



# WHAT IS TALENT, AND WHY DOES IT MATTER?

When hiring managers, most organizations focus on previous non-managerial success or tenure. Although these factors are important, they are secondary to talent. Through four decades of research, Gallup has consistently found that talent is the greatest predictor of long-term success in a role. Talent is the crucial element to consider when hiring managers — and it cannot be detected on a resume.

Gallup research has shown that people who operate from talent can learn a role faster and adapt to variance in the role more quickly. These individuals not only produce more, but they also produce at a higher quality. Because of this, we have also found powerful links between top talent and crucial business outcomes. On average, companies that select the top 20% of candidates from Gallup's talent-based assessments achieve:



## THE DEFINITION OF “TALENT”

Gallup defines “talent” as the natural capacity for excellence. People can learn skills, develop knowledge and gain experience, but they cannot acquire talent — it is innate. When individuals have the right talent for their role, they think and act differently than their peers. They are energized by their work, rarely thinking of it as “work” at all. But for others whose talent is not the best fit, the same work can feel draining.

Organizations that fail to hire for talent often end up with significant variance in performance. They can give their employees the same information and expectations, provide them with the same or similar working environments, teach them the same skills and offer them the same knowledge, but without talent, these organizations will end up with some high performers, some middle-of-the-road performers and some low performers. Talent is the stabilizer — it paves the way for *consistently* excellent performance.

## FIVE DIMENSIONS OF MANAGER TALENT

Gallup has studied the behavior of high performers in every imaginable role from elite military personnel and teachers to bank tellers and truck drivers. With every role studied, Gallup has found one unfailing truth: Successful people have similar talents. And managers are certainly no exception.

Gallup describes and assesses manager talent using five “talent dimensions”:

1. Motivator
2. Assertiveness
3. Accountability
4. Relationships
5. Decision-Making

A talent dimension represents a group of related talents. For example, the “Relationships” dimension represents the talents for establishing authentic connections with team members and generating enthusiasm among employees. Gallup then uses scientific assessments to determine how well an individual expresses those talents and therefore fits into each talent dimension.

Gallup has found that the five dimensions of manager talent are the greatest predictors of performance across different industries and types of manager roles (i.e., general manager, field manager, team manager). An individual who exhibits the five dimensions to a high degree has what Gallup calls high manager talent. Comparatively, an individual who has many of the talents necessary to be a successful manager but needs support in the form of training or coaching has functioning talent. And an individual who lacks talent across the five dimensions has limited talent. A person with limited talent is much less likely to be a successful manager regardless of the support he or she receives.

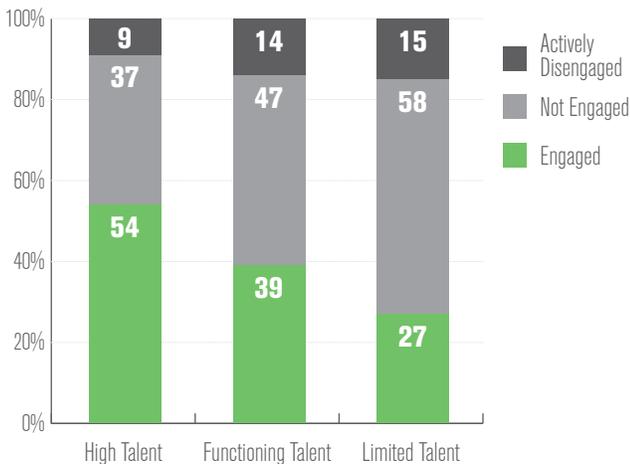
Talent Dimension	High-Talent Managers	Limited-Talent Managers
Motivator	They challenge themselves and their teams to continually improve and deliver distinguished performance.	They lack excitement about and expectations for outcomes and allow team performance to stagnate.
Assertiveness	They overcome challenges, adversities and resistance.	They struggle to create change or drive performance improvement.
Accountability	They ultimately assume responsibility for their teams' successes and create the structure and processes to help their teams deliver on expectations.	They fail to organize the workflow of teams, making it more difficult to meet performance expectations.
Relationships	They build a positive, engaging work environment where their teams create strong relationships with one another and with clients.	They suffer from the dysfunction of teams that lack cohesion and disengage employees and clients alike.
Decision-Making	They solve the many complex issues and problems inherent to the role by thinking ahead, planning for contingencies, balancing competing interests and taking an analytical approach.	They seek the convenient solution over the best solution, not taking into account all of the pertinent information and/or complexities.

## MANAGER TALENT AND PERFORMANCE

An organization's level of talent directly affects its bottom line. Gallup's research reveals strong correlations between talent and business outcomes such as profitability, sales and productivity. When Gallup examined manager talent, we discovered even more evidence linking this vital element to organizational performance.

In a study of 2,551 managers, Gallup found that 54% of managers with high talent are engaged at work — twice the percentage of managers with limited talent. This finding has significant implications for organizations that find themselves struggling to break out of mediocrity. Gallup has studied engagement since the 1990s and has repeatedly discovered that companies with high levels of engagement outperform all others in terms of business outcomes such as absenteeism, quality, turnover and customer ratings. If organizations can find and hire more managers with high talent, they can likely raise their overall levels of engagement — and performance.

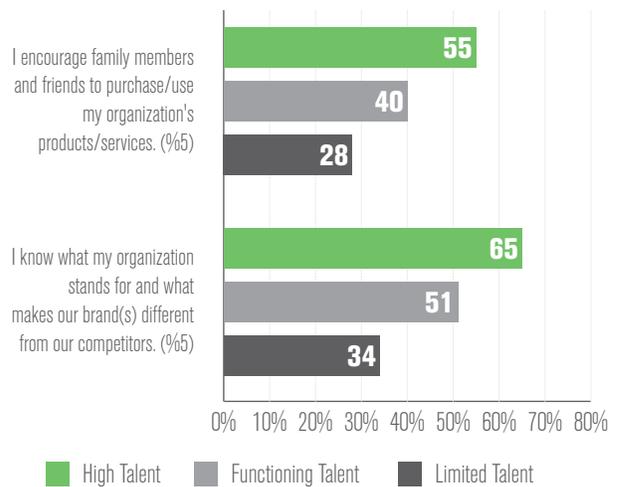
## MANAGERS WITH HIGH TALENT ARE TWICE AS LIKELY TO BE ENGAGED



Managers with high talent are also advocates for their organization. These managers are brand ambassadors who sing their company's praises to friends and family members. For example, 55% of managers with high talent strongly agree (give a 5 on a 5-point scale, with 5 being the highest) with the statement, "I encourage my family members and

friends to purchase/use my organization's products/services," compared with 28% of managers with limited talent. And nearly twice as many managers with high talent than limited talent strongly agree that they know what their organization stands for and what separates it from its competitors.

## MANAGERS WITH HIGH TALENT ARE BETTER BRAND AMBASSADORS



Organizations expect all of their employees to act as brand ambassadors, but that is rarely the case. According to Gallup research, only about a third of non-management employees (37%) say they know what their organization stands for and what separates it from its competitors. And if these employees do not understand their company's brand promise, it is highly unlikely they can act on it or communicate it to customers.

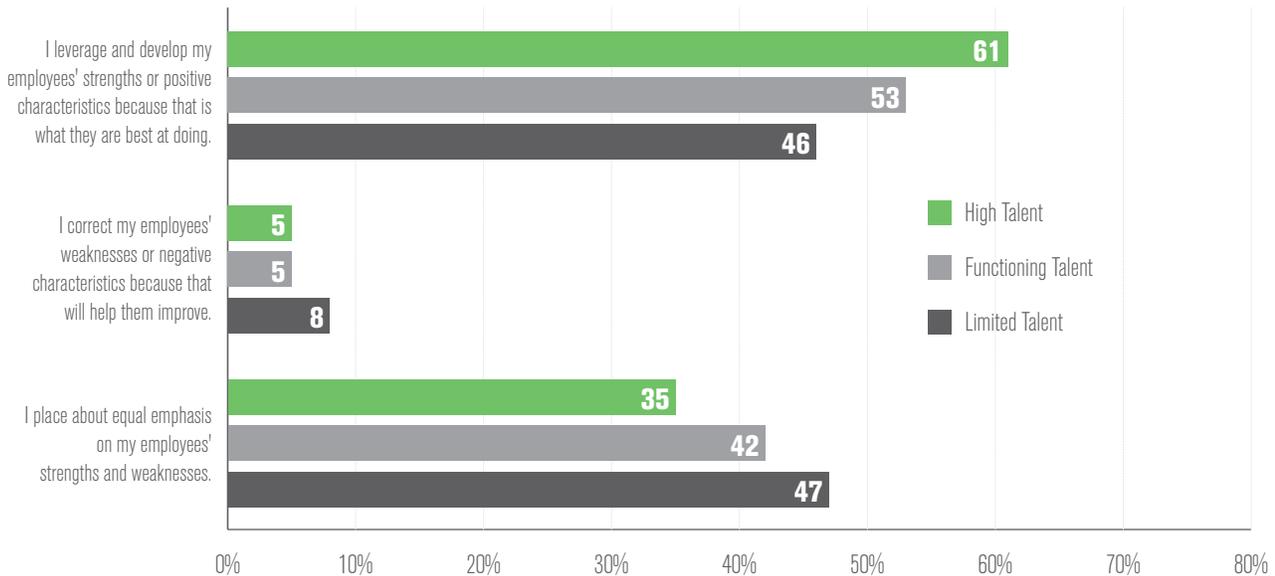
Typically, organizations hold managers responsible for helping employees understand their brand promise and know how to deliver it. But if managers do not know what sets their company apart, there is little chance their employees do. Organizations that hire managers based on talent are more likely to have a strong and effective army of brand ambassadors who understand and live the brand, and who can more successfully engage customers.

Managers with high talent think differently about their jobs and organizations, and they think differently about how to develop their employees. When Gallup asked managers to choose the option that best represented their management approach, 61% of managers with high talent said they take a

strengths-based approach, while fewer percentages of managers with functioning or limited talent said the same. Managers with limited talent were more likely than those with high and functioning talent to say they focus equally on employees' strengths and weaknesses.

## MANAGERS WITH HIGH TALENT ARE MORE LIKELY TO FOCUS ON STRENGTHS

Which of the following best represents your approach to managing?



Through extensive research, Gallup has found that building employees' strengths is a far more effective approach than trying to improve their weaknesses. When employees know and use their strengths, they are more engaged, have higher performance and are less likely to leave their company. In a Gallup study of 1,003 random U.S. employees, nearly two-thirds (61%) of employees who felt they had a supervisor who focused on their strengths or positive characteristics

were engaged — twice the average (30%) of U.S. workers who are engaged nationwide. A manager's approach to strengths has a profound impact on engagement, and that engagement has a profound impact on just about everything that matters to an organization's long-term viability. **G**

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