

High potential employees: What you need to know

Author: Carl Tapi . April 2021

High potential employees are 91% more valuable to a business than non-high potential workers (Nystom 2021). High potential employees can raise the performance bar of other workers; simply adding a star performer to a team alone boosts the effectiveness of other team members by 5% to 15%. Yet many businesses struggle with how to effectively identify, develop and retain high-potential talent in their organizations.

What is a High-Performance Employee?

High potential employees consistently and significantly outperform their peers in a variety of work settings and circumstances. While achieving these superior levels of performance, they exhibit behaviors that reflect their companies' culture and values in an exemplary manner. Moreover, they show a strong capacity to grow and succeed throughout their careers within an organization—more quickly and effectively than their peer groups do (Ready, Conger, and Hill 2010)

High Potential vs High Performance

A common misconception is that high performance is the same as high potential, however, this is not necessarily the case. Just because someone is performing well in their current job role, that does not mean they are the most suitable candidate for promotion.

For example, a high-performing officer who receives regular praise for their efficiency may not necessarily have the relevant skills to lead the team as a manager. Equally, a high-performing sales agent who hits their target every month is not guaranteed to have the people skills required to train and develop others to achieve the same levels of success.

According to Ready, Conger & Hill, the attributes needed for leadership roles can be spotted in only 3-5% of high-performing employees. So just how do you measure potential? How do you identify potential leaders? Remember, while a high potential employee will probably look different from business to business, there are a few key traits to watch out for.

Characteristics of High Potential Employees

Works Well Autonomously

High potential employees are extremely proactive about their careers. They are always looking for new opportunities and seeking ways and means to be successful. They understand that acquiring new skills and competencies is a must for reaching the next level. They create opportunities, learn from them, broaden their expertise, and leverage their expanding skill set as new challenges arise.

Have an Acute Sense of Emotional Intelligence

Emotional intelligence is the sum of three unique characteristics:

- The ability to be aware of personal emotions as well as the emotions of others
- The ability to apply emotions to thinking and problem-solving
- The ability to manage emotions internally and externally

Individuals with high levels of emotional intelligence intuitively understand what makes people 'tick'. They can assess the impact of their words and actions on others. Emotional intelligence enables people to be aware of themselves and how their behaviors and actions can affect other people, both positively and negatively.

Works Above And Beyond Their Job Description

The smaller the company, the more important it is that employees can think on their feet, adapt quickly to shifting priorities, and do whatever it takes to get the job done regardless of their role or position. When necessary, High potential employees will ignore their job description and assist in any way needed to resolve unexpected challenges.

Personal Drive for Excellence

High potential employees are driven and ambitious. They have high expectations for themselves, not only for their career but also for the quality of their work. They demonstrate a strong work ethic and consistent initiative. Proactive in nature, they can see or address needs and concerns without having to be given specific instructions or directions by their manager.

Deliver Tangible and Consistent Results

High potential employees earn the trust and respect of others by demonstrating high levels of consistency and professionalism. They can be counted on to keep their word and deliver results. They take their goals and responsibilities seriously.

The Role of People Analytics

A key part of successfully identifying high potential individuals involves knowing your people. This is where People analytics steps in. It begins with having accurate and accessible people data, all in one place – a single source of truth, as we like to call it.

With People analytics, organizations can use data to develop stronger and predictive insights about their people and motivations. These insights can then be used for predictive purposes so managers can start to understand and make decisions based on people's behavior and motivations – which will massively help with the uncovering of high potential people within your business.

How to Identify High Potential Employees

Many organizations lack a standardized or analytical method for identifying high potential employees. Instead, they rely solely on the instincts of management staff or ad-hoc observations as part of the performance management or appraisal process. However, there are tools and approaches which can help to identify high potential employees.

The High Potential Trait Indicator (HPTI) was developed by Ian McRae and Adrian Furnham in 2006. It was designed using an 'optimality' model, which assumes that certain personality traits can be considered 'optimal' according to the requirements of a job role.

The HPTI is designed to measure Conscientiousness, Adjustment, Curiosity, Risk Approach, Ambiguity, Acceptance, and Competitiveness. Responses to the assessment are reflected for each of these traits - too much or not enough of a particular trait will have advantages as well as disadvantages to the assessment results. Some trait levels are viewed as indicating a high potential for success, whereas others highlight characteristics that could affect the success of an otherwise high potential employee.

The Dark Side of High Potential Employees

It is important to acknowledge that no matter how talented and promising high potential employees seem, less desirable and potential disruptive characteristics will also be present. So don't focus only on the High potential employees' strengths – you'll also need to identify 'derailing tendencies' that, if left unchecked, will have negative consequences for the individual and the organization.

It is not surprising that high potential employees have weaknesses; it is human nature, after all. Paradoxically, in some cases, the high potential employees' intelligence, charisma, confidence, and other characteristics that contribute to the high potential employee's designation can be the reason they fail to be effective later.

Conclusion

In conclusion, it is important to remember that just because somebody is performing well today in their current job role, it does not necessarily mean they will be successful in a more senior position. Having a system in place to accurately identify high-performing staff is key.

References

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