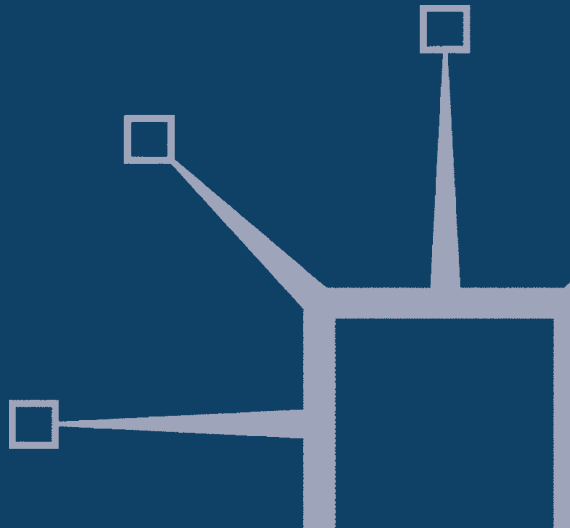


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THE TALENTED MANAGER

67 Gems of Business Wisdom

Adrian Furnham



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"Adrian Furnham is one of the most prolific academics in the world, but his most exceptional talent is his ability to do research that appeals not just to academics but also to business and laypeople alike. In this collection of essays, Furnham covers an impressive list of hot management topics in an authoritative yet engaging way. Indeed, the author injects humor and science into a world so often dominated by clichés and pop psychology. There is probably no other management scientist so well equipped with facts, research evidence, and many years of business experience at the top of the game. Generations of consultants and managers will appreciate this masterpiece." – **Tomas Chamorro-Premuzic**, *New York University, USA*

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*For my clever and elegant wife, Alison
and my charming and handsome son, Benedict*

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Preface

I really enjoy scribbling. Good thing, I suppose, as I am an academic and that is part of the job description. But being an extrovert (who speak before they think in order to find out what they are thinking), I enjoy writing to find out what I really think about issues. I hear odd phrases that attract my attention and note them down. Then, in an airport lounge or on the beach, I get them out and ponder what they mean. These may result in the sort of 800–1,000-word essays that appear in this book. This explains, partly, why they are a little quirky. Most are about the odd ideas that float about in offices around the topic of what one might loosely call work psychology.

I also enjoy reading, but that is a bit of a busman's holiday for an academic. I don't read novels, but business magazines ... and I even enjoy trashy management and self-help books, mainly when I'm travelling. They are a source of amusement and interest.

When people find out you are a psychologist there are a number of typical reactions. Some people walk away immediately, believing you are going to perceive or even perhaps expose some hidden secret, weakness or foible. Others challenge you by claiming, somewhat defensively, that isn't psychology/psychiatry just pure unscientific bunkum, dangerously misleading pseudo-science or only common sense? It's not worth an argument, so best to retreat ... which, after all, was probably their aim.

The third reaction is to try to get free advice about some personal issue considered to be psychological: about their partner or child, or some peculiarity they think they have. I have been asked "Why do I believe I have pretty feet?" and "What is the best way to prepare for going to the dentist?" You certainly encounter some odd questions, which get you thinking about how others see and experience the world.

This book is about talent and the lack of it. It is also about some of the ideas people have regarding the world of management. Some of these pieces have appeared in different guises in newspaper columns, magazine articles and motivational speeches.

I have, as always, various people to thank for their assistance and support. Andrew Lynch, my editor on *The Sunday Times*, has always been kind and helpful. John Taylor and David Pendleton have often given me good ideas. But, of course, and as always, it is Alison who gives me the best feedback. She uses what psychobabblers call *tough love*: that means

giving it to me straight. If an idea is unsound, the style turgid and faltering, the logic weak ... or the topic simply boring, I get to know pretty fast and pretty clearly. Call it peer feedback or whatever, it was Alison who told me this joke: “Question: ‘What is the difference between your wife and a terrorist?’ Answer: ‘You can negotiate with a terrorist!’” At our wedding anniversary lunch every September, which she lovingly calls my annual appraisal, I am given a robust strengths and weaknesses audit, in the vain hope, I suppose, that I might improve.

As always, all infelicitous phrasing, downright libellous accusations, factual inaccuracies and errors of judgment that appear in the book are mine alone.

ADRIAN FURNHAM

Introduction

*If you want one year of prosperity, grow grain; ten years,
grow trees; one hundred years, grow people.*

Chinese proverb

You can't have escaped noticing that "*talent management*" has become a fashionable, Human Resource (HR) buzzword (Gladwell 2002; Martin and Schmidt 2010) – well, "new-ish": buzzwords don't last for ever, and this one may be nearing its sell-by date. Is there anything new in the idea (Silzer and Church 2009)?

In some organizations the Personnel Department (which then became the HR Department) has been renamed the "*Talent Management Department*" (Economist Intelligence Unit 2006). Does that mean everyone is talented, thus making the concept redundant; or is there an equivalent Talentless Management Department who have, of course, a much more difficult task?

With bull markets there is a *war for talent*. Many assumed that there was an under-supply of talented people at all levels, and thus organizations were in a competitive battle to attract and retain, as well as develop, these special, but crucial, people who would ensure, they hoped, that the organization prospered. They were thought of as the new generation, who would be required to lead the organization into the future and ensure its survival.

At the time of writing, in a bear market, there is a *surfeit of talent*; an *over-supply*; and *wasted talent*. Yet it remains unclear *what talent actually is*; whether it needs special nurturing to last; and what it predicts. If talent is not merely a new name for an old construct or set of constructs, what does it comprise? And how does one develop a person into a talented manager?

There are various specific questions for those who are trying to assess and evaluate talent. Here are some issues and questions to ponder:

1. Write down all the synonyms and antonyms you can think of for "talent."
2. Have you ever worked with, or for, a really talented person? How did you know that person was talented? Describe your observations.

3. What are the lessons from the turnover of talented people? Why do talented people leave? Is this good or bad for them and/or your organization?
4. What processes would you put in place to recruit and select high flyers for your organization?
5. Should the list of those who are judged to be talented (or talentless) be kept secret? Indeed, could it ever become secret?
6. Under what circumstances should people who are labelled or nominated as talented be taken off the list and others brought into the talent group? That is, what should be the nature of mobility for talented (and less talented) people?
7. Should you invest more or less time and money into the talent group than those not in this group? If the talented are in some way gifted, should employers not invest more in those who, for whatever reason, are seen to have less talent?
8. Imagine you have a budget of £5,000/\$6,000 and three weeks in total (21 days) to develop your high flyers; what would you do?
9. Do you think it is a sign of being a really talented person that you could trust them to plan their own training and use your budget to realize their full potential?
10. What, in your view, are the three *easiest* and the three *hardest* things involved with talent management?

Which of these issues are you the most/least interested in or vexed by?

Nine-box nonsense

Despite all the hype, the courses and the research-lite business books, most organizations still struggle with the most fundamental of questions: what is talent? How do you define talent, and therefore spot it? Can talent fade? Can ordinary people suddenly become talented?

It is seriously good to be in the talented group because the philosophy of most organizations seems to be “to him who hath, shall more be given.” The talented receive more attention and more opportunities; in short, more time and money is spent on them. That is why people fight to get into the talent group: they are spoiled.

The talented also have one crucial advantage: *reputational head-starts*. These are sometimes, but not always, deserved. The fact that people know

who you are, “one of the chosen,” means many attribute to you positive features that lesser mortals don’t receive.

There are, however, a number of problems attached to having a talent group or talent policy. The *first* is what to call those who are not gifted, talented or special. Are they second-rate, talentless or ordinary? Of course not; but what, then, are they to be labelled? This is why organizations choose names of colors or adopt metaphors for the haloed talent group. They are known as the “Gold Group” or “the Eagles.” This approach never quite overcomes the problem, though. In airlines you fly first, business or traveller: not first, second and third class.

The *second* problem is the stability of talent: can it “go away,” get used up, burnt out? This might mean the chosen ones who were once classified as talented later become reclassified, downgraded. Difficult for everybody, because it could imply an error of classification in the first place. So, it’s rare. Once in, you stay there.

But it is the *third* issue that is probably the most problematic but not perceived to be so. Once the talented people have been found and deployed, the question then is about appraisal and promotion. What do you do with a talented engineer, finance manager or salesperson? Perhaps those whom the gods would destroy are first called talented?

The most common solution is the *nine-box category scheme*. This is based on two ratings: one of *performance* and the other of *potential* (see Figure I.1). The worst outcome is 1–1 (Box 1) – low performance and low potential; and the best is 3–3 (Box 9) – high on both ratings.

There are those most curious of mavericks, of course: the 1–3s or the 3–1s. The former are low on performance but high on potential. But why? Lazy folk? Badly managed? Not found their feet? A desert plant waiting for the wet season? Or what about great performance but no potential? Reached their level of incompetence? Stuck in a rut? Possessing a skill set that isn’t needed any more?

There are numerous issues with the deployment of the nine-box grid. But without a doubt the most important is *who* does the rating and on what *database*. For more senior personnel the scoring is usually carried out by a senior HR manager and some board level management who meet to discuss the merits of the candidate for classification. They may be well-intentioned, but the problems are enormous.

Take the easier of the two ratings: performance. Performance on what? Delivering revenue targets, staff engagement or a change in management ability? All their competencies on a sort of aggregated score, or just their

The performance / promotability matrix

	High	Average	Low
High	<p>⑨ Highly promotable, has significant leadership potential. Exceptional performer – exceeds talented requirements.</p>	<p>⑥ Promotable – at least one level. Exceptional talented performer – exceeds requirements.</p>	<p>③ At appropriate level. Exceptional performer – exceeds requirements.</p>
Average	<p>⑧ Very promotable, significant potential. Very effective performer – fully meets requirements.</p>	<p>⑤ Promotable – probably at least one level. Very effective performer – fully meets requirements.</p>	<p>② At appropriate level. Effective performer – meets requirements.</p>
Low	<p>⑦ Has potential to be highly promotable. Partially meets requirements but needs training, mentoring, coaching.</p>	<p>④ Has potential to be promoted – at least one level. Partially meets requirements. Needs improvement (new in current position).</p>	<p>① Somewhat over promoted. Partially meets requirements. Needs significant improvement.</p>

P e r f o r m a n c e

P r o m o t a b i l i t y

Figure I.1 Performance/promotability matrix

targets for this year? And who does the rating: boss, peers, subordinates or the individuals themselves? The boss has less information, and of a different type than the subordinates.

Frequently bosses have only two types of evidence: reputational data and productivity data. Staff know about competence, emotional intelligence and the like, while peers know about ambition, values and so on.

So the question is, who rates performance? Easy, of course, if there is something measurable, like money, but so much work is less tangible and team-based that it is very difficult to count, so measure ratings have to be made.

Performance ratings need to be conducted by the people who have the data. They need to be trained in rating. And they need to be trained in giving feedback.

But what about rating a person's potential? Potential for what? The next-level job? Strategic thinking? Ability to lead change? Innovation? Even if you were to rate all the above, and more, what are the data like?

What is a *high potential person*? There must be some simple, ubiquitous, but fundamentally important criteria. They need to be bright enough to learn new things and master increasingly technical briefs. They need to be ambitious and confident enough to want promotion. They need to be tough and resilient enough to cope with the stress that the job will bring. They need to be hard-working, conscientious and driven enough to take on the added burden. And perhaps they need to be persuasive, diplomatic and charming too.

At least the above unpacks the slippery "potential" category. It should encourage more reliable and more valid ratings, but again only by those who have the data.

The nine-box category system is crude and clumsy. As things operate at the time of writing, it benefits those who spend more effort on managing up and "reputation management" than on doing a good job.

The fundamental questions

From a management perspective there seem to be a number of important questions:

- *Attracting talent*: This involves the recruitment of talented people, identifying the best methods to assess it and finding ways to persuade

talented people to join the organization. This is essentially a *recruiting and selection task*. This may mean trying to attract people from universities as well as various firms. The aim is to make these especially (and perhaps unusually) talented people favorably disposed to your organization so that they apply for advertised positions. You have to ask (and answer) this question: why would any talented person want to come and work for you?

- *Developing talent*: One of the concepts associated with talent is the idea of the *potential* to rise up the organization to ever more important and challenging jobs. For this, it is thought (even) talented people require particular training, coaching or mentoring. This can, and should, be done on an individual basis as well as on a corporate level through leadership development, succession planning to new job integration and an assimilation initiative.
- *Retaining talent*: This involves keeping talented people once they have been selected. It involves understanding their particular and specific “package” and training needs. They might be motivated differently than less talented groups, and the task is to find how to keep them both happy *and* productive. This question addresses whether they need anything different compared to good management practices and equitable rewards to ensure they stay working for the organization. The issue is one of return on investment: on knowing how to turn a talented employee, into a talented manager, into a talented director and then, even a talented CEO.
- *Transferring talent*: Inevitably, talented people move – they move up the organization (almost by definition); they move to sister companies; they may head up overseas divisions of the company. Furthermore, they leave the organization. It is important to ensure that all issues associated with out-placement, relocation and retirement are done well.

These are all related to the management of talent. Robinson *et al.* (2009) suggest asking some simple questions:

- Does this person consistently exhibit our company values, support our mission, and enhance our culture?
- Does this person’s performance consistently exceed expectations?
- Does this person’s current behavior consistently align with the High Potential Indicators?

If the answer is affirmative, create an action plan to accelerate readiness for advancement, and identify challenging opportunities to test and develop capabilities.

Definitions

Talent management, however, follows talent-spotting and selection. It is therefore extremely important to have a clear, specific and evidence-based definition of the concept of talent so as to know what to look for. Yet, despite the increasing number of books written about this topic, the concept remains unclear.

Talent is, quite simply, not a psychological concept. One approach is to list possible synonyms for talent and talented. These include: blessed; exceptional; experienced; flair; genius; giftedness; high potential; precocious; prodigy; superstar; wonderkid or *Wunderkind*. It is really only “giftedness” that has had any serious academic investigation.

Talent implies the possibility of people becoming more than they are. Silzer and Church (2009) argue that the concept of potential (talent) is all about something existing only in the realm of possibility. It is singular, immutable and context independent, or defined by and brought out only in certain situations. They note that high potential can be defined by role, level, breadth, record, strategic position or strategic area. The two authors analyzed 11 companies’ definitions of talent/high potential and found evidence of six categories, variously defined:

- *Cognitive*: Cognitive ability/complexity, intelligence, navigates ambiguity, breadth of perspective, judgment, insightful, strategic reasoning, tactical problem solving.
- *Personality*: Dominance, sociability, stability, interpersonal, emotionally intelligent, authentic, optimistic, personal maturity, respect for people, self-aware, integrity.
- *Learning*: Adaptability, versatility, learning agility, receptive to feedback, eager to learn, flexible, seeks feedback, learns from mistakes.
- *Leadership*: Competent, inspiring, develops others, brings out the best in people, influential, challenges the status quo.
- *Motivation*: Drive, aspiration, engagement, initiative, energy, risk-taking, power/control, tenacity, passion for results, courage to take risks, commitment to company/impact.