

execonline

# Unlocking High Potential

A Guide to Retaining & Developing  
Your Future Leaders



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“ExecOnline’s solution helped us meet the exact goals we set to achieve. Most of the high-potential employees who completed the program have also been put into a succession plan, so we know where they can go next.”

—Jonathan Starling, vice president of talent development and DEI at IAS

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# Introduction

**In today's highly competitive talent market, organizations must think differently to stay competitive.**

A 2023 ManpowerGroup survey revealed that 77% of employers reported difficulty finding the skilled talent needed to compete, stemming from a 17-year high shortage in the global talent market.

As a result, many organizations have critical capability gaps at every level of leadership, threatening their ability to meet the business challenges of today and prepare for the challenges of tomorrow.

Now imagine a bench of future leaders filled with innovative spirit, resilient in the face of challenges, guided by a shared culture, and possessing a vision for your organization's success. Picture your organization staffed with employees who not only excel in their current roles but also have the potential to lead your organization's future success.

This guide serves as your roadmap to identifying, engaging, and developing your high-potential employees into future-ready leaders. We'll delve into the characteristics that define high-potential employees and unveil a comprehensive framework to foster their growth and potential. By building a robust leadership pipeline, you'll empower your future stars and ensure your organization remains competitive.

Are you ready to unlock the untapped potential within your team and build your leadership pipeline? Let's get started.

**77%**

**of employers reported difficulty finding the skilled talent needed to compete**

ManpowerGroup, 2023

## CHAPTER 1

# What is a High-Potential Employee?

High performers are the backbone of your organization's current success, delivering strong results today.

High-potential employees (HiPos) demonstrate the initiative and skills required to take on leadership roles in the future.

While high-performing employees are incredibly valuable to your organization, not all high-performers have a high potential to step into a leadership role. Some employees excel as individual contributors, but do not thrive in positions of management. Often, high-performers are promoted into management roles based on their productivity and performance, without enough consideration paid to their potential for leadership.

Reliably identifying high-potential employees is crucial to building your leadership pipeline from within. However, it's about more than finding individuals with good performance reviews.

## High-potential talent exhibits specific characteristics and behaviors that set them apart:

### **Ambitious & driven**

HiPos demonstrate a strong desire for professional growth with the initiative to take on new challenges and responsibilities. They are focused on delivering impactful results and, as a result, tend to exceed expectations.

### **Curious & open-minded**

Not beholden to old ways of doing things, HiPos are committed to lifelong learning, actively seeking out new ideas, approaches, skills, and subjects.

### **Decisive & action-oriented**

Indecision can be the enemy of progress, but HiPos are able to cut through the noise and take calculated risks to keep projects moving, deadlines met, and the team focused on achieving goals.

### **Inherent leadership instincts**

HiPos motivate and inspire others with their vision, enthusiasm, and commitment, drawing in people from all backgrounds for successful collaboration while fostering a sense of belonging.

### **Effective communication & collaborations**

HiPos rely on their emotional intelligence to effectively articulate their ideas clearly and persuasively, fostering positive interactions to build long-term trust.

### **Resilient & adaptable**

HiPos bounce back quickly from setbacks and challenges, maintaining a positive attitude and perseverance even in difficult situations, allowing them to thrive in dynamic environments

## Methods to identify HiPos

### Discovering your future leaders isn't a one-size-fits-all endeavor.

Your selection criteria may include factors such as job performance, peer relationships, ability to learn and apply new skills and technologies, alongside their emotional intelligence.

Implementing a combination of methods will help paint a comprehensive picture of employees with untapped potential for a fuller picture of their abilities, attitudes, and areas for professional growth. Here are some effective approaches to consider.



### Review their performance:

**Traditional performance reviews:** While not foolproof, performance reviews of employees by their managers offer valuable insights into past performance, goal achievement, and work ethic. Look for individuals who consistently exceed expectations, demonstrate initiative, and possess a strong desire for growth.

**Standardized assessments:** Personality, aptitude, and leadership assessments can provide objective data on an individual's strengths, weaknesses, and potential for development. Choose assessments validated for an employee's specific organizational function and industry.

## **Assign projects and stretch opportunities**

Assign challenging projects beyond employees' current roles to assess their problem-solving skills, decision-making abilities, and ability to lead and collaborate effectively under pressure.

## **Conduct 360-degree feedback**

Create a means to encourage open, constructive feedback from peers and managers on an individual's leadership potential, communication skills, and ability to motivate others.

## **Behavior observations & informal interactions**

Observe their interactions with colleagues and clients: Look for individuals who naturally take initiative, build rapport, and demonstrate empathy and effective communication skills.

Engage in informal conversations: Talk to promising individuals about their career aspirations, learning goals, and their vision for the future. This can reveal their ambition, strategic thinking, and values alignment.

### **REMEMBER**

**Finding future leaders is an ongoing journey with no single method guaranteeing success. Regularly evaluate and refine your methods based on what works best for your organization and industry.**

**Don't let hidden biases or limited access hinder the discovery of talent! Actively seek out potential across all demographics and backgrounds, providing equitable opportunities for everyone to showcase their capabilities and contribute to your organization's future.**

CHAPTER 2

# Developing HiPos into Future Leaders

**Don't leave potential untapped; simply identifying future leaders isn't enough.**

To truly unlock the value of your high-potential employees, you must nurture and invest in their development to cultivate the skills, knowledge, and leadership required to build a sustainable leadership pipeline.

## What is HiPo development?

HiPo development is more than just skills training. HiPo development programs help identified employees unlock their full potential, ultimately strengthening your leadership pipeline and ensuring its readiness for what's ahead.

Leadership development is not a new idea, but with the tightening of the talent market (unemployment is at historic lows) the cost and risk of "buying" talent from the outside is unfavorable compared to the benefits of "building" leaders with desirable skills from within.



## Benefits of a HiPo program

From bolstering employee engagement and retention to fueling innovation and driving bottom-line results, the rewards of a well-structured HiPo program are many and long-lasting. Let's explore the powerful benefits you can expect to reap by cultivating your future leaders.

### **Strengthen your successor bench**

Formal HiPo programs play a critical role in ensuring your organization's long-term stability and success. By identifying and cultivating high-potential talent, you bolster your succession plan for key leadership roles. This mitigates disruptions caused by senior departures and fosters a smooth transition, guaranteeing continuity and momentum.

### **Improve organizational performance**

Unlock the homegrown advantage by tailoring your HiPo program to align with your organizational goals, values, and culture. Unlike external hires, your HiPos carry the institutional knowledge of your unique history, identity, market, and intellectual property, fostering a deep understanding of your business that delivers real impact and results.

### **Save money**

High-potential employees are an investment in your future, and costly to replace. Recruiting and onboarding top talent can cost 4x more than developing your existing workforce. By investing in high-impact learning and coaching, you equip HiPos with the critical leadership skills they need, building a robust pipeline at a fraction of the cost. This strategic investment delivers a sustainable leadership foundation that saves money and outperforms expensive talent acquisition in the long run.

### **Increase employee loyalty & retention**

Investing in employees' growth fosters a sense of value and commitment throughout the organization. Studies have shown that organizations with robust HiPo programs experience higher employee engagement, improved retention, and enhanced bottom-line results.

### **Strengthen employer branding**

Investing in your people's potential builds your reputation as an organization that invests in employee professional growth, making you even more attractive to highly-prized talent.



## Avoiding pitfalls that lead HiPo programs to fail

### Unclear goals & objectives

A lack of defined success metrics and a blurry vision of "leader-ready" can leave programs directionless. Ensure your program aligns with organizational goals and individual aspirations. Set measurable goals that track success and ROI required to secure the funding for continued development.

### Inadequate buy-in & resources

Secure buy-in from executives and managers of HiPo employees, who can participate in program design and provide motivation. This holistic approach ensures HiPos have the tools, time, and organizational support to translate learning into impact.

### One-size-fits-all approach

Tailor your program to boost individual strengths, close skill gaps, and support development goals. Consider different learning styles and busy schedules. Implement microlearning opportunities like bite-sized video modules that HiPos can easily integrate into their workday. Meanwhile, one-on-one guidance can provide the individual coaching, feedback, and support that HiPos crave.

### Fragmented learning journeys & support

Isolated trainings are easily forgotten. Create a structured learning journey with interconnected courses, workshops, coaching, and projects that incrementally build critical skills. Provide channels for communication and support at every step of the journey.

### Irrelevant to their jobs

Learning disconnected from reality is a wasted opportunity. Make sure your HiPo program equips them for the challenges they'll actually face. Incorporate learning into the HiPos' daily workflow where they identify projects on their to-do lists to immediately apply their learnings.



## CHAPTER 3

# Building a winning HiPo program

## From concept to execution: the 8 steps to an effective HiPo program

Developing your HiPo talent is an ongoing journey, not a one-time event. The following eight steps will help you build a robust framework to identify and develop your top talent, ensuring they are prepared to tackle the challenges of tomorrow's leadership landscape. From defining objectives to providing ongoing support, each step plays a crucial role in nurturing talent and cultivating future leaders within your organization.

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## Promotion rate

The primary aim of the HiPo program may be to cultivate a pipeline of talent capable of assuming higher-level roles within the organization. By setting a target promotion rate, such as a percentage of participants promoted within a designated period, you can gauge the program's effectiveness in preparing individuals for advancement and driving organizational growth.

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## Retention rate

Another important goal is to foster employee loyalty and retain top talent. By tracking the retention rate of employees who participant in leadership development compared to those who don't, you can assess the program's impact on talent retention. A higher retention rate among HiPos indicates that the program effectively engages and satisfies top performers, reducing turnover costs and ensuring continuity in leadership.

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## Performance ratings

Assess changes in performance ratings for HiPo participants before and after participating in the program. Positive shifts in performance scores signify the program's efficacy in enhancing skills, capabilities, and contributions to organizational success.

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## ROI

Calculate the return on investment (ROI) of the HiPo program by comparing the program's benefits (e.g., increased productivity, reduced turnover costs) to the costs incurred (e.g., training expenses, staff time).



01

## Define program goals

Clear goals aligned with KPIs are crucial to establishing a framework for guiding development, implementation, and evaluating the success and impact of your program. By focusing on measurable objectives, you'll create valuable insights that reveal ways to improve your program over time. Here are some specific KPIs to consider.

# 02

## Secure buy-in & resources early

It's critical to the long-term success and program sustainability to seek support and commitment of key stakeholders early.

### Engage senior leadership early

To ensure program buy-in, involve both senior leaders and HiPo managers in discussions about the program's purpose, objectives, and expected outcomes. Clearly articulate how it aligns with the organization's strategic goals and long-term vision for talent development and succession planning. Highlight the benefits of investing in high-potential employees, such as driving innovation, strengthening your leadership bench, and maintaining a competitive edge.

### Make a strong business case

Present a compelling business case that outlines the rationale for implementing the HiPo program. Provide insights, industry benchmarks, and success stories from other organizations to demonstrate the potential return on investment (ROI) and competitive advantages of developing future leaders internally. Emphasize the long-term benefits of talent retention, succession planning, and organizational growth that result from investing in HiPos.

### Align program to organizational priorities

Ensure that the HiPo program is closely aligned with the organization's strategic priorities and talent management initiatives. Highlight how the program addresses specific talent gaps, fosters diversity and inclusion, and supports succession planning efforts. By demonstrating how the program contributes to achieving broader organizational objectives, you can gain buy-in from stakeholders who are invested in the organization's success.

### Secure necessary resources

Clearly outline the resource requirements for program development, participant support, coaching, technology platforms, and evaluation tools. Emphasize the importance of investing in the program's infrastructure and ongoing support to ensure its long-term success and impact.

# 03

## Choose your approach: DIY or trusted partner?

Decide whether to develop the program in-house or collaborate with external partners. Assess your organization's capabilities and resources against the expertise and support offered by external vendors. Choose the option that best aligns with your goals, budget, and timeline.

**Here are key factors to weigh as you make this choice.**

### Experience

External vendors often bring a wealth of experience and expertise in designing and implementing HiPo programs across various industries and organizational contexts. Their exposure to diverse challenges and best practices can offer valuable insights and innovative solutions that may not be readily available internally.

### Variety of offerings

Competitive vendors will offer a variety of learning experiences and formats that give you greater flexibility when building your program. A mix of self-paced programs allow HiPos to fit learning into busy schedules, while live programs offer a more immersive experience. Coaching can be offered on a 1:1 basis to develop individual leaders, or in groups to develop target capabilities in a cohort of leaders. Additional resources, such as projects and discussion groups, and expert feedback on project assignments that help leaders immediately apply their learning to their role, set vendors apart.

### Industry knowledge

A reputable vendor will possess deep industry knowledge and insights into talent management trends, leadership development practices, and emerging challenges within your sector. This industry-specific insight allows them to customize your HiPo program to ensure your leaders have the up-to-the-moment capabilities needed to keep your organization competitive.

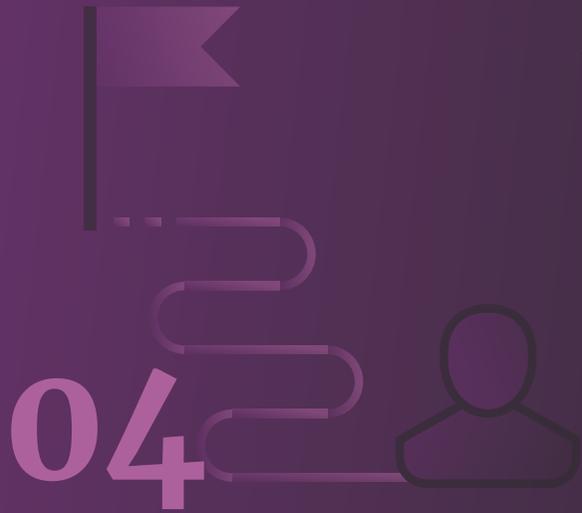
### Customer support

A vendor should make your job of designing, managing, and measuring the impact of your HiPo program easier. Many vendors offer a digital platform through which you can manage your program –assign courses, invite participants, track their progress, measure outcomes, and more—all by yourself. Others offer an added layer of consultancy to help you design and continuously optimize your program to help you hit your goals.

### Cost-effectiveness

While partnering with a vendor entails an initial investment, it can ultimately be a cost-effective solution compared to the resources and expertise required to design, manage, and optimize your program internally. Vendors operate at scale, leveraging economies of scope and efficiency to deliver high-quality solutions within budget constraints and timeframes, while also minimizing the burden on internal resources.

**By evaluating these criteria and assessing the potential benefits and trade-offs of each, you can make an informed decision that sets the stage for a HiPo program that meets your organization's unique needs and objectives.**



04

## Design tailored developmental roadmaps

Design customized learning journeys tailored to the goals and skill requirements of your organizational priorities while also aligning to personal career goals of your HiPo participants.

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Incorporate a mix of formal training, experiential learning, and coaching opportunities. Ensure that the program offers a balance between personal development and organizational needs. You may find that different geographies, leadership levels, departments, or functions require slight modifications to the programming.



05

## Establish criteria for identifying HiPos

Building upon the methods discussed in Chapter 1, you must establish clear criteria and frameworks for identifying HiPo employees within your organization.

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Drawing from insights shared earlier, define your own parameters such as performance metrics, leadership potential, agility, and skill proficiency to pinpoint individuals who demonstrate the highest potential for growth and future leadership roles. By leveraging established methodologies and best practices, you can create a robust framework that aligns with your organizational goals and ensures a fair and systematic approach to identifying emerging talent.

# 06

## Roll out your HiPo program

Launching a HiPo program is not merely about creating the structure and content; it's about actively engaging participants from the outset. Successful implementation requires a strategic communication strategy to ensure active participation and commitment. Here's why communication is key.

### Create excitement

Communicate the unique features, learning opportunities, and developmental benefits of the HiPo program to generate interest and curiosity among potential participants. Highlight success stories, testimonials, and endorsements from senior leaders or alumni to showcase the program's impact and importance.

### Set expectations

Set clear expectations about the HiPo program's objectives, requirements, and benefits. By articulating the value proposition and potential outcomes, you can generate excitement and buy-in among participants, motivating them to actively engage in the program.

### Facilitate access

Make it easy for participants to access program resources, materials, and support systems through user-friendly platforms and communication channels. Provide clear instructions, FAQs, and technical assistance to address any barriers or concerns that may hinder engagement.

### Build community

Foster a sense of belonging and community among HiPo participants through communication channels, peer networking opportunities, and collaborative learning forums. Encourage sharing of insights, experiences, and best practices to facilitate knowledge exchange and mutual support.

# 07



## Program tracking & iterative enhancement

It's critical to the long-term success and program sustainability to seek support and commitment of key stakeholders early. You can do this by:

Regularly track the KPIs you defined at the onset of the program to evaluate the effectiveness of your HiPo program. Establish channels for ongoing feedback and communication to solicit input, address questions, and gather suggestions for improvement. Create a culture of open dialogue and transparency that empowers participants to voice their opinions and contribute to the program's continuous evolution. Continuously iterate and refine the program based on insights gathered to drive better outcomes and stronger organizational commitment.

# 08



## Provide ongoing support & development

Your HiPo program is a long-term investment in building a resilient leadership pipeline.

Participants should continue to be supported and coached as they rise in your organization. Offer meaningful coaching relationships with regular feedback and check-ins to support the development of HiPo participants. Assign dedicated coaches to provide guidance, challenge assumptions, and facilitate growth. Encourage regular reflection and goal-setting to foster continuous improvement.

# How to de-risk your HiPo Program

Having laid the groundwork for your HiPo program, it's essential to consider how to safeguard your investment and mitigate potential risks. While the prospect of launching such an initiative may seem daunting, there are proactive measures you can take to ensure its success. As we delve deeper into the intricacies of HiPo strategy, let's explore how to effectively de-risk your program while maximizing its potential impact. By addressing challenges head-on and implementing strategic solutions, you can navigate potential obstacles with confidence and set your HiPo program on a path to sustainable success.

## RISK

## MITIGATION

### **Cost and resource investment**

Developing HiPo programs requires a significant investment in resources, including personnel, training materials, and external providers.

Conduct a rigorous cost-benefit analysis showcasing the program's ROI potential. Advocate for funding from stakeholders and explore cost-effective development avenues such as blended learning and internal mentorship programs.

### **Time commitment for both HiPos and organizations**

Participation in development activities can take time away from regular job duties for both HiPos and their supervisors.

Offer flexible learning options that incorporate real-world projects, schedule dedicated development time, and incentivize participation through career advancement opportunities.

### **Potential for poaching by other organizations**

Developed HiPos may be attractive to competitors, leading to talent loss.

Demonstrate your long-term commitment to their growth and career goals. Doing this creates a culture where employees want to work.



## RISK

## MITIGATION

### Difficulty measuring program effectiveness

Quantifying the impact of development programs on leadership potential can be challenging.

Establish clear development goals and metrics, track progress consistently, and utilize a mix of quantitative and qualitative data collection methods. When assessing vendors, prioritize those offering robust monitoring capabilities coupled with impact frameworks to ensure maximum value extraction.

### Potential for bias and inequality

Unconscious bias in selection or program design can exclude high-potential individuals from diverse backgrounds.

Implement inclusive selection processes, involve diverse leaders in program design, and provide equal access to development opportunities for all employees.

# Conclusion

In the dynamic landscape of talent management, cultivating high-potential employees is essential for organizations striving for sustained growth and success.

Throughout this guide, we've explored the intricacies of creating a HiPo program, from defining objectives and identifying high-potential talent to implementing strategic initiatives and mitigating risks. By following our comprehensive eight-step guide, you're now equipped with the knowledge and tools to establish a robust program to effectively identify, nurture, and develop future leaders within your organization.

However, the journey doesn't end here. As you embark on implementing your HiPo program, it's crucial to recognize the importance of continuous improvement and refinement. Our team at ExecOnline specializes in partnering with organizations like yours to design and deliver tailored HiPo programs that drive measurable results and foster leadership excellence. Whether you're seeking to refine your existing program or launch a new initiative, we're here to support you every step of the way.

Reach out to us today to discuss your organization's unique needs and discover how our proven HiPo offerings can accelerate your leadership development journey. Together, let's unlock the full potential of your talent and propel your organization toward a future of sustainable growth and innovation.

**Accelerate your HiPo program with ExecOnline's  
flexible leadership development solutions**



[Learn more](#)

# About ExecOnline

Through flexible learning and coaching solutions, ExecOnline empowers organizations to develop exceptional leaders at every level.

We partner with the world's top business schools, management experts, and coaches to create leadership development programs that drive impact.

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