



**Head
Light**

Understanding and Spotting High Potential: a Helping Hand for Managers

part of our We think... series

The Talent Cloud Platform

Developing Skills. Encouraging Performance. Boosting Recognition.





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A common need

In many organisations, the HR team is able to identify those with high potential – and know how to develop this. But for some organisations, spotting high potential can be a tricky business – and especially so for line managers as traditional career paths no longer, if they ever, necessarily enable the leaders of the future to rise to the top.

We see that two of the main challenges which impact the identification of potential are:

- Projection
- Detection

Let us explain

To find the future stars of the organisation, line managers need to identify and understand what the early markers of High Potential (HiPo) are. That is, what are the behavioural precursors of superior performance in more complex or more senior roles? This involves a bit of projection and extrapolation. Often these precursors or indicators are identified by carrying out biographical career interviews with current high performers and looking back at what set them apart at an early stage in their career. A crystal ball would be helpful though... Once you know what you're looking for, then you have to assess for it and find ways to detect it. Traditionally this has been done by gut feel ("I know it when I see it!"), line manager evaluation or performance appraisal. The main difficulty of these approaches is that they all rely on the view of one individual (and it is usually the line manager) and they are typically based on an assessment of performance in the current role, and that may not afford the individual the opportunity to demonstrate broader capability or potential. Evaluations that are reliant on one perspective are, of course, also subject to a number of cognitive biases, which are naturally very hard to manage or mitigate against:

- The Horns Effect means that we automatically assume that people who have proved to be good in one area will be good in others.
- The 'Face Fits' bias means that we are naturally inclined to ascribe positive characteristics and abilities to people who are like us; so we'll think people that share our background, experience and interests will have more 'potential' than those who don't.

In addition to these biases, if the manager-subordinate relationship is not a happy one, this may well affect judgement regarding current performance and future potential.

Current solutions

Psychology and technology have offered us a wide range of means by which we can more robustly and reliably assess potential – although access to these is not always at a line manager level.

It is always wise to use more than one methodology and reduce reliance on a single assessor or 'judge' and thus assessment centres are often used to test for future potential. These not only have the benefit of using multi-methods and multiple assessors but also offer the opportunity to take the individual outside of their day-to-day role so they can demonstrate behaviours and capabilities that they might not normally have the chance to use. But assessment centres can be cost prohibitive and can suffer from the "it's not real" syndrome...

There are a number of psychometric tests on the market which claim to measure potential. These offer an unbiased view of performance and can again be useful in removing the restrictions created by the person's current role, but are outcomes of a test environment or self-report questionnaire. More recently, we see the emergence of 360 degree feedback as a means for picking up those HiPo markers.



The 'next step' solution

Clearly using 360 in this way can only be used with those already within the organisation and it does still only look at current behaviour, but it is a 'real' assessment and doesn't rely on the quality of the manager-subordinate relationship. It could also be argued that certain attributes (such as coaching skills, inspiring others, resilience) are more accurately assessed by those who work closely with an individual and a more valid assessment is provided by observing behaviour over a longer period of time, rather than in just a single day, as would be the case with an assessment centre.

Embedding the means to 'assess' the potential for bigger and more complex roles into current talent management and HR practices makes financial sense. If you and your line managers are already using 360 review as one of one of the processes which help you to manage talent within the business, with only a slight adaptation, it could used to look for 'high potential' thereby providing more information and keeping costs to a minimum.

The Head Light approach

Some organisations are very clear on what 'potential' looks like. 'Potential' can be situational: what might make someone stand out and be likely to be successful at higher levels in one organisation may not be the same for another.

But in our experience, there are a number of attributes which tend to predict success in higher-level roles.

Common 'HiPo' indicators are:

- **Capacity for learning** – being able to learn from own mistakes, actively seeking feedback and using it constructively to inform future performance, reflecting on own behaviour to learn lessons for the future, being a quick learner and able to learn in a number of different ways
- **Resilience** – being able to recover quickly from setbacks, coping with high pressure and demands, finding ways around obstacles; perseverance in the face of adversity.
- **Strategic thinking** – longer-term thinking, looking outside the organisation for opportunities, seeing patterns, trends, themes and relationships, being able to manage ambiguity and deal with increasingly complex issues, problems, timescales and information, systems thinking, seeing things from an organisational perspective.
- **Flexibility** – being able to adapt communication, influencing, leadership and interpersonal style to suit the demands of the situation and the other people involved, managing change, shifting one's approach in response to new priorities.
- **Emotional intelligence** – being able to accurately recognise and manage one's own emotional states, recognising and understanding emotional responses in others, using this understanding to increase interpersonal effectiveness.
- **Drive and motivation** – being a 'self-starter', actively seeking out opportunities to learn and stretch oneself, showing a drive to make a difference, actively managing and planning a career, setting stretching personal goals.

Building on this, we have developed the functionality within our Talent 360 tool to 'flag' some of the indicators within a 360 assessment as 'high potential markers', thereby supporting the line manager in his or her need to identify these.

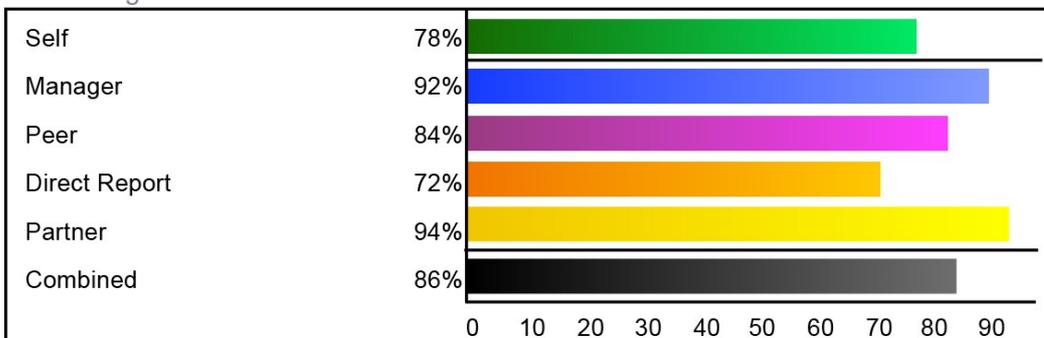
These 'markers' are not shown when people complete the assessment, and they may be existing indicators across as number of different competencies. But when a report is generated, however, the software looks at the ratings given to these indicators and produces a composite HiPo score, providing a useful visual summary on a separate page.

High Potential

High Potential Question Scores

| Key | Reverse | Competence | No. | Question | Combined Score |
|-----|---------|--------------------------------------|-----|---|----------------|
| 🔑 | | Personal responsibility | 26 | Acts as a role model for others | 97% |
| | | Personal responsibility | 30 | Demonstrates motivation to take on leadership roles | 97% |
| | | Community and customer focus | 3 | Accepts personal accountability for the actions of the organisation | 92% |
| | | Promote equality and value diversity | 18 | Shows a genuine concern for others | 90% |
| 🔑 | | Personal responsibility | 40 | Accepts responsibility for resolving issues outside their normal remit | 90% |
| | ← | Personal responsibility | 23 | Disregards feedback from others | 90% |
| 🔑 | | Promote equality and value diversity | 19 | Values others' views and opinions | 88% |
| 🔑 | | Maximising potential | 68 | Shows an awareness of the impact of their own behaviour on the morale and performance of others | 79% |
| | | Personal responsibility | 37 | Shows an awareness of their own strengths and weaknesses | 77% |
| 🔑 | | Maximising potential | 64 | Inspires others to achieve high levels of performance | 76% |

Overall High Potential Scores



Considerations

Whilst 360 cannot be used to assess potential in new recruits, it could be usefully applied to help organisations get the best from their existing workforce.

Furthermore, the output generated by Talent 360 can only be as reliable as the quality of the questions and the indicators in the first place so the initial research does need to be carried out to look at what 'high potential' looks like for your organisation.

Whenever you use 360 degree feedback for assessment of any kind (although it could be argued that, because it involves a measurement of behaviours, 360 is always a form of assessment even if that is only assessment of relative strengths and development needs) you need to be careful about how it is positioned and communicated within the organisation.



Next steps

If you would like to find out more about how Talent 360 might be used within your organisation to support you and your line managers in the identification of high potential and how our other Talent® modules can then provide the infrastructure for managing and getting the most from that talent, do get in touch with us.

About Head Light

Head Light is an award-winning talent management and talent retention software and consulting firm that works with clients to define and implement impactful talent management strategies.

Talent Cloud® is our cloud-based portfolio of integrated talent management platform tools designed for those who expect the maximum return from talent management processes. Our training and consulting services uniquely complement our platform that engages employees, managers and senior leaders in the selection, development and progression of people in their businesses.

Companies in the FTSE 350, public sector, large and small, from retailers to high tech innovators have all benefitted from our tools, techniques and expertise. Founded in 2004, we are headquartered in the UK.

Head Light has attained the ISO27001 standard for Information Security. Certificate No 217613.





How do I...

transition to Continuous Performance Management

How do I...

introduce robust Succession Planning

How do I...

spot High Potentials and Future Leaders

How do I...

boost Recognition

How do I...

drive Engagement through Career Conversations and Development

How do I...

embed new values and improve culture

How do I...

develop Skills of the Future