

Press release
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Counteroffers are luring disenchanted employees into staying with their employer

- 58% of Australian employers report an increase in job candidates accepting counteroffers from their existing employer compared to 12 months ago
- 80% of employers do not agree that counteroffers are a good way to retain employees in the long term
- 22% of employees admit a counteroffer will only keep them motivated for a short period of time
- 68% of employers report an increase in the number of former employees who want to return to the business

Sydney, 11 April 2024 – In a market where cost-of-living concerns are top of mind and job security highly sought after, more employees are choosing to stay with their current employer after receiving a counteroffer when they are on the cusp of resigning, new independent research by specialised recruiter [Robert Half](#) finds.

Leveraging counteroffers to negotiate a higher salary during the recruitment process is not uncommon, with half (51%) of Australian employers stating that in the past 12 months there has been an increase in job candidates requesting a higher salary after receiving a counteroffer from their current employer. Additionally, almost six in 10 (58%) report an increase in job candidates accepting these counteroffers from their existing employer, rather than choosing to move on to their new role.

More than a third of employers (36%) and employees (40%) view counteroffers as a necessary part of the recruitment and retention process when there is a skills shortage, though their usage is not on the rise in all organisations. Around four in 10 (42%) employers state that there has been an increase in the number of counteroffers their organisation has had to make to retain staff, versus 39% who declare there has been a decrease. Almost one in five (19%) say there has been no change compared to 12 months ago.

Counteroffers, a temporary fix

Many employers realise that counteroffers are generally not a long-term solution with only 20% agreeing that counteroffers are a good way to retain employees in the long term and only 25% stating that it is better to make a counteroffer than to recruit for a new employee. Almost one third (30%) also proclaim that retaining an employee with a counteroffer allows time to make a plan should they leave later.

Meanwhile, 40% of employees feel appreciated if they should receive a counteroffer from their current employer, although 22% of them admit a counteroffer would only keep them motivated for a short period of time.

“Cost of living is top of mind and, even though job security is a priority, so is salary. Employees continue to be on the lookout for better opportunities and conditions, considering all options that are put on the table, including offers from their current employer who have the edge when it comes to job stability,” says **Nicole Gorton, Director at Robert Half**.

“While employers may find it easier to make a counteroffer, counteroffers rarely achieve retention. They simply delay, rather than save the costs associated with hiring as, more often than not, employees end up leaving the organisation.”

“Rather than relying on reactive counteroffers, companies should proactively address their retention policies to ensure their teams feel heard, valued and therefore less receptive to offers from competitors.

“On the employee side, workers need to reflect deeply on what prompted them to look for a new job in the first place. Was it only about salary and extra benefits? In most cases, there are other factors at play that made an employee feel like leaving and these concerns will typically remain despite a better package. When it comes to accepting a counteroffer, the risks are often higher than the rewards,” **Gorton** says.

Boomerang employees are on the rise

While the number of employees accepting counteroffers increases, so too are the number of employees choosing to go back to their former employer, indicating strong reflection is taking place before and after staff leave.

Following the “Great resignation” after the COVID-19 pandemic, the Robert Half research shows many employees may have regretted their decision to exit a company. More than two-thirds (68%) of employers report an increase in the number of former employees who want to return to the business.

“Many employees may have found the grass is not greener at another employer or regret a decision that may have been made in haste when a new opportunity presented itself post-Covid,” **Gorton** says.

“Rehiring former star performers has its advantages due to their intimate understanding of the business and extensive market insights. However, while reestablishing a relationship with a former staff member can bring many advantages, it also poses risks if the issues prompting their departure remain unaddressed. Understanding their career objectives, reassessing their skills and being transparent about the current workplace dynamics are key to a successful return,” concluded **Gorton**.

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Notes to editors

About the research

The study is developed by Robert Half and was conducted online in November 2023 by an independent research company, surveying 500 hiring managers (including 100 CFOs and 100 CIOs) and 1,000 office workers from companies across Australia. 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 global, specialised talent solutions provider that helps employers find their next great hire and jobseekers uncover their next opportunity. Robert Half offers both contract and permanent placement services, and is the parent company of Protiviti, a global consulting firm. Robert Half Australia has offices in Brisbane, Melbourne, Mount Waverley, Perth, and Sydney. More information on roberthalf.com.au.

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