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### 'I QUIT'

#### Counter-offers of higher pay not likely to work when staff resign

By CHUA HIAN HOU

EMPLOYEES in Singapore who quit their jobs are unlikely to change their minds on the spot if the boss offers them more money to stay.

A study, released earlier this month by recruitment firm Robert Walters, showed that only a tiny number - under 2 per cent - would stay on if their employers made a counter-offer that at least matched the new job's pay.

About 21 per cent would turn down the extra cash outright, and 77 per cent would consider the offer before making a final decision.

Globally, a significantly higher 6 per cent would accept the better-paying counter-offer, 24 per cent would turn it down, while 71 per cent would mull it over.

The study polled 1,000 employees across a dozen markets, such as Britain, the United States, Hong Kong and Singapore, on how they would respond to counter-offers.

Keeping talented employees, said Robert Walters Singapore managing director Mark Ellwood, is an ongoing challenge for businesses.

#### Money not the best solution

>> Counter-offers are one of the least successful retention strategies, says Robert Walters Singapore managing director Mark Ellwood. Instead, companies should have regular conversations with employees to find out if there are things bugging them.

>> The downside to counter-offers is that if word gets out that the company will make counter-offers to try to keep employees, this can lead to lower morale among other employees, who may feel slighted. It can even lead to other problems, like employees resigning in an attempt to get better pay from the company.

This is especially true for countries experiencing the "the pressures of a tight candidate market", he said, such as Singapore, which is enjoying its best employment rate in six years.

Mr Ellwood said that since people quit for various reasons, a counter-offer with better pay is unlikely to work unless low pay is the only reason for quitting.

A straw poll of 10 people in Singapore who had quit their jobs in the last six months supported the study's findings.

All said they had quit for non-monetary reasons.

A 32-year-old told The Straits Times he had decided to quit a job in the banking industry that paid "about \$100,000 a year" though his boss offered him a \$20,000 one-off bonus to stay on for another year.

"It was the job, the hours, the key performance indicators, the management...basically the whole package, I just couldn't take it any more," he said. He is "taking some time off" before deciding what to do next.

Another, a 35-year-old executive who had bailed out on a job in a multinational paying "about \$80,000 a year" for a slightly better-paying one in another multinational, said that she would have quit even if her previous employer had offered to match or top what she was getting now.

"I didn't leave for more money. I left because there was no more career progression for me in my old job," she said.

Mr Ellwood said counter-offers are "one of the least successful retention strategies". Instead, companies should "have regular conversations with employees to find out if there are things bugging them, whether it's their boss, job scope, opportunities, and try to fix these problems then," he said. It is "too little, too late" when an employee resigns, he said.

He also warned of the downside to counter-offers.

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Another recruitment specialist, GMP Group chief executive officer Annie Yap, agreed with most of Mr Ellwood's points.

In a tight labour market, she said, a company may also need to bite the bullet to keep hard-to-replace people in critical roles, such as the person managing its finance department, for instance.

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