Identifying and Developing Talent

By Jim Bolt

Identifying and developing the next generation of leaders is as hot a topic as you can find these days. Pretty much everyone agrees we have a leadership shortfall, if not crisis, looming on the horizon -- and many would argue we are smack in the middle of it already. Many organizations tell me that they don’t think they have, or will have, the leadership talent needed to achieve their growth strategies. Ouch. In my firm, Executive Development Associates, Inc. (EDA), we decided it would be useful to find out how leaders actually go about identifying and developing employees with high potential. We already know what the human resources departments say is supposed to happen, i.e., what the policies and procedures are for this critical process. But we were hoping to find out what goes on in the real world.

So we asked members of our peer networks (heads of executive/leadership development in leading companies) to identify line leaders who had a track record and reputation among employees for being great at identifying and developing leadership talent. We asked them to find the people everyone wants to work for because of their reputation for developing talent and getting them promoted. We ended up interviewing 20 "role model" leaders from 16 companies representing a variety of industries. The leaders were VPs and C-Level executives.

We divided leadership talent into two categories for the purpose of this study. The first was "High-Potential Executives," or current executives who have the potential to fill positions on the top management team reporting to the CEO in the future. The second category was Emerging Leaders," or younger leaders, lower in the organization, who have the potential to fill executive level positions in the future.

In this column I'll focus on what we learned about how these role model leaders identify talent. In my next column, I'll cover how they develop that talent.

How Leaders Identify Talent

The key question we asked was, "How do you determine that a person has potential?" Below are the most frequent responses from line leaders about how they determine whether an executive has potential:

High-Potential Executives
We found the response about taking a broad view to be particularly interesting. As one interviewee said, "To be a leader you have to consider multiple dimensions to a problem, not just the technical but the financial, the political, the social. All of those dimensions become important and when I see a leader, he or she is considering the broadest range of points of view in making a decision."

It's also worth noting that empathy and active listening are key to building the relationships that are a critical factor in being viewed as someone with high potential.

Here were some of the practical questions we found that role model leaders used to identify executives with high potential:

**Track Record/Ability to Execute:**
- What results have they achieved?
- How long did it take to achieve those results?
- What was the quality of the results?

**Broad View of the Organization and Problems:**
- Do they consider multiple dimensions of problems (i.e. financial, technical, social, political) in making decisions?
- Do they consider a broad range of viewpoints in making decisions?

**Empathy/Relationship Building Skills:**
- Do they care for people?
- Are they able to simultaneously achieve results and build relationships?

**Change Management:**
- How well have they managed large-scale organizational change?
- Are they successful when placed in unfamiliar roles requiring personal change?

Now let's look at the most frequent interview responses from line leaders about how they determine potential for "Emerging Leaders:"

**Emerging Leaders**
Shines 37%
Track record 37%
Passion and ambition 31%
Broad view of the organization 31%
Team player 21%

In talking about what they meant by "shines" and how the person stands out, one interviewee said, "It's their ability to act as an influence within a group of their peers. Not to impose their leadership in that position, but clearly, rationally, to start moving the others within that group to that position."

Here are the typical questions that our role model leaders used to identify Emerging Leaders:

**Track Record/Ability to Execute:**
- Have they performed well in varied assignments and stretch assignments?
- Do they excel in ambiguous situations?

**Relationship Building /Influence/Communication Skills:**
- Can they build a strong case to influence their peers to their position/view?
- What do others think of them?
- What kind of impression do they make when I interact with them?

**Passion and Ambition:**
- Do they have a sense of urgency around taking on challenging and important projects?

**Passion for Learning:**
- Do they have an openness to and passion for learning?
- Are they highly motivated to continuously learn?

One of the difficult questions organizations face is whether or not to let people know that they have been labeled has "high potential," with the natural concern being the possibility of creating a sense of elitism. The majority of companies favored telling people, with one respondent noting, "It is important to let high potentials know their status in the organization. Competition for this talent is fierce and we want them to know that they have a future here."

Finally, our role model leaders spent an average of 24 percent of their time identifying and developing leadership talent with high potential. And virtually all wished they could spend more.

In the next column we'll review what we learned about the practical ways that these best-of-the-best line leaders developed their talent, what clues they saw that indicated that someone was in trouble, how they helped to keep them from "derailing," and some final tips they have for the rest of us.