

Modern HR in the Cloud



Five Best Practices of Identifying Potential Leaders

Making the Right Talent Investments Will also Be the Right Business Investments

High Potentials Are a Critical Investment

High potentials, sometimes referred to as “top talent” or “acceleration pool members,” are those individuals believed to have the best chance to rapidly grow their capabilities and fulfill the requirements of advanced strategic roles in the future. By most definitions, an acceleration pool of high potentials represents a critical investment of time and resources.

Much like one's personal decision to invest in a stock or mutual fund, the process for identifying high potentials requires due diligence, clear criteria, accurate data, and careful decision-making.

Here are five best practices for making the right talent investments in your organization:

MAKING THE RIGHT TALENT INVESTMENTS

- Define Business Challenge and link competencies
- Gain consensus among your business leaders
- Communicate and confirm competency and business driver alignment

Time, budget dollars, and energy need to be invested in assessing, developing, coaching, awarding assignments, and retaining high potentials. The due diligence and response to common design and execution challenges, such as those discussed here, will no doubt determine the return on the high-potential investment.

1. Don't Shortchange High Potential Nominations

The evaluation and nomination of high potentials is often embedded as a component of a larger talent review process, and doesn't always get the proper emphasis. Create focus and rigor by making certain that the senior managers involved in the talent review have clear direction for evaluating and nominating high potentials, accurate definitions to guide discussion and decision making, and standardized ratings. Once prospective high potentials have been initially evaluated, engage managers in a more thorough evaluation and facilitated consensus-reaching to ensure that the process yields the right quality and quantity of high-potential talent.

2. Narrow your Pool before you Start Rating

Generating a pool of high potentials by rating everyone, even lower performers or newer people, can bog down the talent review and limit the amount of discussion about those who should be seriously considered. Focus first on prospective high-potential candidates, and then employ needed criteria, tools, and consensus-building techniques for the required due diligence to make the best talent investment decisions. Keeping the evaluation process zeroed in on high-potential designation will focus managers' precious time and attention on only those who deserve this more in-depth consideration.



EXAMPLE OF HIGH-PO

The concept of potential is instrumental in filling your talent pipeline with high potentials. It operates like a screening process to invite in the most promising talent into the acceleration pool; however, to answer the question of readiness, more in-depth assessment is needed to evaluate the capabilities required for success (competencies, experiences, knowledge, etc.).

HIGH-PO IDENTIFICATION IS ONLY THE FIRST STEP

Only 1/3 of organizations, who have a high-po nomination process, provide focused development, assignments and coaching for those who are nominated. Leaders will not “realize” their potential by simply being labeled a “high-po”.

3. Define Potential Consistently: It's more than Learning Agility

Replace loose, intuitive definitions of potential with standard, research-based factors that are predictive of future potential. DDI's research has identified 10 high-potential factors: Propensity to Lead, Brings Out the Best in Others, Authenticity, Receptivity to Feedback, Learning Agility, Culture Fit, Passion for Results, Adaptability, Conceptual Thinking, and Navigates Ambiguity. Nomination must first confirm a solid track record of past performance, but these 10 factors are the real differentiators for potential in accelerated development. Taken as a whole, they address motivations, learning orientation, and propensity to deal with the increasingly ambiguous, complex, and dynamic nature of strategic roles.

4. Separate Potential from Performance from Readiness

These three concepts – performance, potential, and readiness – are often confused. Solid past performance is the price of entry for a prospective high-potential. Past performance is a predictor of future performance, but only when the challenges and roles remain consistent. Since significantly new and different challenges lie ahead for high-potentials, it is critical to differentiate and evaluate potential and readiness.

5. Involve Managers in the Process

Be sure to engage your senior leaders and managers from the start. As with any other implementation, communication is vital to attain buy-in, set expectations, and establish processes, roles, accountabilities and metrics. In addition, managers, as guardians of the enterprise's talent can serve as “talent scouts” at other times during the year. By adopting the language and definitions into their observations and dialogue on a more ongoing basis, managers will be better equipped to spot potential more proactively (including identifying hidden talent that may not otherwise be discovered by only thinking of potential once a year).

The high-potential identification process is vital to filling an organization's leadership pipeline. Beyond routine internal promotion processes or development efforts, this nomination process really represents an investment decision, just like an investment in product development, a marketing launch, or any other business opportunity.

Eric Hanson, Ph.D., is an executive consultant for DDI and works with clients to design and deliver solutions in the areas of talent strategy, executive assessment, executive development, succession management, coaching, and organizational development. Eric is an expert in talent strategy, succession management, executive assessment and development, organizational development, executive coaching, and competency modeling.

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