

# Steps to Identifying & Developing High-Potential Employees

Great leaders are not born—they are grown.

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The development of future leaders within your organization is vital to the success of your company. Time and time again, we see businesses struggle to retain critical talent simply because they did not invest the time and effort into identifying and developing their high-potential employees.

While [91% of businesses](#) believe high-potential employees (HiPos) are twice as valuable as their peers, [70% of organizations](#) lack confidence in their pipeline of future leaders. With such staggering statistics, we must ask ourselves, where is the disconnect coming from?

In this white paper, we will teach you how to identify, develop, and retain the high-potential talent within your organization. In doing so, you will be able to foster the talent you already have into the leaders of tomorrow.

## Identifying High-Potential Employees

### WHAT MAKES AN EMPLOYEE HIGH-POTENTIAL?

Take a moment to think about the people within your company. Who stands out? More importantly, why do they stand out?

Chances are, these employees have been identified by either you, or other leadership in your company, as top performers. However, when it comes to identifying high-potentials, performance isn't the only indicator.

Some of the [key identifiers for HiPos include](#):

- Significantly greater contribution than their peers.
- Exceptional levels of motivation both internally and towards their peers.
- A constant thirst for knowledge.
- Ability to thrive in changing & challenging atmospheres.
- A dedication to their ongoing leadership development.
- Effective management of themselves, as well as other employees.

To perform in an executive leadership role, one must also be able to think strategically and adapt themselves and the organization for the long-term future.

High-potential employees are able to do this through inventive imagination and an entrepreneurial mindset, as well as a deeply rooted understanding of and respect for the vision of the company.

Simply put, HiPos have an innate drive to work harder, take on additional responsibilities, and step up to the plate not just for their co-workers, but also for their company. While they may consistently outperform their peers, their performability is not their only strength.

When it comes to identifying high-potential employees, remember to always focus on the potential, rather than the performance. While a successful employee brings value to any organization, if they do not exhibit the company's defined leadership qualities, they should not be deemed as high-potential. This will ultimately only hurt your business in the long run.

## HOW CAN I IDENTIFY CRITICAL TALENT?

When identifying high-potentials within your company, there are a few things you want to keep in mind. First and foremost, define what “high-potential” means and establish the criteria against which all employees will be evaluated to remove any bias from the nominating process. To our above point, employees should not be considered for a HiPo program simply because they are well liked or perform well. By keeping an open mind, you are most likely to engage and develop the critical talent you’re looking for.

Second, consider letting participants nominate themselves for your high-potential program. The right candidates may be deeper within your organization, and allowing them to nominate themselves gives you the opportunity to more easily identify high-potential talent.

It is critical that you communicate with employees that were either nominated or recommended but were not accepted into the program. Direct feedback and developmental recommendations will be critical to retain the employee but also keep them engaged and motivated in their position.

## SHOULD I FORMALLY IDENTIFY HIGH-POTENTIAL CANDIDATES?

Yes, this process needs to be incorporated in an annual performance cycle so that all candidates can be reviewed and approved by the executive team and it can also be aligned to your succession planning process.

Be cognizant that there is always the possibility of inflated egos. Upon their acknowledgement, some individuals may become boisterous, which can cause developmental issues if the problem isn’t appropriately addressed.

Once you have identified high-potential candidates, the work hardly stops there. Simply identifying this type of talent isn’t enough, considering that 40% of internal job moves made by people identified as “high-potential” [end in failure](#). Rather, they must be continuously developed through a strategically crafted plan.

## THE VALUE OF DEVELOPING HIGH-POTENTIAL EMPLOYEES

High-potentials must be nurtured in a way that not only ensures their development, but also their engagement with your company. In doing so, you enable them to:

- Step into broader roles within the company.
- Strategize and drive results even in shifting markets.
- Create meaningful relationships with other promising individuals.

Aside from the benefits it brings to your employees, developing high-potentials offers advantages to your business as well. Providing this type of program will not only improve your reputation as a developer and retainer of top talent, but also help you to close the gaps in your succession pipeline with a diverse and highly talented pool of individuals.



## Creating A Developmental Plan

### UNDERSTAND WHAT THEY NEED TO GROW

Unlike their peers, high-potential employees require different forms of nurturing to fully achieve their potential. They need to be mentored, challenged, and taught how to become a successful leader in your organization.

To develop a high-potential employee, you must provide them with opportunities to learn. This comes in many shapes and sizes, and should be tailored to that

individual. Learning opportunities should be challenging and highly visible within the company — especially to executive leadership. However, to fully develop this type of future leader, you must also integrate autonomy into the learning process. Giving them the chance to solve problems and grow on their own is instrumental to their success.

Stagnation is a stumbling block for many HiPos in that they do not feel supported or challenged enough to continue in their program. To combat this, these employees should be moved through a series of demanding projects or jobs every 18 to 24 months. Not only will this demonstrate their ability to overcome challenges and build out their networks and relationships, but it also prepares them to take on broader roles when the time comes.

## Features of a successful development program

When defining your high-potential program, you must take into account the key features that will ultimately define your program, including:

- Rich performance feedback.
- Goal setting for both short- and long-term goals.
- Detailed career mapping.
- Mentorship from senior leaders.
- Insight into the company's plans, priorities, and future goals.

Leadership coaching from well-established colleagues; this includes the development of interpersonal leadership skills.

Job rotations with unexpected challenges over an extended period of time, rather than annually.

One way to ensure your program includes these key features is by focusing on the 70/20/10 developmental model. 70% of your HiPo program should be focused on providing more challenging assignments and specific developmental tasks within their current job.

20% of your program should be relationship-based and focus on coaching and mentoring sessions, as well as providing feedback on their growth and development.

The final 10% should be classroom-based, including structured courses, continued education, and personal development. Without this type of learning, these individuals will be unable to expand their current way of thinking and learn new skills that will benefit your company. Keep in mind that the goal of any high-potential program is to foster the leaders of tomorrow, not today. If these leaders are not given the chance to grow outside of their current role, they are missing out on an opportunity to prepare, adapt, and strategize for the future.



### TRANSITIONING FROM FIRST-LEVEL LEADER TO SENIOR LEADER

At the beginning of their journey, a first-level leader will require a different set of tasks and challenges than someone who has transitioned through the program. Each level will include [characteristics that they should already have](#), as well as those they need to achieve prior to transitioning to the next phase.

## First-Level Leader

### CURRENT STRENGTHS

- Results-driven
- Action-oriented
- Analytical skills
- Service-oriented
- Team player
- Technical skills

### TRANSITION REQUIREMENTS

- Motivates others
- Able to manage others
- Effective team building
- Problem solving

## Mid-Level Leader

### CURRENT STRENGTHS

- Effective team building
- Results-driven
- Broader perspective on the organization
- Functional skills

### TRANSITION REQUIREMENTS

- Translating strategy into action
- Managing change within a function
- Working across boundaries
- Influence without authority, including conflict management
- Business acumen
- Managing dilemmas
- Improving business processes

## Senior-Level Leader

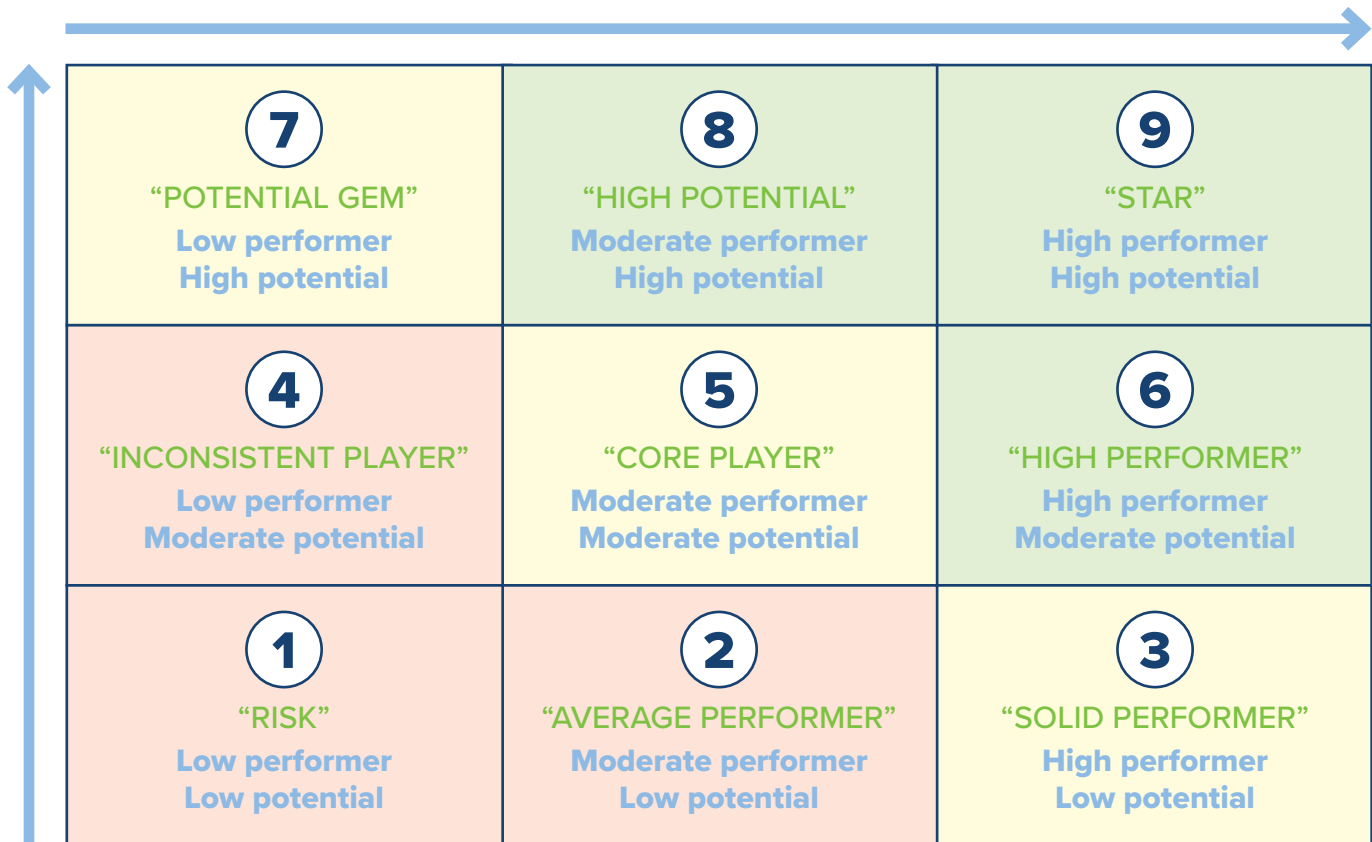
### CURRENT STRENGTHS

- Business acumen
- Customer focus
- Results-driven
- Strategy oriented

### TRANSITION REQUIREMENTS

- Managing vision and purpose
- Negotiating skills
- Innovative management skills
- Leading strategic organizational and cultural change
- Optimizing profitable revenue

As individuals prepare to move through the program, it's important your team is [assessing their readiness to transition at every step](#). One way to do this is through the nine-box approach. Traditionally, it would look something like this, with performance being measured horizontally, and potential vertically:



Based on the individual's placement in the box, you are able to provide more personalized developmental options.

**Risky** individuals should be paired with a strategic performance improvement plan to determine their fit within the program. **Average performers** should carefully be assigned to their next task with their performance being closely monitored. **Inconsistent players** should be tasked with building functional skills within their specialty in hopes of becoming more consistent and transitioning through the program.

**Solid performers** need more developmental tasks to increase their potential while maintaining their high level of performance. **Core players**, on the other hand, should focus on building their future utility within their team and the organization. While high in potential, **potential gems** need to develop their critical knowledge through a series of challenging tasks to improve their performance.

Even the more successful individuals in the program need continued development in order to transition.

**High performers** should be tasked with increasingly challenging assignments, while the expanding interests of **high potentials** should be continually reinforced.

**Stars** who are outperforming their peers in both potential and performance should be fast-tracked to a high-risk assignment. This will test their abilities and prove their readiness to move forward in the program—potentially towards more senior management positions.

At every stage in the process, establish key performance indicators, or KPIs, to effectively assess each individual performance. This data will prove useful in providing clear and direct feedback that is critical for employees to develop and helpful in their coaching and mentoring sessions.

## COACHING HIGH-POTENTIALS TOWARDS SUCCESS

Ordinary performance reviews and general mentoring are not enough to develop a high-potential employee. Using the data from their KPIs and their placement in the nine-box approach, individuals should be coached and mentored—**not only by their direct managers, but also senior leadership**—according to their specific strengths and weaknesses. This is not a one-size-fits-all approach—personalization is critical.

To bring out their talents, coaches and mentors should challenge high-potentials to tackle issues through inventive problem solving rather than current practices. Set goals should push these future leaders out of their comfort zones and require them to find solutions to situations they may not be familiar with.

In some cases, coaches may need to play devil's advocate to push these individuals to think laterally as well as creatively. It's important to keep in mind that these coaching sessions are not merely designed to improve their functionality within your company. Rather, coaches should strive to help high-potentials build resilience, face failures, and prepare them for the adversities that may come their way as they move into leadership.

## Focusing on Self-Disruptive Leaders

The saying, “if it isn't broken, don't fix it”, is one of the many flaws within today's leadership. Many times, leaders continue to replicate past successes simply because they worked. While these tactics may continue to be successful, they do little to prepare your company for the world of tomorrow.

### **Traditional leadership is not built for the future.**

It's up to you to prepare your company for the unknown changes that tomorrow may bring — and your high-potentials can help you do just that.

When properly developed, these individuals possess a strong portfolio of future-oriented and change-ready skills. They are self-disruptors who are able to quickly and crucially adapt to changing environments and circumstances by disrupting themselves again and again.

By overcoming challenges, modifying themselves to shifting markets, and soaking up the constant flow of knowledge, these individuals are building a new generation of leaders. While they respect the past success of your business, they are simultaneously able to forge ahead with creative innovation that promotes growth not only for themselves, but also for your company and its people.

## Retaining & Attracting Top Talent

Identifying and developing high-potential employees can be quite an undertaking, especially if it's not a process you have practiced before. However, by taking the necessary steps to scour your company and identify and develop its top talent, retention becomes much less of a concern.

More than that, establishing a well-rounded and well-implemented HiPo program will help you to attract the talent you're looking for. [In fact](#), 97% of high-potential employees consider whether or not an organization has a HiPo program when seeking new employment. By molding this program into the roots of your business, you can give your company a competitive advantage and work towards winning the war on talent.

At Kinsley Sarn, we're invested in finding and developing top-tier executive talent that can help your business grow. Throughout our entire process—[profiling, assessment, placement, and assimilation](#)—addressing your needs and enhancing your culture remain our top priority. Contact our team to learn more about who we are and how we can help you win the war on talent.

**Contact Us**