

## Retaining Employees without Promotions December 2005

<p>PPS Performance Minute<sup>SM</sup> <a href="http://www.globalpps.com">www.globalpps.com</a> <a href="mailto:sales@globalpps.com">sales@globalpps.com</a> 866-895-0596</p>	 <p>The logo for Prometheus Performance Systems features a stylized globe with red and blue curved lines representing latitude and longitude. To the right of the globe, the word "Prometheus" is written in a large, blue, sans-serif font, with "Performance Systems" in a smaller, blue, sans-serif font below it. The letters "PPS" are also visible in white on the blue part of the globe.</p>
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**What do you do to retain high-potential employees if you can't offer them promotions? This is a challenge that many business face today. Here are a few recommendations that can help.**

### **Alternatives to Promotion**

High potential employees are often focused on the next promotion. This makes it difficult for organizations who can't promote them to retain these employees. Alternatives to promotion do exist. You can give an employee expanded responsibilities and career challenges without promoting them. Special assignments, additional duties, or expanded job scope can all give high-potential employees the challenge they need to stay with the company. It is important to show the employee how these additional challenges are good for their career and will make the employee more effective and more valuable. Your retention efforts will be even more effective if you can link the assignment to the individual employee's individual career goals.

### **Job Rotation Also Effective**

Job rotation can also be an effective alternative to promotion. A good job rotation program will expose the high potential employee to different departments and functions within the company. Even though such a move might be "lateral" and not offer increased responsibility or scope, the knowledge and experience of other disciplines can be a great experience for the employee. It can also be very challenging for the employee who is out of his or her "element." Again you'll have the best retention results by matching the rotation with the individual employee's career goals.

### **Compensation Still Important**

Employee retention is very possible without providing promotions, but you still need to make sure that your compensation system is adequate. If your total compensation package is below market and you are not promoting folks it will be difficult to keep a high-potential employee even with the programs discussed above. If your compensation system is perceived to be unfair or if it is difficult to understand, then again you will have problems. Finally high-potential employees will be best retained by compensation programs that recognize and reward performance more than "time on the job."

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