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THE GLOBE AND MAIL

CANADA'S NATIONAL NEWSPAPER



The high-performance engine

Front Lines is a viewpoint section offering perspectives on current issues and events from people working on the front lines of the technology industry.

In the 21st century, talent is a top issue for many companies. As business titans including Jack Welch and Bill Gates discuss talent's critical importance and studies highlight the positive bottom line impact of high performers, it's clear employing "A" players is a key concern for all companies.

High-profile investor Warren Buffett, believing in talent's pivotal role, invests only in businesses with strong management teams. But, even as experts forecast a future war for talent and reports on talent turnover's high costs further underscore talent's universal importance, one industry stands out in its extreme reliance on this key resource. That industry is technology.

If talent is other industries' gasoline, it's the very engine of technology companies. Constant innovation defines the technology industry and means workers' ideas, initiative and creativity are its most critical and fundamental resource. Consider how

much a screw or a even a car has changed in the past 10 years compared to software or telecommunications products, and you'll appreciate both the extent of and rapid fire pace at which high tech products evolve. Companies that don't keep up, that don't innovate, perish. During the past two decades numerous technology casualties spring to mind, their demise a function of their failure to innovate.

Not only is talent required to spark innovation, it's essential to implementing change. As products and services evolve, the skills to implement, support and even sell-modified offerings also change. Often times, while workers update expertise, new technology takes off and creates a skills shortage. This happened with e-commerce skills at the end of the 1990s and created a veritable frenzy for e-commerce workers. Capitalizing on new technology then, requires employing new skill-equipped talent.

Despite - or maybe because of - this heavy reliance on talent, technology workers move companies more frequently than other industry workers. While numerous reasons exist for this worker movement, being competitive requires a steady focus on attracting and retaining top talent. Fortunately,

doing so is neither complicated nor costly. It does, however, require diligence in implementing and adhering to various talent strategies.

There are seven keys to developing and maintaining a great talent pool: Winners like winners. Quite simply, high performers want to work for leading companies and assessing job opportunities involves a close examination of a company's competitiveness. From market opportunity to business model to financials, a company's fundamentals need to be top notch. If not, if there are difficult personalities in key positions, if a low-performance corporate culture exists or the business model is weak, they must be changed or they'll hinder the development of a high performance team.

Make talent management a top priority. From front-line managers through to senior executives, everyone in the company has to live and breathe the idea that talent is integral to the company's success. Accomplishing this requires a top-down approach that emphasizes developing and promoting talent as well as weeding out bottom performers. Hold management accountable for doing so.



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Identify and develop "A" players. Make the necessary investment in employee training and development. Doing so pays off in the form of longer employee tenure, growth of in-house expertise and higher productivity. If not used to their maximum potential, "A" players won't stay. Use them or lose them.

Uncover the reasons behind high performer departures. Perform exit interviews, guarantee confidentiality and review the information. Not only may doing so prevent other high performer departures but it may identify a pressing problem within the company.

Pay what's necessary to attract top players and differentiate based on performance. Many companies believe in an egalitarian system of compensation, rewarding same-job, same-level workers similarly. But workers don't produce equally and by compensating on a performance basis you reward top producers and give incentives to all employees to be high performers.

Recognize that strong "Bs" can be solid citizens. "B" players are needed for routine jobs that wouldn't interest "A" players. If they fit with the culture, do their jobs competently and aren't responsible for significant hiring and firing, then they should be kept. Not only would a company full of "A" players likely run into problems, but meeting growth requirements and pay scales objectives requires a mix of "As" and "Bs."

Remove C players - especially if they're in positions of power. From low productivity to the fact that C players typically hire C or at best B players, there are numerous ways in which C players prevent a company from achieving its goals.

While developing and maintaining a great talent pool requires a steady, unwavering commitment to the key talent strategies, doing so is necessary to survive let alone flourish. In the end, the result is well worth it; a finely tuned, high performance engine that delivers the ideas, innovation and creativity needed to outpace the competition.

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