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Tell or Don't Tell?

Talking talent with
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The age-old question: to tell or not tell?

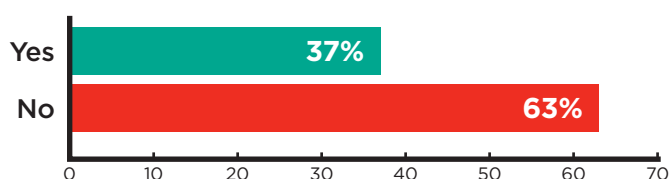
The dilemma of “to tell or not tell?” a high-potential employee that they have been identified as such has been around for decades. Don Laidlaw, Corporate Head of Executive Resources for IBM in the 1980s, used to respond to this question with a simple answer: “Yo,” or **yes** and **no**.

Yes, you should tell a high potential their designation, but be very careful what you communicate. Do communicate the responsibilities of being a high potential and do not portray it as an elite status or right. Do communicate that the designation of high potential is context-bound and not forever. In a well-communicated approach, being a high potential means you are going to be given tougher assignments and that you are going to be scrutinized by senior executives of the organization.

No, you should not tell a high potential they are one if you are at risk of inadvertently creating an implied contract for promotion, special or elite status, or a set of expectations for opportunities that may or may not come about. In addition, don't tell if your differentiation strategies and frameworks are unclear to managers as this may increase the risk of demotivating those who were not selected.

In our experience, the issue of “to tell or not tell” is an evolutionary hallmark. One that is confronted by every organization as it develops its strategic talent management practice. In and of itself, the question tends to reflect a predictable crossroads in a developing succession culture. One of the roadblocks in this crossroads is the ability of managers and executives to have career-focused, positive, corrective, and actionable feedback with all of their direct reports.

Are employees who have been classified as high potential formally told about their identification (Korn Ferry study, 2014)?



If you don't tell, what happens?

Let's consider our assertion that transparency is an evolutionary hallmark from a succession management perspective. When the "tell or don't tell" question is posed in an organization, it is often because leaders need a policy recommendation. Why? Because executives and managers who may have been engaged in talent discussions have been telling high potentials they are and thus have been creating a predictable set of problems. As a result, an emerging camp develops suggesting you should not tell.

For example, consider the following. A European Head of Talent for a Fortune 500 company implemented a talent review process—a worthwhile, noble, and best practice for any organization. Like many other organizations, the company employed a nine cell matrix to assist in guiding the calibration and validation process which generated a list of agreed-upon high potentials. Subsequently, the high potentials were told of their status. Shortly thereafter, each and every one of them scheduled a meeting with the European Head of Talent to discuss their promotion and compensation adjustment! What was the response of the company? A policy decision of "do not tell!" and the elimination of the nine cell to guide their talent review discussions.

Let's say you have a policy of "do not tell." What do you think your managers and executives are actually saying to their high-potential employees? A true high potential is looking for enhanced developmental opportunities in order to learn and expand their capabilities. They have options to go elsewhere if the company is not talking to them about these opportunities and leveraging them into rich developmental opportunities and providing them visibility within the organization. To avoid the risk of losing these valuable and talented employees, managers and executives tell them in hushed conversation that violates the policy regardless.

Within companies with a "do not tell" policy, everyone often knows who the high potentials are anyway. These are the individuals who leave for month-long general manager programs, get to play golf with the visiting senior executives from corporate, are extended invitations to the corporate strategy meeting, and so forth. More importantly, these are the individuals who are given rapid promotions or the juiciest assignments. Everyone knows and it is viewed as unfair and inequitable. Since high potentials typically represent between 2-4% of the organization's employee population, what do you think the other 96-98% are thinking and feeling?

Transparency is a sign of maturity.

Telling a high potential is critical to creating a transparent succession management process. As Bersin (2014) has noted, “transparency is a differentiator of a high impact succession management system.” A high impact succession management system produces the requisite talent needs of the organization in a just-in-time fashion, allowing the organization the ability to be flexible and successfully responsive to their changing issues, problems, and challenges.

Transparency is significantly more beneficial to the organization than having a policy of “do not tell.” Bersin (2014) notes the following benefits:

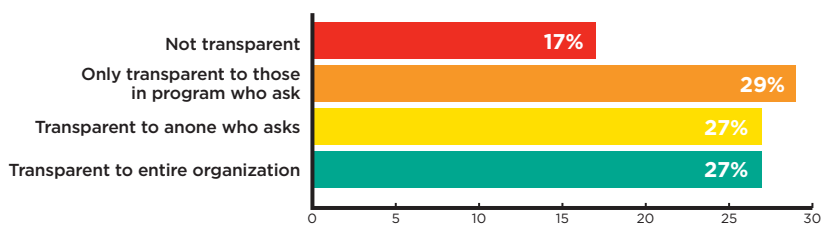
- Increased employee engagement.
- Increased employee retention.
- Timely feedback to employees.
- Improvement of manager abilities to provide feedback.
- Targeted development.
- A culture of high performance.
- Enhanced employee exposure.

According to research conducted at The Conference Board's Succession Management Conference in 2013, organizations with mature talent management strategies openly share information about their high-potential strategy with all stakeholders, such as HR leaders, business unit leaders, high-potential leaders, and all employees. This information includes:

- The overall process.
- Identification and selection criteria.
- An understanding that high-potential status is earned and does not guarantee a promotion.
- Responsibilities, opportunities, and roles in development.
- Measures of success.

It's clear that the benefits of well-managed transparency outweigh the risks. In a world where talent is scarce and the demand for high performance is crucial, a "do not tell" policy is counterproductive. Instead, organizations are best served by improving the communication skills of managers and providing them with a "language of talent."

To what extent is the criteria for being selected into the high-potential pool transparent (Korn Ferry study, 2014)?



Talk a language of talent that addresses all of your people.

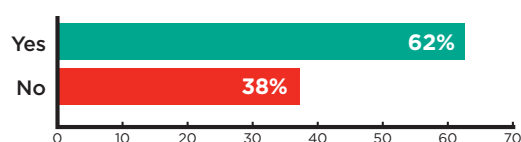
Managers and executives need to have a language of talent, tools to differentiate their talent, and the managerial courage to effectively support the development of their talent. Without this language misunderstandings are ensured.

Take for example this exchange between Arvinder Dhesi, who was the Global Head of Talent for Aviva plc based in London, and a Senior HR Director in a best practice sharing session with colleagues from other organizations. In this session, the HR Director "...seemed extremely proud of the fact that she described just two or three percent of her entire workforce as 'talent.' Arvinder asked: 'How does the other 97% feel?' When the Director was unable to respond, she was asked how she would feel when she saw the headline in the following morning's Financial Times 'HR director of XYZ company admits 97% of her employees are not talented.'" (Talent Management Review, 2007).

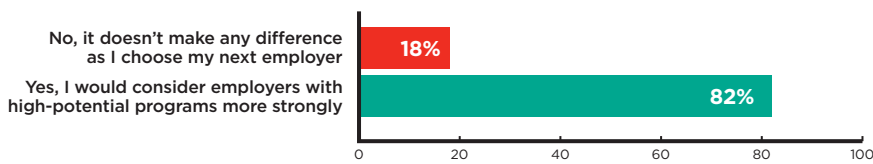
A language of talent facilitates both the identification and development of all employees and works to eliminate the unintended negative consequences of secrecy. Given the rigorous approach to the selection and acquisition of talent on the part of companies, it is reasonable to assume every member of the organization has some degree of talent. This assertion is supported by the observation that we have never seen an advertisement for "untalented" people.

In addition, they each have some degree of "potential" affiliated with their talent. We define potential as the individual's capability of developing the competencies and behaviors they will need to be successful in a significantly more complex leadership role.

Does your organization invest in the development of "high professionals" as well as high potentials? High professionals are defined as stand-out individual contributors at all levels of the organization (Korn Ferry study, 2014).



If you were seeking a new job, would the presence of a high-potential program make a difference to you (Korn Ferry study, 2014)?

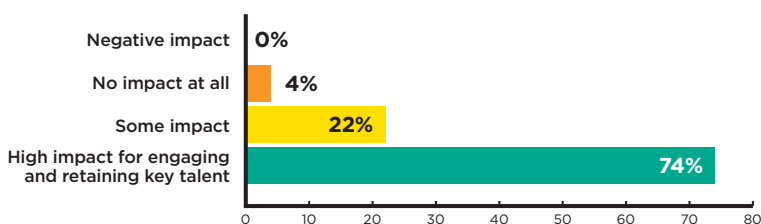


At any given time, “potential” is not necessarily equal. Some have more than others, but they do have potential nevertheless. When managers and executives look at the potential of their talent, they need to consider three different variables. These are:

- **Altitude:** How high in the leadership pipeline can each person go?
- **Velocity:** How fast can they go through the pipeline?
- **Path:** What is the best route for them to take to achieve their potential?

These three variables can allow managers and executives to craft a coaching approach for their talent. The coaching conversation used then is to “tell” individuals their perceived altitude, velocity, and recommended path. Telling individuals engages them in a partnership with the organization to maximize their potential.

What is the impact of high-potential programs on recruitment and retention (Korn Ferry study, 2014)?



Use tools for making talent decisions.

A very useful tool to assist managers and executives when considering these three variables is the Performance and Potential Matrix shown in Table 1.

Table 1: The Performance and Potential Matrix.

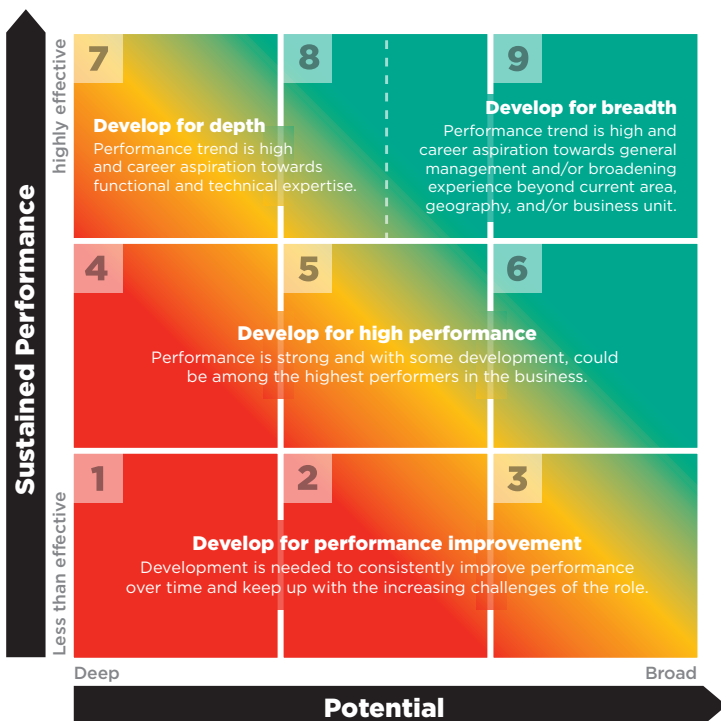
Performance	highly effective	7 High Professional Consistently produces exceptional results in a defined area, but doesn't always easily adapt to new situations. May be promotable to leadership in a functional/technical area.	8 Versatile Talent Consistently produces exceptional results in many areas, businesses, geographies, functions. Adapts and learns. May be promotable in to lead functional/technical areas or general management.	9 Consistent Star Typically in short supply, but in high demand. Performs well at almost everything. Learns fast. Transfers learning from one area to another. Resourceful. Ready for stretch assignments or lateral movement into just about any situation.
	Less than effective	4 Solid Professional Meets and occasionally exceeds expectations. Knows current job well. Does not effectively adapt to new situations. Narrow professional interests.	5 Key Performer Meets expectations of current role and deliberately enhances skills for the near-term future. Comfortably assumes new jobs and roles and performs well in them in time. Probably promotable a level vertically or able to move laterally.	6 Future Star Meets or exceeds expectations and has the capacity to take on new challenges with ease. Quickly gets up to speed. Has the potential to make career changes into different situations.
	Deep	1 Mismatched Performer Is not delivering results as expected and cannot effectively adapt to new situations. People in this cell may require performance action, but the return on development is low.	2 Inconsistent Performer Appears to have potential but is not fully demonstrating it. Is not meeting performance standards. May be struggling, new to the job or company, or in the wrong job or function.	3 Emerging Performer Most agree that he or she could do great things for the organization in the future. Might need time or opportunities to develop. May be in the wrong job or a poor fit for the current situation.
		Broad	Potential	

The Performance and Potential Matrix becomes a valuable tool to guide a talent review session or what we refer to as a Talking Talent® session. Executives and managers within a business unit or functional group can discuss each name on the matrix to determine if they are in the appropriate cell. They do this by comparing and contrasting talent against the definition found in the cell. Through this peer group discussion, they are able to calibrate and internally validate their supply of talent within the unit. These Talking Talent sessions are cascading downward through the organization. The result is a map of the organization's talent, illustrating ever-increasing pools of talent able to lead at the highest functional level of the organization.

Once identified, experience-based development plans can be designed, negotiated with the potential candidates to gain their agreement, and implemented to insure they have the experience base to take on ever-increasing challenges as they grow and flow through the leadership pipeline. The Performance and Potential Matrix serves managers and executives by informing them about altitude, velocity, and path.

Armed with this information, managers and executives can then “tell” their direct reports and enter into a robust coaching conversation; Table 2 lists differentiated coaching strategies linked to performance and potential.

Table 2: Differentiated coaching strategies.



Have effective coaching conversations.

To assist managers and executives in “telling” or coaching their direct reports, the Korn Ferry Talent Review materials provide a set of opening scripts they can use to ease into the conversation based upon their positioning on the matrix. For instance:

Consistent Star (9)

- The organization believes you have the potential to reach the highest levels. As a result, we would like to put you on an aggressive development and assignment plan.
- We believe you have the potential to assume the following role. To prepare you for this role, we would like for you to take on an assignment which will provide you with critical development in specific areas. A coach will be available for you to discuss your experiences.
- I'd like to discuss with you your future in the organization. We believe you have the potential to assume a key leadership role.

Versatile Talent (7)

- I'd like to discuss with you some development opportunities in the organization. We see you as a superior performer with the potential to fill a role either within your functional expertise or a broader role within the organization. What are your career aspirations? Are you interested in moving outside your function?
- You have been suggested for a new and different role. We consider this a development opportunity for you that is aligned with your career goals and the business goals of the organization. As a result of this opportunity you will be developing in the following areas.
- The organization would like to get a clear picture of your strengths and development opportunities. We suggest a 360 degree assessment to help us more effectively determine the developmental path that is most appropriate for you.

High Professional (4)

- The organization believes you have the potential to eventually lead in this functional area. To prepare you for that role, we would like to develop your capabilities in the following areas.
- You are viewed as an expert in the organization. As a result, we want to continue to leverage your expertise and build your skill in this area. To continue to build your expertise, we would like for you to participate in the following areas.
- As someone who is viewed as an expert, we would like for you to lead this project. This will enable you to continue to build your expertise as well as develop critical leadership competencies.
- The organization sees you as having potential in your current function. However, since you have expressed an interest in broadening your capabilities we would like to provide you the following opportunity to test your abilities.

Communicate to the organization.

To use the language of talent across the organization clearly, follow these guidelines.

- Communicate regularly that your high-potential program is part of a larger process to review talent on a regular, usually annual, basis. Business situations continually change. Your organization's need for leadership talent may shift due to economic conditions, mergers and acquisitions, growth, new strategic direction, and other factors. The supply of leadership talent will change as you hire new people, and as you see how well people develop and perform across a variety of situations. All of this affects current and future leadership gaps that underlie the need for a high-potential program, as well as the requirements and expectations that you have for such a program.
- Tell people what you are looking for in a high-potential leader and let everyone know the criteria involved in making these decisions. Focus on people being in a high-potential program rather than individuals being high-potential leaders. This will help both the nominees and the organization stay focused on investing in actual development.
- Explain the limited scope. Let people know that their status is only for the current year or the current high-potential program. Not only will this help you avoid any sense of entitlement, people will stay motivated to perform and to continue their development. In addition, if people know they will be reviewed annually and that their status could change, this will take the pressure off when you have to let someone know they are no longer on the list.
- Create a communication strategy. Have a plan to ensure that all employees understand the requirements and expectations, know what they need to do to be considered a high performer and high potential, understand that if they are not nominated one year, they have the opportunity to be reconsidered in the future.

Summary.

For organizations which are not otherwise constrained by regulatory requirements, the question of “tell or don’t tell” has been well and truly answered with a resounding “yes.” The question that we should now all be asking is: “When and how do we talk openly, consistently, and transparently about the future with all of our talent?”

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About Korn Ferry

At Korn Ferry, we design, build, attract, and ignite talent. Since our inception, clients have trusted us to help recruit world-class leadership. Today, we are a single source for leadership and talent consulting services to empower businesses and leaders to reach their goals. Our solutions range from executive recruitment and leadership development programs, to enterprise learning, succession planning and recruitment process outsourcing (RPO).

About The Korn Ferry Institute

The Korn Ferry Institute, our research and analytics arm, was established to share intelligence and expert points of view on talent and leadership. Through studies, books and a quarterly magazine, Briefings, we aim to increase understanding of how strategic talent decisions contribute to competitive advantage, growth and success.

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