



THE CONFERENCE BOARD

**Sustaining The Talent Quest: Getting and Keeping the  
Best People in Volatile Times**

**Highlights of the study co-authored by David Dell and Jack  
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Even in a slowing economy, a majority of human resources executives say attracting and retaining talent remains a big problem. Ninety percent of the 109 surveyed executives say they're having trouble getting and keeping the best people for their organization. Corporate turmoil and limited career opportunities are cited as key reasons for unwanted turnover. But noncompetitive compensation and benefits are also barriers.

While labor shortages in the 1990s were driven by technology skills and initiatives, employers are currently putting a high premium on general leadership competency. For this reason, the quest for top-flight talent has to be the job of everyone within an organization from CEO to junior employee. Even with unlimited funding and resources and the best intentions and programs, HR cannot conquer a turnover problem alone. Success requires a corporate-wide integrated recruitment and retention strategy that can respond quickly to change. Most companies still take a shotgun approach to keeping employees happy, and most still consider their efforts too reactive, especially in regard to retention.

## **Lesson Learned: Four Behaviors That Can Drive Away Talent**

- *Failure to make Talent Supply a Long-Term Strategic Priority*—HR has new technology and tools to address getting and keeping talent, but without corporate commitment from the top and active engagement of HR in the planning process, talent supply will almost certainly be limited to ad hoc clusters of programs and boom and bust cycles of hiring and reductions that waste talent and inevitably cost more.
- *Not Making the Business Case on Turnover* - Business leaders and managers are unlikely to recognize and treat employee turnover as a problem unless they understand how it affects their business. It is critical for HR executives to quantify relevant costs and benefits in clear, concrete terms.
- *Just Throw Money at the Problem*—Employees leave jobs for reasons other than compensation. Even when companies do not rank compensation among the most important factors in turnover, raises or other sweetening of the compensation package are common responses when a valued employee shows signs of leaving. It may be an inadequate response.
- *Organizational Denial*—Employers need to acknowledge that employees' first loyalty is to themselves and then to their craft or professional skills. Organizations need to be aware that the decision to leave or stay turns not only on an employee's career prospects in the present company but also on how it might prepare him or her to move on elsewhere.

It is critical that companies translate turnover into numbers that executives understand, not just because they need to realize the true costs, but also because the solutions are within the managers' domain.

Managerial skills and behavior and job design are all under the control of individual managers and are fairly inaccessible to HR's intervention. Even though HR may spearhead the attack on turnover, it still needs to deputize managers to accept responsibility for their own turnover numbers and any behaviors that may lead employees to leave the firm.

The HR executives surveyed cite five major objectives for which their staffing management approaches strive in the current volatile climate: organizational stability; opportunities for career and personal development; multilevel involvement and accountability for talent; integrated talent strategies; and emphasis on employer brand and reputation.

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## How to Keep the Best Talent

Growing numbers of companies are using the Internet and intranets/enterprise portals to manage at least part of the attraction and retention process. In many cases, the web has become the key to broader outreach strategies, especially for cost-effective access to passive job seekers, college students, and minorities.

E-recruiting provides efficiency in cost and time. It eliminates costly headhunters and other "middle men," and can significantly reduce the recruiting cycle. Even in a down economy, speed matters. Each day of delay in hiring means a loss of potential revenue from that employee. E-recruiting also affords excellent reach. It vastly expands employers' access to some of the most desirable segments of the talent market, even high-level executives.

Online recruiting gathers more information for identifying the best applicants. It is especially valuable for highly competitive campus recruiting. Also, companies who use e-recruiting appeal more to college students as leading-edge and dynamic. E-recruiting also makes it easier and cheaper to gather, track, organize, and store applicant data.

*To read the full report, please contact The Conference Board, [www.conferenceboard.org](http://www.conferenceboard.org), Report #1318-02-RR, Sustaining The Talent Quest: Getting and Keeping the Best People in Volatile Times.*

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