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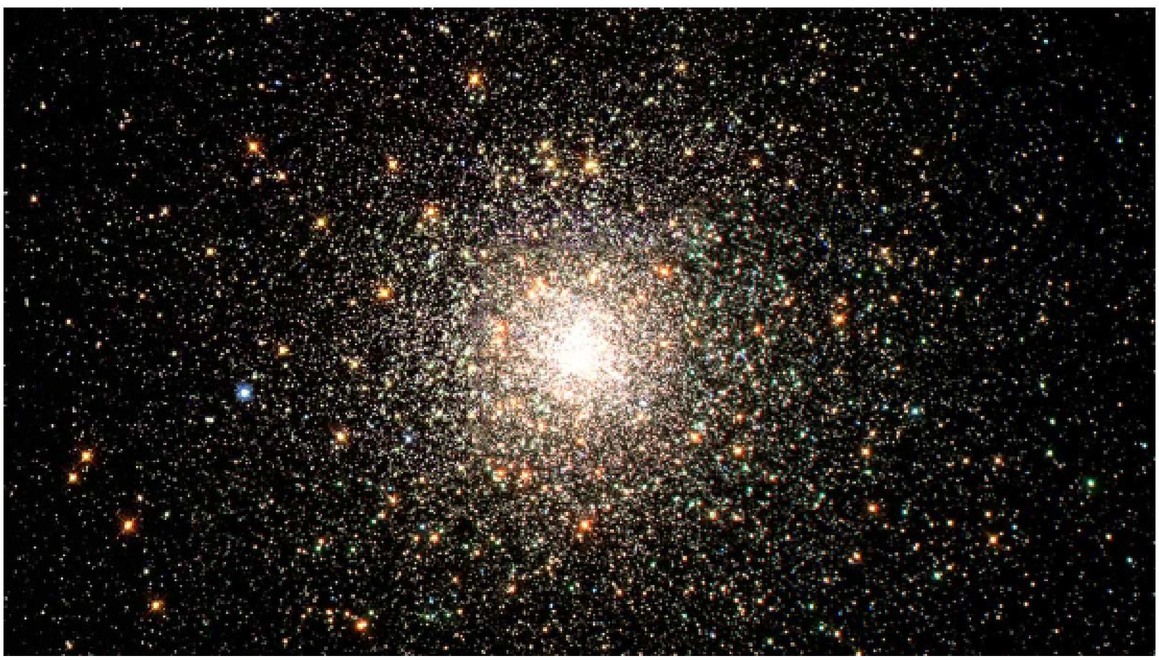

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Talent is what separates the best from the rest. The best-performing companies simply have better people. Right?

That's certainly what we thought before Bain & Company launched its in-depth investigation of workforce productivity. After assessing the practices of global companies and surveying senior executives, we discovered that the best companies have roughly the same percentage of star talent as

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the rest — no more, no less. It turns out that what separates the best-performing companies from others is the way they deploy talent.

Bain performed detailed organizational audits on 25 global companies. We benchmarked the practices of these organizations relative to companies widely regarded as best-in-class. To complement this research, we collaborated with the Economist Intelligence Unit to survey more than 300 senior executives from large companies worldwide. We asked them to assess their workforce and to describe their people management practices, all with an eye toward understanding the drivers of workforce productivity. What we found surprised us, at least with respect to star talent:

- On average, 15% of a company's workforce — roughly one in seven employees — are A players, or "stars."
- The amount of star talent does not differ dramatically between the best-performing companies in our sample (the top quartile) and the rest (the average of the remaining three quartiles). Stars made up 16% for the best, and 14% for the rest.

What *does* differ between the best and the rest is how each group deploys its star talent. We found two distinct deployment models at work:

The best companies used intentional nonegalitarianism. The best-performing companies deploy their star talent in an intentionally nonegalitarian way. That is, they focus their stars on areas where these individuals can have the biggest impact on company performance. As a result, the vast majority of business-critical roles — upward of 95% — are filled by A-quality talent. In some technology companies, for example, software development is critical to business success. So the best-performing companies in this industry make sure that software development roles are filled with star talent. In other industries brand management matters more, so the A players tend to be clustered there. Stars are concentrated where they can make the biggest difference, which of course means that less A talent is available for other positions.

The rest used unintentional egalitarianism. The remaining companies in our sample deploy star talent in an unintentionally egalitarian way. In other words, these companies attempt to spread their A players more or less evenly across all roles, so that one in seven professionals in every role is a star player, and the remaining six are average players. No team has more stars than any other; no roles are seen as more important than the rest.

The egalitarian approach may seem fair, even admirable, but it does not produce superior results.

Our research suggests that people-deployment practices account for a significant portion of the difference in productivity and performance between the best and the rest. To be sure, many other practices are at play as well. But people deployment is vitally important.

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What steps should organizations take to make the most of their star talent? Our research highlights five best practices:

Know who the stars are in your organization. It is difficult to deploy scarce talent effectively without first identifying your company's A players. Most companies employ some form of assessment based on performance and potential, typically as a vehicle for determining compensation and career progression. Following this approach, A players are employees who score highly on both dimensions.

Know where your A players are (and could be) deployed. Knowing who your stars are is just the beginning. You also need to know how effectively they are being deployed. For each star in you company, ask two important and related questions:

- **Where are they currently deployed?** What role is each star currently playing in the organization? This information will help you assess how effectively you are deploying scarce star talent.
- **How fungible are they?** Could they perform some other role with the same (or similar) performance? Your most valuable people are both highly proficient in their current roles and highly versatile. If you find that you have underinvested scarce talent in a number of critical roles, versatile stars can help to fill these roles.

Identify the business-critical roles in your company. Not all roles are created equal. Some are inherently more important than others in successfully executing a company's strategy and delivering superior performance. The best companies identify these roles explicitly. They ask themselves: "Which roles benefit the most from star talent?" and, by implication, "Which roles can we afford to fill with 'good enough' talent?" Having the best software programmer in the world makes little difference if your business is consumer packaged goods. But having the very best brand managers and marketers may make a big difference. The best-performing companies put their talent where the money is.

Treat star talent as a company-wide resource. Organizations commonly struggle with moving great talent from one part of the company to another. Your star talent can quickly become the property of a single business unit or function unless you have the processes and practices to ensure that these scarce resources are invested on behalf of your entire company, not just the division, business, geography, or function where they currently reside. Organizations that put these practices in place make better use of their existing talent and avoid the artificial shortages of talent that can be created by parochial hoarding of A players.

Ensure that business-critical roles get first dibs on star talent. Once your leadership has the information it needs to determine who and where the stars are in your organization, it must be ruthlessly nonegalitarian in the way it assigns talent. It must make sure that business-critical roles are filled with A players first, and then turn its attention to roles that are important but less business-critical. Only then can you be assured that your star talent is being deployed as well as possible.

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Ever since the start of the "war for talent," companies have invested billions to attract, develop, and retain the very best. Now that war looks like a stalemate: Most companies, on average, have the same amount of stars. The companies that perform the best are the ones that treat star talent as the scarce, hard-won resource that it is.

Michael Mankins is a partner in Bain & Company's San Francisco office and a leader in the firm's Organization practice. He is a coauthor of Time, Talent, Energy: Overcome Organizational Drag and Unleash Your Team's Productive Power (Harvard Business Review Press, 2017).

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