Decoding the High Potential Mystery

a practitioner perspective

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Overview

Defining, identifying, and developing people labeled as high potentials (HIPOs) has occupied a central role in the careers of many highly competent industrial-organizational psychologists, talent professionals, CHROs, and line executives for decades. Their efforts have been documented in innumerable journal articles, white papers, books, and symposium presentations. Over those same decades, the identification and development of HIPOs has become increasingly important to organizational health and effectiveness. Events such as the "war for talent" have accelerated the importance of effective talent identification and the ability of organizations to answer questions such as: *Who will take on the roles of our senior leaders as they move up and out?* and *How effectively will our business strategy and anticipated growth be supported by the quality of our talent?*

Although the importance of identifying and developing high-potential talent has increased, the data show that success in the arena of talent identification and succession has been inconsistent. Consequently, organizations are often unable to fulfill expectations and requirements for achieving long-term results through effective talent management. This white paper attempts to decode the mystery underlying the lack of consistent effectiveness in defining and accurately assessing HIPOs, particularly those with potential for high-performance leadership.

Our Approach

Our approach to decoding the mystery of high potential is based on observation, assessment, and decades spent coaching managers, executives, and military leaders. In addition, we have collaborated with a number of practitioner consultants who have accompanied us on this journey and contributed their thinking to the framework described in this white paper. Our approach is also predicated on the development and subsequent analysis of hundreds of leadership profiles and competency models at all organizational levels across a myriad of industries.

The point of view presented in this paper represents a *practitioner perspective*, which means the perspective of people who are working "on the ground" to serve individuals and organizations in the pursuit of developing the talent required for organizational success. Ultimately, our aspiration is to help internal practitioners meet the challenge of decoding the high potential mystery so they can provide a higher level of talent to their respective organizations.

This white paper is organized into five sections:

- **Section 1** is a review of current research on HIPO identification, models, and measures. Through a review of benchmark studies, we examine the effectiveness of practices related to the identification, assessment, and development of high-potential talent. In addition, we highlight current work and perspectives on transparency and the use of technology.
- **Section 2** is a critique of the existing models and measures. In this section, we address three important questions regarding the identification and assessment processes for high potentials:
  - Why do 75 percent of companies continue to use past and current performance as primary indicators of potential?
  - What are the options for how to use past and current performance in the identification of HIPOs?
  - If a majority of top developing companies are using assessments of one kind or another, why do such a large proportion of HIPOs fail to meet the expectations of expanded roles?

In addition to answering these questions, we illustrate the shortcomings of existing assessment models and tools and make the case for adopting a new two-phase model for the identification and assessment of HIPOs.

- **Section 3** represents the essence of our point of view on defining potential for high-performance leadership. In this section, we provide a new definition for high-potential leadership and its associated components and dimensions, and we unveil an alternative to complex psychological-construct-based models. We also translate our point of view into a formula that enables us to be more quantitative and to generate normative data to substantiate our point of view.
- **Section 4** takes a deeper dive into applying our model for measuring high-potential leadership. We use a mini case study to illustrate the steps an organization can take to ensure that the factors and dimensions are implemented in context. We also discuss selecting or developing the assessment tools required to identify high-performance leadership potential at a given level.
- **Section 5** addresses our next steps, outlining the short- and long-term research strategies that will help us validate the model.

Section 1: Review of HIPO Research, Models, and Measures

The majority of companies that lead the pack with respect to their talent management practices (what we refer to as "top developing companies") use a formal definition of potential and multiple indicators to identify high-potential talent. Of these companies, a significant number use a definition based on an individual's current level (for example, the potential to move up two levels within a particular timeframe). Many companies use some combination of level and relevant knowledge, skills, and abilities to determine potential (things like leadership competencies, functional and technical skills, learning ability/agility, motivation/drive, cognitive capabilities, and personality characteristics). Yet, 75 percent still use past and current performance as primary indicators of potential, and many companies continue to incorporate contextual factors such as mobility (41 percent) and other background information (34 percent).

> **75** percent of top developing companies use past and current performance as primary indicators of potential.

Effectiveness of HIPO Assessment and Programs

In an effort to understand the data on the effectiveness of current practices, we reviewed dozens of benchmark studies. Several provocative highlights emerged.

In a study of nearly 2,000 HIPOs, Jack Zenger and Joseph Folkman reported the following in 2017:

- More than 40 percent of individuals in HIPO programs may not belong there.
- A full 12 percent were rated in the bottom quartile of leadership effectiveness.
- Overall, 42 percent were below average.

Comparing data from 2014 to 2018, Amy Lui Abel and Amanda Popiela reported that the success rate of HIPO programs has increased from 56 to 61 percent. In addition, they found that HIPO programs have become more gender-diverse, with participation by women growing from 19 to 24 percent. However, they also identified some negative trends:

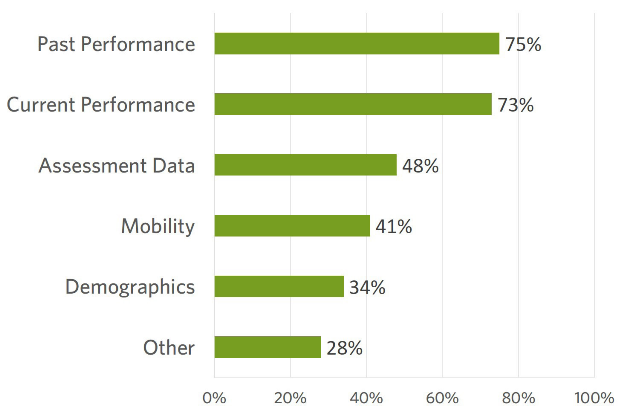
- Despite 65 percent of organizations having HIPO programs, 68 percent rated them as less than highly effective.
- Relationships between HIPO programs and leadership outcomes are 19 percent weaker now than in 2014.
- Currently only 14 percent of organizations feel

they have a strong bench (down slightly from 15 percent in 2014).

- Only 43 percent of critical roles can be filled rapidly by internal candidates (down from 46 percent).
- Of the organizations surveyed, 46 percent limit their HIPO focus to senior-most levels (up from 45 percent in 2014), which leads them to be 4.2 times less likely to outperform those that do so on a financial composite of revenue growth, operating margin, EBITDA, and return on equity.

Identifying HIPOs

In their 2015 report on how top companies design and manage their HIPO programs, Allan H. Church, et al., confirmed their previous findings that a majority of companies rely on performance data when identifying candidates for HIPO programs.

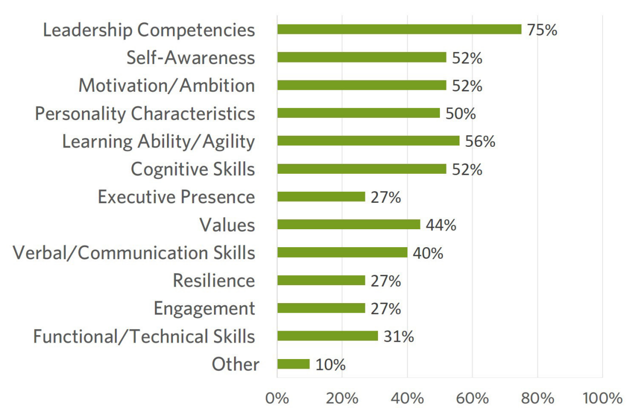


Source: Church et al., 2015

They found that 75 percent of companies included past performance and 73 percent included current performance as criteria for identifying high-potential employees, while fewer than half of the respondents used other measures either instead of or in addition to performance.

A 2011 survey of 81 organizations by Bonnie Hagemann and John Mattone showed that 60 percent of organizations had HIPO identification programs while 49 percent had HIPO development programs. Methods for identifying HIPOs included using the opinion of senior executives (59 percent), performance appraisals (51 percent), and formal talent review process (42 percent).

The use and perceived impact of assessments in identifying HIPOs is on the rise. Church et al. found that a majority of top developing companies use assessments to identify their high-potential talent, utilize the assessment results for both development and decision-making purposes in high-potentials and senior leader populations, and use a multi-method and multi-trait approach. They also keep the assessment results fresh by maintaining a shelf-life of approximately 2 to 3 years before reassessing. Almost 75 percent of these companies view assessment as having a moderate to heavy impact on organizational results and report high levels of acceptance from both high-potentials and senior leader participants. When assessments are used with HIPO populations, they measure the following content areas:



Source: Church et al., 2015

HIPO Development Practices

According to the research, the top trending HIPO developmental practices include rotational assignments, internal leadership development programs, special projects, task force assignments, one-on-one interactions with senior leaders such as lunches and dinners, mentoring, external and internal coaching, annual senior leadership offsite meetings, and external executive education programs. However, these programs are not always tailored to the specific needs of HIPOs nor aligned with their preferences. For example, external coaching ranks as the number one preference of HIPOs but falls at the bottom of options provided by organizations.

Transparency

Transparency about HIPO status may also be seeing an upward trend. Thirty-four percent of companies report full transparency on sharing HIPO status and an additional 18 percent of companies indicate that their managers share the status informally. According to the Center for Creative Leadership, 84 percent of HIPO program participants have in some way been informed that they are considered high potential. HIPOs place a high importance on formal recognitions, and those formally recognized show a far smaller turnover rate (14 percent) compared to those uninformed or informally recognized (33 percent).

Impact of Technology

The newly emerging trend of AI and technology in talent management also appears within the realm of HIPO identification and development. Advanced human capital management (HCM) tools analyze millions of data points to pinpoint employees exhibiting leadership potential. They are also used to identify and predict engagement and retention. Companies like OutMatch deliver actionable workforce analytics, while advanced e-learning platforms like Schoox offer specialized training and career development courses and rank employees on their skills and acquired strengths, giving data-based insights and helping to guide talent decisions. Similarly, immersive multimedia simulations are replacing traditional assessment centers. These dynamic, engaging, and job-relevant simulations bring rich context and psychological engagement to leadership scenarios.

Section 2: Critique of Existing Models and Measures

The review of the literature we've referenced generates some fundamental questions regarding the identification and assessment processes for high potentials:

- Why do 75 percent of companies continue to use past and current performance as primary indicators of potential?
- What are the options for how to use past and current performance in the identification of HIPOs?
- If a majority of top developing companies are using assessments of one kind or another, why do such a large proportion of HIPOs fail to meet the expectations of expanded roles?

To answer these questions, let's look at the typical HIPO identification process used by many prominent organizations.

Role of Performance as the Basis for Identifying HIPOs

In this common scenario, line executives/managers that are typically two levels or more above the candidate level are asked to identify HIPOs in their organization. They are often given a definition of potential that focuses on role level, such as "the ability to move and perform two positions or levels above the current role." The identifying executives are asked to consider both past and current performance as well as a set of criteria against which to rate potential. These criteria may include any combination of the following content domain areas: leadership competencies, functional and technical skills, learning ability/agility, motivation/drive, cognitive capabilities, and personality characteristics. The number of criteria taken from these domains may number as many as 30 or more. Based on these criteria, the executive/manager recommends those people who should be considered as high potential. Some organizations require a simple list of those recommended, while others use a nine-box tool and discussion to help sort out those with the highest potential.

Given this typical identification scenario, which criteria would executives/managers be most confident and comfortable weighing more heavily in their decision? An individual's track record of performance and technical expertise are observed frequently and validated by the perceptions of others, including peers, managers, and customers. Performance provides validation for the perception of current job success as well as organizational success. As a result, the tendency to rate performance heavily is quite natural.

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Organizational values that are well-defined tend to be few in number, readily observable, and relevant. Because of that, they may get some degree of weighting in the HIPO identification process. But does the demonstration of values predict potential for high performance in future roles? Probably not.

Competencies are observable, but how many executives/managers can categorize their observed behavior per competency accurately? Frankly, how many executives/managers can delineate and define the competencies for a given level? As a result, the manager/executive may be unconsciously weighing more heavily those competencies with which he or she is most familiar. Finally, personality traits and attributes are typically part of the criteria for identification of HIPOs. However, executives and managers are not psychologists. They are not readily able to identify personality traits nor give them an appropriate evaluation.

The Case for a Two-Phase Model for the Identification and Assessment of High Potential

We started the section above with these two questions:

- Why do 75 percent of companies continue to use past and current performance as primary indicators of potential?
- What are the options for how to use past and current performance in the identification of HIPOs?

The answer to the first question is, simply, because performance is readily observable, can be validated by others, and is relevant to the success of the organization. Given that most organizations assume that performance should part of the equation for assessing whether to identify a candidate as "high potential," the second question requires more thought and a new perspective.

We propose moving to a two-phase model in which the first phase uses performance as one of the screening criteria. That is, evaluating performance should be a first step in identifying a pool of candidates. Using performance as a barrier for entry increases the probability that, with the right criteria and assessment instruments in phase two, potential will be identified accurately.

No one can argue against a track record of success as a valid criterion when considering someone for increased responsibility. Yet, we can all agree that past performance is not a valid predictor of potential for success in a new and often different role.

A track record of high performance should be *table stakes* to be considered for increased leadership responsibility—a logical position in this age of rapid change and transformation. However, success at the next level may well require a dramatically different skill set due to any variety of market, technological, and competitive changes. The ability to meet those transformative challenges cannot be readily predicted by current performance.

Arguably, in the first phase, executives and managers should evaluate what they can observe and what they know to be important to organizational success. Use performance and other observable, relevant criteria such as values as the basis for establishing a pool from which potential for high-performance leadership can be determined. Also, in-house practitioners should use self-reported data in areas such as mobility and interest in increased responsibility as the basis for the first phase of this two-phase model. Once these barriers are crossed, then you can begin to assess an individual's potential in the second phase of the model.

Shortcomings of Existing Assessment Models and Tools

Our third question above gets at the shortcomings of existing assessment models and tools.

- If a majority of top developing companies are using assessments of one kind or another, why do such a large proportion of HIPOs fail to meet the expectations of expanded roles?

Finding the answer to this question should help inform us regarding the shortcomings of existing assessment model and tools. Potential responses are:

a. Could it be the complexity and number of the factors being assessed?

b. Could it be the face validity, i.e., business relevance, of the factors being assessed?

c. Could it be the degree to which the assessment instruments mimic the business environment?

d. Could it be the inability of HR practitioners and line executives/managers to adequately weigh, interpret, and apply the assessment results to the identification of high-potential individuals?

e. Could it be that the assessments are rooted in the now and not in the future context and challenges that leaders will face?

f. Could it be that the purported metrics do not address where the business is going?

g. All of the above?

From our perspective, the answer is g. All of the above. Also, we have found that the answers to a, b, and c all impact d. Our ultimate objective is to posit a set of factors and an assessment model that HR practitioners can use to help executives and managers better identify HIPOs and develop those identified to their fullest capability.

The *Leadership Potential Blueprint* (Church & Silzer, 2014), illustrated below, represents one of the most comprehensive, well-articulated, and researched models available. Yet, one could make the case the Leadership Blueprint Model illustrates the answers to questions a, b, and c.

a. *Complexity and number of factors:* The model has three levels, six primary variables, and 24 sub-factors (depending on how you count the combinations) plus a number of factors underlying the 24 that do not appear in the model. Complexity is evidenced beyond the number of the variables by the complex nature of the variables, i.e., some are psychological constructs while others have complex definitions with large numbers of illustrative behaviors. Finally, there is a degree of redundancy in the variables. For example, personality characteristics and cognitive capabilities are foundational dimensions that underlie the level of effectiveness an individual demonstrates in measuring his or her leadership skills at the career dimension level. Thus, we have a built-in redundancy which would lead one to ask why we should add to the complexity of the model by measuring the same skills two times.

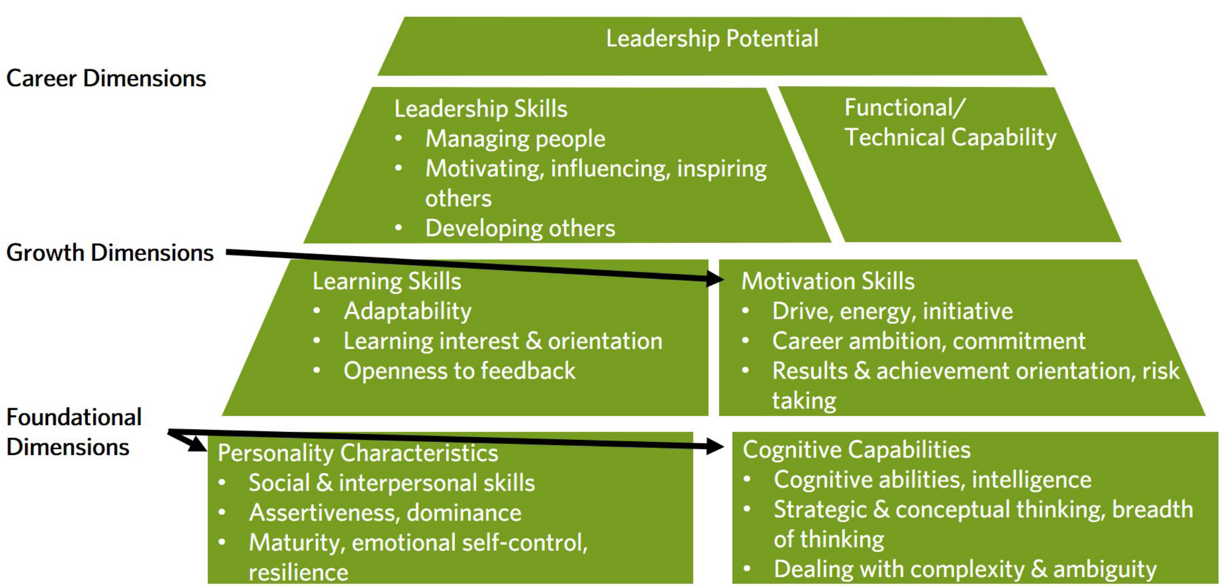
b. *Business relevance of the factors:* The face validity of the Church & Silzer model is more than reasonable. One can understand the relationship of the variables to successful leadership, but can one do so to the degree that we can all agree on the definitions of the variables and how they are illustrated in the target role by behavior?

c. *Degree to which instruments mimic the business environment:* Personality and cognitive instruments are not readily reflected in the business environment and are difficult to interpret for our HR colleagues and line executives. They are also difficult to make actionable for recipients of the feedback. Our overwhelming coaching experience when using multiple assessment instruments including psychometric instruments, a 360, and a complex, industry-specific simulation indicates participants tend to identify both their significant strengths and areas for development using highly focused, business-relevant behaviors consistently demonstrated in both the 360 and simulation. The psychological test results are often used to confirm the behavioral tendency observed but would not have the same impact on identification of needs as a standalone input.

Given the complexity of the variables, the number of variables, and the tenuous face validity of the variables and tools, our HR practitioner colleagues and their management counterparts are at a significant disadvantage in effectively applying the model and making sound decisions.

Section 3: Defining Potential for High-Performance Leadership: An Alternative to Complex, Psychological-Construct-Based Models

To alleviate reliance on complicated models for assessing potential, we have developed a new model and formula for determining the potential for high-performance leadership. The model and formula revealed below should be considered an additional tool in implementing the second phase of the two-phase model. Once a pool of candidates to be assessed for high-performance leadership potential has been identified in phase one (using a track record of performance, demonstration of cultural values, mobility, interest, and other relevant criteria), it's time to implement phase two and the application of our new model, with its readily understandable and relevant factors and dimensions.



Source: The Leadership Potential Blueprint (Church & Silzer, 2014)

Potential for What?

First, however, we need to define the "potential for what?" In our case, we want to identify potential for high-performance leadership regardless of level or role. Essentially, we want to measure one's potential to consistently exceed the leadership performance expectations directly linked to achieving the business results of the organization. We want a common definition that can be applied within the context of each level or role. That is, we want to identify common elements that get contextualized, measured, and assessed per level or role.

In our definition, a potential high-performing leader is someone who

> **demonstrates the capability to meet the business and people leadership expectations at a target level/role of increased complexity and challenge, demonstrates a capacity for introspection, and is motivated to succeed at higher levels.**

A Five-Factor Model

Our experience in observing, assessing, coaching, and developing high-potential individuals at all organizational levels has led us to postulate the following five-factor model for high-performance leadership:

High-performing leaders possess the following factors:

- Business Acumen
- People Acumen
- Self-Awareness
- Aspiration Mindset
- The X Factor—a role-focused, organization-specific variable that provides organizational differentiation based on strategy and cultural uniqueness

Consequently, we look for these five factors as determinants to evaluate whether one has the potential to become a high-performing leader.

Let's take a look at the definitions and underlying dimensions associated with each factor:

> **Business Acumen**—a keenness and quickness in understanding and directly addressing a business situation (risks and opportunities) in a manner that is likely to yield a good business outcome

It sounds simple, but wouldn't we all love to see a good outcome result from every business situation with which one is confronted, regardless of whether it is a major safety situation for a front-line manager or a business expansion situation for a senior executive? Of course, we recognize that there are a number of dimensions of business acumen one would need to effectively demonstrate in order to both yield a "good outcome" as well as to be able to observe, assess, and develop business acumen.

Let's consider the core dimensions of business acumen that one would have to demonstrate as an effective leader regardless of one's level in the organization:

- Data Analysis Effectiveness
- Financial Acuity
- Strategic Perspective
- Customer Mindset
- Balanced Judgment and Decisiveness

We will go into more detail on the definitions and illustrative behaviors of each core dimension of business acumen in a later publication. However, it's important to recognize that each dimension needs to be defined within the context and level of complexity required for the target level or role.

Let's move to people acumen:

People Acumen—within a leadership context it is an enthusiasm for selecting the right people, motivating them to achieve, and getting them to work as a team

(For more on people acumen, see Ram Charam's *Leaders at All Levels.*)

The core dimensions required for highly effective people acumen include:

- Talent Identification and Development
- Team Leadership (includes coaching and having difficult conversations)
- Fostering Innovation
- Interpersonal Sensitivity
- Collaboration

We have chosen to use the word acumen for the first two factors in lieu of capability, agility, competency, or similar terms. The dictionary definition of acumen is *the ability to make good judgments and quick decisions, typically in a particular domain.* In our scenario, we are measuring the people and business leadership domains. Implicit in the definition is the ability to be agile, which is the factor some researchers and practitioners tout as the best predictor of potential. We believe that agility and speed are important behaviors, but they must be contextualized within broader dimensions of leadership performance. For example, decisiveness and financial acuity have aspects of speed and agility in the behaviors that illustrate those dimensions.

acumen (n): the ability to make good judgments and quick decisions, typically in a particular domain

Whereas business and people acumen are organizationally focused, the other two multi-dimensional, capability-focused factors a leader must successfully address, self-awareness and aspiration mindset, are more personal and individual focused. We define these factors as:

Self-Awareness—the capacity for recognition of one's own strengths and limitations resulting in behavior change

Aspiration Mindset—the strong desire to achieve success through the pursuit of continuous learning, taking initiative (risks), and becoming a highly effective leader

The X-Factor—Finally, the X-Factor represents the opportunity to inject a role-focused, organization-specific factor into the measurement of potential for high-performance leadership. Although the other four elements of the model describe critical factors that have been observed to represent the core dimensions of potential for high-performance leadership, the X-Factor defines a unique capability required for leaders in the target role in a given organization. The X-Factor is typically driven by the strategy of the organization. For example, a biopharma client organization successfully used a subset of its competency model as the basis for identifying high potentials for several years. After a change in strategy as well as organization structure, the executive leadership of the organization identified the need to effectively collaborate across the newly established organization structure as a key factor in the execution of its strategy. As a result, *cross-business collaboration* became the X-Factor in the identification of high-potential leaders for the senior executive role.

X-Factor—an organization-specific factor required for leadership success in the target role, typically driven by the strategic direction of the organization

An X-Factor can be identified for any target role or level in an organization. For example, a *unique technical fluency or acuity* may be identified as foundational to the success of all front-line managers in an organization. To support an organizational structure change, the need for *consistent upward communication* was identified as critical to the success of middle managers in another organization. Identifying the X-Factor for the target role or level provides for the uniqueness of strategy in an organization to be considered as part of the assessment of high-potential leaders. As a result, it gives the definition and resulting formula the degree of flexibility and customization required to ensure that a comprehensive evaluation is conducted.

A Formula for Success

P4HPL = (BA + PA) x (SA + AM) + XF

P4HPL = Potential for High-Performance Leadership
BA = Business Acumen
PA = People Acumen
SA = Self-Awareness
AM = Aspiration Mindset
XF = X-Factor

Potential for High-Performance Leadership as a Formula

Looking at our definition of Potential for High-Performance Leadership as an equation or formula allows us to be more quantitative and use measures that will allow for the development of normative data. Also, by keeping it simple and limited in terms of the number of variables, we make it easier to understand, which we believe reinforces the face validity of the model:

P4HPL =
(BA + PA) X (SA + AM) + X-Factor

If we aggregate the measures for each factor on a five-point scale, we would have a P4HPL (Potential for High-Performance Leadership) that ranges from 105 to 5.

P4HPL (max) = (5+5) X (5+5) + 5 = 105

P4HPL (min) = (1+1) X (1+1) + 1 = 5

We may use any range per factor depending on the tool with which we measure the factor. Future research may identify the need to weigh the factors differently but for now we will consider them equal.

Section 4: Measuring of Potential for High-Performance Leadership Example

Before we select or develop one or more assessment instruments for the factors in our model, we must decide for which level or role in the organization we are going to be assessing on potential for high-performance leadership. There are three basic target levels or roles with associated target audiences on which we will focus for illustrative purposes:

Target Level/Role	Target Audience
Senior Executive	Entry Level/Junior Executives
Middle Managers	Front-Line Managers
Front-Line Managers	Individual Contributors

For illustrative purposes, let's say we want to assess Individual Contributors for Leadership Potential at the Front-Line Leader level. We believe this may be the most valuable area on which an organization may choose to focus assessment and development resources. By improving the quality and capability of Front-Line Leaders, the organization moves the mean of performance for the entire cadre of Front-Line Leaders, thus improving business performance. Equally important, by selecting and developing higher quality Front-Line Leaders, that is, those who demonstrate Potential for High-Performance Leadership, the organization has created a stronger pool of candidates from which to assess for High-Performance Leadership at the Middle Manager Level in the future.

To continue with our illustrative example, Step One was to decide on which level or role to focus, and we chose Front-Line Leader. Step Two is to contextualize the core dimensions for Business and People Acumen. By contextualize, we mean refine each dimension in terms that are consistent with the Front-Line Leader role in the client organization. In addition to refining, we must identify those critical behaviors that illustrate each dimension, that is, we are defining what great performance looks like for each of the dimensions of our model in a particular organization.

Because our model is predicated on the two critical capability-focused factors (people and business acumen) and their associated dimensions, as well as the X-Factor, contextualization through the content validity process is simpler and more targeted. In the case of our example, we interview a number of high-performing front-line managers as well as strong managers one level above the target level. As opposed to open-ended, critical-incident interviews, we conduct more highly structured interviews that test the validity of pre-identified dimensions by eliciting the behaviors that illustrate each dimension at their level and in their organization. As a result, the interviews identify the most critical behaviors that represent great performance in each dimension. Questions designed to identify a possible X-Factor are also asked and result in the identification of any additional dimensions unique to the client organization. The interview process and results allow for the refinement of the dimension definitions and, if necessary, the delineation of critical moments faced by a front-line leader, including how highly effective front-line leaders address those critical moments. Depending on the size, geographic dispersion, and other factors related to the target level or role, a follow-up survey may be used to further validate the results of the interviews.

Step Three in this example is to develop or select assessment instruments that will elicit behaviors and responses that will enable in-depth evaluation of each dimension of Business and People Acumen as well as the X-Factor. The instruments must be able to measure performance in the target role, that is, the role of increased or different responsibility to which the individual aspires and to which the organization wants to increase the probability of success. In this case, the role is Front-Line Leader.

> The instruments must be able to measure performance in the target role, that is, the role of increased or different responsibility to which the individual aspires and to which the organization wants to increase the probability of success.

There are several options or combinations of instruments for achieving an in-depth assessment of each element of our formula. Here are some examples:

- Online Business Simulation (individual): Measures critical dimensions associated with Business Acumen via analysis of the quality of the business decisions made as the participants run a front-line organization for several quarters
- Business Simulation (group): Measures critical dimensions of both Business and People Acumen through the observation of the participant's contribution to the team's success as they run a front-line organization for several quarters
- Moments-Based Simulation (individual online or group): Measures critical leadership moments that discriminate highly effective leaders from those who are moderately effective
- Hybrid Business/Moments-Based Simulation (individual online or group): Measures dimensions of Business and People Acumen using a simulation that incorporates elements of both moments-based and business simulations
- Self-Report Instruments measuring Self-Awareness and Aspirational Mindset

- 360 Instruments designed to measure all the factors and dimensions of the model and their illustrative behaviors

The selection and/or development of assessment instruments is dependent on the results of the contextualization process (Step 2 above) during which an in-depth perspective of the context for delivering successful leadership has been defined for the target level or role. Context in this case includes level or role-specific illustrative behaviors for each dimension of Business and People Acumen as well as the X-Factor and critical leadership moments.

Similar sets of options exist for different target levels or roles. The level of complexity and breadth of perspective incorporated into the instruments is increased as the target levels or roles move higher in the organization.

Instrument	Measures
Online Business Simulation (individual)	Business Acumen
Business Simulation (group)	Business and People Acumen
Moments-Based Simulation (individual online or group)	Behaviors/actions during critical leadership moments
Hybrid Business/Moments-Based Simulation (individual online or group)	Dimensions of Business and People Acumen using elements of Business and Moments-Based simulations
Self-Reporting	Self-Awareness and Aspiration Mindset
360	All factors and dimensions and their illustrative behaviors

Section 5: Next Steps in Refining and Further Validating the Model

Step One

Identify clients who are interested in becoming early adopters of the model by applying it to a talent management, succession, or selection challenge they are facing. An early adopter would identify the challenge with which they are faced including the target level or role and target audience engendered by the challenge. They would work closely with the Cultivating Leaders COE to apply the model to their challenge, including conceptualization or content validation; selection and tailoring of existing, well-tested assessment processes and tools and/or development of new tools if necessary; the design of the pilot testing or concurrent validity process; identifying what success would look like both from a metrics as well as qualitative perspective; and the delineation of the respective roles between the COE and the early adopter client.

Step Two

Execute the design, monitor results, and meet regularly to review progress and results. The COE and the early adopter client should plan to document results and summarize the early adopter's perspective on the degree to which the model implementation helped address their challenge, what modifications have been made to date, how effective were those modifications, what additional modifications should be made, and how their impact will be monitored and measured going forward. The timing on Step Two would be based on the nature of the project in terms of complexity and the timeline for evaluating results, which should be established in Step One. The development of a white paper to be shared both internally and externally should be considered at the end of Step 2.

Step Three

Develop a long-term research plan based on the results of Step 2. Organizations seldom realize the importance and implications of long-term research and monitoring the results of talent identification and development initiatives. These initiatives typically represent a significant investment on the part of the organization. Practitioners are often hard pressed to illustrate the value of these initiatives in terms of return on investment. Step Three is the opportunity to commit to the collection of data over time that will show the value and predictability of the project. Sharing the results of longer-term research with other practitioners is an opportunity to help others address the mystery of decoding high potential.

We would also make the case that supplementary short-term research should be planned to identify findings such as initial success rate in the role, time to proficiency in certain unique aspects of the role, performance on stretch assignments, 6- and 12-month 360 results, and other short-term measures of success.

Note: The COE will be soliciting interest from three to five early adopters who will meet regularly with one another and the COE to share experiences and results.

Cultivating Leaders
Center of Excellence

Established in 2018 under the leadership of Advantage Performance Group, the Cultivating Leaders Center of Excellence is an independent organization of researchers, developers, and practitioners who have joined together to test new ideas, develop new insights, and leverage new technologies, methods, and practices in an effort to cultivate the next generation of leaders across industries and continents. Between us we have in excess of 200 years of industry experience in leadership and talent development, strategic execution, assessment, and measurement.

We'd love to share more about our research, practical experience, and possible ideas to help you create a more powerful and impactful high-potential leadership development program in your organization:
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