of people being counter offered (they may say "oh, I think they'd offer me more money, they did that with my colleague"). Even if they think that a counter offer is not likely, discuss their threshold by asking some "what if" questions "what if they surprised you and offered you a promotion / more money / the chance to work part-time?" Emphasise that international statistics on counter offers, even if accepted by candidate fail to keep staff with employer longer than 3- 6 months.
3. At the point when you are making the offer from the new (prospective) employer, remind them of all the things from point 1 (why they are leaving) that this new opportunity offers. For example "this is an exciting chance to move into a team leadership role and they are offering \$5,000 more than you had originally asked for".
4. Ask them *when* they plan to resign. Check that they feel prepared and have their message clear for their current employer "I am taking this role because it offers me team leadership and an excellent package". Offer assistance in writing a letter of resignation so that they offer positives rather than negatives for leaving, thus allowing communication channels to remain open.
5. If they contact you with the news that they have been counter offered, go back to Point 1 – does the counter offer address their concerns that instigated their job search? In the heat of the moment, flattered by the counter offer and usually still feeling a degree of loyalty to their current employer, their real reasons for looking can easily get lost. Remind them. Emphasise

statistics on acceptance of counter offers.

6. Probe the “validity” of the new offer. If the employer has offered “team leadership potential” have they provided specifics, what team, what time frame and, most importantly, “why now?” if it wasn’t on the horizon before the resignation. Some employers will say anything for a “stay of execution”. They might salvage another 3-6 months from the individual - even on false promises.
7. Once the situation has been discussed and all points covered allow candidate time to think. Back off a little, but put parameters around situation suggest a time frame established by candidate but which is open and yet can be closed by suggesting a day or so to think about implications.
8. Ask for permission to consult with the client so that they are aware and can be involved, if necessary.

Remember, our role is not to talk people into new jobs. However, counter offers play on candidates’ emotions – their sense of loyalty, their pride and their ego. It is your job to remind them that they had a valid reason for looking for a change and the counter offer is unlikely to have truly addressed those concerns. In the heat of the moment, you need to keep a cool head and provide the professional advice they need at this important junction in their career.

It is useful for you to know the statistics, which point to people staying in the company between 3 and 6 months if they accept a counter offer