VRH Business Psychologists

Newsline

Vernon, Roche Hodgson, Inc.
Management Consultants
Business Psychologists
www.vrhconsulting.com

January 28, 2011

KEEPING YOUR BEST PEOPLE

Despite the vicissitudes of the stock market, there is reason to be cautiously upbeat regarding business prospects in 2011. Hiring has picked up, albeit modestly, as organizations become comfortable with filling long-standing gaps in their structure and prepare to address anticipated customer demand. For many organizations this increases the potential danger of losing key employees as they, in turn, decide the risk of transition is diminishing. This is why we thought you would find helpful the following insights gleaned from *The Talent Masters*, a recent book by Bill Conaty (former head of Human Resources at General Electric) and Ram Charan, business advisor, speaker and author who has coached some of the world's most successful CEOs.

Successful companies know that holding on to key employees as the economy improves will keep them from landing in a tough spot. Consider how the following ideas might be adapted to your organization.

1. **Don't be afraid to single out stars.** Top companies do regular reviews of all employees and provide clear, constructive feedback on job performance. Understanding the depth and diversity of your staff gives you the ability to capitalize on their strengths.

2. **Get involved.** Direct interaction between the CEO and high-potential employees is essential. Talk to your key performers to learn their goals and ambitions, but also to be aware of developmental areas. Devise specific plans to shore up identified limitations.

3. **Provide feedback.** Top executives at talent factories give their high-potential employees ongoing feedback about performance. Giving feedback—both good and bad—helps to keep your staff on track in pursuing company goals. Jack Welch and A.G. Lafley, former heads of General Electric and Proctor &Gamble, claim to have spent 40 percent of their time on personnel issues. That's how important it is.

4. **Invest in off-site training.** Novartis sends top employees to regular off-site training sessions. There are plenty of ways to provide your star employees with additional learning opportunities. Pay for them to join industry associations and have them take advantage of training opportunities, conferences and seminars. If you can't contribute to additional education such as professional certification, perhaps you can provide flexible hours or otherwise make it easier for them to achieve. The investment in your employees' growth produces a team that tends to be more loyal, capable and willing to accept responsibility for the company's success.

5. **Offer in-house training.** Match high-potential employees with senior mentors. Hold brown-bag lunches where top performers read the same business book and discuss it, to accomplish something that goes beyond the status quo and is relevant to the company mission. You can also offer cross-training so high-potential employees can learn more about each others' jobs.

6. **Create generalists.** It's easy for top performers to become experts in a certain niche, but "talent factories" focus on creating generalists, not specialists. To get the most from talented employees, they should know how to handle a wide range of functions. By diversifying knowledge and skill, you are also protecting the company should a "star" decide to leave.

7. **Set stretch goals.** Don't forget real-life learning. Top companies often give high performers "stretch" assignments as a way to build management skills. Stretch goals can create a sense of urgency that stimulates and forces employees to do things differently and raise the capability of the organization.

VRH can help you identify organizational talent and further their development. Call us for more discussion.

Adapted from: *The Talent Masters*, by Bill Conaty and Ram Charan. 2010.