

Assessing potential

Everyone has potential. Everyone has the ability to learn and grow and enhance her contribution. Genuine high potentials, though, are in short supply. It took us a while to learn to avoid false positives because we misunderstood the relationship between competence and performance and potential. We were not unusual in that regard. I'm convinced that many organizations do a poor job identifying high potentials.

Virtually all of your employees will be competent and solid performers. If they are not, why are they on your payroll? But competence and performance are not the same as potential.

The causal chain goes as follows. You need competence to perform. But competence alone doesn't guarantee performance. You need to demonstrate high performance to qualify as a high potential. But high performance does not guarantee potential.

Current and past performance does provide some evidence of promotability, but it is not an accurate predictor of who will rise to a level we'd consider top talent. There are likely many people in your organization who deliver excellent results but are well placed in their current position and have limited capability for advancement. In fact, the great majority of your high performers are not on a career trajectory that will lead them to senior positions.

In addition to being highly competent and excellent performers, authentic high potentials share common characteristics. They are brighter than average—we don't promote stupid people. They get along with others reasonably well—we don't promote disagreeable troublemakers. And they're highly motivated—we don't promote people who don't care. All high potentials will meet these three criteria in every organization. They represent a minimum price-of-admission for advancement to the most senior position levels.

In addition to the universal requirements, high potentials need to culturally fit with your organization, and what this means varies from one firm to another. There may be particular values that must be modeled to avoid being rejected. There may be personality traits that are tolerable in some firms, but not in yours. There may be other criteria specific to your company—ability to travel extensively, willingness to work weekends and holidays, or readiness to relocate with little notice. The price to pay for advancement to the most senior levels varies from one company to another. But the price is always high.

Importance of learning agility

Learning agility is an extremely important and often overlooked component of potential. In a nutshell, learning agility can be described as a willingness and ability to apply what's learned in one situation to another quite different situation. At face value, this seems pretty simple. It's not.

Learning agility can be considered a meta-competency that's strongly influenced by a whole raft of personality traits. No two people are identical, but those high in learning agility, those who are good at transferring what they've learned, usually share certain characteristics.

For example, very learning-agile individuals tend to be highly curious and to have broad interests. They like to experiment and don't fear making mistakes. They have a high degree of self-awareness and can read and respond to others well. They deal with stress better than most. They can't tolerate the status quo and like to lead change. And the list goes on.

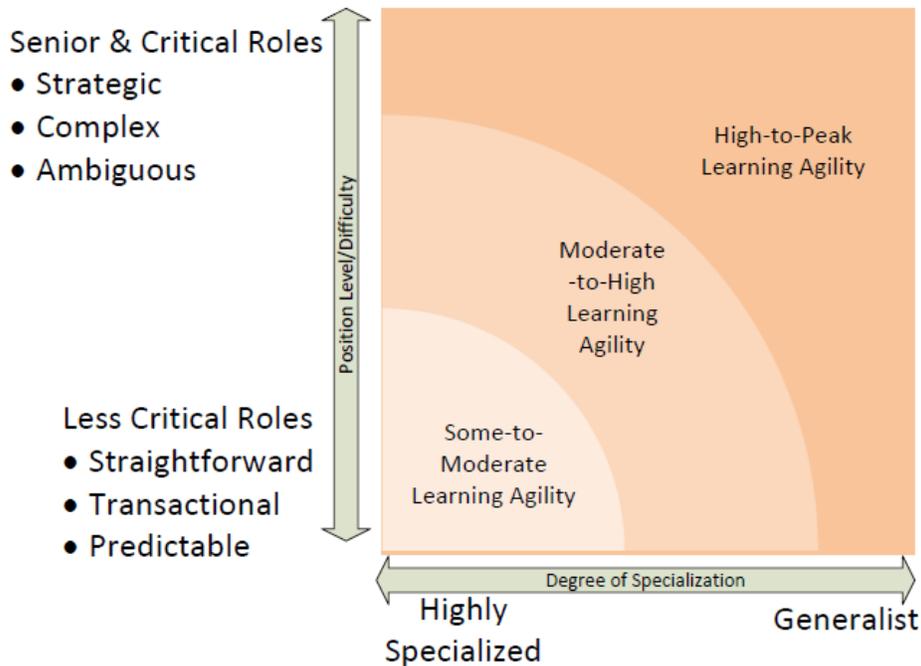
There's 30 years of research underpinning learning agility that indicates this meta-competency accounts for a lot of the difference between highly successful and less successful leaders. Of course, learning agility is just one variable.

Motivation, IQ, EQ, and experience also explain a lot of variance in leadership ability. But here's a key take-away: of all the factors that contribute to success, learning agility is the single most powerful predictor of success when we're considering a person who is taking on a very new and different set of responsibilities.

All jobs require some level of learning agility, just as all jobs require some degree of intelligence. And just as some jobs require more intelligence than others, some jobs require a higher degree of learning agility. In general, the need for learning agility increases as the role becomes less specialized and more generalized. Also, the need for learning agility increases as jobs become more complex, are more ambiguous, and are associated with more severe consequences.

General managers are more likely to succeed if they have a high degree of learning agility. And, as illustrated below, those who fill the most senior roles in your organization benefit from a high degree of learning agility, even if they're deep experts.

Need for Learning Agility



If all the roles in your firm are simple, transactional, predictable, and never deal with complexity, ambiguity, or urgency, you don't need to concern yourself with learning agility. It was critical for our business and likely is for yours.

When we discussed potential in our talent review, here's the definition we used to guide our discussion.

All our employees are valued contributors and have potential. Some contribute more than others. Some have more potential. High potential employees are those capable of advancing rather rapidly to senior and important positions. High potential employees may serve as generalists or follow a specialist career track. All high potential employees share certain characteristics. Without exception, they:

- *Serve as an exemplary model of our core values*
- *Demonstrate a very high degree of intellectual horsepower*
- *Exhibit a high degree of self-awareness and emotional intelligence*
- *Are highly ambitious and driven to achieve meaningful results for the organization*
- *Relentlessly develop themselves in the competencies that matter most*
- *Possess a substantial degree of learning agility*