The Psychology of High Potentials: People with Talent

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HIPO IS A VERY IMPORTANT ISSUE

Will You Keep Your High-Potential Employees This Year?

High Potentials Leadership Program

How to Keep High-Potential Employees

The 5 Traits of High-Potential Employees

Who will be ready to run your company when you can’t be everywhere anymore? Here’s how to pick your next generation of leaders.

How Do You Identify High Potential Employees?
Perceptions of HiPo’s

Every large company has a HiPo model
Every HiPo model is based on the company’s competency model.
Competency models are based on the values of the senior executives.
Good news: The models are all the same.
All competency models concern:
(1) Self-management;
(2) Relationship management;
(3) Business skills; and
(4) Leadership skills.
The Path to Leadership

1. **Technical**: Recruited and selected for *ability, knowledge and skill*.

2. **Supervisory**: Promoted to managerial positions as a function of *effort, progress (and politics)*.

3. **Strategic**: Elected/Selected to board level jobs as a function of *reputation, ambition and history*.
The Primary Colours Model

- Strategic Domain:
  - Setting Strategic Direction

- Operational Domain:
  - Planning & Organising
  - Delivering Results
  - Team Working

- Interpersonal Domain:
  - Creating Alignment
  - Building and sustaining relationships

Sections:
- Operational Domain
- Interpersonal Domain

Title: The Primary Colours Model
Can Leadership be trained/changed/developed?

• **Experiential**
  “Stretch assignments”, shadowing, outplacement, job rotation

• **Educational**
  MBA, Short course, Case Studies, Simulations

• **Personal**
  Coaching and Mentoring
What works best?

Depends on:

• **What is to be trained:**
  Knowledge, skills, attitudes/values

• **The individual:**
  Ability, personality, motivation

• **The time frame:**
  Long/short, massed distributed
Does Coaching Work? Evidence of Efficacy

• Is it possible to do randomised, double-blind, placebo controlled studies to prove coaching works?

• What is the best outcome measure of success?

• Is coaching a form of “alternative medicine” in the clinical/counselling world?
The Active Ingredients in Coaching

• Client readiness for coaching (40%)
• Coach-Client relationship (30%)
• Client expectations of improvement (15%)
• Application of a model/theory/process (15%)
(McKenna & Davis (2009)}
Change/Growth

- Takes effort and determination
  10,000 hour rule to become an expert anything
  Anyone can do it: Motivation and Effort alone.
  Positive Change (skill acquisition) is possible but takes great dedication

- Hurts
  Involves pain, deprivation and re-interpretation of who you are.
  Change involves life style changes. It is not easy, simple or quick but it is possible
The leader as hero?

Adam Bryant: *How top CEOs made it*

Five qualities (Based on detailed interviews of 70 US executives)

**Passionate Curiosity**
- Ask big picture questions; Wonder why/ how things work; Ask how things can be improved
- Inquire about people’s stories
- Relentless questions

**Battle Hardened Confidence**
- Seeks to spot opportunities; Embrace adversity; Takes ownership of problems; Strong work ethic forged in adversity; Attitude of ‘this is my job and I own it’
- Battle hardened confidence
- Get rewarded with bigger challenges
And.....

Team Smart

- More than a team player & Understand how teams work; Takes the lead effortlessly when appropriate; Skilled in using ‘ad hoc’ teams
- Recognises who a team needs and brings people together
- Appreciates lessons from team sport

Simple mindset

- Presents ideas precisely and succinctly; Asks for conciseness and simplicity from others; Clear about what he or she wants
- Asks for summaries/elevator speech
- Synthesises ideas & Asks smart questions

Fearlessness

- Comfortable when no road map or compass; Not satisfied with the status quo; Creates own agenda whatever the situation
- Fearless, calculating, informed risk taker; Sees opportunities and goes for them
- Start twitching when things operate smoothly
Three things to Assess

1. Ability/Capacity/Intelligence
2. Bright and Dark Side Personality
3. Motivation and values

Also....life story, physical health, job history, reputation
ELEMENTS OF POTENTIAL INTELLIGENCE

- Intelligence is one of the best predictors of potential at work
  - Stable over time
  - Can measure early
  - Foundational dimension
  - Increasingly important for increasingly complex jobs
ELEMENTS OF POTENTIAL PERSONALITY

- Personality traits are a very strong indicator of potential
  - Stable from early adulthood
  - Foundational and growth dimensions
  - Personality profiles match with job profiles
Questions for HI/PO Talent Managers

• Write down all the *synonyms* (words of similar meaning) and *antonyms* (words of opposite meaning) for talent

• What are the three *easiest*, and three *hardest* things involved in the whole business of talent management?
The War for High Performers/Talent

• Is there a war?
• Is there over/under supply of talent?
• What is talent?
• Does talent last?
• Must we find, as well as nurture, talent?
• Who owns the process?
Synonyms for High Potential

- Blessed
- Exceptional
- Experienced
- Flair
- Genius
- Giftedness
- Precocious
- Prodigy
- Superstars
- Talent
- Wonderkids
HiPo Management

What are the management issues?

- **Attracting Hipos**
  - Definition and identification
  - Assessment and selection

- **Retaining Hipos**
  - Retention strategies
  - Understanding job design and reward packages

- **Developing Hipos**
  - Career development/management
  - New Job Integration/assimilation
  - Leadership development
  - Succession planning

- **Transitioning Hipos**
  - Outplacement
  - Senior executive programmes
  - Partner/spouse relocation
  - Retirement planning
THE PSYCHOLOGICAL DNA OF HIPO’S...

- **Rewarding**
  - warm
  - trustworthy
  - predictable

- **Smart**
  - curious
  - adaptable
  - fast learner

- **Productive**
  - hardworking
  - energetic
  - high standards

- **Leader-like**
  - ambitious
  - resilient
  - good judgment

- **Global Minded**
  - creative
  - opportunistic
  - visionary

*Note: The specific emphasis varies across cultures*
Characteristics of High Flyers

- **Determination**: A characteristic often derived from childhood experiences where people had to take personal responsibility for themselves.

- **Learning from adversity**: Using adversity and setbacks to learn better coping strategies and new skills.

- **Seizing chances**: Not the same as opportunism but enthusiastically taking on difficult decisions in early life.

- **Being achievement oriented**: Being ambitious and positive and going after long-term, big prizes.

- **Internal locus of control**: Being a self-confident instrumentalist, not a fatalist.

- **Having a well-integrated value system**: Having a clear, integrated and lived-by value system (valuing integrity, independent, initiative and so on).

- **Effective risk management**: Moderate but calculated risk-takers.

- **Having clear objectives**: Having both long-term and short-term objectives and striving constantly for them.
Characteristics of High Flyers (Continued)

• **Dedication to the job:** Feeling the job was the most important aspect of life yet not being a workaholic

• **Intrinsic motivation:** Finding energy and enthusiasm in the job, not simply being motivated by extrinsic reward

• **Well-organised lifestyle:** Preventing conflicts between work and home-life

• **A pragmatic rather than intellectual approach:** Having practical interests and pursuits rather than intellectual ones

• **Analytic and problem-solving skills:** Perhaps seeming intuitive rather than rational

• **Exemplary people skills:** Being socially skilled, open and consultative and also being authoritative

• **Being innovative:** Not being constrained by procedures, current systems and assumptions

• **Having a competitive, hard-driving lifestyle** and sometimes called the type A personality

Cox & Cooper (1988)
The Ability to Learn From Experience

- **General intelligence:** IQ or cognitive ability if clearly linked to business-related issues such as analytic agility, reasoning, incisiveness, and synthetic and visionary thinking.

- **Business knowledge:** This is an understanding of the company and the sector’s products, markets and policies, as well as a breadth of awareness and interest in trends of the market as a whole.

- **Interpersonal skills:** Social skills are important in handling relationships, team-building and in the capacity to motivate and inspire as well as align people behind particular strategies.

- **Commitment:** This can be expressed in various ways, such as a passion for success, personal drive and perseverance. These characteristics all refer to extreme interest in and commitment to work.

- **Courage:** To a large extent, this means non-risk averse and willing to take actions to ensure that things happen. It is related to self-confidence but not arrogance.

McCall et al. (1990)
Eleven Dimensions of Early Identification of Global Executives

1. **Seeks opportunities to learn**: Has shown a pattern of learning over time.

2. **Acts with integrity**: Tells the truth and is described by others as honest. Is not self-promoting and consistently takes responsibility for his or her actions.

3. **Adapts to cultural differences**: Enjoys the challenge of working in, and experiences of, cultures different from his or her own
Eleven Dimensions of Early Identification of Global Executives (cont.)

4. **Is committed to making a difference**: Shows a strong commitment to the success of the organisation.

5. **Seeks broad business knowledge**: Has an understanding of the business that goes beyond his or her limited area.

6. **Brings out the best in people**: Has a special talent with people that is evident in his or her ability to pull people together into highly effective teams.

7. **Is insightful**: Sees things from new angles
Eleven Dimensions of Early Identification of Global Executives (cont.)

8. **Has the courage to take risks**: Will take a stand when other disagree, go against the status quo, persevere in the face of opposition.

9. **Seeks and uses feedback**: Pursues, responds to, and uses feedback.

10. **Learns from mistakes**: Changes direction when the current path isn’t working, responds to the data without getting defensive and starts over after setback.

11. **Is open to criticism**: Does not act threatened or get overly defensive when others (especially superiors) are critical.

McCall, Spreitzer & Maloney (1994)
Predictors of Success (Locke, 1997)

• **Cognition**
  - Reality focus
  - Honesty
  - Independence and self-confidence
  - Active mind
  - Competence/ability
  - Vision

• **Motivation**
  - Egotistic passion for the work
  - Commitment to action
  - Ambition
  - Effort and tenacity

• **Attitude toward employees**
  - Respect for ability
  - Commitment to justice
  - Rewarding merit
<table>
<thead>
<tr>
<th>Performance</th>
<th>Low/Limited</th>
<th>Medium/Can Be Developed</th>
<th>High/Seeks New Challenge</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Above Target</td>
<td>Key Contributor (High performance, low potential)</td>
<td>Strong Performer (High performance, medium potential)</td>
<td>Star Performer (High performance, high potential)</td>
</tr>
<tr>
<td>Medium On Target</td>
<td>Acceptable Performer (Consistent performance, low potential)</td>
<td>Core Performer (Consistent performance, medium potential)</td>
<td>Rising Star (Medium performance, high potential)</td>
</tr>
<tr>
<td>Low Below Target</td>
<td>Unsatisfactory Performer (Low/unacceptable performance, low potential)</td>
<td>Marginal Performer (Low performance, medium potential)</td>
<td>Emerging Star (Low performance, high potential)</td>
</tr>
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Problems of the Nine Box Grid

• How accurate is the measure of *current* performance?
• In what way is *future* performance in a different and more difficult job measureable?
• How reliable and valid are any measures of potential?
• Who has the data on this individual and how good is it?
WHAT IS POTENTIAL?

• Probability of accomplishing x
• First step, is to define x
  • E.g. complete a task, deliverable or succeed in an endeavour or job
Our Model

- **Conscientiousness** - planning, organization, strong work ethic, achievement drive

- **Openness/Curiosity** - openness to new information, adopting new approaches

- **Approach to Risk** - willingness to confront difficult situations, thrive during adversity, solve difficult problems, have difficult conversations

- **Stress Reactivity** - resilient to the impact of stressors, not overly worried about others’ judgement,

- **Tolerance of Ambiguity** - approach to ambiguous situations and information, make use of mixed information, cope (and thrive) with ambivalence

- **Competitiveness** - need to achieve, drive to exceed one’s own or another’s performance, desire for control
So?

- We can define and identify people high potential reasonably accurately
- Leadership can be taught but.....
  - The person must want to be a leader
  - Some highly technical people may never quite make it 😞
  - How they are taught is important
  - Leadership development/training never ends
Conclusion

• An organisation survives and thrives on finding and growing people with high potential
• Selection is only the first step
• Leadership training is a journey not a destination.