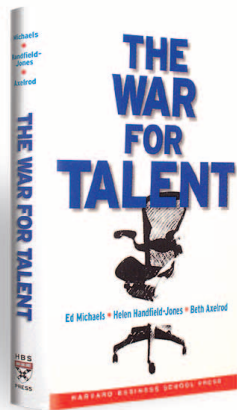




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FILE: PERSONNEL/
HUMAN RELATIONS

By Ed Michaels,
Helen Handfield-Jones and
Beth Axelrod

Attracting, Developing and Retaining Highly Talented Managers

THE WAR FOR TALENT

THE SUMMARY IN BRIEF

The depth and quality of a company's talent pool can determine whether that organization will lead its market and industry, or merely follow those competitors who attract better, brighter, more talented people. What distinguishes high performing companies from merely average performers in this war for talent is not better human resource processes, but the fundamental belief in the importance of talent, and the actions those organizations take to back up that belief.

Based on surveys of 13,000 executives at more than 120 companies, as well as case studies of 27 leading companies, the authors present a five-part approach to managing your organization's talent resources. Economic downturns will not diminish the challenge of recruiting highly talented managers. This summary tells you how to win the ongoing war for talent.

CONTENTS

The War for Talent

Pages 2, 3

Embrace a Talent Mindset

Pages 3, 4

Check Your Talent Mindset

Page 3

Craft a Winning Employee Value Proposition

Page 4

Evolving Your EVP

Pages 4, 5

DoubleClick's EVP

Page 5

Rebuild Your Recruiting Strategy

Pages 5, 6

Weave Development Into Your Organization

Pages 6, 7, 8

Differentiate and Affirm Your People

Page 8

What You'll Learn In This Summary

- **Embrace a talent mindset.** Talent development is the direct responsibility of every successful leader, from renowned CEOs like Jack Welch to the smallest small-market entrepreneur. The war for talent cannot be delegated to HR – every leader in your company must get in the trenches and make a contribution.
- **Craft a winning employee value proposition.** Company leadership must address people management with the same vigor it brings to customer management and with the same commitment to value.
- **Rebuild recruiting strategy.** You must take a proactive approach to finding talent — going out, finding great candidates, and approaching them, regardless of whether they're actively looking for work.
- **Weave development into the organization.** If you don't take an active role in developing your best and brightest talent, you will lose them, and will have trouble attracting great talent to take their places.
- **Differentiate and affirm employees.** To maximize the efficiency of your talent pool, you need to make certain you are differentiating your best managers from your mid- and low-level performers.

THE WAR FOR TALENT

by Ed Michaels, Helen Handfield-Jones and Beth Axelrod

— THE COMPLETE SUMMARY

The War for Talent

In the late 1990s, with the economy burning white hot, companies were scrambling to hire and retain the people they needed to exist and grow in highly competitive markets and industries — but were losing ground to the innumerable dot-com startups ready to take on the world. Many organizations had hundreds of vacancies they couldn't fill, in spite of the signing bonuses, raises, and general coddling of their employees. Even after the dot-com bubble burst and the economy cooled off, this war for talent raged (and continues to rage) on.

Talent is now a critical driver of corporate performance; a company's ability to attract, develop and retain talent has not ceased to be important in the current slow economy. Managerial talent, in particular, is at the epicenter of the war for talent — people with the ability to lead a company or division, guide a production team, or supervise a group of workers are the elements that differentiate great companies from merely good ones.

Why the War Will Persist

There are three fundamental forces fueling the war for talent:

- **The irreversible shift from Industrial Age to Information Age.** When the war for talent began in the 1980s (with the birth of the Information Age), the importance of hard assets — machines, factories, capital, etc. — declined relative to the importance of intangible assets, such as brands, intellectual capital and talent. As the economy becomes more knowledge-based, the differential value of highly talented people continues to mount.

- **Intensifying demand for high-caliber managerial talent.** Companies need managers who can respond effectively to globalization, deregulation and technological advances. Startups and small companies add an additional layer of demand on the talent pool, as venture capitalists increasingly make seasoned managerial talent a prerequisite for investment. While short-term fluctuations in the economy will make the talent market periodically looser, the demand for top managerial talent is still strong, and will continue to be for at least the next two decades.

- **The growing propensity for people to switch from one company to another.** When companies downsized in the late 1980s, the traditional covenant that traded job

security for loyalty was broken. When, in the 1990s, job opportunities surged and information about those opportunities was suddenly abundant and available (via the Internet), old taboos against job-hopping evaporated. It is hard to see what could make employees surrender back to employers the control and responsibility they've assumed over their professional lives and well-being.

Since these structural forces show no signs of abating, it is believed that the war for managerial talent will be a defining feature of the business landscape for many years to come.

A New Approach to Talent

There are five imperatives on which companies must act if they are going to win the war for managerial talent and make talent a competitive advantage:

- **Embrace a talent mindset.** Leaders in the most successful companies believe building their talent pool is a huge part of their job. They have a passionate belief that great talent is required to achieve any aspirations in business. This talent mindset cannot be relegated to HR — every leader in the company must be committed to hiring and retaining the best and brightest employees possible.

- **Craft a winning employee value proposition.** While most companies create a clear, compelling reason why customers should do business with them, few organizations put nearly as much thought into why talented managers should join and stay with them. Company leadership must address people management with the same vigor they bring to customer management.

- **Rebuild recruiting strategy.** It is no longer suffi-

(continued on page 3)

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The War for Talent

(continued from page 2)

cient (or, in many cases, possible) to simply select great employees from a long list of candidates; you must go out and find great candidates. Corporate leaders must focus on hiring at multiple levels, identifying intrinsic skills they need and looking for new faces from new places to bring those skills to their companies.

● **Weave development into the organization.** Every company and every leader must develop people to increase their capabilities, since there aren't enough fully developed managers to go around — and since talented people are inclined to leave if they feel they are not growing and stretching.

● **Differentiate and affirm employees.** The most successful companies differentiate the pay, opportunities and investments they make in people, rewarding their best performers and developing their middle performers in an effort to improve their efforts. ■

Embrace a Talent Mindset

A talent mindset is the deep-seeded belief that having better talent at all levels is how you outperform your competitors. It is the belief that better talent is a critical source of competitive advantage, and the recognition that it is better talent that pulls all other performance levers. Leaders with this mindset don't delegate talent management to subordinates — they commit a major part of their time and energy to strengthening their talent pool, taking bold actions when necessary to see that talent is maintained and grown throughout their organizations.

PerkinElmer's CEO, Greg Summe, took such a bold action immediately upon assuming his mantle at the engineering company. He immediately reviewed the performance not only of his 15 direct reports, but of their respective direct reports — 80 people in all — discussing his reports' leadership capabilities, strategy, results, and the climate they each created.

The conversations were revealing, but simply having them was not enough; Summe had to take action. By the end of his first year, he had reduced the 15 corporate officers to ten, and replaced nine of those ten. In addition, 80 percent of PerkinElmer's top 100 employees were in new positions; half of those people were new to the company. Summe's talent mindset and his quick actions yielded immediate results.

Six Talent-Enhancing Actions for Leaders

Every leader — whether a CEO, plant manager, store manager, etc. — should be asking, "How strong is my team, and what can I do to strengthen it?" Leaders must

Check Your Talent Mindset

Ask yourself what you believe about the role of talent in your business and how talent management fits into your concept of your job:

- ✓ **Do you believe having better people is how you will win in your business?**
- ✓ **Do you believe strengthening your talent pool is a crucial part of your job?**
- ✓ **Do you convince all your managers to make talent a crucial part of their jobs?**
- ✓ **Have you taken the six different actions to push a talent-centered focus deeper into your organization?**

The answers to these questions must be an unequivocal "Yes." Embrace a talent mindset and help ensure that your company has the talent it needs to win in the marketplace.

take six different actions to exert his or her influence and talent-centered focus deeper into the organization:

● **Establish a talent standard.** Sharply define the difference between poor, average and excellent performance, creating the benchmark for evaluation and promotion across the entire organization.

● **Get actively involved in people decisions.** Leaders with a talent mindset must get involved in recruiting and hiring decisions, by ensuring their talent standard is applied and by adding candidates to the list of those being considered. When a vacancy is being filled, the leader interviews the candidates and voices his or her opinion, but lets the immediate supervisor for the position make the final decision.

● **Drive a simple, but probing review of talent.** You must discuss the talent in your company with the same rigor and intensity in which you discuss your company's budget; these discussions result in firm action plans that describe how each unit within the organization will strengthen its talent pool.

● **Instill a talent mindset in all managers, throughout the organization.** Great talent management must happen at all levels. CEOs can make this happen by talking frequently with other leaders about talent issues and by including talent management as one of the leadership competencies the company values.

● **Invest real money in talent.** Many leaders are reluctant to invest aggressively in talent-building activities, often because most companies do not look at such expenditures as investments. Leaders with a talent mindset, however, do invest in such things as new hiring, higher salaries, relocation packages, signing bonus-

(continued on page 4)

Embrace a Talent Mindset

(continued from page 3)

es, and the like.

● **Stress accountability for talent.** Each business unit in your company should set three to six talent pool-strengthening objectives for the coming year, and executive management must measure the unit's success at the end of an agreed-upon period. This fosters accountability, which is the linchpin to deeply instilling a talent mindset and making talent management every leader's job. ■

For more information on talent mindset at General Electric, go to: <http://my.summary.com>

Craft a Winning Employee Value Proposition

The days of having a career simply as a means to provide yourself and loved ones with food and shelter are over. Today, talented people certainly want those things, but they are also imbued with a need to feel passionate about their work, to be enriched and inspired by their companies and leadership. If they are not fulfilled, they will not likely stick around; there are many attractive options out there, particularly for talented managers who understand the value they can create.

Companies that win the war for talent do so in part because they have a solid employee value proposition (EVP) that provides managers with the core elements they seek in a career opportunity:

● **Exciting work.** A great EVP starts with interesting, challenging work that people can feel passionate about. Sometimes, you have to make your business and jobs exciting, by innovating faster than anyone else, launching new products, and creating new challenges on a consistent basis. When shaping your business strategy, think about guiding your company in a direction that would be exciting to highly talented people, elevating your organization's mission to something that inspires passion. Give your employees as much autonomy and responsibility as possible, and encourage the formation of cross-functional teams, so people can get their arms around a business.

● **A great company.** Beyond the work they are doing, managers want to be a part of a great company. They want to like the culture and values, feel they are a part of a well-managed company, and have leaders that inspire them. While different people prefer different kinds of corporate cultures, there are two aspects of culture that nearly all managers are looking for: a strong performance orientation and an open, trusting environment.

● **Attractive compensation.** The price of talent is

going up. Starting compensation for M.B.A. students at the top 25 schools has gone up 36 percent (to \$127,000) in the last four years. Many consulting firms, investment banks, and law firms increased compensation 30 to 50 percent in the late 1990s. These and other figures prove talented managers have greater expectations of what their compensation ought to be; they also have a growing awareness that their contributions directly drive the performance of the company.

However, it's not always money that attracts and keeps the best managers. Reward and recognition for high individual performance was rated important by more managers than the overall amount of cash or wealth they were paid.

● **Opportunities to develop.** Your management candidates know that security does not rest in the corporate nest egg, but in their own skills. Talented people are drawn to companies that will help them develop new skills, knowledge and experiences. This is particularly true of Generation X managers, who watched in the 1980s as their parents were laid off from their once-paternalistic employers. They know in order to remain valuable to an employer (any employer), they must keep their skill sets sharp and up-to-date.

A few more perks, casual dress or more generous health plans won't make the difference between a weak EVP and a strong one. If you want to substantially strengthen your company's EVP, be prepared to change things as fundamental as your business strategy, organization structure, culture and even your company's leadership. ■

For more information on culture and manager satisfaction, go to: <http://my.summary.com>

Evolving Your EVP

Mimi Breeden had a problem. The Vice President of SunTrust (owner of the Publix supermarkets in Georgia) was losing 46 percent of all branch staff and 55 percent of her best performers every year, in spite of repeated increases in compensation.

When bumping up pay didn't work, Breeden dug a little deeper to find the real reasons for the company's turnover problem, and found a bevy of them — her employees didn't like working Sundays; their schedules changed unpredictably; they had no method of feedback to or from management; they also had no clear career path or advancement opportunities.

Breeden went to work. After reviewing customer usage on weekends, she closed all branches on Sundays. She worked with managers to stabilize scheduling, and also to create development plans for each associate, along with instituting 360-degree feedback on all senior

(continued on page 5)

Evolving Your EVP

(continued from page 4)

managers. Breeden also made sure her top performers were nurtured by meeting regularly with her and her senior managers, to hear their needs immediately. Finally, Breeden put into place a compensation program that rewarded associates aggressively for performance.

Eighteen months later, the rate of attrition among in-store employees was down 27 percent, and the rate of turnover among top employees was slashed to below ten percent. Breeden's changes had hit the mark.

This case goes to show that an EVP is not a static thing; companies must keep evolving their EVPs to stay one step ahead of the competition. Sometimes, that evolution is gradual, but sometimes, as was the case with SunTrust, it must happen swiftly. ■

Rebuild Your Recruiting Strategy

For generations, recruitment at most companies worked in a fairly uniform manner: The hiring department would put out the word, and people hungry for work would apply. The company had the power to make the selection; the employees were either selected, or they went looking for work elsewhere.

Today, of course, it's an entirely different game — the balance of power has shifted to talented people. When the dot-com and startup boom happened, companies were finding no one lining up at their gates. This happened at precisely the time when companies needed not just more people, but more talented people than ever before. They tried a number of gimmicks to attract the talent they needed, but found that to really win on the recruiting front, you must do much more.

Organizations recognized and continue to recognize that they must engage in solid recruiting strategies if they want to stay in the hunt for the best and brightest talent. Those strategies include the following:

- **Pump talent in at all levels.**
- **Hunt for talent all the time.**
- **Tap many diverse pools of talent.**
- **Develop creative new channels.**

Pump Talent In at All Levels

The corporate ladder is no longer the dominant image for the way people move through companies. By the end of the 1990s, the cultural model of promoting exclusively from within — a model that had existed since the beginning of the Industrial Revolution — was disappearing. For this reason, some companies have begun bring-

DoubleClick's EVP

A good example of a company that understands the higher expectations of management-level talent is Internet advertiser DoubleClick. When Dwight Merriman and Kevin O'Connor founded the company in 1996, they built a value proposition for employees based on a mixture of non-traditional "new economy" perks (espresso bars and the like) and the more traditional need for those employees to control their own professional destinies. Merriman and O'Connor encouraged people to switch jobs within the company, learn new skills, and take risks. They also gave their people a high degree of autonomy, with the proviso that those people, in return, deliver innovative thinking, great numbers and strong people leadership.

"If managers can't help us attract and retain the best people," says CEO Kevin Ryan, "they aren't doing a good job. Their compensation and bonus will directly reflect their ability to do this."

The compelling and exciting value proposition DoubleClick gives its people has helped it maintain its best and brightest people, even in the face of the NASDAQ plunge. The company recognizes its prosperity is directly related to that proposition and the strong talent pool it has built as a result.

ing talent in at multiple organizational levels:

- **Senior- and mid-level.** Bringing first-rate leaders into mid-level and senior-level positions can provide admirable role models for junior managers. General Electric, for example, recognizes the risks of hiring at higher corporate levels, but the company is willing to assume that risk to expand its corporate gene pool.

Home Depot, long a proponent of hiring from within, searched the world for the top talent they needed to launch major new business initiatives, including home design centers and its Internet presence. The Limited even created an ambitious assimilation program to ensure that new mid-level hires were able to ease into their roles comfortably.

- **Entry-level.** Maintaining a strong pipeline of young talent will help fuel your company's recruitment system for years to come. It also enables you to instill, early on, the culture, values and skills prized by your organization.

Hunt for Talent All the Time

In the past, companies engaged in recruitment activities only when positions were vacated — an approach that worked fine in a loose talent market, but which doesn't cut it in a tight managerial talent market.

(continued on page 6)

Rebuild Your Recruiting Strategy

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Companies need to hunt for talent continuously, to capture people when they (the people) are ready to make a move. This kind of opportunistic hiring can work in any one of three ways:

- **Identify the kind of job a candidate would fit and court that person until one of those jobs becomes available.**
- **Hire people with a specific position in mind, even though the slot is not currently open, giving them special projects to do until the position becomes available.**
- **Create or earmark certain jobs that are suitable for mid- to senior-level hires (such as strategic planning, audit staff, business development, etc.), keeping people in those jobs only for a short while, so they are vacated for the next incoming hire.**

Many companies that engage in such opportunistic hiring find success.

Tap Many Diverse Pools of Talent

In the past, companies looked for round pegs to fill round holes — experienced candidates that filled certain jobs — and knew just where to find them, namely the same few schools, competitors or related companies. As the war for talent persists, this approach will be insufficient for finding enough great talent — you must begin to look farther afield, tapping talent from:

- **Different places.** Consider candidates with the same profile, but from different schools, companies or parts of the world.
- **Different career stages.** Consider talent with the same profile, but earlier or later in their careers (retired people, college students prior to graduation, etc.).
- **Different educational backgrounds.** Consider talent from a different discipline, more educated, or less educated than your traditional profile.
- **Different work experience.** Consider talent from different industries, different types of positions, or even outside business altogether.
- **Different demographic profiles.** Consider talent of a different age, gender, ethnicity, or socioeconomic status.

Develop Creative New Channels

You must target recruitment efforts not only toward people looking for a job, but also those who aren't looking. Two-thirds of managers who switched companies in the last three years said they left their previous job not because they were looking for new work, but because a better offer simply came their way.

Companies need to explore new channels for reaching talent, among them the following:

- **The Internet.** Using the Internet to manage the recruiting process can help you broadcast your company and talent needs to the broadest possible audience, and the most focused demographic, simultaneously. It can also provide you with needed speed, particularly when you must fill positions sooner, rather than later. IT giant Cisco has led the way in Web recruitment, with its Cisco Profiler interface that enables candidates to create a résumé to send to the company. In 1999, Cisco received more than 80 percent of its recruitment prospects' résumés electronically.

- **Databases.** Identify individuals who have the characteristics you're seeking and who might want to work for your company one day. Stay in touch with those people over time, building a relationship with them by keeping track of their information in a database, much as marketers use databases to develop relationships with customers.

- **Personal networks.** DoubleClick has generated hundreds of candidate leads by tapping into the personal networks of its employees, through a referral program that awarded bonuses to employees who brought in new talent. This method turned each employee at DoubleClick into a talent scout. ■

For more information on a hiring success story, go to:
<http://my.summary.com>

Weave Development Into Your Organization

To win the war for talent, companies must place an emphasis on the development of their people. Not everyone in your organization will develop into a superstar, even with the right amount of training and attention. However, everyone can push the limits of what they can accomplish when provided with the right challenges, encouragement, and support they need to succeed. Those organizations that weave development into the fabric of their organization will attract more talent, retain it longer, and perform better in the long run.

Unfortunately, many leaders do not understand how managers grow. While it seems like an easy message to grasp, the authors' survey found that:

- Fifty-four percent of corporate officers said their inability to develop their people into great executives was a huge or major obstacle to strengthening their talent pool.
- Fifty-seven percent of managers believe that their company does not develop people quickly and effectively.
- Managers who feel their company develops them poorly are five times more likely to leave than people who feel their company develops them well.

(continued on page 7)

Weave Development Into Your Organization

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● Fifty-seven percent of managers who intend to leave their employer in the next two years cited insufficient development and learning opportunities as a critical reason for leaving.

To win the war for talent, companies must improve their ability to cultivate the potential of their people. Two ways in which they can accomplish this is to start using job experiences to help drive development and to make mentoring a reality throughout their organizations.

Use Job Experiences to Drive Development

For years, academics and researchers alike have stressed the importance of job experience in developing people, yet many companies under-attend to the critical decisions they make every day on how to deploy people. Organizations can, however, do the following to drive development by using job experiences:

● **Keep the learning curve steep.** Managers need to be assigned to tasks and projects they do not yet know how to do, so that they may be challenged, and experience personal and professional growth as a result of that challenge. GE typically gives its highest-potential people such “stretch” assignments, as does Home Depot. One Home Depot store manager, in fact, noted that he started with the company at age 18, became a department manager at 21, an assistant store manager at 23, and a store manager at 25!

● **Give people different kinds of challenges.** People need not only bigger jobs, but different kinds of jobs, in order to develop to their fullest potential. Amgen’s vice president, Keith Leonard, started in logistics, moved to finance, took an international assignment in the Netherlands, then a posting in sales and marketing, and was finally tapped to head a new rheumatology unit. Although the company enabled Leonard to push himself to see what he could accomplish, it also provided the mentoring, coaching and review he needed to help him succeed.

● **Give people high-octane special project assignments.** Special project assignments — those with specific objectives lasting a few months — are particularly good development opportunities, requiring a variety of skills that your best and brightest personnel should be happy to develop.

● **Continuously stretch the boundaries of current jobs.** Challenge your people to reconceptualize their roles, reorient their responsibilities, and do their jobs as they have never been done before. Remember, the job doesn’t define the individual’s potential in the role; the individual defines the potential he or she will contribute and the direction in which he or she will take the job.

● **Structure jobs to be more developmental.** When designing your organization, consider flattening its structure and decentralizing the work, to provide people with more opportunity to grow and broaden their perspectives of their roles within your company. Johnson & Johnson, for example, has more than 190 operating companies, providing the company with the opportunity to foster an entrepreneurial environment in which its management talent can stretch and develop.

● **Pay special attention to some jobs.** Some jobs are useful in developing future company leaders. When you ask your management talent to start or turn around a business, work outside their home countries, or work in a scope-widening position, you encourage them to develop and grow. The Six Sigma quality program at GE opened up countless growth opportunities for managers willing and able to meet the tough requirements of the highest level of performance, the “Black Belt” level. These positions were more than development opportuni-

ties; they were critical to GE’s performance.

Make Mentoring Happen

A mentor’s job is to nurture self-esteem — not just by heaping praise, but by offering encouragement and

Challenge your people to reconceptualize their roles, reorient their responsibilities, and do their jobs as they have never been done before.

by believing in the ability of the individual to achieve great things. In most companies, mentoring of some kind happens every day, but few organizations have mentoring deeply embedded in their cultures. Many, in fact, question whether mentoring can be truly institutionalized.

The leadership of Arrow Electronics asked themselves that question a few years ago, and the approach it took to mentoring serves as a solid template for other companies facing the same uncertainties.

● **Carefully assign mentors.** Arrow has a number of programs to formally assign mentors, including the Worldwide Mentoring Program tailored for top managers. Senior management takes a hands-on approach to this program, carefully matching mentors and mentees.

● **Explicitly assign duties.** In addition to the process for choosing a mentor at Arrow, many of the functions of the relationship are prescribed. For instance, Arrow explicitly states that mentoring pairs should meet once a month, and suggests topics that might be discussed.

● **Follow up with mentees.** Mentors make special

(continued on page 8)

Weave Development Into Your Organization

(continued from page 7)

trips to talk with mentees, and check up on them regularly through other communications as well. One mentor even sets her Palm Pilot to remind her to contact her mentees on a regular basis.

- **Enable multiple programs.** Each business unit at Arrow is free to decide if and when it wants to start a mentoring program, and each is given latitude about the design of its program.

- **Note the benefits.** Arrow has learned that its mentoring programs are a good way for the company to keep in touch with its key employees. They also give people in Arrow's far-flung offices a way to personally share in the company's values and leadership philosophy. They also found that learning is reciprocal — Arrow's mentors often get as much out of their relationships as their mentees. ■

For more information on how managers grow, go to:
<http://my.summary.com>

Differentiate and Affirm Your People

In the struggle to be fair and compassionate leaders, many would prefer to think of all colleagues as equally talented, and to treat them all the same. However, in reality, some perform better than others. It thus becomes necessary to differentiate the people in your talent pool, then balance that segregation by affirming those people, recognizing them for their contributions.

Assess People's Performance

Differentiation entails assessing the performance and potential of your people, then giving them the commensurate promotion, compensation and development opportunities. It means investing in those people who consistently deliver results and inspire others (your "A" players); affirming and developing solid performers who meet expectations but have limited upward mobility (your "B" players); and acting decisively to raise the performance of or to remove your employees who deliver barely acceptable results (your "C" players). These distinctions have their origins in wartime actions, and are likewise valuable in the war for talent.

Show Your Appreciation

Affirmation, on the other hand, means making people feel appreciated, recognized and valued for playing their unique roles in your organization. Affirmation helps drive an individual's performance and job satisfaction, enabling you to keep morale and productivity up, while

showing your appreciation for the efforts made on your company's behalf. Even C players need their self-worth affirmed — through recognition of the strengths they can leverage, even if they're being shifted to another role.

The A-B-Cs of Talent Management

To effectively balance your A, B and C players, you must do the following:

- **Invest heavily in the A players.** Identify your best and brightest talent, find out what they would most like to be doing, and shape their career and responsibilities in that direction. You must accelerate the development of these A players as much as possible, both to help retain them and to maximize their ability to contribute to your company. Make sure they regularly receive candid, affirming performance feedback, and compensate them in a manner commensurate with their contributions.

- **Grow the solidly contributing B players.** B players may not stand out like A players, but without them your company would be paralyzed — they occupy 60 to 70 percent of your talent pool. With B players, the object is to increase their capabilities, energize them and retain them with appropriate investment. To do so, consider the following:

- Show genuine interest and caring for your people and tell them they are valued.
- Listen carefully and attentively to what they have to say, internalize that information and respond thoughtfully and respectfully.
- Praise their distinctive strengths, finding things they do well and telling them — and others — about them.
- Recognize their accomplishments with new opportunities to enable them to grow.
- Demonstrate your trust in them by giving them space to make decisions and take actions that are consistent with their potential.
- Pay them well for their contributions.

- **Act decisively on C players.** When C players are kept in leadership positions, they cost your company an enormous amount — they make bad bosses and lousy role models, and tend to attract other substandard performers like a magnet. Part of that is due to insecurity. "Bad managers hire very, very bad employees," notes Netscape founder Marc Andreessen, "because they're threatened by anybody who is anywhere as good as they are."

Managers who are A performers create much more value for a company than C players — 80 to 130 percent more, according to the authors' survey. Replacing even half of your C players with A players can have a major impact on your organization. ■

For more information on the origins of A, B and C players, go to:
<http://my.summary.com>