

What are the core components of talent? V4

What is the purpose of this article?

Enable founders, the C-Suite, board of directors, investors, and others to discuss the company's talent requirements.

This article does not provide tax, legal or financial advice. You must do your own research and fact-based analysis using current and relevant information.

What are the critical learnings in this article?

- 1) There are 10 core components of talent.
- 2) People often focus on just 1 component: Crystallized intelligence (e.g. historical skills, knowledge, experience, etc.) and ignore the other 9. This often leads to major problems, because historical skills, knowledge, and experience are quickly becoming obsolete.
- 3) Any role or team is comprised of both people and technology (such as software, including AI) talent.
- 4) The 10 core components of talent apply to both people and technology.

What are the 10 core components of talent?

#1 Self Awareness

What are the two types of self-Awareness?¹

- 1) Internal self-awareness: How clearly we see and understand ourselves. Understanding what our competitive strengths, weaknesses, and capabilities are.
- 2) External self-awareness: understanding how other people view us.

What is the value of self awareness?

- 1) How can you succeed if you don't know how others perceive you, and which perceptions you need to change? E.g. Decision makers who would hire you or promote you? Customers who would buy from you? Someone deciding whether or not to become your spouse?
- 2) How can you succeed if you don't understand your capabilities, the implications of your capabilities, and which ones to change? E.g. I've met people who have limited skills in certain areas but at the same time hope that companies that are looking for world class skills will hire them. The result is they don't get hired, sometimes accompanied by massive disappointment.
- 3) Internal self-awareness is associated with happiness, and higher job and relationship satisfaction.¹
- 4) Employees perceive leaders with higher external self-awareness as: having better relationships with them and being more effective leaders.¹

How many people have self-awareness?

- 1) Most people believe they are self-aware.¹
- 2) Only 10-15% of people have self awareness.¹
- 3) 87% of Stanford University MBA students rate their academic performance above the median. 94% of U.S. college professors rate themselves superior to their colleagues.²
- 4) 96% of leaders believe their people skills are above average.³

What are the challenges in gaining self-awareness?¹

- 1) People don't always learn from experience. Experience leads to over-confidence in self-knowledge
- 2) The more power a person has, the more likely they are to over-estimate their skills and abilities.
- 3) People who spend time in introspection are less self-aware, have worse job satisfaction, and well-being

#2 Character

- 1) VME (Values, Morals, and Ethics) Warren Buffett supposedly said "...looking for people to hire, you look for three qualities: integrity, intelligence, and energy. And if you don't have the first, the other two will kill you."
- 2) Courage: It takes courage to make the right decision. The right decision is often not: the cheapest, easiest, lowest risk to the company, lowest risk to you, and what everyone else is doing.
- 3) Perseverance, especially against all odds.
- 4) Knowing when to stop persevering. One leader told me "If you're digging yourself into a hole, stop digging."

#3 Relationship skills:

- 1) The ability to create and sustain a network of personal relationships.
- 2) Persuasion and negotiation, which is key to managing different points of view and interests.
- 3) Creating and maintaining followers. A leader without committed followers is not a leader.
- 4) Industry disruption and major change require the identification and creation of new relationships, and spending less time on obsolete relationships.

#4 Communications

Communications activities include:

- 1) Write, speaking, singing, drawing, and body language
- 2) Speaking and singing also include tones, pitch, etc.

Communications is two way:

- 1) Broadcasting
- 2) Listening, which includes analysis of input

Communications can have a variety of outcomes, including:

- 1) Understanding other people
- 2) Changing the belief, emotions, and behaviours of others.
- 3) Learning such as facts, knowledge, ways of thinking.
- 4) Building trust and relationships.
- 5) Persuading people to take certain actions.
- 6) Gaining the emotional and intellectual support of people.

#5 Crystallized intelligence⁴

- 1) Crystallized intelligence is comprised of historical: skills, knowledge (including ways to think, mental paradigms, methodologies), and data.
- 2) The need for crystallized knowledge varies enormously depending on the situation.
- 3) Many years of experience may be very valuable for a doctor doing knee replacements.
- 4) Understanding what customer needs were 5 years ago, and how those were met, may be of little value when: customers have changed; needs have changed; and competition has changed.

#6 Fluid intelligence⁴

- 1) The ability to solve problems without past experience. This is critical for innovation, which is coming up with new and better solutions.
- 2) The future is impossible to predict but actions and decisions are focused on this unpredictable future.
- 3) The future will also be different from the past. i.e. there won't be historical experience to draw upon.
- 4) Able to provide direction when there is no map. ⁵

#7 Cognitive skills⁶

- 1) Long-term memory
- 2) Working memory: hang onto information while using it
- 3) Logic and reasoning
- 4) Visual processing
- 5) Processing speed
- 6) Attention
 - a) Sustained – for long periods of time
 - b) Selective – without distraction
 - c) Divided – doing two things at once

#8 Ability to quickly learn and unlearn: paradigms, frameworks, methodologies, data, facts, knowledge. The founders of the majority of unicorns (startups which achieved a \$1 billion valuation) had no previous domain experience. ⁷ Roche paid \$1.9 billion US for Flatiron Health, a cancer electronic records company. The Flatiron founders (Nad Turner and Zach Weinberg) had no background in cancer. They came from advertising. ⁸

#9 Creativity

A Google search of creativity reveals many very different definitions of creativity. Two definitions are:

- 1) "The *ability to think about a task or a problem in a new or different way*"
- 2) "*Creativity involves two processes: thinking, then producing.* If you have ideas but don't act on them, you are imaginative but not creative"

#10 Physical capabilities. These may include:

- 1) Senses, including sight, hearing, touch, smell, taste
- 2) Strength and endurance

What are your next steps?

- 1) Identify the role. The role could be a team (such as the board of directors) or an individual.
- 2) Define the long-term value of the role in your company's future scenarios.
- 3) Future talent requirements will be aligned with future scenarios for the company. There may be future roles which do not exist today.
- 4) Determine the talent requirements for the role, based upon the above core talent components. Recognize that a role may be comprised of: only people, a combination of people and technology (technology may include software, such as AI), or only technology.
- 5) Prepare an ongoing assessment and development process for the role. The capabilities of both people and technology must evolve over time. In the future, technology may play a greater part in a role.

Footnotes

¹ What self-awareness really is (and how to cultivate it) - Harvard Business Review 2019 January 04

<https://hbr.org/2018/01/what-self-awareness-really-is-and-how-to-cultivate-it>

We're all above average

² <https://www.northcoastjournal.com/humboldt/were-all-above-average/Content?oid=4206392&media=AMP+HTML>

Aspiring to leadership: Technical knowledge vs people skills

³ <https://smartleaders.ca/aspiring-to-leadership-technical-knowledge-vs-people-skills/>

⁴ Fluid vs crystallized intelligence

<https://www.simplypsychology.org/fluid-crystallized-intelligence.html>

⁵ The five new foundational qualities of effective leadership, PWC, Strategy+Business, June 14 2023

<https://www.strategy-business.com/article/The-five-new-foundational-qualities-of-effective-leadership>

⁶ What are cognitive skills?

<https://www.mindmattersjo.com/what-are-cognitive-skills.html>

⁷ Ali Tamaseb, *Super Founders*, New York, New York, Hatchette Book Group, 2021, 49

⁸ *Ibid.*, 53

What further reading should you do?

Elite talent – what is the purpose?

<http://koorandassociates.org/creating-business-value/elite-talent-what-is-the-purpose/>

“Understanding the leaders ‘identity mindtrap’: Personal growth for the C-Suite” McKinsey Article

<https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/understanding-the-leaders-identity-mindtrap-personal-growth-for-the-c-suite>

“What self awareness is and how to cultivate it” Harvard Business Review

<https://hbr.org/2018/01/what-self-awareness-really-is-and-how-to-cultivate-it>

Why are value, morals, and ethics important?

<http://koorandassociates.org/values-morals-and-ethics/why-are-values-morals-and-ethics-important/>

Is your company planning to fail?

<http://koorandassociates.org/avoiding-business-failure/is-your-company-planning-to-fail/>