

# The CEO Advantage: Retaining Top Talent in a Down Economy

By Nancy MacKay, Ph.D

## **CEO challenge:**

A CEO was stunned at the sudden resignation of his CFO, a stellar performer with 10 years at the organization and a candidate for the top job. The primary reason? Boredom.

## **CEO mistake:**

The jilted CEO had made a common mistake.

“I didn’t spend any time with my A players because I didn’t want to get in the way,” he explained.

What he didn’t realize is that top employees need new challenges and learning opportunities to stay motivated, otherwise they look elsewhere.

Another reason the CFO in this case had sought greener pastures was that he’d never been told he was a potential successor.

“I didn’t want him to think it was guaranteed since ultimately it’s a board decision,” rationalized the CEO.

He didn’t make that mistake again. It’s critical that top talent be told they’re on the succession plan and that opportunities for them have been identified by the entire executive team.

Like most organizations, this one had spent most of its development energy trying to bring myriad employees up to “average.” Worse, its training budget was the first to be trimmed in a recent cost-cutting exercise.

CEOs need to stay connected and help their best people achieve their full potential. Spending too much time with lesser performers, working to improve their capabilities or even defining what needs to be done, will not deliver results. These people are not the future of the company.

## **CEO solution:**

To win the talent wars, CEOs must do something counterintuitive. They must invest in their A players who can create a standard that drives the organization forward. And handing development over to HR isn’t the answer. HR’s role is to provide the most effective tools to accelerate development, but it’s the CEO’s job to keep top talent in the game.

To make sure he didn’t lose another top performer, our CEO began working with each of the top 30 leaders on the succession plan to develop a 10-year career vision that not only jazzed them up, it freaked them out. Because most people achieve less than 10% of their full potential, it can be tremendously powerful to really challenge your best talent to play a bigger game.

HR wasn’t excluded. Our CEO partnered with HR to validate the career plans and to identify the most effective development approaches. Together, the skills, behaviours and experience gaps for each key player were identified and included in the career plan.

Once done, full support in terms of time and available resources was directed toward follow-through on the development plans. The excuse that someone was “too busy” to focus on the best people was an immediate red flag, and our CEO made sure he exerted the necessary pressure.

He also held the top talent accountable for following through on their career plans. The plans were a joint effort, not something merely “done to them,” and high potentials were expected to live up to expectations. He provided coaching and mentoring weekly in addition to quarterly performance reviews, so that it became a normal aspect of the organization’s communication and conversation.

“We’ve changed the focus of our development and we concentrate more on our best employees,” our CEO said. “It’s become a much bigger part of my role as a leader, and I can see that I’m getting even more out of people.” •

Nancy MacKay is the president of MacKay & Associates ([www.mackayandassociates.ca](http://www.mackayandassociates.ca)) and co-author of the book *The Talent Advantage: How to Attract and Retain the Best and the Brightest* (with Dr. Alan Weiss).

---

**This article from *Business in Vancouver* September 1-7, 2009; issue 1036**

*Business in Vancouver* ([www.biv.com](http://www.biv.com)) has been publishing in-depth local business news, analysis and commentary since 1989. The newspaper also produces a weekly ranked list of the biggest companies and players in a wide range of B.C. industries and commercial sectors, monthly features and industry-focused sections that arm its subscribers with a complete package of local business intelligence each week.