

Top Ten Reasons Why Large Companies Fail To Keep Their Best Talent



[Eric Jackson Contributor](#)

[At the time of writing, Jackson was long YAHOO]

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Whether it's a high-profile tech company like [Yahoo!](#), or a more established conglomerate like GE or [Home Depot](#), large companies have a hard time keeping their best and brightest in house. Recently, GigaOM discussed the troubles at Yahoo! with a flat stock price, vested options for some of their best people, and the apparent free flow of VC dollars luring away some of their best people to do the start-up thing again.

Yet, Yahoo!, GE, Home Depot, and other large established companies have a tremendous advantage in retaining their top talent and don't. I've seen the good and the bad things that large companies do in relation to talent management. Here's my **Top Ten list of what large companies do to lose their top talent** :

1. Big Company Bureaucracy. This is probably the #1 reason we hear after the fact from disenchanted employees. However, it's usually a reason that masks the real reason. No one likes rules that make no sense. But, when top talent is complaining along these lines, it's usually a sign that they didn't feel as if they had a say in these rules. They were simply told to follow along and get with the program. No voice in the process and really talented people say "check please."

2. Failing to Find a Project for the Talent that Ignites Their Passion. Big companies have many moving parts — by definition. Therefore, they usually don't have people going around to their best and brightest asking them if they're enjoying their current projects or if they want to work on something new that they're really interested in which would help the company. HR people are usually too busy keeping up with other things to get into this. The bosses are also usually tapped out on time and this becomes a "nice to have" rather than "must have" conversation. However, unless you see it as a "must have," say adios to some of your best people. Top talent isn't driven by money and power, but by the opportunity to be a part of something huge, that will change the world, and for which they are really passionate. Big companies usually never spend the time to figure this out with those people.

3. Poor Annual Performance Reviews. You would be amazed at how many companies do not do a very effective job at annual performance reviews. Or, if they have them, they are rushed through, with a form quickly filled out and sent off to HR, and back to real work. The impression this leaves with the employee is that my boss — and, therefore, the company — isn't really interested in my long-term future here. If you're talented enough, why stay? This one leads into #4....

4. No Discussion around Career Development. Here's a secret for most bosses: most employees don't know what they'll be doing in 5 years. In our experience, about less than 5% of people could tell you if you asked. However, everyone wants to have a discussion with you about their future. Most bosses never engage with their employees about where they want to go in their careers — even the top talent. This represents a huge opportunity for you and your organization if you do bring it up. Our best clients have separate annual discussions with their employees — apart from their annual or bi-annual performance review meetings — to discuss succession planning or career development. If your best people know that you think there's a path for them going forward, they'll be more likely to hang around.

5. Shifting Whims/Strategic Priorities. I applaud companies trying to build an incubator or “brickhouse” around their talent, by giving them new exciting projects to work on. The challenge for most organizations is not setting up a strategic priority, like establishing an incubator, but sticking with it a year or two from now. Top talent hates to be “jerked around.” If you commit to a project that they will be heading up, you've got to give them enough opportunity to deliver what they've promised.

6. Lack of Accountability and/or telling them how to do their Jobs. Although you can't “jerk around” top talent, it's a mistake to treat top talent leading a project as “untouchable.” We're not saying that you need to get into anyone's business or telling them what to do. However, top talent demands accountability from others and doesn't mind being held accountable for their projects. Therefore, have regular touch points with your best people as they work through their projects. They'll appreciate your insights/observations/suggestions — as long as they don't spillover into preaching.

7. Top Talent likes other Top Talent. What are the rest of the people around your top talent like? Many organizations keep some people on the payroll that rationally shouldn't be there. You'll get a litany of rationales explaining why when you ask. “It's too hard to find a replacement for him/her....” “Now's not the time....” However, doing exit interviews with the best people leaving big companies you often hear how they were turned off by some of their former “team mates.” If you want to keep your best people, make sure they're surrounded by other great people.

8. The Missing Vision Thing. This might sound obvious, but is the future of your organization exciting? What strategy are you executing? What is the vision you want this talented person to fulfill? Did they have a say/input into this vision? If the answer is no, there's work to do — and fast.

9. Lack of Open-Mindedness. The best people want to share their ideas and have them listened to. However, a lot of companies have a vision/strategy which they are trying to execute against — and, often find opposing voices to this strategy as an annoyance and a sign that someone's not a “team player.” If all the best people are leaving and disagreeing with the strategy, you're left with a bunch of “yes” people saying the same things to each other. You've got to be able to listen to others' points of view — always incorporating the best parts of these new suggestions.

10. Who's the Boss? If a few people have recently quit at your company who report to the same boss, it's likely not a coincidence. We'll often get asked to come in and “fix” someone who's a great sales person, engineer, or is a founder, but who is driving everyone around them “nuts.” We can try, but unfortunately, executive coaching usually only works 33% of the time in these cases. You're better off trying to find another spot for them in the organization — or, at the very least, not overseeing your high-potential talent that you want to keep.

It's never a one-way street. Top talent has to assume some responsibility as much as the organization. However, with the scarcity of talent — which will only increase in the next 5 years — Smart Organizations are ones who get out in front of these ten things, rather than wait for their people to come to them, asking to implement this list.

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