



## Star quality

**By Stuart White**  
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The big corporate buzz phrases – 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." Given the plethora of reality talent shows on our screens these days, this phrase tends to conjure up an image of our gifted young guns having the same sort of status as winning television stars, possessing some rare quality or X-factor characteristics. And just like temperamental big box-office names, they need personal agents, not HR agencies, to place them, ready and willing to fight for every salary pula and perk, their every whim fulfilled and need attended to.

Nice image but a bit far off the mark. Talent in the workplace is usually not necessarily that glamorous or exalted. It can be found equally in the geeky computer nerd in the IT department who single-handedly keeps your e-commerce functioning or the petrol-headed grease monkey in the workshop who can maintain the entire fleet with a screwdriver and a roll of duct tape. Yet, when you bring up the subject of talent management to most managers they think it's all about making sure their high-flier management graduates and senior managers are cosseted with the corporate equivalent of the stretch limo and the star dressing room whilst everyone else in the organisation is treated like a crowd-scene extra, left to grab a lunchtime sandwich on the communal 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 whom 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 what constitutes talent in the organisation.

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, with a heavy hint in the title - "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, 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 optimise 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 the financial strength of the company and its technological capability are defined and shaped 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 is missing - succession-planning, retention incentives, 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 has dried?

So my message today is clear. Stop thinking that talent is stellar and that it lies at the head of the organisation. It's found throughout 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 Biblical terms, the word talent refers to a sum of money and money is still your bottom line. So do yourself a favour – identify your 20 percent who are carrying the other 80, 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.

Agree or disagree with this? Don's twitter amongst yourselves – tweet your chirps to [http://twitter.com/Stuart\\_Botswana](http://twitter.com/Stuart_Botswana)

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