

AVOIDING THE PITFALLS OF ACCEPTING A COUNTER OFFER

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Most professionals that accept a counter offer will no longer be in that role six months or a year down the line. They will either move on anyway, or they will be the first out the door if cost cuttings need to be made.

In light of this we must consider why firms make counter offers and why professionals accept them?

Replacement hiring takes time and money.

Firms make counter offers for a number of reasons but mainly the short-term effect of a staff member's departure can seem insurmountable, and if offering a bigger salary or bonus can solve the immediate problem it is difficult to resist. In addition, the hiring costs associated with replacing a team member, especially a senior professional, are greater than the cost of a salary increase. This is especially the case where replacement candidates will be negotiating a higher salary to move away from their current position.

Competition for skills.

A competitive skills market mean professionals have more choices when it comes to the firms they work for and the roles they undertake. This also means that as a valued team member with the skills and experience that are in high demand, employers place high priority on staff retention.

They didn't know there was a problem.

It could simply be that an employer had no idea that an employee was feeling undervalued or that they wanted to expand their responsibilities. Rewriting job descriptions, increasing responsibilities or moving departments are obvious solutions.

Compensation and job remit.

Candidates know their worth in the market and will ensure they use it to their advantage when securing a new role. However, there are always risks associated with jumping ship so, if the counter offer appeases their need for a better salary, title or remit, it is very tempting to stay with a known entity.

Given we are looking at slim prospects of a long term successful partnership following on from a counter offer, candidates need to consider their options carefully. A recruitment company can help you by giving you a truthful take on current market conditions, but more importantly they will help get to the bottom of what was really motivating you to leave in the first place and which course to take.

Job titles aren't everything.

Job titles are important especially when you are starting out. Coercing your employer into a senior job title may appease you initially, but has it been earned and will it benefit you in the long term? It is also worth considering how it will look when you do eventually make a move. For example if you are a VP with only a few years of experience a potential employer will assume your current organisation has a different titling system, not necessarily that it was duly earned.

The question of loyalty.

It is important to consider the stability of the firm or department you work in. You may fulfil the firm's short term need to maintain staffing continuity, but you are replaceable and you have hinted at some dissatisfaction with your role, putting you in the firing line should restructuring take place, headcount cuts are made or simply a better candidate for your role comes along. However well you think the negotiating went, your loyalty has been called into question.

There's more to consider than money.

Let's address the "money" issue. For most of us, a regular income is the reason we work, and it's understandable that to feel valued there is a need to be paid fairly and adequately for the role performed. It is important to consider how your employer may feel when they have offered you a pay rise to stay. It could put a sour taste in your employer's mouth because they have had to "bribe" you into staying. Naturally, the expectation is that your output will increase, but there could be a resultant lack of trust.

Remember all the reasons you started looking elsewhere.

Look at the big picture. It's questionable why you had to consider a resignation in the first place as opposed to an "open door policy" conversation that may have solved whatever reasons forced you to even consider accepting a counter offer.

Jeopardising future opportunities.

Finally, play the long game. To receive a counter offer means you have secured an offer from another firm that is the result of an in-depth recruitment process that takes time and resources. Turning down an opportunity so far down the line means it's very unlikely that you will be considered by them again at any point in the future.

For more information and advice on changing roles and salary negotiations please contact our team of experienced consultants.



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Bharisha is a Senior Consultant in the Risk & Compliance team, based in Hong Kong.

She is responsible for hiring risk & compliance professionals across all levels for a myriad of buy and sell side financial service organizations in North Asia. She focuses on a spectrum of roles including financial crime, KYC, advisory compliance (products & control room) alongside central compliance (regulatory & testing) alongside credit, market, business & investment and operational risk.

She began as a researcher at Aquis Search forming strong networks and relationships with both candidates and clients within the industry. Her expertise lies within asset management, private banking and investment risk.

Bharisha has a Bachelor's degree in Psychology & International Studies from Monash University, Australia. She is fluent in English and Hindi, and speaks conversational French and Cantonese.



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