

# Courage in the face of extraordinary talent

## Why talent management has become a leadership issue

Organizations recognize the need to attract and successfully manage talented people, but with the balance of power lying in the hands of the cleverest and most talented, this requires both courage and consideration. Marcus Powell and Guy Lubitsh of Ashridge Consulting discuss the results of recent talent-management research and propose a five-point plan.

**T**ALENT MANAGEMENT HAS moved rapidly up the corporate agenda in recent years. Some regard it as the new holy grail, or the silver bullet, and it's now a central theme driving strategic human resource management. Recognizing the importance of taking a strategic approach, organizations across all sectors are investing heavily in their talent management systems, bringing in new and sophisticated software, undertaking reviews and utilizing assessment centers, devising new development plans and restructuring their approach to career management and succession planning.

In a global survey of over 9,000 executives, the supply of talent was ranked as the most significant managerial challenge.<sup>1</sup> Yet from an individual's perspective there has been a shift away from a psychological contract that provides job security and a mutual employment relationship, towards one where employees have the luxury of picking and choosing employers who offer them the right form of currency, such as work/life balance or developmental activities. Now, as never before, talented people are a force to be reckoned with – and companies ignore their wishes, motives, needs and expectations at their peril.

In this context, the key question remains: Does the traditional approach to talent management have sufficient flexibility to evoke the right responses from the broadest spectrum of talent and, most particularly, from the most talented individuals? Following the recent publication of Ashridge Consulting's research on talent management, in this article we discuss the crucial development of a culture in which "clever" people can flourish.

### Extraordinary talent knows its worth

Rob Goffee and Gareth Jones have coined the phrase "clever" to refer to a distinct group of talented people.<sup>2</sup> They are "the handful of employees whose ideas, knowledge and skills give them the potential to produce disproportionate value from the resources they have available to them." They're the creative people, the innovators and the entrepreneurs – those people that seem to have a sixth sense for spotting and exploiting an opportunity. They are the senior buyer in retailing, the on-screen talent in the media and the eminent medical researcher. They live within the system, yet they are also on the edge of the system.

The emerging psychological contract has undoubtedly shifted the balance of power towards these "clever" people. As Gratton and Ghoshal (Professors at the London Business School) have persuasively argued, companies make a serious mistake if they try to treat highly educated, professional employees as malleable resources. Instead, they should view these people as "mobile investors" in their own intellectual, social and emotional capital. In this paradigm, talented

employees/mobile investors require their employers to also invest in their talents in order to help maintain and enhance their market value.

Because these people know their worth to the organization and will make their own choices with regard to the direction they take in their career, they often do not respond to traditional management approaches. They're often unpredictable in their behavior and responses to leadership, they often do not recognize the traditional tools of management, and they can be disrespectful of hierarchy and scornful of being controlled.

### The paradox of managing extraordinary talent

The individuals whose responsibility it is to "manage" this talent are in a paradoxical position. They are both "in control" and "not in control" at the same time. Specifically, with extraordinarily talented individuals – the proverbial geese that lay the golden eggs of innovation and growth – the key question emerges: How do you ensure that your approach to nurturing this talent produces an effect that is both desirable for the

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organization and at the same time gives the individual the appropriate level of stretch and development?

The recent Ashridge research demonstrates that there's an abundance of different approaches and systems to talent management. However, what most have in common is that they are grounded in the mindset that if the processes are right, the outcome will also be right. It seems that companies and their management systems may well be poorly equipped to respond to increasingly confident and powerful talented professionals.

### The traditional approach

If we look at traditional talent management practices, they are often described as a sequence of rational steps to do with defining talent, recruiting talent, deploying talent and developing talent. They come out of a paradigm that attempts to reduce uncertainty through control. We've seen organizations responding to the unpredictability of extraordinary talent with increasingly sophisticated processes.

Mainstream talent management thinking approaches this unpredictability through the creation of powerful processes, which are supported by the generation of huge amounts of detailed information. This information is intended to reduce the unknowns and to quantify the risks of potential unknowns so that

## ASHRIDGE CONSULTING

Ashridge Consulting is part of Ashridge Business School and specializes in helping organizations in the areas of change, coaching, developing consultants, leadership, strategy and talent management.

decisions can be made about them when they arise. This approach stems from a fundamental belief that order and certainty can be imposed on inherently uncertain and unpredictable situations.

### Having the courage to take an alternative view

It's also the case that a large proportion of individuals relish the illusion of certainty that a structured approach to talent management brings. However, we've seen from our research that some of the most talented people have very different needs. Often they need to leap-frog into positions that really stretch them – they need accelerated development so that they feel rewarded and challenged. From an organizational point of view, there are times and situations that require us to deploy the most talented people into areas that need innovation, entrepreneurial flair and the capability to take the risks necessary for growth.

So here's the real and emerging challenge for the managers of talent. It's our belief that if organizations are truly going to win the war for talent and, in particular, to keep finding, nurturing and developing "extraordinary" people, they must develop a capacity to develop new approaches to talent management. These must respond to those individuals who need the structure provided by traditional talent management approaches, but at the same time they must creatively engage with those situations and people who don't. To work with this paradoxical tension requires courage and an alternative view of mainstream talent management.

### A perspective on talent management approaches

As part of the research undertaken by Ashridge, we suggest an alternative way to categorize the approaches to talent management. The structured and traditional approaches to talent management are often heavily influenced by some of the enduring core beliefs of the organization. They're often deeply rooted, having emanated from the organization's founders, and are so powerful that they're never discussed but are implicitly understood by everyone.

In our research we found that different

perspectives were often present in varying degrees within the same organization. However, we also found that through lack

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## ↓ KEY POINTS

1. Talent management is a key corporate issue in which organizations are investing heavily.
2. Talented individuals have the luxury of picking and choosing employers and have become a force to be reckoned with.
3. It is crucial that organizations develop a culture in which talented people can flourish and increase their market value.
4. Managing talented people means finding new and alternative approaches to nurturing talent that are both desirable for the organization and give individuals enough stretch and development.
5. Ashridge's research highlights five perspectives to managing talent – process, cultural, competitive, developmental and HR planning. These different perspectives are often present in the same organization, resulting in contradictions and dissatisfaction for talented individuals.
6. Talent management processes, systems and core beliefs should be congruent with the aspirations of the organization.
7. Managing talent means having the courage to give feedback, helping the cleverest people understand the impact they have on others, maximizing the flexibility of processes and systems in recognition of the existing tensions, developing the capacity to spot talent, and demonstrating a considered approach that acknowledges the inherent dilemmas in dealing with this diversity.

of a choiceful and strategic approach to talent management, these differing perspectives did not sit comfortably alongside one another and provided contradictions and dissonance to individuals who were increasingly aware of, and prepared to exercise, their own choice. The perspectives are:

*1. The process perspective: Talented management should include all processes needed to optimize people within an organization.*

Companies should put in place systems that enable talented individuals to carve out a successful career in their chosen organization. Talented people will thrive and progress if they meet the competency and performance requirements of the talent management process.

*2. The cultural perspective: Talent management is more of a mindset than a set of activities.*

This perspective revolves around the belief that individuals will succeed if they are talented enough and that their success equates with business success. This is perhaps the least structured approach to talent management and therefore the one most likely to suit creative individuals, entrepreneurs and mavericks. With the absence of rules and processes, especially around promotion, individuals are free to create their own opportunities. In a sense, this approach to talent management has the most drama and risk – individuals have all the rope they need to hang themselves or prove their worth.

*3. The competitive perspective: Talent management is about identifying talented people, finding out what they want and giving it to them – if not, the competition will.*

This perspective flourishes in industries where the most valuable corporate assets are people-based and where intellectual property is everything. Consultancy, public relations, advertising and law firms know full well that if their most talented people leave for a competitor, they will lose not only critical knowledge and experience but also key customer accounts. In the worst cases, if entire talented teams are lost, the market may question whether the firm still retains a core capability.

Finding ways to recruit the best talent and also keep it away from the competition is a pressing concern. Traditionally this approach depends on motivating talented people through financial rewards, but the limitations of this tactic become apparent during serious talent shortages.

*4. The developmental perspective: Talent management is about accelerated development paths for the highest potential employees.*

Organizations want to “lock in” talent by targeting recruitment at entry level to the organization and then developing and promoting from within to maximize career opportunities for high potentials. This perspective comes closest to the old psychological contract in which the employer looks after the individual’s career.

*5. The HR planning perspective: Talent management is about having the right people matched to the right jobs at the right time and doing the right things.*

This approach is generally supported by a very sophisticated IT system, which maps out various different scenario options and future possibilities. People are moved around the company like pieces in a game of chess.

### Extraordinary talent management

As we attempt to take a strategic view of talent management, organizations should be aware of the choices they are making in their approach and ensure that the underlying systems, processes and core beliefs are congruent with the aspirations of the organization. Dissonance and incongruence in the application of these perspectives will lead to cynicism and confusion among the whole population, but particularly among those we regard as the most talented.

So, in this context, how do we practically work within the tension that exists between the traditional approach to talent management and the requirements of some of the cleverest people?

### A five-point plan

We suggest the following five-point plan for managing talent in organizations:

*1. Develop a culture that encourages feedback.*

We noticed another important leadership dilemma/conflict in relation to the “clever people”.

Managers often find it difficult to give feedback to extraordinary talented individuals. They're often feared, with issues of poor behavior side-stepped or overlooked, and yet paradoxically they need this feedback to grow. Sometimes their unpredictability can manifest itself in highly emotional reactions. As a result, "talented individuals" might feel lost, unnoticed and de-motivated. Giving feedback to these individuals requires courage and good intent, but done well it will contribute to them feeling nurtured and developed. It's also important to pay attention to who gives the feedback. The most talented individuals often connect into a relatively small group of people that they regard as having the right to give them feedback.

*2. Coach your cleverest people to appreciate the impact they have on those around them.*

Clever people have the capacity to create enormous opportunity for any organization, yet at the same time they have the capacity to be destructive to those people around them. In their relentless pursuit of achievement they are in danger of attaining success without full regard to the way in which they go about it. A central

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theme in developing this talent, which is linked to giving feedback, is to increase their reflexivity and self-awareness. Investing in coaching for these people seems the most powerful way of evoking a positive response for both the individual and the organization.

*3. Maximize the flexibility of talent management systems and processes.*

Recognize the dilemma you face in trying to respond to those people that flourish under a structured approach to talent management, and those that positively reject the notion of being managed. Ensure that you're able to respond quickly to the needs of the most talented individuals while at the same time providing a level of transparency so that you do not alienate the rest of the population to what may be perceived as "special" treatment.

*4. Develop your capacity to spot emerging talent.*

The cleverest and most prodigious talent doesn't always emerge from formal talent management processes, but this is the talent that all organizations need to grow and flourish. It's essential that in the process of working within formal systems, we also have enough capacity to

## ↓ CASE STUDY: CONFORMITY TO CREATIVITY

This retail organization has a strong UK presence and is currently embarking on an ambitious growth agenda. This involves the implementation of a new talent management system; one part of which needs to ensure that it spots those people from the creative product development side of the business who have the entrepreneurial flair to take the business in new directions that might represent a shift in current thinking. This is a huge change for the organization whose heritage is based on conformity and compliance.

As it embarks on this challenge, it faces a huge dilemma. On the one hand it needs these entrepreneurs and yet at the same time it needs to ensure that the job of running the business on a day-to-day basis is executed with high levels of consistency and discipline. It also recognizes that many of the senior people in the business have traditionally been promoted based on their ability to maintain a highly disciplined approach.

Traditionally, these creative people have been seen as "curiosities" that the mainstream of the business seems unable to handle, with the HR and learning and development departments unable to fit them into the competency boxes and therefore unsure what to do with them. The result was that these most talented people were known more to their competition than they were to their organization.

The retailer recognizes that they need to be nurtured as individuals. They are now offered coaching externally and are allowed to explore development options that fall outside the traditional routes. Some are encouraged to move outside their current roles into new product areas. Others have been given development budgets to work on new business projects and some are encouraged to spend time outside the company in other industries. They have all been given the opportunity for 360 feedback.

spot the talent that falls outside our field of view and are able to respond with sufficient speed and flexibility that these individuals feel nurtured and supported. For our leaders this is often the biggest dilemma, since their paradigm of talent is formed by their own experience and might not appreciate the possibilities other forms of talent might offer.

*5. Take a choiceful approach to developing your perspective to talent.*

The approach to talent management, whether designed or emergent, is subject to choice. The strategic role for anyone involved in talent management is to raise the awareness of what is going on in the organization, at the formal as well as the informal level. Creating the right response from individuals with very different needs requires an approach that is considered and acknowledges the inherent dilemmas in dealing with this diversity.



### References

1. McKinsey Quarterly survey of 9,345 senior executives
2. Robb Goffee and Gareth Jones, "Leading Clever People," *Harvard Business Review*, 1 March 2007



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