



The Cambridge Perspective

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The Real Value of Hiring 'A' Players



Steve Jobs, when introducing the Apple Computer, coined the phrase "A' Players hire 'A' Players, 'B' Players hire 'C' Players". As a general rule, our own experience has demonstrated this to be true. Truly outstanding leaders are simply less likely to feel threatened by successful subordinates, and therefore, are more likely to hire other 'A' Players. As a result, companies that hire 'A' Players are more likely to be successful.

There is a growing body of research that supports this assertion, particularly in technological and knowledge based industries, where the more complex the role, the greater the increase in productivity for top performers. Consider this:

The top 1% of workers are anywhere from 48% to 127% more productive than the average worker (Hunter, Schmidt and Judiesch)¹

No matter how good your product or service is, without great talent, your organization

can't compete. Bill Gates of Microsoft summed it up succinctly: "Take my 20 best people, and virtually overnight, Microsoft becomes a mediocre company".

Performance Management

No organization sets out to hire 'B' Players, but ineffective hiring strategies, poor performance management and lack of employee development or engagement can degrade your talent management process and drive your 'A' Players away from the organization.

Success in one organization does not guarantee success in another, because the intellectual traits and competencies that contribute to success in one organization can be negligible, or even a detriment in another. The key is to find out what specific personal traits and professional competencies have the greatest effect on success in YOUR organization, and then focus on identifying individuals with those traits.

A performance management program can help identify what the "success drivers" are in your organizational culture and which employees possess them, as well as help to develop performance standards and measurement criteria. When fully integrated into everyday operations, this approach is far more effective than the old-fashioned once-a-

year performance review process because it keeps performance constantly at top of mind, and improves employee engagement by reinforcing the company's commitment to development.

Leadership Development

Leadership development is critical to 'A' Players. These people know their value, and they both want and expect to move forward,

so organizations that want to find and keep 'A' Players should have internal and external development programs to support their progress. Employee Development programs and grants can be an especially attractive recruiting tool, particularly for less senior managers and/or individuals who have changed industries.

Another 2009 talent study found that when comparing organizations with high quality development programs with those that do not, the median revenue per employee was doubled². This is a clear demonstration that quality employee

development programs can actually pay for themselves.

Employee Engagement

Employee engagement also has a direct link to organizational performance, according to Lockwood (2007)³. In her study, employees



1976-2010
34
Years

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Results

"A-players contribute more, innovate more, work smarter, earn more trust, display more resourcefulness, take more initiative, develop better business strategies, articulate their vision more passionately, implement change more effectively, deliver higher quality of work, demonstrate greater teamwork, and find ways to get the job done in less time for less money."

-- Brad & Geoff Smart, 2007⁶

with a high level of engagement performed 20% better, and were 87% less likely to leave the organization.

Compensation and incentives play a significant role in keeping 'A' Players engaged, as they expect their pay to accurately reflect their level of contribution and personal effort, differentiating them from average employees. But monetary rewards are not the only way to engage them.

According to a 2009 financial services industry study⁴, the following factors can significantly increase the probability of retaining high performers:

- Talented managers who provide leadership - 37 percent increased probability
- Good working relationships with fellow employees - 35 percent increased probability
- Recognition for good work - 28 percent increased probability
- Intelligent support staff - 22 percent increased probability

- Exposure to senior management - 21 percent increased probability

'A' Player Demand

You won't find these in-demand players trolling job listings – they won't have to. The coming talent shortage is expected to lead to an even greater need for creative talent sourcing and recruiting strategies that will more likely resemble a sales/marketing approach than the traditional "purchasing" approach.

A 2010 Toronto Financial Services Alliance survey⁵ indicates that over the next five years, insurance and banking organizations are forecasting an increase in shortages for Director level positions of 68% on average! Many other industries are facing similar situations.

To make matters worse, ongoing financial uncertainty has left many organizations with less money and fewer resources than ever to recruit better quality employees.

In response, the executive search industry is offering new, flexible service options to help organizations extend their reach and develop more effective talent sourcing and management programs while maintaining budgets.

Cambridge Management Planning offers full service recruitment assistance, as well as flexible service options, including sourcing assistance, CMP Select, compensation surveys and other customized services to help your organization identify the 'A' Players who will drive your future success. Call us at 416-484-8408 for more information.

Quoted References:

- 1) J.E. Hunter, F.L. Schmidt, and M.K. Judiesch, "Individual Differences in Output Variability as a function of Job Complexity," in the *Journal of Applied Psychology* (1990).
- 2) Bersin & Associates 'Talent Management Factbook' (2009)
- 3) Lockwood, Nancy R. (2007). *Leveraging Employee Engagement for Competitive Advantage: HR's Strategic Role*. SHRM Research (2007) SHRM® Research Quarterly
- 4) ABA (American Bankers Association) "Banks Risk Losing Top Talent" (Sept. 2009)
- 5) Toronto Financial Services Alliance '2010 Talent Matters'
- 6) Smart, Brad and Geoff (2007) *Making a Commitment to Hiring and Retaining "A" Players*.

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"Talent is cheaper than table salt. What separates the talented individual from the successful one is a lot of hard work."

-- Stephen King