SUCCESSION PLANNING AND THE DEVELOPMENT OF YOUR HIGH POTENTIALS

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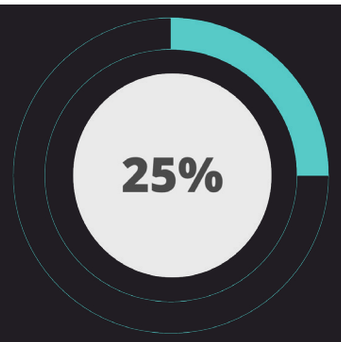
Succession Planning, High Potentials and Performance

There are two separate and distinct aspects to effective succession planning initiatives. The organizational or strategic perspective usually dominates the conversation, and that's okay. It's at this level organizations make investments, drive the type of senior leadership involvement and generate alignment with organizational objectives that are the hallmarks of great programs. In the final analysis, however, succession planning success hinges on whether or not organizations effectively develop and nurture their next generation of leaders. We typically see this aspect of success planning referred to as "high potential" development and it's frequently just shortened to the term "HIPO."

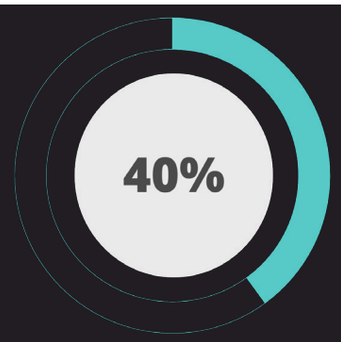
The two dominant challenges to HIPO development are:

- Selection of Participants
- Building Effective Development Plans

In this eBook we will provide practical suggestions for the development of your own high potential employees.



25% of employee-identified, high potential employees plan to leave their current companies within the year.



40% of internal job moves for high potentials ended in failure.

SOURCE: Corporate Performance at Risk as Today's Rising Talent Prepares to Jump Ship STUDY BY THE CORPORATE EXECUTIVE BOARD

Selection of Participants

For most succession planning programs the initial challenge is selecting the right participants in a high potential development program. Taking the time, energy, and making the financial investment in your future leaders is a big deal, and you want to ensure you are focusing on the right people.

Selecting the right people sometimes seems like an easy thing to do. You just go to your performance reviews, or poll your managers, and look for top performing employees and bring them into the program. Easy! Problem solved! Right?

Many organizations select participants exactly that way. These same organizations frequently do not get the results they want from their efforts. Even more importantly, these organizations frequently overlook better qualified participants by not engaging in a more rigorous, objective selection process.

Let's begin with a simple four square that plots two things: potential and performance. Each quadrant is important for this effort, so we will go over each one. Now – a quick note about HOW you plot employees or potential candidates for potential and performance. You should use assessment tools to generate objective ratings that you can use.

Use your current key performance indicators to determine where your candidates fall relative to each other in terms of performance. After you've plotted the candidates along each axis, you'll be ready to work with your four square illustrating potential and performance.

High Potential and Low Performance	**High Performance and High Potential**
Low Performance and Low Potential	**High Performance and Low Potential**

Performance to Potential

POTENTIAL

5

4

3

2

1

Low

High Potential and Low Performance

- Could be lack of training
- Could be lack of interest/motivation
- Unaligned career goal
- Coaching needed

High Performance and High Potential

- Excellent match between skills and motivation
- Area of strength
- Area to develop
- Career focus

Low Performance and Low Potential

- Mismatch for employee – career dead end
- Avoid this area
- Development and coaching will not improve performance in this area

High Performance and Low Potential

- Could be two things – assessment of potential could be wrong
- Motivation to succeed overcoming lack of skill/ training
- Area to develop and build – turn to strength

1 2 3 4 5

PERFORMANCE

High Performance and High Potential

High Potential and Low Performance	High Performance and High Potential
Low Performance and Low Potential	High Performance and Low Potential

In the upper right hand quadrant, you'll see the place where "high performance" and "high potential" intersect. The potential piece of this quadrant is where a lot of organizations fail to make the critical connection between their current employee population and the actual future needs of the organization. When you assess for potential, you aren't just looking for replacements for current leaders. You should be looking at the future needs of the organization. What skills, competencies, and knowledge will you need your next generation of leaders to master? The leadership skills, competencies, and knowledge may be different in three years.

Will the acquisition of new skills be important? Do you need future leaders to be continuous learners? Have you explored "learning agility" as a competency and how it applies to your organization? With a future orientation in mind, the employees that land in this quadrant are almost always good candidates for inclusion in high potential development programs.

Dig Deeper

To learn more about learning agility, click the image to the right to download a competency guide on Learning Agility.

In this complimentary guide we'll define the competency, outline supporting behaviors and suggested development activities.

High Performance and Low Potential

High Potential and Low Performance	High Performance and High Potential
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The lower right hand quadrant presents a different set of issues for high potential development. These are employees who are currently performing well, but have low potential for your future needs.

As high performing employees, you need to carefully look at the assessments you are using to determine potential. Is the assessment working? Might it be flawed? Is it missing something? The key on this point is to be flexible, and make sure you evaluate that aspect of these employees carefully, because there may be some level of expectation on these employees' part that they may be included in development programs looking to the future based upon their performance.

The alternative element could be that you have examples of employees who are highly motivated to succeed and have found ways to overcome some area of skill or knowledge gap. Can these employees be lifted into the upper right hand quadrant with development and training opportunities? With your future needs in mind, the employees that land in this quadrant are not usually good candidates for inclusion in high potential development programs.

Dig Deeper

To learn more about developing others, click the image to the right to download a competency guide on Developing Others.

In this complimentary guide we'll define the competency, outline supporting behaviors and suggested development activities.

High Potential and Low Performance

Like employees in the lower right, employees in the upper left hand quadrant present opportunities for coaching and improvement. Employees with high potential, but poor performance may be poorly managed, or they may need training and development. In these situations, you likely have employees who have high long-term value, but are not ready for participation in a high potential development program – yet.

On the other hand, you may have employees with low motivation, poor attitudes, or a bad career match. If coaching and corrective action will not improve or increase performance, to match the potential, you may have a completely different, and difficult decision to make regarding these employees.

Low Performance and Low Potential

Employees that demonstrate low current performance and low future potential plot in the lower left hand quadrant of the grid. These employees are poor candidates for inclusion in high potential development programs. In fact, these employees usually present more difficult performance management issues. Sometimes, organizations have to make hard choices related to employees that plot in this quadrant, especially if coaching and development will improve neither performance nor potential.

Building Effective Development Plans

Now that we've worked our way through the process of selecting our candidates to participate in our high potential development program:

- We have a set of competencies we are building in our next generation of leaders,
- The next generation of leaders are now known and part of the program, and we've selected participants at every level of the organization.

Next, we begin building an effective development plan. This is an opportunity to think about development differently. How can you provide opportunities for new challenges and engagement? What areas, skills or competencies should you target first?

Learn While You Work, Work While You Learn

Job Rotation:
Move employees around and challenge them to get out of their comfort zones. A deliberate disruption of routine puts new sets of eyes on familiar task and problems, and can lead to new and better solutions. Individuals acquire a better understanding of how the entire organization operates and how different departments or units other than their own operate and interact.

Task Force, Project Team or Committee:
Employees participate two or three times a month while still working in their current positions.

Action Learning:
Action learning involves small teams working together on real workplace problems or tasks. Learning through doing, reflecting on the results and impact of those actions and making necessary adjustments is at the heart of the natural learning process. Action learning following formal learning events is also effective at transferring learning gained in the classroom to the work employees actually perform.

Building Effective Development Plans

Start with the strategic goals of the organization. What are the skills and competencies needed to achieve the goals you've established for your organization? Next, conduct a performance gap analysis to understand where your current level of performance lies compared to your desired level of performance in these critical areas.

Once you've established this data at the organizational level, you move your performance gap analysis down to the functional area level, to the team level and eventually to the individual leader and employee level. By focusing on the areas where the performance in your organization needs to improve, you will ensure that your development efforts are appropriately targeted at influencing and changing behaviors that will impact the bottom line.

As for future needs, you identify your targeted areas the same way. But the approach is a bit different, because you will not have current, well-defined performance benchmarks to help establish either current ideal levels of performance or future desired levels.

To help establish benchmarks for your future needs you should rely upon your strategic vision for the company. Make sure your definition of future needs remains rooted in current realities of market conditions, competitive landscape and organizational capabilities.

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