

# Moving Top Talent from a High-Potential Employee to a Performer



## EXECUTIVE SUMMARY

High-potential employees can provide significant operational and succession planning advantages. Identifying them is just the first step; the way you foster high-potentials' growth can mean the difference between the employee becoming a high-performer or an inefficient investment.

To guide key talent resources into elevated positions within your organisation, training, education, mentoring and other elements need to be in place. Proper high-potential development requires careful planning and execution, as well as a method to measure results so the organisation is able to ensure the future of leadership efforts.

Our previous white paper "Identifying High Potential Employees" touched on the search and selection of the best talent; this white paper is the next step. It will examine the benefits high-potential employee development programmes can provide; common issues that can occur; the career opportunities and instruction high-potentials want from employers — and proven approaches companies can use to successfully nurture their high-potential employees' growth.



## UNDERSTANDING HIGH-POTENTIAL EMPLOYEES

High-potential employees can play a crucial role in their company's future; when key vacancies arise, high-potentials, if adequately prepared, can step into the positions, saving the time and cost involved in conducting an external search and preventing possibly damaging productivity delays.

Not all dedicated employees are high-potentials; a worker who is doing well at his current level can show promise but not fit the organisation's future needs. So correctly identifying high-potential employees is the first step in executing a programme that will prep them for forthcoming roles.

Using thorough, carefully constructed criteria will ensure the appropriate employees are singled out so your organisation doesn't squander programme resources and slow any headway it's making preventing skills gaps — an outcome that likely wouldn't be discovered until you'd invested a considerable amount in the incorrectly classified workers' development.

Once you're confident your criteria accurately identifies high-potential employees, to successfully transition them into high-performers, companies need to create a supportive environment, provide adequate resources and avoid scenarios that can delay progress — such as:

### ASSUMING ALL HIGH-POTENTIALS WILL BE ENGAGED

Engagement is a crucial employee performance component that's been found to reduce turnover and positively affect productivity and profitability, according to Gallup [research](#).

Employers may assume high-potential workers will be some of their most engaged — and that they'll remain that way when they later become high-performers. Yet in 42 percent of organisations, low-performers have actually been found to be more engaged than high- and middle-performing employees, according to [data](#) from research firm Leadership IQ.

It's possible some employees' engagement declined as they transitioned from high-potential to high-performing; but it's just as likely some were never engaged to begin with at the high-potential level. That's unfortunate, because if high-potential employees are disengaged, they're unlikely to fully reap the benefits of any additional instruction or opportunities they're given — and they're more likely to leave, wasting the time and resources you've invested.

### FAILING TO ENCOURAGE A POSITIVE WORKPLACE

Research has found overall workplace environment plays a part in high-potentials' experience; they care about their company's success, as well as their own, and want to respect and be inspired by the people they work for. Yet four out of 10 have little confidence in their coworkers — and even less in their senior team, according to [research](#) from the Corporate Executive Board.



## UNDERSTANDING HIGH-POTENTIAL EMPLOYEES

Taking cues from a Gallup [study](#) involving 477 managers from companies in five sectors, could create a high performance-conducive culture and help your organisation develop a similar atmosphere for high-potentials. The key elements of the study were setting clear expectations, defining employees' roles, creating a trusting environment and encouraging employees' growth and development were all identified as influencing factors.

### BEING HESITANT TO OPENLY IDENTIFY HIGH-POTENTIALS

Research indicates the employees want it to happen; a Centre for Creative Leadership [report](#) found 77 percent place a high degree of importance on being officially identified as a high-potential worker within their company.

Labelling some employees as having elevated potential can sometimes build resentment among other employees, though; as a result, the process needs to be handled in a sensitive way. If it isn't, high-potential employees could be subjected to a socially difficult workplace or feel the expectations placed on them are too high — two reasons retention issues could occur.

### ONLY IDENTIFYING HIGH-POTENTIAL EMPLOYEES AT TOP LEVELS

A number of organisations solely focus on leadership positions. Given the beneficial effect employees with significant potential can have on operations, it's important to encourage them at all levels.

Research indicates the practice may help increase an organisation's overall performance. Fifty-six percent of top global companies formally identify entry-level/early career high-potentials, compared to just 32 percent of all other companies Aon Hewitt studied for its [report](#) on high-potentials.

### PLACING TOO MANY RESTRICTIONS ON VETTING HIGH-POTENTIALS

Putting considerable limits on programme participation can cause companies to inadvertently overlook qualified candidates and miss out on valuable development opportunities. Only 22.5 percent of companies have a tenure requirement for their high-potential programme, according to a [report](#) from the American Management Association's AMA Enterprise division. Some are happy to foster new hires; roughly half don't require employees to have been employed at the organization for any minimum amount of time to qualify for high-potential development.





## PRIMING HIGH-POTENTIALS

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High-potential employees can be a valuable asset.

Studies have shown they're traditionally more productive than other employees; according to CEB [research](#), they're 91 percent more valuable to an organisation than non-high-potential employees.

High-potential workers can also serve as an internal talent source. Most feel, after being given unique opportunities, they should have a role in developing other talent throughout the organisation, according to the Centre for Creative Leadership. Eighty-six percent say they actively work to identify and develop other high-potential employees for their employer.

Converting high-potentials into high-performers, however, isn't always an easy process.

Just 18 percent of organisations say their efforts to retain high-potential workers are effective, according to a [survey](#) of more than 500 senior managers and executives conducted by AMA Enterprise.

In a recent leadership [survey](#) conducted by the UNC Kenan-Flagler Business School, nearly half (47 percent) of talent management professionals said their current high-potential talent pool did not meet their anticipated needs.

To help high-potential workers maximise their abilities and successfully transition into high-performing employees, the following practices can prove helpful:

### OFFERING MORE CHALLENGING WORK

Twenty-one percent of employers differentiate high-potentials from other employees by giving them special assignments, according to AMA's [survey](#). Forty-three percent provide stretch assignments.

With stretch assignments, it's important to make sure the project goals are well-defined so the employee's performance can be measured against them. A number of organisations actually want to see high-potential employees have already undertaken stretch assignments by the time they enter a development programme. If the stretch assignment concept is new to a high-potential, provide consistent feedback throughout the process so the employee knows their progression is being monitored and encouraged.

### ADDRESSING HOW THE COMPANY'S FUTURE PLANS SUPPORT THE EMPLOYEE'S

If the opportunities you give high-potentials are consistently not things they want, the employees may be tempted to leave the organisation. One in five high-potential employees believes their personal aspirations are different than what the organization has planned for them, according to [data](#) from CEB. Nearly 40 percent of internal job moves employees who have been identified as high-potential make end in failure.





## PRIMING HIGH-POTENTIALS

In light of the personal aspiration disconnect, it's important companies align high-potentials' expectations with the task at hand. Let them know some projects they'll be asked to work on won't be their first choice — but the work will be strategic to the organisation, which feels the project will benefit from having the high-potential involved. In addition, stressing that these assignments will equip high-potentials with new skills, may help convince them that the projects are worthwhile.

## INCREASING HIGH-POTENTIALS' TRAINING

Additional training can prepare employees for future roles. Sixteen percent of organisations provide additional training for high-potentials. Thirty-nine percent of companies offer special workshops and training to help high-potentials grow, according to AMA [research](#). Thirty-one percent offer soft-skills training; 28 percent provide technical training and a quarter utilise functional training.

Not all efforts are classroom-based; three of the top development measures companies use include mentoring (52 percent), leadership programmes (47 percent) and coaching (45 percent).

## PROVIDING MORE RESPONSIBILITY AND DIRECTION

Traditional learning formats aren't the only option to cultivate high-potentials. Corporate Leadership Council [research](#) found modifying their work to adapt to changing circumstances — either in their lives or within the company — and encouraging them to solve problems creatively had [the biggest impact on](#) growth.

Twenty-seven percent of high-potentials said their company could increase their engagement and commitment with career path guidance and support, according to Centre for Creative Leadership [research](#). Sixteen percent cited greater authority as a high-potential engagement driver.

Feedback and communication were also highly ranked, with 13 percent of high-potentials saying it has an impact on their commitment. Employees at 9 percent of companies, when asked how high-potentials were treated differently than other employees, said they received rewards and promotion opportunities.

To ensure your high-potential planning efforts are working, regularly track programme results. The whole point of a high-potential programme is to turn employee potential into performance; without data and corresponding analysis, organisations will have no idea if their development programme is successful until participants eventually assume significant roles — and either flourish or fail.

Companies measure their high-potential programmes in a variety of ways. Forty-six percent gauge their programme's success through participants' positive business results, according to AMA's [survey](#). Programme participants' reaction is the primary indicator for 43 percent of companies; observed behavioral changes and participants' improved performance are each the benchmark for 41 percent of companies.



## CONCLUSION

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High-potential employees can be a tremendous asset. They are often highly productive; more willing to relocate than other employees, according to human capital management software company SAP SuccessFactors' [statistics](#); and they possess an interest in learning new skills and the ability to do it.

Without the proper prospects, attention and career advancement, though, there is a considerable risk high-potentials may not remain at your organisation. One in four, in fact, intends to leave their employer within a year, according to CEB's [research](#).

To retain these rising stars, employers need to offer a robust development programme, sufficient advancement opportunities and an overwhelmingly positive work environment.

Companies can benefit from regularly examining high-potential programme results to ensure their efforts are having the desired impact and participants' needs are being met. If they aren't, and employees leave, the investment you made will be lost — making your development attempts ultimately time-consuming and unproductive endeavours.

However, with a carefully maintained focus on high-potentials' current and future status, companies can increase the chance high-potential employees will remain in their current role — and eventually, with targeted instruction and guidance, become some of the organisation's biggest performers.

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