

What is a High Potential Employee

Author: Newturn Wikirefu . August 2020

A high potential employee is defined as an individual with the ability, aspiration and engagement to rise and succeed in more senior and critical positions. According to the Harvard Business Review [future stars](#) are the people who will “consistently generate exorbitant output levels that influence the success or failure of their organizations.

According to Hogan Assessments, a high potential is ‘the ability to build and lead teams that can consistently outperform the competition’ whereas Bersin by Deloitte describes the high potential employee as one who has the “potential, ability and aspiration to hold successive leadership positions in an organisation’. **High potential employees** are that illustrious group of individuals who are the rising stars in your organization. The key is to create a well-managed talent pipeline where HiPos see a future for themselves in your organization. According to the *Harvard Business Review*, [these high-potential employees](#) account for an average of 5% of any company’s workforce. [Research from Gartner](#) showed that high-potential talent brings 91% more value to an organization. What’s more, in comparison to their peers, they exert 21% more effort.

According to the Harvard Business Review, an overwhelming body of evidence from scientific studies have long suggested that investing in the right people will maximize organizations’ returns. In congruence with the [Pareto’s principle](#), [these studies](#) show that across a wide range of tasks, industries, and organizations, a small proportion of the workforce tends to drive a large proportion of organizational results, such that:

- the top 1% accounts for 10% of organizational output
- the top 5% accounts for 25%, of organizational output
- the top 20% accounts for 80% of organizational output

What are the characteristics of high potential employees?

According to the Harvard Business Review, they are 3 markers of high potential:

1. Ability

The potential to perform in a leadership role at an executive level requires strategic thinking and the ability to adapt an organisation for the long-term future. This also entails vision and imagination.

1. Social Skills

Employees that are likely to be high potential employee should first be able to manage themselves, i.e they should be able to handle pressure, deal constructively with adversity and act with dignity and

integrity.

1. Drive

This can be assessed by standardized personality tests that measure conscientiousness, achievement motivation and ambition but can also be identified behaviourally.

They are also other characteristics that distinguish star performers from average performers and these include among other things:

1. *they don't hesitate to grab on leadership opportunities if they arise*

In the case where challenges arise, high-potential employees want the chance to seize up the opportunity. They are looking for any growth opportunities and do not fear to take on something new. High-potential employees harbour a burning desire to be future leaders.

1. *They work well autonomously*

The high potential employees are highly initiative and they do not wait to be reminded about their work and pushed. They get things done in time and are completely reliable.

1. *They are Creative*

The high potential employees don't wait around for you to tell them what to do. They are very creative and are willing to do more work. Whenever a spontaneous project pops up, they normally offer themselves to take care of it.

1. *They are Visionary*

The high potential employees are interested in where the company is going.

The high potential employees are much more invested in the success of the companies they work for. They care about the long term future of the company rather being short-sighted.

1. *They are Resilient*

The high potential employees can sustain pressure when the game goes tough. Instead, they remain calm, cool, and collected. Many even thrive in high-pressure situations—a quality you need in future leaders.

1. *They very are Inquisitive*

The high potential employees are curious and eager to understand company strategy and decisions. So these future stars tend to ask a lot of probing questions and want to make sure that the right decisions are

made every time even though they are not yet in managerial roles.

1. *They Want to Hone their Skills.*

Star employees are always motivated to learn new things. They strive to become better workers, and they make moves to improve daily. The high potential employees want to keep themselves abreast with industry trends and in knowing their impact on the business.

1. *They are Team Players*

High-potential employees understand that the success of their organization depends on the combined effort rather than individual effort. The stars performers are more than available to help their co-workers when they are overwhelmed. In doing so, high-potential employees can help to foster trust and autonomy among their team.

What are the benefits of developing high potential employee?

- First and foremost, they are likely to learn and progress faster, which means you're spending less money to develop them.
- Their rapid career growth also helps raise the bar for other employees.
-

Tools can be used to identify high potential employees?

The high-performance interventions should focus on predicting who is likely to become a key driver of organisational performance.

1. *Psychometric Tests*

According to the Harvard Business Review in forecasting potential to excel in a bigger, more complex job at some point in the future, the question shifts to how likely an individual is to be able to learn and master the requisite knowledge and skill. The [single-best predictor](#) of this is IQ or cognitive ability. Learning ability includes a substantial cognitive component but also the motivation to pick up new knowledge and skills fast and flexibly.

1. *Personality Assessment*

According to the Hogan High Potential Model, personality assessment is the ideal empirical base on which to build any high-potential program. Personality traits are objectively measured, enduring, stable characteristics that are not impacted by politics, relationships or contexts. Hogan's high potential model identifies leadership potential along three dimensions:

Leadership Foundations: the degree to which people can manage their careers, are rewarding to deal with and are good organisational citizens.

Leadership Emergence: the degree to which people stand out from their peers, build strategic business relationships, exert influence and are viewed as leaders.

Leadership Effectiveness: the degree to which people can build and maintain high-performing teams and drive those teams toward organisational success.

According to Hogan this multidimensional approach to assessment paints a comprehensive picture of each person-his/ her work habits, ideal job type, leadership potential and probable derailers.

1. 360 Degree Assessment

The performance of high potential employees can be assessed with 360-feedback to paint a clear picture of their current career situation as seen not only by you and the employee, but also by co-workers, subordinates, and customers.

1. Assessment Centres

The objective of undertaking these assessments is to assess if the high potential employee possesses soft skills. The skills that will be assessed include among others:

- Communication skills
- Planning and Organizing skills
- Decision Making and Judgment
- Leadership skills,
- Team Work and
- Business Acumen.

1. Performance of Potential Analysis

The performance – potential analysis segments employees into various categories of job suitability.

How do you develop high potential employees?

The high-performance interventions should focus on predicting who is likely to become a key driver of organisational performance and once that has been done there is a need to keep your high potential employees engaged. This can be done through various means that include among others:

1. Mentorship

A mentor can act as the source of advice and guidance, can also [provide them with an example of how they could potentially grow into a new role](#) over time. [Recent research](#) has found that employees who receive mentorship are far more likely to remain with an organization for longer than five years. Working with a mentor helps them feel valued and makes it clear that they have a future within the

company.

1. Recognition

The high-potential employees want to be recognized and appreciated for the value they bring to the organization and if not they will become frustrated and leave your organisation. High-potential employees want to know that someone values the contributions they make to the organization.

1. Training and Development

According to the [Center for Creative Leadership](#), 60 per cent of employers don't inform employees that they've been identified as "high-potential." It's hardly surprising that 33 per cent of these employees are busy looking for another job. When someone is identified as high-potential, they need to receive customised training and development as early as possible so that they can develop the skills that are in line with their business.

1. Create Career Path Plans

In consultation with the employee there is need to formulate a [professional development plan](#) and by so doing organizations can help high-potentials understand what options are available and what skills they will need to pick up along the way.

Conclusion

Implementing strategies to retain high-potential employees is critically important for organizations of all sizes. With the right strategy and tools, identifying both current and future high potential employees is important for you will be rewarded with engaged, committed and productive employees, better business outcomes and a strategic succession plan that gives you a competitive advantage over your competitors.

Source:

Harvard Business Review

Newturn Wikirefu is the Talent Acquisition Manager at Industrial Psychology Consultants (Pvt) Ltd a management and human resources consulting firm.

Phone +263 4 481946-48/481950/2900276/2900966 or cell number +0784 597343 or email: newturn@ipcconsultants.com or visit our website at www.ipcconsultants.com

<https://thehumancapitalhub.com/articles/What-Is-A-High-Potential-Employee>