

# TALENT MANAGEMENT AND HIGH PERFORMANCE ORGANISATIONS

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With boards concerned about the availability and quality of relevant human resources it is not surprising that talent management is a preoccupation of many senior personnel practitioners. The importance of people has long been recognised in the speeches of chief executive officers and alluded to in corporate Annual Reports. Is “talent management” another management fad? Will it go the way of other fashions as new priorities emerge, or will it have a significant impact upon future performance?

A new report suggests that for many organisations the challenges which talent management seeks to address are real and pressing, but the approaches they adopt ensure their efforts are doomed to disappoint (Coulson-Thomas, 2012). A practical and much more affordable way of quickly achieving multiple corporate objectives and measurable benefits for both people and organisations is often being overlooked.

## DISADVANTAGES OF PREVAILING APPROACHES

The evidence presented suggests many boards should question the approaches, initiatives, and programmes being adopted to create high performance organisations (Coulson-Thomas, 2012). Many talent related, change and transformation activities are general, expensive, time consuming and disruptive. By the time they deliver, commissioning organisations may face very different challenges and opportunities, and requirements may have changed.

Even where fundamental restructuring or re-organisation is thought necessary, there may be implications for relationships with customers, suppliers and business partners to address. Opportunity costs can be high when people are distracted with internal matters. Changing a corporate culture, attitudes, processes and ways of working and learning with some approaches can take years and strain corporate finances.

‘Internal communications’, ‘engagement’ and ‘management of change’ programmes suggest the merits of many corporate initiatives may not be immediately apparent to those who are expected to implement them. Similarly, the efforts being devoted in many organisations to motivating people suggest these initiatives are incomplete, while describing a project to put in a new computer system as a ‘transformation programme’ can create unrealistic expectations.

The status quo is supported by suppliers of expensive support services who suggest the ‘complexity’ of what needs to be done justifies the requirement for high cost experts and consultants. However, what if there were a simpler approach and it were possible to get many more and average people to understand and excel?

## PROBLEMS WITH CONTEMPORARY TALENT MANAGEMENT

Many approaches to talent management are unaffordable. Companies engage in bidding wars to recruit people considered especially talented or high fliers. As the supply of identifiable and deployable talent dries up, organisations move on to compete for those thought to have ‘potential’ in an uncertain future. With training inputs quickly forgotten, building talent internally may not be considered a viable alternative within an acceptable timescale.

Yet an examination of Wall Street analysts by Boris Groysberg (2010), suggests individuals identified as very talented may not necessarily perform at the same high levels when lured elsewhere by increased salaries. His findings suggest consciously buying high performance

can be expensive, as a star in one context may not do so well in another. They strengthen the case for focussing on a particular context, for example by putting the right support in place to create a high performance team.

## TALENT AS A CHALLENGE AND AN OPPORTUNITY

Having talented individuals on the payroll is one thing, leveraging their capabilities to secure competitive advantage is another (Lawler, 2009). Talented people may not only be costly to recruit, they can be difficult to manage and retain. Colleagues might feel threatened by them or alienated by their special treatment. They may appear prima donnas, obsessed with building their CVs and personal careers. Some may become bored and discontented when given tasks they feel are beneath them.

Clever people need to be appropriately managed if their full potential is to be realised (Thorne and Pellant, 2007; Goffee and Jones, 2009; Groysberg et al, 2010). Yet just focusing upon them can result in other possibilities being missed. Certain people who may not stand out, might excel at particular activities and tasks, and maybe performance support could enable them to 'push the envelope' and help others to emulate what they do differently (Coulson-Thomas, 2007 and 2012).

While some of the qualities and talents that people have might be transferable, an exceptional talent in one area may be found to be average in another. What often count in competitive situations are the skills employed in a particular job, especially a job that has a disproportionate impact on the bottom line.

## BENEFITING FROM HUMAN CAPITAL

In short, fortunes can be spent on expensive people who are not engaged, effectively used, or appropriately supported. Sometimes even when effective use is finally made of a talented person, the individual gets headhunted by a competitor, and another organisation reaps the benefits of a selection, recruitment and development process.

Staff turnover remains an issue for many organisations and various retention strategies are employed (Allen et al, 2010). The emphasis sometimes given by various players to recruiting talent can increase churn within a particular marketplace.

In contrast, helping and developing existing workgroups can aid retention and increase the extent to which an individual firm benefits rather than organisations in general (Gathmann and Schonberg, 2010), by providing particular task support, sharing good practice and aiding retention (Coulson-Thomas, 2012). Its greater cost-effectiveness can also reduce the size of organisation that can benefit from investment in human capital (Antonelli et al, 2010).

## HORSES FOR COURSES

Companies use various means of assessing and managing 'talent' (Smilansky, 2006; Davis, 2007). While guidance on identifying an organisation's 'best people' may be available (Stuart-Kotze and Dunn, 2008) an individual who shines in one context may struggle in another. Even superstars can have areas of deficiency. Focusing on particular jobs and tasks makes it easier to identify high performers. Support provided can incorporate critical success factors and the winning ways of peers with similar responsibilities.

Investigations of critical success factors for key corporate often find highly talented people with outstanding qualifications tackling particular tasks in a 'loosing way', while people with fewer credentials undertook similar tasks in a more effective way (Coulson-Thomas, 2012). Success depended mainly upon whether or not, and to what extent, critical success factors were in place and work was done in a winning way.

The implications are particularly stark in an area such as bidding for business. In certain fields, all major contracts are put out to competitive tender. Success at submitting winning bids can determine whether or not a company survives as a main contractor. Rejected proposals can waste resources, and the more successful a talent management team is the more qualified any people being made redundant might be.

## A MORE COST-EFFECTIVE ALTERNATIVE

Is there a more affordable approach which can improve results by taking people as they are “warts and all”? Is it possible to build a high performance organisation with the people we have - “bog standard” or average people who do not cost ‘an arm and a leg’ to recruit and retain? Can this be done in such a way that delivers quantifiable benefits and multiple returns on investment within a few months?

If sensibly applied an alternative approach could prevent the gulf between aspiration and achievement that has so often been experienced (Coulson-Thomas, 2012). Early evidence from pioneer adopters suggest it represents a more focused, relatively quick, and very cost effective way of securing extremely large returns on investment and simultaneously achieving multiple corporate objectives.

The approach brings together different elements, from helping people to understand complex areas and making it easier for them to do difficult jobs, to providing support on a 24/7 basis to people wherever they may be, including across a global organisation. It is relevant to small ventures as well as large organisations, applicable to public as well as private sector organisations, and can contribute to the creation of flexible, adaptable and high performance organisation.

The approach can boost the achievements of average performers and facilitate the flow of work and opportunities around the globe. Pioneers have built critical success factors into processes for key activities and adopted cost effective ways of helping people to emulate the winning ways of high performing superstars (Coulson-Thomas, 2007 and 2012). Transformed workgroup productivity and corporate performance have delivered commercial success as well as personal satisfaction for individuals.

## IMPLEMENTATION OPTIONS

There are different ways of delivering the recommended approach. Putting missing critical success factors in place, and adopting more effective practices, following a review of areas such as bidding and account management, has had a dramatic impact. Some companies have become many times larger within a few years. Simple checklists on paper or on screen can have an instant impact (WHO, 2009). Longer checklists found in some codes, definitions of standard competences and methodologies may not do the trick, but short ones that capture the critical success factors and winning ways required in a particular situation can be very effective.

Small groups in particular places can be reached by personal intervention. In over 100 organisations people quickly adopted a more effective way of doing a job once they realised this would make it easier for them to succeed (Coulson-Thomas, 2012). Most of them wanted to do well, and the reduction in stress and other benefits that resulted was a bonus. In many cases, a few days consultancy led to a significant impact.

When larger numbers of people doing more complex tasks in a variety of locations have to be simultaneously engaged, and the drawbacks of traditional training and dissemination are encountered, technology enabled performance support may be relevant. Applications have shown it can be very cost-effective, and that focusing less on highly talented individuals and more on the support needed to undertake key jobs can improve the achievement of corporate objectives (Coulson-Thomas, 2012).

Delivery needs to be appropriate for the situation, whether by personal intervention, a simple checklist or more sophisticated tool, but the first requirement is to understand the relevant building blocks of the cheaper and quicker approach. More successful adopters choose the most appropriate elements to deploy in a given situation.

## EVOLUTION OR A CHANGE OF DIRECTION

For some organisations and HR teams, the recommended approach might represent a next stage, or be seen as a change of focus or emphasis, or as a better way of addressing certain challenges and delivering particular objectives (Coulson-Thomas, 2012). It can improve performance and effectiveness in core areas of the work of an HR team and in a variety of other important activities across an organisation.

Talent Management 2 could represent a possible add on to an existing transformation programme that could leverage other investments that have been made, and achieve a more visible and quicker impact (Coulson-Thomas, 2012). What is being suggested is that existing corporate initiatives be questioned and reviewed, and an alternative and complementary route to creating a high performance organisation explored.

## WARNING SIGNS

Much expenditure and management time is devoted to people, activities, technologies and fads that do not relate to identified critical success factors for competing and winning. In some cases almost every company visited was found to be devoting considerable resources to similar initiatives that would make little if any difference to outcomes achieved in areas covered by the investigation (Coulson-Thomas, 2007).

Some approaches and business services appear to entrench losing behaviours. The reason for this paradox is that many of the companies examined do not appear to be aware of either the critical success factors for certain activities or successful approaches to them. Most companies visited were poor judges of their relative performance in the areas examined, and unaware of the reasons why they are not more successful. The reasons for their rankings may also have been misunderstood.

Many of the companies observed lacked awareness of both who their superstars are and relatively simple and cost effective ways of enabling others to emulate the achievements of high performers. Studies within the research programme suggest a relatively small proportion of people excel at the activities examined, while there is a long tail of barely adequate performance (Coulson-Thomas, 2007 and 2012). Yet the more able are often engaged on similar tasks to those of less competent colleagues.

Training and development activities often focus on what people are not good at rather than enable them to achieve more in the areas in which they excel. People are encouraged to address weaknesses in activities they may not enjoy, rather than build upon their strengths and do what they enjoy doing and do best. Deficiencies revealed by annual assessment questions may not relate to a key job role, while important role requirements may not feature on it.

## UNTAPPED POTENTIAL

The findings of a programme of investigations suggest considerable untapped potential among ordinary performers that might be realised if they could be helped to emulate the approaches of their more successful peers (Coulson-Thomas, 2007 and 2012). In general, the size of the achievement gap between the top and bottom quartiles also suggests large performance improvements could be delivered.

Even high performers could do so much better. In relation to competitive bidding the superstars in the top quartile of achievement are only very effective at less than half of the identified critical success factors (Coulson-Thomas et al, 2003). The findings suggest every company participating in the research programme could significantly boost its overall performance by building more critical success factors into certain processes and adopting more winning approaches in areas of relative under achievement (Coulson-Thomas, 2007).

However, in many companies potential high achievers are held back by procedures and processes that do not incorporate identified critical success factors and winning approaches. Company wide training and standardisation programmes often force the adoption of corporate practices by certain people whose own approaches would have been more successful. In large organisations it is often the case that someone has a better way of operating than the approach suggested in the corporate manual.

## EXTENT OF OPPORTUNITY

A survey by Hewitt Consulting of 240 organisations (Warren, 2008) found that “most of the companies surveyed are failing to see an adequate return on their investment in talent management” and “many HR functions have yet to demonstrate the true value of the talent management processes and programmes that have been developed over the past decade”. A third of the participating companies reported revenues in excess of \$10 billion, and almost two thirds had operations outside of the UK.

Many under achievers are unaware of what could be done differently to obtain better results. Despite warning signs, the scale of the upside potential is encouraging for those who would like to raise their game. Critical success factors for important areas such as winning new and repeat business have been identified, and because they are mainly behavioural there are cost-effective ways of enabling their adoption (Coulson-Thomas, 2007 and 2012). It is possible to liberate and build both ordinary and exceptional talents, and help people to emulate superior approaches.

The recommended approach can benefit the public sector, knowledge networks, and the professions, as well as companies (Coulson-Thomas, 2007 and 2012). In all these arenas people and organisations can benefit from capturing and sharing what high performers do differently, and making it easier for average people to excel 24/7 at difficult jobs wherever they may be. High returns on investment have been quickly obtained by early adopters, and multiple objectives simultaneously achieved.

## LESSONS AND IMPLICATIONS

Investigations undertaken for the new report suggest some key messages for those concerned with talent management. Bringing in exceptional people – even if affordable - can create a host of problems if they are not properly managed, which is often the case. Paying for talented people may make little sense for organisations that cannot harness or capture and share what they do differently.

Talent needs to be relevant to what an organisation is seeking to do and critical success factors for excelling in key roles. There is a proven and cost-effective route to the creation of a flexible high performance organisation in which average people can understand complex areas and excel at difficult jobs, and with appropriate support talent can be built as and when required (Coulson-Thomas, 2012).

One can avoid general, expensive, time consuming and disruptive corporate programmes, and adopt quick, focused, cost effective alternatives that generate large returns on investment, and quickly deliver multiple benefits for people and organisations. Critical success factors for key corporate activities, and what high performers do differently, have been identified and enable 24/7 support to be provided to average performers wherever they may be to enable them to excel at difficult jobs.

## KEY QUESTIONS FOR CORPORATE BOARDS

Directors, corporate executives and organisational leaders should assess whether their current approaches to talent management are affordable, delivering or not delivering, and missing opportunities. They should also consider whether talent management and other initiatives are contributing to reducing cost and/or stress, boosting performance, increasing understanding, ensuring compliance, speeding up responses and learning.

What are the main problems with talent management and how can they best be avoided? Are gaps between promise and delivery inevitable, or is there an approach to building the talent required and transforming performance that is both affordable and relatively quick? Is there a way of achieving a high performance organisation and multiple objectives with existing people and a current corporate culture?

Many organisations fail to reap the benefits of having access to people who excel in certain areas. Is the talent being acquired or developed relevant to corporate aspirations and critical success factors for succeeding in key roles? Is it recognised? Is training and development helping people to build upon natural strengths and become even better at what they excel in? Are exceptional people engaged or bored?

## CONCLUSIONS

Applications examined demonstrate more practical and cost effective approaches can boost performance, cut costs, speed up responses, reduce stress and ensure compliance (Coulson-Thomas, 2012). Both people and organisations can benefit, and exceptional people can have a global impact. They can be helped to become even better and to secure the recognition they deserve.

Public services like healthcare, which impact upon all our lives, can also be transformed (Coulson-Thomas, 2010). Challenges like global warming can be addressed, for example by the use of performance support tools that help people to take more informed and responsible decisions (Coulson-Thomas, 2011). Overall, many organisations are missing a massive opportunity to achieve multiple objectives.

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