

# Improving the Odds of Success for High-Potential Programmes

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## Is the Investment in High-Potential Programmes Paying Off?

High-potential employees are seen as almost twice as valuable to their organisations as employees who are not high-potential<sup>i</sup>. Their worth is easy to understand when you look at the relationship between leadership bench strength and organisational performance. Organisations with stronger leadership bench strength show double the revenue and profit growth of organisations with weaker leadership bench strength<sup>ii</sup>. These levels of organisational performance are the promise that drives the investment in high-potential programmes.

That said, there are doubts that high-potential programmes are fulfilling that promise and delivering a return on the substantial investment that they represent. More than half of high-potential candidates drop out of their programmes within five years (55%)<sup>iii</sup> and nearly half (46%) of leaders moving into new roles fail to meet their business objectives<sup>iv</sup>.

It is not surprising, then, that most HR professionals lack confidence in their high-potential programmes, with 1 in 2 reporting that they are either dissatisfied or highly dissatisfied with their programmes today<sup>v</sup>.

High-potential programmes are failing to deliver the managers and leaders needed to drive growth and performance in tough economic times. The research that we present in this talent report is a detailed examination of what needs to change to make these programmes more effective and more efficient.

Drawing on a database of over 6.6 million people globally and building on a decade of research into what makes high-potential programmes effective<sup>i</sup>, this report provides new insight into how to identify people with high-potential talent and effectively manage them into more challenging, responsible and important roles. Those insights dramatically improve the odds of success for high-potential programmes and the employees that they support.

## The Underlying Factors Driving the Failure of High-Potential Programmes

Too many programmes focus their efforts on the wrong people. The simple fact is that they are squandering scarce developmental resources on employees who are unlikely to succeed.

The fundamental issue confronting organisations is how to identify their true high-potentials more efficiently and across the enterprise. The inability to do this accurately means that many programmes are directing their resources, training and career opportunities to employees who are unlikely to rise to more senior and more critical positions and who are unlikely to be effective should they succeed to those positions.

Unfortunately, managers are prone to misidentification of candidates to high-potential programmes for a variety of reasons. In some cases they believe that a nomination will help with the retention of an employee they are worried may leave.

Managers may make nominations to deal with pressure from an employee who persists in advancing their case to be a candidate, while other employees may be nominated because the manager sees these programmes as a means to deal with a specific employee development need.

On the other hand, managers may fail to nominate an employee because they are concerned that the employee will be lost to another part of the organisation if they are labelled as high-potential.

These are just some of the reasons why manager nominations can lead to employees being falsely nominated as high-potential and why true high-potential employees can be overlooked or even hidden in the organisation.

### MANY FAIL TO RISE EFFECTIVELY



**1/2** of identified high-potentials will drop out of their programme within five years

### ...AND ARE INEFFECTIVE

**46%**

of leaders moving into new roles fail to meet business objectives

### WHICH MAY HELP TO EXPLAIN WHY...

Only 1 in 6 HR professionals are "satisfied" with their programmes



...and 1 in 2 HR professionals lack confidence in their programmes



<sup>i</sup> The data used in this report include samples drawn from the CEB Talent Analytics database covering competency assessments for 6.6 million people across 10,000 clients globally. The data also draw on CEB surveys and research studies conducted between 2005 and 2013.

Despite the substantial investment that these programmes represent, many organisations are not investing in adequate assessment and identification of high-potential. Almost half of organisations (46%) report a lack of any systematic process for identifying and developing their high-potential candidates<sup>vi</sup> while only 1 in 3 organisations use hard assessment data to identify employees for their high-potential programmes<sup>vii</sup>.

One common error is to assume that the organisation's high-performers are also its high-potential employees. Equating employee performance and potential is a mistake for two reasons. First, it confuses performance to date with effectiveness in future roles where the talents and performance expectations will be more challenging. Second, our research shows that most high-performers lack what it takes to be high-potential.

Organisations need a deeper understanding of the motivations, qualities and capacities that differentiate employees with true high-potential from their capable but less prepared peers. The identification of high-potential needs to be reframed with greater clarity about what high-potential represents and how it is assessed.

### The First Step Towards a Solution is a Clear Definition of High-Potential

Having a clear definition of high-potential is an essential starting point for identifying the right employees and realising their potential to succeed. CEB has studied high-potential employees and high-potential programmes for over a decade and has identified the critical factors that determine their success.

To be truly high-potential, an employee needs to be a proven high performer with three distinguishing attributes that allow them to rise to and succeed in more senior, critical positions:

- **Aspiration** – to rise to more responsible senior roles
- **Ability** – to be effective in more responsible and senior roles<sup>2</sup>
- **Engagement** – to commit to the organisation and remain in challenging roles

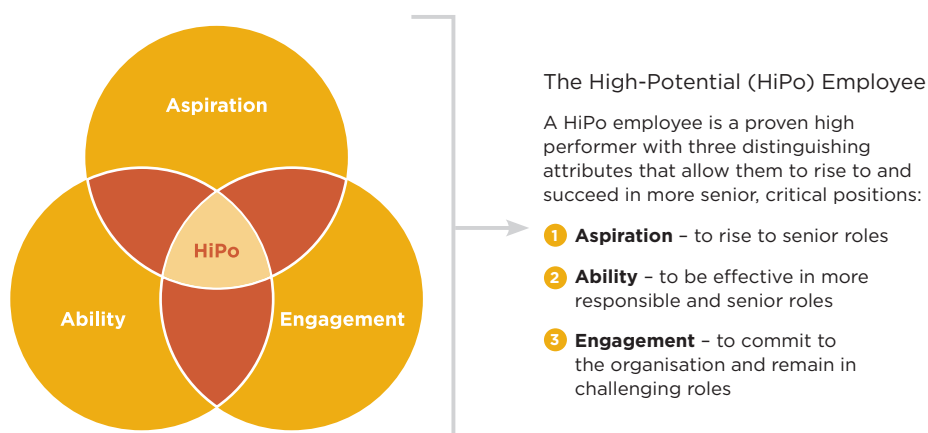


Figure 1. A clear definition of high-potential

<sup>2</sup> The term 'ability' can refer more narrowly to cognitive abilities such as deductive and inductive reasoning as well as more job specific abilities as measured by cognitive ability tests. While these are important factors in predicting future performance in more challenging and critical roles, we use the term 'able' and 'ability' in the context of the CEB definition of high-potential and in its broadest sense. That is, whether employees have the talents and underlying qualities to be effective in more senior and critical roles. As such, cognitive ability tests are a critical source but not the only source of data that can help organisations identify high-potential. Data from assessments of personality and motivation aligned to the CEB model of high-potential are also critical to improving the odds of success for high-potential programmes.

The starting point for our model is that the employee should have a strong track record of performance to date. That is the starting point and not the defining factor in what drives the success of employees in high-potential programmes.

It is fair and reasonable that those considered for high-potential programmes should have demonstrated an investment in the organisation through performance to date. The CEB definition shows that high-performing employees also need other qualities to successfully rise to and be effective in more senior and challenging roles. Most high-performing employees do not have those qualities. CEB research shows that only 15% of most organisations' high performers have the aspiration, ability and engagement to rise to and be effective in more senior and critical roles<sup>viii</sup>.

That makes the odds for programmes founded on performance criteria alone 6 to 1 against success. Assuming high performers are also high-potentials means that 6 of those entering programmes will fail for every one employee who succeeds.

### A More Effective Approach to Identifying High-Potential

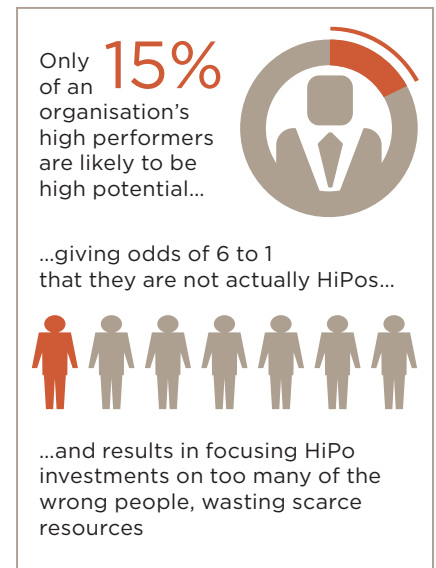
The CEB definition of high-potential serves to identify three key risks to the success of high-potential programmes:

- That candidates lack the motivation to rise to senior positions. Our research shows that around 1 in 2 high-potential candidates drop out of their programmes. With drop-out rates so high, programmes run the risk of failing to produce the quantity of employees that the organisation needs to meet its future challenges. This risk begs the question of who will rise to senior and more challenging roles.
- That those who do rise lack the talents to be effective in more senior and challenging roles and specifically in more demanding managerial and leadership positions. With 1 in 2 new leaders failing to meet their business objectives on moving into leadership roles, programmes run the risk of not providing the quality of employee who will be effective in meeting the organisation's needs in the future. This risk begs the question of who will be effective in more senior roles.
- That those who have the potential to rise and to be effective do not stay with the organisation. This is more than just leeching of talent and a dilution of the bench strength of talent available to the organisation in the future. If talented people move to competitor organisations, this shifts the competitive advantage to those competitors. This risk begs the question of who is committed to and will stay with the organisation.

Organisations can tilt the odds in favour of the success of their high-potential programmes by addressing these risks. They do so when they adopt a more systematic and objective process for identifying their high-potential employees, and when that process accurately assesses the aspiration, ability and engagement, for today and for tomorrow, of the employee.

### Aspiration and the Motivational and Behavioural Drivers of Career Potential

One of the most important factors in the early careers of high-potential employees is their aspiration to rise to more senior and critical roles. The success of employees in rising to senior positions depends on a number of factors such as who manages them and encourages them to climb to higher positions, as well opportunities available in the organisation to assume a more senior or challenging position.



That said, a critical factor in career success is the motivation of the employees and their capacity to seek out and realise career opportunities. Accordingly, those managing high-potential programmes need to answer the question, “Does the employee have the motivational profile to reach a senior position and the behavioural profile to turn that motivation into tangible career success?”

To explore the motivational and behavioural components of aspiration, we analysed data on over 431,000 people globally<sup>3</sup> to understand what differentiates the motivational and behavioural profiles of those that achieve an executive position and those who do not. We found that those who are more likely to rise to an executive position possess a unique combination of motivations and behaviours.

Six motivational factors emerged as key to driving the achievement of an executive position: Activity, Autonomy, Flexibility, Immersion, Interest, and Power.

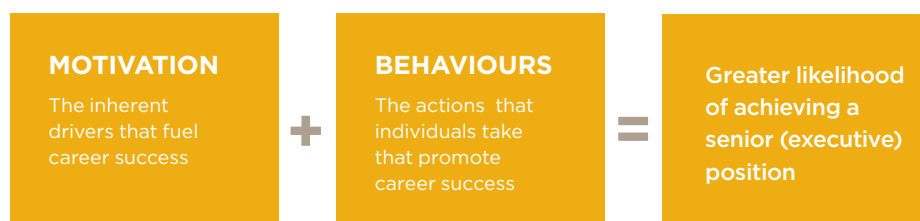


Figure 2. The motivational and behavioural components of aspiration have a strong impact on career success

Of the 18 motivational factors that we analysed<sup>4</sup>, six emerged as the key factors that drive the achievement of an executive position:

- Activity: they prefer fast-paced, multi-tasking work environments
- Autonomy: they are attracted to roles that allow them autonomy in how they execute their responsibilities
- Flexibility: they seek out work environments that allow them more fluid ways of working
- Immersion: they look for roles that require a personal commitment above the norm
- Interest: they look for roles and assignments that provide variety and stimulation
- Power: they want the opportunity to exercise, influence and shape how things are done

The desire for greater influence over outcomes and for greater autonomy and flexibility in how a role is shaped and performed are understandable end states that fuel the aspiration to rise through the organisation. An inherent attraction to roles with high activity and interest are qualities that create opportunities for employees to reach for more challenging roles. What also marks those who are more likely to achieve a senior position is that the work that they do is important to how they define themselves. In other words, the work they do is important to their self-esteem and life satisfaction.

<sup>3</sup> This sample was drawn from the analytics database and represents data on 431,778 people for whom job level was known. Our criterion or outcome measure was the achievement of an executive position in an organisation. We define an executive position as vice president or above. Our logic in choosing this as our outcome measure was that those who show the potential to achieve an executive position are also more likely to have the potential to rise at least one or two positions in the organisation.

<sup>4</sup> These 18 motivational factors are assessed using the Motivational Questionnaire (MQ).



Motivation requires action to become a reality. Alone, these six critical motivations are insufficient to show that an employee will pursue an executive position effectively. Those who are more likely to achieve an executive position also exhibit the following behaviours<sup>5</sup>:

- **Acting on Own Initiative & Taking Responsibility:** they are willing to take calculated risks to realise an opportunity and assume positions of responsibility through which they can coordinate and have impact on tasks, projects and objectives
- **Achieving Objectives & Pursuing Self-Development:** they push for results and are willing to invest in their personal development

These behavioural markers combined with the six critical motivational drivers increase the odds of achieving an executive position dramatically. Those in the upper quartile on this measure of aspiration are almost 11 times more likely to achieve an executive position than those in the lowest quartile<sup>6</sup>.

To provide a sense of how dramatic a change in odds this represents, the odds are stacked against the success of those in the lower quartile on our aspiration metric (motivation and behaviours), with 10 failing to achieve an executive position for every one person in the lower quartile who does.

These statistics help to explain why high-potential programmes are failing to deliver and why over half of high-potential candidates drop out of their programmes. Many programmes are simply failing to assess aspiration effectively and, specifically, the motivational and behavioural drivers of career success.

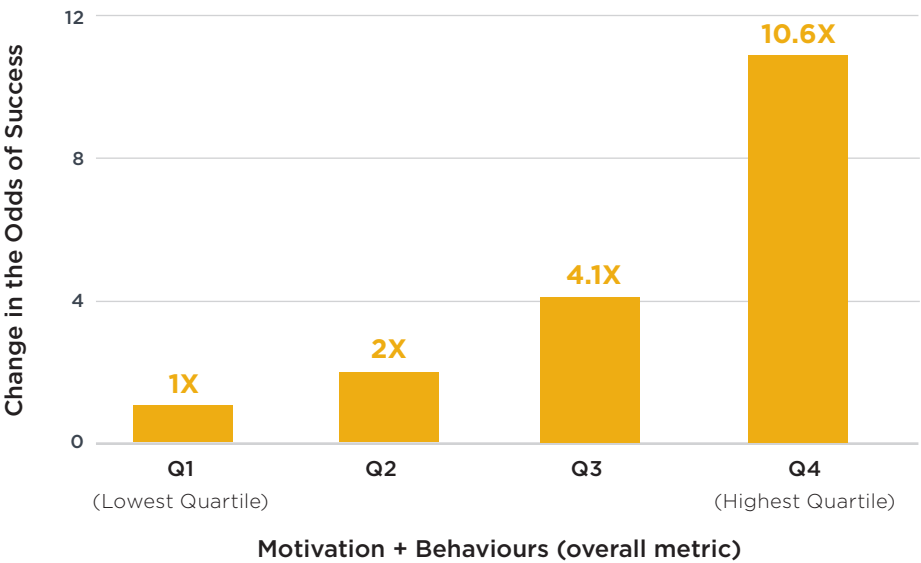


Figure 3. How Critical Motivational Factors and Behaviours Improve the Odds of Success

<sup>5</sup> These behaviours are taken from the Universal Competency Framework (UCF) and whether these are likely to be strengths for the employee is assessed through the Occupational Personality Questionnaire (OPQ).

<sup>6</sup> We first developed an overall metric combining the motivational factors and behaviours and then calibrated our sample of 431,778 against our global analytics database to create the four quartiles used in this analysis. The odds of achieving an executive position were calculated within each quartile to give the comparisons described.

## Ability – Assessing for Future Performance Potential as a Manager and a Leader

A second and equally critical question is whether employees will be effective in more challenging, senior and critical roles in the future. We have already seen that 46% of new leaders fail to achieve their business objectives. This low success rate underscores the need for organisations to have a clearer and more objective understanding of the talents of their people. It also reflects the challenge of the ever-changing context in which leaders have to be effective.

Given that success as a leader is an ever-moving target in today's highly dynamic, globalised and interconnected world, understanding an employee's full repertoire of talents is more of an imperative than it has ever been.

To help identify those employees with the potential to be effective managers and leaders, a clear definition of the attributes that drive that potential is required. At CEB, we believe that effective managers and leaders know how to:

- Develop a compelling vision that is based on clear and critical thinking
- Articulate goals that motivate others and provide direction
- Communicate effectively and support others through change
- Get things done and realise tangible goals and objectives

Together, these four managerial and leadership functions ensure that organisations have direction, share common objectives, collaborate to achieve and, finally, deliver their strategic goals. Our Corporate Leadership Model<sup>ix</sup> lays out the key competencies, transactional and transformational, required to deliver against these key managerial and leadership functions.

Transactional Focus	Functions of Leadership	Transformational Focus
Analysing & Interpreting	Developing the Vision	Creating & Conceptualising
Adapting & Coping	Sharing the Goals	Interacting & Presenting
Supporting & Cooperating	Gaining Support	Leading & Deciding
Organising & Executing	Delivering Success	Enterprising & Performing

Figure 4. SHL Talent Measurement™ Corporate Leadership Model

We capture leadership bench strength through our analytics models, enabling us to provide a summary benchmark to support organisations in understanding how they compare to others in their industry or geography<sup>7</sup>. This distinguishes the potential to perform effectively across all four managerial and leadership functions on a scale ranging from very low to very high<sup>x</sup>.

Few employees perform effectively across all four functions. Only 1 in 4 early career professionals exhibit very high levels of leadership potential, while 1 in 2 have low to very low potential to be effective in more senior roles<sup>8</sup>.



<sup>7</sup> This benchmark is one of several available through our Talent Analytics models that take data on the potential of client populations and compare them to external populations to enable strengths and talent gaps to be identified.

<sup>8</sup> These probabilities are based on data for 651,305 early career professionals assessed globally between 2006 and 2012.

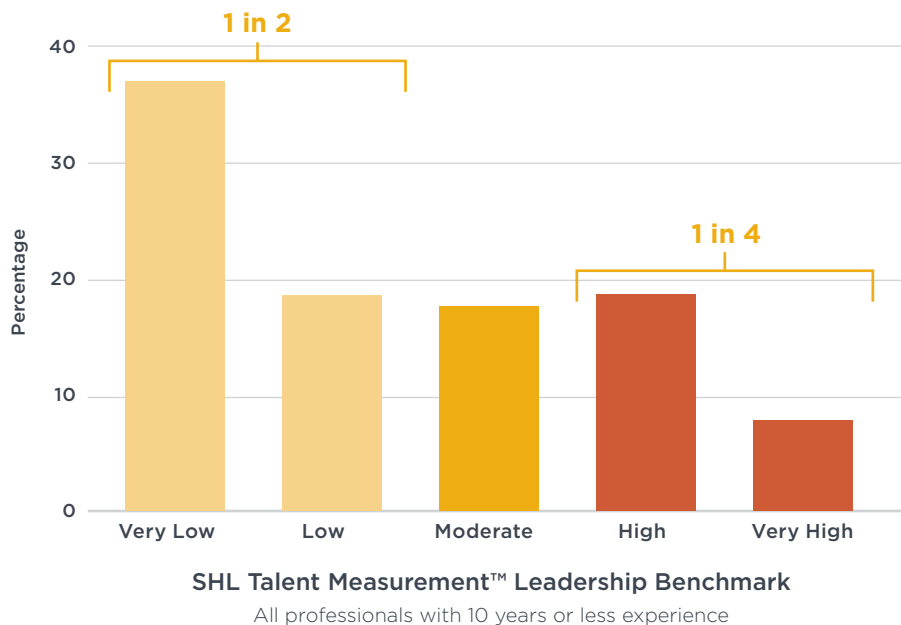


Figure 5. Early Career Professionals and Their Potential to be Effective Managers and Leaders in the Future

Identifying the 1 in 4 with strong potential to be effective managers and leaders in the future is an imperative for organisations wanting to improve their programmes' odds for success. A systematic assessment framework covering the essential functions of management and leadership can do more than help identify the right employees for high-potential programmes.

As many leading companies have found, using such a framework helps to push those odds even more strongly in favour of success. It does this by focusing their investments on building the future bench strength of their employees in two ways:

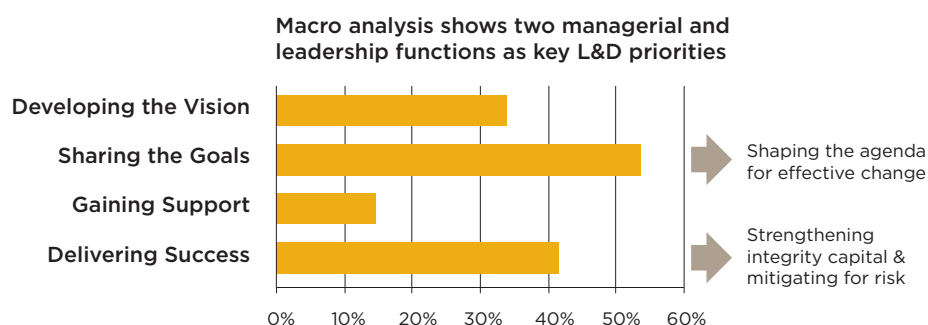
- Targeting L&D programme investments by identifying where the learning and development (L&D) spend should be focused across the high-potential candidate pool to improve leadership ability and build effectiveness across the organisation
- Tailoring individual development plans by showing the high-potential candidate where they need to focus to improve their odds for success in the future, and by providing the candidate's manager with a clear understanding of the support they need to give to drive the candidate's development

For example, one client in the technology sector discovered that, relative to industry peers, their high-potential candidates had above-average development needs in two specific areas<sup>9</sup>:

- Sharing the Goals, with high-potentials as a group benefitting from focused development in how to shape an agenda for change and how to be effective role models for promoting change initiatives
- Delivering Success, with high-potentials benefitting from a better understanding of how to strike a balance between pursuing individual and work group goals to realise business opportunities while also mitigating risk to the business by ensuring that procedures, standards and regulations are followed and not breached

<sup>9</sup> Higher development need was defined as any area that was shown as below the benchmark for the technology sector globally for this cohort of high-potential employees. The degree of development need varied from moderate to high depending on the gap identified between the bench strength of the client's high-potential cohort and the sector's bench strength for each of the managerial and leadership functions, and specific competencies related to each of those functions.





Combining a macro view of where the organisation needs to focus to lift performance with development discussions that address specific employee needs is a powerful way to get more out of development investments.

Figure 6. Identifying L&D Priorities for a High-Potential Cohort

The data we provided to the client also shaped structured discussions with the candidates' managers. Those discussions led to agreed action plans and specific development goals to support each candidate's career readiness for more senior roles.

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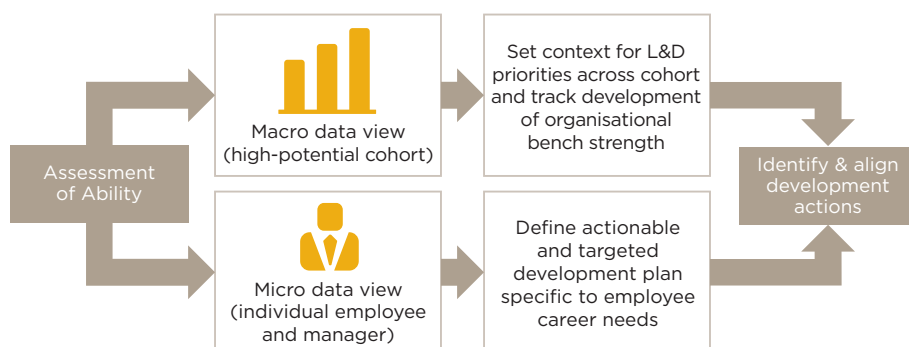


Figure 7: Leveraging Ability Assessments at a Macro and Individual Employee Level

### A Clearer Framework for Identifying High-Potential Employees

Bringing together data from valid assessments of both aspiration and ability provides a straightforward framework to identify those employees with a higher likelihood of rising to and being effective in more senior and challenging roles in the future. That framework also shows where the risks lie in nominating employees with lower aspiration and ability for high-potential programmes (see Figure 8).

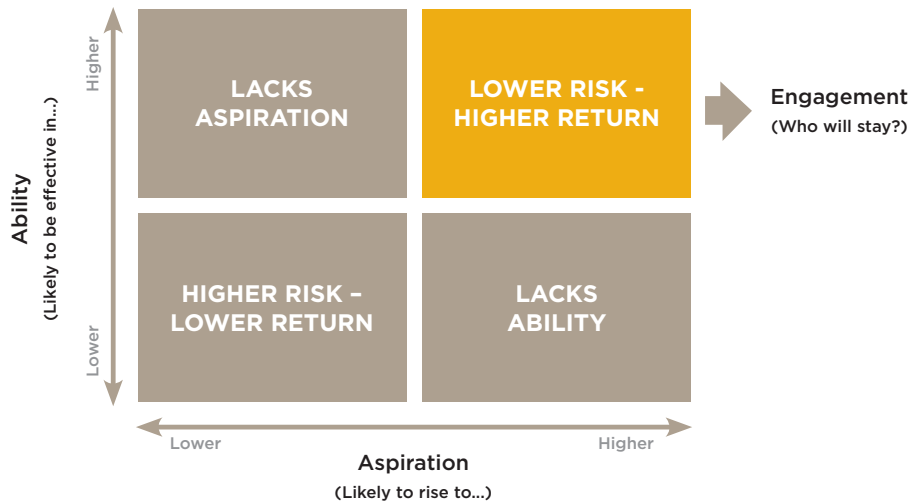


Figure 8. Creating a Clearer Framework for Assessing High-Potential and Key Risks

Those lower on either of these critical drivers of success are higher-risk and are more likely to drop out of programmes. These are people who require more time to develop or whose career aspiration may be focused on more specialist roles or reflect personal life choices. Either way, these employees may still be considered for later programmes and, as strong performers today, should be nurtured for their current contribution.

Let us say that we have identified those in the top right of our framework with strong aspiration, as measured by their motivational and behavioural profile, and with strong ability in terms of their potential to perform effectively in more challenging roles in the future. We also need to address another risk to the success of high-potential programmes: flight risk.

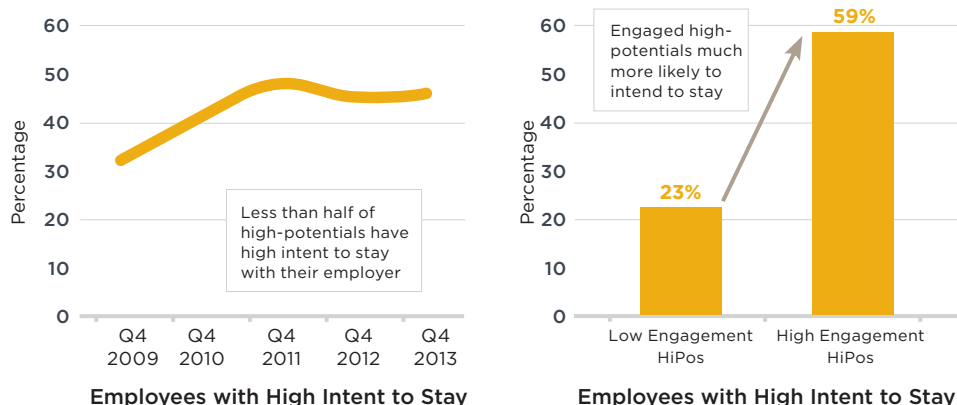
High-potential employees are highly marketable and highly sought after in an increasingly competitive market for talent. This brings us to the next question that high-potential programmes need to address: who has the engagement and the commitment to stay with the organisation long enough to attain and perform in those more senior and critical roles?

### Engagement and Addressing Flight Risk Among High-Potentials

At their core, high-potential programmes are an investment in the collective potential of the organisation. As such, organisations need to be assured that this investment will provide a return over time and that high-potential employees will not be lost to competitors.

CEB has been tracking high-potential employees' engagement and intent to stay with their employer for over a decade. Unfortunately, less than half of the high-potential employees surveyed in 2013 have a high intent to stay with their employer<sup>xi</sup>.

By contrast, nearly 60% of high-potential employees with high engagement levels have a high intent to stay – more than double that of high-potential employees with lower levels of engagement<sup>xiii</sup> (see Figure 9).



Employees with strong Engagement Capital are more likely to put in extra effort, meet their performance goals and are more likely to stay with their organisation.

Figure 9: High-Potentials Will Stay If They Are Engaged

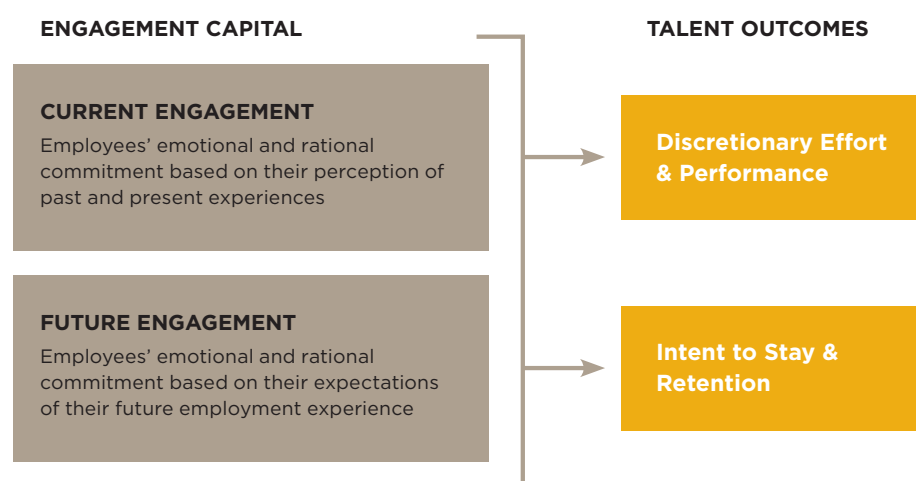
Employee engagement is a concept that is widely accepted but loosely defined. In CEB's experience, an employee's engagement is composed of two factors:

- **Current Engagement**, which is determined by a combination of past experiences with an employer (positive or negative) and their current experiences in their job, role and work environment
- **Future Engagement**, which is determined by their future expectations about their job, career and employer

CEB calls the combination of these factors Engagement Capital<sup>xiii</sup>. An employee is more likely to have strong current engagement when their past and current work fit their work preferences. Likewise, employees are more likely to have future engagement when their organisation's mission, direction and values are aligned with their beliefs.

Our research shows that employees with strong Engagement Capital are more likely to put in extra effort, meet their performance goals and are more likely to stay with their organisation (see Figure 10).

Figure 10: CEB's Engagement Capital Framework



Levels of current and future engagement depend on rational and emotional commitment to the organisation. Rational commitment in a role today is demonstrated when the employee believes that their current role, their manager and their work team provide them with professional benefits, while emotional commitment today is demonstrated through an attachment to the role, the manager and the team.

Longer-term rational commitment to the organisation follows from the belief that the organisation will support and realise the employee's career aspirations, while longer-term emotional commitment follows from a strong alignment between the employee's values and those of the organisation, and a strong belief in the organisation's mission.

While an employee in a challenging role or with a strong manager may be engaged today, they may not be engaged tomorrow if their work environment changes. Employees with future engagement – a strong commitment to the organisation and alignment with its mission – are more likely to have a sustainable level of engagement. In other words, their strong commitment to the organisation often means that their engagement is more stable, longer lasting and more likely to withstand changes in the work environment.

Strong future engagement is critical in identifying high-potential employees. In many ways, it represents an employee's engagement potential or 'engagability'. Identifying high-potential candidates with future engagement increases the likelihood that they will be engaged when placed in more challenging, complex and taxing senior roles. It also increases the likelihood that they will stay with their employer and build a career with them.

### Three Actions for Ensuring that High-Potential Candidates are Engaged

The CEB model of High-Potential starts with the employee having a strong track record of performance. This is one of the cornerstones of an effective nomination process for high-potential programmes. Another critical cornerstone for an effective nomination process is to evaluate the employee's current and future engagement.

Engagement can be assessed using simple behavioural markers. Employees demonstrate current engagement when they show a high level of interest in their work, invest time and energy to execute their tasks well, and volunteer to do extra work to help their team when that help is needed.

Employees are more likely to have an ongoing commitment to the organisation when they encourage others to see the organisation in a positive way, ask questions that demonstrate an interest in the organisation and its success, and make plans for career growth with the organisation.

These markers can be used to capture manager ratings of current and future engagement at the point of nomination, or through structured interviews used alongside assessments of aspiration and ability to validate nominations to programmes.

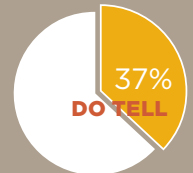
There are also simple steps that organisations can take once a candidate has been accepted onto a high-potential programme.

High-potential candidates value recognition. Yet, many are not told that they are considered high-potential. Our research shows that just over a third of organisations communicate high-potential status to high-potential candidates<sup>xiv</sup>. Given the importance of reinforcing the engagement of high-potentials to ensure that the organisation does realise a return on their investment in them, organisations should consider telling candidates that they are considered high-potential.

High-potentials value recognition, but many are not even told they are considered high potential...

"Does your organisation communicate high-potential status to HiPos?"

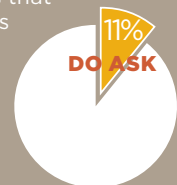
63% of organisations do not



Organisations rarely ask their high potentials for commitment in return for career opportunity...

% of organisations that ask high-potentials to commit to the organisation

89% of organisations do not



The investment made in the development of high-potentials is substantial and shows a strong commitment by the organisation to the employee. Yet, organisations rarely ask their high-potentials for a reciprocal commitment. CEB research shows that only 1 in 9 (11%) of organisations ask high-potentials for a commitment to the organisation<sup>xv</sup>. CEB research shows that formalising the commitment of the high-potential candidate is one simple step that strengthens the candidate's commitment to the programme and to the organisation.

The most effective high-potential programmes are centred on highly visible, important and challenging stretch roles.

### Moving Beyond Identification to Reinforcing Aspiration, Ability and Engagement through Stretch Assignments

Organisations that accurately identify high-potential employees substantially improve the odds that their programmes will be successful. Those responsible for high-potential programmes can further increase the likelihood of success through the design and management of the developmental journey for high-potential employees.

The most effective high-potential programmes are centred on highly visible, important and challenging stretch roles. These roles not only place individuals in assignments where their potential can be applied and realised, they also drive up organisational commitment and reduce the risk of attrition in this key employment group.

CEB's research shows that effective high-potential programmes can build engagement by providing clear career paths and by offering structured development opportunities and challenging work assignments. The impact is substantial: employee satisfaction with career paths increases high-potential engagement by 23%, while matching development opportunities to personal career goals increases engagement by 35%.

High-potential employees prefer situations where they have greater accountability, develop new skills and work for high stakes. But, simply exposing high-potential employees to risk is not enough. The engagement of high-potential employees is 70% higher when they are involved in high-risk and high-return opportunities and when they can expect full support in case of failure<sup>xvi</sup>.

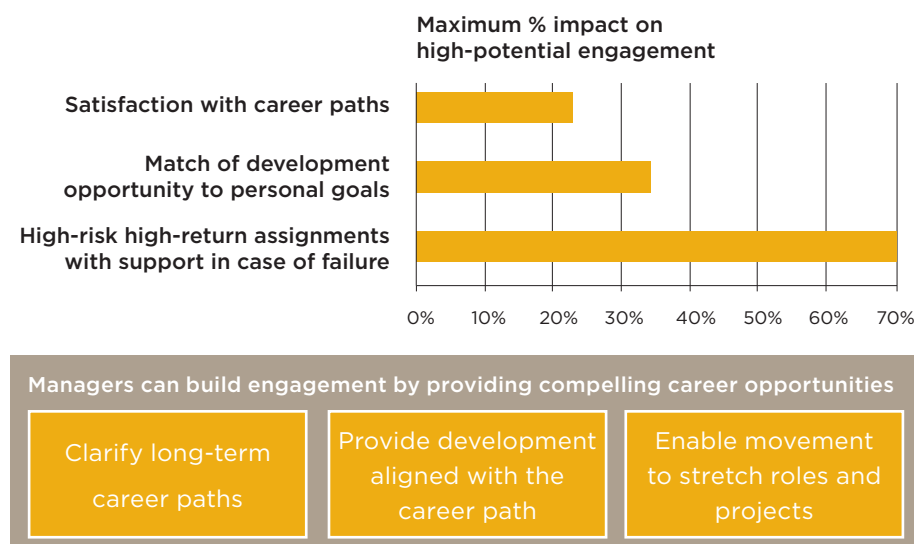


Figure 11: Improving High-Potential Engagement

In addition to reinforcing engagement, well designed and managed stretch assignments are critical to building and reinforcing the ability to be effective in the future. However, realising this opportunity requires more than simply creating a development plan. The mere presence of a development plan does not build ability and the potential to be effective in more senior and critical roles.

To help employees realise their potential, development plans must be both achievable and tailored to the needs of the individual. They should be seen by employees as helping them improve their performance today and giving them the skills and experience that they need to achieve their career objectives. Focused and targeted development plans can improve employee knowledge and skills by up to 16%<sup>xvii</sup>. That impact is more likely when developmental plans are informed by valid assessments of employee potential.

Building and reinforcing potential is not just about the career of the employee. Assignments should also build the bench strength of critical talents, knowledge and skills required to lift the overall effectiveness of managers and leaders in the organisation. The reinforcement value of stretch assignments is stronger when high-potential employees see that those assignments develop the employee while also targeting key skills and competencies that drive competitive advantage for the organisation.

Stretch assignments should also serve to reinforce the employee's aspiration. They can do so in two ways: in how they motivate the employee and in how those assignments strengthen the key behaviours that enable employees to translate motivation into tangible career success.

Assignments that involve the high-potential employee in multi-tasking, working to firm deadlines and that push them beyond the norm naturally appeal to true high-potentials. The need for the employee to invest in their own development is an obvious but critical factor in the value gained from assignments. Assignments that truly reinforce aspiration are those designed to give the employee the opportunity to use their initiative, take responsibility and push for results – in other words, for them to demonstrate the aspiration to succeed.

CEB research confirms that assignments designed around targeted development plans that also reinforce aspiration increase the appetite for more senior roles by 23%<sup>xviii</sup>.

### Improving the Odds in Favour of Success

Placing an unsuitable employee in a more senior and challenging role increases business risk and squanders the potential of the organisation. It prevents those with the strongest potential from rising to roles where their rare talents provide the most value and make the greatest contribution to the organisation's success.

Those errors can be avoided by taking the following steps:

- Adopt a clearer definition of high-potential that distinguishes it from high performance
- Identify whether candidates for high-potential programmes have the ability and aspiration to rise to and be effective in more senior roles. Our more recent research offers this capability to organisations through assessments framed to answer the key questions of “Who has the motivation to rise to more senior roles?” and “Who will be effective in more senior roles?”
- Mitigate flight risk among high-potential employees proactively by evaluating their engagement today and their longer-term commitment to the organisation in the future. Our model of Engagement Capital provides a practical framework for addressing current and future engagement and addressing the question “Who is committed to and will stay with the organisation?”

CEB research confirms that assignments designed around targeted development plans that also reinforce aspiration increase the appetite for more senior roles by 23%.



- Use stretch roles and assignments to:
  - Reinforce the aspiration of high-potential employees to succeed in more senior roles
  - Help high-potential employees acquire the skills and experiences needed to be successful at the next level.
  - Build engagement by strengthening the employee's belief that their career interests lie with the organisation and that their contribution to the organisation's mission is vital

Programmes that can identify the right employees with the aspiration, ability and engagement to succeed increase their odds of success as well the odds of success for the employee and for the organisation more broadly.

Placing employees in high-potential programmes with unknown aspiration, unknown potential to be effective in the future and unknown engagement simply pushes the odds in favour of failure for both the employee and for the organisation.

## About the Authors

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## Appendix: Data and Methodology

### Overview of data sources

The data used in this report were drawn from two sources:

- SHL Talent Measurement™ solutions from CEB, used by 10,000 organisations globally to provide scientifically researched and objective assessments of people's potential to improve the validity and fairness of the decisions they make in hiring, developing and promoting people. CEB delivers over 30 million assessments a year to organisations that include over 50% of the Global Fortune 500, over 80% of the Financial Times Stock Exchange (FTSE) and over 50% of the Australian Stock Exchange.
- CEB insight research and labour surveys conducted with leading organisations globally, specifically with organisations at the leading edge of developing and implementing solutions to the talent challenges facing organisations today. Details of the CEB insight and labour survey data are provided in the reference section of this report and copies of the research findings from those sources are available to CEB members.

### SHL Talent Measurement data used in this report

The data used in this report focus on the assessments most relevant to the talent issues we cover. All of the data used come from live assessments of people's talents. That is, the data reflect assessments that were delivered to help organisations identify those most suited for opportunities as new employees, as part of development programmes for individuals and groups and as part of succession planning and promotions.

That means the data are real data obtained for a real purpose – identifying people's talents. While the data do not represent a random population survey, they do provide a unique snapshot based on hard data that show the quality of talent that organisations worldwide attract and employ.

The data used and cited in this report cover a period from 2006 to 2012 and therefore reflect the impact of the significant changes that have occurred in the past eight years prior to and following the financial crisis.

### Behavioural frame for developing the models described in this report

The assessments used in this report cover behavioural style, reasoning abilities and motivation framed in the context of how a person is more or less likely to act and behave at work. We work with organisations to understand the critical behaviours that drive success in a role. That understanding is developed using a framework we call the Universal Competency Framework, or UCF, which covers 112 specific workplace behaviours.

Figure A1: High Level Summary of the Behaviours Covered by the Universal Competency Framework (UCF)

	<b>Behaviours</b>	<b>Organisational Benefits</b>
Leading and Deciding	Takes control and initiates action by giving direction and responsibility	Clearer objectives and commitment to achieving those objectives
Supporting and Co-operating	Working effectively with individuals and teams, and provides a consistent role model for the organisation's values	Greater collaboration and greater cohesion across employees, and stronger client perceptions that they are being listened to
Interacting and Presenting	Builds positive relationships by communicating, networking and influencing effectively	More effective communication and buy-in internally and externally to proposals and plans
Analysing and Interpreting	Gets to the heart of complex issues and problems through clear analytical thinking and effective application of expertise	More effective use and better understanding of data to drive strategy and decision-making
Creating and Conceptualising	Applies creativity and innovation to develop new solutions in the context of the organisation's wider strategy	Ideas are translated into outcomes more effectively and with a clearer understanding of the wider context driving innovation
Organising and Executing	Promotes clear systems for the delivery of projects, products and services focused on quality and customer satisfaction	Stronger project and programme management with better quality in what is delivered and greater customer satisfaction
Adapting and Coping	Adapts and responds to change positively and effectively and copes with setbacks	Greater likelihood that change initiatives are successful and that setbacks to achieving objectives are overcome
Enterprising and Performing	Achieves personal goals and approaches tasks and opportunities with a view to commercial and financial factors	More consistent achievement of targets and KPIs, associated with more efficient operations and improved revenues and margins

Figure A2: Data Sources Used for Analyses of Aspiration and Ability in this Report

Data Source	Data Type
The Occupational Personality Questionnaire (OPQ)	<p>32 specific aspects of personality and behavioural style at work covering:</p> <ul style="list-style-type: none"> <li>Relationships with people such as persuasion, confidence and modesty</li> <li>Thinking style such as analytical, conceptual, forward-thinking and adaptable</li> <li>Feelings and emotions such as relaxed, tough-minded, vigorous and decisive</li> </ul>
Verify	<p>Reasoning (cognitive) ability. Data on three specific ability areas were used in this report:</p> <ul style="list-style-type: none"> <li>Verbal reasoning – the ability to work with written information to identify solutions to problems</li> <li>Numerical reasoning – the ability to work with numerical data to identify solutions to problems</li> <li>Inductive reasoning – the ability to work with fuzzy and unfamiliar problems and develop solutions from first principles, sometimes referred to as ‘thinking outside the box’ or lateral thinking</li> </ul>
Motivation Questionnaire (MQ)	<p>How people are motivated at work across four main areas:</p> <ul style="list-style-type: none"> <li>Energy and dynamism – such as power, competition and level of activity</li> <li>Synergy – such as affiliation, recognition and personal growth</li> <li>Intrinsic factors – such as interest, flexibility and autonomy</li> <li>Extrinsic factors – such as material reward, progression and status</li> </ul>

### Data screening

The data used in this report draw from a global database of 6.6 million assessments. Specific samples were drawn from this database to analyse aspiration and ability using the following process:

- All metrics used in the analyses of aspiration and ability were calibrated globally and across industry sectors.
- Our assessments are subject to statistical checks by language and geography prior to their deployment to ensure that they function equivalently and provide the same quality of information irrespective of the language and geography in which they are deployed. For this report, additional checks were conducted to ensure that metrics used were not subject to biases favouring any particular country.
- Only data that could be assigned directly to a client project were employed to ensure they represented a true assessment deployed in the recruitment, development or succession of staff.

**Demographics for data used in the analysis of motivation and behavioural factors in career success:**

- Gender: Male 63.4%, Female 36.6%
- Age: 78.2% between 25 and 49 years of age, with age ranging up to 65 and modal age between 30 and 34 years of age.
- Education: 73.5% were graduates
- Job level: 39.1% were executives or senior managers, 24.5% middle managers, and 36.4% employees or supervisors/team leaders.
- Geography: 11.2% Asia, 6.5% Australia & New Zealand, 69.1% Europe, 6.0% Middle East & Africa, 6.1% North America and 1.2% South America

**Demographics for data used in the analysis of ability (leadership potential) for young professionals (10 years or less work experience)**

- Gender: Male 58.6%, Female 41.4%
- Age: 88.6% between 21 and 34 years of age, with modal age between 25 and 29 years of age.
- Education: 77.1% were graduates
- Geography: 18.4% Asia, 9.2% Australia & New Zealand, 59.9% Europe, 5.9% Middle East & Africa, 4.5% North America and 2.0% South America

**Analytical methods used**

- Aspiration. For the analysis of the relationship between motivation, behaviours and career success, the sample was split into late career employees (15 years or more work experience) and early to mid-career employees (less than 15 years of work experience). The late career subsample was used to identify which motivational factors and which UCF behaviours predicted the achievement of an executive position. These analyses were based on correlation and odds ratios analyses. The models developed from this sample were then fitted to the early to mid-career subsample to evaluate whether the models generalised to earlier career achievement. The results showed that the model of the six motivational factors and two behaviours does generalise to earlier career achievement.
- Ability. The prediction of future effectiveness in more senior roles using the Corporate Leadership Model draws on the analysis reported by Bartram in the Journal of Applied Psychology. Using meta-analysis, Bartram's analysis showed consistent predictions of managerial and leadership behaviours drawing on personality and cognitive ability assessment data framed using the UCF (i.e. personality and cognitive ability data were organised into predictive composites using the UCF to specify those composites that were then validated against corresponding behavioural criteria). This analysis drew on 29 studies and sample sizes ranging from 3,280 to 3,971, yielding sample weighted average criterion validities ranging from 0.18 to 0.44 and a median validity of 0.28. All sample-weighted validities exceeded the 10% lower credibility limit widely used to evaluate meta-analysis findings and generalizability of findings across roles and organisations. Details of this analysis can be found in Bartram, D. (2005). The Great Eight Competencies: A Criterion-Centric Approach to Validation. Journal of Applied Psychology, 90, 1185-1203.



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