

SPECIAL FEATURE

Learn How Caliper Can Help With Engagement and Retention of High Potential Leaders

This is a true story.

In a meeting at a popular technology company, the CEO and his team had just completed their annual talent review of up-and-coming leaders within the company. Retention of top talent was a high priority, and the CEO gave an example of "Joe," a direct report of the Chief Operating Officer. The strategy included giving Joe a huge raise and assigning him to a high-visibility special project in addition to his demanding day job. The CEO stated that these actions would ensure Joe doesn't become a flight risk.

The problem is that such retention strategies often backfire and are contributing factors in the voluntary departure of high-potential leaders. Let's examine why.



Renowned psychologists Edward Deci and Richard Ryan developed [self-determination theory](#) which focuses on different types of motivation. Further studies by Deci confirmed that large increases in extrinsic rewards, such as a big salary increase, actually decrease intrinsic motivation and engagement. Salary is a source of dissatisfaction if it is perceived to be lower than one's peer group, but rarely a source of satisfaction and engagement once it exceeds a threshold level. Increases above that threshold become the new taken-for-granted status quo. In addition, the higher salary often stimulates an external job search because it can be used as a bargaining chip to jump to a still higher salary.

As for putting these leaders on high-visibility special projects, this too can backfire. Most leaders are in demanding jobs already and can easily feel under-appreciated and taken advantage of when assigned to special projects. Consider Joe in our example above. He left the company six months after this scene took place. So then, what can a company do to engage and retain its high-potential leaders?

A proven approach is to maximize the amount of on-the-job learning and growth. The process begins with setting a stretch objective that contains clear action items, is outside of the leader's comfort zone, is relevant to the leader's career goals, and is time-sensitive.

Once leaders take action, it's critical to engage in self-reflection to identify "lessons learned" from the experience, both in success and failure. The best way to do this is for the leader to ask "learner" questions rather than "judge" questions. For example, ask "What are the facts?" as opposed to "How can I prove I'm right?" Or, "What can I do better?" instead of, "Who's fault is this?"

Leaders should actively seek real-time feedback from stakeholders as well. All leaders, no matter how effective, have blind spots. Individuals perceive actions differently from the people around them.

When these mechanisms of learning and self-reflection are incorporated into special projects and demanding day jobs, there is a measurable ROI in terms of higher engagement and retention. Next time you want to engage a high-potential employee, rethink giving them a higher salary or additional projects and use this approach to actually engage with them

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