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# Harvard Business Review

 JUNE 2014

SPOTLIGHT  
**ARE INVESTORS  
BAD FOR BUSINESS?**

The Capitalist's Dilemma  
Clayton M. Christensen and  
Derek van Bever 60

The Price of Wall  
Street's Power  
Gautam Mukunda 70

Managing Investors  
An interview with Sam Palmisano 80



## How to Spot Talent

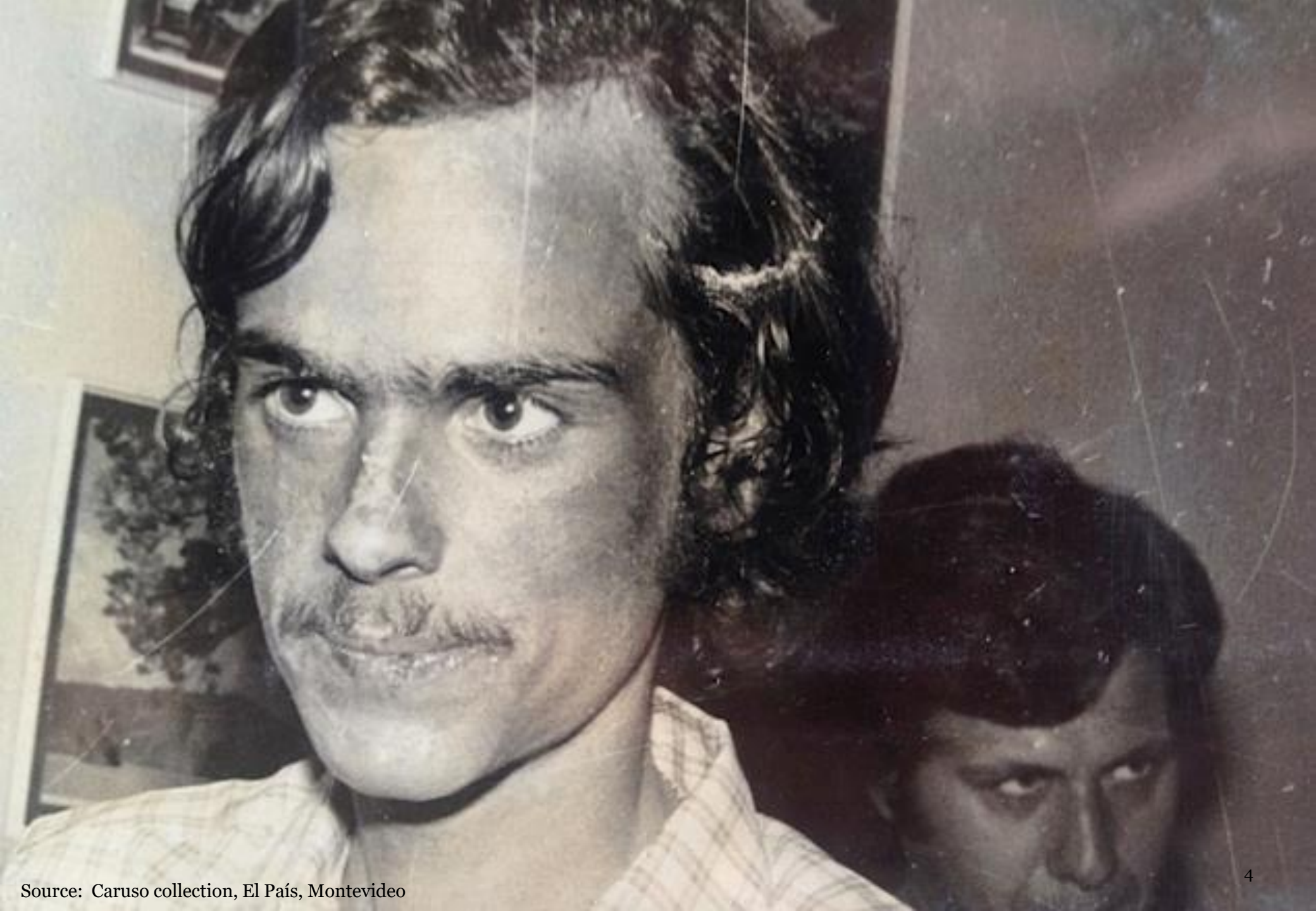
(Hint: Experience Is Overrated)

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Source: Caruso collection, El País, Montevideo





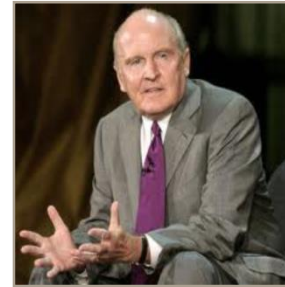
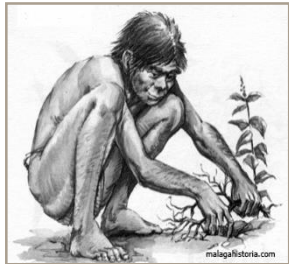
# The Power of Potential

	Project Manager Brewery	CEO Electronic Retail
Sector Experience	None	Excellent
Function Experience	None	Excellent
Geographic Experience	None	Excellent
Competency Fit	Unknown	Excellent

Performance on the Job	Outstanding	Poor
Career Evolution	Promoted Twice Rapidly	Asked to Leave

Potential	High	Low
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# A New Era of Talent Spotting



**Era**  
**Focus**

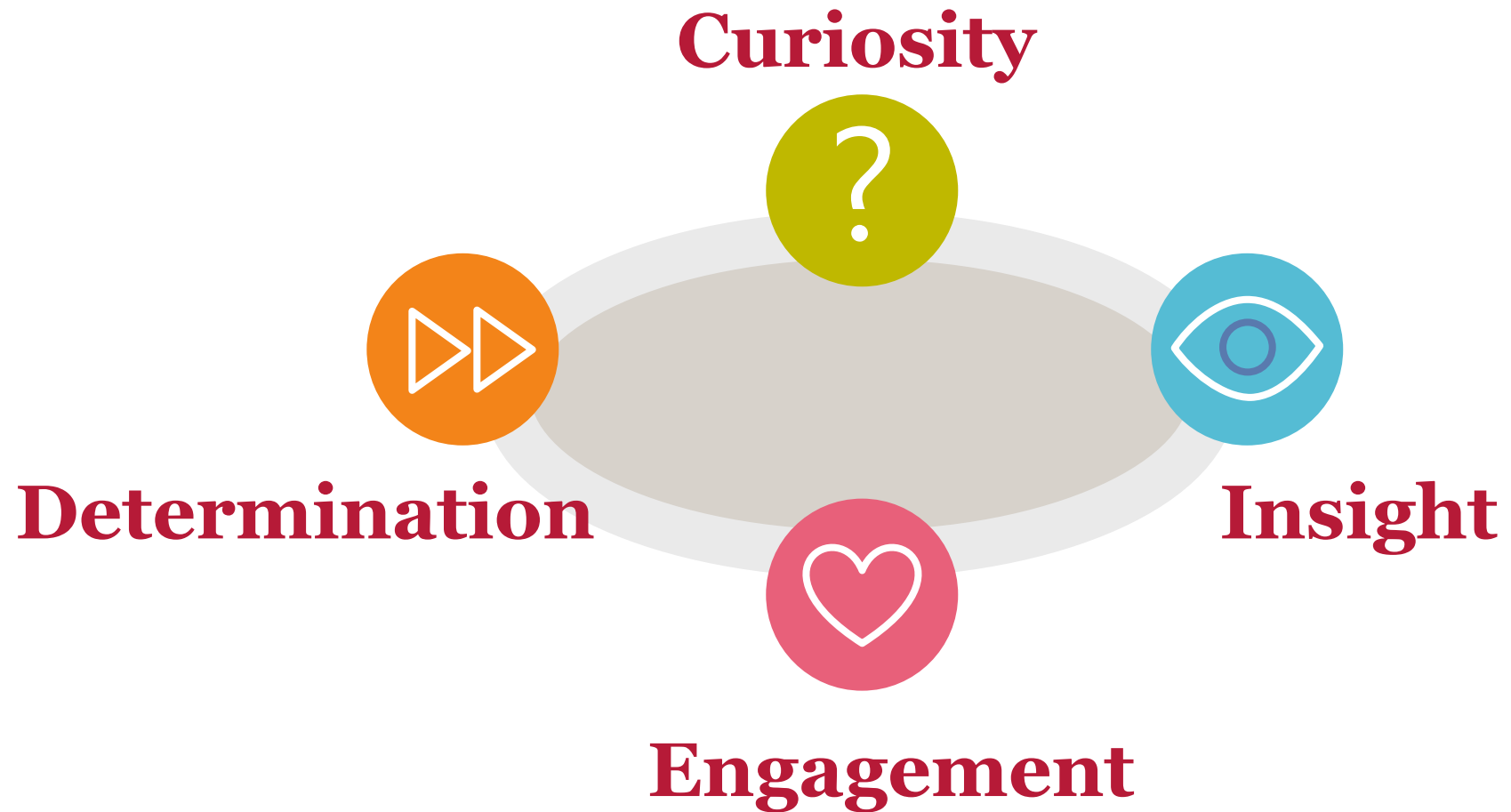
**I**  
**Physical  
Strength**

**II**  
**IQ, Experience  
Performance**

**III**  
**Competencies**

**IV**  
**Potential**

# Elements of Executive Potential



# The Right Motivation

**Fierce commitment to excel ...**

**in the pursuit of unselfish goals**



# Creating the “Good Society”

- **Corporations:** *Move into the Fourth Era of Talent Spotting*
  - Choose the Right Leaders: Competence + Motivation and Potential
- **Business Schools:** *Prepare Ethical Leaders*
  - Improve Admissions: Select on Motivation and Potential
  - Teach People Decisions
- **Governments:** *Build Great Civil Services*
  - Dynamic Governance: People Before Policies
  - Great Public Leaders: Excellence, Integrity and Service, Plus Potential
- **Social Sectors:** *Choose Great Social Leaders*
  - Right Motivation
  - High Potential
  - Focus on People Decisions



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