SOLVING THE HIGH POTENTIAL CHALLENGE

Part two: Developing the talent in your pipeline
Only 11% of organizations feel very satisfied with the return on their high potential program.

91% of organizations that don’t currently have a high potential program believe that they would benefit from one.

Korn Ferry, 2019, Leadership Potential Survey

Less than one-third of companies say they are effective at building the next generation of leadership capabilities.

Korn Ferry, 2018, Reimagining Talent Management
INTRODUCTION

Our recent research illustrates the problem with high potential programs. Organizations see the value in them, but those that have them don’t believe they are getting value from their program—only 11% are very satisfied with their return. To highlight how widespread the issue is: 70% of organizations lack confidence in their pipeline of future leaders.

This e-book is your guide to dodging the pitfalls of high potentials and getting the best results from your high potential development program. It will be essential reading whether your organization wants to enhance its high potential program or launch a new scheme from scratch. Now is the time to rethink your approach.

SOLVING THE HIGH POTENTIAL CHALLENGE

The first hurdle for employers is pinpointing genuine high potentials within their business. As we saw in part one of Solving the High Potential Challenge, there are many mistakes that organizations make in identifying prospects — and smarter methods and technologies they can deploy to select people with genuine potential for all levels of leaders up to the C-suite.

Part two is focused on the second barrier to success for high potential programs. Organizations want a pipeline of rounded, executive-ready professionals. Yet too many struggle to prepare prospective leaders for the reality of more senior roles. This e-book will give you the insight to leverage the full potential in your prospects through formal development programs.

In the third eBook of this series, we will consider the final key aspect of the high potential challenge: retaining future leaders within your organization.
WHY HIGH POTENTIALS MATTER

Organizations put a huge value on homegrown leaders—rising stars who truly understand the DNA of the business and can inspire others to follow their vision. More than four in five organizations have upped their recent high potential activity in pursuit of the business benefits these workers bring.

What do high potentials offer?

- Significantly greater contribution than their peers.
- Inspirational motivation levels, plus aspiration and a thirst for knowledge.
- An ability to thrive on change and challenge.
- Self-motivation and dedication to their ongoing leadership development.
- An average time of 18 months in a role.

The story of Joe and Jess: Pt 1

Joe and Jess were in the same program in college. Their advisors and peers often remarked on how promising—and similar—their talents were. Both were destined for big things. Joe just edged Jess out to top their class. Then both joined graduate programs with prestigious firms, before quickly progressing into high potential programs. It seemed that their paths to the top would mirror each other. But that’s not how things turned out.
High potentials: The pipeline problem

Half of the organizations we’ve spoken to expressed a desire to promote more from within. But only 29% are confident they have a strong leadership pipeline. So what’s going wrong?

50% would like to promote more leaders from within their organization.
Korn Ferry, 2019, Leadership Potential Survey

29% are confident that their organization has the leaders it needs for the future.
Korn Ferry, 2019, Leadership Potential Survey
Selecting the right prospects for your leadership pipeline

14%

feel very confident that the right people have been selected for their high potential program.

Korn Ferry, 2019, Leadership Potential Survey

The initial problem is identifying the right people to put into your high potential program and enter the leadership pipeline. This is a huge stumbling block for many organizations. Only 14% feel very confident that the right people have been selected for their programs. In part one, we saw that this challenge can be solved through:

- Removing unconscious bias from the nomination processes.
- Enabling participant self-nomination.
- Looking for talent deeper within the organization.
- Assessing for potential, not performance.
- Using science-based assessment.
Developing high potentials once in the pipeline

12%
If able to start over again with leadership development, business and HR leaders would only keep 12% of their current approach.
Korn Ferry 2018, Reimagining Talent Management

40%
of internal job moves made by people identified by their companies as “high potentials” end in failure.
Harvard Business Review, 2010

But even if organizations do pinpoint the right people, there is still a problem. Only 11% feel satisfied with the returns on their high potential programs - and part of this dissatisfaction is with development. Business are failing to close the gap between potential and leadership performance because their development programs are failing to nurture talent in the right way.
LEADERS ARE GROWN, NOT BORN

The challenge for businesses is to unleash the leadership potential within their own organizations. Many, in fact most, future leaders are far from fully formed. They can’t be expected to step up straight away. While this might seem like a negative, it’s most certainly not. Most leaders need to learn how to lead; they’re grown, not born.

Today’s employees will only grow into tomorrow’s leaders if they have the opportunity to learn how to be a good leaders. One crucial aspect is understanding the behaviors that good leaders use to engage their people. And it’s vital to develop the self-awareness to know when and how to effectively deploy these behaviors. All this calls for robustly designed development programs designed to give high potentials what they need to flourish.
The difference a robust development program makes

61% of the world’s most admired companies actively plan the careers of their high potentials, compared to 35% of their peers.

Korn Ferry, 2018, Reimagining Talent Management

The stat above is telling. Businesses that plan the growth of high potentials perform better. An effective development program brings multiple benefits:

- Improves the organization’s reputation as a developer and retainer of top talent.
- Readies them to step into broader roles.
- Enables them to activate strategy and drive business results amid shifting markets.
- Creates meaningful cross-company connections among the most promising individuals.
- Closes succession pipeline gaps with a thriving and diverse talent pool.
What high potentials need to grow
To deliver business benefits, a program has to meet the needs of its high potential participants. So what are they looking for?

• Organizations that will help them grow and thrive.
• Opportunities to learn, but with autonomy in the learning process.
• 90% seek highly visible development opportunities that give them access to the executive leadership suite and governing bodies.
• Movement through a series of demanding jobs every 18 to 24 months.

Features of a robust high potential development program
There is no one-size-fits-all approach to high potential development. But there are a number of features of successful programs, including:

• Feedback on assessment results for identifying high potentials, in addition to rich performance feedback.
• Career mapping, developmental plans, and goal setting.
• Mentoring from more senior leaders.
• Insight into the company’s strategic situation, plans, and priorities.
• Coaching from colleagues and executive coaches on how to increase leader effectiveness given an individual’s profile of strengths and development needs.
• Job rotations and high-impact challenges.
• Formal training in business and interpersonal/leadership skills.
• Immersive experiences that engage the individual both cognitively and emotionally to drive powerful insights and learning.
• An ongoing series of development activities, over an extended period of time, rather than an annual program.
What’s included on a high potential program: Development priorities vary through the leadership pipeline

**To First-Level Leader**
- Drive for results
- Action oriented
- Analytical skills
- Service oriented
- Team player skill
- Technical skills
- Improving personal work processes
- Motivating others
- People management
- Building effective teams
- Problem solving

**To Mid-Level Leader**
- Building effective teams
- Result oriented
- Broader perspective on the organization
- Functional skills
- Translating strategy into action
- Managing change within a function
- Working across boundaries
- Influence without authority, including conflict management
- Business acumen
- Managing dilemmas
- Improving business processes

**To Senior Leader**
- Business acumen
- Customer focus
- Drive for results
- Strategy oriented
- Managing vision and purpose
- Negotiation
- Innovation management
- Leading strategic organizational and cultural change
- Optimizing profitable revenue

**Capabilities**

**Transitions**

**Strengths brought from current role**
The story of Joe and Jess: Pt 2

Joe was nominated for his firm’s high potential program by his manager. His achievements were so impressive, he was placed automatically into the leadership pipeline. Jess, on the other hand, went through a robust assessment to confirm her suitability for her firm’s program. Jess’s bosses had the data they needed to confirm her potential and understand her strengths and weaknesses.
Practical steps: Imperatives for improving your development program

**Imperative 1: Use data-driven tools to make high potential development decisions**

The problem with much high potential development is that it’s not sufficiently targeted or specific. Decisions on talent development require objective data and sound judgement.

It’s widely accepted that assessments add value during talent acquisition and hiring, but assessments can also play an instrumental part in making development specific and relevant to the individual.

Best-in-class organizations diagnose individual employee strengths and gaps using a data-driven assessment approach. These individual insights are then aligned to the factors for success in a specific role. This move away from a one-size-fits-all approach enables L&D teams to accelerate performance by targeting development spend on what’s really important for each individual.

79% of organizations are focused on promoting talent from within.

PageUp, 2018, Top 10 Hiring Trends to Watch

37% understand their current skills gaps.

PageUp, 2018, Top 10 Hiring Trends to Watch

Only 13
The nine-box approach

A valuable use of assessment data is to plot your high potentials in a nine box grid. By assigning a position on this grid, you can plan differentiated development and coaching for each individual.

More than just a box - assessment results by cell placement

<table>
<thead>
<tr>
<th>High professional</th>
<th>Versatile talent</th>
<th>Consistent star</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Solid professional</td>
<td>Key performer</td>
<td>Future star</td>
</tr>
<tr>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Mismatched performer</td>
<td>Inconsistent performer</td>
<td>Emerging performer</td>
</tr>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

Deep Potential Broad
Measuring progress

Data is also essential for measuring the progress of high potentials. After setting baseline performance, you can assess future leadership competencies at key milestones. This data allows you to adjust the design of a learning program, especially if you also give participants the opportunity to provide feedback.
COACHING FOR DEVELOPMENT

You can also apply a data-led approach to your coaching and mentoring of high potentials. By drawing on a scientific understanding of each individual’s strengths and weaknesses, you can tailor coaching to their specific needs.

It’s vital to understand the different styles and types of coaching to ensure the most productive use of time and resources. High potentials require a different approach from other employees for bringing out the best of their talents.

For example, high potentials tend to thrive when they are challenged on a regular basis. Coaches and mentors should encourage them to tackle business issues through creative problem-solving rather than current practices. They should be pushed to innovate and set stretch goals that force them out of their comfort zones. Coaches may need to play devil’s advocate to promote lateral thinking and originality.

Coaches can also help high potentials to develop their whole selves beyond the corporate world. This support is vital for helping them develop resilience, face failure, and navigate the stresses and pressures of stepping up in responsibility.

The story of Joe and Jess: Pt 3

The program at Joe’s firm had a rigid structure offering the same learning experience to everyone. Joe’s performance and reputation were advancing fast, but there were weaknesses in his leadership style that hadn’t been identified. By contrast, Jess’s development plan was individually tailored to her needs—both building her strengths and addressing her weaker qualities.
Performance, potential and the coaching continuum

**Coaching for Depth**
Performance trend is high and career aspiration is toward functional and technical expertise.

**Coaching for Breadth**
Performance trend is high and career aspiration is toward general management or broadening experience beyond current area, geography, or business unit.

**Coaching for High Performance**
Performance is strong and, with some development, could be among the highest performers in the business.

**Coaching for Performance Improvement**
Development is needed to consistently improve performance over time and keep up the increasing challenges of the role.
**Imperative 2: Embrace the 70/20/10 rule**

Korn Ferry’s 70/20/10 approach to development is based upon research demonstrating that 70% of knowledge comes from on-the-job experiences, 20% from social learning, and the remaining 10% from courses and formal training.

**Development model**

<table>
<thead>
<tr>
<th>A more challenging job</th>
<th>These set the developmental challenge. Real-life important job demands trigger the motivation to learn.</th>
<th>70%</th>
</tr>
</thead>
<tbody>
<tr>
<td>A developmental task while in current job</td>
<td>These fuel continuous improvement. Without frequent repeated feedback and coaching, change doesn’t take place.</td>
<td>20%</td>
</tr>
<tr>
<td>Role models, coaches, mentors</td>
<td>These provide the raw material of learning to something different. Without some new to-dos, nothing meaningful can occur.</td>
<td>10%</td>
</tr>
<tr>
<td>Feedback</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Courses and readings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal learning</td>
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</table>

Many organizations are already implementing the 70/20/10 rule, or one close to it, but not all. If deployed properly, the 70/20/10 approach supports development through structured experiences that occur over time and are targeted to build skills that will increase the individual’s contribution. Strategically placing individuals into job assignments means they will be better prepared for higher levels of responsibility than those who are left to figure it out on their own.
Do high potential development differently
If your organization is already familiar with a 70/20/10 approach, high potentials may still require adaptations.

High potentials need different development based on 70/20/10

Manage the impacts of rapid progression on self and family.

Maintain self-awareness and avoid blind spots.

Develop readiness to operate in a VUCA environment... all the time.

Maintain motivation and learn at warp speed.

Live up to increasingly high expectations.

Build relationships and receive mentorship from senior leaders.

70% Experience-Based
• Business visits to companies.
• Live group business project.
• Live individual project.

20% Relationship-Based
• Peer coaching.
• 1:1 executive coaching.
• Leadership conversations and expert speaker sessions.

10% Classroom-Based
• Customized workshops based on identified gaps.

The story of Joe and Jess: Pt 4
Joe’s impact on the bottom line made him a valuable asset. His firm deployed him in roles that suited his strengths and delivered high profits and margins. But he had few opportunities to broaden his perspective; he was never pushed outside his comfort zone. At the same time, life was less predictable for Jess, who took on a far wider range of role – including those that didn’t fit her natural talents.
Imperative 3: Develop the leaders of tomorrow

A key question to ask is whether your business is developing for success against today’s or tomorrow’s successful leaders.

Models of good leadership are often based on replicating the characteristics and capabilities that have succeeded in the past. While many of these qualities are important, this approach neglects the importance of the future.

In a world characterized by rapid change, yesterday’s paradigms risk becoming redundant or even harmful. Predicting exactly what the future will require is an impossible task, so we need to equip our high potential leaders with a strong portfolio of future-oriented and change-ready skills. It’s how they can continue responding to fluctuating market demands with dynamism and insight.

We call these changemakers self-disruptive leaders. What marks them out? Their ability to ADAPT.

The story of Joe and Jess: Pt 5

Jess’s firm was agile and future focused. Her bosses assigned her projects in rapidly evolving markets disrupted by new technologies; she had to think on her feet and take risks. Some of her projects even under-delivered, giving her a chance to learn from her mistakes. Everything Joe touched turned to gold—but he was underexposed to volatile industry sectors and shifting market conditions.
Anticipate
Demonstrate contextual intelligence to make quick judgments and create opportunities; focus on the societal needs that the organization wants to serve; provide a direction to unify collective efforts even among disoriented environments.

Drive
Energize people by fostering a sense of purpose; manage the mental and physical energy of themselves and others; nurture a positive environment to keep people hopeful, optimistic, and intrinsically motivated.

Accelerate
Manage the flow of knowledge to produce constant innovation and desired business outcomes; use agile processes, quick prototyping, and iterative approaches to rapidly implement and commercialize ideas.

Partner
Connect and form partnerships across increasingly permeable functional and organizational boundaries; enable the exchange of ideas; combine complementary capabilities to enable high performance.

Trust
Form a new relationship between the organization and the individual that centers on mutual growth; integrate diverse perspectives and values; help individuals uncover their sense of purpose and facilitate them in providing their maximum contribution.

If your organization desires leaders who are ready for the world of tomorrow, it should focus development around a self-disruptive leader model. Yes, retain more traditional leadership development activities relating to skills and behaviors. But this needs to be supplemented with mindset development to successfully advance new self-disruptive leaders.
The story of Joe and Jess: Pt 6

Jess’s managers happily gave her time away from her role for coaching and training days. She was encouraged to take stretch assignments on other teams and pushed to move on to the next position before things grew stale. Unfortunately for Joe, his managers were a little more selfish. His performance made them look good, and he was key to running their teams. So sometimes his development activities were canceled in favor of day-to-day duties. And although he requested more career mobility, his managers always discouraged it because they prized his profitability. He was starting to become concerned about his long-term future with the organization.

Improving leadership engagement

It seems counter-intuitive that the main factor holding leadership development back is existing leaders. Yet HR professionals think that communication with executives about the link between the program designs and business outcomes is their biggest challenge.

One solution is to involve program design and implementation partners in conversations with executives. Leveraging the perspective of consultants is a common success factor in winning executive buy-in and securing better outcomes from investments in high potential development.

Imperative 4: Engage leaders and the business with the development of high potentials

75% of HR professionals believe engaging senior leaders is the biggest challenge in leadership program development.

AchieveForum, 2017
Getting business buy-in

A further problem comes from the operations-focused priorities of line managers. Leaders tend to focus on their own units rather than the whole organization. This leads them to focus narrowly on their interests at the expense of talent mobility. It’s common for line managers to find ways to hang on to critical talent or prevent time away from daily responsibilities. This me-first view often hinders the quality of the learning experience for high potentials.

How do you solve this problem? By engaging executives in the business case for high potential development and mobility. You need to give them a solid rationale for what can be a challenging sacrifice to make in “do more with less” work environments.

In addition, you can run problem-solving sessions to offset line managers’ loss of access to high potentials’ time. This means high potentials can be deployed on action learning and rotations to broaden and deepen their development.

Ultimately, the more belief leaders and executives have in the program, the stronger the design, delivery, and impact.
KEY TAKEAWAYS

• Leaders are grown, not born.
• Robust development programs are essential to nurturing future executives.
• Use assessment data to plan, design, measure, and adapt personalized development.
• Adopt a 70/20/10 model and tailor it to the specific needs of high potentials.
• Develop the leader of tomorrow, not today: the self-disruptive leader.
• Engage leaders and executives in the program—get their buy-in to the business benefits.
Rethink your approach to high potential with a choice of Korn Ferry solutions, including:

1. Pinpoint potential: Assessments to confidently and accurately identify your high potential leaders.

2. Leverage potential: Development programs to transform potential into executive-ready.

3. Retain potential: Engagement and reward benchmarking tools to hold onto your high potentials.

Click here to find out more.