



*Developing
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Four Ways to Lose Your Best People

Excerpts from an article by Michael McLaughlin

Whether the cause of a resignation is the search for stability or the promise of a better opportunity, the effect is just as devastating: a highly talented individual departs and an operational void emerges.

In conjunction with proactive methods for keeping your best people, it's helpful to avoid these four surefire ways to drive them out the front door.

1. Fail to Identify Them

Some organizations let their star performers toil in quiet desperation while those who have mastered the art of self-promotion snag the kudos. Can your employees recite their performance goals 7, 17, and 70 days after they've been set? If the answer is maybe or no, then the process might as well be scrapped.

It is always easier to deliver a good performance review than a bad one. But an honest and direct evaluation of an underperforming employee, even though painful, is often understood and accepted. It can also be much less damaging than the alternative: demoralizing your best employees by rewarding weaker performers.

2. Pay people For Showing Up.

One common misuse of compensation is glibly known as the "peanut butter" approach – salary increases and other incentive payments are "spread" evenly across groups of employees rather than clearly differentiating and rewarding the accomplishments of top performers. Retention-friendly compensation strategies centre on providing an incentive based on truly differentiated performance, not politics, self-promotion, or "peanut-butter spreading".

In organizations where employee compensation moves in virtual lockstep, an automatic and powerful disincentive can be created. On the other hand, truly rewarding performance achieves the opposite outcome by raising the performance bar and motivating others to exceed it.



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3. Neglect Turnover

Today's business environment can drive the need for reducing the number of employees, but the severity and impact can be reduced if the company does a good job of managing employee turnover when times are good.

When business is strong, an often neglected task is planning for turnover of those whose skills are not aligned with company needs. When done well, the move can be a very positive, long-term step for the individual, not a calamity.

Planned turnover sends a strong message to top performers that their contributions are recognized and the company is dedicated to surrounding them with equally high-performing people.

4. Misunderstand the Loyal Opposition

In too many organizations, constructive feedback isn't actively solicited – or acted on – until a breakdown occurs. The history of business innovation is full of episodes in which seemingly small but controversial ideas, often from unlikely sources, led to breakthroughs.

Today's best employees are looking for an opening to bring their ideas to the table, and where appropriate, seeing those ideas implemented. Throw away the suggestion box and really listen – even to the ideas that seem most off-the-wall.

By facilitating a meaningful two-way dialogue with people, managers can tap a deep well of innovation and, in the process, improve retention.

Summary

Keeping the best people is a contact sport. Those organizations with a strong track record of retaining the best are rewarded with lower recruiting and initial training costs. In today's scenario of widespread staff reductions, having fewer people at the helm reinforces the need for businesses to protect the strength of the team that remains.

Cracking the employee-retention code is certainly more complex today than ever before. But one thing is certain: the companies that effectively identify and pay their best performers, listen with open ears, and consistently act will win the retention battle. They'll keep those who run the company from taking a walk to the competition.



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