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Your Best People Are Your Biggest Risk

Why high performers leave, why the scoreboard often rewards the wrong people, and how to keep the ones you cannot replace

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The short version

High performers have the most options. Recruiters find them first. And they rarely complain before they go.

Your scoreboard may be rewarding easy jobs, not great people. If bonuses and promotions follow results without adjusting for difficulty, your best people learn to avoid the hardest work.

Promoting your best is not the same as them succeeding. Research on more than 38,000 salespeople found the best sellers were the most likely to be promoted, and on average became worse managers.

Keeping your best people is a design problem. Measure difficulty, test people in hard conditions with support, and have the career conversation before a recruiter does.

The stretch assignment she turned down

Jenna was one of the strongest district leaders I ever worked with. She ran a district in the wealthiest part of the city. Almost no crime, great results, high margins. A bright personality. Everyone, including me, saw her heading to a regional role.

Then a district opened up downtown, in the same city. It was the hardest market we had: shoplifting, gangs and crime. It was the same role, a lateral move, and she would not have had to relocate. We offered her more money and more stock.

I offered it to her as a development move. It would give her exposure to a whole different world of challenges, and we needed to see that she could lead people when things are hard, not just when things are easy.

She asked to think it over. I encouraged her to take it. She declined.

That was her right, and she stayed a strong leader. But it showed me something about our pipeline. We were promoting people on great numbers, and many of those numbers came from easier districts. We almost never tested people in hard conditions before giving them more responsibility.

Around the same time, I won an award for developing the most people to the next level in the division, including the only promotion to the region level that year. I was proud of it. I also learned that getting someone promoted is not the same as them succeeding once they get there.

Make sure the people you promote can lead people the right way, and keep them.

High performers have options

A high performer is the biggest flight risk you have. Not because they are unhappy more often. Because they have more choices when they are.

- 1. They are easy to find.** Their results are visible. Competitors know their names. Recruiters reach them first.
- 2. They carry more than their share.** Research by Ernest O'Boyle and Herman Aguinis across 198 groups and more than 600,000 people found that performance does not follow a bell curve. In most groups, a small number of stars produced a disproportionate share of the results.
- 3. They do not complain. They leave.** They stay professional. Their output holds up. What moves first is quiet: they stop volunteering, start answering recruiter calls, and stop talking about next year.

When one of them leaves, you do not lose one average person. You lose a share of your results, and often the person everyone else was learning from.

When the scoreboard rewards the easy stores

At my company, bonuses, raises and promotions followed store results. On the surface, that sounds fair. In practice, it was not.

Some of our stores were small locations inside other retailers' buildings. They filled about 200 prescriptions a week. A typical store filled about 2,000. Many sat in affluent areas with almost no theft, where customers paid full price. Those stores were profitable almost by default.

Other stores lost 4% of sales to theft. They had bulletproof glass and half the merchandise locked up. They sat in dying strip malls, in neighborhoods where the population was dropping 11% a year. Their targets were the same as everyone else's: last year, plus a little.

Guess who won the awards, the raises and the promotions. The easy-store managers. The saying among leaders was "don't go downtown," because taking a hard store could end your career. And the people promoted from easy stores often could not, or would not, cover the busy ones.

Strength of schedule

My team proposed a fix. Weight performance by how hard the store is, the way college football judges a team by strength of schedule, not just its win-loss record. A team that goes 10 and 2 against the toughest schedule in the country is not worse than a team that goes 11 and 1 against easy opponents.

Leadership decided what we had was good enough. Resources were limited, and they believed those resources were better spent on other priorities. So the old system stayed. The result was the Peter Principle in action: people with great numbers were promoted to their level of incompetence.

Whatever you pay for is the job. If you reward easy results, your best people will learn to avoid hard work, or leave for a company that sees the difference.

Taking the hard market

I once took a tough downtown market. Shoplifting and violence were part of the job. Even the streetlights were not being replaced. The targets were spread evenly across stores, with no adjustment for a strip mall whose anchor stores had closed.

I knew going in that I would probably go two years without a bonus. It could have been a career risk. I took it anyway, and it worked out.

More importantly, it changed how I led. I had come from the suburbs and did not understand how hard those stores were until I lived it. Later, as a leader, I moved suburban managers into tough districts so they could see it firsthand. You cannot fairly judge someone's results until you understand what they are up against.

Promoting your best is not the same as them succeeding

38,843

salespeople studied: the best sellers were most likely to be promoted, and became worse managers

82%

of the time, companies fail to pick the manager candidate with the right talent (Gallup)

Economists Alan Benson, Danielle Li and Kelly Shue studied 38,843 sales workers at 214 companies. The best salespeople were the most likely to be promoted into management. On average, they then performed worse as managers than people promoted with weaker sales numbers. Being great at the job did not predict being great at leading people who do the job.

Gallup has found that companies fail to choose the candidate with the right talent for a manager role 82% of the time.

A promotion that fails costs you twice. You lose a great individual performer, and you gain a struggling manager whose team starts looking for the exit.

How to keep the people you cannot replace

1. **Know who they are.** Name your top performers by role, today. If you cannot list them, you cannot protect them.
2. **Measure difficulty, not just results.** Adjust targets and rewards for how hard the job is: volume, theft, staffing, local conditions.
3. **Have the career conversation before a recruiter does.** Where do they want to go? What would it take to get there? When was the last time you asked?
4. **Test people in hard conditions, with support.** Before a big promotion, give them a tough assignment and stand behind them while they do it.
5. **Promote for leading people, not just for numbers.** Ask how their team feels, who they have developed and how many of their people stayed.
6. **Reward the hard assignments.** If taking the tough store or the tough team can cost someone a bonus, you are teaching your best people to avoid it.
7. **Check their pay against the market.** High performers know their worth. Recruiters remind them every week.

Take action this week

CEO: List your top five performers. For each one, ask when they last had a real career conversation and a pay review against market. If either is more than 12 months ago, that person is at risk.

Manager: Look at who won your last round of awards and promotions. Were they the best people, or the people with the easiest assignments? If you cannot tell, your scoreboard needs fixing.

Supervisor: Tell your best person something specific they did well this week: the action, the impact and why it mattered. Not "great job."

How EIP helps

Flight Risk Score™ (patent pending) reads the quiet signals high performers give off, like a manager change, a missed promotion or pay that has not kept pace, and flags who needs a conversation in the next 90 days.

Hire Smart™ finds the 3 to 5 traits your best long-tenured people share, so you hire and promote for what actually predicts success.

Our Council of current and former executives reviews the findings before anything is recommended. Then we stay with you through the fix.

Start with a conversation: eip360.com | hello@eip360.com

Sources

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Stories are from the author's own career at a Fortune 10 company. Names, places and identifying details are changed or withheld.