

Motivating key people

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The general fall in unemployment has brought with it an increase in turnover – but employers are particularly concerned about the loss of key staff. Is your organisation losing its key people? Do you know why, and what might have persuaded them to stay? Taking a step back, are you confident that you can identify your key people (whether individuals or groups), and explain what makes them key? Above all, do you know what motivates them, and why they might be looking elsewhere for job satisfaction?

With labour markets buoyant, organisations fear a return of the downside of a healthy economy, represented by high vacancy levels, high turnover, and out-of-control wage spirals. So far, things are not that bad – although employers are reporting increasing difficulty in filling some vacancies.

Who are these key people?

The difficulty with describing key people is that the concept can vary considerably depending on the nature of the organisation. Discussions with a wide variety of employers have led to a broad, four-way definition.

Highly-trained practitioners

Employers dislike losing these people because of the huge investment that has gone into their development. Typically, they take years to train, and often have a professional qualification. Sometimes they may feel they owe more loyalty to their profession than to their employer. It is usually very easy for them to find

alternative employment, should they decide to do so, as they have skills that are widely in demand. These employees are key because of the resources that have gone into their development. When a prolonged and expensive training period is combined with national shortages (physiotherapy is a good example), they can begin to take on the quality of gold dust.

Top performers

Top performers can be found in any field, and are valued for their exceptional qualities. To put it simply, they are extremely good at their jobs. One employer used the term, 'the whiz factor', to describe this high-performing quality. Examples frequently quoted by organisations are top salespeople and highly creative marketing managers. Losing these people brings immediate and obvious pain to the organisation, particularly if several high performers depart at once. Even worse, they can bring rapid advantage to competitors, particularly if they take their teams with them. Due to their high profile and transferable skills, they are vulnerable to being head-hunted or poached by rival organisations.

Specialists

Specialists have skills in a particular, sometimes quite narrow, area. They become key if they also have scarcity value due to major events or changes. One characteristic of this group is that the work for which they are needed is often relatively short-term in its nature, and often project-based. Individuals can command high levels of pay, and play one organisation off against another, but

only for fixed-term contracts. Many specialists, recognising this fact, are becoming freelance – which can be very expensive to organisations.

Experts

Experts form small, highly-valued groups of people, and organisations have little difficulty in identifying them. The knowledge of true experts can be essential to an organisation's success. Their reputation often acts as a magnet, which draws high-quality people to work for the organisation, and attracts clients to give the organisation their business. One example is a pioneering surgeon in an internationally-renowned teaching hospital, whose fame attracts applicants for junior doctor posts from all around the world.

High key, low key

One reason why key people can be difficult to identify is that their 'key qualities' are not always immediately apparent. It is easy to recognise a scientist with a world-wide reputation, or the individual who has won the 'top salesperson of the year' company trophy for the past five years. But key people also come in groups, and can occupy relatively low-status positions in the organisational hierarchy. Experienced and highly capable call centre staff are an example. An analysis of the jobs most frequently identified as key reveals some common themes to the concept of 'keyness'.

- **Marketable and transferable skills.** Key people can easily find jobs elsewhere if they leave, because their skills are much in demand.
- **Scarcity value.** Key people have scarcity value either because of a general national shortage, or because of a short-term rise in demand, or because they are extremely good at their jobs.
- **Vulnerability to poachers or head hunters.** Rival companies will always want to attract your key staff to work for them, because of the competitive edge they bring with them.

What motivates key people?

Another common theme is that key people are usually highly self-motivated individuals, who gain a great deal of satisfaction from their jobs. Even the most committed person can, however, start to flag – so recognising the motivating factors, and using them to the organisation's

advantage, is a vital step in the strategy to retain key people.

Money talks

Money alone is rarely a major motivator, and is unlikely to help the organisation retain its key people. The most important thing about pay structures, to most employees, is their fairness. So as long as key people feel that they occupy an appropriate place in the pay hierarchy, and that colleagues doing the same job are not paid more, they are likely to be reasonably satisfied. The prime consideration of our pioneering surgeon, for example, is obviously not money; if this were the case, he or she would have decamped to the USA years ago.

An exception to this rule is that retention bonuses, which aim to tie in key people for a fixed period (for example, until the end of a project, or until a product is delivered) can help to keep people in the short term – but will not inspire long-term loyalty. However, they bring other problems with them, such as spiralling bonus offers from

rival companies, perceived unfairness and demotivation of staff who feel undervalued because they have not been offered a bonus. There can also be a 'dead-weight' effect, with

people in high risk posts being paid bonuses, even though the individuals themselves are not disposed to leave.

Motivators that might work

It sounds trite to say that different things act as motivators for different people, but it is nevertheless true. A retention strategy that assumes otherwise, and attempts a blanket solution, is probably doomed to failure.

- The **highly trained practitioner** is likely to be attracted to the idea of developing and enhancing his or her role. This could comprise new areas of responsibility, further professional development, developing a new service or product, or investigating better ways of doing what the organisation already does well. The opportunity to develop and grow is fundamental to this key group.
- The **top performer** already gets a buzz from their work, so keeping up the momentum is all-important. New challenges – particularly difficult ones, entrusted to the individual or small team because they are the *only* people who could do them justice – are likely to motivate and enthuse. Recognition, from the organisation, from peers and from clients, is also very important.

We spend years training them, pay them well, give them a good benefits package and state-of-the-art equipment - and they still leave.

- The approach to **specialists** depends a lot on whether the organisation wants to keep them beyond the end of the current project. If the answer is yes, the best approach is to consider their longer-term needs. One possibility might be to offer them a chance to work on a new, different and innovative project once the current short-term panic is past – and to give them the chance, now, to start preparing themselves for it. Individuals could be willing to trade in short-term financial gain for longer-term job stability and the opportunity to work on interesting new challenges.
- **Experts** are usually motivated by taking their work further, doing more and ground-breaking research, and publishing the results; peer acclaim is extremely important. Exploring academic links, teaching opportunities and dissemination channels could bear fruit, as well as giving the individual formal recognition by the organisation.

Enter the head-hunter

Key people are very vulnerable to poaching. The difficulty with head-hunters is that they can tempt even the

happiest and most contented individual to consider alternative employment. Being approached by a head-hunter is intensely flattering, and an initial approach can gather momentum very quickly. The best approach is probably to encourage openness, so that an employee who is 'hunted' does not feel that he or she will be criticised or branded as disloyal for considering an alternative offer. A measured discussion of the wider costs, risks and the benefits of the new job, together with a hard look at what the individual would like to happen in his or her career, might persuade the key employee to stay.

Accepting the limits

Of course, some key people will leave, despite the best efforts of the organisation. Accepting this fact with a good grace, and allowing the individual to leave with thanks, acclaim and an open invitation to return at some point in the future, will send out a positive message not only to the leaver, but to your other key people.

	Highly trained practitioners	Top performers	Specialists	Experts
Characteristics	<ul style="list-style-type: none"> ■ Long training period ■ Major organisational investment ■ Highly marketable and transferable skills ■ May have scarcity value 	<ul style="list-style-type: none"> ■ Outstanding performance ■ Highly sought after ■ Very marketable skills ■ Target for poachers 	<ul style="list-style-type: none"> ■ Aptitude or experience ■ Usually combined with scarcity value ■ Highly marketable skills, though perhaps short term ■ Often working on defined projects ■ Target for poachers 	<ul style="list-style-type: none"> ■ Very specialist, perhaps unique, knowledge ■ High peer status ■ Often source of organisation's competitive edge ■ Make organisation attractive
Examples	<ul style="list-style-type: none"> ■ Graduate trainees ■ Accountants ■ Health care professionals (eg physiotherapists, consultants, specialist nurses) ■ Patent officers ■ Software engineers 	<ul style="list-style-type: none"> ■ High performers in any field ■ Top salespeople ■ Top customer services advisors 	<ul style="list-style-type: none"> ■ Project managers ■ Technical authors ■ IT people with specialist knowledge 	<ul style="list-style-type: none"> ■ Scientists ■ Innovators ■ Pioneering clinicians
Motivators	<ul style="list-style-type: none"> ■ Career development ■ Further professional qualifications ■ Interesting and varied work ■ Good facilities 	<ul style="list-style-type: none"> ■ Opportunities to excel ■ Recognition of quality ■ Reward for achievements ■ Opportunities to improve peer/client relationships 	<ul style="list-style-type: none"> ■ Innovating projects ■ Short-term rewards ■ Opportunities to use skills ■ Recognition of value ■ Career development for future 	<ul style="list-style-type: none"> ■ Peer recognition ■ Opportunities to research and develop field ■ Academic links ■ Publication

Things to think about

Unfortunately, retention strategies often acquire a bad reputation because they take a common approach to all types of employee, or dissipate precious resources by scattering them too widely and too thinly.

- Identify your key people, decide into which key group they fall, and understand why they are key.
- Explore why key people leave your organisation while others stay, by analysing exit interview data, conducting focus groups and interviews with stayers and leavers, and carrying out employee attitude surveys.
- Identify the risk and impact of key people leaving your organisation, by using a risk analysis tool, such as that from IES.
- Cost your turnover, focusing particularly on key groups: this will give you a greater credibility with your organisation, and will help you establish a return on investment.
- Tease out the motivators for your key groups, via focus groups, interviews and surveys.
- Draw up a retention strategy which targets your key groups without alienating the rest of your workforce.
- Review your pay and reward strategy so that it is perceived as fair and equitable, while allowing you to recognise high performers appropriately.

IES can help you

- Our help will be tailored to your organisation - it will not be a standard offering.
- We offer a quality service that is focused and relevant.
- We give practical help, not a slick package or academic jargon.
- IES has a track record in working with many employers on retention issues.

IES publications of interest:

The Drivers of Employee Engagement, Robinson D, Perryman S, Hayday S. IES Report 408, April 2004

Managers as Developers of Others, Hirsh W, Silverman M, Tamkin P, Jackson C. IES Report 407, April 2004

Recruitment and Retention of Teachers with Industrial or Professional Experience, Strebler M, Neathley F, Tackey NJ. LSDA Research Report 051975RS, March 2005

Measuring Up: Benchmarking Graduate Retention, Tyers C, Perryman S, Barber L. IES Report 401, June 2003

Employer Perspectives on the Recruitment, Retention and Advancement of Low-pay, Low-status Employees, Atkinson J, Williams M. Cabinet Office Strategy Unit Occasional Paper Series 2, July 2003

Keeping the Best: A Practical Guide to Retaining Key Employees, S Bevan, L Barber, D Robinson. IES Report 337, 1997. ISBN 1-85184-265-9

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IES aims to help bring about sustainable improvements in employment policy and human resource management. We achieve this by increasing the understanding and improving the practice of key decision makers in policy bodies and employing organisations.

We believe that HR can make a significant impact on the success of organisations of all types. In order to help bring this about, we help organisations:

- decide what they want HR to achieve
- identify what high performing HR people are like
- design and deliver bespoke development programmes for HR people
- evaluate how they are progressing against their goals

If you would like to talk further about motivating key people, then please contact Dilys Robinson (01273 873122) or Linda Barber (01273 873682) or email: iesconsult@employment-studies.co.uk