

# Multiplying Talent for High Performance

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**One of the most important sources of value for any organization today is its people, from current and future leaders to front-line employees. In a global knowledge economy, organizations depend more than ever before on the capabilities, creativity and engagement of their people. Competitive success is increasingly a function of an organization's ability to draw on each employee's unique talents while creating opportunities for people to interact, communicate and collaborate. These new success factors have elevated the strategic importance of talent for all organizations.**

At the same time, the fluidity of global labor markets, shifting workforce demographics, changing career expectations and the ever-increasing demand for new types of skills make it more difficult to attract, engage and retain the talent that organizations need. Furthermore, although many organizations have begun to recognize how important talent is to their success, few are managing it strategically. Too many organizations view the endgame as simply a matter of adding the right people, but that alone no longer ensures competitive success. Putting aside the fact that the fierce competition for star performers makes it hard to secure them, a star-oriented strategy leaves the considerable talents of the rest of the organization more or less untapped – and those talents are too valuable to waste.

This is why attracting and retaining stars or so-called A players is not the key to sustained success. Talented individuals certainly help their companies succeed, but an organization's outcomes will be improved even more when it develops and channels everyone's abilities. The ability to multiply talent—that is, to combine and recombine knowledge, skills and processes to generate superior levels of workforce engagement, creativity, learning, adaptability and performance—is essential for high performance.

Accenture's research has identified three primary building blocks of high performance: market focus and position, distinctive capabilities and performance anatomy. Talent multiplication is one of the winning mindsets that make up the performance anatomy of high-performance businesses.<sup>1</sup> In **The Talent Powered Organization: Strategies for Globalization, Talent Management and High Performance** (Kogan Page, 2007), Accenture executives Peter Cheese, Robert J. Thomas and Elizabeth Craig argue that organizations can compete on talent by nurturing a distinctive capability in talent multiplication. Best Buy, Starbucks, Google, Marriott, Microsoft, Tata Motors, CEMEX, UPS and Accenture are among the organizations that have figured out how to multiply talent to achieve extraordinary success.

In this research note, we describe what talent multiplication looks like in practice and explain how a distinctive capability in talent multiplication creates value for organizations. We also briefly discuss how organizations can build that capability, an issue discussed in greater detail in other Accenture research.<sup>2</sup>

## What talent multiplication looks like

Talent is typically thought of as an attribute of individuals. It is admired in artists, musicians and athletes. In business, we praise the talents of the exceptional leader, the brilliant strategist, the outstanding salesperson, the savvy marketer, the financial wizard. Consequently, most organizations' talent management strategies and practices focus on individuals. An exclusive focus on leaders, stars and high-potential employees misses the opportunity to identify and nurture collective talents that may yield a whole that is greater than the sum of the parts.

Consider an organization whose talent primarily consists of twelve individuals: a US professional basketball team. In 2006, the Miami Heat won the National Basketball Association championship, and they won it by multiplying their collective talents. Statistical analyses of individual player performances and the team's performance with different combinations of players on the court revealed that Shaquille O'Neal, one of the best basketball players ever, was not the driving force behind the team's success. In fact, he was not even part of the best five-player combination (based on point differential when players are both in and out of the game).<sup>3</sup> It was the Heat's ability to engineer the best combinations of players' talents that led them to victory.

When organizations combine employees' skills and knowledge in ways that foster collaboration, knowledge sharing and collective learning, they can multiply their talent and elevate the performance of all employees, as well as teams, workgroups and entire workforces.

### The power of multiplication

To understand how talent multiplication works, consider this hypothetical example. Imagine that a team of 10 baristas in a busy coffee shop can make 1,000 cappuccinos each day (each barista makes 100 drinks). If a star barista joins the team and makes 50 percent more drinks than the other baristas (150 a day), the team's output is increased to 1,150 cappuccinos per day. However, if the organization has the ability to multiply talent, then the new barista will be able to contribute his or her talent toward improving the entire team's knowledge, skills and processes in ways that increase everyone's performance. Even if the newly hired barista only makes 120 drinks each day, talent multiplication will help everyone to make 120 cappuccinos each day, so that the team's output becomes an impressive 1,320 cappuccinos a day.

### From stellar players to stellar organizations

Now consider the real-life example of the New Jersey Devils, one of the best teams in the National Hockey League during the 2007 season. The team's top

goal scorer ranked only forty-eighth in the league, but Devils succeeded by developing highly integrated systems for defense and scoring that enabled them to create and deliver on strategic opportunities – high-percentage scoring chances. Each member of the team remained focused on contributing to the system and multiplying the team's talent for collective impact.

The ability to multiply talent requires more than talented people, effective teamwork or inspired leadership. When talent is a key strategic resource, an organization's success depends on the effective management of people, relationships and human capital. Businesses seeking to create extraordinary value with their people need talent management strategies and capabilities to discover, develop and deploy their collective talents.

### How talent multiplication creates value

A distinctive capability in talent multiplication creates extraordinary value by transforming individual talent into new human, relational and organizational resources.<sup>4</sup> These resources include improvements in problem-solving ability, the ability to execute strategy, know-how and knowledge sharing, and collaboration and communication networks. And the benefits of talent multiplication do not end there. A distinctive capability in talent multiplication also enables strategic change and expands value-creation opportunities for the organization. The following examples show how.

### Enhancing individual and collective performance: UPS and Marriott

UPS, the world's largest package-delivery company, routinely takes employees out of their regular departments and temporarily assigns them to problem-solving teams in different parts of the business. The goal is to stimulate new ideas and new solutions, share best practices and innovations, and encourage greater communication and collaboration throughout the organization. "They will pull people from any job all across the country to join a special assignment team," says Peggy Gardner, director of public relations. "The teams are of short-term duration; [they] go in with a very specific mission and come back with recommendations. It allows a lot of people who aren't always working together and getting into that sort of group mindset to come in and put their heads together on an issue."<sup>5</sup>

For example, the company's move into supply chain management for their customers—that is, providing not only shipment but inventory management and, in some cases, repair work—was the product of both top-down R&D and bottom-up experimentation. The idea for Service Logistics (described in more detail later in this note) made sense in theory, but it wasn't embraced as a practice until a cross-functional team was assembled to experiment with it. The experience had huge benefits not only for the company but for researchers and employee teams: both walked away better equipped to think

broadly about the business and to bring a variety of perspectives to their assignments. The team members returned to their regular jobs with new knowledge and skills that they put to use to improve performance.

However, it is essential to note that UPS does not consider the job done when an individual or a team achieves a specific improvement. The job is not considered complete unless and until the skills that individuals and teams acquire are spread to adjacent teams and processes. In the case of UPS, the secret of talent multiplication is that only half of success is improvement of a specific process; the other half is transferring the knowledge to other team members.

The UPS case shows how an organization can achieve performance improvement and talent multiplication through carefully selected experiences that build skills. But UPS does not limit its efforts to in-house challenges; it also maintains other programs that place employees in temporary assignments (for periods of three weeks to three months) in community organizations. The expectation is that "action learning" will lead to tangible and valued outcomes for communities, as well as hands-on experience in leadership, financial management and process improvement for employees. Those experiences are treated as an important part of an individual's resume and are regarded seriously when promotions are being considered.

Marriott International, the lodging company, has its own approach to increasing individual and collective

performance. It develops managers and promotes innovation through internal internships and mentoring relationships that allow senior leaders to learn about and contribute to areas of the business outside their current areas of expertise. Marriott views the intern program as both a developmental tool that builds individual capabilities and an innovation lever that sparks new ideas.

Carl Wilson, Marriott's chief information officer, explains how the program works: "There's a manager in finance doing an internal internship in telecom. She doesn't have deep expertise in telecom, but she has another manager to mentor and help her work through the various issues. But she brings her finance capability to the table. She's there to say, 'Well, we could fund this project a different way.' She's saving them potential rework." By Wilson's own estimate, internal internships pay off in two ways: the company's investments in interns' time is more than recouped in cost-savings from the help they bring to new situations; and the interns leave behind enhanced capabilities (because they are expected to teach, as well as to learn) while taking with them to new assignments a better understanding of the enterprise.<sup>6</sup>

By combining and recombining knowledge and skills from across the organization, Marriott generates superior levels of creativity, adaptability and performance. Moreover, it retains this engaged and superior talent – Marriott has the strongest, most seasoned and cohesive management team in the industry.

#### **Enabling strategic change: GE and Goldcorp**

The ability to multiply talent also enables organizations to take new strategic directions and adapt more

readily to changes in the business environment. This is possible because talent multiplication builds the human, relational and organizational resources that are key enablers of strategic change, such as workforce adaptability and leadership capability.

GE is a powerful case in point. In the 1980s, GE dramatically enhanced the organization's ability to adapt with its famed Work-Out initiative. The effort brought employees and managers from different levels and functions throughout the organization to improve work processes and solve organizational problems quickly. It was effectively a large-scale investment in multiplying the talents of people in the organization to not only improve individual performance, but to dramatically enhance the organization's ability to change – whether change was incremental (as most performance improvement efforts demanded) or transformational (as in the case of mergers, divestitures or recombinations of businesses).

At the core of Work-Out was a common methodology—often referred to as a change checklist, similar to a commercial pilot's pre-flight routine—that was simple yet comprehensive and capable of being applied to a wide range of situations. The genius behind Work-Out rested as much in the way it prepared people at all levels and in all businesses for managing change as a continuous process as it was in the fact that it provided a common starting point and action plan for use by groups of people who were, at the beginning at least, strangers to one another. In the words of one observer, Work-Out made people with different backgrounds and experiences "plug compatible from day one."

In the 1990s, the Work-Out approach was used to both develop leaders and clarify GE's "leadership brand"—the expected values and behaviors of leaders—which completely transformed the organization's core values and culture in a few short years.<sup>7</sup> By multiplying talent throughout the organization, GE built an adaptable workforce and a large pool of capable leaders that, in turn, make it better able to transform the organization or change strategic direction rapidly and confidently.

Mining company Goldcorp used talent multiplication by reaching outside the organization to bring about strategic change. The company used "crowd-sourcing" to find gold in a mine that was believed to be dead. For the "Goldcorp Challenge," the company posted geological survey data on the Internet and offered prize money to anyone who could identify likely veins of gold in its Red Lake, Ontario, mine. This innovative way of accessing talent led not only to the discovery of gold worth \$3 billion but also introduced new capabilities to the company. More than 1,400 geologists and mining engineers, as well as mathematicians, military officers and management consultants, introduced Goldcorp to a variety of new technologies and approaches to exploration and extraction.<sup>8</sup>

Combining the organization's resources with new knowledge and skills from the outside enabled Goldcorp to increase the knowledge, skills and performance of its workforce and expand its mining capabilities. Multiplying talent helped transform Goldcorp from a struggling \$100 million traditional mining company into a \$9 billion business. It also devel-

oped Goldcorp's ability to collaborate, learn and solve problems in ways that will enable the organization to innovate and change in the face of future business challenges.

### **Expanding value-creation opportunities: UPS and Google**

Talent multiplication can also expand an organization's opportunities to create new value by entering new businesses, markets or sectors. These transformative business moves take an organization beyond its existing value chain. In this process, intangible resources such as know-how, networks and proprietary processes are transformed into assets such as new product areas, lines of business, or ventures.

UPS actively exploits market "adjacencies" to make use of the company's most valuable resources, including its industrial-engineering capabilities, IT infrastructure and network of aircraft and facilities. Its philosophy of "growth with purpose" means that expansion into adjacent business areas is expected to complement the core business. For example, UPS managers elected to capitalize on the organization's core business and knowledge of the customer by launching the company's Service Parts Logistics initiative in 1995. "We wanted to leverage that engineering prowess—the talents of our 3,000 engineers—externally," says Bob Stoffel, senior vice president of the Supply Chain Group. The new initiative combined talent from across the organization and resulted in the creation of a billion-dollar business.

Google's recent foray into renewable energy also shows how companies can combine and recombine their human and organizational resources to create new value.<sup>9</sup> Google's co-founder, Larry

Page, explains that the company has "gained expertise in designing and building large-scale, energy-intensive facilities by building efficient data centers"—expertise it will put to use in this new venture. Google believes its ability to bring together talented technologists, engineers, outside partners and funding will allow it to accelerate the development of renewable energy sources. It will use the talent management capabilities that built the creative, collaborative and innovative workforce at the heart of the company's success in its core businesses for the challenge of launching the renewable energy venture.

### **Building a distinctive capability in multiplying talent**

By studying high-performance businesses in many different industries and locations, we have gained insight into what it takes to build a distinctive capability in talent multiplication.<sup>10</sup> At the core are what we call the "four D's" of talent multiplication: define, discover, develop and deploy. To multiply talent, organizations must first be able to clearly define the talent they need to execute business strategy. This means identifying mission-critical jobs and key workforce competencies in light of current and future strategic goals.

Second, organizations must have the ability to discover new and diverse sources of talent and then must attract and retain that talent by creating and customizing "employee value propositions" that appeal to the needs, aspirations and expectations of the target population. Third, organizations must be able to develop employees' individual and

collective talents, building people's skills, knowledge and competencies in ways that also expand the organization's collective capabilities. Finally, talent multiplication requires an ability to deploy the right talent in the right place at the right time. Organizations must engage and align people by creating the best possible match between employees' talents and aspirations and the organization's strategic goals.

When these four capabilities are in place, aligned with each other and with the business strategy, and highly integrated into business operations, the true power of talent is unleashed, stimulating a "virtuous cycle" of talent multiplication. The organization is

increasing skills, adaptability, learning, flexibility, innovation and performance. It has a more engaged workforce, which is delivering greater productivity, higher quality, innovation and customer satisfaction. Employees are using their strengths to improve performance, and new talent is attracted to the organization. Individual and collective performance is improving; the organization is more adaptable and prepared for change; its strategic opportunities are expanding. Talent multiplication is creating extraordinary value.

## Conclusion

When organizations embed the multiplier mindset and practices into their strategies, processes and operations, talent multiplication becomes more

than a competitive mindset: it becomes an important and distinctive source of competitive advantage, a critical element in a top performer's distinctive capability.<sup>11</sup> A distinctive capability in multiplying talent will set these organizations apart from their competitors in product and labor markets. It will also position them to obtain future growth, to seize strategic opportunities and to achieve high performance.

## About the authors

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## About Accenture

Accenture is a global management consulting, technology services and outsourcing company. Committed to delivering innovation, Accenture collaborates with its clients to help them become high-performance businesses and governments. With deep industry and business-process expertise, broad global resources and a proven track record, Accenture can mobilize the right people, skills and technologies to help clients improve their performance. With more than 175,000 people in 49 countries, the company generated net revenues of US\$19.70 billion for the fiscal year ending August 31, 2007.

## About the Accenture Institute for High Performance Business

The Accenture Institute for High Performance Business creates strategic insights into key management issues through original research and analysis. Its management researchers combine world-class reputations with Accenture's extensive consulting, technology and outsourcing experience to conduct innovative research and analysis into how organizations become and remain high-performance businesses.

Notes

- 1 For more on the building blocks of high-performance businesses, see Tim Breene and Paul F. Nunes, "Going the Distance: How the World's Best Companies Achieve High Performance," **Outlook**, 2006, and Tim Breene and Robert J. Thomas, "In Search of Performance Anatomy," **Outlook**, 2004.
- 2 In particular, see Peter Cheese, Robert J. Thomas, and Elizabeth Craig, **The Talent Powered Organization: Strategies for Globalization, Talent Management and High Performance** (Kogan Page, 2007) and Peter Cheese, Robert J. Thomas, and Elizabeth Craig, "The Talent-Powered Organization: Leveraging Your Most Important Competitive Asset," **Outlook**, 2007. Susan Cantrell and James M. Benton, "The Five Essential Practices of a Talent Multiplier," Accenture Institute for High Performance Business, 2005.
- 3 "If computers ran the NBA, Shaq would be benched." Mon Oct 23, 2006. Reuters, <http://uk.reuters.com/article/technologyNews/idUKN2335640120061024> (accessed March 27, 2008).
- 4 For more on types of organizational resources, see John Ballow, Roland Burgman, Göran Roos and Michael Molnar, "A New Paradigm for Managing Shareholder Value," Accenture Institute for High Performance Business, 2004.
- 5 Robert J. Thomas, Jane C. Linder and Chi T. Pham, "UPS: Mastering the Tension between Continuity and Change," Accenture Institute for High Performance Business, 2006; Robert J. Thomas, Jane C. Linder and Ana Dutra, "Inside the Values-Driven Culture at UPS," **Outlook**, 2006.
- 6 Robert J. Thomas, "Marriott: Building a Winning Mindset, Brand and Organization," Accenture Institute for High Performance Business, 2006
- 7 Dave Ulrich, Steve Kerr and Ron Ashkenas, "General Electric's Leadership 'Work-out,'" **Leader to Leader**, 2002.
- 8 See Don Tapscott and Anthony D. Williams, **Wikinomics: How Mass Collaboration Changes Everything** (Portfolio Hardcover, 2006).
- 9 See Google's press release: [http://www.google.com/intl/en/press/pressrel/20071127\\_green.html](http://www.google.com/intl/en/press/pressrel/20071127_green.html); More information available at Google's Web page on green energy, "At Google, we're committed to helping build a clean energy future," <http://www.google.com/intl/en/corporate/green/energy/index.html> (accessed January 31, 2008).
- 10 For more on how organizations can build a distinctive capability in multiplying talent and how such a capability can create talent power and propel organizations to high performance, see Peter Cheese, Robert J. Thomas and Elizabeth Craig, **The Talent Powered Organization: Strategies for Globalization, Talent Management and High Performance** (Kogan Page, 2007).
- 11 For more on distinctive capabilities as a building block of high performance, see Tim Breene, Narendra P. Mulani and Paul F. Nunes, "Marks of Distinction," **Outlook**, 2005.

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