



How to Keep and Inspire Valued Employees in a Tough Labor Market

By Paul Falcone

John is a successful manager, but he's concerned about potential staff turnover in light of today's hot job market. He's wondering what he could do to proactively avoid employee resignations and is taking an objective, introspective look at his leadership style. So John reaches out to the vice president of human resources at his company for advice, and learns a lot more than he bargained for.

As John soon realizes, retention of key employees comes from both leadership offense and defense practices. More importantly, it stems from exercising leadership wisdom that allows team members to motivate themselves, find new and creative ways of solving problems and finding solutions, and, when necessary, removing roadblocks that may impede team growth. Minimizing the effects of unwanted turnover and building a team with solid tenure comes from each leader's ability to foster motivation in teams and instill a strong sense of accountability. Therefore, as unnerving as it sounds, John realizes that he needs to reassess his own strengths and shortcomings in order to reinvent his relationship with his team.

Leadership Offense

Getting all your company's managers on the same page in terms of motivation, employee satisfaction and engagement is no easy feat.

"But first get one thing straight: Your job as a leader is not to motivate your employees; motivation is internal, and you can't motivate them any more than they can motivate you," said Jo-Anne Smith, outplacement executive, career coach and equity owner with Career Partners International in Southern California. "Your job as a successful leader, however, is to create an environment where your workers can motivate themselves."

It may sound like a fine distinction, but it's an important one. For example, try delegating what you enjoy most and are particularly good at as a means of professional development for the employee taking on the task (not of offloading work). Monitor what you've delegated by asking your employee how she'll follow up with you and what the concrete and measurable outcomes will be throughout the delegation exercise. Then be sure to celebrate successes along the way.

Further, conduct "stay interviews" by asking your top performers what motivates them, what suggestions they have for improving the work flow and how you can help them prepare for their next career move.

“This is your chance to recognize and acknowledge their contributions, and employees will always feel engaged and excited when they’re making a positive difference at work while building their resumes,” Smith said. After all, top performers will always be resume builders, and learning is the glue that binds an individual to a company, despite offers from headhunters or competitor organizations. You’re always better off conducting proactive stay interviews rather than needing to make reactive counteroffers once a top performer has tendered notice.

While stay interviews are a smart longer-term strategy, you may have a turnover crisis that’s suddenly thrust upon you, and under certain circumstances, extending a counteroffer may make sense. Just make sure that if you’re going to make such an offer, you do it the right way.

According to Smith, “Counteroffers should always remain the exception, not the rule, because of their potential to backfire. After all, most employees [think], ‘Why should it take my resigning to trigger a salary increase or promotion?’ ”

But if your strategy is to openly address what’s been plaguing the individual beyond money and identify ways where you can help the individual reconnect and regain a sense of value, the counteroffer may make sense.

Invite the individual to consider a counteroffer like this: “Even though I can’t promise anything at this point, I hope that you’ll allow us to explore some new avenues with you. If we can’t develop an overall career development strategy and growth trajectory that would motivate you to remain with us, then we’ll certainly support your transition to the new company. But we want to keep you, Sarah, and we appreciate your contributions every day. Would you be willing to engage in those kinds of discussions with us?”

Leadership Defense

One key reason for employee dissatisfaction that drives top performers to pursue greener pastures is a perception of unfairness or a leader’s inability to hold everyone accountable to the same performance standards.

John realizes he needs to develop some critical muscle around addressing subpar performance and certain poor behaviors that have calcified in his team over time. The wise vice president of HR counsels him, however, that suddenly addressing substandard performance and conduct issues can shock employees and potentially open up the organization and John personally to employment-related liability. Therefore, in a spirit of full transparency, John will announce to his team that he’s committed to reinventing himself as a leader in this critical area of accountability and setting high and consistent expectations for everyone.

Taking precautions to avoid litigation land mines protects the individual supervisor and the organization as a whole.

“While 1 in 4 managers will likely be involved in employment-related litigation at some point in his or her career, it’s important that leaders like John remain aware of potential pitfalls that might blindsides an otherwise unsuspecting supervisor,” said Sharon Bauman, partner in the employment and labor practice group at Manatt, Phelps & Phillips LLP in San Francisco.

Employees are very sophisticated consumers and often realize that the best way to protect themselves from managers' complaints about their individual performance is to strike first by filing complaints about their supervisors' conduct. John learns from the vice president of HR why he should run, not walk, to HR when he needs a partner to address a subordinate's subpar performance or inappropriate workplace conduct. Leadership is a team sport, and it's shortsighted to think that he can do it all on his own.

After all, whoever gets to HR first triggers the investigation—either focusing on John's subordinate's performance problems (if John gets to HR first) or on allegations regarding his conduct as a supervisor (if the employee gets to HR first). That's when terms like "hostile work environment," "harassment" and "retaliation" come into play.

John's lesson? Don't allow employees to engage in the pre-emptive strike of "retaliation" by lodging complaints about him before he has a chance to speak with HR about problems that certain staff members may be causing.

Next, John is advised to avoid the biggest problem facing corporate executives today: grade inflation on the annual performance review. Too many unsuspecting managers take staffers through the progressive discipline process all the way to the final written warning stage, only to issue a "meets expectations" overall score on the annual performance evaluation. John now understands that by doing this, he'll end up creating a major roadblock if the company wants to terminate the employee in the future. After all, by giving a "meets expectations" rating, he'll have validated an entire year's performance despite the final written warning on file.

In short, it is John's responsibility to demonstrate consistency between a subordinate's corrective action history and overall performance review score. When these documents contradict one another, the company will likely have to continue with the documentation process in order to clarify the record. When both are in alignment, the company should have the discretion to terminate the employee upon a clean final incident.

John's final lesson from the meeting with the vice president of HR: From a practical standpoint, you can't just terminate, lay off or "give a package" to someone who's not fitting in or otherwise contributing to your team's overall success.

"The employment-at-will defense will not guarantee a summary judgment of a wrongful termination claim at the hearing stage, so you've always got to assume that a case will make it all the way to the trial stage, and that the jury will be looking for a really good reason to justify the termination decision," Bauman said. Therefore, John recommits to engaging in those challenging but necessary conversations and to documenting his findings in the form of progressive discipline to reduce or eliminate the possibility of the claim coming back to bite him and his company in litigation. Bauman advises, "Remember, it's not just the potential dollar cost of being sued; it's the time and disruption of interrogatories, depositions, hearings, mediations and potentially trials that will zap your team's energy for six months to a year—or more—after the termination that are the biggest challenges you face."

As a leader, you can give your company no greater gift than a motivated, energized and engaged workforce. Spikes in turnover may happen from time to time, but what's critical is your response, the counsel you seek and your willingness to reinvent yourself so that everyone benefits from the crisis. Follow these offensive and defensive leadership practices not only to cultivate your own leadership capabilities but also to foster an environment where motivation, engagement and satisfaction become the hallmarks of your shop. That's the greatest workplace wisdom of all.

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