EVALUATION OF "HIGH POTENTIAL" INDICATORS

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Abstract

Purpose – To identify and evaluate high potential indicators in employees by the organization's management team and HR professionals.

We are identifying implicit criteria used in practice by HR professionals to improve assessment tools for potential indicators.

Methodology – Both quantitative and qualitative research methods are used. Questions to identify/assess high-potential indicators are developed based on familiarity with existing practices worldwide. Top managers of Georgian companies participated in the research - 162 respondents in total. Semi-structured in-depth interviews were also used in the research, which was conducted with HR professionals of 21 Georgian companies. The purpose of the interview was to reveal the differences that may exist between HR professionals' implicit evaluations of high potential and verbally expressed criteria during selection.

Limitations/results of the study - The size of the sample is a limitation; therefore, the conclusions drawn from the study results of the should be treated with caution.

Practical implications - Detection and assessment of high potential indicators; Identifying high potential, recruiting, promoting, and developing training strategies by top managers and human resource management specialists in organizations.

Keywords: High potential, selection, indicators, leadership

Introduction

Only flexible companies that actively learn and adapt can sustain themselves in an ever-changing environment (Collins, 2001). Learning ability is widely accepted and important in determining high potential (Ready, Conger, Hill, 2010). Human resource management practices indicate that the success of an organization is related to its demonstrated ability to teach. The vital capacity of an organization to learn and adapt can potentially be achieved by:

- By maintaining competent, qualified personnel;
- By promoting the development of these skills in employees;
- By selecting competent, qualified human resources (Sloan, E.B., Hazucha, J.F. and Van Katwyk, P.T. 2003, p. 235-274).

Today, one of the main goals of organizations in the world is to identify high-potential individuals, and future leaders, provide opportunities for their development and retain them (Hay Group 2014, 'Best Companies for Leadership 2014). As the researchers indicate, filling the vacant positions in organizations with new competent employees during the next two decades will become more and more problematic under current economic conditions (Sloan, Hazucha, Van Katwyk, 2003). Identifying and managing employees with high potential has become a new strategy of organizations, an essential task of human resources management (Mellahi, and Collings, 2010). The organization's goals create new requirements for practicing HR professionals; They should be able to help organizations identify individuals (at an early stage of their careers) who will be able to lead the organization in the future. Although in published research on leaders in workplaces, attention is focused on variables that are closely related to effective leadership, it is worth noting that today the interest is directed to the research of high potential predictors of leadership, as well as to predicting who will be an effective leader in the future (Boyatzis, 2007).

One of the main goals of the research is to reveal individual variables in the form of high-potential predictors, which will help to practice HR professionals and top managers of the organization select and promote influential leaders and highly qualified employees. Recruiting plays a vital role in attracting and retaining high-potential employees by organizations. Therefore, HR professionals must develop strategies that are guaranteed to recruit the best employees, regardless of how and to what degree they define a high-potential employee.

According to some researchers, an individual with high potential is an employee who contributes to the organization's development; According to some, a high potential is an employee with competencies, etc. (Kim, Scullion, 2011). In light of these different approaches, the definition and management strategies of high potentials proposed by researchers and practitioners somewhat obscure the selection procedures used by practitioners, as often the decisions made by practicing HR professionals regarding high potentials are based on implicit assumptions and evaluations. Such ambivalence is unfortunate because a framework of high-potential dimensions is vital for assessment accuracy. During selection/evaluation, HR practitioners often do not use the criteria they verbalize, so it is important to examine their implicit assumptions about the high potential (Guenole, Chernyshenko, Stark, Cockerill, Drasgow, 2013). Understanding the basic criteria HR professionals use is especially important because it is their job to use valid evaluation tools. Thus, the study aims to reveal the criteria that HR practitioners use to identify high-potential employees.

Definition and assessment of high potentials

Researchers offer several versions of the definition of high potential:

According to the Harvard Business Review article, "high potential is an individual's ability to succeed in roles with greater scale and scope of responsibility," where large scale and scope is defined as "managing a company with a larger budget and more human resources in the same line of work, as well as substantially increased by carrying out responsibilities and more difficult activities" (Fernández-Aráoz, C., Groysberg, Nitin, 2011, pp. 75-83).

In the Business Strategy Review article, the authors describe a high-potential employee as: "a successful, high-performing employee who works in alignment with the company's values." The authors add another "X-factor" to this definition, which refers to the support of colleagues, initiative, and dynamism (Ready, Conger, Hill, Stecker, 2010, pp.52-55,).

Contemporary literature discusses the core competencies that are important to the definition of the term "high potential."

According to Silzer and Church's model, the main indicators characteristic of high potential were named. The presented indicators include three dimensions determining a person's potential:

1. Fundamental dimension:

a) cognitive: conceptual, strategic thinking, cognitive skills, and experience in solving complex issues;

b) Personality: interpersonal skills, sociability, dominance, emotional stability, flexibility.

2. Dimension of growth and development:

a) learning: adaptability, learning orientation, acceptance of feedback;

b) motivation: drive, energy, achievement-oriented, career growth ambition, risk-taking, result-oriented;

3. Career (early indicators of future career skills):

a) Leadership: leadership qualities, the ability to manage people, the ability to develop others (employees), the ability to influence others, the ability to manage changes;

b) performance: relevant career achievements, successes, and work experience;

c) Knowledge: technical/functional skills and knowledge;

d) cultural framework: values and norms relevant to the career (Silzer, R. and Church, A. 2009, p. 377-412.).

Method

The purpose of the research was to reveal the variables and indicators that the organization's management team and HR specialists prefer in selecting and evaluating high potential. Respondents were asked their opinion on the definition of high potential. A quantitative research method was used. 162 top managers of Georgian companies participated in the research (84 female, 78 male). Based on existing practices, a questionnaire for identifying/evaluating high-potential indicators was developed. During the study, managers filled out two questionnaires. Questionnaires serve to identify and evaluate high-potential indicators. High potential is manifested in work performed by a person in the organization, his abilities, character, and motivation (Hewitt, Aon. 2013). One of the questionnaires consists of four domains: performance, character, capability, and motivation. Each characteristic includes several questions, which are evaluated using a five-point scale. For the first questionnaire, the alpha coefficient for the 32 items is .816. Through the second questionnaire, company managers rated themselves according to specific factors characteristic of high potential using a five-point scale. In the case of the second questionnaire, the alpha coefficient for 15 items is .712. According to studies, in most leading organizations, management team representatives are considered leaders. Top managers are typical of the qualities characteristic of leaders; therefore, those qualities associated with success, achievements, career growth, and advantages of internal intellectual or personal indicators are considered indicators of high potential qualities.

The indicators identified in the present study will enable practicing psychologists, organization managers, and other interested parties to identify the company's future leaders and high-potential employees at an early stage.

The study of the above features characteristic of high potential was also carried out using a qualitative research method. HR managers from different companies participated in the research who, in addition to defining high-potential traits, had to discuss the assessment tools they use for high-potential recruiting. To achieve this goal, 21 in-depth semi-structured interviews were conducted. HR managers of companies representing various fields (production of construction materials, medical services, education, banking, software, sales, and services) participated in the research. During the interview, questions were asked to clarify the factors that HR professionals prioritize when selecting high potential. They could use projective techniques in addition to verbally expressed criteria, in particular, describe high potentials with pictures, eg, draw an animal; They were then asked to describe specific characteristics of high potential. A semi-structured interview format was created to collect data on existing practices, processes, and value systems that determine the impact of environmental factors and business strategies on recruiters' practices, beliefs, and attitudes and on recruiting itself as a process. During each interview, a certain issue was elaborated upon, and additional questions were asked as needed.

Sampling and procedure

This study used purposive sampling techniques. 165 top managers and 21 HR heads of Georgian companies were interviewed. Table №1 presents data on HR managers (See Table №1. p. 187).

Table №1		
Respondent	Field	Work Experience
№ 1	Sales	3
<i>№</i> 2	Banking - financial	3
№ 3	Service	4
№ 4	Education	5
№ 5	Feed	4
№ 6	Administration / Management	3
№ 7	Law	4
№ 8	PR / Marketing	3
№ 9	Logistics / Technical	2
№ 10	Education	3
<i>№</i> 11	Sales	4
№ 12	PR / Marketing	2
№ 13	Banking - financial	4
№ 14	Education	1
№ 15	Sales	3
№ 16	Feed	2
№ 17	Law	5
№ 18	Banking - financial	2
№ 19	Healthcare	3
№ 20	Sales	4
№ 21	IT	2

Results

According to the research, it was found that in the selection, which top managers of Georgian companies represented, learning was considered as a significant and priority indicator of high potential for top managers (M=4.63, SD=.28). When assessing high potential, the skills to learn correctly are preferred by the interviewed managers. The next factor is motivation (M=4.60, SD=.20), which is a little behind learning skills. Managers also consider the motivational factor as an important indicator when evaluating high potential. According to the statistical parameters, leadership was identified as the next factor (M=4.45, SD= .30). Other factors such as job performance (M= 4.40, SD= 3.13), personal skills (M= 4.35, SD= .39), knowledge (M= 4, SD= .73),

cognitive skills (M= 4.27, SD= .39) and fit with culture (M=4.23, SD= .79) were determined with approximately equal relevance among respondents, which indicates that all these factors are equally important for respondents in the process of evaluating high potential indicators (Table 2).

Based on the analysis of the second questionnaire (assessment of high potential), it was found that the important factor for the managers of the organization is called opportunities (M= 4.65, SD= .24), then motivational factors (M= 4.52 SD= .37) and performance (M= 4.32 SD= .38) (Table 3).

Table №2.

Detection and assessment of high potential indicators by mean and standard deviation

	Mean	Ν	Std. Deviation
Cognitive	4.27	162	0.39
Personal	4.35	162	0.39
Educational	4.63	162	0.28
Motivation	4.60	162	0.20
Leadership	4.45	162	0.30
Job performance	4.40	162	3.13
Knowledge	4.31	162	0.73
Cultural fit	4.23	162	0.79

Table №3.

Evaluation of high potential by mean and standard deviation

	Mean	Ν	Std. Deviation
Performance	4.32	162	0.38
Character	4.30	162	0.36
Abilities	4.65	162	0.24
Motivation	4.52	162	0.37

Table №4.	Identification of high potential indicators and correlational analysis
of assessm	ent

		Tools	Motiva- tion	Leader- ship	Job perfor- mance	Knowl- edge	Cultural fit
Perfor-	Pearson Correlation	-0.07	-0.03	0.05	0.10	-0.06	0.10
mance	Sig. (2-tailed)	0.41	0.75	0.54	0.22	0.46	0.23
	Ν	162	162	162	162	162	162
Charac-	Pearson Correlation	0.06	-0.03	-0.11	0.10	-0.01	0.04
ter	Sig. (2-tailed)	0.49	0.68	0.15	0.21	0.86	0.61
	N	162	162	162	162	162	162
Abilities	Pearson Correlation	0.06	0.11	-0.01	0.15	0.05	-0.12
Admities	Sig. (2-tailed)	0.48	0.15	0.94	0.05	0.54	0.13
	Ν	162	162	162	162	162	162
Motiva-	Pearson Correlation	0.10	0.08	-0.02	0.04	0.04	-0.07
tion	Sig. (2-tailed)	0.22	0.34	0.83	0.63	0.61	0.39
	Ν	162	162	162	162	162	162
Cogni-	Pearson Correlation	-0.04	-0.01	-0.05	0.15	,168*	0.13
tive	Sig. (2-tailed)	0.60	0.95	0.54	0.06	0.03	0.10
	Ν	162	162	162	162	162	162
Personal	Pearson Correlation	0.08	-0.01	-0.01	0.01	,160*	-0.01
reisonai	Sig. (2-tailed)	0.34	0.88	0.88	0.94	0.04	0.95
	Ν	162	162	162	162	162	162
	Pearson Correlation	-0.10	,163*	0.14	0.05	-0.10	0.10
Educa- tional	Sig. (2-tailed)	0.20	0.04	0.08	0.51	0.20	0.20
	Ν	162	162	162	162	162	162
**. Correlation is significant at the 0.01 level (2-tailed).							
*. Correlation is significant at the 0.05 level (2-tailed).							

It is essential to consider the correlation between detecting high potential indicators and the self-esteem of top managers (Table 4). Based on statistical analysis, it was revealed that motivation has a positive correlation with learning (r = .163, p=.04 n = 162), this means that top-level managers who highlight motivation in their own capacity, this factor led to name motivation as an important factor in the selection of high-potentials. The statistical relationship between the variables presented in the table indicates that the learning process increases with the increase in motivation. Therefore, these two variables are interdependent. As for cognitive skills and knowledge, according to the data, these two variables are positively correlated with each other (r = .168, p=.003, n = 162), it is significant that cognitive skills play a big role in the process of gaining knowledge and experience. Knowledge is also positively correlated with interpersonal skills (r = .160, p=.04, n=162). Based on this data, a certain type of chain is created, which helps us to see the complete picture, where it is evident, the advantages defined by the managers and the connection between these advantages and the factors determined by them, which necessarily take into account in the process of identifying high potential.

As part of the survey, senior managers were given the opportunity to identify the most acceptable and frequently used method to identify high potential. The frequency analysis of the data showed us (Table 5) that 85% of managers use the interview method when selecting high potential. Only 7.5% of managers use business simulations in this process, and 4.3% prefer leadership-style research tools. As seen from the table in this direction, the variety is less, the almost absolute majority uses the interview method, and the relevance of other tools and methods is low in the existing sample.

	Frequency	Percent	Valid Percent	Cumulative Percent
Leadership style tools	7	4.3	4.3	4.3
Interview	137	84.6	84.6	88.9
A personality research ins- trument	4	2.5	2.5	91.4
360 degree assessment	2	1.2	1.2	92.6
Business simulations	12	7.4	7.4	100.0
Total	162	100.0	100.0	

Table №5. Frequency analysis of high potential assessment tool

After the semi-structured interview with HR managers, thematic coding of the received data was done, and thematic categories were separated based on this.

- 1. Determination of high potential (description)
- 2. Challenges related to high-potential selection
- 3. High potential value in the organization
- 4. High potential management and retention strategy

At the next stage of thematic analysis, the obtained data were typologized, interview transcripts were created, and respondents' familiar and different views were separated from the research issue. As a result of the analysis, specific trends were identified, the main characteristics and regularities were determined, and general conclusions were made.

The analysis of the interviews shows that the research participants use more or less different criteria and characteristics to describe the high potential. HR professionals in sales and training education indicated that one of the top skills a high-potential employee should possess is effective communication and presentation skills.

"A person may be distinguished by deep knowledge of the subject, but the ability to transfer knowledge is not properly developed. It should be noted that an ineffective presentation can become an obstacle in the teaching process." Respondent #4

An IT HR professional cites teamwork as a key high-potential skill, among other qualities. It is important for him that a high-potential employee can work with a team because important goals of the organization can only be achieved as a team.

For [...], a high potential is associated with leadership and promotion. The respondent believes that a person with high potential should have the desire for career development in addition to capabilities. According to him, a high potential is characterized by constant striving for development. Respondent #7.

According to all the respondents in the study, the main characteristics of high potential are universal for all professions. Respondents are characterized by such basic characteristics of high potential as the ability to perform the work in the best way, drive and motivation to achieve more success, social skills and relationships, adaptability in a changing environment, the ability to deal with stressful situations, detail orientation and the ability to think globally.

During the assessment of high-potential indicators, the projective method was offered to the respondents. In particular, they had to show high potential in the form of an animal or bird drawing. The use of this method would give the respondents an opportunity to further analyze the indicators characteristic of high potential and to understand the characteristics on the basis of which they select high potential. A certain part of the research participants drew a lion, they characterized that "high-potential employees are characterized by the qualities that we perceive as a lion.

Lion is brave, fighting, strong, and most importantly, the king of animals.

The lion is the king of animals, and even one glance will convince a person that it is really this and that name was not given in vain, no animal can compare to the lion in terms of appearance and strength. For me, the lion is associated with dignity, patience, bravery, and leadership.

In the appearance of a lion, all its qualities can be read, its strength, bravery, and fighting ability" it is the king of animals, which says a lot. Respondent# 18

Also, the main part of the respondents drew a tiger as a symbol of courage and strength.

A tiger is a strong, brave, fighting animal, and it will never back down from anything, it is not afraid of opposition, as soon as you look at it, you know exactly what it is like, its appearance, its claws say everything. Respondent # 2

Respondent # 8 drew an elephant, for him, the elephant is associated with wisdom and intelligence.

As a result of the analysis of the interviews, it is clear that appearance, dress, manners, modesty, and reasonableness are also important for the respondents. It should be noted that this issue was not mentioned by any respondent when describing high-potential properties. However, these may be indicators by which the respondents are guided in the assessment and selection of high potential.

When asked what criteria they use in selecting high potential, a small number of the respondents indicated that they attach great importance to academic qualifications and work experience in a specific position. The respondents could not give a clear answer to the question of which is the more important criterion when deciding about high potential, personal characteristics, academic qualifications, or work experience. Therefore, during the research, the respondents were provided with an additional specific case ("case"), according to which they had to choose between several candidates. During the analysis of interviews and cases, it can be seen that work experience is one of the main selection criteria. Several respondents participating in the research confirmed that they prefer a candidate with experience in a specific field. According to them, selecting an inexperienced employee is associated with excessive waste of time and energy. However, a small part of the respondents has a different opinion. They give great importance to the skills and qualities of the person rather than qualifications and work experience.

Analyzing cases and interviews, it is clear that when describing high potential, HR professionals focus a lot on personal characteristics and talk less about academic qualifications and work experience. However, most consider work experience the main criterion during selection.

The analysis of the interviews shows that the attraction and employment of high-potential employees is an important value for the company's success. As a result HR managers emphasize the value of high potential in the process of organizational development.

An excerpt from the interviews is given as an illustration:

In order for our company to be able to develop in the long term, it is important to have the "right" people in the company; therefore, our company spends much time on the selection process of employees, and we have more or less predetermined criteria basid on which the selection is made. Respondent #9

Analyzing the interview, it becomes clear that one of the determining factors for hiring high-potential companies is globalization and the high level of competition in the market, under which companies need strong, capable, and highly qualified human capital to succeed.

When asked whom they would promote from among the employees actually working in the company, the majority of respondents choose an employee who, according to them, stands out from his colleagues with positive results and takes on more responsibility than it seems at first glance. Another important factor was revealed during the interview process; The respondents of the research believe that the employee who will be promoted should enjoy loyalty among colleagues, sociability, and trust and goodwill from colleagues.

Identifying high-potential employees is based on their results and achievements in the company.

I would promote the cashier-operator of one of our branches because, first of all, he has exceptionally positive results in contrast to his colleagues, and also has the relevant skills: purposefulness, leadership, fairness and more. Respondent #8.

Another interesting issue was revealed during the interview process; In particular, most respondents believe that the existence of a match between high-potential employees and companies is important. All respondents note that for a long-term relationship, it is necessary to be in harmony with the values of the company and the applicant.

According to the research conducted in 2020 as part of my Master's thesis at the University of Georgia, it was found that in the conditions of high competition in the labor market, the issue of long-term maintenance of high potential is very relevant for companies participating in the research. Unfortunately, 95% of the research participants do not currently have a talent management system in place, but the majority of them are going to solve this issue. The remaining 5 still need to implement a talent management system. It is also worth noting that the management of high potential in such companies was introduced only 1-2 years ago, and the system is still in the process of refinement and structuring.

As a result of the research, it was found that: In the selection of Georgian organizations, the exact indicators of identifying high potential and their career development plans need to be clearly established. Moreover, the indicators that HR professionals use to select and/or describe high potential often need to be more consistent.

However, research has shown that top managers rate their performance and abilities as leaders the highest on the following variables: motivation, ability, and performance. In selecting high potential, they consider learning, motivation, and leadership as important factors.

Analysis of the unstructured interview revealed that when describing high potential, respondents in the study focused on the individual's personal characteristics and less discussed academic qualifications and work experience. However, it is worth noting that in the selection process, HR professionals attach great importance to the applicants' work experience. To describe high potential, HR professionals focus on such qualities as the ability to do the job in the best way, drive and motivation to achieve more success, purposefulness, social skills and relationships, adaptability/ response in changing environments, ability to navigate in stressful situations, orientation to details and ability to think globally. As for the direct selection criteria, they implicitly or clearly attach great importance to academic qualifications, work experience, appearance, dress, and manners.

As a result of data analysis, a model of high potential was formed: analytical skills (intellectual curiosity, strategic views, ability to make decisions and solve problems, ability to think globally), ability to learn (willingness to learn, adaptation), desire to develop (orientation on results, persistence, and commitment, self-awareness, motivation to move to a higher level), and finally management/leadership (effective communication skills, empathy, self-confidence, delegation skills, ability to persuade others) Table N6.





Conclusion

This study aimed to investigate the implementation of talent identification. Research findings make several significant contributions. As a result of the research, it was revealed that organizations do not have clearly established criteria according to which they select a high-potential employee, which may put us in front of the problem of selection bias because HR professionals and top managers are guided in the process of high-potential selection and evaluation based on subjective opinions. HR professionals' assumptions about high potential also influence the personnel selection they make. HR professionals' implicit assumptions about high potentials influence the selection of potential employees for future recruitment stages, certain development decisions, and employee promotion decisions.

Rigorous definitions of high-potential characteristics represent objectivity and impartiality in the hiring process.

Organizations can benefit from the discussion presented in the study on selecting high-potential or identifying the ideal profile of a high-potential employee.

Alignment between management and HR functionaries remains a prerequisite for a functioning high-potential management system, influencing potentially all aspects from recruitment to training to retention.

Identifying high potential in an organization should be rigorous and based on good practice.

Limitations and recommendations for future research

The size of the sample is a limitation. Therefore, the conclusions drawn from the study's results should be treated with caution.

This study demonstrates the need to further explore the key characteristics of high potentials and how they are related to their future performance, given the importance of recruiting key people.

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