

The investors metaphor¹

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Hosting talent is developing the organisation's human capital. One of the roles of the leaders-architects is to build good hosts and hubs of something that they do not own: the individual's talent. Nobody has put it better than Thomas O. Davenport with his 'investor metaphor' of workers (in his book *Human Capital*). Employees were once treated as 'cost', then as 'most valuable assets' and now they should be seen – he says- as investors, that is, investors of their own human capital. It is a very interesting concept from the leadership perspective.

What do you do when you invest? You go and find a place where your capital is going to grow! At the end of the year, or whatever other period, you are going to compare what you put in and what you got out! It follows that people should go and work at places where their human capital is going to grow, and where, in the process, it's being used by the organisation. In this model, leaders are more like investment fund managers, creating the conditions for the growth. As such, they should be measured by their ability to show the growth. And this is a tricky one because whilst we are good at managing tangible assets, we're not necessarily that good at managing intangible ones. If your people are not sure about what 'intangible' means, use this:

A rich American lady visits the most famous hat maker in Paris. She sees a beautiful, exquisite, long ribbon and immediately falls in love. The hat maker takes the ribbon in his hands, does a few twists with it and creates a stunning hat. Brilliant! The lady grabs it immediately. "*How much is it?*" she asks. "*Five thousand Euros*", the hat maker says. "*Five thousand Euros!*" the lady exclaims, "*But, it's just a ribbon!*" "*Madam*", the hat maker says, "*the ribbon is free.*"

¹ Initially posted on www.theleaderwith7faces.com, February 2008

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