

# With talent at a premium, cos give counter-offers

Namrata Singh | TNN

**Mumbai:** It may be a good time to explore your job options, especially if you are talented and have the skills crucial to your work profile. For, with sentiments improving in the job market, employees are again being serenaded by their organizations. And counter-offers, a popular mechanism through which an employee leaving a company for another is retained with monetary or other incentives, are back in vogue.

Hiring agencies say the trend is prompting companies to plan expansions, thereby triggering a demand for talent across sectors as varied as infrastructure, consumer durables, FMCG, pharma and e-commerce.

A counter-offer is usually made either in terms of a salary upgrade or a higher designation or both. In India, where job

loyalty is pegged low, employees respond more positively to counter-offers than is the case globally. "Counter-offers, which are an unwritten norm in India and are acceptable to both the company and the employee, are back after more than a year of a depressed market," said Roshesh Puri, MD of Executive Access (India), a corporate personnel search firm. "Employees who have been made job offers are also biding their time in the hope that their organization will make them a better counter-offer," he added.

From the organization's perspective, it is certainly cost-effective to retain an employee rather than hire one from outside. "We have observed a trend where companies are reaching out to key performers with counter-offers as the cost involved in recruiting a new employee, and subsequently training



them, is far higher and time-consuming," said Moorthy K Uppaluri, CEO, Randstad India, a leading global HR service company.

Companies don't want to lose out on critical time and hence want to retain top talent as these employees are key to realizing their business goals. Companies are looking at various ways of doing this, including mid-year salary corrections and performance bonuses to fast-track career programmes, said Uppaluri.

"In one recent case, an IT major even went so far as to create a work-from-home facility for its employee in Mumbai where she wanted to relocate and had accepted a position with another firm. They made her this offer as they did not have an office in Mumbai but didn't want to let go of her either," said Mayank Chandra, managing partner of Antal International, a global search firm.

To factor in such activity, Puri said, a number of organizations have increased their business targets and their annual employee budgets by up to 15-20% over that initially fixed in April.

Talent retention is one of India Inc's biggest struggles. Take the auto sector, for instance. "On an average, it takes anything between four-five years for a fresh engineering trainee to start contributing meaning-

fully towards product development. Given the scale of investment and commitment, their retention becomes critical for the company," said CV Ramaraju, executive director, engineering, Maruti Suzuki.

Telecommunications is another sector, where given the macroeconomic environment and hyper-competitive nature of the industry, the market for talent has always been on the boil. "Telecom operators today are far more selective about retention of talent with the right skill sets," said Ashok Ramchandran, HR director with Vodafone India. "With positive market sentiments and increased projected investment, the competition for talent, especially for various mid-to-senior level leadership roles, will grow further," said Ramchandran. Vodafone India, he said, plans to hire more than 2,000 employees across levels this year.