



DAVID BAND

David Band is an experienced international businessman who has spent the past twenty years in management consulting and in directing and investing in technology-based companies. He has held senior positions in three global consulting firms and has founded two start-up businesses. He is a professional director and serves on Boards in New Zealand, Australia and the US.

1. In the context of your professional background, what does 'talent' mean to you?

Capability. Capability covers knowledge, skills, behaviours, aptitudes and orientations. If I am looking at one of my companies, I use the terms talent and capability interchangeably and I say, 'Right, where are we heading as a business? What do we set ourselves as objectives over the next couple of years? Therefore, what capabilities do we need in this organisation to give ourselves the best shot at delivering on those objectives?'

Now, that's sometimes technical knowledge. It's sometimes other skills. It's always about culture. It's always about which behavioural aptitudes or orientations will fit in this organisation and which won't. I think in general there's been a move away from narrow, technical expertise or knowledge to a broader set of behavioural capabilities.

2. Are you aware of any talent gaps that exist or might arise within the next ten years?

If I just think about my two major New Zealand businesses, both of them are life-science based businesses. For the agricultural genetics business, it's very hard to find enough Kiwis with the right level of scientific expertise. We are looking for folks who either are first-rate quantitative agricultural geneticists or first-rate computational modellers or, even better, both.

I suspect it's because of what's not happening in schools in New Zealand. I mean, STEM education in New Zealand is pretty horrible. It's pretty low grade, and it's getting worse and worse. It's very hard to find really high quality graduates from New Zealand universities in anything like the numbers we might want to choose.

The other company is in human genetics, it's a cancer diagnostics business. It's easier to find the scientific talent, but we've now moved beyond that. We've moved into commercial application and it's quite hard to find folks who can straddle that divide.

It's much easier to find people overseas. That last business I talked about, we've now set up an operation in the US. We have the opposite problem. There's such an array of high-quality people who can do exactly what I've just talked about.

3. How do successful organisations attract, keep and grow talent?

Number one, it's got to be a place where somebody wants to work. I think – and we don't do this very well in this country at all – you've got to really reward performance and you've really got to sanction underperformance. You've really got to differentiate between the two. People have to understand that there are standards that have to be met and if you meet them, fantastic, we'll reward you. If they're not, we'll put some development into you and give you every chance to meet the required performance levels, but in the end if that doesn't work, there'll be consequences.

People are Pavlovian. You get what you incentivise. If you incentivise a narrow focus on monthly earnings – and there's nothing wrong with that,

that's what pays the bills – but if you reward people for how much they contribute to monthly earnings and that's it, you ain't going to get innovative, entrepreneurial behaviour.

4. Think about talent hubs around the world, what is cool and why?

The Research Triangle Park (RTP) in North Carolina is fantastic. It's the oldest talent hub. RTP's been going since the late fifties and it's fundamentally three universities and a deliberate policy of bringing in corporations from all over the world to take advantage of the work going on in those universities. A deliberate policy to actively, aggressively commercialise what's going on in those universities and to sell that stuff to the world.

I'll give you an example – Duke University. It is a tiny university. It's got an incredible amount of commercialisation of its research. It punches way above its weight. It's got an IP policy of open slather. You're on our staff or you're a student and you come up with an idea? Go for it. There's a no-tax regime on IP coming out of Duke and they are creating a huge IP generation. It's just like in economics – the lower the tax, the greater the growth. IP follows the same supply-side rules. Now you compare that to Australian or New Zealand universities who regard this as like giving away the crown jewels, well no wonder we commercialise a fraction of the science that we should be deploying for public good.

5. Can you assess New Zealand's performance in attracting talent on a global scale?

Rubbish. I see no evidence in countries like ours of wanting to move towards a high-performance culture. I don't see

any real evidence of that, except in sport. I think it's part of the tall poppy thing. I think Kiwis struggle with excellence and rewarding excellence and differentiating between excellent and ordinary. I think young people, especially in New Zealand, have a fear of standing out from the crowd. We're very

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focused on helping the under-achievers, we're not focused on rewarding the over-achievers. In fact, over-achievement is a horrible expression.

6. What does New Zealand need to do in order to attract, keep and grow talent?

Letting people be rich; it's a great place to live, so we don't need to make the place a better place to live. People need to make money. Or make more money. Sorry to be crude, but we've got to let people get rich. Or have the chance to get rich.

What does that mean? Well, it means a different tax structure. What's the implication of that? If you're going to reduce tax rates to get people richer, there's a whole bunch of things that wouldn't get funded that currently do get funded. I don't think any party's going to bite that bullet, I really don't.

Never ever underestimate the power of inertia. The attraction of not changing is so much greater than the power of changing for so many more people. Inertia is such a powerful force, inside organisations and inside societies.

There are lots and lots of successful examples overseas of enterprises or arrangements for stimulating and encouraging and supporting innovation. Now, I'm not talking about using taxpayers' money to do this but private money. If you look at the US, some of the incubators that have hung off some of the universities are just fantastic. They've generated so much wealth and added so much value to the economy and I do think there are things that could be done there.

Now I do think there are some random things being done in New Zealand. And there's nothing wrong with that. But anything that could be done in a slightly more structured way would be good. What do I mean by that? Fundamentally it means getting the money organised right, and by money I mean private capital.

7. Any final thoughts for young people?

I usually advise people not to think about having a career. I just don't think there are careers anymore. Interesting, professional lifetimes exist but I don't think you have a career in insurance any more or a career in manufacturing or a career in technology. I normally say don't choose careers, probably don't even choose companies, choose people. Ask around: What's this guy like to work for? What are these people like to work with?

Interviewed by Charlotte Greenfield at the Novotel Hotel in Wellington, on 8 June 2013. Photograph provided by David Band.