



HARRT AT UCLA

New Frontiers in Talent Management

Speaker:
Doug Rath
Chairman, Talent Plus

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by Sarah Stuart and Matthew Thueson

The concluding session of the 2006 Retreat was led by Doug Rath, Chairman of the consulting firm Talent Plus. Introduced and recruited by Ed Eynon, Doug Rath takes a talent-based approach to managing talent in which strengths are emphasized. Mr. Rath's goal is to remove bias and subjectivity from the selection process, and to convince organizations to identify talent. His philosophy centers around the individual, and around employees utilizing their unique talents to benefit an organization.

Talent-Based Organizations

In discussing talent among employees, Mr. Rath stressed the importance of building talent-based organizations. He shared statistics from McKinsey's "War for Talent" research project, in which 93% of respondents believed that managers should be held accountable for the strength of the company's talent pool. However, the same study indicates that only 3% of companies actually hold managers responsible. Similarly, only a small percentage of managers stated that their companies can identify high and low performers.

The concept of a talent-based paradigm was also discussed. Traditionally, organizations have held to the idea that with the proper experience, skills, and training, any employee is capable of excellence. Therefore, managers tend to rely on standardized measures and performance evaluations. In contrast, Mr. Rath introduced the talent-based paradigm, in which individual treatment and the diversity of talent play a larger role. Under this paradigm, the selection and promotion processes focus on each candidate's talent for the position in question. Individual evaluation and recognition replace traditional performance evaluation methods, and organizations enable workers to exercise their individual talents.

Talent should be identified during the selection process, and it should also be cultivated afterward. According to Doug Rath, it is vital to continually ask employees what is important to them, and to look for talent within each worker. As Mr. Rath stated, “If you want to become a talented organization, everyone should be recruiting talent.”

Human Investment Planning

Mr. Rath further argued that “the bad employees are chasing away the good ones.” In the tradition of “the squeaky wheel gets the grease,” many managers spend their time coaching low performers. This practice sends a message to employees that the company rewards weak performance. Mr. Rath suggested that managers instead spend the majority of their time with high performers, where the payoff is. He indicated that the difference between a top and bottom performer is estimated to be \$12 million; on average a 100% to 400% difference.

One of the most common reasons employees leave a position is that they do not feel valued. If organizations wish to retain talent, management must recognize the strengths of their top performers and spend time with them. Talented leadership is needed to manage talented workers.

Strength Management

Measuring performance can have a significant effect on productivity. As Mr. Rath stated, “What gets measured is what gets done.” Goals that are emphasized and evaluated are viewed by employees as important, leading to a greater focus on the measured tasks. In this way, measurement improves performance. A survey conducted by the Corporate Leadership Council shows that when evaluating workers, highlighting employees’ strengths has a greater impact on performance than correcting weaknesses.

Mr. Rath stated that failures do not necessarily indicate weakness. He said that instead of focusing on failures, these failures should instead be used to determine how to best utilize the strengths employees possess. He also hypothesized that some failures reflect a poor match between the worker and the project.

Although improvements could and should be made, performance reviews emphasizing individual strengths drive higher performance than reviews focusing on personal flaws. Current performance reviews tend to de-motivate, emphasizing what is not done well. Members rallied to this point, underscoring that there is strong support for a “better way” of conducting performance evaluations.

The talents of individual employees contribute to the overall strength of any organization. Mr. Rath encourages companies to shift to a talent-based paradigm in order to retain the talent that already exists within the organization. Managers must learn to play to the talents of their employees and help develop their potential. Companies that choose to recognize and reward their most talented workers will see higher retention and greater productivity.

The Human Resources Round Table (HARRT) at UCLA is a network of academics and senior human resource executives representing the most prominent employers in Southern California. HARRT meets quarterly to examine contemporary issues and trends related to the strategy, scope, and leadership of HRM. More information can be found at www.harrrt.ucla.edu.