

## Top Performers Begin Their Flight

***New research shows that high performers are already fleeing their organizations. HR leaders using the recession as a retention tool may want to think again. They need to be more proactive in their retention efforts. By David Shadovitz***

HR leaders knew this day would eventually arrive.

A recent survey by Right Management validated the predictions of many: That once the economy began to gain some footing, high-performing employees would quickly bolt for greener pastures.

In an online study of 558 business leaders and HR professionals, the Philadelphia-based talent and career-management firm found that 54 percent of organizations involuntarily lost high-performing workers during the first half of the year. In contrast, 28 percent of the organizations reported they retained most of their talent.

The remaining organizations reported they had lost some high-performing talent, but had been able to replace them.

"As the market [for jobs] loosens up, it's inevitable that people will become more mobile," says Bram Lowsky, senior vice president and general manager of Right Management in Toronto.

"Think about everything that has been going on in the workplace," Lowsky says. "Companies have been letting people go, asking people to do more with less, and implementing salary freezes and pay cuts. All of this has put tremendous pressure on employees and top talent, and leading many of them to re-evaluate where they are."

To combat this, Lowsky says, "employers need to know what their workers are thinking and what they want from their careers – and then align these with the direction of the business."

The Right Management findings are in line with a Deloitte study conducted in June 2009 that found 52 percent of executives expected an increase in voluntary turnover once the economy rebounded.

Not surprisingly, the Deloitte respondents said they were most concerned about losing "high-potential talent and leadership" and "critical talent." Roughly 65 percent of them reported they had either a "high" or "very high" concern about losing such workers after the recession.

As a follow up to the study, Deloitte also queried employees as to what they thought and found that 49 percent of them expected to seek new employment once the economy improved.

"Critical talent is on the move and companies that have been using the recession as a retention strategy are in for a disappointment," says Jeff Schwartz, a principal with Deloitte Consulting in McLean, Va.

Schwartz says the more savvy companies have been managing the recession and managing for the recovery at the same time – or simultaneously "playing offense and defense."

Such companies, he says, were very careful about the cuts they made during the downturn, especially in areas such as leadership development.

In response to an improved business environment, Schwartz says, he's already seeing companies doing some "very serious cherry picking" when it comes to talent. For the most part, he adds, they're pursuing people who can help their organizations grow and innovate.

Poaching is clearly going on, especially in areas such as IT and pharma, says Beverly Kaye, founder and CEO of CareerSystems International, a Scranton, Pa.-based consulting firm.

Kaye says she's heard some amazing stories, including one CEO who personally bypassed recruiters to pick up the phone and call someone he wanted to hire from a competitor.

So what should employers be doing to protect their top talent?

"One of the major reasons people leave is they simply don't see career opportunities where they are," says Kaye. "No one in their company is saying to them, 'Here are some ways to grow.' "

Companies, she says, need to do a much better job of putting careers in the hands of their employees and removing them from the shoulders of managers, who – far too often – are ill-prepared to have meaningful conversations with employees as far as development and growth are concerned.

Kaye's advice to HR leaders: Get managers to be alert. "Show them how to look for who is critical and vulnerable – and hold them accountable for holding onto their people," she says.

In today's environment, Kaye says, managers need more "emotional intelligence" than ever.

Dick Beatty, a professor of strategic human resource management at Rutgers University, says he isn't surprised by the Right Management statistics.

"If companies want to win -- if they want to go from a losing season to a championship season -- they're going to go after players who can create economic value for the business," Beatty says.

Meanwhile, he adds, "top talent is always ready to move."

If employees see that it's "going to take 17 funerals" for them to succeed in an organization, he says, "they're going to leave."

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