

Retaining Key Employees

“Give me a firm place to stand and I will move the earth.”
~ Archimedes, an ancient Greek mathematician and philosopher

Dave is an outstanding performer who is well-known in his industry—definitely a key employee. His passion for the industry shines through in his work. It’s easy to see that he enjoys everything about the industry: the people, the work and the challenges. Although Dave is only forty, he has worked for six different employers. His length of time with each employer ranges from six months to six years. He recognizes the fact that job-hopping does not look good on his resume, but he has never had a problem finding work. He’s never been fired from any position; rather *he* makes the choice about where he’s going to work and for which company.

Dave started working in the industry at age twenty. He lucked out when he made friends with a guy who worked for Smith Company. Mr. Smith had started the business 20 years before and continues to grow it steadily. Dave applied for a position and got the job. While there, Dave learned everything he could about how to work with team members, vendors and customers, as well as how to run a 20-employee company.

After six years of working with Mr. Smith, Dave had become his right-hand man. Because there was no room for growth at Smith Company, Dave left to work for a competitor, Jones Company. Dave missed working for Mr. Smith, but felt he needed to continue to develop his skills so he would always be employable. He was convinced that he had learned all he could from Mr. Smith.

Jones Company offered Dave a VP title, equity in the company and four weeks vacation. After six months at Jones Company, Dave was performing well in his position. But because he was giving so much of himself to perform his job well, Dave expected a lot in return from his employer. So Mr. Jones’ “my way or the highway” management style compelled him to leave the company, again going to a competitor—just the beginning of his string of job-hopping.

After working for Mr. Smith, Dave never had a good manager, so he never developed a strong loyalty to any one company again. But, had Mr. Smith realized Dave’s need to move up and develop his skills—and had known what to do about it— it’s likely Dave never would have left Mr. Smith.

So, what can you do to avoid losing your Daves? Read on:

Who Are Key Employees? Key employees are those who consistently achieve and exceed their position’s responsibilities. These employees fit into your culture and do whatever it takes to get the job done. Fellow employees often go to them for advice and help with job duties (they usually have the answers and can always be counted on).

How Can You Develop Key Employees? Of course, the first step to developing your key employees is to identify them. To do so, try to understand the qualities and behaviors that make an employee key to your business success. Once you have identified them, work with those employees to create a development path. This could include putting them on projects that will give them more exposure, allowing them to participate in tradeshow or giving them outside training.

Retaining Key Employees (contd.)

How Can You Keep Key Employees? What key employees want more than anything is to be a part of something great, while being appreciated for their contributions. And, of course, they expect to be paid fairly and rewarded for their hard work. Still, there are some specific steps you can take to retain your key employees:

- Communicate your vision of the company's future, so employees can see, feel, taste and touch their growth potential. This is especially important for smaller business owners, since it's difficult to compete with a large company where all employees understand their potential growth.
- People leave managers, not companies. So before you promote your superstar employees to management positions, be sure they have or can develop good management and leadership skills. Provide regular management and leadership training to all of your managers.
- Create a high-performance culture. Do this by linking your performance reviews to your compensation, bonus and rewards program.
- Regularly review your key employees' development plans. That way you can ensure regular discussions will occur regarding each employee's growth within the company. This will keep you in the loop and will let your key employees know you are interested in their development.
- Whether you're a small, medium or large employer, pay competitively within your market. If you can't pay competitively, provide other incentives that reward your employees.
- Consider giving your key employees equity in your company. This can be accomplished through a phantom stock program or other equity-sharing programs.
- Promoting from within is one of the best ways to show your employees you care about their development. If you have an open position and a key employee has the personality and most of the skills to do the job, ask them to apply. Let them know you will hire the most competent person for the job and that you may want to interview other candidates. However, add that you believe they can do the job. When choosing the employee for that position, remember that you will not have to train your existing employee on your company culture, processes and policies.
- Have competent human resources professionals help you develop your people programs. Many good intentions can turn into programs that look and feel like favoritism, discrimination or are just poorly developed and end up costing the company a lot of money in the long run.

Had Mr. Smith taken the above steps, he would have been aware that Dave was looking for much more than a paycheck. And he could have taken steps to prevent his leaving. As Dave developed further in the company, perhaps Mr. Smith would have dubbed him his successor. With a vision of the future, Dave could have seen his growth potential and understood that Mr. Smith truly did value him as a key employee.