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RESPONSE

The Potential for Potential

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Abstract

It is very encouraging to see the stimulating commentaries in response to our article on identifying potential. These essays and the numerous recent published articles and conference presentations on potential reflect the widespread interest, as well as the challenges, of managing high-potential individuals in organizations. Based on our experience, and apparently also on the experience of commentary authors, many organizations and consulting firms are giving significant attention to this component of strategy-driven talent management (see also Oliver, Church, Lewis, & Desrosiers, 2009; Silzer & Church, in press; Silzer & Dowell, in press). Based on their insightful comments, it is clear that many of the commentary authors have been thinking about and working in the area of potential for a while.

In general, the commentaries seem to support our analysis and our integrated model of potential. Almost all of the commentaries are discussions about ways to refine and extend the identification of potential, suggesting additional issues, directions, and considerations to pursue. We are hopeful that our article and these commentaries will foster continued discussion and a greater understanding of high-potential individuals. We think that industrial and organizational psychology can make a major contribution to these efforts.

Our comments here are organized around four themes that emerged from the commentaries:

1. Definitions and factors of potential
2. Key influences on potential
3. Identification of potential
4. Implications of being identified

Definitions and Factors of Potential

As we pointed out in the focal article, the definition of potential is still being discussed, and there are many different views and various definitions. None of the commentaries took issue with the components that we included in our integrated model of potential. However, Dalal and Nolan (2009) would like to expand the components to include ''dark side personality traits.'' We agree that there are a number of behaviors that could potentially derail an individual's long term career progress; however, we feel that these are broader than just personality based derailers. Based on our many years of experience working with managers and executives at all levels across many organizations, we have seen the negative

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consequences of many different types of behaviors. Further, we think that these derailers naturally fall under the existing dimension structure that we have proposed. They could be a personality dysfunction (such as over aggressiveness or insensitivity to others, under a foundation dimension) or a motivational dysfunction (such as a lack of energy or willingness to work hard, under growth dimensions). Arguably, behavioral dysfunctions might occur under any of the dimensions in our integrated model. Each of the seven dimensions (actually, categories of dimensions) has possible negative or ineffective behaviors that could be assessed. This is a typical component of any professional assessment process (see Jeanneret & Silzer, 1998). Organizational assessments of potential also frequently identify ineffective behaviors and how well the individual fits the organizational culture and norms. Professional assessors almost always evaluate a person's strengths as well as weaknesses and potential career derailers. Although we agree that looking for behavioral trends that could derail an individual later in her career is important from an assessment perspective, we do not see a need for adding this as an additional dimension to our model because we think it is already included in the dimensions outlined. We also think that derailers may be somewhat situation specific, depending on the organizational culture and norms. What may be tolerated, and even encouraged in some cultures, may be derailers in others (consider a Wall Street financial firm's encouragement of aggressive competitive behavior and how that might be seen as derailer behavior in other organizations). We would also argue that identifying and developing potential is clearly related to personal growth and development. In some cases, individuals who might show ineffective or even dysfunctional behavior early in their career may also have good potential to learn more effective behaviors and grow significantly in the future. Their early career behavior may be the result of a number of bad experiences, ineffective training, or poor role models. It is not uncommon for some of these individuals to significantly change their behavior given the right developmental opportunities.

Taking a somewhat different perspective, Graen (2009) in his commentary argues for a performance sampling approach to assess ''readiness'' and suggests that this can avoid the harmful downsides of focusing on potential. We agree that at various stages along a career path it can be very helpful to put an individual in specific developmental experiences (such as a global assignment, a business turn around, or maybe working for a demanding manager) and evaluate how well they performed and learned critical behaviors and skills. Organizations do this all the time, and in fact, some base their developmental agenda on the premise of learning from experiences (e.g., Church & Waclawski, in press). Interestingly enough, despite denouncing a focus on potential as harmful, Graen does in fact use ''trait instruments'' early in his process. In fact the best predictors of long-term career success found in his study look suspiciously like the dimensions in our model of potential (e.g., cognitive skills, interpersonal skills, adaptability, and learning leadership skills and motivation). We are hesitant to endorse specifically building ''extreme stress'' into these assignments as Graen suggests, however, because they usually are sufficiently challenging on their own, and we believe in encouraging not discouraging learning. But we agree that evaluating how well an individual can handle progressively more challenging assignments can provide useful insights into how well they might later handle the critical functions in more senior management roles. We would advocate for clearly identifying the lessons to be learned in each assignment (''test'') and the structured evaluation measures to be used.

Key Influences on Potential

Organizational cultures are complex and there are a wide range of person and situation variables that influence decisions and behavior. Our article has only focused on

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the key person-specific variables that can affect an individual's potential. We agree with Dominick and Gabriel (2009) and Heslin (2009) that other influences in the environment might also have some impact on who gets identified as a high potential. We agree that situational and contextual variables (such as the interpersonal dynamics between individuals and groups) are important considerations and have been undervalued in our field. Certainly, the work culture and others inside and outside of the organization can have some bearing on how potential is perceived and developed.

It is evident to us that the immediate manager's skills and perceptions can noticeably influence who is identified as high potential and how they are developed. Both of us have seen senior managers imposing their personal, and often limiting, view of potential on others. Many corporations are working diligently to introduce standardized high-potential definitions as well as identification and assessment processes in order to reduce the negative consequences of these personal biases on others. We know that the human errors can be reduced with more structured approaches. That is why talent review meetings and calibration sessions have been effective in helping to reduce these individual biases. We agree that it would be useful to better understand these situational influences and how they affect organizational decisions.

We understand the key role played by the immediate manager in both identifying and developing potential. Certainly, we have seen noticeable differences in managers who have fixed versus growth mindsets (Heslin, 2009). Organizations that value growth and development often have ways of distinguishing these managers and purposefully try to place high potential individuals under individuals with growth mindsets. It is often evident in talent discussions and calibration meetings which managers have growth versus fixed mindsets. In addition, human resource professionals are often perceptive enough to distinguish them and select out the growth mindset managers to serve as mentors, coaches, and developers of high potentials. This is a useful construct in organizations. It should be mentioned, however, that as corporations establish personal growth cultures, with an emphasis on development, the days of fixed mindset managers may be numbered.

One concern we have is that organizations should not overstructure the talent development process in an attempt to entirely eliminate management judgment. We think there is a positive role for individual judgment and a responsibility for managers to improve their perceptual and assessment accuracy. They may see behaviors that give them special insight into a person's potential. The identification and assessment process should allow for management judgment (along with peer and HR input as well) within a standardized framework. Ultimately, we would like to develop the perceptual and assessment skills of all managers so they have a talent mindset (Silzer & Dowell, in press) or talent stewardship (Avedon & Scholes, in press) and make valid and useful judgments. In fact, some organizations are putting resources into building the capability of their leadership population in this specific area of talent assessment.

Dominick and Gabriel (2009) make the point that self-awareness in managers might reduce their perceptual biases. Although we agree that self-awareness is a very important factor related to many aspects of managerial performance, our experience when it comes to reducing biases is that self-awareness is only the first step in that direction. Clearly managers who lack self-awareness are often oblivious to the individual differences in others. But even self-aware managers often need to develop a better understanding of individual differences *in others* and learn how to observe and interpret those behaviors. It does remind us, however, that the high-potential candidates themselves can lack self-awareness and can inhibit their own career aspirations and advancement as a result. This is why many high potential leadership developmental programs have a self-awareness feedback-driven component to them (e.g., Oliver et al., 2009).

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The Identification of Potential

A number of the commentaries raised different issues related to the identification of potential and the associated tools and processes that support decisions on potential. We would like to address a few of these.

Dominick and Gabriel (2009), for example, suggest a broader perspective on identification and propose a fluid and dynamic construct that is based as much on social system factors as on individual differences in skills and capabilities. This orientation is very similar in many ways to an organization development (OD) philosophy, particularly in relation to the OD value of encouraging an environment of human growth and development. Yost and Chang (2009) have a similar view of development but their argument is grounded more in being prepared for strategic talent shifts. Rather than identifying those with the most talent, Dominick and Gabriel would suggest focusing more on the interaction between the talent being assessed and the talent assessor, and working to develop the level of talent across all employees more broadly. This is indeed a laudable goal and we fully acknowledge the important role that a learning culture can play in shaping human potential. We also agree with Dominick and Gabriel that managers (as well as other leaders in the organization, particularly at higher levels in the formal hierarchy) can have a significant influence in determining the ''level of potential'' that someone is perceived to have. Having a breakfast meeting with the CEO can, in some cases, either make or break a person's career with just a short exchange. In addition, managers often have their own mental models of what a high potential looks like, and these are seldom the same across managers, which is why talent calibration meetings are such an important part of most successful talent management programs (although there is always room for improvement in these meetings as both Henson (2009) and Mone, Acritani, and Eisinger (2009) note). Future research in this area might be directed at identifying the specific competencies that are needed to be an effective assessor of talent. Graen's comments reflect the importance of the assessment process as well and what is truly being assessed.

Also regarding identification, Henson notes the importance of classifying talent into multiple talent pools and not just assessing individual potential. We couldn't agree more. This goes back to the fundamental question we raised at the beginning of our focal article: ''Potential for what?'' The pools he mentions are all very useful ones and commonly used in practice (e.g., general manager talent pool, functional pool, and early talent pool) along with others we have seen, such as diverse talent pools and knowledge-worker pools similar to his ''critical skills'' pool. These are often tied to career stage and/or level in the organizational hierarchy. In the end, however, the use of pools is less about the identification of inherent potential and more about the classification and placement of that talent into key roles or experiences.

Yost and Chang (2009) approach this issue a little differently by introducing their idea of potential as place and process. They suggest that by using these two dimensions you can essentially develop potential against a host of possible roles and job configurations in an organization, and that organizations should no longer be focused on creating the haves and the have nots but a more fluid developmentally focused workplace. Although we agree in concept, and appreciate Yost and Chang's reminder to the field that everyone may indeed have ''potential,'' from a pragmatic perspective, organizations do need some method of differentiating talent in order to make selection, promotion, and development investment decisions for the good of the business and its stakeholders (whether financial or otherwise). It is a difficult line to walk, however, and if industrial–organizational (I–O) psychologists are not at the table helping to define the constructs, then others with arguably less relevant backgrounds and training will make those decisions for us.

Another theme concerning the identification of potential was the degree to

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which managers often confuse performance with potential. Both Mone et al. (2009) and Robinson, Fetters, Riester, and Bracco (2009) raise this concern. We agree that it represents and remains one of the biggest issues in talent management and high-potential identification. Although the use of the nine-box model (performance–potential matrix) requires a sustained effort to separate these two dimensions conceptually for managers. In practice it is difficult not to see a poorly performing leader as having less potential than his/her high performing peer during a talent review meeting. Mone et al. suggest that practitioners take a multi year view of performance (vs. just focusing on the current year) to help ameliorate this confusion, and we think this is good advice. Either using a 3-year performance history or perhaps some sort of blend of performance scores over time is less likely to be affected by a single year's performance. Robinson et al. take a slightly different approach to solving this problem by acknowledging the relationship between performance and potential, stating ''job performance is best thought of as a necessary but insufficient indicator of potential.'' From their perspective, current performance is an actual decision point in the potential assessment process as part of their *potential pyramid*. Their emphasis is on observable behaviors to help guide talent discussions. We think this is an interesting attempt to solve the issue, and we recognize that performance and potential are interdependent to some degree. Their approach, however, does by implication deselect individuals who may be struggling in their current role from the high-potential pool, which takes us back to the original issue.

The last issue raised regarding identification comes from Graen (2009) who offers an alternative to the concept of potential, instead suggesting that the determination of readiness via functional assessments is a better model than trying to fully define and conceptualize potential. Although his description of the tournament model is interesting, and likely does reflect some degree of potential being perceived on the part of managers in the speed to promotion of their people relative to a given cohort, this does not assist managers or other leaders in making talent decisions based on the potential of their employees at a point in time. Promotions occur for a host of reasons, performance likely being only one of them. This would essentially co-mingle performance and potential again unless some criteria can be applied consistently. Moreover, this approach probably reinforces a more competitive environment and might result in managers being promoted too soon (which does happen with some high-potential employees). That said, we support his suggestion of introducing evaluations for managerial leadership competence at earlier stages in people's careers. As noted earlier, many well-developed high-potential programs in organizations have special assignments, real-time action learning projects, and so forth that include some of the elements he is recommending. Interestingly, however, in our experience these are not usually used for the identification of potential but rather as developmental experiences (although outright failure can result in someone being deselected from a high potential list).

Implications of Being Identified

As noted above, both Dominick and Gabriel (2009) and Yost and Chang (2009) raised the concern of focusing on the potential of a few versus the development of the many. Although we have already addressed the first part of the issue, we thought it was important to discuss the implications of not being labeled as a high potential (but rather as a ''have not''). Whether or not an organization's policy is to share talent call information or not, we agree with Dominick and Gabriel that the message still gets out about your perceived level of potential. Typically, that involves access to special assignments, more time with senior leadership, exposure to special training programs, and so forth, all of which are signs that one has been identified as a high potential. As a result, however, those employees who do not get these cues

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will tend to determine their own standing with the organization. Henson (2009) does not think that the nonselected employees are likely to disengage or leave the organization, particularly when such decisions are understood to be very fluid from year to year. However, both Dominick and Gabriel, and Heslin (2009) warn against learned helplessness and other related issues from a high-potential identification process. Considering that the vast majority of employees (e.g., 70–80%) are not likely to be high potentials, this represents a potentially significant concern. This is one of those areas where future research could make a real contribution to our knowledge in the field. It may well be, for example, that there is a certain profile of employees who feel negatively effected if they do not perceive themselves to be high potential (e.g., perhaps they have the cognitive skills and ambition but have a recent performance failure).

Another implication of identifying potential that is important to mention, although it is not central to the definition of potential itself, is the issue of the ownership and accountability of that talent. As Henson (2009) highlights, it is critical not just to identify potential but to ensure that appropriate career and development actions are being taken with that talent over time. Although he stated that he disagrees with us regarding talent ownership, we think we are much closer to him in our thinking than not. For example, we agree that leaders and managers own the talent whereas HR typically owns the process. Regardless of the semantics here, we think it is important that managers have formal goals as part of their performance management process that reinforces talent development related actions. In addition, as Henson notes, the only way organizations are going to be effective in moving talent globally is to have a shared ownership across the enterprise at a certain level of the hierarchy (vs. having them owned in organizational silos).

This is why identifying and implementing the right talent management metrics for leaders is such a challenging task in organizations (Church & Waclawski, in press) and one of the areas in need of further development for the field. For example, metrics regarding the sheer movement of talent across national borders alone might not drive movement of the highest potentials but instead those who are the easiest or least costly to move. Organizations that get the talent metrics right will develop the strongest leadership pipelines.

Conclusion

In closing we are largely in agreement with the commentary authors' suggestions and recommendations. There is a good deal of organizational interest, energy, and resources being directed at identifying and developing high potential talent. We hope that our integrated model of potential will advance the thinking around potential and provide a stepping stone for I–O psychologists to become the leading edge thinkers and experts on organizational talent. We think they have the potential for it.

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