



ITS ALL ABOUT PEOPLE

STAR PERFORMERS

The big corporate buzz words - skills gap, war on talent, succession planning, recruitment, retention, and performance management - all have one thing in common: They form the basis for an even bigger catchphrase, "talent management."

This phrase when thrown around tends to conjure up an image of our talented employees having the same sort of status as film stars, possessing some rare quality or x-factor characteristics. And just like temperamental big box-office names, they need kid-glove handling, their every whim fulfilled and every need attended to. Nice image but a bit far off the mark. Our talent in the workplace is usually not necessarily that glamorous or exalted. It can be found equally in the computer nerd in the IT department or the mechanic in the workshop. Yet, when you mention talent management to most managers they think it's all about making sure their management graduates and senior managers are kept warm with the corporate equivalent of the stretch limo and the star dressing room whilst the others are treated like lowly extras, left out in the cold, eating on the catering bus.

Managers often ask recruiters to bring them the best talent they can find. And we usually admit that the quality of the hire is the most important metric and that it is tied directly to the kind of talent that can be attracted. And while the term "talent" is bandied about, the client, and often we ourselves, have no real definition of it. For many recruiters, talent is synonymous with "anyone who says yes." but that's a dubious recruitment and management philosophy. For others, it is any hire that stays for six months or a year and for still others, it is one that a manager finds satisfactory but both of these can only be assessed in hindsight.

I think we should define "talent" as those employees whose contributions are vital to our ability to produce our product or deliver our service. Excellent talent then refers to those who produce an above-average amount of our product and poor talent means those who do much less than average. This widens the net considerably and hopefully changes our paradigm of talent in the organisation.

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According to a year long study conducted by a team from McKinsey & Co. - a study involving 77 companies and almost 6,000 managers and executives - the most important corporate resource over the next 20 years will be talent: smart, sophisticated business people who are technologically literate, globally astute, and operationally agile. And even as the demand for talent goes up, the supply of it will be going down.

The McKinsey team is blunt about what will result from these trends: Its report is titled "The War for Talent." The search for the best and the brightest will become a constant, costly battle, a fight with no final victory. Not only will companies have to devise more imaginative hiring practices; they will also have to work harder to keep their best people. This is where astute talent management comes in. Talent management refers to the concept of bringing together the functions of recruitment, selection and assessment, learning and development, performance management, workplace planning, and compensation as a strategic function.

In the new economy, competition is global, capital is abundant, ideas are developed quickly and cheaply, and people are willing to change jobs often. In that kind of environment, says Ed Michaels, a McKinsey director who helped manage the study, "all that matters is talent. Talent wins."

The update also found that the companies doing the best job of managing their talent deliver far better results for shareholders. Companies scoring in the top quintile of talent-management practices outperform their industry's mean return to shareholders by a remarkable 22 percentage points. Talent management isn't the only driver of such performance, but it is clearly a powerful one.

Senior managers report that "A players"—the best 20 percent or so of staff—are capable of sufficiently compensating for the 80 percent of average performers in raising operational productivity, profit, and sales revenue. And if you do the maths you can see what it means to have that group of people in your business – one fifth of your workforce producing quantifiably more than everyone else - see what that does to your bottom line year in and year out.

To prepare for this skills gap, many companies are exploring new ways to optimize the talents of their workforce, develop future leaders, and retain high-potential employees – well, the ones who are serious about the future and recognise that success is likely to be determined less by the financial strength of the company or its technological capability and more by the quality of the people interacting with the customers both internally and externally.

The reality in Botswana may however be a bit different. While many companies are able to attract talent into the organisation these talented individuals are soon disillusioned when the rest of it doesn't work (succession planning, retention, development and performance management) So what good is hiring quality talent if they're back out of the door before their ink on their business cards is dry?

So my message today is clear. Stop thinking that talent is stellar and that it lies at the head of the organisation. It's all over and it's about those people who add real value to the business and how you manage them within the business in terms of their career and all-round experience. In mediaeval times the word talent referred to a sum of money and that money is your bottom line. So do yourself a favour – identify your 20 percent, be they managers or mundane drones, and treat them like the stars they are so they don't decide to take their box-office attraction to another studio.

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