

Counter the exit

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Made as a way to control last-minute employee exit, counter-offers fail as long-term solutions for both parties

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Given better compensation by

another media house, a well-known editor at a weekly publication put in his papers just ahead of the mega elections this year, leaving the editorial and its HR manager in a tizzy. "With big-shot editors in short supply, there was no way left for us but to give a counter offer letter," says the HR manager, insisting on being anonymous. "The offer was huge and worked. He's with us now for a while at least," she adds.

An exceptional case in India may be, but counter-offers are on the rise in countries like the UK,

where employers worry about losing their top performers. A survey by recruitment firm Robert Half shows that one in four (23 per cent) senior HR professionals say that their organisation is now more likely to make a counter-offer than previously. Having said that, the survey also highlighted the risks associated with counter-offers — the prime one being a department's salary structure becomes skewed, employees are inclined to be less loyal to the organisation and the relationship between the employee and his or her manager or co-workers becomes strained. Instead of making counter-offers, the firm suggested organisations pay more attention to employees' salary structures and the competitiveness of their

work environs — preventing them from resigning in the first place.

Says Pallavi Jha, MD, Dale Carnegie Training India, "Such offers are very limited — largely meant for extremely good performers or leaders — and work only in certain circumstances. They turn out to be the least effective tool of employee retention in the long run. Also, these offers don't show an employer in a good light amongst employees at large," she says. "Even if a company saves its top talent momentarily by matching or even faintly exceeding the terms of the other offer, unless existing displeasures with the employer are addressed, there are strong chances of the talent leaving soon," she adds.

Ramesh Kannan, HR head at Virtusa, prefers to look at the positive side of the offers. To him, such offers are an indicator of how market dynamics are changing, and what an organisation must do to retain its top talent. T. Saurabh (name changed), a department head at an international cash and carry retailer in India, recently got a salary jump of 20 per cent and a senior designation, the reason being "his revised market value" post FDI in the sector. "I was approached by the other big global wholesaler and they were ready to hire me at a senior position. But, the word spread and my employer gave me a better offer. I was touched. Seriously, I'm no longer looking out," he says.

If you too want to pursue such a path speak to your line manager or the HR department about any dissatisfaction you may have about your job profile, compensation, etc. If both of them are not keen to lend you an ear, it's better to look for a job outside, as your resignation may not actually lead to a counter-offer, advise the experts.

A counter-offer indicates changing market dynamics

