'STAR PERFORMERS': WORTH THE INVESTMENT?

A critical business advantage of investing in good resourcing practices is that these practices help businesses to predict tomorrow's star performers. Why are star performers so valuable to a business?

Take a look at Figures 1 (top) and 2 (bottom).

Figure 1 depicts the widely recognised normal, or bell curve, distribution. You might assume that, as with so many things in life, the distribution of performance among any population of employees would follow a bell curve, with most people's performance bunching around the average and small numbers of very high and very low performing outliers. If you are looking at performance in contexts such as manufacturing, where the interdependence of workers can limit the potential contribution of individual stars, this is likely to be the case.
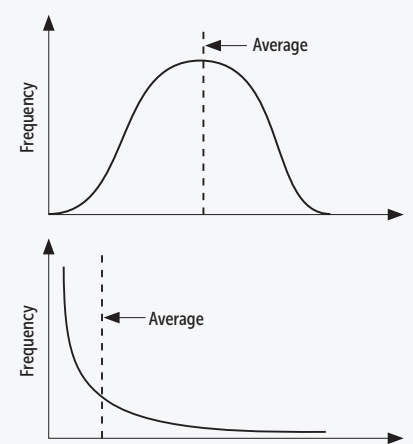
However, if you are looking at performance in the highly complex jobs that comprise today's knowledge-driven economy, such as CEOs, sales staff, doctors, lawyers, software engineers, consultants and educators, you will usually find that employee performance follows the 'power law', or Pareto, distribution depicted in Figure 2.

Figures 1 and 2: Normal distribution vs. Power Law Distribution

In a Pareto distribution, there is a small number of 'hyper performers', a broad swathe of 'good performers', and a smaller number of 'poor performers'; the small group of 'hyper performers' account for a disproportionate share of total business value.

This 'Pareto Principle', or law of the vital few, demonstrates that star performers are very much worth the investment. As Bill Gates put it when discussing his experience of building Microsoft: "A great lathe operator commands several times the wage of an average lathe operator, but a great writer of software code is worth 10,000 times the price of an average software writer."

Organisations that can design resourcing processes that effectively attract and retain 'hyper performers' thus harness an important competitive advantage over competitors who lack this capability.

Is your resourcing function fit for the purpose of attracting star talent? Assess where you stand with these questions...

- What role does job analysis play in identifying star performers?
- Is your employer brand effective at attracting star performers? If not, where are the weak points in your brand and what can you do to overcome them?
- What is the appropriate assessment methodology for identifying star performers?
- Are assessment tools driven by new technologies such as AI or gamified assessments uniquely equipped to attract star performers?