Retention Rules – One Size Does NOT Fit All

by Elaine Varelas, Managing Partner, Keystone Partners

Spring can be a refreshing time for HR managers; a chance to freshen your retention program before summer vacations. Summer is a slow time for looking for work because employees are distracted with vacations, sunburns, and lazy beach reads. Fall picks up the pace as skeleton crews in the office and sand in the laptops are a thing of the past. In September, employees are back from vacation, ready for work, and primed to tackle that next project. Or are they? Start planning now to be ready in the fall because September is also the most popular time to revive a job search. If employees aren't happy in their jobs, that is when they start looking elsewhere.

How can you be sure that you don't lose your most valuable players? You may have retention strategies in place, but are they enough to keep your top employees? The first step in making sure you keep your MVPs is to identify them. Who are your high potentials? Which people are crucial to the organization? Who are the up and coming stars of the organization?

The next step is to assess the threat of losing your best and brightest. On a scale of 1 to 10 what is the risk of each person leaving? Be sure to consider both professional and personal issues. On the personal side, do the high potentials have family issues that may make them more prone to leaving, such as a spouse out of a job or an elderly parent they must care for? If you are unaware of their personal struggles, rate them a 10 because what you don't know could be costly. In addition to looking at personal reasons, it is also important to consider job-related issues. What are the professional hot buttons for each high potential? In some cases, employees may tell you they are unhappy or ready for a change. Other times, you might need to anticipate. Employees can become restless if their jobs grow stale, they go too long without a promotion or raise, they get passed over for projects, or they have a big project come to closure (perfect time to move on).

It isn't necessary or even practical to keep everyone. Turnover is inevitable, but you need to work to retain your top employees. Conduct an analysis of your people and what it would mean to your organization if you lost them. Who is critical? What would it mean if the VP of operations left? It could have less of an impact than if the head of IT or sales did. For each person, determine the cost of departure, including the impact on projects, delays, and finding a replacement.

Once you've identified your high potentials and assessed their value and probability for leaving, the next step is to determine what it will take to keep them. One-size-fits all fixes rarely work. Employees could want development opportunities, financial rewards, stretch assignments, relocation, a more flexible schedule, or more public recognition—or a combination of several of these!

Next, it is time to make the approach. Start with the most critical people first. Be sure to have an action plan as you make contact. In some cases, just being identified as a high potential can foster loyalty and engagement. Of course, without a plan to "use" and reward a person, that loyalty can dwindle over time. Let high potentials know what the organization has in store for them with as much detail as possible. "We're grooming you for a leadership position in R&D" is a more helpful statement than, "We think you're a star and we want you to be happy." You can then discuss specifics. What development opportunities are available? Most will want some type of development activity; something that will make them more skilled, knowledgeable, and marketable. It may involve a promotion or change in job title. Others may need access to an employee assistance program, or help with a personal issue they have. Money is not the most important factor in these discussions, but it has to be there. Without a monetary investment, the "offer" rings hollow. Employees need to see that the organization is willing to invest in them. Other retention strategies may involve choice assignments, a remote assignment, or exposure to the leadership team.

One disastrous mistake HR managers often make is comparing top employees to others. Do not hold them to the same internally-created policies (shackles) other employees follow. You are telling them they are special, so they should be treated that way. The employee handbook may prohibit promotions before six months on the job, but make the exception. Stars don't want to see average performers getting the same treatment. Egalitarian practices will make them leave.

Encourage leadership to share the responsibility and rewards of grooming high potentials by taking a more holistic, organizational approach to development. Of course, if managers are willing to share people, they must not be punished by being left short staffed. Reward those who don't hoard!

Conduct periodic check-ins to ensure that those you've identified are still performing. Employees who slip up may lose their high status. Also make sure the retention initiatives are still appropriate as their needs evolve. Tailoring your retention strategies to keep your top employees will benefit the organization and ensure that employees stay happy and stay put.