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Stay for the CLIMB

Enable star
performers to
reach for success
and longevity

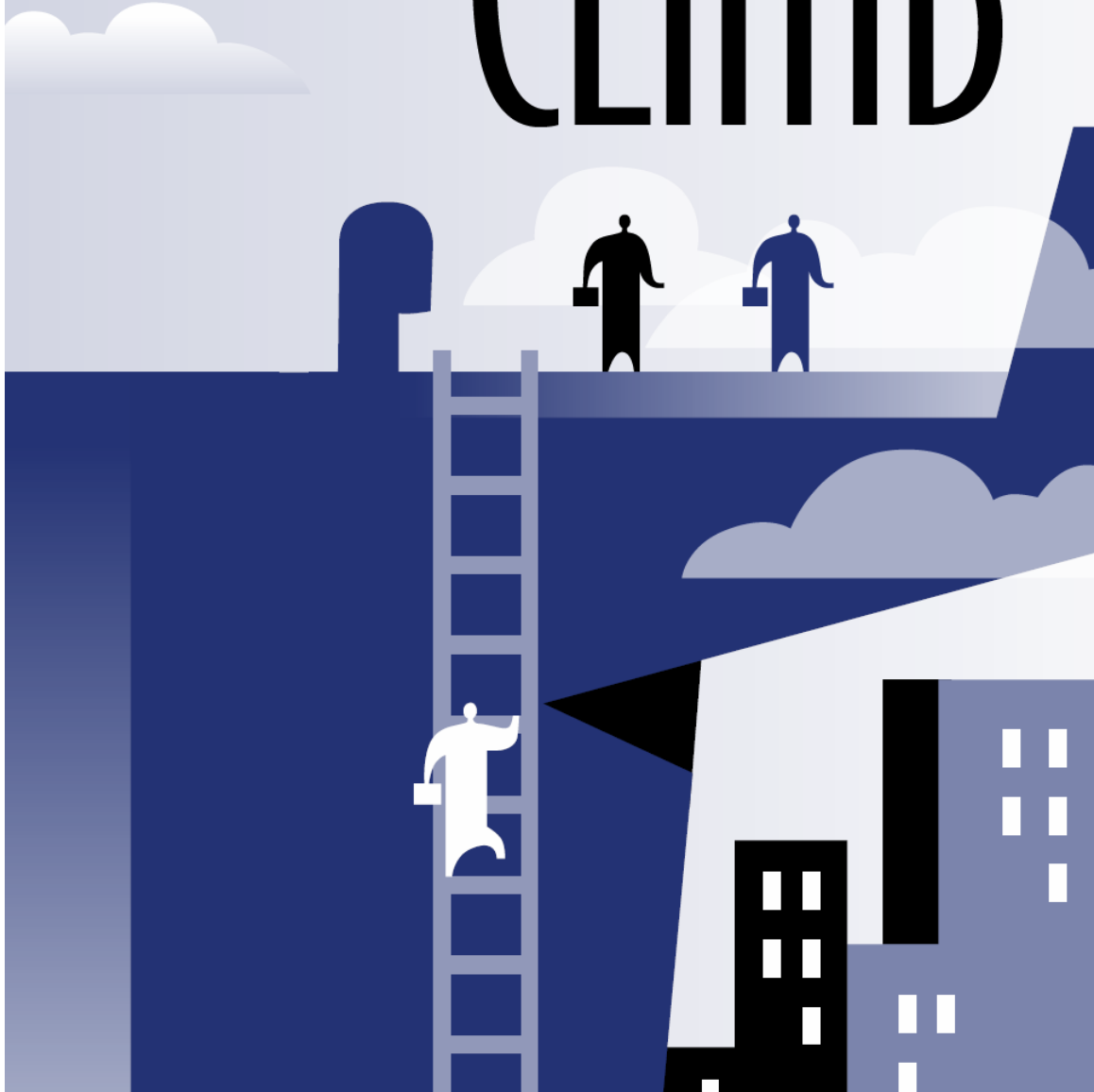
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Stay for the **CLIMB**





Enable star performers to reach for success and longevity

By Ann M. Gynn

If the Pareto Theory applies to the workplace, then 80 percent of the organization's results come from 20 percent of the employees.

Since many experts note that star contributors are more likely to depart than average or poor-performing employees, the impact on companies can be big.

"High-impact workers are often more susceptible to being poached by a competitor in a downturn," warns Ed Boswell, CEO of The Forum Corp., whose clients include Fortune 1000 businesses.

Ron Price, an expert in workplace behavior, says most top performers leave because they see their company as being an obstacle to their continued growth instead of a catalyst.

Just given the bottom line impact of departing employees—\$3,500 for a minimum wage hourly worker to 400 percent of a top executive's salary—having a star-performer-retention strategy makes sense all around.

"Companies that want to hold on to their top performers should start asking questions 12 to 18 months ahead of job tenure thresholds—two, five, 10 and 15 years—to make sure they understand why a top performer would consider making a change," says Price, founder and CEO of Price Associates.

Drew Stevens, an organizational development specialist, says organizations need to make sure they focus on the best practices of top performers. In his doctoral research, 92 percent of firms seeking assistance for employee performance issues failed to do that.

He tells of one organization that sought assistance for an employee performance issue—a sales representative who never left the

office but was the top producer. Management wanted help because it was concerned he was always in the office.

Yet, Stevens says, if management had focused on the best practice approach, it would not have been concerned, especially given that other sales representatives were out of the office 88 percent of the time but only achieved 60 percent of their quota.

GIVE REASONS

Price offers three reasons why top performers stay with a company:

- Competitive, performance-based compensation (and that's not just money)
- Meaningful work that stretches them professionally (they love to achieve)
- Supportive relationships (they need to feel valued as human beings in addition to being recognized for performance)

"There's no reason why everyone in a company can't be rewarded this way in proportion to their roles, responsibilities and results," Price says. "When this is systemized in a company, the underperformers decide to leave on their own and the average performers find a level of contribution that, while not making them a superstar, provides good employment and stability for the company. And the top performers see the sky as the limit."

Price explains that keeping the stars without alienating the rest of the employees is doable. When alienation does happen, it's because a company emphasizes one area over another, such as excessive compensation, or follows narrow definitions of what a top performer is so all contribution areas and corporate values are not recognized.



IDENTIFY THE RIGHT CULTURE

Terri Herren of The Herren Dimension says if companies want to embrace the idea of cultivating top performers, they first must decide if a performance-based culture is in their best interest strategically.

"While knowledge-based industries tend to place more emphasis on performance and continuous improvement, it can be achieved in any industry and in all sizes of companies," says Herren, who has worked more than 25 years in organizational and human resource development. "It starts with company leaders committing to a performance-based culture as a strategic business objective."

With such a commitment, companies also must devote their resources to developing processes and education, she says. "Retaining top performers is a critical competitive advantage."

Sure, she says, a company can treat all employees the same, but that's like a teacher giving all students the same grade because they show up for class. Performance is not rewarded.

"Top performers want to work for companies that provide greater recognition and rewards to them versus other employees who just show up for work," Herren says.

APPRECIATE AND RECOGNIZE

Shortly after he started working at a McDonald's front counter, Paul Facella was asked by the general manager to come to a corner of the store. There, all his co-workers had gathered and the manager announced Facella had done such a good job in his first

month that he would receive a nickel-an-hour raise (he was earning about \$1.25 an hour). "Immediately, I was hooked," he says today, 30-plus years later and having spent most of his career at McDonald's, rising to the level of regional vice president. Most recently, Facella authored *Everything I Know About Business I Learned at McDonald's*.

He points to a Gallup study that showed 65 percent of American workers reported that they did not receive recognition within the previous year—and other reports show that frequently the No. 1 reason employees cite for departure is that they don't feel appreciated.

McDonald's understands that data—and right from the start, Facella saw the company encourage employees early and often after iterating what was expected of the individual, what goals were set for the store, etc.

When employees set a record for an hour or a day at a store, the manager might compensate the crew with time-and-a-half for that hour or day. McDonald's corporate office also recognizes staff, licensees and vendors—presenting almost two dozen distinct awards annually. All employee ranks are eligible for the President's Award, which is given to the top 1 percent in the company. The winners are given stock options and flown to Chicago along with their significant others for a special dinner. Facella says it's important to recognize and include the person behind the winner too for his or her support.

"We do it with fanfare," Facella notes.

But fanfare doesn't have to mean big, expensive gestures. "It can be as simple as shaking hands and saying congratulations," he says.

OFFER EARLY EXECUTIVE OPPORTUNITIES

Involve younger staff members in leadership and development activities, says Rebecca Osborne, director of human resources at SS&G Financial Services, a Leading Edge Alliance firm.

By leading and helping the firm develop, the employees know their voices are valued and they can learn more about all the opportunities and potential within the organization at an early stage in their careers.

“THEY DON'T JUST WANT TO ENJOY THEIR WORK, THEY WANT TO BE PASSIONATE ABOUT IT.”

Osborne explains that in the accounting industry, one of the biggest HR challenges is finding the person with two to five years of experience. Thus, keeping staff with similar experience is a must.

Ryan D. Istre, audit senior manager at PKF of Texas, a Leading Edge Alliance firm, says everyone always considers other opportunities. But doing so just made him realize how lucky he was. "They never gave me reason to look elsewhere," he says.

Upon college graduation in 2000, Istre began as an associate. Within two years he was promoted to senior associate, then manager, and last year became a senior manager. Opportunities for advancement and a pleasant atmosphere that feels like a family—where everyone knows everyone's name and executives have open-door policies—are attributes that have helped him decide on his future. "I don't plan on going anywhere else," Istre says.

SS&G has next generation leadership classes, which brings together both senior and relatively new directors as well as some of the up-and-coming managers and senior associates.

SS&G encourages its experienced directors to take less-experienced staff when visiting clients and prospects, so they, too, have the opportunity to get exposure and see how things operate in the field.

Osborne says it's important to realize that the same plan won't work for everyone—some might want more opportunities to work directly with clients, others might prefer to focus on business operations or training fellow employees. "Help get them involved in those things that they like doing," she says.

FULFILL A PASSION

"Great employees are not mercenaries," says Richard Chang, who operates his own



performance-improvement consulting, training and publishing firm. His clients include Fidelity Investment, Universal Studios and Black & Decker.

"What great employees crave most is to be part of something exciting, something that moves them," he says. "They want to be involved in work that challenges their abilities and pushes them to reach their potential."

Great employees are passionate about their work—they perform at a higher level because they are committed to their organizations and derive greater satisfaction from their job, Chang says.

"They don't just want to enjoy their work, they want to be passionate about it," he says.

Chang says passion-driven organizations win the loyalty of their top employees by giving them freedom. "You can have systems in place to control the implementation of ideas, but you must be certain not to compromise the enthusiasm, creativity and hard work that make them possible in the first place."

He explains that this perspective provides an edge over the competition. "Encourage employees to explore their passions and build upon them both inside and outside of work," Chang says.

In his own company, he found individual passions suffering—and it led Chang to move employees to better align their positions with their passions. A desktop publisher with a passion for competition was happier and more productive in a sales position that allowed him to exercise that aspect of his nature.

"Such changes are invaluable in ensuring that talented employees remain enthusiastic and productive—even if this means you have another job to fill," Chang says.

EMBRACE MULTI-FACETS

Employees are not one-dimensional, says Susan Wilson Solovic, CEO and co-founder of SBTV.com, a video news information destination for small businesses.

"We hire people to do a 'job' and that job requires certain skills and abilities. It's easy to forget that often employees have multiple talents," she says. "When you can tap into

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It's about the money AND...

Sure, money matters. Every employee wants a paycheck. Top performers, however, want more than financial compensation—they want their work to connect to something more meaningful and bigger than themselves.

"They need to see that their performance isn't just recognized by a series of weekly checks, which could be replaced by a competitor," says John Baker, speaker and founder of READY Thinking, a leadership and development firm.

He offers these two examples as case studies:

Scenario 1

PROBLEM: A top underwriter, Jenny was one of her firm's most trusted performers. Her loyalty to her job, though, was suspect. Whispers of her interviewing with rival firms echoed in the halls. Comments she made in passing led others to suspect her tenure was tenuous.

SOLUTION: Jenny's boss sat down with her to put forth a new vision of what Jenny was to accomplish at work. Instead of just recommending a certain piece of business be accepted or denied, she was given final decision authority over new business acceptance.

In studying the situation, the manager learned that the management committee already accepted Jenny's recommendations 99 percent of the time. So he thought why not make her a business owner, not just an underwriter.

RESULT: Jenny saw herself not as a cog in the machine and someone with transferrable skills, but rather an instrumental part of an executive team trying to grow business. Jenny's attitude turned around. Her asides became less caustic and more positive. Recruiters would call, only to be disregarded.

Scenario 2

PROBLEM: Pete was the No. 1 sales producer in his region, but his effort was pretty much mailed in. He would come into the office at 10 a.m., arrive late to meetings, cut out early for 18 holes of golf. Still, his territory was almost always the top of the chart in terms of meeting and exceeding quarterly targets. Other sales people thought he was toxic to the team, and his remarks about easily finding a job across the street got on everyone's nerves.

SOLUTION: Pete's boss put him on a 90-day performance plan. At the end of that time, Pete would either turn around his work habits and attitude or be fired. The conversation hit Pete like a thunderbolt and he stormed out of the office. Pete's boss explained that his job was to make his sales staff better and that he owed Pete direct feedback that Pete could do more in sales and as a leader.

RESULT: Pete stewed. But after awhile, he stayed with the firm and acted differently. He surpassed his old sales records and began teaching others his methods. Pete moved from the person to be avoided to something of a mentor. Looking back, Pete said that leaders committed to making him better, not just accommodating his laziness, were the type of leaders who deserved loyalty.



Derailed? GET BACK ON TRACK

Bonnie Hagemann, CEO of Executive Development Associates, has researched the issues involved with top performers. She offers the top five areas of concern.

Derailment issues	Back-on-track solutions
Lack of communication. When responses to requests aren't given, engagement decreases. Employees no longer go above and beyond.	Increase feedback and communication to surface the problem and take action. You don't want to learn about the employee's problem the day she or he resigns. Get close to them early on. If you are proactive in employees' development, you won't be surprised.
Personal issues and outside stressors. Nine out of 10 times, derailment is related to personal issues.	Put together a plan of action and management controls.
No follow-through on responsibilities/assignments.	Provide coaching.
Maturity issues, including poor self-control, lack of self-awareness, low or under-developed emotional intelligence.	Find a suitable spot for individual if she or he has a strong history or track record. Cut losses for individuals new to the organization.
Character issues such as ego, self-serving attitude and lack of integrity.	Cut losses and move on.



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those talents, not only do you create a more engaged and energized employee, but you also enhance opportunities for your business."

At SBTv.com, Solovic hired a production manager for the technical side of the business. Later, she learned the new manager had started his career on-air and soon he was contributing as an anchor/reporter in addition to his primary responsibilities.

"Identifying employees' hidden talents requires creating an environment where employees feel comfortable allowing them to be discovered," Solovic says. She offers these suggestions:

- Host a company social outing that offers employees the opportunity to demonstrate or share more about their interests, background and experience.
- Bring in creativity consultants who use exercises and conversations that unveil employees' hidden abilities.

ROTATE ASSIGNMENTS

Boswell says providing development experiences and encouraging rotational assignments have been shown to increase retention of key players by 15 percent.

"Rotational assignments move leaders from one area of the company to another to stretch themselves, develop new talents, develop cross-functional skills, groom them for higher positions, expose them to other functional areas and help them acquire a holistic sense of the company," Boswell explains.

The Forum worked with a global consumer products company that sought to develop its leaders, including implementing rotational assignments. So, Boswell says, a marketing executive might have worked in finance, learning about the budgeting process. As a result the marketing executive developed cross-functional skills and applied them, such as building better customer awareness (marketing) into the budget planning process (finance).

"When designed well, these experiences can also develop awareness of innovation, storytelling, communicating, scenario planning and networking. All of those skills benefit both the company and the individual," Boswell says. **e**