

# The Talent Era:

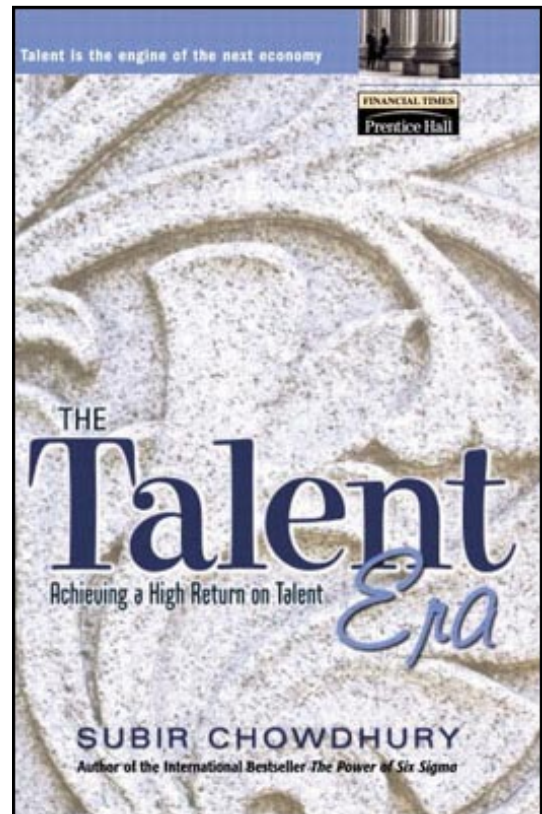
## Achieving A High Return On Talent

by Subir Chowdhury

**T**alent is the true engine of the next economy. Talented people aren't simply "knowledge workers": they're free agents, capable of bringing enormous value to the organizations they are part of. And they know it. Organizations who want to maximize the value of talent need to act in radically new ways. In this book, world-renowned quality strategist Subir Chowdhury presents a powerful new blueprint for recognizing talent, rewarding it, and making the most of it.

### Introduction

**S**ingapore has long recognized the value of Talent. In the civil service, we have tried to attract the brightest and ablest people by offering them scholarships and absorbing them into the Administrative Service. Yet, it is a constant challenge to attract, retain and ensure that Talents add real value to the civil service. Managers also have to grapple with resentment when Talents are promoted quickly and rewarded well. Here, Subir Chowdhury offers his blueprint on Talent and insights in dealing with these concerns.



## What are Talents?

Talents are the relatively few people who contribute the most to an organisation. Typically, the top talents of an organisation represent only 5-10% of the workforce but produce about 60-70% of the intellectual or knowledge value. Talents can be distinguished from knowledge workers by the following criteria:

*“Talent is the engine of the next economy”*

1.	Talents Make and Break the Rules; Knowledge Workers Conserve the Rules.
2.	Talents Create; Knowledge Workers Implement.
3.	Talents Initiate Change; Knowledge Workers Support Change.
4.	Talents Innovate; Knowledge Workers Learn.
5.	Talents Direct; Knowledge Workers Act
6.	Talents Inspire and Lift People; Knowledge Workers Receive Information and Motivation
7.	Talents Make an Immense Contribution and Create Immense Wealth; Knowledge Workers Share in Them.

## How did Talents “arrive”?

The new economy we live in is “ideacentric” and talent driven. Innovative ideas drive the economy, create wealth and change the world for the better. More than before, Talents are indispensable for the growth and prosperity of organisations. In the 1990s, Talents began to understand their real worth - they appreciated that they were “free agents”, willing and able to move to organisations which they felt gave them the best deal.

## Compensating Talents

**T**op Talents should be compensated in line with the value of their contributions. Nonetheless, because Talent can be found at any level, and if a company pays everyone what it pays to keep Talent, it will quickly find itself bankrupt. Hence, there is a need for companies to segment Talents for special treatment separate from knowledge workers.

How does a company reward Talents while not inflating the salaries of its knowledge workers? Chowdhury suggests creating two pay scales for every level in the organisation. The range for knowledge workers would be narrower, reflecting the return on investments (ROI) of those employees. Another level would be determined by the typical ROI of the Talents in that position. Having two pay scales allows the organisation to have greater flexibility while maintaining a level of fairness and order in HR. Management will be able to respond to the needs of Talent without compromising the integrity of the system. Employees could strive to become Talents and secure the upper pay scale.

## What do Talents Want?

**W**hile money is a big factor for some Talents, they also have visions, purposes and values. Co-workers, bosses, work environments and opportunities to make a difference and to win at the game of business attract Talents as much or more than money.

Generally, the top three needs of Talents are:

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| 1. | Coworkers and bosses with whom they can develop mutual respect and trust, learn from, bounce ideas and collaborate with. |
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2.	Freedom from micromanagement. Talents want and need freedom to work, to make mistakes, to learn, to innovate and to pursue the joy of work. Talents need flexibility to work in ways that are most effective, most creative and most comfortable for them. Rather than have narrow job functions, people should feel free to work around.
3.	Freedom from fear. Fear is a strong negative attribute, and instantly repels Talent. Talents do not respond well to command and control management styles. They thrive in an open environment, where they are free to act on the most important things without checking with the boss. On a national level, Talents migrate from oppressive regimes.

## **Treat Your Best Talents Like You Treat Your Best Customers**

**T**he manager needs to think that he/she is continually selling the job to the Talent. There is no guarantee that the Talent will stay long in the organisation. As with customers of products and services, if his offerings do not meet the wants and needs of his Talents, they will seek alternatives. Like customers, Talents seldom return once they have left.

### **Behave Like a Supplier**

Regarding bosses as suppliers and talented employees as customers runs counter to traditional management models, but in the economy of intellectual assets, Talents carry a brand under which they offer their services. So, Talents are suppliers of potential intellectual assets and also customers. In exchange for committing their working lives to an enterprise, they expect a fair return, usually in the form of meaning and compensation.

### **Develop Imaginative Understanding of the Customer Requirements of Talents**

Effective methods for assessing the wants and needs of Talents include surveys and focus groups. The characteristics of organisations that outstanding Talents want to join for life are important, not a survey about how happy or unhappy

employees are.

Chowdhury points out that not all Talents want to be managers. Talents should be allowed to climb upward without necessarily taking on management responsibilities.

Management should also ask Talents what they believe they can do for the company. If it is within the strategic direction of the company, ask them what they need from you and then provide those needs quickly. Delays in service indicate you don't care.

Other vital management approaches include:

- \* Practice and foster a winning attitude for your team.
- \* Allow participative decision-making. Let the people most knowledgeable about the subject and responsible for carrying out the decision make the decision.
- \* Use fact-based decision-making. Talents sometimes pursue feelings, not facts.
- \* Use no-fault questions. Ask what, not who.
- \* Praise in public, pan in private.
- \* Use total honesty, no matter what.
- \* Grant trust readily.
- \* Exude respect to everybody.
- \* Practice and foster the four Cs. Grow through communication, then cooperation, then collaboration and finally commitment.
- \* Focus on process, not results. Process measures are leading indicators; results measures are trailing indicators too late to help.
- \* Foster mistakes. An unusual but effective mistake prevention is to foster rapid mistake making to get mistakes out of the way early.
- \* Foster creativity. Be inquisitive, not inquisitional.
- \* Be a friend, not a boss.
- \* Stay available.

## **Tools for Managing Talent - The Talent Management System**

**C**howdhury outlines a Talent Management System (TMS) to attract, keep, manage and identify Talent for an organisation. The TMS is designed to openly place Talents on an exalted position in an organisation. Chowdhury argues that a careful introduction of the TMS can reduce envy and resentment from the knowledge workers, while possibly spurring other staff to aspire to become Talents.

The following are elements of the TMS:

### **Attracting Talent**

During the recruitment process, the organisation is the supplier, not the customer. The enterprise is trying to sell what it has to offer to a Talent. Talents are attracted to companies that exude a sincere and passionate need for their services.

### **Keeping Talent**

Chowdhury advocates creating a system to measure the Talents' impressions of the company and to respond immediately to any problems and complaints. His Talent Satisfaction Measurement System is essentially a questionnaire asking the Talent to rate his satisfaction with his boss, co-workers and company on a variety of factors.

### **Managing Talent**

Talent must be properly allocated to prevent them from overlapping one another or being used inefficiently. At every level, the management must keep at least one Talent. Talents should be allocated to all critical activities.

Management should also formulate proper contingency plans in case a key Talent leaves. Part of the contingency plan involves encouraging the next-level co-workers of key Talents to share knowledge and strategy and putting them together in critical projects.

Special procedures should be established to track the progress of Talent over time. If an unexpected detour occurs, it is important to determine the causes and solve them.

### **Learning environment**

Chowdhury encourages management to foster a learning environment. Leading corporations typically allow their Talents to spend up to 10% of their time creating ideas and developing them. It is vital that employees are properly compensated for their ideas and to quickly give feedback on them, otherwise they will stop contributing ideas.

### **How to leverage on your Talent?**

1. Teams. Put top Talent with other top Talent in teams and give them challenging and meaningful work to do. Make sure the organisation and its customers value this work.
2. Special projects. A “mission impossible” or high-priority project brings out the best in Talent.
3. Products. Pour top talent into products that can be replicated and widely distributed.
4. Distribution. Seek wide distribution for the work of top Talent. If the world-class work of your top Talent is poorly promoted and distributed, you gain little leverage.
5. Marketing-sales. Use Talent in marketing or sale events, such as featuring them in ads or sales in some way.
6. Advertising-public relations. Make your top Talents bigger than life. Create an image and identity for them.
7. Mentoring-modelling-coaching. Engage willing, mature Talent in high-leverage activities of mentoring, modelling and coaching new Talent.

### **Teaming up your Talent**

In a challenging environment, conflicts of ideas may happen between Talents. If managed properly, the fusion of Talent can result in creative and powerful solutions and cross-fertilisation of ideas.

Seven laws facilitate this fusion of Talents:

1.	<b>Break the Ego Barrier</b> Real Talents learn to suppress their egos because they know that good information and knowledge can come from anybody at any level.
2.	<b>Burn Any Jealous attitude</b> Real Talents don't have a jealous attitude and encourage others to perform their best by sharing good knowledge and information.
3.	<b>Build Trust</b> To build a talented team which works effectively, you have to build trust.
4.	<b>Simply Respect Each Other</b> Real Talents respect each other even if there are differences of opinion.
5.	<b>Focus on Organisational Success rather than Individual Success</b> Real Talents have a sacrificing attitude for greater success.
6.	<b>Share Responsibility</b> Before the decision is made, everybody can argue or criticize. But after the decision is finalised, real Talents don't want to pass on responsibility to others.
7.	<b>Embrace Failures as well as Success</b> Real Talents accept failure, analyse that failure and learn from that experience. They don't blame each other when failure happens.

## Calculating the Return on Talent

Chowdhury introduces the concept of Return of Talent (ROT), which is analogous to the Return of Investment (ROI) and Return of Asset (ROA). ROT is defined as the Net Value of Knowledge Generated and Applied divided by the Investment in Talent. Often, the challenge for management is to quantify the value of the knowledge generated and applied. This value can come in the form of cost savings, sales growth, new product development and so on. If intangible knowledge is generated, measurements must be devised to enable the organisation to understand and determine the value of the Talent.

## CONCLUSION

The civil service already has a TMS of sorts in place. What Chowdhury recommends we adopt is an even more focussed, radical and integrated approach to Talent management. It is certainly worth considering if elements of his TMS can be implemented in the civil service. Post-Enron, it would have been useful for Chowdhury to emphasise integrity and accountability as essential qualities for Talents. Also, it takes Talent (and talent) to attract, keep, manage and identify Talent. Finding and developing such management Talent is vital for an organisation as big as the civil service.

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## Book Details

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