



TenStep Supplemental Paper

25 March 2004

Talent is Worth Fighting For

How does a company keep employees for more than a few months in this highly competitive job market? Besides that, why would someone really talented want to join your organization?

Good talent is worth a struggle. At senior levels of an organization, the ability to adapt, to make decisions quickly in situations of high uncertainty and to steer the company through critical times is imperative. At a time when the need for superior talent is increasing, big companies are finding it difficult to attract and retain good people. Executives and experts are facing a severe shortage of the people needed to run divisions and manage critical functions.

Companies are engaged in a battle for executive talent, and this battle will continue for decades to come.

Employers can win the battle for talent provided talent management in the company is treated as a top corporate priority. The basic question that arises at this point is, "Why should smart, ambitious, energetic individuals work for your company and not the company next door?" Unless the company has a plan for attracting and retaining employees, the chances of winning this battle are bleak.

How can employers recruit, and then retain, great talent? Many companies do have a plan in place, but many more fall short of the mark.

Many companies across the globe are already suffering from a shortage of executive talent. Part of the cause may be cyclical, the result of a strong economy at the peak of its cycle. Having said this, what should keep CEOs alert is the pace at which the number of quality executives is shrinking over the next five years.

One of the main reasons why talented employees choose to stay in a company is the fact that they 'call in rich.' That is, the power of ESOPs can keep employees in one place for at least a few years. With the emergence of ESOPs, the fortunes of many companies have undergone a revolutionary change. ESOPs definitely favor top executives and top talent in the company.