"The Talent Mandate"
By Andrew Benett
Kindle Notes: Dave Kraft

In the 20 years I have been in marketing, I have seen firsthand that talent is the single most important factor in guaranteeing a business's success.

Having the right talent—and creating an environment in which they will flourish—is now the prime differentiator between companies that innovate and grow and those that are doomed to stagnate and sputter out.

What these people know—and what I aim to prove to you—is that talent will be the single most critical differentiating factor in business success in the tumultuous years that lie ahead.

In today's transformed business world, the right combination of talent—managed and motivated in just the right way—is critical to creating the sort of differentiating value that supports long-term success. Enterprises simply cannot thrive without it. Setting the agenda for the care & handling of talent can only properly be handled by one person; the chief executive officer.

What most of us are looking for—or should be looking for—are employees who do not simply fill a position but create one unique to them.

Talent cannot be the focus of the HR department alone; it cannot be a second-order chore palmed off down the chain of command. It must be the top business priority of the most senior people in the company—starting with the CEO.

Smart companies that put people first:

• Push decision making downward
• Flatten the organization
• Promote continuous learning

Only around one in ten of the business leaders we surveyed believe that command-and-control structures are still the best way to get value from their workers.

Only 11 percent of senior business leaders surveyed agrees that command-and-control structures are still the best approach to getting the most value from employees.

The Silicon Valley approach to talent management, stressing the autonomy of the individual and an eradication of hierarchies, truly opened the way for today's talent revolution.

You flattened the organization, or do traces of top-down authoritarianism hamper your talent's creative freedom? Where can current hierarchies be compressed or removed altogether the millennial mindset:

• The new emphasis on values and paychecks with a purpose
• The growing insistence on a more sustainable work-life integration
• The ascendency of free agency
• The embrace of all things digital

Similarly, research by Capstrat in 2011 found that 72 percent of Millennials would be willing to sacrifice a higher salary for a more fulfilling career.

In a 2012 study by MTV, half of Millennials surveyed said they would "rather have no job than have a job they hate.

Whatever the industry, employers that offer their people a sense of meaning and prioritize the people whose lives they touch are going to have an edge.

Millennials need to learn how to go to the office. They need a lot of coaching and mentoring. They need to learn how to write an email and not say, 'Hey' to everybody, to superiors.

I have never worked at a company that had a strong culture that did not do well.

Culture eats strategy for lunch.

Culture is what happens when you are not looking.

It's the way they are spoken to, the way they are encouraged and cajoled or browbeaten and harassed.

I am convinced that a carefully cultivated culture will be central to the most prosperous businesses in the future.

Compensation still matters, of course, but culture is often a critical determinant in whether talent will join, stay, or go.

Without values, there is no basis for trust.

In enormous companies spread across many locations, values can also serve as a shared lingua franca, a kind of organizational glue.

MONDELĒZ INTERNATIONAL Our Values Guide Us:

- Inspire trust.
- Act like owners.
- Keep it simple.
- Be open and inclusive.

Tell it like it is. Lead from the head and the heart. Discuss. Decide. Deliver.

There are three or four things the CEO simply must get right. One of them is culture—John Ciancutti, director of engineering, Facebook.

As you sit across the table from potential hires, you might ask yourself,

1. Do they show passion?
2. Will they sync with the team?
3. Would I want to spend time with them?
4. Are they a good cultural fit?
5. Will they meet future needs?

I have heard the same refrain repeatedly from the leaders of companies across the nation: They are looking for employees not only with strong minds and strong skill sets but also with a seemingly effortless ability to communicate—and get along—with others. What would be the benefit of bringing on someone who is a brilliant director or strategist if no one wants to spend time with him or her? I wouldn't hire someone who does not treat people well. We don't have smart jerks here.

It is better to eliminate a poor cultural fit early on rather than risk lasting damage. The job of manager is about coaching and guiding and serving the people that work for you, not being directive and telling them what to do.

Executives don't deliver the goods. They only steer the ship. —Alexis Nasard, chief commercial officer, Heineken N.V.

Rather than follow orders, workers are given clear information so that they are able to make intelligent decisions on their own.

How do you create a workplace centered more on a shared vision than on rules? A few basic principles will help:

• Let the information cascade down.
• Empower the team.
• Get down in the trenches.

"The key so often to effective leadership is, you need to help to lead people to their own insights. Then they fully embrace it. Otherwise, it is simply the CEO's idea.

 "If employees have an opportunity to be heard, even if the company doesn't use their idea, they have far more buy-in."

So I need to walk people through the vision. Too often, executives assume people will just go with the flow, like they are robots.

Their perspectives are important, and I want to hear what they have to say. Otherwise, you're not going to get the best solution, and people are going to tune out because you are just telling them what to do and, in my experience, that does not work—especially with younger generations.

Ultimately, we concluded that our highest-performing team liked each other the most.

Mike Abbott of Kleiner Perkins Caufield & Byers. He sees a strong trend toward empowering the middle levels of companies. "Historically, it was very top down on the 'what.' Now the 'what' is emerging from the crowd, from the employees? And you get better ideas.

People are realizing that the best ideas come from the team, not from an executive.

Can be done to boost the level of honest feedback within your organization? How can you make everybody understand it is safe to air their views, even when they conflict with your own?

What more can you do to make talent feel empowered to add value on their own rather than standing around waiting for instructions?

The best managers have learned the trick of ceding control and seeding trust.

 "Coke ran the business by getting great people, giving them great instructions and the tools to do it right, and setting them loose.

In our own survey, 94 percent of senior executives said the most successful companies trust their employees, giving them the freedom and independence they need to do their jobs well.

What Is a Great Workplace? "Trust is the defining principle . . . created through management's credibility, the respect with which employees feel they are treated, and the extent to which employees expect to be treated fairly."—Great Place to Work Institute

Ninety-four percent of senior business leaders surveyed agree: "The most successful companies trust their employees, giving them freedom to make decisions and to act with a measure of independence.

Smart companies are instilling cultures and processes based on trust because it:

• Builds unity
• Enhances recruiting
• Optimizes millennials
• Frees you from minutiae

To make any of this happen, Lettow needs to build an effective company first. To retain the highest levels of talent, he says, "We try to give people enough independence within the projects to have a significant say about the directions of their projects.

Lettow strongly endorses the idea that trust is a new business fundamental.

Trust may be of particular relevance to Millennials. They favor a gentler approach: Their relationship with older generations tends to be close and collaborative.

This can be hard for some bosses who grew up in the traditional, hierarchical model and aren't used to constantly communicating,

"My management style does not lend itself to babysitting people. It is a huge amount of effort to track people: When did you go to lunch? When did you come back from lunch?' In today's fast-paced environment, there is no time for me to do that.

Nothing tramples the delicate blossom of trust faster than the boot of the micromanager.

"Employees collaborating is a critical part of us trusting each other," Carlos Abrams-Rivera told me.

Managers should not automatically tinker with and add to the ideas that their subordinates come up with. Instead, they should show they trust subordinates by letting them develop and implement the ideas on their own.

A vigorous sense of ownership goes hand in hand with the entrepreneurial spirit so many companies are trying to kindle.

We all need to reshape our workforces to be relentlessly adaptive—and I am convinced that the best way to accomplish that is to fully empower the individual employee to act in the company's best interests.

The great challenge is, as scales increase, to maintain an innovative, disruptive culture. Because someone is going to eat you up. You want it to be you.

The occasional failure—even what Ciancutti calls "extra-spectacular failures"— is vital if companies are to innovate, but these become "more expensive as you grow.

Leadership demands individuals who are very open-minded and who can break away from the 'sea of sameness.

You will pay a steep price if you make the all-too-common mistake of only hiring for your current needs rather than your future ambitions.

The companies pushing the talent revolution forward have at least three qualities in common:

- They embrace a diversity of ideas.
- They encourage debate.
- They accept failure.

Linus Pauling in a number of client presentations over the years: The best way to get good ideas "is to have a lot of ideas [and then] throw away the bad ones.

Maybe we all need to create a position like the one, as we saw, Sam Cicotello holds at The Motley Fool: chief rabble rouser of the highest order. Her job description: "Chief learning officer, chief rabble rouser, professional boat rocker, envelope pusher, and brain expander.

Nasard went on to explain that creativity cannot exist within the confines of the old command-and-control structures.

A company that is creative is not dogmatic, and therefore it is more inspiring and dynamic.

Collaborating is all about passing around ideas, discussing them, building on them, and bringing them to life. Each stage requires strong communication skills.

"Every employee has a diverse stakeholder group," says Lettow. "It can be tricky." Knowing this, he is reluctant to hire anybody who does not have strong interpersonal skills: "If a person is not a good communicator, it would really limit the role he or she could have within the company.

Few traditional career tactics train us for an era where the most important skill is the ability to acquire new skills.

Hiring needs to focus not on past experiences so much as on capabilities.

"I think the whole notion of talent is changing. It is more about what you know, what skills you go acquire, and not just your resume.

Employees with ingrained habits are clearly at risk. They have lost a sense of constant curiosity and lifetime learning.

Experience, once seemingly so priceless, can now be a liability if it has not been coupled with continuous relearning. It is the adaptability, the individual's ability to grow and learn; it is desire and intellectual curiosity, not intelligence

This aptitude for serial adaptation will distinguish the strongest companies of tomorrow.

I am glad to hire people who are smart, but I am more glad to hire people who are agile and flexible.

David Ulrich of the University of Michigan provides a useful framework for a discussion of the new talent mandate by listing four criteria he recommends

Companies use to identify high-potential talent: ambition, ability, agility, and achievement.

Agility: curious, finds simplicity in complexity, identifies quick rules of thumb.

• People agility: self-aware, committed to personal growth, works to help others succeed
• Change agility: likes to tinker and experiment, tries new things, accepts failure
• Results agility: flexible in ideas, good in new situations, works well with teams

Cindi Cooper, who as Gap International's co-chief operating officer Everybody says, "You've got to hire the right talent" but that is only part of the picture. If those people are not organized to grow in their capacities—in their leadership and expertise capacities—it is talent with limits. Leadership and expertise capacities—it is talent with limits.

I place a premium on people whose first impulse is not to reject or disagree with alternative viewpoints but to give careful consideration to their validity—and maybe even learn something from the experience.

Everybody needs a combination of both—people who can see the big picture, yet are focused and get it done. We are only interested in hybrids. Unless you are hybrid—unless you come to the party with a wide vantage point and flexibility and are adaptive, you are not going to be successful.

It is not just enough to know your narrow function." Also wanted: "People who can write, think, and follow up, and are willing to learn.

They came in with intellectual curiosity and an eagerness to learn. This kind of nontraditional person does very well in business.

I would rather have an engaged workforce than a retained one.

Everything is about talent now. The older way in recruiting was, you hired a person and expected them to do it "our way." The new way is: Identify the talent and find out, how do they want to work?

The question is, then, are we sticking to the old way of doing things because we do not trust the talent we hire . . . or simply because we are stuck in the rut of doing things the way they have always been done?

Every time we meet, we stress that we manage in a results-oriented way. It is not, 'How long have you been here today?' but 'Why haven't you done these three things?

Businesses discover the advantages of managing according to results rather than outmoded rules.

Corporations need to make people feel they are wanted and needed, not being

Overworked; that their lives are being prioritized, that they are being honored and motivated in personal ways.

Without exception, the CEOs I spoke with seemed more worried about burnout among overzealous talent than about the occasional slacker.

Burnout is a pressing problem that will only get worse as we find more seamless ways to work from anywhere, anytime. In numerous conversations across all kinds of sectors, I heard expressions of concern:

You doing all you can to communicate to your talent that you care about them as people and are eager to help them find the right balance between work and the rest of their lives?

Numerous studies show that an individual's direct supervisor has a greater influence on his or her retention than any other factor.

U.S. Department of Labor says that the number one reason people leave their jobs is because they "don't feel appreciated.

People don't leave jobs; they leave managers.

I have tried to stress high touch in my own companies, always being on the lookout for ways to exchange pronouncements-from-on-high for interchanges that are more conversational and personal.

Valuing people and having a caring environment is in no way incompatible with having a meritocracy and a performance-driven culture.

You have got to teach leaders how to develop their people. Many people are not good at this; they have been promoted because they are good at their job, but they don't know how to lead others.

In building team culture, Price looks for "those individuals who are most capable of hearing feedback in the right spirit, without brittleness.

Because ongoing assessments do not come naturally to all managers, we made it a point at Arnold to train leaders in how to give feedback and coach their team members more effectively.

Informal feedback is one thing; structured reviews are quite another.

• Are our people truly being fulfilled?
• Are they using their aptitudes to the fullest?
 • Are they being made to feel they count, that they are making a difference for the company?

First: Do I get to do what I'm best at?

Second: Is what I'm doing important for the company?

And third: Does my boss care about me?

Savvy employers are aligning with the flexibility people want.

Much money is wasted on bringing in overpriced talent rather than better preparing existing talent for bigger roles:

Twenty-first-century workers crave connection—to a bigger picture, to a cause, to a crusade even.

Do I have reason to be proud of my company? Am I doing something worthwhile?

On a thrilling mission: "Amaze yourself. Amaze the world.

Too often people mistake high intelligence for leadership potential.

 Just being smart is no big deal. That's not a big advantage. Being smart and having a great idea, that's not unique either. I look for a leader who has the ability to be inspiring regarding what they are trying to do.

Daniel Burnham: "Make no little plans; they have no magic to stir men's blood.

But to have a noble cause that genuinely inspires and energizes your talent, you have to let them contribute to that purpose and, just as important, make them really feel that they are contributing.

 For younger people today, a higher purpose is of paramount importance. They care about the future and their company's role in it—and they are genuinely worried about the direction in which the world is going.

CONCERNING THE BUSINESS ITSELF:

1. The organization embraces a higher purpose

2. The business connects with the community

3. The office is a highly functional family

4. The workforce is a team

CONCERNING THE HIRING PROCESS

5. Hiring looks to the future

6. Hiring favors generalists

7. Hiring looks within

CONCERNING BOSSES

8. Managers will be people-developers

9. The boss will become the coach

10. No jerks allowed

CONCERNING THE INDIVIDUAL WORKER

11. Everybody's work will be made meaningful.

12. Engagement will be measured by results not the time clock.

13. Everybody will be agile

CONCERNING THE C-SUITE

14. CEO will put talent first