





---

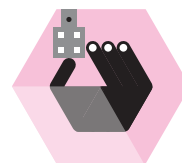
 AUTHOR

---

**Roger L. Martin**  
Former dean, Rotman School of Management



PHOTOGRAPHER  
SOPHIE GAMAND

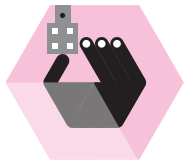


TALENT  
MANAGEMENT

---

# The *Real* *Secret* to Retaining Talent

The subtle art of making  
people feel special



## TALENT MANAGEMENT

### IDEA IN BRIEF

#### THE CHALLENGE

*Unique talent can have a huge impact on the quality of the work an organization produces. So it's crucial to keep your star performers happy.*

#### WHERE COMPANIES GO WRONG

*Many bosses assume that compensation is the solution. But money on its own has seldom retained really first-class talent. Star performers also need to feel special, which means you can't treat them as if they're simply a well-paid cog in your machine.*

#### WHAT TO DO INSTEAD

*A boss should show stars appreciation in three ways: by listening to their ideas, never blocking their growth and development, and taking every opportunity to praise them.*







#### ABOUT THE ART

In her series *Dog Vogue* Sophie Gamand explored the world of dog fashion. Working with New York City pet couturiers Anthony Rubio and Dawn Deisler, Gamand captured the mighty spirit of dog models who strut the city's runways in glamorous outfits.

# Over the past several decades managers have had to adapt to a stark reality:

Individuals with unique talent can profoundly affect the value—and even the nature—of the work their organizations produce. A film studio can make a movie with or without Julia Roberts, but it won't be the same movie. The Green Bay Packers can play football without quarterback Aaron Rodgers—but they will have to run a different offense. If a pharmaceutical company loses its star scientist, it will have to change its research program. If a hedge fund loses its investment guru, it will need to alter its approach to investing.

As the knowledge economy has taken over the business world, people with rare expertise and skills have become powerful—be they corporate executives, research scientists, money managers, artists, athletes, or celebrities. At the same time, technology and innovation have modernized the capital markets, making funding much easier to get and further shifting power from capital to talent. And while the earnings of talent in many domains have skyrocketed over the past four decades, nothing has matched topflight managers' ability to extract value: Steve Ballmer made the vast majority of his \$96 billion fortune by being Bill Gates's first business manager. Eric Schmidt's \$24 billion net worth came from taking the reins of Google for a decade, and Meg Whitman's \$5 billion from serving as eBay's CEO for 10 years.

Such eye-popping numbers have given rise to the belief that star performers are deeply motivated by compensation and that big monetary rewards are key to their recruitment and retention. There is a grain of truth to that. I've met plenty of CEOs who pump up the perceived value of their companies to inflate their stock-based compensation; activist hedge-fund managers who destroy companies for short-term gain; investment bankers who, in the pursuit of big fees, persuade their clients to make unwise acquisitions; and consultants who sell their clients work that they don't need.

Yet that's not whom I'm talking about here. None of those me-first people have the ability or the motivation to make their organizations or teams great for a sustained period. I can say with confidence that in my 40 years of working with people who truly are in the upper echelon of talent, I haven't met a single one who is solely or even highly motivated by compensation. And that brings me to something managers need to know: *Feeling special is more important to talent than compensation is.* As I will show in this article, when it comes to managing star employees, the secret to success is making them feel like valued individuals—not like members of a group, no matter how elite.

I'll begin with the story of Giles.

## GILES'S PATERNITY LEAVE

Thirty years ago, when I was co-running the strategy consulting boutique Monitor Group, Giles was one of a dozen or so most senior members of the firm—what we called global account managers (GAMs)—and a rising star among them. He approached me to ask for paternity leave for his first child, now a fairly standard request but a bit more unusual back then. I readily replied, "Sure, Giles. You're a GAM. At your level you can do pretty much whatever you want. Take as much time as you need."

He said, "OK" and walked off, looking sullen. I was surprised. He had asked for something, and I had given it to him without quibbling or conditions. What was his problem? Then it dawned on me. Giles didn't want to be treated like a member of a group—even if it was the exalted Monitor GAMs. He wanted to be treated like an individual. He wanted to hear "We care about you and what you need. If paternity leave is particularly important to you, we support you 100%."



The result would have been the same—unrestricted paternity leave—but the emotional impact would have been very different: Giles would have felt special, uniquely special.

Since that incident, I have seen the same dynamic again and again. It was because he needed to feel special that basketball icon Michael Jordan famously had his own rules—to the chagrin of some of his teammates. People like him spend their lives striving to be unique. They perform over and above other people. They prepare more; they work harder. They hold themselves to higher standards. They accept the additional pressure that comes with that territory. And that's why Giles was upset. It was jarring at a very deep level to have worked so hard to stand out from everyone else and then get treated like just another GAM—even though that was a position that many top MBAs dreamed of getting.

People like Giles aren't simply doing a job for you. They create outcomes that wouldn't be possible if they disappeared. You can't pigeonhole them into a category and expect

to keep them happy. You have to create unique categories for them, even if that means adapting the rest of the organization. If you don't, you and your star will both suffer, as the case of the football star Aaron Rodgers vividly illustrates.

## THE SAD STORY OF AARON RODGERS

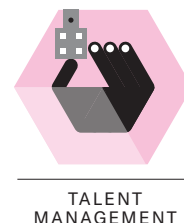
After a stellar 17-year career with the iconic Green Bay Packers, Aaron Rodgers has established himself as one of the greatest quarterbacks ever to play in the National Football League. At the time of this writing he already had the fifth-most touchdown passes in history. His career passer rating, the most comprehensive measure of quarterback effectiveness, was the highest in league history for any quarterback with five years or more of starting play. He had led the Packers in 2011 to their first Super Bowl win in 14 years and been named the Super Bowl MVP. He'd been the NFL's MVP three times—tying for the second most often in league history—including during the 2020 season.





The Packers have twice made Rodgers the highest-paid player in the NFL, first with a five-year extension for \$110 million (covering 2015 to 2019) and then with a four-year extension for \$134 million (covering 2020 to 2023). Compensation was not an issue. And Rodgers reciprocated by being the superstar face of the franchise.

But at the NFL draft in April 2020, the Packers' general manager, Brian Gutekunst, traded up to be in a position to pick the quarterback Jordan Love, a potential successor to Rodgers, instead of selecting a wide receiver who would provide more offensive power to Rodgers. According to all involved, Gutekunst never spoke about his plans with Rodgers in advance. That year the Packers didn't draft a single wide receiver, and the sports media kept asking Rodgers about the shallowness of his wide receiver cadre. In a September 3, 2020, interview he expressed enthusiasm for his four top receivers, including Jake Kumerow. On September 4, Gutekunst cut Kumerow, who was immediately picked up by the Buffalo Bills. When asked two months later



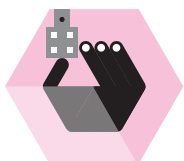
about the prospect of the Packers' picking up a wide receiver at the trade deadline, Rodgers responded: "I truly understand my role. I'm not going to [advocate] for anybody. Last time I [advocated] for a player, he ended up going to Buffalo."

Rodgers went on to have an MVP season and led the Packers to the National Football Conference championship game. But during it his coach chose not to try for a game-tying touchdown with 2:09 remaining on the clock—a decision that sent Tom Brady's Tampa Bay Buccaneers to the Super Bowl, which they won.

In late April 2021 stories began to circulate that Rodgers had decided not to return to the Packers. Rodgers didn't confirm them, but when pushed during an interview in May, he repeatedly referred to people issues in dealing with the Packers' management. He went on to sit out all voluntary preseason activities and a mandatory minicamp. One day before the start of training camp, he finally reached an agreement with the team to return, but only if it subtracted one year from his contractual obligation, enabling him to leave as a free agent after the 2022 season.

In a press conference following his return to the team, Rodgers finally opened up about the source of his displeasure: "The organization looks at me and my job as just to play. In my opinion, based on what I have accomplished in this league, the way I care about my teammates, the way I show up in the locker room, the way I lead, the way I conduct myself in the community, you should [give me] a little more input. *The rules are the same for most people, but now and then there are some outliers, guys who have been in an organization for 17 years and won a few MVPs, where they can be in conversations at a different, higher level* [emphasis added]. I am not asking for anything that other great quarterbacks across the last few decades have not gotten. The opportunity just to be in conversation, so if you are going to cut a guy, based on a meritocracy, who was our second-best receiver in training camp last year for the majority of camp, run it by me. See what I feel. I might be able to change your mind. But at least to be in the conversation makes you feel like you're important; you're respected."

Though Rodgers didn't mention Brady by name, it's hard to imagine that Brady's 2020 season was not on his mind. After a legendary 20-year career with the New England Patriots, Brady had joined the Buccaneers, who unlike the



## TALENT MANAGEMENT

Packers had not been in the running for a title in almost two decades. And yet he led the team to a Super Bowl championship. Along the way he had gotten the franchise to bring in his longtime favorite tight end, Rob Gronkowski, whom Brady persuaded to come out of retirement, and Antonio Brown, a polarizing but supremely talented wide receiver Brady had developed a rapport with during the receiver's short stint with the Patriots.

It's not a leap to imagine that what made the difference in the Packers' close championship loss was that, unlike Brady, Rodgers wasn't given the offensive weapons he wanted. Another case in point: His second-favorite receiver, Randall Cobb, wasn't offered a contract after the 2018 season, his eighth with the Packers. Perhaps it is no surprise, then, that about the time Rodgers decided to return to practice, the team announced it had signed Cobb for the 2021 season. But the expectation now is that at the end of the 2021 season (during which Rodgers faced criticism for breaking NFL masking protocols while unvaccinated) or at the very latest the 2022 one, Rodgers will end his relationship with the only NFL team he has ever played for.

Not everyone has been happy with the new power dynamics in the sport. In a May 2021 interview former Packers general manager Ron Wolf referred to star quarterbacks as "divas" and said, "In my time they were hired to play the position [of] quarterback. That's what they're being paid for, and that's what they're being paid to do. These guys, they want to pick the coach, pick the players."

To be fair, no one has alleged that Rodgers asked to pick either the coach or his teammates. However, he did ask to be treated not like just another player. The consequences of the failure to recognize his unique contributions will become manifestly clear to the Packers at the latest in 2022.

## THE CHALLENGES FOR MANAGEMENT

Giving talent exceptional treatment presents a risk. If all managers who saw themselves as stars had a say in every decision, for instance, it would lead to chaos. And if any manager believes that being a star makes it all right to violate the fundamental norms of an organization, bad behavior will ensue, as the #MeToo revelations demonstrate. So if you run a team of highly talented people, you must find ways to

make them feel special without putting them in charge (or allowing them to break important organizational and societal norms). That's easier than you might think. In fact, extraordinary employees often don't *want* to be in charge. Let's go back to Giles. He didn't want to be responsible for setting policies about leaves. He needed to feel that I, as management, valued him as Giles—not as just another GAM.

If you want to make your stars feel uniquely appreciated, start by following these three "never-dos."

**Never dismiss their ideas.** Talented people invest huge stores of energy and emotion in developing their skills so that they will succeed at the highest level. By the same token, though, they want input into how to apply those skills and further strengthen them. Rodgers's gripe was primarily about not being given a voice in decisions that were key to whether he could lead his team to another Super Bowl victory.

Consider Eric Yuan, who was turned down for a visa eight times before getting one to work in the United States. He also had to overcome a lack of English-language skills to get a job at the videoconferencing company Webex. Once there, he performed in such an outstanding fashion that he helped Webex become the leading videoconference platform and earned the position of VP of engineering at the tech giant Cisco Systems, which had purchased Webex. Yuan saw the emergence of smartphone-based videoconferencing as both a threat to and an opportunity for Webex, and in 2010 he proposed rewriting the platform to make it phone-friendly. According to Yuan, his proposal got no traction at the company. Less than a year later, he left to start Zoom, which has gone on to displace Webex as the dominant videoconferencing application.

Do you have to listen to everything top talent has to say? Of course not. But recognize that talented people don't take kindly to being dismissed out of hand. And they always have options—options that may be highly damaging to you.

**Never block their development.** If a star feels that her way forward has been barred and that she's being made to wait for advancement or opportunity, she will take her skills to an organization she thinks will clear a path for her. But deciding what opportunities to offer top talent and when calls for careful judgment. Star performers will also hold you responsible if they fail because you allowed them to bite off too much. The way to win their loyalty is to enable them to



## Recognize that talented people don't take kindly to being dismissed out of hand. And they always have options—options that may be highly damaging to you.

keep growing and learning—in their own individual way—without making success impossible.

Sometimes that requires you to battle the human resources function, which tends to want to treat people homogeneously and limit opportunities to rigid time frames. I recall getting intense pushback from the head of allocations at Monitor when I wanted to assign a less-seasoned consultant to a senior role on a major case. I was told he wasn't ready and that it wasn't fair to others who had been at the firm longer. I offered to look for opportunities in the future for those I bypassed and promised to take full responsibility for cleaning up any mess that resulted from promoting the consultant. Fortunately, it worked out well and catapulted him into a position that eliminated all questions about his readiness.

**Never pass up the chance to praise them.** In my experience, a real star rarely, if ever, asks for praise—at least not directly. Since your most talented employees are highly driven and intrinsically motivated, it's tempting to assume that they don't need a lot of it and would be indifferent to pats on the back. But just the opposite is true. Extraordinary people spend all their time doing really hard things. They have to regularly flirt with—and actually experience—failure. For that reason they need recognition. Otherwise, they become resentful or sad and drift away from the organization.

The challenge is spotting when they need acknowledgment and appreciation and delivering it in an individualized way. The generic annual "You've had a terrific year" will be viewed negatively, not positively, even if it's accompanied by a sizable financial reward. You have to tie your recognition to your stars' specific accomplishments.

At the Rotman School of Management, where I was the dean, top professorial talent was critical to who we were. We had many excellent professors, but fewer than a handful had a disproportionate impact on our global reputation. I always made sure to give those people pats on the back for things I heard about what they were doing—from favorable articles in the press, to positive student feedback, to the progress of their PhD students.

That was why I had to cringe when a professor friend forwarded me an email that he had received from the dean of his business school. It involved approval for traveling business class. Professors at the school couldn't fly business class unless they received a specific onetime OK from the dean.

My friend, who was one of the school's brightest stars, had recently undergone major heart surgery and wrote to the dean indicating that his doctor had forbidden him to fly coach for intercontinental flights. He explained that he needed to travel to an academic conference in Europe to receive a lifetime achievement award in his academic discipline.

It didn't take a rocket scientist to figure out the subtext of the email: "Hey, dean, you probably didn't realize that I had major heart surgery and despite that, I'm back on my feet and representing the school. And I have just received the most prestigious award in my field." The dean's response, in its entirety? "Approved." Not: "My goodness—I had no idea about the surgery. I'm thrilled you have recovered. And I'm so happy for you and proud for the school on this latest accolade in your brilliant career. Of course you have my approval. And I will let media relations know about the award so that they can do a press release on the day of its presentation. Have a great time, and thanks again for all you do for the school's reputation."

Did the dean in question commit a fatal talent management mistake? I doubt it. But how likely is it that my friend will actively help the dean accomplish the next big thing on his list? Not very. How much time would it have taken to craft an email that made my friend feel recognized and appreciated? No more than five minutes.

**THE REQUIREMENTS FOR** talent management in the modern economy may feel daunting. Star employees can extract huge sums from an organization and, if they jump ship, undermine its ability to succeed. That said, there is a very positive side to the equation. Top talent enables outcomes that otherwise wouldn't be possible—special, tail-of-the-distribution-curve outcomes. If you rely on these people for outstanding organizational performance, you must treat them as valued, unique individuals. Never dismiss their ideas, never allow their progress to be blocked, and never miss the chance to shower them with praise when they succeed. © **HBR Reprint R2202J**



A former dean of the Rotman School of Management, **ROGER L. MARTIN** is an adviser to CEOs and the author of *A New Way to Think* (Harvard Business Review Press, forthcoming), from which this article is adapted.



Copyright 2022 Harvard Business Publishing. All Rights Reserved. Additional restrictions may apply including the use of this content as assigned course material. Please consult your institution's librarian about any restrictions that might apply under the license with your institution. For more information and teaching resources from Harvard Business Publishing including Harvard Business School Cases, eLearning products, and business simulations please visit [hbsp.harvard.edu](https://hbsp.harvard.edu).