

Press release
July 2017

Survey finds counteroffers are ineffective in bid to retain staff

- 96% of Singaporean CFOs extend counteroffers to employees in a bid to retain them.
- 59% have made a counteroffer to an employee who ended up leaving the company.
- The main reasons for making a counteroffer are employees fitting in well with the company and team (60%), a desire to keep knowledge within the company (59%) and additional costs related to hiring (57%).

Singapore, 11 July 2017 – Despite being assumed to be ineffective in today’s competitive employment market, counteroffers are still common practice in Singaporean companies. According to independent research commissioned by specialised recruiter [Robert Half](#), the overwhelming majority (96%) of Singaporean CFOs extend counteroffers, despite more than half (59%) of the same CFOs saying the employee ended up leaving the company.

Extending counteroffers appear to be common practice in Singaporean businesses as one in three (30%) CFOs apply this practice ‘often’, more than four in 10 (42%) ‘sometimes’ and 5% ‘always’. Less than one in five (18%) say they ‘rarely’ make a counteroffer and merely 5% say they have ‘never’ extended one.

However, further acknowledging the ineffectiveness of counteroffers, almost six in 10 (59%) business leaders who have made a counteroffer indicate the employee ended up leaving the company, with 20% saying the staff member stayed less than a year, 22% citing the employee stayed for over a year, and 9% saying they stayed less than six months.

Matthieu Imbert-Bouchard, Managing Director at Robert Half Singapore said: *“Even though extending a counteroffer can be an immediate reaction to a top employee resigning, offering a financial incentive to remain with the company is just delaying the inevitable as oftentimes the reason why they want to leave the company goes beyond purely financial reasons. Even if the counteroffer is accepted, a higher salary does not always equal better performance and stronger loyalty. Employers would be better placed to withhold a counteroffer and immediately start the hiring process to replace them.”*

Cultural fit is the main driver for 60% of CFOs who have made a counteroffer as the employee fits in well with the company and team. More than half (59%) cite the desire to retain knowledge within the company as one of the main reasons for making a counteroffer, while 57% point to the additional costs related to the hiring, onboarding and the professional development process.

“Not only are counteroffers ineffective in retaining employees for the long-term, they can also set a negative precedent for employers as it gives an indication to staff that threatening to resign is a successful way to receive a pay rise, all whilst creating rumours of favouritism thereby undermining staff morale. A better approach is to have a blanket policy to not extend counteroffers to resigning employees as it’s not an effective, nor a cost-saving staff retention measure.”

“Instead of reacting when an employee decides to resign, Singaporean employers need to take a proactive approach to their staff retention initiatives to avoid staff turnover. Knowing what drives staff members and taking appropriate measures, as well as regularly reviewing salaries should be key elements of any company’s staff retention policy,” concluded **Matthieu Imbert-Bouchard**.

Singaporean CFOs were asked: “What are the main reasons for making a counteroffer?”

Employee fits in well with the company and team	60%
Desire to keep knowledge within the company	59%
Additional costs related to the hiring, onboarding and professional development process	57%
Smaller talent pool of skilled finance professionals	42%
Employee turnover negatively affects team morale	21%
Cost to replace a specific skillset would be too high	14%

Source: Independent survey commissioned by Robert Half among 95 Singaporean CFOs – multiple answers allowed.

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Notes to editors

About the research

The annual study is developed by Robert Half and was conducted in January 2017 by an independent research firm, surveying 100 Chief Financial Officers (CFOs) and Finance Directors in Singapore. This survey is part of the international workplace survey, a questionnaire about job trends, talent management and trends in the workplace.

About Robert Half

Robert Half is the world’s first and largest specialised recruitment consultancy. Founded in 1948, the company has over 325 offices worldwide providing interim management, temporary and permanent recruitment solutions for accounting and finance, financial services and technology professionals in Singapore. More information on roberthalf.com.sg.

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If there's one word to keep top of mind when quitting your job, it should be respect. Just as it's common wisdom that you need to make a good impression during a job interview, it's an equally good idea to leave your current position on a high note. While the emotions you experience about the resignation process may vary — from relief to dread to regret. Read here for the standard procedures to follow when you decide how to quit your job.

For more information

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