

Moneyball and the Strategic Talent Game

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The word “strategic” gets attached to almost everything these days, and certainly the arenas of human capital and talent management are no exception ... but is your organization really doing “strategic” talent management?

Here’s a simple test that my colleague Pete Ramstad and I wrote about in our book *Beyond HR*: “How concerned would you be if your competitor had a copy of your HR strategy?” Too often, the answer is “Not very concerned, because ours probably looks a lot like theirs anyway.” Compare the HR strategies of two competitors and it is often hard to tell which strategy goes with which company. Talent and organization decisions are often based on very broad and generic strategic goals, such as “increase innovation” or “provide world-class customer service.” Or they reflect workforce goals that are important but generic, such as “retain more baby-boomer technical talent,” “increase diversity,” or “build next-generation leadership.” These goals fit the organization, but then they would fit any organization. “Human capital strategy” or “strategic talent management” often stands simply for the collective array of human resource management programs of your organization. It is a combination of tactics.

Yet, the essence of competitive strategy is a disciplined way of thinking that produces choices that make the organization uniquely successful. Does your human capital strategy reflect that?

This is a great question for you to keep in mind as you watch the newly-released film *Moneyball*, which is about playing the game of human capital strategy to win. The Oakland A’s had to develop a unique approach to their players or “human capital,” to compete with teams that could pay three times more. They did it by looking beyond traditional statistics such as stolen bases, runs batted in, and batting average, and used deep statistical analysis to find that overlooked statistics such as on-base percentage and slugging percentage were better indicators of scoring success. These were overlooked in the market, so the A’s could acquire them cheaper than typically-valued qualities such as speed and hitting contact.

Can you do this? The *Wall Street Journal* noted that the message of *Moneyball* is important to leaders because valuing assets is relevant everywhere, whether talent or otherwise. An essential element of strategy is to deeply understand where and how you will achieve strategic success. When it comes to the talent asset, you can often find areas of “blue ocean,” where you can succeed uniquely, instead of the “red ocean” of competing for the same talent with bigger paychecks.

How well can you answer this question: “Where does our talent need to be better than our competitors for us to win?”

Consider the engineers that design the rides at theme parks. All engineers need to be adept at the technical safety of ride design, understand how physical movement affects the feeling of thrills, and consider the “storyline” of the ride. Yet, compare the engineering needs of Disneyland versus a thrill-ride park like Cedar Point in Sandusky Ohio. At Disneyland, the song, “It’s a Small World,” is a triumph of ride design because it is an iconic example of the “immersive storytelling” that is the Disneyland’s competitive hallmark. Yet, the ride is simple technology ... a boat on a rail riding past puppet displays. At Cedar Point, few guests remember the

music that accompanied their roller coaster ride, but they will blog incessantly about how it pushed the limits of technology, G-forces, etc.

How is this a *Moneyball* play? Tradition would say that ride engineers must innovate in both “storytelling” and “technical physiology,” so Disneyland and Cedar Point must be direct competitors. Yet, storytelling is much more pivotal than physical boundary-testing at Disneyland just the opposite at Cedar Point. The two theme parks need very different human capital ... even with the same job title. The more savvy approach is for Disneyland to attract, reward and retain ride designers that are good at physiology but passionate about storytelling, and vice versa for Cedar Point.

The talent game for the “best” ride design engineer is less about head-to-head battles for the same people, and much more about a nuanced understanding of how ride design contributes to strategic success. The same pattern has show up in my work with jobs as diverse as U.S. Navy crewmembers, web designers for Williams-Sonoma, and aircraft design engineers at Boeing and Airbus. Getting beyond generic human capital strategies often reveals unique ways to compete.

Take another look at your talent strategy. Is it unique enough that you’d hide it from competitors? Are you playing “Moneyball” when it comes to your human capital?

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