Assessing potential is about probabilities, not absolutes or guarantees. It is about uncovering the factors that predict future success, within the specific context, culture and strategy of your organisation, and making calculated bets on individuals who are objectively judged to meet those criteria.”

Tomas Chamorro-Premuzic and Gillian Pillans, Report authors.
Assessing Potential

Tomas Chamorro-Premuzic and Gillian Pillans
<table>
<thead>
<tr>
<th>Contents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreword</td>
</tr>
<tr>
<td>Acknowledgements</td>
</tr>
<tr>
<td>Executive Summary</td>
</tr>
<tr>
<td>1 What is ‘potential’ and why is it important?</td>
</tr>
<tr>
<td>2 Current practices in assessing potential</td>
</tr>
<tr>
<td>3 Designing a programme for assessing and developing potential</td>
</tr>
<tr>
<td>4 Conclusions and Recommendations</td>
</tr>
<tr>
<td>5 References and Reading List</td>
</tr>
</tbody>
</table>
Foreword

With the possible exception of setting an organisation’s culture and strategic direction, there is no more important decision management can make than determining which employees have the potential to handle the scope and complexity required to run an enterprise. Yet over my 25 years of consulting, finding better ways to identify and develop potential has felt like the Holy Grail of organisational life: mysterious, elusive and always seemingly just around the corner. Furthermore, the data over the same timescale indicate that we have been unable to move the needle very far: the failure rate of internal hires is still too high, as is the over-reliance on external hires when organisations have to admit they don’t have the talent they need to promote from within.

Given the impact and importance of assessing and developing potential, why is there such a paucity of useful pragmatic advice? Largely because, in my experience, the solutions most organisations have been looking for tend to be of the ‘silver bullet’ variety. Hence the proliferation of models that purport to find ‘the’ variable that defines potential, or ‘the’ factor to prioritise to allow that potential to flourish.

The truth, as one would expect given the intractability of this issue, is not that simple. Success involves a complicated interplay of a number of variables and processes.

And this is what this research gets particularly right. There is no silver bullet here, but a host of practical advice that does not skirt the inherent complexity of this most subtly difficult task. By exploring the assessment and development of potential from all angles it presents a realistic picture of what needs to be done to start bridging the gap between theory and practice.

Based on how many of our clients consult us on this topic, we know there is a great deal of interest in it. This research will be a very welcome guide to them and others for many years to come.

Guy Beaudin
Senior Partner, Regional Leader – International, RHR International
About the authors

Dr Tomas Chamorro-Premuzic
Dr Tomas Chamorro-Premuzic is an international authority in psychological profiling, consumer analytics, and talent management. He is a Professor of Business Psychology at University College London (UCL) and Columbia University, CEO of Hogan Assessments, and has previously taught at New York University and the London School of Economics.

Gillian Pillans
Gillian Pillans has worked as a senior HR practitioner and OD specialist for several organisations including Swiss Re, Vodafone and BAA. Prior to her HR career, she was a management consultant with Deloitte Consulting and is also a qualified solicitor. Gillian has written various CRF reports on subjects including HR strategy, organisation design and development, leadership development, talent management, coaching and diversity.

About CRF

Founded in 1994, Corporate Research Forum (CRF) is a membership organisation whose international focus is on research, discussion and the practical application of contemporary topics arising from people management, learning and organisation development. CRF has become a highly influential focal point and network for over 160 members representing a cross-section of private and public sector organisations.

- Its annual programme of research, events and publications fully reflects members’ interests, in addition to the annual international conference. Side meetings and interest groups are also initiated to meet challenges that members might have.
- Contributors are acknowledged experts in their field with a worldwide reputation as leaders and innovators in management thinking and practice.
- Sharing and collaboration among members is a key feature of CRF’s activities. We actively encourage networking at all events, and especially through member lunches and HR director dinners.
- CRF is led and managed by highly-regarded former HR professionals who have a passion for delivering excellence in the leadership and development of organisations and people.

CRF’s goal is to be valued for excellence, rigour, relationship building and providing an independent view which, together, lead to measurable improvement in members’ people and organisation performance.

For more details on how your organisation can benefit from membership to CRF please contact Richard Hargreaves, Commercial Director, on +44 (0) 20 7470 7104 or at richard@crforum.co.uk. Alternatively, please visit our website at www.crforum.co.uk.

Acknowledgements

The authors would like to thank all the research participants, who generously gave their time and shared their insights. Interviewees are listed in the Appendix. We are grateful to all CRF members who took time to complete the online survey. Thanks also to Jane Simms for editing the report.

CRF would like to thank RHR International for sponsoring this research and for writing the foreword.

About the authors

Dr Tomas Chamorro-Premuzic
Dr Tomas Chamorro-Premuzic is an international authority in psychological profiling, consumer analytics, and talent management. He is a Professor of Business Psychology at University College London (UCL) and Columbia University, CEO of Hogan Assessments, and has previously taught at New York University and the London School of Economics.

Gillian Pillans
Gillian Pillans has worked as a senior HR practitioner and OD specialist for several organisations including Swiss Re, Vodafone and BAA. Prior to her HR career, she was a management consultant with Deloitte Consulting and is also a qualified solicitor. Gillian has written various CRF reports on subjects including HR strategy, organisation design and development, leadership development, talent management, coaching and diversity.

Acknowledgements

The authors would like to thank all the research participants, who generously gave their time and shared their insights. Interviewees are listed in the Appendix. We are grateful to all CRF members who took time to complete the online survey. Thanks also to Jane Simms for editing the report.

CRF would like to thank RHR International for sponsoring this research and for writing the foreword.

About the authors

Dr Tomas Chamorro-Premuzic
Dr Tomas Chamorro-Premuzic is an international authority in psychological profiling, consumer analytics, and talent management. He is a Professor of Business Psychology at University College London (UCL) and Columbia University, CEO of Hogan Assessments, and has previously taught at New York University and the London School of Economics.

Gillian Pillans
Gillian Pillans has worked as a senior HR practitioner and OD specialist for several organisations including Swiss Re, Vodafone and BAA. Prior to her HR career, she was a management consultant with Deloitte Consulting and is also a qualified solicitor. Gillian has written various CRF reports on subjects including HR strategy, organisation design and development, leadership development, talent management, coaching and diversity.

Acknowledgements

The authors would like to thank all the research participants, who generously gave their time and shared their insights. Interviewees are listed in the Appendix. We are grateful to all CRF members who took time to complete the online survey. Thanks also to Jane Simms for editing the report.

CRF would like to thank RHR International for sponsoring this research and for writing the foreword.

About the authors

Dr Tomas Chamorro-Premuzic
Dr Tomas Chamorro-Premuzic is an international authority in psychological profiling, consumer analytics, and talent management. He is a Professor of Business Psychology at University College London (UCL) and Columbia University, CEO of Hogan Assessments, and has previously taught at New York University and the London School of Economics.

Gillian Pillans
Gillian Pillans has worked as a senior HR practitioner and OD specialist for several organisations including Swiss Re, Vodafone and BAA. Prior to her HR career, she was a management consultant with Deloitte Consulting and is also a qualified solicitor. Gillian has written various CRF reports on subjects including HR strategy, organisation design and development, leadership development, talent management, coaching and diversity.
Executive Summary

“In reality, there isn’t a single definition of potential. To me, instead of focusing on single constructs, the best way is to build an integrated framework that allows you to answer the question ‘potential for what?’” Allan Church, VP Global Talent Assessment and Development, PepsiCo

1. How to spot, assess and develop high potential future leaders is one of the key challenges for talent management today. It is high on the agenda for boards, CEOs and HR Directors. In today’s volatile, dynamic business world, the ability to identify what's required of future leaders and take action to prepare is likely to be a critical competitive differentiator.

2. We define potential as the capacity of individuals to reach and be effective in senior leadership positions, and to grow and broaden their career at an accelerated pace, with sustained growth over a longer timeframe (at least three to five years).

3. We explore the components of potential. Although there are many models and definitions in use, the relevant science has found the following to be the best predictors of potential.
   a. Intelligence is a necessary but not sufficient determinant of potential.
   b. Certain core personality traits, such as high conscientiousness, low neuroticism, extraversion and openness to experience predict future leader effectiveness.
   c. Emotional intelligence – self-awareness and the ability to read situations and inspire and motivate people – is an important factor.
   d. Individual motivation is critical in determining whether innate potential translates into high performance.

4. As well as considering ‘bright side’, positive personality characteristics, it is also important to test for and help individuals understand potential derailers. These tend to be strengths which, when overplayed, can become a liability. Examples include boldness, which can translate into overconfidence or arrogance, or diligence which can lead to perfectionism and micromanagement.

5. We find many organisations tend to overplay past performance in estimating future potential, when the first does not necessarily predict the second. Whilst past high performance may be an important consideration for identifying possible high potentials, many high performers struggle to develop new skillsets required for effectiveness in more senior, complex positions.

6. Learning agility – the capacity to learn from experience and apply that learning to new scenarios – is a key topic of interest in the field of potential assessment. It is important to identify individuals who have this capability, give them opportunities to learn, and support them to extract the learning from these experiences.

7. Potential cannot be considered in isolation, and any potential programme needs to be designed to reflect the unique organisation context and business strategy. A key question to answer in designing potential assessment is ‘potential for what, in this organisation?’ The report explores ways of answering this question in your organisation.
8. We explore current practices in assessing potential. While some organisations have developed tried-and-tested practices over many years, we found many organisations are still in the early stages of implementing potential programmes, or are just starting out. Levels of satisfaction with current performance are fairly low, with less than half (47%) of the senior HR executives who responded to our survey declaring themselves satisfied with their organisation’s efforts. The principal concerns from the survey were poor connections between potential programmes and business strategy, a lack of objectivity in assessments, and insufficient follow-through in terms of developing high potentials or making talent decisions as a result of assessments.

9. Current approaches to assessment rely heavily on line managers’ judgments as to whether someone is a high potential or not. Better programmes build in line manager training and support, and challenge individual managers on their ratings by having strong calibration of results across teams or functions. The best approaches to assessment involve an objective, multi-trait, multi-method methodology, resulting in different data points that can be compared for each individual. While this is more common at senior levels, few organisations take a multi-method, data-driven approach to potential assessment for all employees.

10. Once high potentials have been identified, it is important to be clear about what follows in terms of development opportunities, career and succession planning. Many organisations offer differentiated development for high potentials, or link development options to different categories on the nine-box performance/potential talent grid. It is critical that individuals identified as potential successors to key business roles are not just put on a static list, but also given opportunities to build experience and grow.

11. We conclude with some practical suggestions for improvement.
   a. Establish a clear connection between business strategy and how potential is defined in your organisation.
   b. Be clear about accountabilities. Active involvement and buy-in from senior management and high quality support and expertise from HR/Talent are key.
   c. Use a potential model and definition that’s rooted in science and is validated for your organisation.
   d. Design an objective, data-driven assessment process that predicts and assesses the elements of future leadership effectiveness in your organisation.
   e. Have a clear talent ‘deal’ for developing both high potentials and key individual contributors.
   f. Make sure you evaluate and measure the results achieved. Design the approach to evaluation before you start assessing, and be clear about what success looks like and how it will be measured.

“...You have to be very careful about the expectations you set about what it means to be a high potential, in terms of career opportunities and status in the organisation. You need to engage in healthy dialogue about where the individual is and what they need to work on to build their leadership capability. That’s a much more useful discussion than an abstract concept of ‘you’ve got potential’, which can be fairly meaningless unless it’s put in context of ‘potential for what’.”

Jessica Foster, Global Practice Leader, Executive Development, RHR
WHAT IS ‘POTENTIAL’ AND WHY IS IT IMPORTANT?

Topics covered

1.1 Introducing potential 11
1.2 Defining potential 12
1.3 The key determinants of potential 13
1.4 Other common factors in models of potential 16
1.5 The Leadership Blueprint – an integrated model of potential 20

Introduction

In this chapter we introduce the concept of ‘potential’, considering how it is best defined and why organisations are investing in assessing it. We then consider the science, setting out the key factors that make up potential. Finally, we introduce a model that brings together the principal attributes underpinning potential, which can be used to help answer the question: ‘Potential for what?’
Introducing potential

Baseball legend Yogi Berra famously said: “It’s tough to make predictions, especially about the future.” So it is with predicting future work performance. Nevertheless, how to identify, assess and develop ‘high potentials’ is one of the hot topics in the field of talent management today. Organisations are looking to become more sophisticated in their understanding of potential, and to invest in robust and rigorous systems for assessing and developing high potentials (‘hipos’).

What’s driving the interest in investing in hipos?

- Surveys of CEOs and senior executives regularly show concerns about the size and quality of their leadership pipelines, and investors and boards are paying growing attention.
- Demographic changes mean the composition of the working population is changing. For example, Aon Hewitt estimates that 10,000 baby boomers will turn 65 every day over the next two decades.
- The impact of globalisation and the desire to deliver continuous, long-term growth means organisations need to build talent to deliver future strategies.
- Studies suggest that organisations that invest in good leadership development practices tend to outperform their peers in terms of growth and total shareholder return.
- Concerns about losing key talent to competitors.
- A desire to increase the diversity of the senior talent pool.

The idea underpinning the subject of potential rests on two presumptions, which we explore in this study:

- it is possible to identify people with high potential
- once identified, potential can be unleashed through nurture and development.

But can potential be developed? As we discuss throughout this report, the scientific consensus is that some factors (such as intelligence and personality) remain fairly constant over time, and can only be developed to a limited extent. However, it seems clear that individuals who are identified as having innate potential are more likely to realise that potential if they are given the right range of job opportunities and development support.

However, assessing potential in the first place is far from straightforward, and, despite their best efforts, many organisations find that their capacity to predict who will succeed in the long term is limited. This is not surprising given the many degrees of uncertainty in trying to identify future ‘stars’. For example, do we know what the organisation will look like and what skills we will need in five or ten years’ time? How can we tell if a high-performing middle manager has what it takes to succeed as a senior executive? How do we know that the people we pick won’t burn out or derail before they reach the top? In predicting potential, we are looking to define both what future jobs will look like, and the qualities of the people who are likely to excel in them.

Research method

The research for this report included:

- a review of key academic and practitioner studies, books and articles
- interviews with 33 academics, thought leaders and practitioners (listed in the Appendix) to explore current thinking and practice and to direct the focus of the research
- an online survey of CRF member organisations, completed by 248 respondents.

“Potential is a bet, not a guarantee.” Adrian Furnham, Professor of Psychology, University College London
“I’m seeing boards becoming more involved, holding executives to account for the quality and depth of talent coming through. Boards are recognising that it’s their fiduciary responsibility to ensure there is proper succession in place.”

Marc Effron, President, The Talent Strategy Group

Our research finds that it is impossible to predict with any certainty who will turn out to be an effective leader, or what the demands of future jobs will be. However, assessing potential is about increasing the probability that you will see a good return on your investments in people. So by adopting a robust process for assessing and developing hipos, rooted in solid theory, you increase your chances of success.

This report explores the following questions.

• What do we actually mean by ‘potential’?
• Can we predict who is likely to be an effective future leader and, if so, how?
• What should we be looking for when we assess potential?
• How can we connect business strategy to potential to predict what the organisation will look like in future, and what skills the organisation will need in order to successfully implement future strategy?
• How should we support and develop the careers of those we identify as ‘high potentials’?
• How do we know if our high potential programme is working?

1.2 Defining potential

One of the challenges in this research is to answer the question: ‘Potential for what?’ In chapter 3 we consider in more depth how to connect business strategy with the definition, assessment and development of potential in order to answer this question. However, before we proceed it is important to clarify what we mean by ‘potential’ for the purposes of this research. We found many different definitions of potential being used, with little consensus around a single definition. Some organisations are more prescriptive than others, specifying, for example, that a ‘high potential’ means someone can move up two organisational levels in five years, and that a ‘medium potential’ is someone who can move up one level in three years. Other organisations may be interested in different aspects of potential, for example, innovation, technical or entrepreneurial skills.

In order to focus the scope of this research, we have homed in on the following key aspects that recur in different definitions of potential.

• We focus on leadership potential, i.e. the capacity of individuals to reach and be effective in senior leadership positions, as opposed to other types of potential, such as the potential to be innovative or to build deep technical skills.

• Potential is concerned with the ability to perform well in positions of greater responsibility, which involve higher degrees of scope, scale and complexity. So we are more concerned with an individual’s capacity for growth generally rather than with their ability to move into a specific role higher up the corporate hierarchy. This capacity becomes more apposite the further ahead you look, as the shape of the organisation and specific roles becomes more uncertain.

In any employee population, there will be a small number of ‘hyper performers’, a broad swathe of ‘good performers’ and a smaller number of ‘poor performers’. The small number of ‘hyper performers’ account for a disproportionate share of total business value. Aguinis and O’Boyle found that “instead of a massive group of average performers dominating … through sheer numbers, a small group of elite performers [dominate] through massive performance.” Bill Gates recognised this phenomenon in his experience of building Microsoft: “A great lathe operator commands several times the wage of an average lathe operator, but a great writer of software code is worth 10,000 times the price of an average software writer.”
“Intelligence is quite simply the best, most valid, predictor of job performance.”  
Adrian Furnham,  
Professor of Psychology, University College London

- Typically, when we talk about potential, we are not just looking at capacity to move into a role one level up in the organisation. We are talking about a longer planning horizon – at least three to five years out and more than one move away from current position.

- Many definitions talk not just about an individual’s capacity to grow, but also about how quickly they will reach their potential. The premise is that a hipo will reach an end destination quicker than someone who is deemed ‘lower potential’.

1.3 The key determinants of potential

In order to identify and assess the factors that predict effectiveness in positions of greater responsibility and complexity, we need to understand the skills, abilities and behaviours that enable some people to progress more quickly than others and excel in more demanding roles. In this section, we set out current thinking in relation to the factors both academics and practitioners use to assess potential.

There are many different models of potential, which have been developed primarily by consultancies and occupational psychologists. Typically, organisations have selected one of these models as the foundation of their approach to assessing potential, and we highlight the most commonly used models in chapter 2. However, each model is different, and some focus on a narrow range of factors, such as learning agility. As Scott Gregory, General Manager at Hogan Assessments, said: “No-one has yet come up with an integrated model that consistently and reliably predicts success.”

Over many decades of study, psychologists appear to have reached a degree of consensus that the following factors are predictive of potential: intelligence, certain aspects of personality, emotional intelligence and motivation. These factors appear to be consistent across geographies, cultures and business sectors.

In addition, we found that the models and tools used by many consultancies and practitioners to assess potential incorporate various other factors, including past performance, competency frameworks, mobility and readiness.

We discuss each of these over the following pages.

Personality traits that predict potential

Another strong determinant of potential is personality. Over the past century, scientific research into personality has converged around the Five Factor Model of Personality, also known as the ‘Big Five’. The factors are Openness to Experience, Conscientiousness, Extroversion, Agreeableness and Neuroticism. Personality tends to be relatively stable from early adulthood onwards, and psychologists have found that certain aspects of personality can be early indicators of potential. MacRae and Furnham state that data on the personality characteristics of highly successful people suggest the following patterns.
“Potential is an asset, so by assessing potential I’m deciding who is worth investing in and what might be the most successful investments for my organisation in the longer term.” Rainer Neubauer, Managing Director, Metaberatung

1. **Low neuroticism.** Senior management positions are extremely demanding and stressful, and leaders need to be resilient to succeed. Emotionally stable people are better able to handle stress, and are less prone to anxiety, depression and neuroses, and thus do better. Neurotics worry and get mentally and physically distressed and are therefore more likely to make poor decisions. Low neuroticism is a strong marker of high emotional intelligence.

2. **Conscientious.** Leaders need to be self-disciplined, organised, reliable and responsive. High flyers tend to be hard working, reliable and ambitious, and prepared to put in the long hours required for success.

3. **Openness and curiosity.** High flyers tend to score high on openness to experience, show an interest in how things work and look for opportunities to experiment.

4. **Socialised extroverts.** Extroverts tend to be more socially skilled. But many high flyers appear to be introverts who have trained themselves to look like extroverts. So while extroverts are more naturally talented at social skills, high-flying introverts may be able to adapt by learning these skills.

5. **Agreeableness.** Successful people tend to be clear and assertive, and are able to separate work performance from personal relationships. They stand up for their own values and their companies’ interests, and confront interpersonal and performance difficulties as they arise. Source: Adapted from MacRae and Furnham (2014)

Our interviews and survey show that many organisations include personality tests in their processes for assessing potential.

**Emotional intelligence (EQ)**

Leaders need to inspire and motivate the people who follow them. This requires a high level of self-awareness as well as the ability to read situations, understand others and adapt behaviour to different situations. Research has found a strong correlation between EQ and high potential. Emotionally intelligent leaders are likely to get the best out of their staff, and are therefore more productive. Leaders with high EQ are better equipped to lead well through difficult times or under pressure, as they are better able to regulate their emotions. Conversely, leaders with lower EQ will find it harder to keep their teams engaged.

There are several measures of EQ but most are not scientifically validated. However, since EQ is largely a function of the Big Five personality traits (in particular low Neuroticism, high Extraversion, and high Agreeableness), the predictive validity of the Big Five also provides indirect evidence for the importance of EQ. Structured interviews or reference checking are often used to determine evidence of EQ when assessing people’s potential, though organisations may refer to ‘social skills’ or ‘people skills’.

**Motivation**

Leaders don’t get to the top unless they’re highly motivated to achieve work and career goals. Motivated leaders are more likely to set clear direction and realistic goals, bounce back from setbacks, and learn from mistakes. The key measure is not what individuals say about their ambitions and career goals, but what they do to achieve them. Having these skills opens the door to new career opportunities. It can be hard to measure motivation, particularly as people often find it hard to articulate their own motivation. Many organisations review an individual’s track record or take references to determine their drive to succeed.
“One of the things leaders find most difficult is scaling up their leadership skills as they progress — the things they need to do differently as they get more senior. So our definition of potential focuses on scalability — the shift in leadership needed at critical career pivot points.” Jessica Foster, Global Practice Leader, Executive Development, RHR

The ‘dark side’ of potential

Assessing potential tends to focus primarily on personality traits and other factors that have a positive impact on potential. However, there is a significant strand of research that suggests that paying attention to ‘dark side’ character traits is equally important. Where people fail to fulfil their potential it is usually because of incompetence or inexperience. However, positive traits can also ‘derail’ people if they are over-emphasised or relied on too heavily.

Every strength, if overused, can become a weakness. So, for example, the strengths that make someone successful early in their career can become liabilities unless they learn different strengths in order to succeed later on. Blind spots, which were perhaps overlooked when someone was delivering results, become a barrier to success later. And success can lead to arrogance. ‘Derailers’ come to the fore particularly when leaders are in high-stakes or high-stress environments — for example, when they are promoted to a much more senior or complex position.

Morgan McCall’s book High Flyers (1998) highlights some common competencies used to assess talent, along with their potential downsides if those competencies are over-emphasised.

So what actions can organisations take to help hipos identify and fend off their potential derailers before they become a liability?

- Educate leaders, and those selecting hipos, about the potential for derailment and common derailing factors.
- Include tests for derailers in the assessment process for high potential, and deselect people with high derailment potential. The most widely used test, favoured by many of the organisations we interviewed, is the Hogan Development Survey (see below for the main scales measured by Hogan).
- Help hipos to understand what their potential derailers are, how they are likely to react under pressure, and how to mitigate the risks of derailment and keep negative behaviours under control.
- Provide ongoing support through mentoring and/or coaching.
- Establish appropriate governance around developing leaders to ensure there is a balance between giving them autonomy and preventing them from overreaching themselves or falling victim to hubris.

MacRae and Furnham advise: “The lesson to be learned from dark side attributes and derailment is to be mindful that ‘deselection’ is equally important as selection. It is just as important to have a list of undesirable traits during the selection process, otherwise it is easy to overlook dark side traits, or to see every trait as a strength instead of acknowledging weakness. This is not to say all these traits should be automatically and wholly avoided. They should just be considered, and when comparing candidates for suitability, if two candidates are equally qualified, weaknesses may be a good way of distinguishing between people.”

<table>
<thead>
<tr>
<th>Competency</th>
<th>Potential dark side</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team player</td>
<td>Not a risk taker, indecisive, lacks independent judgement</td>
</tr>
<tr>
<td>Customer-focused</td>
<td>Can’t create breakthroughs, can’t control costs, unrealistic, too conservative</td>
</tr>
<tr>
<td>Biased towards action</td>
<td>Reckless, dictatorial</td>
</tr>
<tr>
<td>Analytic thinker</td>
<td>Analysis paralysis, afraid to act, inclined to create large staffs</td>
</tr>
<tr>
<td>Has integrity</td>
<td>‘Holier than thou’ attitude, rigid, imposes personal standards on others, zealot</td>
</tr>
<tr>
<td>Innovative</td>
<td>Unrealistic, impractical, wastes time and money</td>
</tr>
<tr>
<td>Has global vision</td>
<td>Misses local markets, over-extended, unfocused</td>
</tr>
<tr>
<td>Good with people</td>
<td>Soft, can’t make tough decisions, too easy on people</td>
</tr>
</tbody>
</table>

Source: Adapted from McCall (1998)
“It does present a selection dilemma that in order to predict an ambiguous future, organisations need to be able to anticipate what capabilities will be needed in five or ten years in the future. Yet most of our selection guidelines and tools rely on past or current performance.” Silzer and Church, (2009b)

Figure 3: ‘Dark Traits’ assessed by the Hogan Development Survey

<table>
<thead>
<tr>
<th>Dark Trait</th>
<th>Definition</th>
<th>Upside</th>
<th>Downside</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cluster 1: Intimidation tactics designed to keep others at a safe distance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excitable</td>
<td>moody, easily annoyed, hard to please, emotionally volatile</td>
<td>Passion &amp; enthusiasm</td>
<td>Outbursts &amp; volatility</td>
</tr>
<tr>
<td>Skeptical</td>
<td>distrustful, cynical, sensitive to criticism, focused on the negative</td>
<td>Politically astute &amp; hard to fool</td>
<td>Mistrustful &amp; quarrelsome</td>
</tr>
<tr>
<td>Cautious</td>
<td>unassertive, resistant to change, slow to make decisions</td>
<td>Careful &amp; precise</td>
<td>Indecisive &amp; risk-averse</td>
</tr>
<tr>
<td>Reserved</td>
<td>aloof, indifferent to the feeling of others, keeping to oneself</td>
<td>Stoic &amp; calm under pressure</td>
<td>Uncommunicative &amp; insensitive</td>
</tr>
<tr>
<td>Leisured</td>
<td>overly cooperative but privately irritable, stubborn, uncooperative</td>
<td>Relaxed &amp; easy going</td>
<td>Passive aggressive &amp; indirect</td>
</tr>
<tr>
<td>Cluster 2: Seduction tactics designed to win the admiration of others</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bold</td>
<td>overly self-confident, entitlement, inflated feelings of self-worth</td>
<td>Confidence &amp; conviction</td>
<td>Arrogant &amp; grandiose</td>
</tr>
<tr>
<td>Mischief</td>
<td>charming, risk-taking, limit-testing and excitement-seeking</td>
<td>Risk tolerant &amp; persuasive</td>
<td>Impulsive &amp; manipulative</td>
</tr>
<tr>
<td>Colourful</td>
<td>dramatic, attention-seeking, interruptive, poor listening skills</td>
<td>Entertaining &amp; expressive</td>
<td>Melodramatic &amp; attention-seeking</td>
</tr>
<tr>
<td>Imaginative</td>
<td>original, unique perspective, thinking and acting in unusual or eccentric ways</td>
<td>Creative &amp; visionary</td>
<td>Wacky ideas &amp; constant change</td>
</tr>
<tr>
<td>Cluster 3: Ingratiation tactics designed to make one liked and valued by others</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diligent</td>
<td>meticulous, precise, detail-oriented, with a strong work ethic and high expectations</td>
<td>Hard working &amp; high standards</td>
<td>Perfectionistic &amp; micromanaging</td>
</tr>
<tr>
<td>Dutiful</td>
<td>eager to please and reluctant to act independently or express disagreement</td>
<td>Compliant &amp; deferential</td>
<td>Submissive &amp; conflict avoidant</td>
</tr>
</tbody>
</table>

Source: Adapted from Kaiser (2016)

1.4 Other common factors in models of potential

Performance

For most organisations, the starting point in determining whether someone has potential is to look at their performance track record. However, past performance is often a poor predictor of future success in a different role. The Corporate Leadership Council estimates that less than one-third of high performers have high potential.

Silzer and Church (2009b) suggest that the previous and future roles need to be highly similar for past performance to be a reliable indicator.

- The future required behaviour has to be similar and require similar skills and abilities.
- The behaviour has to be demonstrated over a significant time period.
- Behaviour in the recent past is more predictive of future behaviour than behaviour in the distant past.
- The context in which the behaviour was demonstrated has to be similar to the future situation.

Given that, when we are predicting potential, we are looking to identify people who are capable of taking on more complex roles with greater scope and scale, past performance may not give us much of an insight into how someone will perform in a bigger or broader role. Not only are the requirements in a more senior position different from those in a junior role, but also the pace of change in organisations means that qualities that made leaders successful in the past may be very different from the qualities that will guarantee success in the future. In spite of this, a survey by Church et al (2015) of 80 ‘top’ companies for talent development found that 75% relied on past performance record to predict potential, and 73% used current performance. Silzer and Church call this the ‘Performance-Potential Paradox’.

Past performance may not predict potential, but, in reality, you need to be able to demonstrate it to get on the starting grid. Moreover, some elements of past performance may provide some insight into an individual’s capacity to succeed in new challenges. For example, consistent high performance over a variety of different roles and experiences may indicate a capacity to adapt and learn in different situations, which is suggestive of high potential.

The best approach to assessing potential is likely to involve a combination of predictors, both short- and long-term, while also factoring in the needs of the future. So if past performance is one of the key measures in your organisation’s potential model, it’s really important to balance this with other factors that have been shown to be valid predictors of potential.
“Learning agility may be quite narrow as a construct, but it is useful as one dimension in high potential assessments because organisations today need people who can take a systems view, adapt well to changing circumstances and deal with complexity.” Jessica Foster, Global Practice Leader, Executive Development, RHR

Learning agility

The concept of learning agility has become fashionable in the field of potential. Learning agility is defined as the “willingness and ability to learn from experience, and subsequently apply that learning to perform successfully under new or first-time conditions.” (De Meuse et al, 2010) Professor Jay Conger’s research has highlighted what he calls a ‘catalytic learning capacity’.

“What I’m finding is that most hipos have an innate and purposeful curiosity. Not only are they continually curious, but they translate that curiosity into an orientation where they want to learn as much as they can about the situations they are stepping into. The word ‘catalytic’ comes in because they take those insights and turn them into constructive actions. Curiosity on its own is not enough – the differentiator is whether they can turn curiosity into well informed actions. My research is finding that innate curiosity combined with an action orientation is one among several good predictors of potential.”

A rich seam of research by Lombardo, Eichinger and McCall has shown that an executive’s ability to convert raw potential into real-life performance as a leader in larger, more complex roles, is dependent on their ability to extract valuable learning from the development experiences they have during their career.

Research by Lombardo and Eichinger (1996) has shown that what marks out successful executives is their ability to learn from experience. The factors that differentiated successful executives were as follows.

- They sought and obtained more feedback on how they came across to others and what they needed to improve.
- They had greater variety in the leadership challenges they faced.
- They sought out new experiences and got more out of these experiences because they were interested in making sense of them.
- They responded to new challenges by learning new skills and different ways of thinking, and incorporated those skills into their repertoire.

In parallel, McCall and Lombardo (1983) found that one of the key reasons executives derail is that they fail to learn from experience. Individuals who failed to make the transition to a new type of role tended to get stuck in old behavioural habits and overused previous strengths, when the new environment required a different set of skills and behaviours. Many managers who had previously produced positive results stopped being successful after they were promoted. They derailed because they relied on the skills that had got them to where they were rather than developing new ones. The more successful ones were able to learn from experience and build new skills. CRF’s research report Leadership Development – Is it fit for purpose? covers this in more detail.

Taken together, this research has a number of implications for assessing and developing potential.

- Assessment of potential should include consideration of an individual’s capacity to learn and apply that learning to new circumstances.
- Organisations need to plan job assignments for hipos to give them developmental experiences in the right order.
- Hipos may need some support to help them build the skills to extract the lessons of experience.
- There has to be some spare capacity in the leadership pipeline, and companies might need to take some risks to give people the development experiences they need to progress. Jessica Foster of RHR said: “Many companies today are not building enough slack into their pipelines to allow people to take on experiences and take some risks. So they end up hiring externally because their internal pipeline isn’t good enough.”

Measuring learning agility

Learning agility is a hot topic in potential assessment currently. However, there are many different definitions and a lack of scientifically validated measurement tools. Professor Warner Burke of Teachers College, Columbia University, has over the last five years developed a measurement tool, The Burke Learning Agility Inventory, which at the time of writing was at an advanced stage of development.

Burke’s research has found that learning agility is a predictor of leadership ability. So, by building an instrument that validly measures learning agility, this offers the possibility of adding to the measures that can be used to assess and predict leadership potential.

The tool is a 38-item self-report questionnaire, which measures nine dimensions Burke’s research has found make up learning agility: feedback seeking, information seeking, performance risk taking, interpersonal risk taking, collaborating, experimenting, reflecting, flexibility and speed. The instrument has been tested on approximately 400 people, and Burke and his team have established that the questionnaire is scientifically reliable. A validity study is ongoing. Further information about the instrument can be found at https://youtu.be/8l3OrLHMmO8.

If you are interested in your organisation taking part in the validity study, please contact ginevra.drinka@googlemail.com.
Case Notes – Mobility and potential

PepsiCo is a good example of a company that takes a more subtle approach to mobility and potential. People can still be coded as high potential even if they have limited mobility. PepsiCo’s approach to considering mobility in classifying hipos is based on three principles.

1. Being aware of employees’ true preferences, so the company can plan effectively for filling roles.
2. The organisation must communicate clearly if mobility is necessary for certain roles.
3. For critical people in remote locations who will never relocate, reclassifying them as a Key Contributor or Critical Professional as their unwillingness to move would mean they could not build the critical experiences required to progress their career.

Competencies

Leadership competencies are one of the most widely used measures of potential. They are extremely popular, and can be helpful in translating psychological constructs into the everyday language of the organisation. They give line managers terminology they can work with to assess their teams, and can be the ‘acceptable face’ of organisational psychology for line managers.

Allan Church, VP Global Talent Assessment and Development at PepsiCo, said: “We find competencies are easier for people to digest than the feedback from personality instruments.”

Yet many psychologists are uncomfortable with competencies. There are a number of common criticisms.

• They are often rather generic, differing little from one organisation to another. So if potential is to be used as a competitive differentiator, competencies may not be helpful.
• They tend to describe what has made the organisation and its leaders successful in the past, so may ‘bake in’ past performance rather than anticipate future strategic needs. Professor Morgan McCall (author of High Flyers) says competencies “become increasingly less effective when jobs are less easily defined, when jobs are changing, and over longer timeframes during which job demands and what constitutes effectiveness can both change.”
• Making them overly detailed or complex, with multiple layers and myriad behavioural descriptors, makes them unwieldy for managers, who will therefore ignore them.
• They can prescribe one way of doing things, whereas in reality different leadership styles can be equally effective.
• Professor Adrian Furnham says they are “often a mismatch between ability and personality, and so are very muddled. It’s not helpful to discuss things that are not rooted in a strong theoretical background.”

In spite of these concerns, leadership competencies are unlikely to disappear from organisations any time soon. So how can organisations best handle them? Marc Effron, President, The Talent Strategy Group, suggests they should be:

• confined to the few common behaviours that contribute to an organisation’s competitive advantage, i.e. what uniquely differentiates your organisation from competitors
• limited in number to between three and five
• described in the language used in the company, not HR-speak
• made applicable to leaders at all levels
• applied consistently across all talent practices and integrated into all HR practices
• kept up to date as your organisation and market change.

Mobility

Can an individual who is unwilling to move in order to take on a bigger role be considered high potential? We would argue that potential is an innate characteristic that doesn’t change much over time, so individual circumstances such as how mobile a person is should not affect their capacity to develop. However, the reality, particularly for multinationals, is that an individual who is reluctant to move effectively excludes him- or herself from the high potential pool. But in an era where dual career families are common, Millennials are supposedly less willing to up sticks at their employers’ bidding, and companies are keen to fill key positions in emerging markets with locals, we are seeing a subtle shift (see the column). Companies are finding they can’t afford to be as rigid as they might have been 20 years ago. However, according to Church et al (2015), 41% of ‘top talent’ companies factor in mobility in determining potential.

“The cliché that experience is the best teacher is only true up to a point. If you don’t understand what the experience has actually taught you, and you can’t repeat it, you haven’t learned a thing.”

Professor Warner Burke, Teachers College, Columbia University
"Potential is a measure of someone’s capacity to take on uncertainty. If you can take on uncertainty, you can learn, and if you can learn, you can change.” Laurence Barrett, Director, Hersey Consulting

If organisations exclude individuals from high potential lists on mobility grounds, they must keep abreast of their preferences in case their circumstances change to allow them to participate. For example, PepsiCo keeps dual career hips on a separate list, which it revisits regularly to check for changed circumstances.

Readiness

We find some organisations mix up ‘readiness’ for a move or promotion within a specified timescale with potential. Readiness should be used for succession and talent planning purposes, not for estimating long-term potential. It can be used to translate an assessment of longer-term potential into immediate talent or succession planning actions, such as arranging a development assignment or a cross-functional move.

Values/cultural fit

One of the considerations in assessing potential is the degree to which an individual’s value set is consistent with that of the organisation. Indeed, a key test of the organisation’s espoused values is how it handles a high performer whose behaviour is inconsistent with those values. This is particularly important when it comes to considering outside candidates, as individuals with incompatible values often fail to adapt to a new organisation even when they have the right skills and expertise.

Some commentators consider an individual’s values to be an important factor in assessing their potential.

- Ready, Conger and Hill (2010) view an individual’s ability to behave consistently with the company’s values as one of three key markers of potential. An individual’s values and drivers will shape the culture they create as a leader. So you should avoid promoting people who do the job but at the expense of harming the positive aspects of the culture.

- Jessica Foster, Global Practice Leader, Executive Development at RHR, agrees. “It’s important to understand the individual’s personal philosophy and what they stand for. The certainty with which they talk about this is an indicator of how well they fit with the culture. Also, asking them about how this philosophy has evolved and continues to evolve tells you a lot about culture fit.”

A difficulty with using values to measure potential, is that it is often not clear what you are measuring against. It’s important to have a realistic assessment of the organisation culture and climate, and what behaviours truly get rewarded, in order to evaluate individual fit against this. You also have to bear in mind that the organisation’s future success may require many of the factors that made the business successful historically to be overturned. Baking in a historic culture may work against the types of change required for success, or may result in inadvertently screening out new ideas.

Assessing individual values is straightforward, but that is just 50% of the process. The remaining 50% consists of working out what the values of the team or organisation are, and there is considerably more complexity in that task. For example, large organisations have many sub-cultures, the values of employees and leaders are often different, and group-level values are not static – they tend to evolve over time.
“There are a number of important factors that interact and need to be considered when making a determination of potential, including trait, state, and capability-based variables. There are also contextual variables such as career stage, prior experiences, organisation cultural fit and other moderators, all of which make it difficult to answer the question ‘What is a high potential talent?’.” Silzer and Church (2009)

---

**1.5 The Leadership Blueprint – an integrated model of potential**

We highlight above that there are many different definitions and models of potential, each slightly different from the others. To date there has been no commonly agreed, scientifically validated, overriding model of potential. In chapter 2 we highlight the most common models being used by organisations today, each of which use some or all of the factors discussed in the previous section.

We found that one particular model, developed by Allan Church and Rob Silzer, and in use in a number of large multinational corporations including PepsiCo and Eli Lilly, provides the most comprehensive framework currently available for considering potential. This is the Leadership Blueprint. In particular, the Blueprint provides a framework not just for considering the generic elements of potential, but also for considering how these might combine at different levels or in different parts of the organisation to answer the key strategic question: ‘Potential for what?’ In this section, we provide a brief overview of the Blueprint and discuss its application.

The Blueprint describes three key dimensions that make up potential. Each dimension further breaks down into two building blocks.

**Case Notes – PepsiCo**

Over decades, PepsiCo has built a reputation as a net generator of leadership talent. Indeed, talent sustainability is one of three pillars of the company’s ‘Performance with Purpose’ business strategy. PepsiCo, under the direction of Allan Church, VP Talent Assessment and Development, has built a multi-tiered Leadership Assessment and Development Programme (LeAD), which it launched in 2010. Talent is systematically reviewed and calibrated at successive levels in the organisation. LeAD is founded on the Leadership Blueprint, described in more detail opposite.

One of LeAD’s founding principles is to link the assessment of potential to leadership transitions, so the programme provides increasingly intensive assessment and development interventions as an individual progresses through the organisation. There are various ‘Checkpoints’ on the way.

- **Checkpoint 0** is an entry-level hipo identification programme for potential leaders. A combination of track record and minimum tenure automatically qualifies people to take part, and it’s then up to them to choose whether or not they want to be considered. The assessment involves a two-hour online measurement process, geared towards the Foundational and Growth dimensions in the Leadership Blueprint. The individual receives their potential score and feedback following the assessment. In the first year, over 3,000 employees participated.

- **Checkpoint 1** is focused on emerging leaders. There’s an online assessment, which is more geared towards the Growth and Career dimensions of the Blueprint than Checkpoint 0. People identified as high potential at this stage gain access to high potential development programmes.

- **Checkpoint 2**, for ‘advanced leaders’, involves a one-day assessment centre.

- **At Checkpoint 3**, for senior leaders, the organisation has a good view of individual strengths, potential derailers and expected career trajectory, so this checkpoint is more about shaping and directing potential. At this stage, individuals go through a battery of feedback tools to help them fulfil their potential with a career destination in mind.

---

**Figure 4: The Leadership Blueprint**

LEADERSHIP POTENTIAL

<table>
<thead>
<tr>
<th>CAREER DIMENSIONS</th>
<th>Functional/Technical Skills</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Leadership Skills</strong></td>
<td><strong>Technical and functional knowledge in a given area of expertise</strong></td>
</tr>
<tr>
<td>Managing people</td>
<td>Business knowledge (both company and industry specific, and broader knowledge)</td>
</tr>
<tr>
<td>Motivating, influencing and inspiring others</td>
<td></td>
</tr>
<tr>
<td>Developing others</td>
<td></td>
</tr>
</tbody>
</table>

GROWTH DIMENSIONS

<table>
<thead>
<tr>
<th>Learning skills</th>
<th>Motivation skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adaptable</td>
<td>Drive, energy, initiative</td>
</tr>
<tr>
<td>Learning orientation</td>
<td>Career ambition, organisational commitment</td>
</tr>
<tr>
<td>Openness to feedback</td>
<td>Results and achievement orientation, risk taking</td>
</tr>
</tbody>
</table>

FOUNDATIONAL DIMENSIONS

<table>
<thead>
<tr>
<th>Personality characteristics</th>
<th>Cognitive capabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social and interpersonal skills</td>
<td>Cognitive abilities, intelligence</td>
</tr>
<tr>
<td>Assertiveness, dominance</td>
<td>Strategic and conceptual thinking, breadth of thinking</td>
</tr>
<tr>
<td>Maturity, emotional self-control, resilience</td>
<td>Dealing with complexity and ambiguity</td>
</tr>
</tbody>
</table>

Source: Adapted from Church and Silzer, 2014
"It takes a good three or four years before a new model is used consistently to high quality."

Chris Macrae, Head of Talent Management, GSK

1. **Foundational dimensions.** Made up of personality characteristics and cognitive capabilities, which are the two most fundamental and stable building blocks of potential. These predict success across the board and change little over time, if at all. Focused development might help an individual moderate a deficiency in one of these areas, but is unlikely to turn it into a strength. The most important decision to make when using the foundational dimensions is determining the personality characteristics and the threshold of cognitive capabilities that are needed in senior leadership positions. This is where the framework connects with the question ‘potential for what?’ So, for example, the profile required of someone who is being considered as a possible future CFO is likely to be different from the profile of a potential general manager.

2. **Growth dimensions.** A combination of the learning and motivation skills that facilitate or hinder a potential leader’s development and improvement. Growth dimensions have a significant impact on whether someone learns new behaviours or gets locked in old habits. They reflect the individual’s willingness to adapt, take risks, try new experiences and learn from them. Although relatively stable over time, they are more likely than foundational skills to improve with guidance and motivation. They interact with the context to determine whether or not someone realises their potential. So a supportive team environment might help to bring out an individual’s innate ability, whereas a weak or bullying boss might suppress their development.

3. **Career dimensions.** Specific attributes that lead to success in a particular occupation or career path. For example, demonstrating strong supervisory skills early in a career is likely to be an indicator of later leadership potential. These attributes can generally be learned or developed through experience.

**Strategies for using the Blueprint to assess and develop potential**

- Organisations can use the Blueprint to identify both the generic elements of potential that apply in almost all situations and the career-specific elements that are relevant only to certain roles, levels or career paths. They can adapt it to their own requirements for assessing potential at different levels or with different talent pools.

- The building blocks are both additive (they add to the impact of each other) and relatively independent (an individual can be strong in one and weaker in another).

- Specific assessment, training and development implications arise from each building block.

- Foundation dimensions are stable and can be identified with similar metrics at all career stages. They can be assessed using cognitive ability and personality tests.

- The growth dimensions determine the extent to which an individual will be motivated and have the capacity to learn from developmental experiences. Some growth dimensions, such as achievement orientation, remain relatively stable, but others, such as career ambition, are more dependent on the context. Identifying potential on the growth dimension can help an organisation decide where to focus development resources.

- Career dimensions are more able to be developed, so what you assess will depend on the career stage of the individual, target roles and future business requirements.
## Topics covered

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>What's the purpose of high-potential programmes?</td>
<td>24</td>
</tr>
<tr>
<td>2.2</td>
<td>Models and definitions</td>
<td>25</td>
</tr>
<tr>
<td>2.3</td>
<td>Current assessment methods</td>
<td>27</td>
</tr>
<tr>
<td>2.4</td>
<td>The deal for hipos – development, career planning and succession</td>
<td>32</td>
</tr>
<tr>
<td>2.5</td>
<td>Transparency</td>
<td>36</td>
</tr>
<tr>
<td>2.6</td>
<td>Future Trends</td>
<td>38</td>
</tr>
</tbody>
</table>

## Introduction

In this chapter, we explore current organisational practices with regard to the assessment and development of potential, using case study examples and the results of a CRF member survey conducted as part of this research.
“You need to watch out for the underlying assumption that all higher level roles require the same things. Even if we identify a role today and make a prediction about that role three to five years from now, the chance of that role remaining constant for even three years is remote.” Scott Gregory, General Manager, Hogan Assessments

Identifying and developing employees who have the potential to drive future business success is undoubtedly an important issue for organisations. Some companies have well-established practices, honed over many years, for successfully developing their hipos, and have built reputations as generators of talent both for themselves and for other organisations. Their models and processes for assessing and developing potential are well-developed and deeply integrated in all aspects of how they manage and develop their people.

- Shell has had its own internally developed potential model in place for over 30 years. Line managers learn how to deploy the model through both formal training and years of practice, and the model is embedded in people processes from graduate recruitment to senior manager development.

- Mars has long had ‘calibre’ as one of the tenets of its culture, so it hires people whom it believes have the capacity to stretch over time into roles beyond those they are being recruited for in the short term.

- PepsiCo has built a sophisticated, data-driven process for measuring potential at all levels of the organisation, not just at the senior levels where most organisations tend to focus their attention (see Case Notes in chapter 1).

However, many of the organisations in our research are relative newcomers to potential. The figure below shows that over half of respondents to the CRF survey have been systematically assessing potential for less than three years, and only one in five has been assessing potential for five years or more.

Figure 5: How long has your organisation been assessing potential systematically?

<table>
<thead>
<tr>
<th>Period</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than a year</td>
<td>17%</td>
</tr>
<tr>
<td>1 – 3 years</td>
<td>37%</td>
</tr>
<tr>
<td>3 – 5 years</td>
<td>14%</td>
</tr>
<tr>
<td>5 years or more</td>
<td>22%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>10%</td>
</tr>
</tbody>
</table>

Source: CRF Member Survey

Becoming sophisticated at assessing potential requires significant investment in tools and models as well as ongoing education and support for the line managers who typically make the talent calls. You need to track and evaluate the results and make improvements on the way. Success requires persistence and a long-term view.

Current satisfaction and opportunities for improvement

We asked CRF members to rate their satisfaction with their organisations’ efforts to identify and assess potential. Just under half (47%) were either very or somewhat satisfied, 24% were neutral and 29% somewhat or very dissatisfied (see figure below). This suggests there is some way to go to make sure potential programmes are delivering what organisations need.

Figure 6: How satisfied are you with your organisation’s efforts to identify and assess potential?

<table>
<thead>
<tr>
<th>Satisfaction Level</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very satisfied</td>
<td>5%</td>
</tr>
<tr>
<td>Somewhat satisfied</td>
<td>42%</td>
</tr>
<tr>
<td>Neutral</td>
<td>25%</td>
</tr>
<tr>
<td>Somewhat dissatisfied</td>
<td>20%</td>
</tr>
<tr>
<td>Very dissatisfied</td>
<td>8%</td>
</tr>
</tbody>
</table>

Source: CRF Member Survey

We also asked respondents to highlight what improvements could be made.

- Improve the connection between business strategy and identification of potential.
- Make the process more objective by improving managers’ assessment capability, improving calibration of the ratings given to different people, and making greater use of independent assessments such as ability and psychometric tests.
- Improve follow-through, so that assessments actually lead to better selection decisions, better development actions and better development of leaders internally rather than defaulting to external recruitment.
- Educate line managers to make better judgements and distinguish current performance from future potential.
- Improve the quality of development conversations between managers and hipos.
- Push the process down to lower levels in the organisation to make it less ‘elitist’.
- Increase transparency with employees.
- Improve tracking and evaluation of results.
2.1 What’s the purpose of high-potential programmes?

Both the CRF member survey and in-depth interviews with companies showed that the primary focus of high-potential programmes is on identifying and developing future leaders. This was the top listed reason in our survey (selected by 93% of respondents), followed by developing talent to meet identified future business needs (44%), identifying talent gaps (36%) and retention of key/scarce talent (34%).

Another key consideration for nearly one-third of respondents (32%) is building a diverse talent pool. We found that many of the organisations we interviewed have set up specific talent pools aimed at groups such as women or other minorities that are currently under-represented at leadership levels; here potential and diversity strategies are working in tandem. For example, Shell checks its potential data for possible bias across a number of different populations – including men versus women, commercial versus technical talent, and some ethnic groups. Its potential assessment system allows managers to check for bias in real-time as they are completing the assessment.

While the starting point for potential programmes tends to be assessing future leadership skills, as organisations become more sophisticated, they often take a more nuanced view, asking the question ‘Potential for what?’. Silzer and Church (2009b), in a survey of 80 companies considered to be among the most sophisticated in talent management, found that 65% of these organisations have multiple categories of high-potential talent, such as a ‘HiPro’ category for highly valued individual contributors. “More sophisticated companies have multiple categories of potential in their organisation. They … argue that although there may be some common characteristics or abilities that predict potential in general for several different talent pools, there are also more unique abilities and characteristics that differentially predict potential for each talent pool and career path.”

Rob Silzer, Managing Director, HR Assessment and Development Inc., advises companies to think about future talent requirements not just in terms of leadership, but also in terms of key technical and functional skills. Shell, for example, ensures that appropriate focus is given to strategically important groups such as graduates, technical staff, females, Asian talent and, more recently Middle Eastern talent.

Focusing exclusively on an ‘elite’ senior population risks disengaging the vast majority of key workers who drive current performance in the organisation. So we are seeing more organisations assessing all employees, or starting at lower levels in the hierarchy than they may have done in the past. This brings its own challenges in terms of deploying a cost-effective, robust and objective assessment process at scale. Many organisations are also being careful about the labels they attach to their potential rating scales, particularly with the growing demand for transparency, which we discuss further below.

Some leaders and talent experts believe that singling out a select few can be detrimental to talent management overall, and risks sending a message to those not designated high potential that they are not important. Jill Foley, Managing Partner at On3 Partners, said: “There can be too much focus on high potentials. The smart money is actually on how to optimise all the potential talent you have, not just future leaders. The real shift in performance comes when you tap into unused potential wherever it lies, not just hipos.”
“Definitions of potential used to be related to specific destination jobs, but in today’s VUCA context we don’t know how positions will evolve, so we have to focus on nurturing and honing great leadership capabilities.”

Seymour Adler, Partner, Aon Hewitt

We agree that it is important to pay attention to all aspects of talent strategy. However, given today’s business environment, we think it is more important than ever to think about the unique requirements of leading ever more complex businesses, identifying those who are likely to be capable of taking on these challenging future leadership roles, and preparing them as best we can.

2.2 Models and definitions

Bespoke or off-the-shelf?

The start point for many potential programmes is which model of potential – i.e. a framework that describes the elements that make up potential and can be applied consistently across the organisation – to use. We found organisations use a mix of off-the-shelf and bespoke models. There are different schools of thought as to which is better. Some interviewees considered off-the-shelf models to be better researched and more robust, whereas bespoke models allow companies to combine scientific thinking around potential with their own business strategy.

The most commonly used off-the-shelf models we came across in our research were the following.

- Lominger/Korn Ferry’s Learning Agility model.
- YSC’s JDJ (Judgement, Drive and Influence) model.
- The Ability, Engagement and Aspiration model.

However, many organisations choose to develop their own models, which allows them to combine more generic predictors of potential with their own strategic needs. Whitbread, for example, has recently developed a bespoke potential model. The model, developed jointly with Jill Foley of On3 Partners, incorporates the latest thinking around the markers of potential, but also reflects the company’s strategic business challenges. This involved conducting an analysis that included interviewing the top 40 executives to determine the critical factors required to deliver the company’s strategic plan. This helped to inform the potential model. The Courage element (see below), for example, reflects what executives identified as the business challenges of significant growth in new markets.

What proportion of your employees are high potential?

The decision to designate an individual ‘high potential’ should depend on whether they meet a carefully defined set of criteria; it should not be to make up the numbers. However, some organisations (erroneously) expect high potential to follow the ‘normal’ distribution curve, as we explained in chapter 1, so they have expectations – and even targets – around the numbers of hipos they have or want.

Silzer and Church found that around 20% of organisations identify a target for hipos, which ranges from 5% to 20% of the employee population, with the most common target being around 10%. Goal setting is more common for hipo programmes that target minority gender and ethnic groups.
“Using a shared model gives us a common language. Using an externally developed model gives us a robust, explainable, defensible process.”  

Ed Marsh, Global Head of Human Resources, Nestlé Professional

Who is assessed for potential?

Our survey asked which groups of employees, both internal and external, are assessed for potential.

- Just over half (52%) assess all senior managers, and just under one-third (31%) assess all middle managers.
- Just over one-third (35%) assess all employees.
- Surprisingly, only 16% assess graduates for potential.

Figure 9: Which employees are assessed for potential? Please select all that apply.

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>All senior managers</td>
<td>52%</td>
</tr>
<tr>
<td>All employees</td>
<td>35%</td>
</tr>
<tr>
<td>All middle managers</td>
<td>31%</td>
</tr>
<tr>
<td>Specific Groups of employees, Please specify.</td>
<td>20%</td>
</tr>
<tr>
<td>Graduate entrants</td>
<td>16%</td>
</tr>
<tr>
<td>All first line managers</td>
<td>13%</td>
</tr>
<tr>
<td>Senior new hires</td>
<td>12%</td>
</tr>
<tr>
<td>All new hires</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: CRF Member Survey

Figure 8: The five factors of Whitbread’s potential model

- **Drive**
  - Strives to make things better
  - Committed to unselfish goals
  - Determined and focused

- **Insight**
  - Joins the dots at speed
  - Thinks beyond the immediate
  - Brings fresh insights

- **Curiosity**
  - Hungry for new knowledge
  - Open minded, questioning
  - Always learning

- **Courage**
  - Bold enough to speak out
  - Backs themselves
  - Surefooted

- **Impact**
  - Socially and culturally adept
  - Cares about people
  - Connects at all levels

Shell’s model, which looks at Capacity, Achievement and Relationships, has changed little since it was developed over 30 years ago. It not only highlights the factors that have been shown to predict success in Shell, but also reflects the company culture.

Jill Foley said that while organisations are generally concerned with selecting the right model, a more important start point is to define the business needs you’re trying to address. This then sets the context for your potential programme. This critical aspect often receives insufficient attention. “The solution is usually about more than simply implementing a model. You need to answer the question ‘potential for what in this organisation?’ So what’s more important is what the model tells you about where your organisation is today and what you need to do to make sure you have the talent you need to meet the needs of the business strategy.”

So, whatever model you choose, you have to ensure that it meets the specific needs of your organisation.

**Definitions**

We also asked our survey respondents how their organisations define potential. Some 76% said they use a standard definition of high potential. There appears to be a trend away from defining potential in role-specific terms, such as the ability to move a set number of levels in the hierarchy, towards a more generic view of potential. Perhaps this reflects the fact that careers in today’s complex matrix organisations are driven as much by building depth as progressing up the organisation.

Our survey found the most commonly used definition, selected by one-third (33%) of respondents, is ‘Potential to take on roles with broader scope and responsibilities’. This was followed by ‘Potential to move up a specific number of organisational levels’ (selected by 27%) and ‘Potential to move into a more senior position more generally’ (25%).
“For many companies, the process of identifying ... high potentials becomes ... a ‘know it when I see it adventure’, as opposed to a systematic process that objectively evaluates and identifies the company’s rising stars.” Aon Hewitt (2013)

Figure 10: Which of the following most closely describes your definition of potential?

- Potential to take on roles with broader scope and responsibilities: 33%
- Potential to move up a specific number of organisational levels: 26%
- Potential to move into a more senior position more generally: 25%
- Other (please specify): 9%
- Potential to move into specifically identified roles such as business critical position: 6%
- Potential to move from functional to general management roles: 1%

Source: CRF Member Survey

Silzer and Church (2009b) found the most typical corporate definitions of potential were:
- by role – potential to move into a high-level managerial role (35%)
- by level – potential to move up one or two organisational levels (25%)
- by breadth – potential to take on a wider range of roles (25%)
- by record – consistent track record of high performance (10%).

We found some organisations combine an element of both level-jumps and timescales in their definition. For example, ‘high potential’ for Thomson Reuters means ‘potential to advance roles in scope and scale twice in five years’, and medium potential is ‘potential to advance role in scope and scale once in three years’.

2.3 Current assessment methods

In many organisations there are two elements to assessing potential.
- Identification, which involves selecting individuals who might be considered to have high potential, often against a model, definition or set of criteria. We find this is virtually always done by the line manager, although ratings are often calibrated in talent review meetings.
- Assessment, either for selection or development purposes. This might involve assessment or development centres, psychometric and ability tests, structured interviews or 360-degree feedback.
“The challenge with high-potential systems, is someone can derail under a manager with whom they’re not able to adapt stylistically. So we fall back into the trap of the manager being the primary assessor. Their glowing report will get you into the pool, and a clash will pull you out, even though you’re still the same person with the same skill set.”  
Jay Conger, Professor of Leadership Studies, Claremont McKenna College

Many organisations put most or all of their staff through identification, but tend to reserve assessment only for senior people, for those who have already been identified as high potential, or as the gateway to some form of hipo development programme. We find very few organisations have an objective, data-driven approach to identification; generally identification relies on the line manager’s judgement. The problem with this is that many line managers are not skilled in assessment, and they may overlook some high potential employees who don’t fit their ‘model’ of what potential looks like. A respondent to the CRF survey commented “Whether someone actually gets assessed is entirely up to the subjective judgement of the line manager. I think we might spot more people with potential earlier on if we used our model systematically.”

As we discuss further in chapter 3, the ideal way to assess potential is through an objective, multi-method approach. There are a number of issues arising from current approaches to identifying potential.

- Unless they are extremely well trained and supported, most managers find it difficult to distinguish between performance and potential, and the pool of people identified as high potential tends to be primarily comprised of current high performers rather than genuine high potentials. As we discuss in chapter 1, performance is not necessarily a good predictor of potential.
- Managers may prefer to rely on their own judgement – “I know it when I see it” – rather than on objective models of potential.
- Identifying potential becomes political, so it is the people who are good self-promoters, or individuals whom the manager thinks might be considering resigning, or the person ‘whose turn it is this year’, who are put forward. One survey respondent commented: “the process is sometimes misused as a way to reward employees.”
- As Rob Silzer observes: “Managers notoriously don’t want to give up control and judgement over who gets selected. So it’s typically left largely up to managers to apply whatever objective factors you set, and that gives them a wide degree of latitude.”
- Managers feel uncomfortable delivering a tough message to someone who may be a good performer, but is perceived as lacking potential to progress further. So often the message is fudged. In extreme cases this can lead to two different pools of people who receive the investment that an organisation assigns to hipos – the ‘official’ pool of people who are assigned a high rating, and the smaller ‘real’ pool. The following interviewee’s comment was typical: “Managers often duck the difficult conversations about potential, either because they don’t understand the model – they get confused between performance and potential – or they lack the courage to be honest with their people about their true potential.”

**Calibration – Talent reviews and nine-box grids**

The main method organisations use to bring objectivity to their potential identification processes is ‘calibration’, usually at talent review meetings. Jessica Foster of RHR commented: “You will always have a range of assessment capability – from very good to very bad – across managers. It’s important to have in place a system that supports them in making good decisions.” Marc Effron, President of The Talent Strategy Group, agreed: “The best way to predict potential is a well-run talent review process, where there’s a full, fact-based conversation about individuals, and we identify, based on our knowledge of them, how far and fast we think they can move in our organisation. There need to be the right people in the room with the right information to make the correct determination about that individual.”

---

**Assessment methods**

Our survey found the most popular method of assessing potential was ‘Rating assigned by manager’ (73%), with ‘Rating assigned as part of talent review with input from multiple sources’ selected by 64% of respondents. (Respondents could select up to three options.)

![Figure 11: What is/are the primary method(s) for assessing potential in your organisation? Please select up to three.](image-url)

<table>
<thead>
<tr>
<th>Method</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rating assigned by manager</td>
<td>73%</td>
</tr>
<tr>
<td>Rating assigned as part of talent review with input from multiple sources</td>
<td>64%</td>
</tr>
<tr>
<td>Assessment by internal HR/Talent function</td>
<td>31%</td>
</tr>
<tr>
<td>Assessment or development centre</td>
<td>16%</td>
</tr>
<tr>
<td>Psychometric testing (intelligence or personality tests)</td>
<td>15%</td>
</tr>
<tr>
<td>360 degree assessment</td>
<td>15%</td>
</tr>
<tr>
<td>Assessment by external consultant</td>
<td>6%</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>4%</td>
</tr>
<tr>
<td>Results of simulation or business game</td>
<td>0%</td>
</tr>
</tbody>
</table>

Source: CRF Member Survey

---

**Figure 11: What is/are the primary method(s) for assessing potential in your organisation? Please select up to three.**
It can be difficult to run talent reviews well. As Jessica Foster pointed out: “You need to have the right people in the room. Often, you’re asking a manager to assess their team member’s potential to take on a role which is actually a level or two above the assessing manager’s current level. So that manager doesn’t actually understand enough about the job they’re assessing the ‘hipo’ for.” Also, discussion can sometimes be railroaded by the agenda of the most senior person in the room.

One of the themes to emerge from our research was that many organisations struggle to apply consistent potential ratings to individuals year on year. This may be due to ratings changing when an individual moves from one boss to another, or it may be down to the skill of individual line managers. One organisation we interviewed found that when it started to track its hipo process more rigorously, fluctuations in ratings from year to year were much greater than it had realised. Another interviewee commented: “We found there were a small number of people everyone agreed on, but every year 60% were new to the plan. Some of that was explained by business growth, but we were just not rating people consistently year on year.” Talent reviews can help avoid such swings in ratings. Implementing a new model or process can also be an opportunity to start with a clean slate.

Many organisations plot their people on a nine-box talent grid or similar, and these grids are usually discussed in talent reviews. The traditional grid plots performance against potential. However, we found that organisations are becoming more alert to the difficulty of differentiating between performance and potential, and this is resulting in a trend towards creating separate grids for each. Both Tesco and Whitbread are experimenting with plotting performance and potential on separate grids. The performance grid looks at ‘what’ has been achieved on one axis and ‘how’ it was achieved on the other. Potential is then plotted on a separate grid with readiness on the other axis (see figure below). Whitbread, meanwhile, has subtly shifted the emphasis towards recognising current contributors. It switched the axes on its grid so as to place potential on the x-axis and performance on the y-axis. This meant high performers with low potential would be at the top of the chart, reflecting the value they contribute to the business. Whitbread also talks about performance and potential at different times of the year, so as not to confuse the two. It conducts two talent reviews a year, each with a different focus.

Figure 12: Moving away from the performance/potential grid

Improving assessment objectivity

So, given that companies are unlikely to take identification of hipos away from line managers, what steps can they take to improve objectivity?

- Require managers to nominate people based on clear criteria that are proven to be strong predictors of potential. Provide behavioural descriptors so managers know what they are looking for.
- Ask managers to provide evidence of behaviours that indicate someone’s potential.
- Use as many data points as are available – for example, supplement manager ratings with independent measures such as psychometric or ability tests or structured interviews. Many organisations shy away from administering tests at scale, but this can be done reasonably cost-effectively online. For example, Unilever uses a combination of data, including the line manager’s assessment against JDI behavioural descriptors, performance ratings over the previous three years, position on the nine box grid and work experience, to give an indication for an individual’s potential evaluation. This indication will be taken as a basis for a discussion in a peer Talent Review where ultimately, the forum’s judgement decides on the individual’s potential identification in the organisation.
- Provide detailed, comprehensive training for managers, regular refreshers, and good HR support as managers are going through the process.
- Calibrate ratings across teams – see further below.

We also found that although many organisations don’t allow individuals to nominate themselves for consideration as a high potential, there is a trend towards individuals taking more control of the process. For example, in both Unilever and InterContinental Hotels Group (IHG) individual employees can complete a self-assessment using the JDI tool and use this to prompt a discussion with their line manager. John Lewis Partnership has introduced ‘Partner Profiles’, which are filled in and owned by the individual, and provide a framework to drive career discussions with their manager.
“Managers at GSK know they will be required to provide evidence to support their position and will be challenged on that evidence in talent reviews.”  

Chris MacRae, Head of Talent Management, GSK

### Effective talent reviews

We found that the most effective talent reviews have the following features.

- They are action oriented and hold managers to account for action. As well as being a forum for discussing individuals, the most effective reviews result in career moves, development assignments or other development actions. They are not just a box-ticking exercise.
- They involve high quality, challenging conversations. For many organisations, this is the only opportunity to have some objective input to discussions about who should be designated high potential. Managers hold each other to account to provide evidence to support their positions and to show that they are taking actions to develop their people.
- They are held regularly. The most sophisticated organisations tend to have talent reviews at least once a year, often more frequently, to plan moves and follow up on actions.
- They happen at multiple levels in the organisation and cover many different populations, including more junior positions.
- Jill Foley, Managing Director of On3 Partners suggests that calibration should happen on actions. “It’s harder to do, because you are then required to present and defend your evaluation with peers from other parts of the business, who you may not know well. But it ‘ups the ante’ in terms of the quality of evaluation that takes place.”
- Active support from HR. According to Jessica Foster of RHR: “The organisations I’ve seen do it well have true HR business partners. They have a seat at the table with the line manager; they own the people health of that business. They’re strategic talent thinkers, not just order takers.”
- Managagement at GSK know they will be required to provide evidence to support their position and will be challenged on that evidence in talent reviews.

### Other methods of assessing potential

In many organisations, someone who has been identified as high potential may be subject to a further detailed assessment, particularly before they take part in a hipo development programme or are promoted to a more senior position. The most common purposes for these assessments are:

- to confirm their status as high potential
- to generate detailed inputs to help plan their development
- to select people for high potential programmes
- to assess senior new hires
- a standard assessment on reaching a certain level of seniority.

We found the assessment methods listed below commonly in use. Often, they are combined in an assessment or development centre or form part of an assessment by an external psychologist. They have the advantage of being more objective than line manager ratings, but, due to cost considerations, tend to be reserved for those already identified as high potential, or for senior managers. Silzer and Church found that the more sophisticated organisations – those whose potential programmes were better integrated with business strategy and those with high levels of senior executive commitment – were more likely to undertake these types of assessments.

- 360-degree feedback is increasingly being used for assessing potential, particularly in the US (65% of Silzer and Church’s sample use 360-degree feedback, compared with just 15% of CRF survey respondents). The growth in coaching is making this sort of data more widely available, and companies are using it to develop internal benchmarks against which to assess emerging leaders. However, the 360-degree tool has to be aligned with the organisation’s model of potential in order to ensure all the key elements are covered.

- Ability tests are good for measuring cognitive ability, which, as we discussed in chapter 1, is one of the key predictors of potential.

- Psychometric tests can test the personality measures that are known to predict potential, as well as highlight potential derailers. According to Scott Gregory of Hogan Assessments: “Many of the core elements that have been shown to predict success as a leader can be effectively measured by psychometric testing. So it’s quite a good place to start if you’re looking to measure potential. Then you need to layer on, in this particular culture, what leads to success or failure, based on fit.”

- Structured interviews that test the behaviours associated with high potential have been found to have high validity.

- References, although they have become less fashionable in recent years, can be particularly useful for judging the potential of new hires. Guy Eccles, formerly Group HR Director of B&Q, suggests talking to as many of the candidate’s former managers and colleagues as possible to get a rounded picture of how they operate in different contexts and scenarios. “Keep on taking references until the stories begin to repeat themselves.”

- Simulations can be used to test how people behave in certain scenarios, or to assess cognitive or strategic thinking skills. Our survey found that they are not commonly used to assess potential among CRF members, but appear to be used more frequently in the US.

- Assessment centres are one of the best predictors of potential, and can be designed to use a number of different assessment methods. However, they are used less frequently today than they were in the past due to cost and time considerations.
“It’s a great opportunity for HR to take a leadership role in a lynchpin activity for the business. We can credibly challenge people’s opinions and push for them to make judgements based on evidence. We are not just facilitating, we are part of the content of the process too.” **Ed Marsh, Global Head of Human Resources, Nestlé Professional**

---

**Shelf life of assessments**

How quickly do potential assessments go out of date? It depends on the type of data you’re dealing with.

- The publishers of psychological assessments, which assess fairly stable personality factors, suggest that personality tests remain valid for five years.

- 360-degree assessments tend to have a shorter shelf-life, typically two to three years, as the context changes more rapidly.

- Some of the companies we interviewed do a shorter development check-in survey, typically every year or 18 months. Allan Church, VP Talent Assessment and Development at PepsiCo, said: “We check in every 18 months, focusing on a couple of key items an individual is working on to check if they’re making progress.” Checking in regularly can help remind people of the objectives they set themselves, and kick start action.

- Rob Silzer, Managing Director, HR Assessment and Development Inc., suggests that potential ratings need to be re-evaluated every two to three years to keep up to date with changes in the market.

Our survey found that the majority (60%) of respondents review potential ratings annually, with 13% reviewing them more frequently. Slightly concerning, however, is that 15% don’t review ratings at all.

---

**Bringing the context into assessments**

When designing assessments you have to guard against presenting a view of the individual that’s disconnected from the way they behave in the real world of work. So it’s critical to bring the organisation and job context into the assessment. Guy Eccles, formerly Group HR Director at B&Q, has spent a lot of time and effort trying to get this right. He suggests the following.

- Don’t just assess the individual – look at the organisation context, the culture of the business, and the characteristics of the boss. If you know who the individual will report to, conduct psychometric tests on the boss too, to identify where the potential areas of conflict or personality clash will be. That way both parties can be helped to identify and prepare for it when it arises. “It’s an accelerated way of helping people understand each other, and also gives people a less emotive way of constructively challenging each other.” If you have a profile of the organisation culture, you can use this to assess the individual’s values and drivers against the context they will be operating in.

- Think carefully about who is best equipped to assess: is it an external occupational psychologist, a senior leader or an HR professional? (Some larger organisations still have internal psychologists who can run assessments, but they are an increasingly rare breed.) Eccles says: “Managers are generally not equipped to conduct in-depth psychological assessments, but occupational psychologists often don’t understand the context and pressures of the roles they are assessing for. They’re assessing for things of which they have no personal experience.” Eccles has found that, by working closely with senior leaders over time and doing assessments together, it is possible to educate senior leaders to ask the right questions and get better at spotting the factors that will help and hinder a hipo performing well in the organisation context.

- De-risk the situation. “By building a more detailed understanding of how that person will play on the pitch, what they will be like to work for and how they will get on with their boss and colleagues, you have a much better view of how that person will work out and how they will need to be managed,” says Eccles.
“Assessments help individuals understand their key strengths, how they compare to others, and what challenges they are likely to face as they progress in their career. It helps them build strategic self-awareness.”  

Rainer Neubauer, Managing Director, Metaberatung

It is important to build into your assessment process a specification of how long each type of data remains valid, and ensure that data are disposed of once the timescale has expired. The consensus among the experts we interviewed for this research was that five years was the maximum for assessments of potential.

In addition to assessments going out of date, individual aspirations and willingness to make the sacrifices that are often required of hipos changes over time, which is an important reason for having an ongoing dialogue with hipos and keeping ratings current. Chris MacRae, Head of Talent Management at GSK, said: “For someone to realise their potential, they have to be continually putting themselves outside their comfort zone, taking big stretch assignments and risks. We see that willingness changes throughout their lives.”

2.4 The deal for hipos – development, career planning and succession

There’s little point in investing in assessing potential unless it leads to the organisation doing things differently. We found that the most sophisticated organisations use their potential process to determine how best to invest in hipo development, how to improve career development for hipos, and how to build more effective succession plans.

Succession planning

The connection between potential assessment and succession planning is clearly important for respondents to our survey. Identifying hipos increases the pool of available candidates as successors to senior roles, and gives organisations an opportunity to widen the net beyond the ‘usual suspects’.

However, we found that succession planning is a static activity in many organisations. Individuals are identified as potential successors, and assigned a ‘readiness’ timescale, but from one year to the next that readiness does not change, and the organisation still resorts to external recruitment when it needs a successor. One interviewee commented: “It’s striking how weak the connection is between potential and the way we assign successors. For us, it’s not automatic that if someone is rated high potential, they must be on a succession plan and actually be appointed when a vacancy comes up. We really need to change our thinking so that happens naturally.” There is also a risk, in fast-changing environments, that the roles for which potential successors are being identified will be radically different or even non-existent when the time comes for them to move into them. Different skills will be required.
“The more thoughtful companies realise that one-size-fits-all programmatic development is very expensive and not highly effective. You have to take a much more individualised approach.”  
Scott Gregory, General Manager, Hogan Assessments

Some organisations have started to tackle succession from an ‘individual-out’ rather than ‘role-in’ perspective. They focus more on identifying high potentials and considering which succession plans they should be included on, rather than looking at the roles first and then deciding who might be in line to take them on. Some organisations do both.

We think it’s critical there are strong connections between the names on the succession plan and development plans for those individuals. What gaps need to be filled before that individual is ready? What actions will we take to fill the gaps?

Differentiated development for hipos

What actions are organisations taking to develop their hipos? Our survey found three-quarters (75%) of organisations offer hipos the opportunity to attend either internal development programmes designed specifically for high potentials, or leadership development programmes. Also popular are mentoring and coaching (offered by 70% of organisations) and development assignments (62%). Around half offer greater exposure to senior leaders or accelerated development. Just under one-third (30%) offer external business school or other development programmes, and just over one-quarter (26%) offer job moves within a specified timescale (see figure 15).

Figure 15: What does your organisation offer to those individuals identified as ‘high potential’?

<table>
<thead>
<tr>
<th>Opportunity to attend internal high potential or leadership development programmes</th>
<th>75%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mentoring or coaching</td>
<td>70%</td>
</tr>
<tr>
<td>Development assignments</td>
<td>62%</td>
</tr>
<tr>
<td>Greater exposure to CEO/senior leadership</td>
<td>52%</td>
</tr>
<tr>
<td>Accelerated development</td>
<td>50%</td>
</tr>
<tr>
<td>Opportunity to be considered for certain roles</td>
<td>45%</td>
</tr>
<tr>
<td>Inclusion in certain talent pools</td>
<td>39%</td>
</tr>
<tr>
<td>Opportunity to attend business school or other external programme</td>
<td>30%</td>
</tr>
<tr>
<td>Job move/promotion within a specified time period</td>
<td>26%</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: CRF Member Survey

Why assess potential?

Our survey asked respondents for what purposes they assess potential. The most common response (74%) was populating succession plans, second came building talent pools (71%) and third was differentiated development for high potentials (69%). Far lower priorities were identifying future skills gaps or high risk areas (55%) and facilitating cross-functional career moves (44%).

Figure 14: For what purposes do you assess potential? Please tick all that apply.

- Populating succession plans: 74%
- Building talent pools: 71%
- Differentiated development for high potentials: 69%
- Identifying future skills gaps or high risk areas: 55%
- Facilitating cross-functional career moves: 44%
- Motivation/retention tool: 35%
- Providing better quality information to hiring managers: 13%
- Differentiated compensation: 11%
- Other (please specify): 3%

Source: CRF Member Survey
“We don’t want managers just to say ‘here’s your potential rating.’ We want them to have a nuanced and considered dialogue about how they see that person growing, where their future career might take them, what the organisation is prepared to invest in them, and what the employee could do.”
Nick Creswell, VP Talent and Development, Thomson Reuters

Many organisations are keen to offer development opportunities to all employees, not just hipos, so they map their development offer to their nine-box performance/potential grid. The opportunities available to hipos are perhaps more personalised, more challenging or more prestigious, but others are not left out. The figure below shows an example from InterContinental Hotels Group.

Figure 16: Development actions for 9 box grid

<table>
<thead>
<tr>
<th>Top performer</th>
<th>Exceptional candidate</th>
<th>Next generation leader</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Understand what they’re passionate about and find opportunities to play to this</td>
<td>• Identify what’s missing in their work experience or skill set and build a plan to address these</td>
<td>• Identify critical skill/experience gaps; put in place bold, stretching development e.g. high risk assignment</td>
</tr>
<tr>
<td>• Help them build their expertise and consider lateral moves / assign to our most critical roles &amp; projects</td>
<td>• Provide challenging &amp; visible projects / roles to accelerate development</td>
<td>• Prime candidates for international &amp; cross functional moves</td>
</tr>
<tr>
<td>• Find opportunities to coach or mentor others to share their expertise</td>
<td>• Leadership candidate for leadership programmes</td>
<td>• Significant senior management exposure</td>
</tr>
<tr>
<td>• Find ways to become an ambassador for IHG externally</td>
<td>• Set up mentor / coach</td>
<td>• Priority candidate for leadership programmes</td>
</tr>
<tr>
<td>• Use their expertise to help build talent at IHG i.e.; Career Insights assessor, Leading Others facilitator</td>
<td>• Get them to mentor other HiPo’s</td>
<td>• Mentor / Coach</td>
</tr>
<tr>
<td>• Invite to be part of IHG HiPerformer Talent Deal</td>
<td>• Candidates for international moves</td>
<td>• Get them to mentor other HiPo’s</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Highly regarded professional</th>
<th>Strong candidate</th>
<th>Future next generation leader</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Explore motivations and understand if role is a good fit for them</td>
<td>• Focus on new projects or roles to increase their scope &amp; broaden skill set</td>
<td>• Identify critical skill / experience gap; put in place stretching high risk development</td>
</tr>
<tr>
<td>• Build confidence – providing support, feedback and opportunities to develop in this or other roles</td>
<td>• Stretch &amp; test: via on the job targets or through special projects to observe their performance &amp; potential</td>
<td>• Prime candidates for international &amp; cross functional moves</td>
</tr>
<tr>
<td>• Build development plan with goal to help them become a ‘top performer’</td>
<td>• Build development plan with goal to help them become exceptional candidate</td>
<td>• Build development plan with goal to help them become next generation leader</td>
</tr>
<tr>
<td>• Understand whether aspirations are for specialist and general management roles – consider job rotations or lateral moves to gain relevant experience.</td>
<td>• Explore aspirations &amp; consider for roles at next level</td>
<td>• Significant senior management exposure</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lower performer</th>
<th>Inconsistent leader</th>
<th>Too New</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Identify the root cause beneath their current performance</td>
<td>• Identify the root cause beneath their current performance</td>
<td>• Ensure strong induction</td>
</tr>
<tr>
<td>• Discuss what improved performance looks like and what support is needed to get there</td>
<td>• Consider what development is required to help them perform in current role</td>
<td>• Build clear KPO’s &amp; 100-day plan</td>
</tr>
<tr>
<td>• Closely monitor following performance management process and implementing a performance improvement plan</td>
<td>• Consider what the organisation could be doing differently to create the right environment for them to perform</td>
<td>• Focus on development plan to build relationship knowledge &amp; capabilities to accelerate their onboarding</td>
</tr>
</tbody>
</table>
“Having a commonly accepted potential model helps people work out what the organisation expects of them, and how they can make themselves more promotable. It’s also helped us make sure there are concrete actions arising from discussions. People can see the value of going through the process.”

Ed Marsh, Global Head of Human Resources, Nestlé Professional

Jill Foley, Managing Partner at On3 Partners, says the common characteristic that marks out the best high potential programmes is a clear ‘deal’ and quid pro quo with the individual. “There’s a conversation that says: ‘We think you’re high potential, do you see yourself that way and are you prepared to make the sacrifices that will be required to develop your potential? There are experiences we’d like to open up to you, but as a consequence we want to see a bigger, broader deeper contribution from you. So it’s not a gift. Are you up for that?’ This gives the individual the opportunity to take ownership and opt out if it’s not right for them. Foley also thinks the deal needs to be time-bound, offering opportunities over a defined period. There are usually no commitments that there will be a specific job at the end, although, clearly, if someone performs well the organisation will be keen to retain and promote them.

We think it’s important to make individuals as accountable as possible for their own development, and to avoid ‘sheep dip’ solutions. GSK, for example, uses hipo ratings to inform individual development plans, but does not have hard and fast rules about the implications of being designated high potential. Chris MacRae, Head of Talent Management, said “We don’t have a rule that you have to be in a certain box to be eligible for programmes, or you have to attend a certain programme if you’re a hipo.”

Career development for hipos

We discuss in chapter 1 that one element that differentiates hipos is their ability to learn from work experiences, and to use those experiences to develop and improve. The corollary is that both the organisation and the individual need to ensure they build a portfolio of job assignments and career moves that allow the individual to gain the experiences they require to develop as a leader. This has two key implications for organisations.

- They need to put processes in place to help executives build the right experiences over their career, including facilitating moves across organisational boundaries.
- They need to help individuals to learn from these experiences, so that they can reflect on what they have learned and on how to use the lessons to improve.

CRF’s 2015 research project Leadership Development – Is it fit for purpose? discusses this topic in more detail. The report concluded that many organisations struggle to do experience-based development well.

McCauley and McCall (2014) have developed a framework for using job experience more systematically to develop leadership capability. The underlying principle is if hipos are given the opportunity to take part in strategically relevant experiences, and something is done to ensure they learn the lessons of these experiences, it increases the probability of having the leadership talent necessary to lead the business strategy.

High quality hipo development

The richest programmes tend to have the following features.

- They are self-directed, providing a range of tools and options, but not overly prescriptive. One test of whether an individual realises their potential or not is how driven and motivated they are to progress, so this way it’s possible to provide development options while testing whether they are ‘up for it’.
- Deep diagnostics at the outset, followed by detailed individual development planning and regular check-ins to make sure the individual is progressing towards their plans.
- Opportunities for deep reflection, often on a programme away from the day-to-day job or working together with a coach.
- There is usually something prestigious on offer, such as an external business school programme or a highly sought-after internal programme.
- Participation in a project or task force whose objective is to tackle a tricky business problem or develop a new business idea. There is often a strong innovation focus to this, such as developing new products or opening up new markets.
- Assistance in building an external network.
- Mentoring by a senior manager.
“The big plus in getting managers to do potential assessments is that they are bought into and own the results.” Chris Macrae, Head of Talent Management, GSK

Hiring for potential outside the organisation

To date, the main purpose for assessing potential has been to identify potential future leaders and top performers internally. Some organisations have incorporated their potential model in their graduate or MBA recruitment programmes, and some measure of potential is commonly included in the external psychological assessments organisations undertake before engaging senior external recruits. Similarly, a few organisations, such as Mars, routinely look to hire people who have capacity to grow beyond the role they are being recruited for. But in general, we were surprised by the lack of connection between internal high potential programmes and external recruitment. One interviewee’s comment was fairly typical: “Our thinking around potential and the way we recruit externally aren’t joined up at all.”

However, some organisations are beginning to replicate their internal potential assessment processes for outside hires. For example, PepsiCo is developing a similar framework to its four ‘Checkpoints’ (described in chapter 1) for external hires.

We also found some companies are working with headhunters to supplement their succession plans with potential external hires, so they have a complete view of the field of candidates available to fill particular business-critical roles.

Jessica Foster, Global Practice Leader, Executive Development at RHR, commented: “I’d like to see companies focus more on long-term potential in their more junior external hires, and be more proactive about building the bench both internally and externally.”

Our research suggests that both organisations and individuals expect that being designated hipo will lead to accelerated career development and job opportunities that the individual might otherwise not have had access to. There is often also an expectation that hipos will be offered development stretch moves more quickly than anyone else. Organisations are putting in place mechanisms, either through their talent review or in internal processes and systems, to make sure hipos are considered for opportunities that arise. For example, in Unilever the HR system tracks individuals who are rated as high potentials, which can help raise their profile across the organisation. For instance, when a line manager is hiring for a position, HR can provide details on all the hipos who could be considered as candidates, giving managers a bigger pool to select from.

Figure 17: A framework for learning from experience

Our survey found that 44% of respondents inform people of their potential status, and just under half (47%) do not.

2.5 Transparency

Whether or not to tell your employees what their potential rating is, is one of the most hotly contested issues in the field of potential assessment. It also divides the experts we interviewed for this research: some were strongly pro-transparency, while others were concerned that the disadvantages outweighed the benefits.

Our survey found that 44% of respondents inform people of their potential status, and just under half (47%) do not.
“Full transparency is directionally where we are heading, but it’s more culturally acceptable in some geographies compared to others, and the capability of line managers varies across geographies.” Ed Marsh, Global Head of Human Resources, Nestlé Professional

The reality is, whether you tell people or not, they are likely to be aware of their status. Church et al (2015) found 34% of companies in their sample were fully transparent or formally shared potential status with employees. However, 33% thought their people worked it out anyway, and a further 18% of companies said individuals were told informally by their manager. This suggests that in only 15% of companies, were people unaware of their status. Church et al concluded: “Despite concerns being expressed about being fully transparent, the dynamics of organisations make it difficult to keep this information withheld regardless of the policy.”

The perceived downsides of being transparent are as follows.

- Setting expectations that the organisation can’t deliver.
- Sometimes hipos can let their status ‘go to their head’ and develop a sense of entitlement that the organisation is unwilling or unable to satisfy.
- Hipos may be more likely to look for opportunities outside the organisation. (However, research reported in the column opposite found that hipos who are formally told of their status are at least 50% less likely to be looking to leave their employer than those told informally.)
- Demotivating the majority of the population who are not judged ‘high potential’.

Organisations can address these concerns by taking the actions discussed in this report, such as focusing on ‘current estimate of potential’ rather than making potential status a permanent label, and being clear about the development ‘deal’ available to all employees, not just to hipos. Church et al also pointed out: “Informal status sharing... may be seen as less risky than officially sanctioned designations.”

Our interviews also suggest that decisions around transparency tend to reflect the culture of the organisation and the level of sophistication of the hipo programme. For example, Chris MacRae, Head of Talent Management at GSK, commented: “We give everyone feedback on how they’re perceived and what that means for their development. That may or may not include their position on the nine-box grid. If someone asks, we tell, but the focus is more on sharing evidence and implications.” John Lewis Partnership shares potential ratings with employees, as this is consistent with its culture and values.

On balance, our conclusion is that it is better to:

- be transparent about potential status with the individual
- make sure that the talent deal is sufficiently compelling for all staff so those who are not designated high potential don’t feel short-changed
- be clear that being labelled anything other than hipo doesn’t restrict someone’s capacity to grow in the organisation.

However, there are some important provisos.

- If potential ratings change significantly year on year, it may be best not to share status information. (Allan Church of PepsiCo recommends that a fluctuation of more than 15% means it is better not to communicate.)
- Transparency does not mean full disclosure. It isn’t necessary to reveal every detail of the conversation about an individual, but you should make them aware of the nature of the discussion and the conclusions reached.

The view from inside the pipeline

Most of the available research around potential comes from the perspective of HR departments or leadership teams who are responsible for potential programmes. However, a study by the Center for Creative Leadership (Campbell and Smith, 2014) asked 199 leaders attending CCL development programmes for their views of their companies’ high potential programmes.

- Some 77% of respondents said being formally identified as a high potential was very important. Those formally identified as hipos were significantly less likely to be seeking other employment than those who were only aware informally of their hipo status (14% versus 33%). This suggests that the level of transparency around hipo status has an impact on retention. (See below for a further discussion on transparency in relation to hipo programmes.)
- Hipos value the additional investment in their careers and development that comes with their status, but feel additional pressure to perform.
- Hipos are keen to have clearly identified career paths.
- Hipos are given more access to senior people, are more likely to be included in senior level meetings, and as a result have greater opportunities to be mentored by people who can have a positive influence on their career.
- Hipos have more opportunities to participate in high profile work or task forces, often involving greater levels of responsibility.
- Hipos see themselves as responsible in turn for developing high potential talent coming up in the organisation. So companies that invest in their development as leaders have an opportunity to harness their commitment to investing in talent.
“The field of potential has become somewhat locked in a paradigm. Practitioners have become well-versed in the available tools and techniques, but there’s not much innovative thinking out there, and little experimentation with new interventions or ways of assessing.” Jay Conger, Professor of Leadership Studies, Claremont McKenna

Matt Paese, VP Executive Succession Management at DDI, suggests reframing how you think about the labels associated with potential. Rather than labelling people low, medium or high, he suggests linking with the development deal that’s available and framing the conversation between the individual and their line manager in terms of the investment that the organisation is prepared to make in them. “As soon as you use the ‘potential’ label, it becomes a case of ‘you have it or you don’t’, and that’s highly emotive. So it’s better to name the development experience that the individual will get as a result of the process.”

2.6 Future trends

There is lots of discussion in the world of potential assessment about the possibilities afforded by ‘Big Data’. The Holy Grail for organisations is to be able to predict which employees will be tomorrow’s successful leaders and high performers through objective, data-driven judgements rather than relying on the views of line managers. In reality, this is still some way off. Organisations are also setting great store by the new generation of HR systems such as Workday, which are able to provide better quality data and decision support.

Google has attempted to identify common factors that predict success in new hires. In 2007 it analysed data on some 10,000 people whom it had hired, and millions whom it had not, and found a number of common themes relating to the predictors of success.

1. General cognitive ability, particularly the ability to learn and adapt to new situations.

2. Leadership, in particular what Google calls ‘emergent leadership’. This is the ability to take on a leadership role as required, without being formally designated a leader.

3. ‘Googleness’, a measure of culture fit encompassing items such as comfort with ambiguity, conscientiousness, courage, intellectual humility and fun.

4. Specific role-related knowledge and skills.

Interestingly, several of these factors are consistent with the science we discuss in chapter 1.

KPMG’s People Powered Performance unit is in the early stages of investigating how to combine internal and external data to detect patterns and predict which employees are likely to be the highest performers. In an initial pilot looking at how new sales staff performed within their first year, KPMG identified a set of behaviours that differentiated future high performers within their first few weeks of employment. It did this by looking at wide sources of data, including how people used social networks, email traffic, engagement levels, attrition rates and socio-economic data. Such experiments are in their infancy, but KPMG hopes that over time the availability of massive computing power and advanced predictive analytics can be applied to the challenge of identifying hipos. Jonathan Green, Director in KPMG’s People Powered Performance unit, said: “Although it’s very early days, we should in future be able to use data to predict people’s behaviour, and work out who will be potential future stars.”
Case Notes – Tesco

Around five years ago Tesco developed and implemented a new potential model, founded on solid academic research into the five factors that predict potential: cognitive ability, emotional stability, conscientiousness, emotional intelligence and motivation.

In its model Tesco combined the five potential factors with its own core values and competency model. It’s an example of how an organisation applies scientific theory in practice to bring to life both generic potential factors and the elements that differentiate an organisation from its competitors.

There are four segments to the model.

1. **Smart enough to deal with complexity.** The company tests this across its 12 global markets through ability tests that have norm groups covering multiple countries, and can therefore be applied consistently across the countries where Tesco operates.

2. **Achievement and track record.** Tesco looks for a consistent track record of performance, focusing particularly on the characteristics that people have displayed in delivering that performance and how they link back to the potential model. Mark Thomas, Head of Resourcing and Talent, said: “What we’re looking for is evidence of the underlying characteristics that mark out high potential, such as conscientiousness and motivation, not just performance *per se.*”

3. **Competency model.** Tesco’s five competencies – Collaboration, Resilience, Innovation, Empathy and Responsiveness – are assessed as part of high potential identification.

4. **Core values.** When assessing potential, the company looks at two values in particular: Customer focus and treating people as you would want to be treated.

Until recently, Tesco leaders have plotted their teams on a nine-box grid with performance on one axis and potential on the other. In common with many organisations we interviewed, Tesco has found a number of difficulties with this.

- Inconsistent understanding and application of the potential model among line managers.
- Confusion about the difference between potential and performance.
- Reluctance to designate people as ‘low potential’, even though they may be high performers and doing extremely well in their current position.

The company has decided to replace the old nine-box grid with a nine-box performance model that doesn’t talk about potential at all. It looks only at performance, with one axis measuring results achieved and the other measuring the extent to which the results were achieved using the leadership skills and the company values. Potential will be measured separately using a three-point scale.

Once potential ratings have been set and calibrated across line managers, those designated as hipos can be nominated to attend an ‘Options’ programme. This is an assessment centre designed around the Tesco potential model. Those who are successful in the assessment centre are provided with accelerated development training until they are considered ready to be promoted to the next work level.
Introduction

In this chapter, we set out some key points and checklists for organisations to reflect on when they are setting up a process for assessing and developing potential that is strongly connected to business strategy and rooted in science and good practice. We also consider how to evaluate the effectiveness of potential programmes.

Topics covered

3.1 Connecting potential to strategy by answering ‘potential for what?’ 41
3.2 Accountabilities 43
3.3 The assessment process 43
3.4 Evaluation 44
One of the factors that differentiates top performing organisations is how they make the connection between business strategy and potential. Those that see high-potential talent as one of the core elements of building a business with long-term sustainability, tend to be much better at this.”

Rob Silzer, Managing Director, HR Assessment and Development, Inc.

3.1 Connecting potential to strategy by answering ‘potential for what?’

The experts we interviewed for this research agreed on one critical point: an effective potential programme has to connect business strategy, future talent requirements and actions on assessing and developing potential. The key question is ‘potential for what?’

In thinking about ‘potential for what?’, we need to strike the right balance between replicating what we have today and preparing for an uncertain future. Aon Hewitt Partner, Seymour Adler, who works with organisations to build potential models and programmes, advises following a disciplined process to build future-focused success profiles.

- Start with the business strategy.
- Conduct interviews with key stakeholders at the most senior levels in the organisation, focusing on what differentiates successful leaders in the context of your organisation and what will be needed for future success.
- Build a more complete picture by bringing in external data such as developments in the external market, the competitive landscape, the global economy, technology and demographics, and the labour market, which will require your organisation to change direction.
- Distil this information into future success profiles that you can use to hone your definition of potential, and processes for assessing and developing that potential.

When tracing the connection between business strategy and the definition of potential, you might consider the following questions.

- What is our organisation’s core strategy and how does that influence potential? Are we an innovator or a me-too? Do we focus on cost efficiency or delivering superior service? Are we global or local? Is expansion driven by acquisition or organic growth? Are there disruptive innovations going on in our market that will fundamentally change our business model in the next five years?
- What organisational and individual capabilities will we need to deliver the strategic plan?
- What is the organisation culture and how does that influence what we need? Do we place greater emphasis on collaboration or competition? How important is functional knowledge? Do/should we encourage movement across functional silos?
- Where do we historically tend to struggle and resort to external hires when we would prefer to develop internally? Are there key leadership transition points where people tend to fail? These might be the areas to focus on in the first instance.
- Is the potential process linked to workforce planning? Are we factoring in issues such as expected turnover/retirements in the senior management population, historical rates of turnover and the talent requirements of future business strategies/scenarios?
- Are we regularly refreshing our approach to potential (every two to three years) to keep up with changes in strategy?
- Is it sufficient just to focus on potential future leaders, or do we need a number of different pools of potential talent, such as technical talent or female leaders?

Choosing the right model and definition

We think it’s important to have a single, clear model and a crisp definition of potential that’s right for your organisation’s strategy, culture and context. Why is this important? It’s difficult to achieve consensus among the leaders making talent decisions if you’re not clear what you’re assessing against. It creates a common standard, and helps with making decisions about allocating scarce development resources. There are many different models available, and some organisations develop their own. We think the key factors to consider in choosing a model are as follows.

- Is it rooted in the science discussed in chapter 1?
- If it’s off-the-shelf, has it been validated for your organisation? Does it reflect the skills, abilities and behaviours needed to be successful at higher levels, or the factors that help some individuals progress more quickly than others, in your organisation?
- Does it help you answer the question ‘potential for what?’ The Leadership Blueprint described in chapter 1 is a good place to start.
- Does it allow room for growth? Does it factor in how the requirements of leaders are likely to change in three to five years, or is it too rigid?
- Is it user-friendly for the executives who will be applying it?
- Does it distinguish sufficiently between past performance and future potential?
- Does it support or hinder your diversity strategy?
“It can be tough to get the senior-most executives viscerally engaged in talent development, but if they aren’t personally invested from the start, the whole programme could easily head down the wrong path.” Claudio Fernandez-Araoz et al (2011)

**Assessment versus prediction**

A valid assessment process needs to distinguish between accurately assessing the variables that predict performance, and making predictions about future performance based on that data. It is important to do both of these effectively. Silzer and Church advise taking the following steps.

1. Identify which variables you’re looking to predict. This starts with identifying what makes a hipo in your organisation. Inputs might include current and future business strategy to define business needs, generic predictors of potential such as cognitive ability and learning capacity, a systematic assessment of the elements that have predicted success for the top people in your organisation, and the values of successful leaders in your organisation. These variables need to be kept up to date as the business strategy changes. Conduct regular reviews of the long-term results of potential predictions to determine whether they are accurate and valid.

2. Assess for predictor variables. Select assessment methods that are valid predictive measures of the factors identified at stage 1. There is unlikely to be one ‘silver bullet’ or a single measure that will give you the full picture; you will need to compare different data points.

3. Build data-driven predictions. The assessment data need to be thoughtfully evaluated, weighted and combined into an overall prediction. This requires a structured process and clear standards for interpreting data and combining it into an overall prediction. You need to evaluate judgements to check whether they are evidence-based, and consistent across managers, across time and across candidates.

**Case Notes – Swissport**

Swissport is the world’s largest provider of ground and cargo handling services in the aviation industry, employing around 61,000 people across 48 countries. Recently, the company undertook a project, led by Natacha Schauenburg, VP Corporate HR, to identify the factors that predict success for station managers (the core operational management role at its almost 300 sites), and to develop a validated profile that could be used for assessing potential future station managers.

The profile was constructed using the 27 dimensions of the Hogan assessment suite. For each dimension, a cut-off score was set. This involved an extensive survey of over 20 people in the business with deep knowledge of the requirements for success in the station manager role. Top management and line managers of station managers were interviewed, as well as direct reports to station managers and other functions which work closely with them.

The profile is now used for internal and external recruitment, but also increasingly to identify potential future station managers earlier in their career, so they can be given the right development opportunities to grow into the role. According to Natacha Schauenburg, having an objective profile also means station managers can be developed and assessed more consistently across far-flung sites.

Schauenberg said that Swissport has been careful to use the validated profile as a guide rather than sticking rigidly to the scores. “We’ve tried to use it wisely, so where someone doesn’t meet the standard on one or two scores, that might be a flag to probe further at the final interview stage or check it out through references.”

All station managers have been through an assessment based on the profile, and have received extensive feedback, which feeds into their personal development plan. Although the company would not move an individual out of the station manager role purely as a result of these assessments, it is used to help people build awareness of where their strengths and weaknesses are relative to the demands of the position.

At this stage, the work involved in developing and validating the profile meant it has only been cost-effective for the station manager role – a business critical role involving a large group of people, with stable requirements that don’t change significantly over time. In future, Schauenburg says Swissport would plan to profile other business critical roles. However, through developing the station manager profile, the HR team has built expertise in assessing roles without needing to go through an extensive validation process. This means they are better equipped to help managers identify the critical success factors for roles in their teams, and flag up risks associated with potential candidates for those positions.

This is a good example of how organisations can define and validate what potential means for business critical roles in their organisation, and use those validated profiles systematically across different people processes, including recruitment, performance management and development.
“The earlier in their career you assess people for potential using a data-driven, objective process, the better information you’ll have to shape and guide their career and help them realise that potential.”

Jessica Foster, Global Head of Practice, Executive Development, RHR

3.2 Accountabilities

Two themes emerged consistently from our research.

- The most sophisticated organisations have visible commitment from the senior management team, both for talent management generally and potential programmes specifically. Senior leaders drive assessment and development and see identifying and developing future talent as a key part of their role. Without the engagement of senior management, potential programmes are much less likely to deliver results. HR should be responsible for design and delivery, but ultimate responsibility lies with the business.

- You need high quality people in Talent Management to design and deliver programmes and support line managers. Professor Adrian Furnham said: “The question is, who’s in charge of this process, and the answer is, it’s often someone who’s not that smart. You need your best people working on this stuff.” Rob Silzer says that success requires a smart, sophisticated, top-notch, business-savvy HR Director, who has the ear of the CEO and can translate business strategy into talent strategy.

You might find the following questions helpful in evaluating your organisation’s current approach to potential.

- Are the actions of our senior management team consistent with the rhetoric? What can we do to get the board more engaged in taking the actions required to develop potential?

- How good are our line managers at assessing potential, particularly distinguishing between performance and potential? How much investment do we need to make to educate, up-skill and provide continuing support to our line managers?

- How closely together do the HR/Talent and Strategy functions work? Is HR sufficiently familiar with the business strategy, and how that translates into talent strategies and plans? For example, at John Lewis Partnership, HR has worked hard to build strong links to the strategy function. Deborah Strazza, Head of Organisation Effectiveness and Talent, said: “HR and strategy work together in two particular areas: building the organisation capabilities to deliver the medium-term business plan; and making sure the longer-term strategy is translated into the capabilities we need to make the strategy happen. It is recognised as an important link.”

- Do we have our best and brightest working on this? Are the people who are leading on this within HR also considered high potential by the organisation?

3.3 The assessment process

Having chosen and implemented your potential model, the next stage is to define who will be assessed against the model and how.

We have highlighted throughout this report how, in many organisations, the identification process is often political and overly reliant on the view of a single line manager. We believe organisations should consider the following critical factors when choosing an assessment process.

You’ve got potential – now what?

The success of a potential programme depends not just on good assessment, but on the actions taken as a result. In chapter 2 we discussed the different development options available for hipos. Here are some points to reflect on in deciding what follows on from potential assessment.

- Is there a clear talent ‘deal’? Is it compelling not just for hipos but also for key contributors who form the backbone of your organisation?

- What is the balance between expecting individuals to take control of their career development and providing support?

- Are there processes in place for helping hipos build the strategically relevant career experiences they need to prepare for their ultimate destination role? Do your talent systems help hipos build the right experiences in the right order?

- If you are encouraging people to take career risks, what safety net is in place if they fail? If development involves an international assignment or cross-functional move, how will you ensure you retain and reintegrate them once that assignment is complete?

- What ongoing support do you provide to hipos to help them identify and consolidate what they have learned from their experiences?

- Do your development activities help hipos understand the aspects of their personality that support their performance as a leader in the longer-term, and the derailers that might block their path?
"So often we see organisations with great data; they can identify who has potential, they create development plans, but then do nothing else. It’s a wasted opportunity.”

Seymour Adler, Partner, Aon Hewitt

### Helping hipos develop strategic skills

Another way to view the ‘performance-potential’ paradox described in chapter 1 (whereby past performance is not necessarily the best predictor of future effectiveness but is often one of the key considerations in assessing potential), is that organisations value and promote people who are excellent at execution, but they are not so good at developing strategic thinkers, particularly early in their career.

Often, people who have had stellar early careers, by building a reputation for delivering results, fade away as they fail to learn the new skills required for success in broader, more complex roles. Professor Jay Conger said: “I see many individuals rising through a functional silo but then plateauing within their function, because they don’t have the drive, ambition and curiosity to learn the radically different skillsets required to broaden out from their function.”

So what steps can organisations take to help hipos build strategic experience as early as possible in their career? Jay Conger suggests there are certain roles which can be used to test and develop individuals who show promise in their early career of becoming good strategic thinkers. These include:

- Chief-of-staff roles to senior executives
- Opportunities in new internal ventures, for example setting up an online offering or developing a new business model. This gives hipos the experience of running a business without taking a risk on compromising the existing core business.
- Assignment to project task forces commissioned by the executive suite to examine new markets and strategic acquisitions.

Jay Conger said: “For me, the biggest gap in high potential development is how to build strategic thinking. Large global companies develop deep cadres of people who are world class at execution, but they leave it too late in their careers to develop and hone strategic skills. Companies realise this is important when a person is one step away from the executive suite, but the opportunity to cultivate and practice those skills over many years has gone.”

- The ideal potential assessment process involves a fully validated, multi-trait, multi-method approach. No single method will give you all the information you need. The greater number of data points you bring into the assessment, the more objective it is likely to be. This can be particularly helpful in achieving diversity targets, because it prevents managers putting forward ‘people like them’.
- Could your organisation make greater use of ability or personality tests? How could you improve the process underpinning talent reviews to encourage higher quality debate, or bring in a wider range of data and measures?
- Should you assess everyone in the organisation, or only those who meet certain criteria or are nominated by their manager? Beware that manager nominations may result in people being overlooked who do not meet that particular manager’s view of what potential looks like.
- The requirements in terms of cognitive ability, personality characteristics and leadership and technical skills will be different at different levels. So as well as selecting valid measures for each of these, it’s important to decide the appropriate cut-off point for each measure at each level.
- At more junior levels you may be looking for more ‘generic’ potential, so you may want to focus on cognitive ability, personality and early indicators of leadership potential. At higher levels you are likely to be preparing people for more specific destination roles, so the requirements will be more specific.
- As well as looking at ‘bright side’ characteristics, do your assessments include possible personality derailers to avoid, or factor in ways to help individuals find ‘work around’ strategies to minimise their impact?
- Do you have criteria for moving people off the high-potential list if required, and do you apply these in practice?
- Is there a strong review and calibration process so you know your criteria are being consistently and rigorously applied?
- It takes a few turns of the handle to get it right. How will you capture learning from the process in order to improve it year on year?

### 3.4 Evaluation

Assessing potential is an exercise in making predictions, and choosing which bets to make as an organisation based on those predictions. So, in order to judge the effectiveness of the programme, you have to understand whether those predictions are proved accurate. Surprisingly, our survey found that only 49% of respondents evaluate their approach to assessing potential.

![Figure 19: Does your organisation evaluate your approach to assessing potential?](source: CRF Member Survey)
“So often I hear: we have a hipo list, but whenever there’s a job opening, we reject all the internal candidates and go outside.” Scott Gregory, General Manager, Hogan Assessments

We also asked respondents to list the measures they use to track high potentials. The results are shown in the figure below.

**Figure 20: What measures do you use to track high potentials?.**

<table>
<thead>
<tr>
<th>Measure</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion/progression rates for high potentials</td>
<td>49%</td>
</tr>
<tr>
<td>Succession coverage for critical roles</td>
<td>43%</td>
</tr>
<tr>
<td>Attrition rates for high potentials</td>
<td>35%</td>
</tr>
<tr>
<td>Performance of high potentials relative to others</td>
<td>34%</td>
</tr>
<tr>
<td>We don’t track specific metrics</td>
<td>34%</td>
</tr>
<tr>
<td>Speed of movement of high potentials to new assignments</td>
<td>18%</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>4%</td>
</tr>
</tbody>
</table>

Source: CRF Member Survey

We find the following measures are commonly tracked by organisations.

- Promotion rates, career progression, speed of moves and time in role for hipos.
- Performance ratings for hipos relative to others.
- Percentage of appointments resulting from people listed on succession plans.
- Succession coverage for critical roles.
- Hipo attrition rates and engagement levels.
- Engagement levels of teams led by hipos.
- Consistency of potential ratings over time – are there substantial ‘swings’ from one year to the next?
- Checks on the diversity of the talent pool. For example, Nestlé runs checks to ensure assessments are fair for both men and women.

The Talent, Leadership and OD Centre of Excellence at GSK produces an annual talent and leadership report for the main company board. This includes reporting on the performance of talent and potential programmes, and is an opportunity to check that investments are being made in the right people.

Considerations for evaluation

We think evaluation is absolutely critical, but in practice it is often just an afterthought. It is important to design an overall approach to evaluation.

- You need to map out the approach to evaluation when you are designing the potential programme, not tack it on at the end.
- You need to establish the objectives for the programme up-front. What will success look like? What’s the baseline you are measuring against?
- You must identify what you want to measure, and ensure the process provides the data you need to evaluate it.
- Is there a feedback loop between the criteria you use to assess potential and the accuracy of the predictions you make? If it’s not working, can you identify what’s going wrong? Are the criteria themselves wrong, or are managers not applying them well enough? Has the business context changed radically?
- Were the predictions you made borne out in practice?
Case Notes – InterContinental Hotels Group (IHG)

In the past two years, the hotels group has rolled out a new potential assessment and development process. It is based on YSC’s Judgement, Drive and Influence Model, and is underpinned by a new talent deal, which describes the development opportunities available to high potential talent.

Line managers complete assessments using an Excel-based assessment tool that provides behavioural descriptors of each of the factors underpinning the three elements of the JD I model. The assessment tool is freely available on the intranet, so individuals can rate themselves, and it means the criteria for judging potential are transparent to all. Assessments can be completed at any time, but calibration is done annually. Employees are rated as ‘Matched’, ‘Medium’ or ‘High’ potential. Global Talent Director Louise Byrne commented: “Having the JD I framework has given line managers a common language, which helps them have better development conversations with their people.”

The implementation of JD I was done as a phased roll-out.

• There was an initial pilot study involving direct reports to the leadership teams in HR and Finance.
• Stage 2 involved mandatory assessment completed by the managers of all directors and above, i.e. around 2,000 leaders globally.
• The ultimate goal is for all employees to be assessed annually using JD I.

The implementation of the process has been underpinned by initial and continuing support for the line managers doing the assessments.

• Business partners and talent leads across the business were trained as super-users.
• They support their local businesses and run calibration meetings.
• Some 600 line managers have been trained in how to assess and share feedback about an individual’s potential.
• The company found that managers need support from HR beyond their initial training as they build their understanding of the process and tools, as well as their confidence in how to run a good development conversation.

Sitting behind the potential assessment process and tool is a talent ‘deal’ that is being progressively rolled out across the business. This links development opportunities to individuals’ positions on the nine-box performance/potential grid, so there are development opportunities available for all employees. For hipos, the ‘Hi Potential Talent Deal’ offers differentiated development so they can be prepared for and matched to more challenging roles. The global talent board tracks performance against the ‘deal’ by reviewing PDPs and career plans for hipos. Individuals’ progress is tracked via Workday, and their engagement is tracked through the employee engagement survey. Byrne says that Workday, which IHG has implemented to support talent development and track results, is definitely simplifying the process of tracking hipos, but is not a panacea. Because it requires the organisation to use a nine-box talent grid, and follow processes that are programmed into the system, it reduces the scope for process flexibility.

Succession planning at IHG is also becoming more closely connected to the assessment of potential. Whereas historically succession planning was largely based on critical roles, the company is increasingly looking at it from the perspective of high potential individuals, and considering which succession plans they should appear on. Those who are identified as a possible successor on a succession plan within a two-year timeframe also go through an external assessment of their potential, which is designed to help with planning their development.

The company is still in the early stages of embedding its new approach to potential, but the results so far include:

• substantially improved conversations between managers and employees about potential
• better calibration conversations
• better targeted development planning.
CONCLUSIONS AND RECOMMENDATIONS

Topics covered

4.1 Conclusions 48
4.2 Recommendations 49

Introduction

This chapter outlines the key conclusions from our research and highlights some recommendations for improving practice in assessing and developing high potentials.
“Assessing potential is an art and not a science. You are dealing in probabilities — and there is never a dead cert guarantee.” Chris MacRae, Head of Talent Management, GSK

4.1 Conclusions

- Having a robust and reliable process for identifying, assessing, developing and deploying high potential talent is a critical differentiator of the best performing organisations, and is linked to long-term organisational sustainability. Our research shows that some organisations have well-developed, sophisticated potential programmes that take a systematic view of potential and are well integrated across all people processes. However, many organisations are in the early stages of implementing potential programmes, or are dissatisfied with the results they are achieving.

- Assessing potential is about probabilities, not absolutes or guarantees. It is about uncovering the factors that predict future success, within the specific context, culture and strategy of the organisation, and making calculated bets on individuals who are objectively judged to meet those criteria.

- Assessing potential requires not just a clear view of the cognitive, personality, behavioural, values and skills factors that predict who may be a successful future leader. It is also necessary to have a good understanding of where the organisation is heading, and what skills and capabilities it will need in five or ten years’ time.

- It is important to have a well-defined, conceptually robust model of potential that gives managers a common language and allows them to assess their people consistently. However, even more important is to be able to answer the question: ‘Potential for what in this organisation?’

- We found that many organisations lack objectivity when assessing potential. Often they rely too heavily on the view of a single line manager who may not be trained in assessing potential, and the process is frequently politicised. We would like to see greater use of objective data and evidence, less reliance on past performance to predict future potential and better calibration across the organisation.

- It is important that assessments of potential are followed up with high quality succession plans that result in actions, development opportunities for high potentials and better preparation of internal candidates to take on leadership roles. Many organisations are frustrated that despite their investments they are still failing to develop the quality of leaders internally that they would like.

- A key success factor for high-potential programmes is clear buy-in and commitment to action from the senior leadership team. It is also important to have smart, capable people running the programme.

- Assessing potential is not an exact science. However, by implementing a robust process, rooted in science and clearly connected to business strategy, organisations can increase the probability that their investments in high potentials will bear fruit.

<table>
<thead>
<tr>
<th>Practices in top development companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Church et al (2015) summarised the following factors that differentiate top companies for potential development.</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>• Clear links between business and talent strategy and the potential model.</td>
</tr>
<tr>
<td>• A systems perspective on integrating the potential model into all people practices.</td>
</tr>
<tr>
<td>• A robust framework for identifying hipos.</td>
</tr>
<tr>
<td>• Rigorous assessments based on multi-method and multi-trait approaches.</td>
</tr>
<tr>
<td>• Transparency of results with participants.</td>
</tr>
<tr>
<td>• Use a formal definition of potential.</td>
</tr>
<tr>
<td>• Use assessment results for both development and decision making for both succession planning and appointments.</td>
</tr>
<tr>
<td>• Strong evaluation of results.</td>
</tr>
<tr>
<td>We think it is particularly important that organisations take a systems approach to potential, integrating it with resourcing, performance management, leadership development and succession planning. We were surprised at the lack of joined-up thinking we encountered in our research. In many organisations, potential assessment sits in one organisational silo, and there is insufficient integration with other people processes. Organisations that do this well are at a distinct advantage. For example, Claire Seabrook, Vice President Talent &amp; Development for Downstream at Shell, said: “Our potential assessments are a key data point in a range of talent processes, including promotion and selection decisions, assessing the health of our talent pipeline, checking the depth and coverage of succession plans, and career development discussion with individuals.”</td>
</tr>
</tbody>
</table>
“Often discussions about succession are quite short term, so it’s about working out who’s next in line. Then, when you have to plan for growth, you realise there aren’t enough good people in the pipeline to support the organisation’s growth goals. The better organisations are thinking further ahead and making sure they are identifying and developing enough high potential people to fuel future growth.”

Rob Silzer, Managing Director, HR Assessment and Development, Inc.

4.2 Recommendations

1. **Define ‘potential for what in this organisation?’** Start with the business strategy. The process needs to look both backwards – to what has made executives successful in the past – and forward looking – how that might need to look different in the future.

2. **Be clear about accountabilities.** Consider whether you have the degree of senior-level engagement in the process that’s needed for meaningful and sustained action. Are the people designing and running the process within HR considered to be high potential? Are they business-savvy and do they have credibility? Are the board, line managers and HR aligned on your organisation’s definition of potential and who in the organisation meets that definition?

3. **Don’t neglect context.** Don’t just think about the individual – you need to factor in the organisation culture (or cultures) and values, the business context and how the characteristics of the boss interplay with individuals.

4. **Choose a suitable definition and underpinning potential model.** Validate it for your organisation so it reflects the skills and behaviours required for success in your market. Make sure it’s applied consistently. Keep it regularly refreshed as circumstances change. Once you’ve decided on an approach, stick with it and don’t continuously chop and change. It takes time and practice for both HR and line managers to develop knowledge and expertise in the tools they are using, and for the organisation to build enough data to determine whether the potential assessment process is actually doing what’s expected.

5. **Consider how you can bring greater objectivity into your assessment process by adopting a multi-trait, multi-method assessment approach.** Although line manager judgments will always play an important role (at the very least for political purposes), can you supplement these with ability or personality testing, referencing, interviews or simulations, for example?

6. **Build a strong calibration process.** Try to avoid a single character dominating the discussions. Bring in as many data points as possible. Consider calibrating across businesses or functions to bring greater consistency. Make sure actions are followed through, and that managers are held to account for coming good on their commitments to promote, move and develop people.

7. **Prepare and equip line managers to assess effectively, and to distinguish between performance and potential.** Provide clear criteria, based on proven predictors of potential, in behavioural language that line managers can interpret and apply easily. Challenge managers to back up their judgments with evidence. Provide training and support through the process.

8. **Follow through.**
   
   a. Careful consideration needs to be given to the link between potential assessment and succession planning. Identify possible career paths, or a portfolio of experiences hipos will need to develop as they progress in their career, and put processes in place to make sure these moves happen in practice. It is important to create relevant learning opportunities, not just to leave them to chance.
   
   b. Identify and follow through on development actions. There is little point in identifying someone as ‘high potential’ and then leaving them on a list with no further action. Consider how potential assessment needs to link with leadership and talent development programmes.
   
   c. Think about how you will support hipos to identify the lessons learned from development experiences, and apply these lessons to new situations.

9. **Decide on your communications strategy.** Be aware that, if you choose not to be transparent with individuals about their hipo status, they are likely to find out in any event, either through being told informally, or because they start getting invited to high profile events. Beware of the unintended consequences of the communications strategy you adopt.

10. **Take a systems view of potential.** Is your potential model integrated with other people processes such as recruitment or performance management? Are the processes and systems joined up? Does your organisation context allow those with potential to flourish?

11. **Evaluate.** Be clear about the objectives of your programme up-front and how you will measure success. Build in feedback loops to check the accuracy of the predictions made. Be prepared for it to take a few iterations to get the process right.
## References and Research Participants

<table>
<thead>
<tr>
<th>Authors</th>
<th>Title</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Campbell M, Smith R</td>
<td>High-potential Talent: A View from Inside the Leadership Pipeline, Center for Creative Leadership</td>
<td>2014</td>
</tr>
<tr>
<td>Fernandez-Araoz C</td>
<td>It’s Not the How or the What but the Who: Succeed by Surrounding Yourself with the Best</td>
<td>Harvard Business Review Press, Boston, 2014</td>
</tr>
</tbody>
</table>

### Interview List

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adele Swan</td>
<td>Senior Talent and OD Consultant</td>
</tr>
<tr>
<td>Adrian Furnham</td>
<td>Professor of Psychology – University College London (UCL)</td>
</tr>
<tr>
<td>Allan Church</td>
<td>VP Global Talent Assessment &amp; Development – Pepsico</td>
</tr>
<tr>
<td>Andrew Mayo</td>
<td>Professor of Human Capital Management – Middlesex University</td>
</tr>
<tr>
<td>Chris Macrae</td>
<td>Head of Talent Management – GloaSmithKline (GSK)</td>
</tr>
<tr>
<td>Claire Seabrook</td>
<td>Vice President Talent &amp; Development, Dow</td>
</tr>
<tr>
<td>David Haines</td>
<td>Global Talent Director – Mars</td>
</tr>
<tr>
<td>Deborah Strazza</td>
<td>Head of Organisation Effectiveness &amp; Talent – John Lewis Partnership</td>
</tr>
<tr>
<td>Ed Marsh</td>
<td>Global Head of HR – Nestlé Professional</td>
</tr>
<tr>
<td>Elly Tomlins</td>
<td>Group Talent &amp; Leadership Development Director – Whitbread</td>
</tr>
<tr>
<td>Fran Newman</td>
<td>Leadership Development Director – Supply Chain – Unilever</td>
</tr>
<tr>
<td>Guy Eccles</td>
<td>former HR Director – B&amp;Q</td>
</tr>
<tr>
<td>Jane Craig</td>
<td>Global Leadership Development Director – Mars</td>
</tr>
<tr>
<td>Jay Conger</td>
<td>Henry Kravis Chaired Professor of Leadership Studies – Claremont McKenna College</td>
</tr>
<tr>
<td>Jessica Foster</td>
<td>Senior Partner, Global Practice Leader – RHR International</td>
</tr>
<tr>
<td>Jill Foley</td>
<td>Founding Partner – On3 Partners</td>
</tr>
<tr>
<td>Jonathan Green</td>
<td>Director, People Powered Performance – KPMG</td>
</tr>
<tr>
<td>Larisa Murmann</td>
<td>HR Business Partner for Supply Chain Capabilities &amp; Talent Manager Global Supply Chain – Unilever</td>
</tr>
<tr>
<td>Laurence Barrett</td>
<td>Director – Heresy Consulting Ltd</td>
</tr>
<tr>
<td>Louise Byrne</td>
<td>Global Talent Director – InterContinental Hotels Group (IHG)</td>
</tr>
<tr>
<td>Marc Effron</td>
<td>President – The Talent Strategy Group</td>
</tr>
<tr>
<td>Mark Thomas</td>
<td>Head of Resourcing and Talent – Tesco</td>
</tr>
<tr>
<td>Matt Paese</td>
<td>VP Executive Succession Management – Development Dimensions International (DDI)</td>
</tr>
<tr>
<td>Natacha Schauben</td>
<td>HR Corporate HR, Swissport</td>
</tr>
<tr>
<td>Nicholas Creswell</td>
<td>VP, Talent &amp; Development – Technology &amp; Operations</td>
</tr>
<tr>
<td>Nicole Neubauer</td>
<td>Managing Director Switzerland, Head of Business Development GSA – Metaberatung GmbH</td>
</tr>
<tr>
<td>Rainer Neubauer</td>
<td>Managing Director – Metaberatung GmbH</td>
</tr>
<tr>
<td>Rob Siltzer</td>
<td>Managing Director – HR Assessment and Development Inc.</td>
</tr>
<tr>
<td>Ruth Ashley</td>
<td>Talent &amp; Leadership Manager – Barclays</td>
</tr>
<tr>
<td>Scott Gregory</td>
<td>General Manager – Hogan Assessment Systems</td>
</tr>
<tr>
<td>Seymour Adler</td>
<td>Partner, Talent &amp; Rewards – Aon Hewitt</td>
</tr>
<tr>
<td>Trui Hebbelinck</td>
<td>VP Human Resources Trading &amp; Supply – Royal Dutch Shell</td>
</tr>
<tr>
<td>Warner Burke</td>
<td>Professor, Teachers College – Columbia University</td>
</tr>
</tbody>
</table>