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Why are some people more successful than others? Leaving aside luck, which equates to confessing that we don't really know, there are really just two explanations: talent and effort. Talent concerns the abilities, skills, and expertise that determine what a person *can* do. Effort concerns the degree to which the person deploys their talents.

Clearly, some people are both talented and hard-working, but there is often a tension between the two. Talent can [make people lazy](#) because they need to rely less on hard work to achieve the same goal. Hard work helps people [compensate](#) for lower levels of talent, which is why it's quite helpful to

be aware of one's limitations. (Of course, it is possible to lack both talent and effort, but then success will require a great deal of luck!)

But how much does talent actually matter? Nearly 20 years have passed since McKinsey introduced the idea of a [war for talent](#), yet most organizations seem to struggle with their talent management practices. For example, a recent industry [report by Deloitte](#) based on over 2,500 leaders from 90 countries showed that most employers are ill-prepared to tackle key talent identification challenges.

Furthermore, scholars have recently [argued](#) for a more collectivistic approach to talent management, suggesting that individual stars are less important than previously thought, and that overpaying them could harm team performance. In fact, many people assume that a team of stars is especially hard to manage and more likely to lack “synergy,” resulting instead in a collection of entitled and expensive prima donnas.

So should companies stop focusing on talent? Is talent overrated?

Not quite. Consider the following facts:

A few talented people make a huge difference. This is one of the most replicated [findings](#) in management research. In any organization or group, a few people will make a disproportionate contribution to the collective output. Around 20% of individuals are responsible for 80% of the output and vice-versa. This [Pareto Effect](#) has been found in virtually any domain of performance. As [academic reviews](#) have highlighted, a Pareto effect illustrates the distribution of scientific discoveries, publications, and citations; entrepreneurial success and innovation; and productivity rates. In all these areas 20% of individuals (or less) tend to account for between 80 and 98% of performance.

Thus talented people – the vital few – are the main driver of a company's success, and companies will see much [higher returns on their investment](#) if they devote more resources to the few people who are making a big difference, as opposed to trying to make the “trivial many” more productive.

Talent is easy to measure and predict. The science of talent identification is at least 100 years old, and there are many reliable and legally defensible methods for identifying potential and predicting future displays of talent. Although most companies waste an enormous [amount of time](#) coming up with their own models of talent – a camel is a horse designed by a committee – they are overcomplicating things. They would be better off consulting the vast body of scientific evidence in this field.

For instance, [meta-analytic studies](#) show that there are consistent personality attributes associated with top performers across all fields and industries. Most notably, the star organizational players tend to have higher levels of ability, likability, and drive. Ability is in part domain-specific as it involves the technical expertise and knowledge that people have acquired in a field.

However, the key component of ability is learnability or the capacity to learn new things – it is a function of IQ and curiosity. Likability is mainly about [emotional intelligence](#) and people-skills, and these are pivotal to success no matter what field you are in. Finally, drive is the dispositional level of [ambition](#) – a person’s general desire to compete and the ability to remain dissatisfied with one’s achievements. And if you think this last ingredient of talent can be coached or developed, read on.

Even motivation may be considered a part of talent. Although motivation is often celebrated as a talent leveler – a malleable state that can be trained and enhanced at will – it is important to understand that it has a strong dispositional and genetic basis. For example, stable personality characteristics, such as neuroticism, extraversion, and conscientiousness, account for [almost 50%](#) of the measurable variability in motivation, which means any observable difference in people’s motivation can be largely predicted from a very early age. In addition, large meta-analytic studies in [behavioral genetics](#) suggest that around 50% of the variability in those same generic personality traits is due to hereditary (compared to, say, 80% for human weight, and 90% for height). So while it may be easier to change your level of ambition than it is to lose weight, it’s not as easy as most people think. (And like with weight, people often manage desirable changes but only to revert to their previous level after a while.)

Besides, even though the remaining 50% of variability is due to environmental factors, many of these occur very early in life and we have not quite worked out how to influence them in a desired direction (even in adult life). This is why it is extremely difficult to transform a lazy and unambitious person into an intense and competitive individual, just like it is very hard to extinguish someone’s ambition when they are naturally very driven. That is [not to say](#) that you cannot coach or develop people to improve their performance. But the most effective interventions focus on helping people go against their nature, replacing toxic habits with more effective ones.

In short, talent matters as much or even more than people think. It is arguably more underrated than overrated. The only aspect of talent that is overrated concerns people’s evaluations of [their own talents](#) – most people are not as talented as they think, especially when they have [none](#).

Tomas Chamorro-Premuzic is the Chief Talent Scientist at ManpowerGroup, a professor of business psychology at University College London and at Columbia University, and an associate at Harvard’s Entrepreneurial Finance Lab. He’s the author of [Why Do So Many Incompetent Men Become Leaders? \(And How to Fix It\)](#). Find him on Twitter: [@drtcp](#) or at [www.drtomas.com](#).
