





WHY MEASURE POTENTIAL?

Gartner research shows that “a high potential employee provides nearly double the value to an organization, and they’re three times more likely to be successful leaders in the future.”¹ Yet, many organizations let high potential employees slip away. *Why?* High potential employees are hard to identify when only assessing employees according to performance. Performance measures past success while *potential indicates the likelihood of future success.*

PERFORMANCE VERSUS POTENTIAL

 Performance	 Potential
Rates past success and is easy to see <ul style="list-style-type: none"> • <i>Did an employee meet annual goals?</i> • <i>How well did he/she perform in a role?</i> 	Indicates likelihood of future success <ul style="list-style-type: none"> • <i>harder to see</i> • <i>includes a person's inner attributes</i> • Potential is situational. <i>The right conditions must exist to see and nurture a high potential employee.</i>

SITUATIONAL EXAMPLE: Employee #1 versus Employee #2

Much like the gifted child who earns poor grades in school, a high potential employee may perform poorly out of boredom or a position unrelated to his/her skills. Consider this example: Employee #1 is a high performer, having processed the highest number of transactions on a team. Employee #1 is promoted to a management position based purely on past performance that was very visible. In the management position, Employee #1 now struggles to inspire the team. Overall transactions for the team drop and the once self-satisfied Employee #1 becomes disillusioned. Employee #1 did not have the “potential” for the new position, resulting in poor morale and possible turnover. Meanwhile, Employee #2 steadily produced a slightly less number of transactions for years. While the transactions were slightly lower than those of the “high performer,” Employee #2 also built rapport and quietly encouraged team members. Employee #2 has potential but does not feel appreciated. Lacking hope for career momentum, Employee #2 resigns.

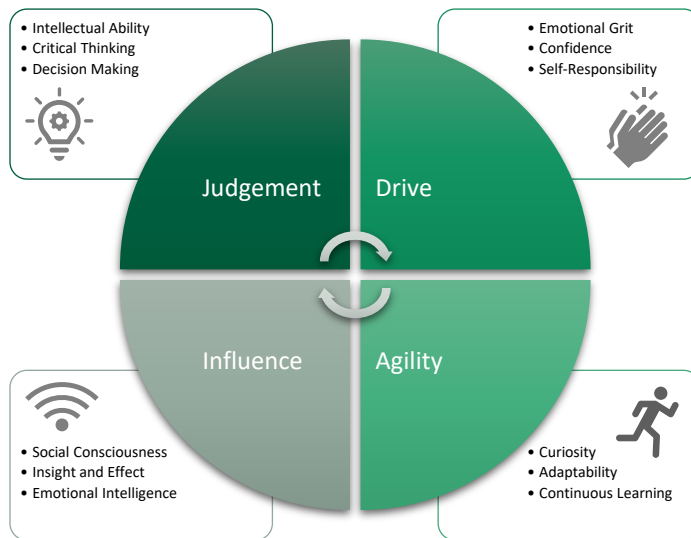


Consider the impact to morale and influence on brand and the bottom line due to turnover. Identifying high potential employees leads to better engagement and employee retention.

The following table illustrates low-high performing employees versus low-high potential employees.

	Low Potential	High Potential
High Performers	<ul style="list-style-type: none"> • May display a good track record of performance but lack qualities for success at a higher level • May be performing well because he/she has reached pinnacle of career • May be a subject matter expert with skills that do not transfer outside of that field/position 	Displays a good track record of performance AND possesses qualities for success at a higher level position with more advanced work
Low Performers	<ul style="list-style-type: none"> • Poor track record of performance • Lacks qualities for success in a different area or at a higher level 	<ul style="list-style-type: none"> • Potential is less obvious • Possesses qualities such as emotional intelligence or curiosity • Performance may be low because employee is early in career or adjusting to a new role with greater challenges

HOW TO MEASURE POTENTIAL The accompanying questionnaire has been developed by combining the models used by two of the industry’s biggest management consultants, YSC and Korn Ferry. For over 20 years, YSC has used Judgement, Drive, and Influence (JDI) as critical agents to successfully measure potential. Today, many companies are using a combination of the JDI model with the integration of agility-based questions. This questionnaire is based on the integrated model.



We can look at a person’s judgement, drive, influence and agility to identify the innate abilities that research has shown as necessary traits for challenging and complex roles such as those in leadership. Past and present experiences can show capacity and desire for growth in current and future roles.

COMPONENTS OF THE MODEL

Judgment is a person’s intellectual ability to analyze a situation and make good decisions by approaching with new ideas through critical thinking.

Drive is a person’s emotional determination to achieve something that he/she wants; It includes displaying confidence, a sense of purpose, responsibility and resilience.

Influence is a person’s social consciousness of surroundings and insight into people; It is the ability to adapt styles to affect others and achieve results.

Agility is the ability to handle the unexpected, adapt, and quickly find footing in new and unknown situations. This requires flexibility, curiosity, and eagerness for continuous learning and fresh approaches.

HOW TO USE THE QUESTIONNAIRE

- Use the checklist for self-assessment or to assess others for potential. Rate each statement as you have either demonstrated yourself or observed in others.
- To prevent recency bias, we recommend reviewing employee notes or records from throughout the year when answering the questions. For each ‘3’ rating, provide an example in the “Remarks” section.
- Don’t be afraid to assign low scores when applicable. A low score is a possible area for development. The checklist contains indicators that point to a person’s potential for success in a more complex role. Within each section, you will be asked to rate statements to help you think about how consistently the different indicators of potential are demonstrated.

ⁱ High Potentials vs. High Performers: A Manager’s Guide to Identify, Assess and Develop By Lisa Hedges on May 27, 2021 <https://www.softwareadvice.com/resources/high-potentials-vs-high-performers-a-managers-guide/>