



## TrainUtopia

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## ARTICLE OF INTEREST

# HOW TO KEEP YOUR BEST EMPLOYEES

By Michael Masterson

I have often talked about how important "superstar" employees are to the success of any business. And I have encouraged you to find as many of these rare individuals as you can and groom them to take over critical aspects of your operation.

But once you've found them . . . what do you have to do to keep them? Glad you asked.

In past articles, I've made the following points:

- Money is not the biggest motivator for most people, but it can't be ignored either. Pay your superstars at least 10% more than market, but don't overpay them in the false belief that doing so will keep them loyal.
- Without being foolhardy, give them authority. Achievement-oriented people enjoy freedom, power, prestige, and a good challenge. Give them enough rope to hang themselves but not so much that they can hang you too.
- Mix the positive and the negative. Praise your good people, yes. And praise them publicly when it's appropriate. But don't do so programmatically. And don't be afraid to criticize them either.

Most of the best leaders I know violate all of the prescribed rules about treating people. They are demanding, insensitive, critical, and sometimes overbearing. They get away with it because they are also spirited, engaging, charismatic, and determined. Superstars don't need to be coddled, manipulated, or managed. They need a challenge -- and they are willing to accept criticism for their handling of it so long as the criticism is fair.

- Most importantly, give your best people good work to do and a lot of it. The ultimate reward for a superstar is the pleasure he gets from doing a good job. Make his work interesting, complex, and difficult -- and he will stick with it.

I don't think it's necessary to make partners out of your superstars, but it sometimes helps. You have to be cautious here. My tendency in the past was to offer equity too soon, and I've often regretted doing so. The last thing you need is a partner who is no more than another pretty-good employee.

Start by giving phantom shares or profit deals. Then, as the relationship matures and your superstar brings more to the table (including loyalty and potential), add equity -- but a little at a time.

I believe that the fundamental principle governing the relationship with superstars is this: If you care about them and want them to succeed, they will stick with you. If you see them simply as human energy to fuel your own engine, they will eventually leave you.

Remember that along with their many other positive qualities, superstars are smart. They will be able to figure you out. They will understand that in the long run they are better off working with someone who wants them to succeed than with someone who wants them to help build his own career.