

HIGH POTENTIALS: Your Company's Greatest Strength & Biggest Risk

Philicia Weaver

Company

Blount International, Inc.

- ❑ Forestry & farm equipment manufacturing company
- ❑ Over 4,000 Team Members worldwide
- ❑ Company founded in 1947
- ❑ Corporate office in Portland, OR



Why High Potentials are Critical

- Star performers out perform peers 3x. **Superstars out perform peers 12x.** (CLC)
- Cost of losing a talented employee = 1.5x total compensation (HCI)
- Two-thirds of U.S. employers have no planning for their talent needs (Cappelli).
- Only 13% of organizations are good at predicting future skills (IBM)

Scary Statistics¹

- 1 in 4 high potential employees believe they will be working for another company in a year.
- 1 in 3 high potential employees admit to not putting all their effort into their jobs.
- 1 in 5 high potential employees believe their personal aspirations are “quite different” from what the company has planned for them.

¹"Are You a High Potential?" June 2010

Reasons for Cultivating High Potentials

- Retain key talent
- Grow and develop key talent beyond their current abilities
- Build leadership bench strength
- Save on the costs for external hires
- Improve engagement by investing in employees, providing career paths and promoting from within
- Reduce silos by using cross-pollinating activities, such as mentoring and stretch assignments



Who are they?

Table Discussion

- How does your company identify high potentials?
 - We don't identify them.
 - Informally (e.g. discussions)
 - Formally (e.g. talent assessments/reviews, 9-box, etc.)

Assessing Potential

“Most managers are dismal at predicting employees’ future accomplishments. The good news is that it’s not about intuition: Accurate assessment can be learned. And the right person using the right model can learn to assess potential.¹”

¹“How to Hang on to Your High Potentials” Harvard Business Review October 2011

Sample Models

- Harvard Business Review¹
 - Drive to excel
 - Catalytic learning capability
 - Enterprising spirit
 - Dynamic sensors
- Lominger – Learning agility
 - Self awareness
 - Mental agility
 - People agility
 - Change agility
 - Results agility

¹"Are You a High Potential?" June 2010

Table Discussion

- Can you separate potential from performance?
- If so, when you take out performance, what do you look at to determine potential?



Assessments

Assessments for Potential

- 9-box
- Talent assessment / talent review
- 360° review

9-Box Strategies

		POTENTIAL		
		Low Potential	Average Potential	High Potential
P E R F O R M A N C E	Consistently Exceeds Expectations	Good fit in current position. Differentiate pay, provide rewards/ recognition. Use as a mentor or on challenging assignments	Retention, development & succession plans. Will be effective in a variety of roles. Differentiate pay, provide rewards/ recognition.	Retention, development & succession plans. Will be effective in a variety of roles. Differentiate pay, provide rewards/ recognition. Build network.
	Consistently Meets Expectations	Coaching & feedback	Coaching & feedback	Retention, development & succession plans. May be effective in a variety of roles.
	Does Not Consistently Meet Expectations	Performance improvement plan (PIP) Exit strategy	Performance improvement plan (PIP) Exit strategy/ coaching	Performance improvement plan (PIP) Fit in current position?

Talent Review

- Leaders provide overviews of their direct reports
- Group weighs in and gives feedback
- Entire group calibrates the 9-box
- Strategize talent deployment

360° Review

- Feedback is gathered from the person's manager, peers, direct reports, customers, etc.
- Potential criteria is used
- Can be in person (interview) or online (survey)

Strategies

Now that you know who they are, what do you do with them?

Table Discussion

- What does your company do with your high potentials after they've been identified?
 - ▣ We don't identify high potentials
 - ▣ We identify them, but we don't take any action
 - ▣ We have informal strategies (e.g. awareness, visibility, informal mentoring, etc.)
 - ▣ We have formal strategies (development/succession plans, formal mentoring, etc.)

Strategies

- Retention plan
- Development plan with goals
- Succession plan that identifies and closes gaps
- Face-to-face networking opportunities
- Job shadowing / job rotations
- Stretch assignments / cross-functional projects
- 360° feedback for development paired with coaching
- Mentoring
- Training for managers of high potentials

Measurement

- Business results
- 9-box movement
- Retention
- Internal promotion percentage
- Internal promotion success
- Employee engagement scores



Lessons Learned

Table Discussion

- For those of you who have done some type of work with high potentials, what advice would you give?

Lessons Learned

- Rating performance isn't easy, but rating potential is downright difficult— both a vague concept & emotional (the word “potential” itself is loaded).
- If you're in a large organization, start small and grow carefully. Allow for stabilization at each stage. Sustainment is harder than roll out.
- Talk is cheap. Measure results, not activity.



ANY QUESTIONS?