HIGH POTENTIAL (HiPo) PROGRAM REALIZATION IN USA - CURRENT OBSTACLES TO SUCCESS

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ABSTRACT

Talent management research to date provides evidence that organizations willing to invest in robust High Potential (HiPo) programs realize impressive financial and workforce performance outcomes. Along a similar vein, numerous studies have demonstrated that exemplary talent management practices are associated with greater depth of succession plans across critical executive roles, substantially higher placement of internal candidates for open executive roles, and lower rates of executive derailment and turnover.

Notwithstanding these promising research results, organizations that develop strong HiPo programs often fail to cultivate the full range of leadership talent that exists across management levels and throughout the line staff. In short, HiPo programs designed according to the best practices—relevant adult learning theoretical basis, high potential leadership competency model, etc.—are still very much at risk for addressing challenges associated with organizational justice and managerial cognitive errors. The purpose of this paper is to address those challenges.

Keywords: Talent management - High potential programs - Management thinking errors - Rater bias – Organizational justice

HIGH POTENTIAL PARTICIPANT DEFINED

Selected for the purpose of allocating leadership development opportunities and resources, high-potential employees are identified as having advancement potential at least two levels above their current role (Church & Silzer, 2014). The aim of their selection is to deepen bench strength in critical leadership roles for the organization. Seeking to identify and propel promising stars into the stratosphere of executive ranks, these programs selectively identify individuals to receive special treatment at company expense. Typically, they have come to the attention of management by having demonstrated capability (Spreitzer, McCall & Mahon, 1997) that, when addressed by appropriate developmental opportunities, could prepare them for senior leadership positions (Buckner, & Marberry, 2018; Church, Rotola, Ginther & Levine, 2015).

MANAGEMENT THINKING ERRORS

Savvy managers take advantage of evidence-based counsel offered by theorists regarding the care and management of employees, particularly those considered as high potential (HiPo). Less progressive organizations can inadvertently thwart HiPo ambitions and hence, see this elite population depart for other opportunities (Hamori, Koyuncu, Cao, & Graf, 2015) by tolerating common thinking errors among managers about talent management in general, and HiPo in particular.

The average size of the high potential pool across programs and industries is approximately 10% (Silzer & Dowell, 2010). As such, any critical analysis of the state of high potential approaches must scrutinize the likely consequences for the remaining 90% of the workforce. Inadvertently, organizations that diligently address the 10% identified as HiPo may simultaneously create a 90% majority composed of second-class citizens. For those with career ambition, the experience of being excluded from elite opportunities can lead them to suspect they may have been passed over for unfair reasons. Put differently, they could perceive themselves as victims of organizational justice violations.

In a typical talent management program, employees are sorted into HiPo vs. Non-HiPo populations. The former receives specialized developmental attention while the latter are excluded. Often developmental activities for HiPo's include unique access to executives, invitation only events, mentoring, job rotation assignments, educational opportunities with other HiPo participants, etc. Such activities provide HiPo's with a privileged network where they meet and join in with other high potential movers and shakers (Nebus, 2006; Wong & Boh, 2010). This strengthens their feelings of affirmation and specialness. The remaining 90% of the workforce who not included in the HiPo program, are left outside of the circle, wondering what they did wrong and how they might make entry. Their exclusion heightens possible perceptions of numerous violations of organizational justice—distributive, procedural, and interactional-relationship (Lacey & Groves, 2014).

Commonly run as an elite club, HiPo processes are reflective of the race, gender and socio-economic class of the people steering them (Fiegerman, 2017), usually white males. Busy managers predictably adopt their company's existing HiPo processes without much thought. Unless stewarded by well-informed Human Resource partners, typical HiPo processes have a significant unintended consequence: they inadvertently enable managers to avoid difficult organizational issues such as: self-serving behaviors (i.e. politics), rater bias, and organization justice for fairness. All of these can result in less than optimum organizational results

Management thinking errors about HiPo processes cause organization malfunctions that in turn can infringe on common notions of justice held by employees. For the purposes of this paper when observing an organization's general approach to talent management such as HiPo, these processes tend to be crisis driven and short term focused, lacking systematic far seeing processes (Groves, 2017). HR professionals find that busy managers push HiPo responsibilities onto them. while the HR professionals believe it should be a management-driven process supported, not led, by human resources function.

Further observation reveals three broad categories of management thinking errors, which range from ill-informed managers who accept general approach common to HiPo program management, to ways in which managers indulge in self-serving behaviors in service of their own careers, possibly at the expense of the organization at large, to implicit person bias that impacts participant selection. Such myopic views can cause organization malfunctions that can harm both employees and companies alike.

1. General approach to Hi Po programs

   Typically, managers rely on the human resources function to oversee and run talent management programs (Zhang & Rajagopalan, 2010). They appreciate the importance of learning and development, but believe their employees are strapped for time if performance targets are going to be reached; they do not want to distract people away from their operational jobs (Luthans & Yosseph, 2004). Regularly managers think training and development can be done "just in time," as needed on the job. They are hopeful that the cream will rise to the top and formalized processes tend to be time-consuming and they want to safeguard their employees' ability to perform. When thinking about HiPo in particular, their gut tells them vacate spots can be easily filled in from the ranks down below (Schepker, Nyberg, Ulrich & Wright, 2018).

2. Self-serving behaviors

   Ambitious managers, complying with traditional company norms and bonus structures that reward individual performance, can lose sight of organization-focused decision making for the general good, and become wrapped up in behaviors that serve their own career, or unit's performance. Typically, these behaviors are labelled organizational politics and include, but are not limited to: talent hoarding, political gamesmanship, hidden agendas, and unilateral career decisions about someone else's career, offloading the deadweight of non-performing employees to peer managers, etc. These sub-optimized paths create feelings of scarcity within the offending managers, who focus on personal rewards rather than benefits to the organization at large, resulting in organization malfunctions.

3. Rater bias

   Possibly the most pernicious of all organization malfunctions in the area of managing human resources, is implicit person bias (Wattles, 2017), which permeates much of what managers do. Bias creates widespread influence on decisions and choices made by managers. Employee assessment for possible HiPo inclusion is an important management duty (Church & Rotolo, 2010). Scientists advise that everyone has bias—in spite of millions spent on training and company diversity initiatives. Even managers who have studied rater bias, and value fair evaluation, are subject to their own unconscious preference for that which is similar and familiar. As many as twenty-one biases have been identified (Revelian, 2017), all operating under a person's conscious awareness.

As yet, we have not discovered any tried and true safeguards to eliminate bias, but we have discovered that bias can be reduced by small margins--however, while some progress is being made, none of these small steps are particularly satisfactory. For instance, companies such as Google (Fiegerman, 2017; Wattles, 2017; Winegarner, 2017), Amazon (Hamilton, 2018) and Microsoft (Microsoft, 2016; Wired, 2020), have spent millions on diversity training trying to rebalance representation in management and HiPo ranks, with only scant success.

One step in the right direction is found in "Joint Evaluation" (Bohnet, van Geen, and Bazerman, 2016). Using discrete performance indicators, where two or more potential candidates are evaluated simultaneously side by side—not separately—shows promise as one method that may prove reliable toward the amelioration of unconscious bias. Individual managers or management teams can be the evaluators. The steps to conduct Joint Evaluation to determine someone's possible inclusion in a HiPo program are as follows:

a. Using a whiteboard or spreadsheet put the list of indicators for evaluation down the vertical Y axis, and then create a column for each candidate being evaluated along the horizontal X axis.
b. The first prospective candidate is evaluated as usual, according to pre-determined indicators. But importantly, once done, no decision whether to include or exclude them in the Hi Po program is made yet. After completing the spreadsheet column for Candidate A, start on Candidate B.
c. Complete the evaluation for Candidate B using the same metrics, showing them side by side on the spreadsheet to Candidate A.
d. Repeat for as many candidates as you wish to consider. Usually no more than six or seven.
e. Once the spreadsheet is completed for all candidates under consideration, analyze the spreadsheet for accuracy. Commonly, candidates will have received scores that need to be adjusted in the aggregate context of seeing several performers at the same time. For example, suddenly Candidate A, who was thought by rater/s to be a front runner for inclusion in the HiPo program, may be in third or fourth place as a result of this added level of analysis. Or this may happen to any of the candidates being considered. It is normal to see several shifts up or down in candidate ratings once people are evaluated at side by side.
f. The finalized spreadsheet can then be used for prioritizing candidates for acceptance in the HiPo program.

Joint evaluation results in increased perceptions of fair treatment, and positively impacts notions of organizational justice for both the evaluators and the prospective candidates. This helps to ameliorate the snarls of implicit person or rater bias driving selection when "like chooses like."

Accepted social norms of fair treatment, as promoted through corporate social responsibility initiatives for distributive, procedural, and interactional justice

(Baldwin, 2006), currently challenge common HiPo practices, and reveal uneven *distribution* of opportunity, limited participation without transparent *procedures*, and meager chances of *interacting* with mentor relationships. All these cause organization malfunctions and justice violations.

Comments made by managers are categorized below according to the three thinking errors addressed supra and their possible impacts on employee perceptions of organizational justice are found in Table 1. Learning to artfully manage the issues presented by thinking errors and organization justice will engender learning organizations and ambidexterity (Raisch & Birkinshaw, 2008; Rosing et al., 2011).

TABLE 1. MANAGEMENT COMMENTS REVEAL THINKING ERRORS

THREE CATEGORIES OF MANAGEMENT THINKING ERRORS	EMPLOYEE PERCEPTIONS OF JUSTICE VIOLATIONS
I. APPROACH to HiPo	
A. Hi Po is HR's responsibility *"HR can handle it – I just hope they don't go hog wild and eat up too much of my time"*	**A. Role confusion**: Management vs. OD/HR driven Hi Po program • *Interactional-relationship Justice*
B. Development is great but there is too little time *"No need to get his/her hopes up. I don't want to distract them from doing their current job"*	**B. Loss of momentum** – Feeble attempts at career/developmental discussions after talent pool review • *Interactional-relationship Justice*
C. Just in time thinking *"We can do it as needed; no problem*	**C. Crisis driven**: Tactical short term view of Hi Po employees • *Procedural Justice*
D. Management by gut, not data *"Why spend more time than is needed? A formalized process is time-consuming and we will probably ignore it anyway" "The cream rises to the top"*	**D. Ad hoc approach**: No systematic Hi Po processes • *Procedural Justice*
E. Only need Hi Po to create bench-strength for the top jobs *"We can easily fill in blank spots*	**E. Only C-suite jobs addressed**: others remain unidentified and underserved • *Distributive Justice*

from the ranks down below"	
II. SELF-SERVING FOCUS	
A. Myopic View *"For my unit to be successful I need to have the best people working for me"*	**A. Politics at play**: managers value self-serving vs. organization-serving evidenced by: • *Interactional-relationship Justice*
B. Safeguard possession of talent *"I'll keep the best for my unit"*	**C. Talent hoarding** • *Procedural Justice*
C. Safeguard revealing talent *"No need to broadcast my best performers"*	**D. Data guarding and omissions** • *Procedural Justice*
E. Safeguard my status *"Don't want my peers to give me any real competition"*	**D. Gamesmanship** • *Distributive Justice*
F. Safeguard staffing stability *"I keep people where I want them—I don't tell them if they aren't going anywhere, nor do I broadcast if they have other options*	**E.** Unilateral career decision making • *Interactional-relationship Justice*
III. RATER BIAS	
A. Exaggerated perception of own judgment *"I'm a good judge of potential performance—as the direct supervisor I should determine Hi Po eligibility"*	**A. Rater bias**: Managers tend to hire and promote people who resemble themselves • *Interactional-relationship justice* • *Procedural Justice*
B. People cannot be trusted *"The only way to prevent people from expecting too much, or from slacking off, is to keep our Hi Po program a secret"* *"If everybody knows about it, they'll be all over me trying to get in. I don't want to be pestered."*	**B. Solidify secrecy**: hidden processes protect managerial prerogatives, minimize emotional discomfort and maximize control • *Distributive Justice* • *Procedural Justice*

C. Hi Po is an honor and you must be selected by management to join
   "Hi Po is only for our best performers – too costly otherwise"
	C. Barred entry to Hi Po: Elites only; you must receive an invitation to participate
	   ▪ *Distributive Justice*

D. Only managers can judge if someone is a high performer
"People either 'have it' or they don't. No need to waste time trying to turn a sow's ear into a silk purse. Not everyone is cut out for promotion"
	D. Second class citizenry: Hi Po processes create an in-group and out-group
	   • *Distributive Justice*
	   • *Procedural Justice*
	   • *Interactional-relationship Justice*

CONCLUSION

The disconnects between common HiPo processes are inadvertently sustained by a company's general approach to talent management, and in this instance, specifically HiPo processes and programs. Errors in management thinking sub-optimize organizational approaches to identifying high-potential talent, allow rater bias to influence selection, and promote self-serving behaviors, while simultaneously violating tenets of organizational justice.

Along with commonly observed managerial self-serving behaviors and flaws found in rater bias during employee evaluation, high performing employees passed over for inclusion in HiPo programs will likely perceive violations in corporate social responsibility and/or justice as a result. The principal unintended consequence within an organization's HiPo program, is the creation of a second-class citizenry composed of people of diverse socio-economic and ethnic backgrounds, whom are often women and minorities. Understanding the three categories of managerial thinking errors, and their impacts on employee perceptions of organizational justice can assist management and human resources professionals alike in creating unique and robust talent management approaches that address the needs of all high performing employees.

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