

Counter offers: What are your Risks?

Cassel and Company has identified the necessity of having a Candidate Centric approach to recruitment in the Finance and Accounting niche. Cassel and Company has chosen to adopt a proactive approach to creating options for our candidates with the goal of obtaining an offer for the candidate in question. Candidates are committed to the process however, at offer stage, there is an increasing trend of candidates being faced with a counteroffer from their current employer.

Consider the process below:

You have been to one or two rounds of interviews, possibly including an assessment; you have impressed the prospective employer during these stages; negotiation over the salary and benefits structure have occurred; you have received confirmation of a job offer; you have handed in your resignation; and at this stage you receive a counteroffer.

The resignation process can be a highly stressful situation. This is now being coupled with the fact that candidates are faced with a counteroffer which can be highly reactive response. There are a number of reasons why an employer would make a counteroffer. The most prominent is the huge inconvenience to them, bearing in mind the skill and expertise that you as an employee have brought to the role. Other reasons include: the tiresome process of their finding a suitable replacement; cost implications such as agency, advertising and training costs; reduction in productivity while getting the new employee up and running; and a negative reflection on company and employee morale. The counteroffer may include a salary increase, additional benefits, a promotion, or a combination of the above.

The counteroffer challenges the initial motive as to why you, as the employee, originally entered the job market. Many of us have heard of the theorist Abraham Maslow who developed a hierarchy of needs that he believed guides all human behaviour; these include physiological needs, safety needs, affiliation and love needs, self-esteem needs and self-actualisation needs. He said that we attempt to gratify these needs in order for us to reach our true potential (Meyer, Moore & Viljoen, 2003). When considering a career move, therefore, it is important to identify what the need is that is driving that action. Are you frustrated with the situation you are in either because the job does not reward you enough in terms of remuneration, or there is insecurity or uncertainty in the workplace, or you do not enjoy the work environment and the people that you work with? Alternatively, do you feel that there are insufficient growth opportunities available to you within the organisation?

Employers choose to make counteroffers as it is an 'easy' way out. They are an impulsive reaction to the situation and forego the prominent and often looming underlying reasons for the resignation. A counteroffer can be flattering and tempting to an employee who has felt under-appreciated by their employer and can be very appealing to the employee who isn't truly committed to leaving his/her job. Much research has been done which indicates the acceptance of a counteroffer is career suicide. Statistics have shown that 9 out of 10 employees who accept a counteroffer are back in the job market or have left that employer within 6 months. This is because the need that originally prompted the employee to enter the job market has not been resolved.

There are a number of reasons why accepting a counteroffer can be a mistake. These include:

- Your employer is now aware that you are unhappy and will question your commitment from this day on
- Your loyalty to the employer will be questioned and when promotion time comes around your employer will remember.
- Your employer will begin the cutbacks with you when times get tough.
- Acceptance of a counteroffer shows that you actually didn't know what was best for you.
- Realising that you were 'bought' by accepting a counteroffer is a blow to your personal pride.
- How can the employer suddenly afford to offer you an increased salary? Will it affect your next salary increase?
- What type of a company do you work for if you have to threaten to resign before they give you what you're worth?
- Are you actually worth it or is the employer only buying time to sort out the problem now because it is easier and cheaper to do it that way?

These are factors which need to be considered when entering the job market and when faced with a counteroffer. The Candidate Centric approach that Cassel and Company has adopted includes meaningful interaction between consultant and candidate in order to truly identify the reason for the candidate being on the market and mitigate the risk, doubt and stress when faced with a counteroffer. These interactions occur throughout the recruitment process as early as the first point of communication during the interview process and continued with regular feedback and follow up conversations. Cassel and Company's process is thorough and assesses each candidate according to their Emotional, Personality and Intellectual Quotients. This is further combined with a sound needs analysis of our candidates in order to identify the core underlying reason as to why the candidate is on the job market and their individual driving factors. This allows us to successfully create opportunities for our candidates with suitably identified prospective employers in order to fulfil our candidate's needs and eventual self-actualisation.

Yours in Recruitment,
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