

In Tough Times, Recognize and Retain Your Star Performers

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The Problem

Naturally, when times get tough, leaders look for ways to trim the fat. Often, a relatively painless way to cut costs is to cut employees who don't make much of a difference to the success of the team. As heartless as it may sound, sometimes it very well may make (dollars and) sense.

But what about the top performers? You know, the 20% who typically deliver 80% of the desired results. When budgets are hacked and programs get "minimized", what happens to those key players who make an incredible difference to the overall success of the business? All too often, they get treated like "just another employee"---told to do more with less, yet still brushed aside, and made to feel insignificant in management's anxiety about keeping things afloat. It's no wonder many of these star performers are now hunkered down in their companies, dusting off their resumes while they wait out the recovery. As soon as the tide turns, they'll be looking to make a beeline for the door. Since they didn't think anyone noticed their value to the team, they'll simply find another spot where perhaps their talent and skills won't be hidden under a cloak of invisibility.

Recognition and Rewards in Recessionary Conditions

While there's no magic bullet for retaining the top talent when times are tough, it's certainly not too late to take some positive steps to ensure that you have at least closed the back door, even if it's not dead-bolted. Here are a few practical strategies that may well serve to send a new message to the super-stars who are delivering solid results despite the downturn. Consider these ideas:

- **Begin with an honest conversation.** Explain the financial facts, and the possible timeframe for recovery. Make sure that you formally and informally let these individuals know that they do matter in your organization, and you see a place for them in the company's future. Let them know exactly what is needed to turn the corner, and how they can specifically help.
- **Ask your team member what matters most to them** in an environment where financial rewards are necessarily restricted. Focus on the overall value proposition that you offer as an organization, and consider some of the little

things that you *can* provide to recognize and reward the high-potential individual at low or no cost: flexibility to work at home, opportunity to attend classes or programs that will develop their skills, a chance to take on new responsibilities and gain valuable experience/cross-training, etc. In other words, customize the solution to that high performer's needs. Personalized recognition and rewards always hit the mark, and are aligned with the reality that most people are not just "in it for the money".

- Instead of dividing a miniscule merit increase pool across your entire employee population as a means of spreading the rewards, **make sure that your star individuals get half or more of the total merit budget.** While each individual's portion may still be small, you are demonstrating by your actions that their performance has not gone unnoticed. If you have communicated properly, the top tier individuals will see that while the funds are limited, the management is doing what they can to put the rewards in the hands of those who are stepping up and carrying the load to hasten the return to normalcy.
- As your business allows you to pay short-term incentives, provide those making the most significant contributions with the most attractive incentive pay. In other words, review your plan, and make sure that you are **paying for performance.**
- Don't worry about the fact that you may be paying above market for your super stars. If they are truly delivering more for less, your payroll efficiency will be high. In other words if you have 4 or 5 highly-compensated top performers doing the work of 7 or 8 mediocre folks, it is still a win for the individual and the organization.

Conclusion

In times like these, it's more important than ever to recognize and reward the people that are making a significant difference for your company, and helping you to achieve your key objectives. Think of your top performers as your top priorities, and look for any small opportunities to acknowledge and compensate them in a way that is meaningful, even when there are real and significant financial limitations. While monetary rewards often keep people from becoming dissatisfied in their jobs, the real motivation to succeed often comes from being recognized and appreciated, and given responsibility and the opportunity to do challenging work. In the best of times, a combination of rewards is most powerful and compelling. The current situation simply calls for increased emphasis on pay-for-performance, and creativity in re-balancing your total rewards package.

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