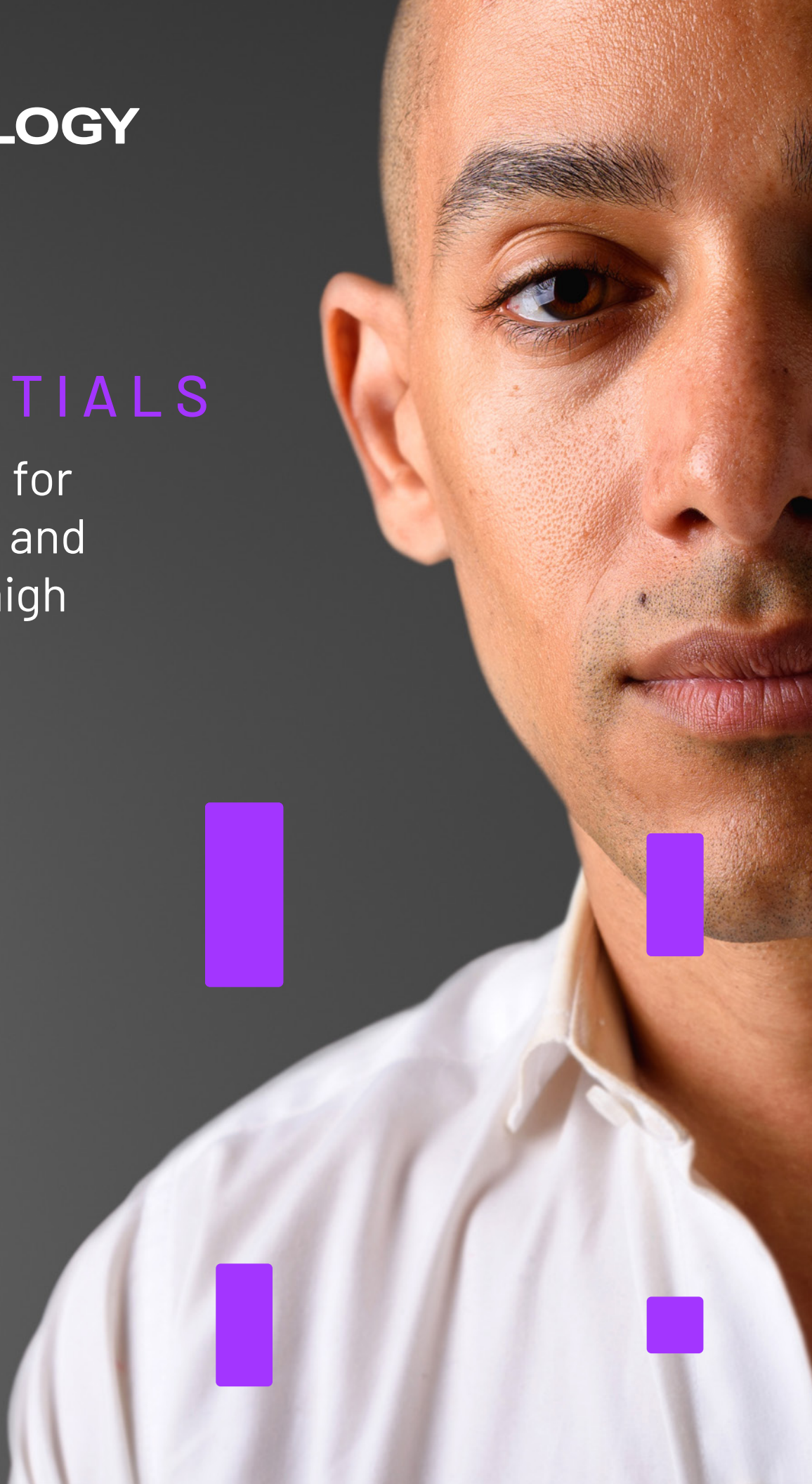




HIGH POTENTIALS

A roadmap for
identifying and
selecting high
potentials



Introduction

Identifying, developing, and engaging high potential is an important part of every successful organization's talent strategy. They know that their culture is driven by their leaders and they also know that high performing leaders can be associated with all sorts of positive outcomes (e.g., increased retention of staff, higher employee engagement scores). One of the critical drivers of these programs is the need to develop and engage their high potential talent. Organizations have a huge need to not only develop their talent but also to engage them so that they do not go elsewhere looking for advancement and

development opportunities. Now more than ever we are facing a talent war. Great leaders are hard to find and even harder to retain in a competitive global economy.

In order to attract and retain this talent, organizations need to have a structured program for selecting, developing, and engaging high potentials. The problem is that most organizations either don't have a high potential program or they don't have a structured way to determine who their high potential employees actually are.



What is potential?

At the most basic level, potential is defined as the capacity or ability to develop a skill in the future. It can also be described as an underlying trait that has not yet been realized. Essentially this is what we are doing anytime we make a hiring or promotional decision about an employee. We are making an educated guess that they can succeed in a role or function that they haven't performed in the past.

The most difficult part about potential is to determine who has potential and who does not. We need to figure out the indicators of potential so that we can identify people early in their careers and get them on the correct developmental path so they can realize their potential.

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What are indicators of potential?

Before you begin the process of identification, it's important to take a step back and ask, potential for what? The answer to this question usually is dictated by the end-state. For example, potential might be defined as having the ability to move into another role, to move into a role that is two or more levels higher than the current position, or to take on a broader scope of work (including leadership components). Defining high potential by role, level, or breadth are the most common definitions used by organizations (Church, Rotolo, Ginther, & Levine, 2015).

However, when defining potential in your organization, it is critical that you align the definition of potential to your organization's strategies and long-term goals for the future. If an organization anticipates the demand for senior managers to increase in the next few years, defining potential by role makes sense. Alternatively, if

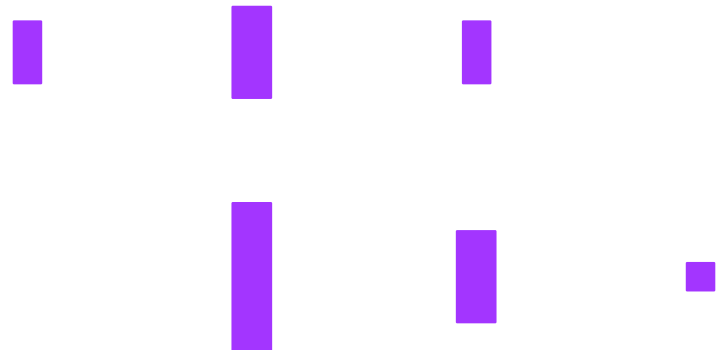
the organization's strategy is to ensure leaders have a greater skill-set so they can lead effectively across functions, then they should define potential by breadth. While an organization may be hesitant to develop a very specific definition of potential because they want flexibility, it is important, especially among leaders helping with these decisions, that everyone is calibrated on who qualifies for the extra resources.

After defining potential, organizations are better suited to identify the critical factors and capabilities that will classify an individual as having potential. There are several different capabilities that can be measured and specific ones may differ by organization. Church & Silzer (2014) recommend focusing on three types of broad attributes:

1 Foundational dimensions

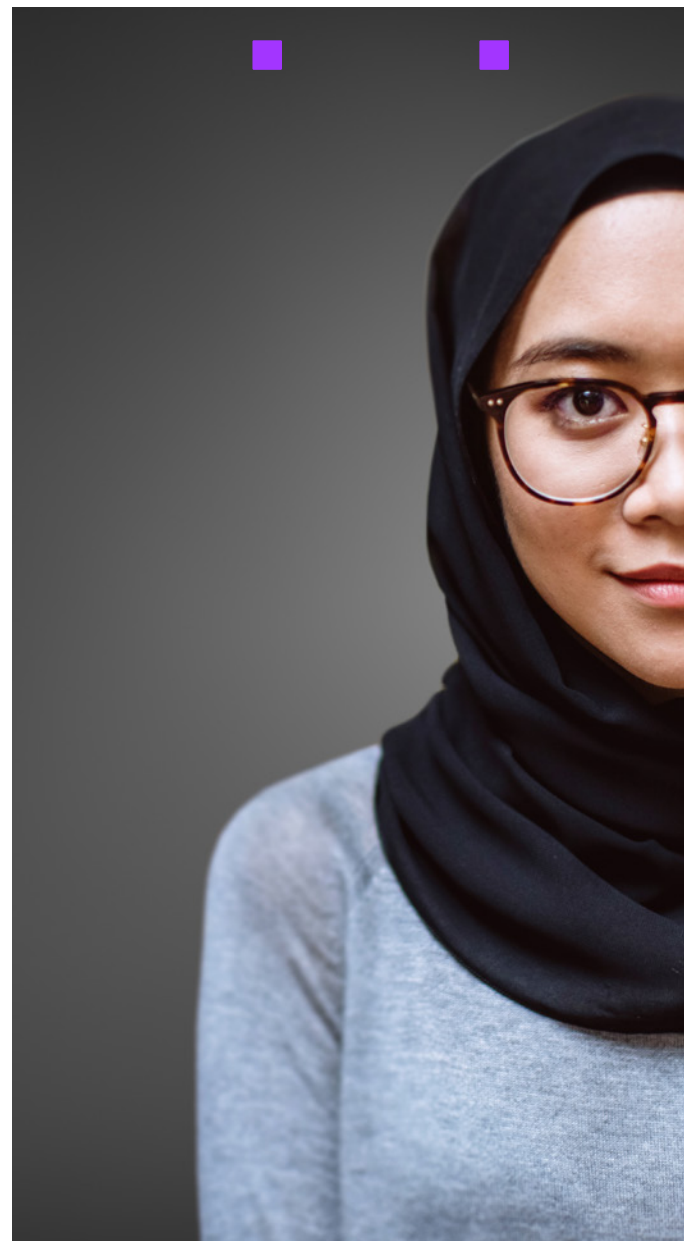
Foundational dimensions are the core building blocks for assessing potential. These capabilities are relatively stable over time and situation and therefore are unlikely to change drastically without significant influence. Specific examples of foundational dimensions include cognitive ability and personality. Within the past few years, there has been a greater emphasis for leaders to handle more complex and ambiguous situations. Individuals who are able to manage complexity effectively and think strategically are more likely to be successful. On the other hand, interpersonal skills, assertiveness, and resilience are directly linked to long-term leadership potential and therefore are assessed across organizations as well.

considered early indicators of one's potential because they are able to be developed. These are also areas in which organizations spend a significant amount of money on training efforts.



2 Growth dimensions

Growth dimensions are individual factors that will either facilitate or hinder one's inclination towards development. They tend to be fairly stable, but could manifest in situations that have a supportive culture or when an individual is working in an area that is of interest to him or her. Growth dimensions include both learning and motivation skills. Learning skills, which may include learning orientation, adaptability, and openness to ideas or feedback, are helpful in differentiating individuals who will be motivated to take on new challenges and learn for the sake of learning. We know the only constant in organizations is change, and therefore, an individual's ability to accept and manage changing situations and markets is critical. Furthermore, having achievement orientation, showing drive, and demonstrating organizational commitment are common capabilities considered for motivation. Good ways to distinguish individuals who have potential are identifying those who show initiative, rather than merely state a desire to learn new skills, or those who accept challenging assignments.



3 Career dimensions

This last set of capabilities provides an indication of an individual's readiness or probable success for higher levels of responsibility. These capabilities are the easiest to develop. Career dimensions are more specific skills that are important for designated career paths, including both leadership, as well as, technical skills. Many organizations tend to focus on the "people-side" of leadership skills that involve engaging, motivating, and coaching others. Additionally, technical skills include any functional knowledge that is important for a particular role, as well as business or industry knowledge. The important thing to remember is that these should be

While these are the three main capabilities that Church and Silzer (2014) identified as being important to consider, it is very common to assess more contextual factors as well. The most common contextual factors considered across organizations are mobility, cultural fit, diversity, and past performance. These factors are good to consider for talent planning, but should not be utilized when determining if someone has potential or should be included in a high potential program for conceptual as well as legal reasons. One final consideration is to understand that potential is dynamic (Silzer & Church, 2010). While some of these capabilities are fairly stable, others are much easier to develop and can change. As such, someone may not be considered to be on track for a high potential program currently, but could be later on in his or her career.



How do I identify and assess for potential?

After defining potential and determining the factors that are important and relevant to consider for your organization, it's now time to consider the process for evaluating employees to be considered for a high potential program. Most organizations indicate that high potentials represent around 10% of their total population (Church et al., 2015), and therefore having a process to best identify those individuals in a sensitive and logical manner is critical. Oftentimes, this begins by having managers and senior leaders nominate employees who they think have management potential. During the nomination process, basic information about each candidate is gathered. This information may include career history, recent performance evaluations, past developmental experiences, evaluation of the candidate's leadership strengths and development needs, reason for nomination, and the personal motivation of the individual to develop.

When gathering and reviewing this information, it's very important to keep in mind the limits of collecting past performance information. Research shows that past performance is a significant predictor of future performance (Gatewood, Field, & Barrick, 2010). However, performance is not the same as potential. This misconception is referred to as the performance-potential paradox (Church & Wacławski, 2010). There are several examples when high-performing employees are promoted and do not live up to expectations. Performance may be their "ticket to the ballgame." However, there are many factors influencing performance and therefore it could be misleading to directly link to potential.

Once an initial pool of employees has been vetted, the next step in the process is to have the employees go through an assessment process. This process is very specific to the organization's goals and the amount of detail that is gathered can vary widely, too. In particular, personality inventories, ability tests, and leadership skills assessments can be implemented to measure several of the key capabilities above. Additionally, career background interviews can also be conducted to add more detail to what might have been

collected in the nomination process. Another common assessment method is to administer 360 surveys. These surveys are a good method for gathering feedback on a wide range of competencies from several different employees who have a close relationship with the candidate.

It's about an even split as to whether organizations collect this information to make high potential decisions or to review with the confirmed high potential talent for onboarding purposes into the high potential program. However, within the past few years, more companies have been directly involving employees via an assessment process when identifying individuals for the program (Church et al., 2015).

Once this information has been collected about the employees it is then reviewed by senior management. There is often a lot of data that is collected for each employee. It can be challenging to sort through all of the information. However, it is important to always relate the information back to the goals of the program. An employee should be selected if they have the necessary attributes that will support the objective of creating the high potential program.

What's next?

Identifying and selecting high potentials can seem to be a challenging task. Trying to whittle your employee population to 10% of your brightest and best is overwhelming. However, breaking it down into logical steps will help. In particular, you should:

- Define what potential means to your organization and link this to your organization's goals
- Identify those core foundational, growth, and career dimensions relevant to the program's goals
- Determine mechanisms to measure those dimensions as part of the selection process

Following these guidelines, you will be able to identify those who have potential, so you can better retain and develop your top talent.

Having a process to best identify individuals in a sensitive and logical manner is critical.

Citations

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