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Are there any New or Proven Practices in Identifying Team Members with "High Potential"?

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Abstract

Are there any new or proven practices in identifying team members with "high potential"? How do we enable managers to identify high-potential employees and what to do with that insight?

Keywords

human resources, high potentials, leadership pipeline, talent, high performers, talent management, engagement, feedback, assessments, organization network analysis, ONA, analytics

Comments

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EXECUTIVE
SUMMARY

Research Question

Are there any new or proven practices in identifying team members with "high potential"? How do we enable managers to identify high-potential employees and what to do with that insight?

Who Are High-Potential Employees?

Most companies purposefully identify high potential employees to build their leadership pipelines. High potential employees consistently and significantly outperform their peer groups in a variety of circumstances and settings and they form the top 3% to 5% of the talent.[1] They have the following characteristics:

- They have a strong drive to excel, and they have catalytic learning capability.[2]
- They tend to always think and solve problems creatively and from a position of inquiry.
- They have positive energy and high growth potentials.[3]
- They perform under first-time, tough conditions.[4]
- They have the ability to sense opportunity and changes, and they are risk takers and consistent high performers.

Differences Between High Performers and High Potentials

Usually companies find their high-potential employees in their high performers. However, not all high performers are high potentials. According to a research, only one in seven high performers is a high-potential employee. (Appendix A)

While high performance is a starting point for identifying candidates, companies then need to assess these high performers for their aspiration, ability and engagement to establish who is a high-potential employee: [6]

• Assess for aspiration and critical career management behaviors to understand if an employee will rise to a senior and more challenging position and turn that motivation into career success.

• Assess for future managerial and leadership ability to know whether the employee has the competencies required for success in more senior and challenging roles.

• Evaluate engagement to know whether an employee is committed to the organization and sees the organization as the best place to realize his or her career goals.

Proven Practices to Identify High Potential Employees

Before starting identifying high potential employees, a company first needs to define its own high-potential criteria. After that, the company should make the high potential criteria measurable, and then it can start to identifying high potentials.[5] Below are proven practices to identifying high potential employees which are commonly used by companies[7]:

1. Performance appraisal by line managers. It is critical to reevaluate top talent annually for changes in engagement, ability and aspiration levels.

2. 360-degree feedback to get confidential, anonymous feedback from the people who work around them like manager, peers, and direct reports.

3. Assessment center puts candidates through a series of group or individual exercises designed to simulate the conditions of a given job and determines if they have the skills and abilities necessary to perform that job.

4. Conducting psychological tests to assess communication skills, personality, interpersonal skills and decision-making style.

A New Practice to Identify High Potential Employees

Organization Network Analysis (ONA) is a new practice to identify high potential employees. It a method for studying communication and socio-technical networks within a formal organization. By surveying employees or by analyzing emails and telephone communications among employees, the company identifies who are playing important roles in the daily operation of the organization, and identify them as high potential employees.[8]

Conclusion

To successfully identify high-potential employees, companies need to create a plan to carry out a talent audit on existing candidates and extend the audit to other high performers. The HR department should establish a feedback mechanism and get these business leaders ready to offer support and develop stretch roles. The HR department should communicate clearly with line managers about the importance of identifying high-potential employees, outline challenges they may face in the identifying process, and provide timely help to the line managers in the process. When possible, identifying and cultivating of high-potential employees can be a part of evaluating managers' performance in their ability to identify and monitor star employees' development and satisfaction.[9]

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Further Reading

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Revealing High-Potentials Requires Communication Strategy by Pamela Babcock

High Potential Talent A View from Inside the Leadership Pipeline by Michael Campbell and Roland Smith

Appendix A:
High Performance vs. High Potentials

High Performance	Regularly exceeds expectations	Sets standard of excellence in role
	Lacks skills for success at higher level	Model leadership candidate
Low Performance	Little-to-no aptitude	Above-average aptitude
	Weak, unsatisfactory performance	Inconsistent performance
	Low Potential	**High Potential**

Source: *High Potentials vs. High Performers: A Manager's Guide to Identify, Assess and Develop*, by Kyle Lagunas**:** http://new-talent-times.softwareadvice.com/high-potentials-vs-high-performers-a-managers-guide-to-identify-assess-and-develop-1081012/