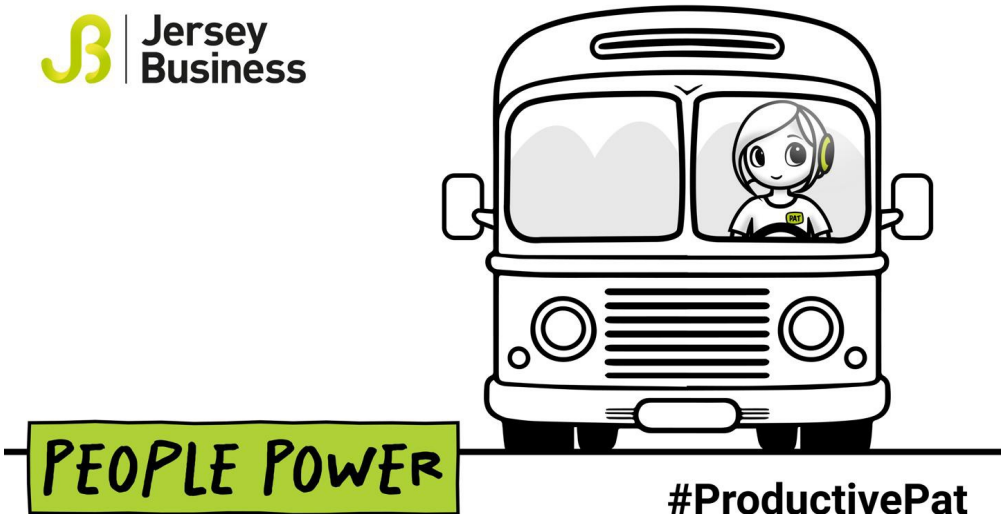
Will your people make or break your business?

13th June 2024

There’s no doubt that people form one of the biggest challenges for businesses today. Attracting the right talent, retaining those individuals, and unlocking their potential is vital to business success. Therefore, having a robust people strategy is key.



Keep it simple

One of the biggest mistake leaders can make is to overengineer their people strategy. So, before we dive in let’s focus on the three key things we’re trying to achieve:

1. Getting the right people in
2. Getting the wrong people out
3. Getting the right people in the right seats

Right people

The ‘right’ people are those who align from a technical, skills and cultural

perspective. Those who are ‘wrong’ for the business can become toxins of culture who will infect and pollute the other great people in your business.

Having the right people in your business will catapult your business forward. The wrong people will set you back on your growth journey and become an inhibitor to your growth ambitions as a business.

Once you’ve sorted through the ‘right’ and the ‘wrong’ people, now it’s making sure all the ‘right’ people are in the correct seats. Are you harnessing their skills and talents in the right places? Are you listening to where they want to sit? Do you need to make a new seat for someone who has a skillset yet to be brought into your business?

Correctly focusing on performance

It’s useful to consider the Pareto principle. It’s got many applications but can be particularly powerful when applied to your people strategy. The Pareto principle is often referred to as the 80/20 rule and states that for many outcomes, 80% of consequences come from 20% of causes.

In business, people typically use this to suggest that 80% of sales will come from 20% of your products, or that 80% of profits will come from 20% of your customers.

If you apply the Pareto principle to your people strategy it plays out like this: 20% of your people are your top performers. But if 20% of your staff are the top performers – where does everyone else lie? In most businesses, 70% of people will be somewhere in the middle with 10% being disruptors.

The Challenge

The challenge with this is your attention is naturally drawn to dealing with the bottom 10%. But even if you manage to turn the 10%, creating a 10% uplift in performance, what impact or difference will that have on your business?

While it’s important to deal with the individuals in the bottom 10%, it’s also vital to make sure that your time and attention is equally spread where you’re going to get the best return for your effort and resources.

Imagine it’s coming to the end of the month, and you are 10% below your sales target and you need somebody to pull it out of the bag and get you over the line. Obviously, you’re going to go to your top 20% performers because they are

the ones who'll be able to move into sixth gear and get you back on track.

Now, think this time about what a 10% uplift among your top performers would mean for your business. The attention you give to these people has a disproportionately positive impact on your organisation. This is where you need to focus your retainment efforts.

The middle matters

70% of your people is a big proportion. Breaking it down, a fifth of those people in the middle are your future top performers. It's important that you identify them and put a plan in place to nurture and develop them.

Around half of your people in the middle are your 'heart and souls'. These are the people who come in at nine and leave at five. They do their job well, and they're happy to do so. They don't have ambitions of being a top performer or a future manager or leader and that's ok. These people are still crucial to the success of your business.

The remaining people are ones to watch out for. These people have the potential to move up to the heart and soul category – or even further – or down to the disruptors. Their success will depend on your ability to nurture them.

Remember…

People will either make or break your business. Think back to those three goals we created at the outset of this article. You will find it much easier to achieve those goals if you are able to proportionately divide your time and attention, building a robust people strategy that will allow you to realise your growth ambitions.

Download our review template

Here to create a people strategy