

TOP 3 WAYS TO ENGAGE AND RETAIN HIGH PERFORMING EMPLOYEES



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Attracting, Developing, and Retaining High Performing Employees

High-performing employees represent the genuinely exceptional members of your organization. What qualifies someone as a “high performer” ranges from company to company, but most definitions recognize these employees’ high level of effort and disproportionate impact.

They are often pinpointed as the most invaluable and hard-to-replace members of a company, with one study finding that the top 1% of workers accounts for a whopping 10% of an organization’s output, and the top 5% accounts for 25%.

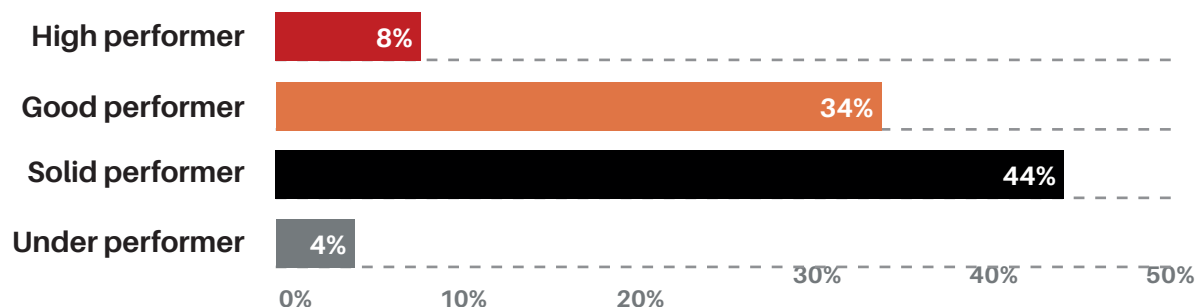
Given all this, there’s no question that engaging and retaining your high-performing employees is crucial – which is exactly why Icarus Consulting researched the relationship between high-performing employees and business results.

Our Methodology

In our research, we standardized the rating scales of 741 companies and over 200,000 employees. Employees who were defined and rated by their manager and peers as being in that organization’s top performance bucket make up the “high performers” group. We systematically removed any organizations that appeared to have “halo bias” (e.g., more than 20% of their company in their top performance bucket) to ensure we are truly looking at the highest performers.

Depending on the organization, high-performing employees make up between 5% and 10% of an organization, with the median being 8%.

DISTRIBUTION OF PERFORMANCE TYPES



By analyzing the engagement scores of these employees, we were able to identify the top three actions that can help organization’s attract, hire, develop, and retain their high-performing employees.

How to engage and retain your high-performing employees

First, let's start with a refresher on engagement. Icarus Consulting defines engagement as the level of enthusiasm, connection, and commitment an employee has towards their organization.

We assess engagement by asking employees how strongly they agree with five statements that fall into three subfactors.

1. Motivation: "[Company] motivates me to go beyond what I would like in a similar role elsewhere"
2. Advocacy: "I am proud to work for [Company]" and "I would recommend [Company] as a great place to work"
3. Commitment: "I rarely think about looking for a job at another company" and "I see myself still working at [Company] in two years' time"

To identify what drives each of these, we look at the correlation between other survey questions and these engagement subfactors. The correlation ranges from -1 to +1, and in survey research, a correlation score above 0.5 is generally considered "strongly correlated."

According to our research, the factors that drive motivation, advocacy, and commitment for high-performing employees are distinct from the other performance buckets. We found that high-performing employees are:

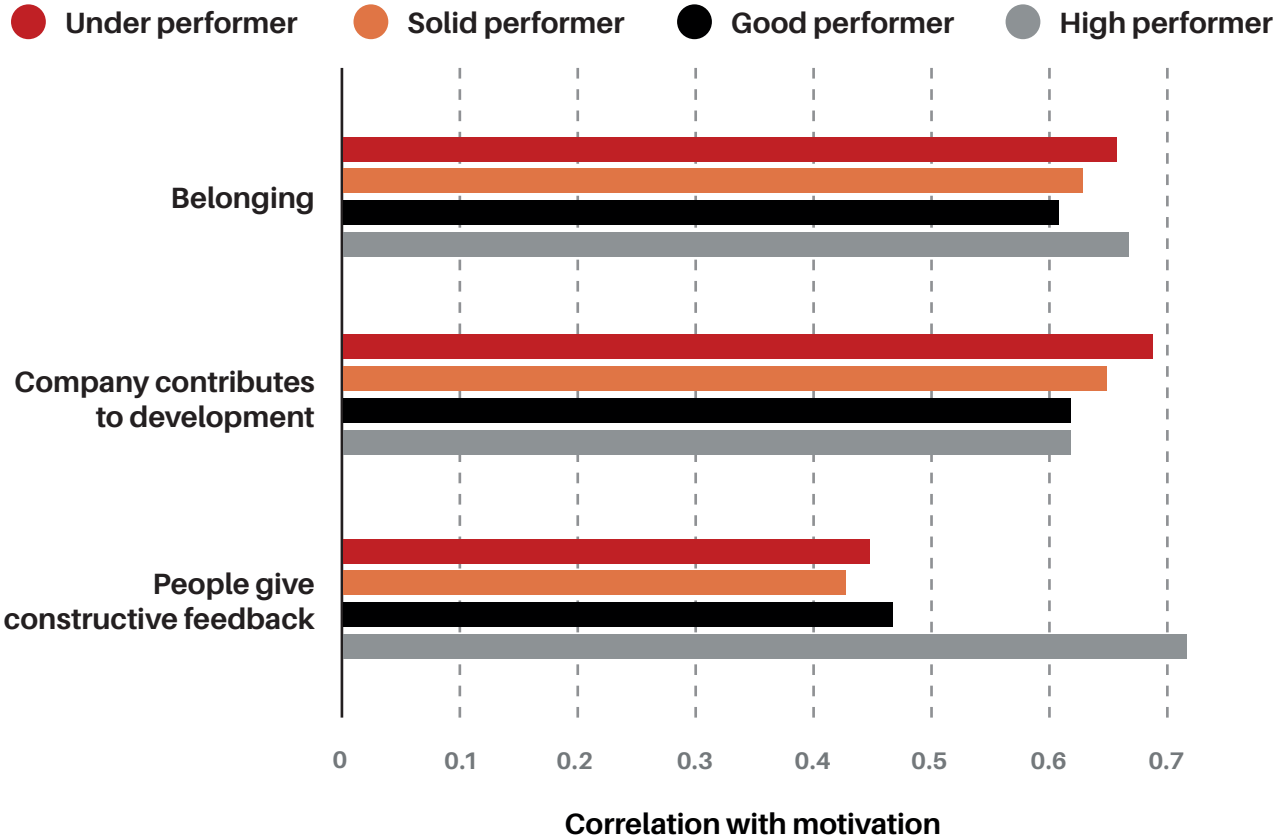
- Uniquely motivated by constructive feedback
- Most likely to advocate for their company if they agree with and approve of the company's culture and work environment
- More likely to remain with the company if given the resources needed for their current job and provided opportunities for growth and development.

Below, we'll go into each of these areas in more detail and share people science-backed tips on how you can take action.

1

High performers are uniquely motivated by constructive feedback

While all employees find belonging and career development motivating, constructive feedback was uniquely motivating for high performers.



This suggests that high-performing employees, more than other employees, actively desire feedback that enhance their performance and accelerate their development. They are open and excited to hear how they can be better, and exactly where they should focus to create the most progress in the future. This trait has likely helped them reach, cultivate, and maintain a high standard of performance.

HOW TO TAKE ACTION

To engage and retain these high performers, managers should focus on creating a culture of feedback. However, be very careful and intentional because if this “culture of feedback” is only done halfway, the company will end up creating a company where praise is the main type of feedback. This will be exceptionally frustrating for your high-performing employees, who seek opportunities to genuinely grow and improve.

Here are some ways you can create a genuine culture of feedback:

- **Educate and train employees on giving and receiving performance enhancing feedback.** Help them learn how to create a work environment that nurtures two-way feedback that is motivating. It may be uncomfortable at first, but with practice, constructive feedback will come more naturally to both managers and employees.
- **Ensure that your “culture of feedback” is truly for developmental purposes.** If constructive feedback becomes a factor in employees’ performance ratings, employees will become resistant and less accepting of giving and receiving this type of feedback.

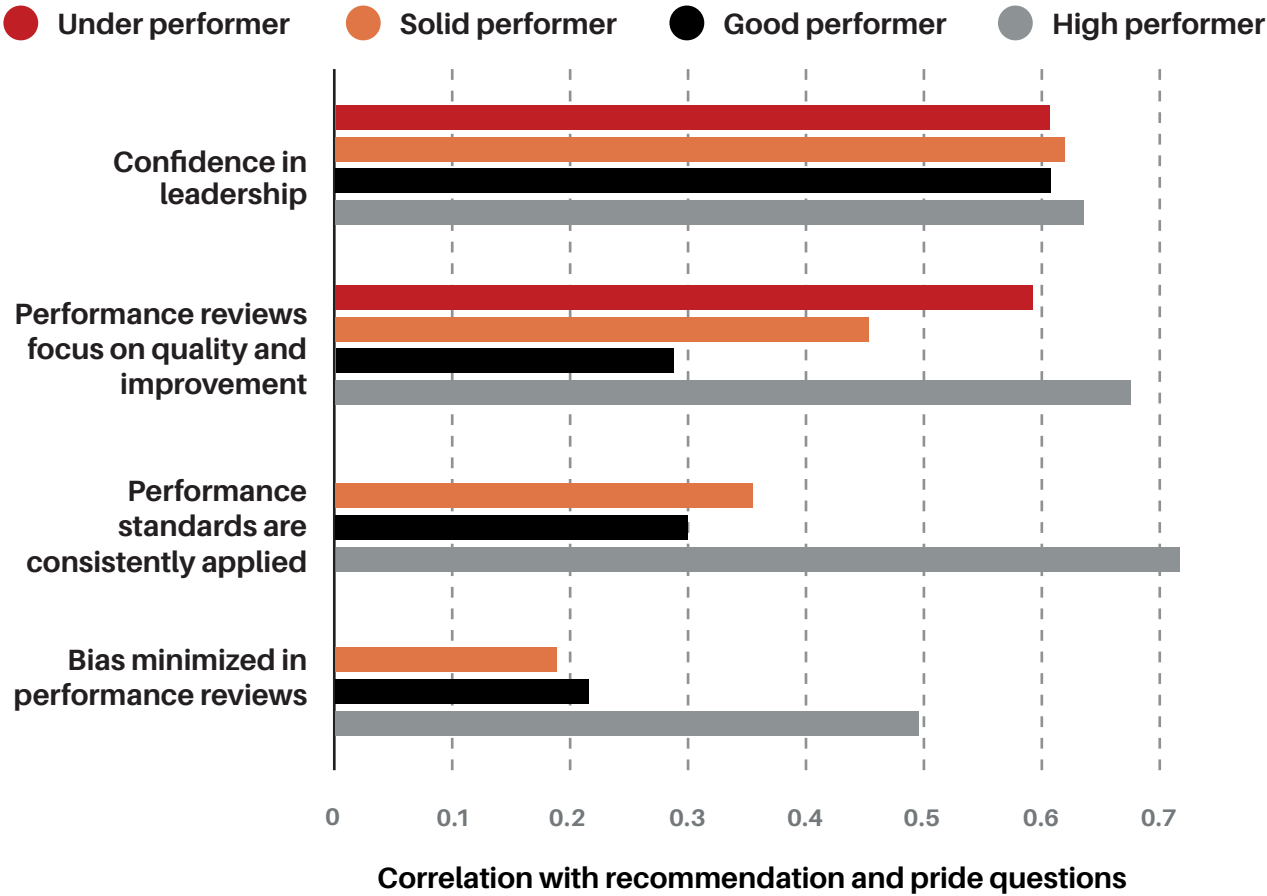


2

High-performing employees advocate for companies with quality performance management processes

Another important aspect of an employee’s level of engagement is their willingness to advocate for the company.

We found that while all employees consider leadership an important factor in how likely they are to feel proud of their company and to recommend their company to friends, **the most important factor for high performers is the performance management process itself.** Specifically, they care that the process focuses on improvement, standards are consistently applied, and bias is minimized.



We acknowledge that over the years performance management has developed a negative reputation. However, our data suggest that when it is done right, performance feedback can be an effective driver in developing and retaining high-performing employees, who greatly impact the company’s results. Many high performers want to be accurately recognized for their efforts and results, and the performance management process is the mechanism for receiving that recognition. Accordingly, high performers will only encourage their friends to join their company if they believe their friends will be fairly and appropriately evaluated, developed, rewarded, and recognized.

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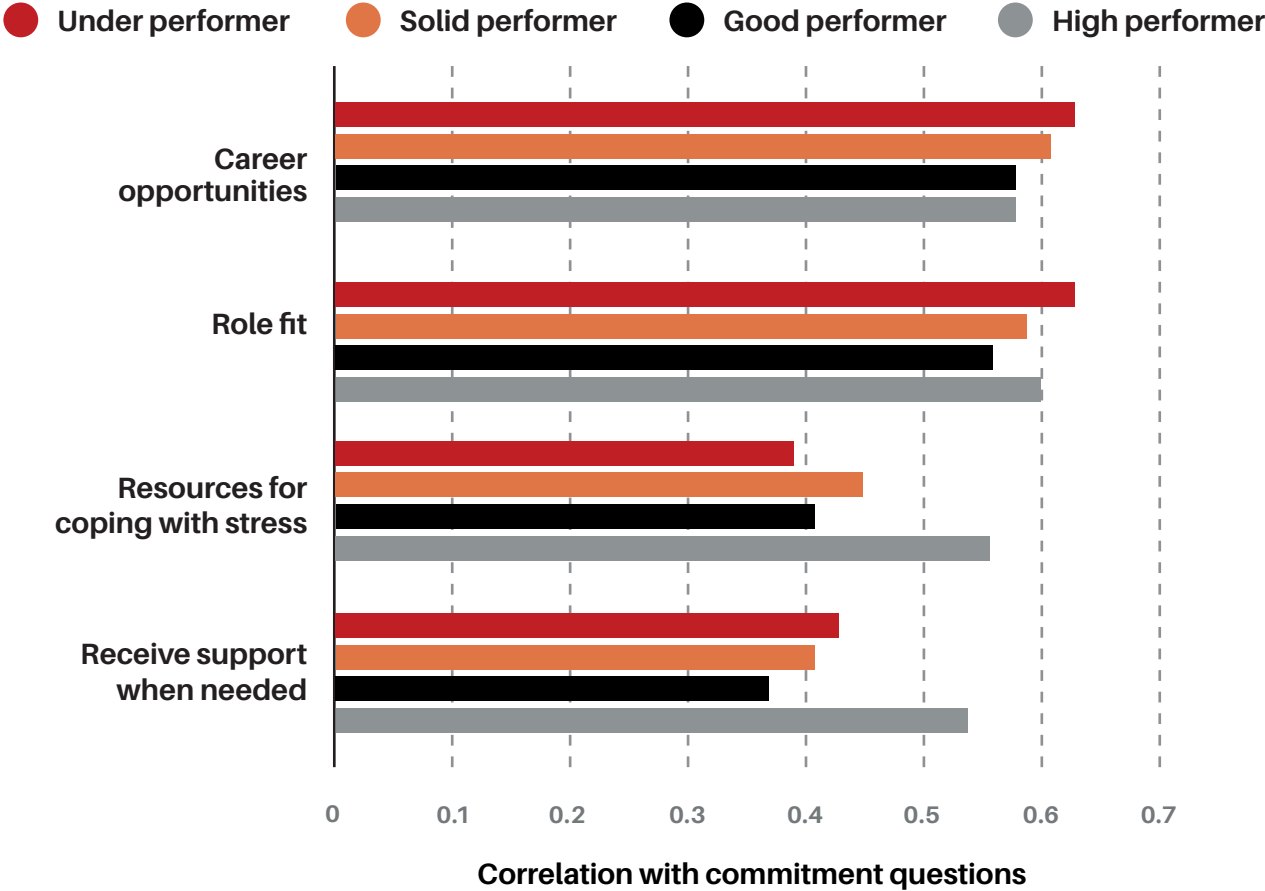
- Are performance expectations and goals clear?
- Are employees given a voice in the performance review process?
- Are managers trained on the most common biases and how to combat them?
- Does the performance rating scale adequately differential levels of performance? Or are a large group of employees falling into your highest performing bucket, which suggests “halo” bias?
- Are ratings calibrated across managers and leaders to ensure the same standards are being consistently applied across teams?
- Does HR conduct audits of the process (e.g., ratings, raises, promotions) to see if employees are being treated equitably?

Taken together, these first two findings demonstrate that **high performers demand a high-performance culture** focused on continuous constructive feedback and improvement and measurement processes that fairly and consistently differentiate performance.

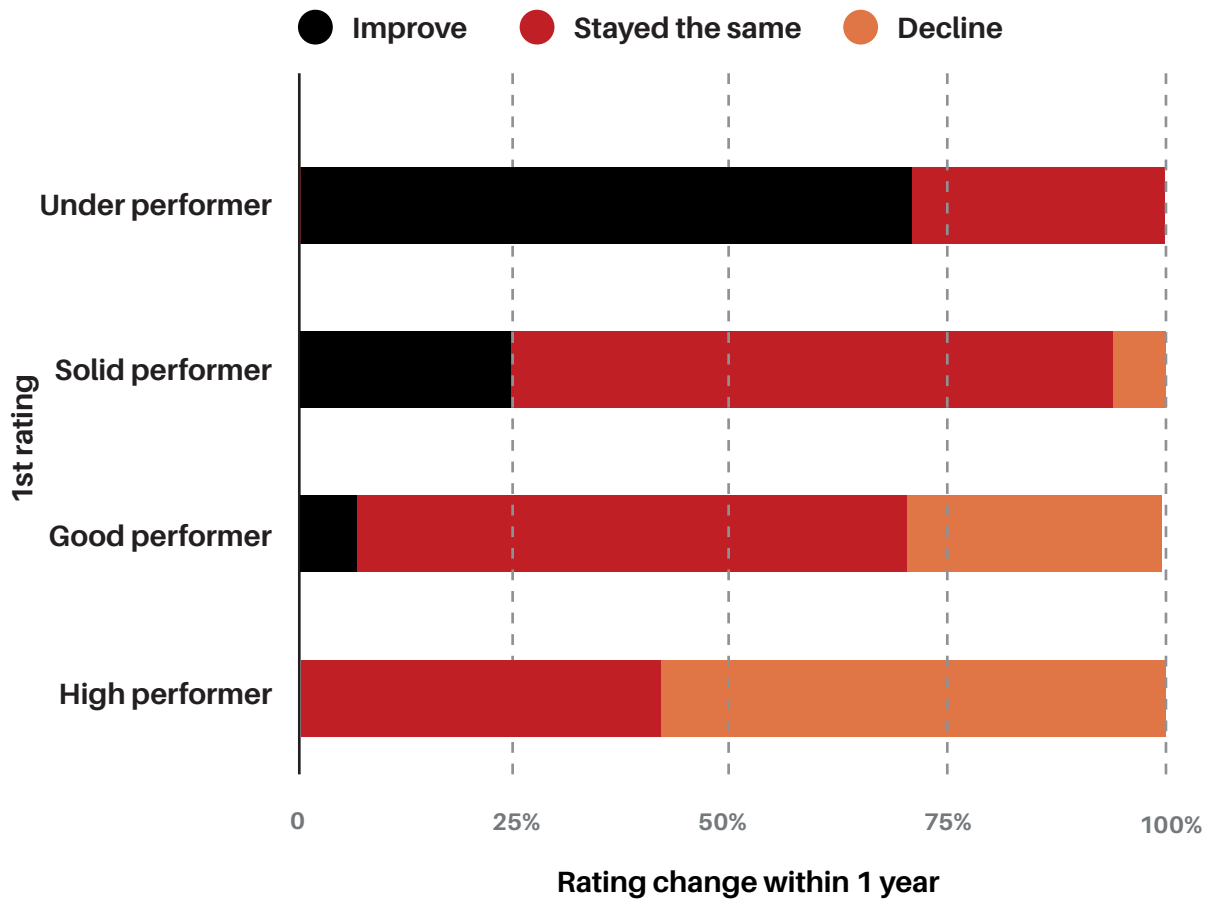
3

High performers need additional support to commit for the long haul

While role fit and career opportunities are important for all employees, **high-performing employees need sufficient resources for getting support and coping with stress to truly commit to their organization.**

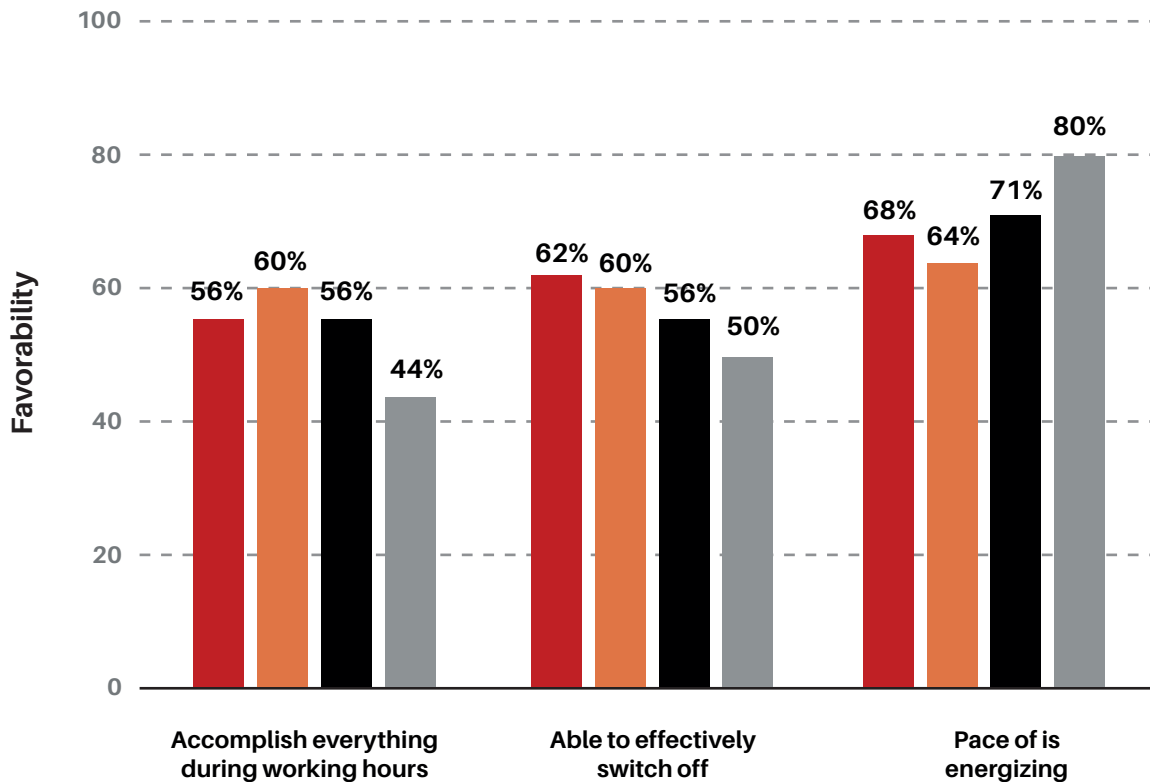


This makes sense. Maintaining a standard of exceptionally high performance is often draining. When support and resources are lacking, this can translate to lower performance ratings in future cycles – a reality reflected in the graph below. As you can see, high-performing employees are most likely to have their performance ratings decline within one year, whereas solid and good performers are most likely to maintain the same score.



This could also be because high-performing employees have habits that are unsustainable. While they score the lowest on work-life balance questions (e.g., being able to accomplish all they need to during normal working hours), they are most likely to say they are energized by the pace of work! While this may be true for high performers in the short term, without additional support, they will almost inevitably burn themselves out.

● Under performer
 ● Solid performer
 ● Good performer
 ● High performer



HOW TO TAKE ACTION

If you want your high-performing employees to stay high-performing and/or don't want them to overwork themselves to the point of leaving the company, you need to provide the right support and resources to help high performers manage their stress and workload.

For example, make sure that managers regularly check in on the wellbeing of their employees and ask questions such as "How are your work relationships going?" and "Are there any burdens or blocks that I can help you with?" While asking about wellbeing is important for all employees, it's especially important for high-performing employees to continue performing to the same standard.

Focus on what matters the most to high performers

According to our data, what most high-performing employees value is a high-performance culture that focuses on providing constructive feedback and upholding high standards of performance. We also found that staying a high-performing employee is difficult, which means that your high performers require additional support from the company to commit to for years to come.

About Icarus

Icarus Consulting works with DEI leaders at top organizations to drive deeper connections and ignite change through Real Talk™ conversations.

Creating inclusive cultures is hard, and we provide the tools you need to navigate challenging and important topics confidently, helping you create real connections and understanding.

We're proud to partner with organizations around the world and across the street as they work to advance their diversity, equity, and inclusion efforts.



For More Information:

☎ 678.806.3922

☎ 770.550.3374

✉ info@icarusconsult.net

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