

HOW TO FIND YOUR STAR EMPLOYEES



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Organisations typically want to know who are their most valuable employees. And this is for good reasons. Knowing this can help the organisation grow, retain the right people within its workforce, and promote the right and intended attitude across different levels. Before we talk about the importance of doing so and the challenges to overcome, it is worth starting with some definitions of two different (and at times overlapping) groups of talent that we should be considering as valuable employees. These are your high performers, and your high potentials.



High performers: This group would be the easiest to identify for managers and the organization. Such individuals typically stand out from the rest in the organisation as they *continuously exceed expectations and targets* and tend to be the ones that we go to for last minute or difficult situations. They are known to be able to handle tasks and get things done. They are brilliant in their domain; however, this does not necessarily mean that they have the potential, or inclination to move up the ranks of the organisation.



High potentials: This group may well be hidden as they *demonstrate the ability to improve and excel in technical capabilities, but they may not necessarily be there or be ready right now*. What they have is a long-term value. They demonstrate a potential to do much better and grow faster with the company in the future. This makes them ideal candidates for succession planning as their talent, determination and ability would be important for the entire organisation.

To ensure the distinction is clear, think of a high potential as someone that perhaps still needs refining in their abilities, but at the same time they show that they are willing to put in the work, they can coach and guide others, and are interested in the overall good of the organisation. A high performer will be excellent in performing their tasks now, but not necessarily indicate attributes for future success in the organisation. High potentials tend to exhibit a strong growth mindset and therefore can be accelerated in their development.

Both groups are valuable to organisations, and both groups should be considered and given intentional nurturing in order to keep them in the

organisation. Organisations thrive because of the quality of their people. Thus, paying attention to them because they drive growth, performance and sustainability is logical. Much research has shown that focusing on identifying and nurturing these two groups has immense benefits for the organisation.

Focusing on high potentials is a long-term, future thinking strategy that is most concerned with the future sustainability of the organisation. Notwithstanding, high performers' identification and special attention is also a strategy that may yield powerful impact for organisations, and for this reason both are worth the effort. To appreciate these two groups fully, let's look at the benefits that they bring to the organisation.

How **can** high performers benefit the organisation?



1. They achieve more!



2. They act as role models for the rest



3. They raise the company brand



4. They contribute valuable ideas for decision making and direction



5. They improve workplace culture



6. They can help you attract other high performers

How **can** high potentials benefit the organisation?



1. They are interested in the growth and wellbeing of the organisation



2. They provide future sustainability within the company



3. They are great coaches and mentors for new employees



4. They build strong connections between teams and see the big picture of the organisation



5. They take on responsibilities outside their job scope

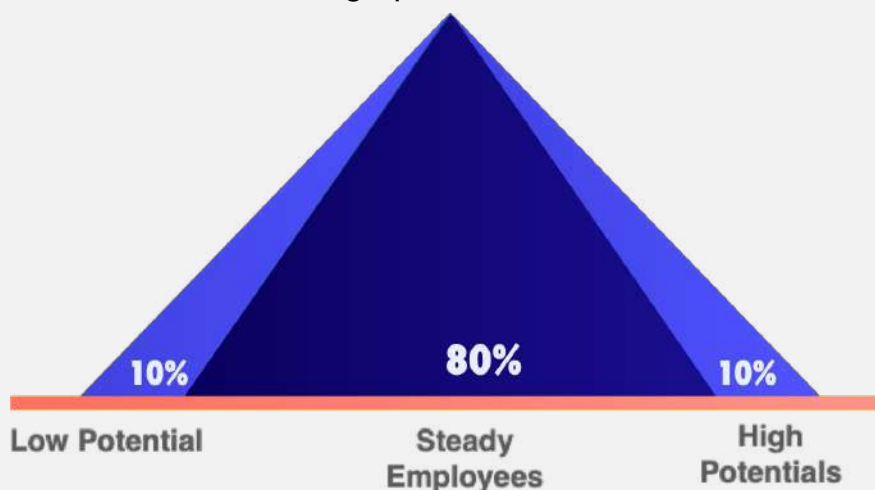
A high performer can be a high potential at the same time, demonstrating the potential to grow beyond their current expertise.

Identifying high performers is easy. How about high potentials though?

Research has shown that the most common challenge in identifying high potentials is that organisations often focus on current performance metrics rather than future potential. By focusing on current high performance, it becomes easy to miss other indicators that one is a high potential – like learning capabilities, coaching aptitude, adaptability and leadership abilities.

Another side to this is that these indicators of a high potential employee are hard to measure – as it is difficult to quantify, it is difficult to have objective reasons for this categorization. In a numbers driven environment that organizations typically operate in, it makes such indicators easy to miss.

So why is it so critical to direct our attention to these groups of valuable employees? The answer is simple: In reality, this group only constitutes a small part of our workforce. Typically what we see in organisations is that 10% of the workforce (or less) constitutes the high potentials. Most of the bulk of the organisation are the employees that are 'steady'. In other words they contribute reliably and incrementally improve over time, but at a lower speed and efficiency than the high potentials. This speaks to the potential of employees. Note that performance can come from the steady bucket as well as the high potential bucket.



The Pareto principle applies here, and the top 10% accounts for most of the potential in the organisation. This applies to performance as well, where 10% of the employees are the top performers. It's been found that for less complex jobs like in manufacturing, top employees outperform the average ones (steady employees in the diagram above) by a median margin of approximately 50%. For medium complexity jobs, the difference amplifies to about 85-100% (for jobs like trainers, sales managers, etc), and in the case of senior leadership roles, the contribution of top performers is

more than double of average performers. In terms of growth and productivity contribution to the organisation, this is massive.

With this in mind, an organisation can make decisions on how to approach each of the three groups – in terms of retaining, in terms of development, in terms of engaging, and in terms of looking at them as the future of the organisation.

What happens if we do not identify high potentials?

Being able to identify your high performers, high potentials, steady employees and non-performers simply allows for better planning.

The most common implication seen far too often in organisations is this: Individual contributors are often promoted to a managerial position based on their individual performance. However, Gallup's research reveals that only about 1 in 10 people possess the talent to manage.

Another two in 10 people exhibit some characteristics of basic managerial talent and can function at a high level if their



company invests in coaching and developmental plans for them. However, this leads to a striking statistic showing that 50% of managers in organizations are rated as ineffective, with 20% of first-time managers rated as doing a poor job, according to their subordinates.

This is purely because high performance is the primary determinant for promotion, while the additional attributes generally associated with high potentials are not considered as part of that decision. Thus, a strong individual contributor may struggle under the new responsibilities, as they are not ready, or perhaps not even interested, in managing the work of others and overseeing overall team commitments instead of just their own.

With this we also see a lost opportunity to prepare better for the future. Nurturing the next generation and following generations of leaders in the organization (or succession planning) ensures a constant pipeline of the right individuals for the company. Not having that in place poses a risk for the sustainability of the organisation.

Identifying your stars

The two groups of your strong employees that we talked about are both critical to identify, develop and keep engaged within the organisation. For ease of mention, let's call these two groups combined your **star performers** – because that is what they are – they are the ones that really drive the organisation forward.

How then do you go about identifying your star performers (remember, star performers is potential + performance)? We'll offer more details on how to do this in [the next follow up guide](#). For now, let's briefly go over a few ways at a high level.

The traditional ways include performance reviews, observations from the managers and 360 assessments, as well as assessments conducted on the individual.

In addition, however, we'd like to offer some other things that you should look out for that might indicate that an employee is a high potential. To help you decide whether to look deeper, here is a quick list of tell-tale signs to look out for:

- They question in order to find out more than needed and understand the bigger picture
- They get involved in cross team initiatives and projects that help the overall benefit of the organisation
- They take their time to reach out and offer useful and detailed feedback to colleagues and their manager
- They recognize other high performers and are often recognized by their colleagues
- They have strong networks and connections across the organisation
- They teach back to others and share knowledge and information
- They participate in company initiatives, challenges, and fun and/or serious requests
- They put the overall benefit of the organisation first

Final thoughts...

Identifying your star performers in the organisation allows for better planning and preparation, as well as higher chances of keeping your star employees engaged and passionate about what they do. Aesop's fable of the cricket and the ant is a fitting metaphor – those that prepare are better off when the time to reap the benefits come.

We talked about the importance of identifying, as well as what to look out for in a high potential employee at a higher level in this guide. In the next instalment, we will dive in deeper into the identification process that consists of having the right observation structures and look into ways to encourage more of your people to embrace these behaviours.

Give us a shout if you would like to find out about how Budaya can help you have the right structure in place to identify and help your high potentials



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