

Talent Identification

What is Potential?



Not all talent pipelines are created equal, nor do all talent pipelines operate effectively. There are cracks, blockages and breaks that prevent the right talent from rising to the top & reaching their own & the organization's potential.¹

The concept of Individual Potential

All HR practitioners are keenly aware of the shortage of talent and the need to build a talent pipeline.

There is strong interest from many organisations in identifying and creating programs for “hi potentials”. Vendors and consultants are heavily promoting such programs to senior management and boards who, prompted by investors, have an increasing imperative to ensure a sustainable supply of talent.

There are several possible approaches to talent development that can be deployed simultaneously;

- Develop particular individuals for specific critical positions; i.e. CEO. *Whilst it is often assumed that critical positions are senior in the hierarchy, there is increasing recognition that frontline roles and support roles may also be critical.*
- Develop a group of individuals along a specialized technical pathway
- Develop a group of individuals toward a general area such as leadership

¹ Ganz, J. (2006). Talent development: The architecture of a talent pipeline that Works. *Ivey Business Journal Online*. www.iveybusinessjournal.com.



Accordingly many organisations now have multiple talent pools.

The first step in getting a talent pipeline working effectively is to have a reliable and well validated means of assessing individual potential.

What then is potential?

The challenge is to assess how people are likely to be able to progress in terms of job size and scope, not just in the next 12 months, but over a 3 - 10 year period. Some organisations like to estimate the maximum level they think an employee can reach. This evaluation is a moving target since both future roles and future individual capabilities are evolving continuously.

In the work environment “potential” is typically used to indicate the perception that an individual is likely to be able to assume, in the future, a role of greater complexity, broader scope and/or increased responsibility, commonly a role at least 2 levels up.

This implies that the individual possesses, or will develop, the appropriate qualities; the right mix of knowledge, skills, abilities, experience, attitudes and motivation.

Some HR professionals view the potential as a generalized inherent individual quality, much like intelligence, that is hard to develop - individuals do or do not have potential.²

This is of course an overly simplistic view. Sophisticated organisations recognize that the criteria for individual potential will vary depending on what is envisaged for the future in terms of roles.

There is huge interest in the concept of an individual’s potential to learn, “learning agility” a label given by one vendor, and how it can best be measured. Whilst not PC, measures of general mental ability that assess openness to information, long term memory, conceptual ability and so on are well validated as very strong indicators of learning ability.

Organisations that have not accepted proprietary definitions offered by vendors differ in the definitions of potential they use. 13 major organisations surveyed in 2003 all had different definitions³.

A survey by Silzer and Church (in press) of 20 organisations found that 35% of organisations tend to define potential primarily according to the ability to move into senior leadership and management roles. 25% of organisations define potential primarily as the capability to move to up at least 2 levels. 25% define potential as the capability to take on roles of broader scope, and to move into leadership positions. Finally 10% of organisations defined potential as a track record of exceptional performance.⁴

Most of the organisations used several definitions simultaneously.

² Rogers, R.W. & Smith, A.B. 2007 Finding future perfect leaders. Spotting executive potential. Development Dimensions International.

³ Karaevli, A. & Hall, D.T. 2003 Growing leaders for turbulent times: is succession planning up to the challenge? *Organisational Dynamics* 32(1) 62-79

⁴ Silzer, R. F., & Church, A. H. (in press). Identifying and assessing high potential talent: Current organizational practices. In R. F. Silzer, & B. E. Dowell (Eds.) *Strategy-driven talent management: A leadership imperative* (pp. 213-280). Jossey-Bass: San Francisco.



Criteria for assessing potential

Silzer and Church⁵ reviewed themes from many of the current models of potential and found that variables could be grouped into clusters;

- ✓ Cognitive skills: General mental ability, strategic thinking, ability to deal with ambiguity and complexity.
- ✓ Personality variables: Interpersonal orientation, dominance, resilience, emotional stability
- ✓ Learning: Versatility, interest in learning, openness to feedback
- ✓ Leadership: Managing - getting results through people, developing others, Influencing, inspiring, challenging and changing the status quo
- ✓ Motivation; Energy, achievement drive, determination and tenacity, results orientation, risk taking.

In fact most of these qualities can be assessed through quality self-report personality tests and validated with independent feedback from co-workers.

- ✓ Other; Technical and functional, business knowledge and skills, Cultural fit, mobility, age.

They suggested that these factors can be arranged in a hierarchy of foundational, growth and career dimensions.

Cognitive skills, and interpersonal orientation and emotional personality factors are foundation attributes that do not change much over time; the pre-requisites of potential. There is no single perfect profile, different roles and contexts will require different combinations of qualities.

Openness to learning and motivation (also personality factors) are attributes that enable growth.

Leadership skills, interpersonal skills, experience, knowledge and technical functional skills are early indicators of potential for particular career pathways, and since job knowledge is the single best predictor of job success, the most important predictor along with learning and motivation.

Poor indicators of potential

Past performance is often used as an indicator of potential. It should be understood that many factors can enhance or inhibit current performance, and therefore, unless very career relevant, it may not be a reliable predictor of future performance.

Some vendors of assessment products promote the utility of career derailers, or red flags. This approach is fraught with danger. Firstly personality assessments measure preferences, not abilities. People have choice, they do not have to follow their preferences, though they may do so if the preferences are very strong and they are under pressure.

⁵ Silzer, R. F., & Church, A. H. 2009 The Pearls and Perils of identifying Potential. Industrial and Organisational Psychology 2 377-412



When should potential be identified?

The key question is how early you can predict career achievement. Can it be predicted 10 or 20 years in advance, i.e. at college graduation.

There is evidence that the core attributes of cognitive ability and personality are fairly stable and that they do predict long term career potential. The major caveat is that while this is a strong predictor in the average, it may not be so for a specific individual. To put this in context these factors together only account for about one third of the variance in job performance.

It therefore makes sense to look in depth at the factors that influence growth and the application of these into the acquisition of new skills. This means tracking the development of individuals over time in some detail, and re- evaluating the hi-potential pool on an ongoing basis.

In our experience this is not something that organisations do well, lacking a platform that will capture and integrate such information in the depth required.

Management perceptions of staff and their leadership skills are critical factors in developing and nurturing potential. Leadership skills, especially at the first line, are a continuing point of weakness in many organisations.

The importance of an annual facilitated discussion of talent with managers in a session that calibrates their assessment, makes them aware of the potential for bias, and of management practices that inhibit potential, is critical to improving the quality of the talent pipeline.

Should we keep talent identification confidential?

There is ongoing debate about the pros and cons of identifying hi potentials. Whilst ensuring that hi potentials know they are being developed for advancement may lessen the likelihood they look elsewhere, it may also increase the chances of them being head hunted.

Is it possible to keep the identification secret? Will other staff pick up on the cues; the projects, assignments and development experiences given to a select few, and not themselves?

If they do will this serve as a potential source of disengagement?



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