

**THE NEW
TALENT
PLAYBOOK**
Podcast

Action Kit

**Talent Density: The
Growth & Profit
Multiplier**

Featuring Mike Goldman

Episode 2 - Season 5

By Rob Levin, Creator of [Thenewtalentplaybookpodcast.com](https://thenewtalentplaybookpodcast.com)
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You just listened to Mike Goldman, a leadership team coach with over 35 years of experience, challenged everything you thought you knew about performance management. **Mike reveals that only 2% of leaders believe their performance management systems add real value**, and that the number one driver of profit growth isn't a new strategy, market, or product. It's people growth. This Action Kit will help you start applying his five-step framework today.

1. Set Crystal-Clear Expectations (The Foundation)

Mike emphasizes that unclear expectations don't lead to unclear results—they lead to unacceptable results. Most leaders fail at this first step. You need expectations around both productivity (measurable results) and culture fit (living your core values).

Your Expectations Audit:

For each of your direct reports, rate how clearly you've communicated these expectations:

Your Core Value	Productivity Expectations (1-5)	Culture Fit Expectations (1-5)	Action Needed?
Example: Sarah	4	3	Clarify core values

Which team member needs the most urgent clarity on expectations? What specific conversation will you have this week?

2. Assess Performance: Productivity AND Culture Fit

Mike's framework uses two axes to assess performance: Productivity (measurable results, not hours worked) and Culture Fit (living your core values and making people around them better). Performance is NOT just productivity. A highly productive person who destroys your culture is a low performer.

Map Your Team on the Talent Density Grid:

Plot each team member in one of these categories. Be honest—this is for you, not HR.

- HIGH-PERFORMING: High productivity + High culture fit (your superstars)
- LOW PRODUCING: High culture fit + Low productivity (coachable, but need development)
- LOW CULTURE FIT: High productivity + Low culture fit (toxic, even if they hit numbers)
- MEDIUM-PERFORMING: Neither high nor low enough to be clear (the danger zone)

Core Values Audit:

Team Member	Category	Coachable? (Y/N)
		<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No

Key Insight from Mike: Low-culture-fit people are almost never coachable. You can't coach someone to become who they're not. Low producers are often more coachable if they fit your culture.

3. Take Massive Action: Invest in High Performers

Mike's most counterintuitive insight: most leaders overinvest in low performers and underinvest in high performers. This creates 'polished mediocrity', your low performers rise to acceptable, and your high performers drop to good. You don't create greatness by fixing weakness; you create it by maximizing strengths.

The Investment Reality Check:

Think about the last month. Estimate the percentage of your coaching/development time spent with each group:

High-Performing team members: ____%

Medium-Performing team members: ____%

Low-Performing team members: ____%

Total should equal 100%

Action Planning:

List your top 3 high performers and one way you'll challenge, re-recruit, or develop them this quarter:

If you spent more than 40% with low performers, you're creating polished mediocrity.

High Performer	Development Action

Remember: One superstar equals the productivity of three mediocre performers. Pay them like it.

4. Measure What Matters: The Talent Density Indicator (TDI)

Mike says the number one driver of profit growth is people growth. But if you don't measure people growth, you can't manage it. The TDI (Talent Density Indicator) is simple: % of high performers minus % of low performers. It ranges from -100% to +100%. This is the mother of all leading indicators—when your TDI goes up, profit follows.

Calculate Your Current TDI:

- Total number of direct reports on your team: _____
- Number of HIGH-PERFORMING team members: _____
- Number of LOW-PERFORMING team members: _____

TDI Formula:

$$\text{TDI} = (\# \text{ High Performers} / \text{Total Team}) \times 100 - (\# \text{ Low Performers} / \text{Total Team}) \times 100$$

Your Current TDI: _____%

Benchmark Guide:

- Below 0%: Urgent action needed
- 0-25%: Below average, focus on coaching out low performers
- 25-50%: Good, keep building
- 50%+: Exceptional talent density

What is your TDI goal for next quarter? What specific actions will move the needle?

5. Drive Leadership Accountability Through Quarterly Assessments

Mike recommends quarterly talent assessment meetings where the leadership team assesses everyone one level down—together. This isn't secret HR filing; it's leaders challenging each other, using specific guidelines to remove bias, and making decisions about who to develop, promote, or coach out. The goal is continuous improvement of talent density.

Quarterly Talent Meeting Prep:

Before your next leadership team meeting, prepare to discuss each team member using these prompts:

Team Member	Current Status	Trend (↑ ↓ →)	Action Decision

Key Questions for Each Category:

- High Performers: How do we challenge them? Re-recruit them? Should we promote?
- Medium Performers: What do we need to do to move them up? Timeline?
- Low Performers: Coach up or coach out? What's the deadline?

"The number one driver of profit growth is people growth. It's not a new strategy, it's not a new marketplace, it's not a new product. All those things are important, but the number one driver of profit growth is people growth."

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