

How to keep employees you can't afford to lose

By [Anne Fisher, contributor](#) September 13, 2012: 11:06 AM ET

Even in this sluggish job market, your best people always have other offers. Here's how to entice them to stick around.

Dear Annie: I liked your [column](#) about the art of quitting gracefully, but unfortunately several of my most talented and experienced direct reports seem to have read it, too. Three of them have quit (gracefully) in the past three weeks, and certain others seem less enthusiastic about their jobs than they used to be, so I'm worried about losing them as well.

The problem around here is that we had to lay off almost half the staff during the worst of the recession and, now that business has picked up again to some extent, top management is telling us to keep right on "doing more with less." Everyone has been overworked, including me, and the same budget constraints that preclude hiring more people are also standing in the way of my being able to offer my stars more money. I can't be the only boss who's struggling with this. Any suggestions? — *Low-Budget Blues*

Dear LBB: It is indeed unfortunate that you can't hand out big raises (you'd probably like one yourself, for that matter), but don't fret about it. An overwhelming majority of experts on employee retention say more money probably wouldn't help much anyway, or at least not for long.

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A new [study](#) called *Talent 2020* from Deloitte Consulting, based on an in-depth poll of 560 recent job changers, says that the biggest reasons people quit have little or nothing to do with pay. Instead, what most often makes them move on is the opportunity to develop and use more of their skills and abilities elsewhere, cited by 42%. More than a quarter (27%) also cited a lack of career progress in their old jobs, and 21% mentioned "lack of challenge."

In other words, people get bored, and the added work only exacerbates that -- especially for your best and brightest. "Employees with critical skills pose the biggest flight risk," notes Bill Pelster, a principal in Deloitte's U.S. talent services division. Retaining these folks "is not simply a human resources function," he adds. "It has to start with the C-suite and extend through every level of management, down to line managers and supervisors."

This is where you come in. "Keeping your best people is often a matter of having the right conversations with them, which doesn't cost a dime," says Beverly Kaye, co-CEO of consulting firm Career Systems International and co-author of a new book, *Help Them Grow or Watch Them Go: Career Conversations Employees Want*. "People want to feel valued, and they want to see a future with you where they can continue to develop and thrive."

"Managers don't wake up in the morning and ask themselves, 'How can I burn out my people today?'" she adds. "It just happens because everyone is so busy and so focused on the crush of the day-to-day." Kaye recommends these three strategies for keeping your stars from straying:

1. Say "thank you."

Simple as it sounds, Kaye has observed among her clients that what she calls "the power of the thank-you" is a woefully underused resource. "People are more frustrated about being overworked if no one is telling them, 'I understand how tough this is, and I appreciate it,'" she observes.

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Nor should pats on the back be reserved for a once-a-year performance appraisal: "This should be woven into the daily texture of the work. Just saying, 'Great job!' can make someone's day. It's a gift you can give that costs nothing." While you're at it, she advises, try to tailor your attaboys (or attagirls) to people's individual preferences. "Some people revel in public recognition. Others are embarrassed by that and would rather hear 'thanks' one-on-one, in private," Kaye notes. If

you don't know who prefers which, just ask. And speaking of asking...

2. Start having "stay interviews."

All too often, Kaye observes, nobody asks what it would take to keep a key employee until the exit interview. "People end up going somewhere else to get something you could have given them, too, if you'd only known about it," she says. "But most managers never ask, 'What can we do to keep you?' until it's too late."

The reason for that, she notes, is that they're afraid the answer will be "more money" or "a promotion." Let's say someone does reply with one of those. "You can say, 'I wish I could do that, but right now, I can't. Let's talk about what else you might want that I can give you,'" Kaye says. "If you keep probing, you will probably get at least three or four answers -- flexibility, recognition, the chance to do more of what they really love doing -- that you can deliver."

In some respects, these conversations resemble a job interview, she notes. "Curiosity about each person can uncover valuable information. Ask, 'When was the last time you really loved working here? Why?' Or, 'What is one skill you have that we're not making use of now?'" Kaye suggests. "You'll get some surprises and, even if you can't act on the answers right away, you can keep them in mind for when the opportunity arises."

3. Recognize that one size does not fit all.

"Never before have we had to treat valued employees so much as individuals," Kaye says. "A big copout managers often use is, 'If I do this for one person -- letting someone telecommute a couple of days a week, for example -- I have to do it for everyone.' No, you don't. If someone has earned a break of some kind, he or she should get it, regardless of whether anyone else does."

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This approach requires managers to grow a backbone. "If you reward one of your stars with a special privilege, and someone less stellar says, 'I want that too,' you have to be honest with that person, even if it means frankly telling them, 'So-and-So got that because he or she earned it. When I see the same performance from you, we'll talk again,'" says Kaye. "That's a tough conversation to have, so most managers just avoid it and say 'no' to everyone. That's one of the biggest reasons why stars leave."

Kaye pooh-poohs the excuse she often hears from bosses who say there are company rules, written or unwritten, that dictate treating everyone exactly the same. "One question we often ask is, 'Would you rather keep the rulebook or the people?'" she says. "Sticking to a rigid policy of rewarding everyone equally, just because it's easier or seems safer, is guaranteed to make your best employees look elsewhere."

Talkback: Last time you quit a job, what made you do it? Would a bigger paycheck have enticed you to stay, or did other issues matter more? Leave a comment below.

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