

## BOOK REVIEW

Bill Conaty and Ram Charan (2011). *The Talent Masters: Why Smart Leaders Put People Before Numbers*. (London: Random House Business Books), pp. 320, Rs. 699, (p/b), ISBN 978-1-8479-4072-8

### *Reviewed by*

Shiva Kumar Srinivasan, Indian Institute of Planning and Management (IIPM), Chennai

Who are the talent masters? Why do they matter? What is the relationship between leading people effectively and business performance? How do these masters get a competitive edge out of talent? These then are some of the important questions that are addressed by Bill Conaty and Ram Charan in this engaging book. Conaty has worked in GE for forty years and was instrumental in setting up a number of important HRM and talent management practices there. Charan is a leading management consultant and an authority on corporate governance; he was educated at the Harvard Business School and has served as a faculty there. The work experience and wisdom that these writers bring to this summary of the most effective talent management practices in existence in corporate America will ensure that this is going to be the book on talent management against which those who move into this field will be measured in the years to come. As companies in this part of the world begin to understand the competitive edge that talent management practices will make possible in a hypercompetitive world, they will turn to books like this in order to 'institutionalize' the best practices in talent management. What they will find here is not only the theory behind talent management, but also a toolkit that will take them through the various steps necessary to do so.

This toolkit comprises the basic principles, the cultural requirements, the modalities involved in managing talent, and the most effective approaches to leadership training and development. It also includes a section which answers the most frequently asked questions on talent management along with a set of guidelines to conduct 'talent reviews'. The ideas presented here draw upon Conaty's experience of working at GE's Croton Ville to determine whether it is possible for a firm to replicate the learning experience fostered here in their own premises; and, if so, at what cost. It also discusses the ways and means for making 'business partners' out of HR professionals so that the ethic of taking people and talent seriously becomes a habit in firms rather than a problem that appears to be important only when there is an urgent staffing issue to be dealt with. Another important advantage of the talent masters approach to HR issues is that it makes succession planning at all levels much more effective. What is being contemplated here is nothing less than a same day succession when senior leaders leave the firm. Conaty is also uniquely equipped to discuss this issue because he helped GE's Jack Welch in finding a successor in Jeffrey Immelt. Charan has also spent the better part of his career working as a consultant to GE; he has taught several programs at Croton Ville and is the recipient of the Bell Ringer award for excellence in teaching. So a unique feature of this book is that the framework that they have put together is based on an intimate understanding of what really happens at Croton Ville rather than an attempt to see if they can come up with a framework that will be applicable in the context of management and leadership development programs in the corporate sector. In addition to discussing the training programs on offer at Croton Ville, they also discuss a number of instances where talent issues such as unexpected resignations had to be dealt with in GE. The approach that they feel works best in such situations is to build several layers of leadership so that there is a seamless succession to the senior levels of the hierarchy in which such problems emerge. They argue that GE is able to retain up to 95 percent of its top leadership talent as a result of the extraordinary efforts that have been made to spot, develop, and deploy talent. Nonetheless, being an 'academy company', GE continues to be attractive to those in corporate America and elsewhere who are on the lookout for leaders.

The tool kit also includes an interesting item which discusses what sort of attributes an 'ideal CEO' should have though the argument is not that only those who have all these attributes should be made a CEO. They also explain what feedback is along with a prescription on how the Welch model of feedback in the form of candid handwritten letters can be an effective tool for increasing motivational levels (along with the provision of timely recognition) for GE's executives. This is a common theme in the biographical literature on Jack Welch since these executives hold on to these letters for years even after they have served the functional purpose for which they were written. They serve, needless to say, as an existential link to Welch and thereby provide these executives with not only a sense of inclusion, but proof that they exist(ed) as important contributors to GE. There are also two examples of letters that Welch actually wrote to Conaty with annotations by the authors on the 'clarity, specificity, tone, and the underlying message' to make it possible for CEOs to attempt such forms of feedback in their own turn. They also include a list of the 'pitfalls' that leaders should be wary of along with a summary of the lessons that have been learnt so far in matters pertaining to 'talent and leadership development'. The thoroughness with which the ideas of talent mastery are discussed here - along with the conciseness with which they have been expressed and the life-time of experience that they are able to draw from - provides good reason to believe that readers who wish to try out these ideas when they find themselves in leadership positions have no excuse for not doing so.

The authorial wager is that 'putting people before the numbers is fundamental to becoming a talent master since operational and financial results begin with having the right people in the right jobs to create and execute the business strategy'. In addition to an in-depth examination of the GE experience, they also include original case studies of Hindustan Unilever, P&G, Agilent Technologies, Novartis, Goodyear Tire & Rubber, LGE, UniCredit, and Clayton, Dubilier & Rice. This collection of cases, which are drawn from a number of different domains, makes it easy to generalize the practices of the talent masters. It is the examination of cases across different domains, again, that makes it possible to give readers not only a sense of what these talent masters are up to, but to actually provide a feel for these practices. What these cases also demonstrate is the fact that leaders who wish to lead talent effectively must acquire a 'rigorous intimacy' with their employees since talent is not an abstraction, but a set of lived experiences. It constitutes, as Freudian psychoanalysts might put it, the very *jouissance of value addition*. It is therefore important to understand the transference dynamics that is implicated in leadership practices, and the ways in which the assessment and evaluation of talent is implicated in these dynamics. Though Conaty and Charan do not use the term 'transference', their use of the term 'intimacy' can only be understood in this context. As they put it, 'only intimacy among leaders will engender the candor, mutual trust, and confidence that are essential to building organizational capability'. The most important form of strategic capability for talent masters then is, quite simply, talent management.