



CIHRM Opinion

Not as easy as ABC: identifying and developing talent

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For companies wanting to excel, the advice as far as people are concerned is straightforward: hire the best. From boardrooms to business schools, you'll hear the same message, and its simplicity is compelling: if people are key resources, it seems obvious that the better you have, the more effective you will be. But follow the logic a little further and the clear picture starts to get very blurry indeed. We argue that all the prescriptions on offer have led to confusion and require us to rethink the big messages. Ultimately we have to ditch the generalisations and get back to the individual.

Every organisation talks about talent and if they are serious, they will talk about the 'war for talent'. For many organisations, this translates into the thought that only 'A' players should be hired and developed. The notion of the 'A' player conforms to many organisation's view of talent. 'A players' are those one who qualifies among the top 10 per cent of those available for a position, with 'B players' the next 50 per cent and a C player below this. 'A players' have a combination of intelligence (above IQ of 130), vision, passion, change ability and other stellar qualities. According to a highly influential work, 'Topgrading', the aim is to fill every position in the organisation with an 'A player' at the appropriate compensation level. Barclays Bank, Microsoft, GE among others are advocates, bolstered by research studies showing that return to shareholders for companies with top talent practices average 22% above the industry mean.

At this rarefied level, individuals are expected to be exceptional performers and exemplify strong leadership and execution skills. Such a profile naturally makes these individuals hot properties who are very valuable in the marketplace; talent strategies are geared to their attraction and retention. Stars with such attributes demand and receive a lot of company attention and resources. Famously, Jeff Immelt, CEO of GE, spends 50% of his time in nurturing the top 200 people in the firm (and knows them all by first name).

The idea of A players has natural affinities with the idea of Alpha individuals, who are highly intelligent, confident people. Estimates suggest that Alphas represent about 70% of all senior executives. Such individuals reach the top in their organisations because they are 'natural' leaders and love to be in charge when major decisions are being considered. Independent and action oriented, Alphas take extraordinarily high levels of performance for granted, both in themselves and in others, and are intolerant of others who are perceived not be contributing as much to the cause as them. Now not all 'A players' are Alphas and not all Alphas are 'A players'. And this is only the start of the blurriness.

For example, an Alphas' quintessential strengths are also what make them so challenging, and often frustrating, to work with. In other words, it may be a good thing to get strong and highly talented people through the door, but that is no guarantee of whether they will be productive, as hubris, destructive competition, unfulfilable expectations and inability to cooperate with team members take their toll. As for A players, looking at the available evidence, two things stand out: there is no guarantee that performing at an A standard is possible over significant periods of time and (ii) identifying A players in the first place is a very difficult process. IQ is not the only determinant of performance; emotional intelligence is also a major element, and not forgetting the crucial requirement of judgement.

We have worked with such individuals and have been impressed with their drive and achievements and their hungry to achieve more. But we have also seen things which undermine the generalisation of supremely confident and sustainably excellent individuals. It is clear that these individuals are not immune to anxieties over their performance and their careers. At this level and for such driven individuals, fear of failure and fear of isolation are real and so too the fear of realising that, once they rise to a particularly exalted level, they are not as brilliant as they thought they were.

Managing a group of 'A players' or Alphas therefore is not straightforward and one which requires delicate handling, primarily through the use of coaching and feedback and the identification of a cause or set of values that such stridently individualistic people can rally behind.

Perhaps the biggest criticism of the focus on 'A players' and Alphas is what it leaves out: specifically the 'B players'. On some estimates this group accounts for 70% of the workforce – the solid performers who have strong firm-specific knowledge and are well attuned to the culture and values. In some companies, talent management stretches to cover this group too, but here the territory has few maps or landmarks. Continuous development and regular pay increases is about all the detail one sees. But evidence shows that B players provide the engine room of the firm and there is clear data that average individuals can be extremely productive. Plus they can be made even better through coaching and development.

Success in talent management depends not on isolating and developing an elite cadre but on choosing a set of solid performers working within an effective set of processes. Strong teamwork, equitable rewards, minimal status differences and not too large a gap between the highest paid and the lowest are all factors well supported by data as bringing effective working to an organisation.

Key issues here are the need to provide meaningful challenges, to keep the possibility of advancement open which will allow slow burners to be identified

Talking of talent in terms of A, B and C has dangers in terms of labelling, the chief among them the potential for self-fulfilling prophecies – if you are labelled average, many individuals tend to live down to this judgement, whereas A players can become narcissistic and self-seeking. In our view, the big prescriptions for talent management provide a useful starting point for debate, but when it comes to effective selection and the development of individuals, then attention to

the individual, their skills, knowledge, attitude, hopes and fears, rather than abstract categorisations, becomes the key to success.

Selected References

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