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Key Practices in Identifying and Developing Potential

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As Silzer and Church (2009) and others (Fulmer & Conger, 2004) have pointed out, organizations are increasingly interested in identifying their high potentials and providing them with appropriate assignments to prepare them for future roles. Companies have shifted from the days when succession planning was focused primarily on identifying the top replacement candidates for the CEO's job (and perhaps his/her direct reports as well) to more sophisticated talent reviews where the companies' senior executives have robust discussions about their future leaders.

The purpose of this commentary is to elaborate on and provide additional perspectives to specific points in Silzer and Church's focal article, based on my experience having developed and implemented succession planning and development processes in several *Fortune* 500 corporations. These perspectives fall into two categories: key practices that I have found effective in addressing some of the issues raised in this article and additional questions and concerns on this topic implied or not explicitly covered by Silzer and Church.

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Key Practices

Focus on improving calibration sessions. Of the many current practices in this area, this in my judgment is the most powerful, and one that can lead to several desirable outcomes for organizations. In essence, a calibration session is a meeting among managers to share, discuss, assess, and agree upon the talent in their unit—both who they are and recommended plans for their development. For a calibration session to work effectively, several conditions have to be in place: clear definitions and criteria of high potential, a facilitated process to encourage objectivity and openness, and some level of dialog skills on the part of the participants. In addition, although it is not customary to provide training to senior managers on improving their accuracy in identifying high potentials, leading a discussion around evaluation errors and biases prior to the calibration sessions is also helpful (Sulsky & Day, 1995).

Enhancing the effectiveness of calibration sessions, in my experience, fits the 80/20 rule. I have seen companies spending an inordinate amount of time working on definitions of high potential and designing forms to use for their talent identification and reviews. These are worthwhile activities to undertake, but much more impactful is ensuring that there is effective dialogue, give and take, willingness to listen, and candid conversations during calibration sessions.

Managers at these sessions typically propose their nominations for high potentials, with other managers providing their input

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and challenging each others' selections. Focusing on improving these sessions can result in several positive outcomes. First, with effective facilitation (typically by an HR leader), managers eventually gain clarity on what they mean by high potential and its key indicators, as well as arrive at a consensus on who their high potentials are. Another positive outcome is greater objectivity and a "raising of the bar." Although some managers initially propose some favored candidates, challenges from their colleagues will make them think twice about whom to include in their list next time. In some cases they may not even be aware of flaws in their candidates that their peers may have observed. Over time, if done well, these sessions will indirectly encourage managers to recommend only those candidates who meet key criteria. A third positive outcome is increased "buy-in" to the process. In a Japanese company where I helped introduce these calibration sessions as part of talent management, Japanese managers who were initially skeptical about the value of the process, and who were initially reluctant to voice their differences in these sessions, overcame their cultural and managerial reluctance and became strong advocates of the process. Allocation of scarce development resources to these high potentials then becomes easier and more acceptable.

Define multiple talent pools and targeted action plans. As implied by Silzer and Church, there seem to be at least three categories of talent pools that I have seen in many organizations. One is the pool for general manager or senior leadership roles. This is generally a fairly small pool and consists of leaders who are now in mid-level positions in the organization and who are deemed to be ready for moving into senior jobs. In an organization I worked with, we developed transition assignments for some of these candidates. For example, a top R&D executive in this organization was given an assignment to run a sales region. This provided valuable experience for the candidate as well as an opportunity for the organization to determine the suitability of the candidate for the company's top sales position.

A second pool consists of people viewed as capable of reaching the highest levels within a particular function or area of the business. In a pharmaceutical company, for example, this might be the head of manufacturing or the head of marketing. Jeff Immelt, CEO of GE, has been very vocal in his belief that "Nothing in management is general any more . . . unless you have a sense of domain expertise, you just can't lead in the world today" (Immelt, 2006). This is especially true for individuals who have spent most of their careers in one function; those who have moved across functions have a greater probability of being considered for the first pool.

A third pool that is being used by some organizations is an "early talent" pool consisting of those professionals who are both early in their careers with the organization and are seen as eventually capable of advancing to senior levels. For example, this might be a person from finance who joined the company 2 years ago, has strong technical expertise, is bright, and has exhibited strong leadership behaviors. It would be difficult if not impossible to predict that he/she would eventually become the CFO of the company, but an organization with such an early talent pool might highlight the person as someone who should be paid attention to and be provided with stretch assignments.

Some organizations have also created a "critical skills" pool. These are not necessarily individuals who are considered high potential and are capable of one day getting into senior leadership roles but consist of people in an organization who possess valued competencies and deep expertise that are strategically important. For example, in another company I worked with, one such individual was an executive with over 20 years with the company and had in-depth manufacturing experience. He had personally led the planning and development of several of the company's production plants worldwide and was in charge of running each of these plants initially while grooming local successors.

For each of these pools, action plans will need to be targeted. For example, for the critical skills individuals, some form of stock grants may be provided to help retain them. For the early talent pool, providing them with stretch assignments outside their functional area might be most appropriate.

Hold managers accountable for developing talent. In most organizations, HR helps to drive the talent review and management process, but as Silzer and Church point out, it is critical that there is ownership by management. Of course, HR adds value to the process in many ways, from designing the system to developing the process used for facilitating the talent review and calibration sessions. By bringing up critical issues and asking key questions, HR can help raise awareness and build commitment. For example, as personal information about high potentials is typically included in talent review sessions, some managers make unwarranted assumptions about individuals' ambition or drive based on their knowledge of the individuals (e.g., marital status, spouse's occupation, and number of children). HR should be making sure that managers don't erroneously conclude, for example, that certain high potentials might not be interested in relocating because of the ages of their children.

I disagree with Silzer and Church that ownership is a continuum between HR and managers. Both HR and managers have key roles. Although HR may own the process, ultimately managers should be held accountable for developing the talent. With the help of HR, an organization can develop reward systems to help ensure that managers are not ''penalized'' for giving up their talent for other assignments but indeed are rewarded for having and ''giving away'' talent that will benefit the entire company. HR can also work with senior managers to establish principles and ''contracts'' on manager accountability.

This brings up the issue of how transparent a company is on who their high potentials are. Whether or not high potentials are informed of their status, it is important that robust development plans be implemented for them. Typically, their direct manager is responsible for helping to implement this; therefore, at the very least, their direct managers should be informed that their subordinate is a high potential. In addition, some organizations have set up mentorship opportunities so high potentials have someone they can go to for discussing professional and career issues. Whether or not there is an explicit communication on this, it should be clear to those employees, from the types of assignments that they are receiving that they are high potential. Therefore, organizations should err on the side of transparency.

Follow through and have ongoing reviews of the progress of high potentials. One of the concerns that some high potentials have is the consequence of failure during their stretch assignments. To offset this, in one organization, each senior executive was held responsible for a set of high potentials from outside his/her function. The senior executive's responsibility was to follow through and make sure that, along with the high potential's immediate manager, development goals were being met and that the high potential was receiving the appropriate level of support and feedback. This should be one of the key objectives of talent reviews—which is not only to identify and assess talent but also to take corrective actions when needed on the progress of these high potentials.

Additional Key Issues

Who ''owns'' the company's high potentials? I have seen an evolution in the answer to this question. In the past, it was expected that the leader of a function or business unit had responsibility for the high potentials within his/her area. Unfortunately, there was an incentive for these executives at times to ''hide'' or at least not be fully transparent as to who their high potentials were. A general trend seems to be to consider the high potentials as ''corporate property.''

How ''fixed'' is the high potential population? Once a high potential do you always stay there? Can people move in and out of this pool? Again, I have seen a trend toward creating more fluidity in the high potential population. Having such fluidity also helps encourage those who (if they are aware of it) may not be in this year's high potential pool. The authors imply that those not in the high-potential pool are more likely to disengage and leave the organization. I have not seen this necessarily to be the case, especially if the high-potential pool is fluid. In several organizations that I have been involved with, employees were told that they are high potential, *and* that their status may change from year to year, depending on several factors.

What is the role of development assignments and what should be considered? Organizations must achieve a balance between assignments that are made for the benefit of the individual and those that are for the benefit of the organization. An overseas assignment may on the surface seem like an exciting opportunity for a high potential to make an impact, but it can be fraught with risks unless a supportive context for the high potential is provided (e.g., intensive cultural training, local language skill development, and a local mentor). Similarly, moving high potentials from line to staff roles, or vice-versa, might be beneficial but could lead to disastrous results. Management needs to clarify expectations and make sure it provides the appropriate supportive context for their high potentials before giving them development assignments.

Despite these issues, many senior executives I have worked with are convinced of the benefits of talent reviews and high-potential development. They have derived much value from these review sessions and the associated calibration meetings. Given the size and reach of many organizations today, it is simply much more difficult for senior executives to be able to identify and assess the talent they have in the organization. Having a process such as this greatly benefits not only the executives but also the high potentials.

In addition, as survey after survey has indicated, the talent gap is still large in many companies. There simply are not that many people ready to fill key roles. And, as Collins (2009) has proven, the success rate is higher if executives are promoted from within than if they are recruited from the outside.

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