Demystifying HiPo Employee Development

Building and implementing a program best fit for your organisation

enparadigm

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Importance of HiPo development:
Understanding the opportunity cost and the need gap

VALUE AND OPPORTUNITY COST

High Potential employees contribute

91%

more towards business goals

upto 3.5 times

of their CTC

Could be a substantial opportunity cost if not nurtured

15%

Higher job turnover rate found in HiPo employees as compared to others

200%

of their CTC is the estimated loss on replacement hiring + lost time on building synergy

NEED GAP FOR IMPROVEMENT

Where do organisations stand?

87%

Not confident about a strong talent bench for the future

> 50%

Admit they don't have systematic processes to identify, retain and manage top talent

How is the current HiPo development experience?

73%

HiPo programs deliver below expectations

64%

HiPo employees are dissatisfied with the experience

Engaging and developing HiPo talent helps organisations retain the best talent, save costs, grow faster.   Data shows there is a gap between what HiPo employees expect and what current development programs offer.

Salto Dee Fe Consulting India Survey 2019; World@Work 2012; CEB Data Gartner Beyond the Hyper Surveys 2016, Gartner 2019 HIPO Development Benchmarking report, Gartner 2013 Succession Management Survey

Understanding and identifying HiPo talent:

Their behaviours, needs and measures to identify

HIPO EMPLOYEES:
TRAITS AND BEHAVIOURS

Important TRAITS exhibited by HiPo's

- Learning Agility/ Growth Potential
- Culture Fit
- Ambition
- Emotional Intelligence
- Job Skills
- Work-ethics

How do the traits MANIFEST in their job behaviours

- Keen to self-assess and improve
- Set challenging personal goals
- Display reflective behaviour. Enjoy learning by doing
- Result oriented with High ownership
- Seek mentors to learn from
- High executional ability
- Eagerness to collaborate

HIPO EMPLOYEES:
CONSIDERATIONS AND IDENTIFICATION

Individual Considerations

It is also important to keep in mind their
- Career Aspirations
- Personal situations or preferences
- Long-term motivation and needs
- Overall Engagement level with the organization

Identification Measures

These aspects could be understood using a combination of
- 360 Degree Reviews
- Continuous Feedback - Performance & Growth Planning
- Personnel or HR discussions

Organizations estimate anywhere between 10-25% of their employees as HiPo talent. Only 60% of organizations agree to have clearly identified HiPo individuals

Salto Dee Fe Consulting India Survey 2019; World@Work 2012; CEB Data Gartner Beyond the Hyper Surveys 2016, Gartner 2019 HIPO Development Benchmarking report, Gartner 2013 Succession Management Survey

Understanding the pain points HiPo talent:
Reasons for attrition

LEARNING & GROWTH

47% Underutilisation of abilities

67% Lack of Growth/ Promotion

46% Lack of training and development opportunities

WORKLOAD AND REMUNERATION

52% High work-load or poor work-life balance

77% Opportunities to earn better elsewhere

53% Unfair pay v/s other internal employees
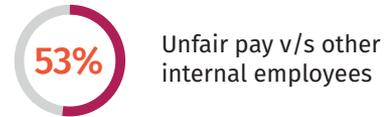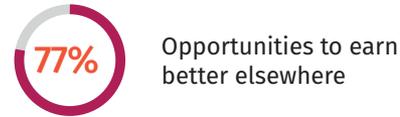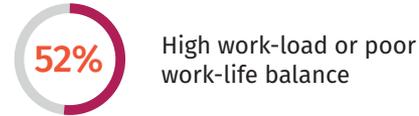
RESPONSIBILITIES AND INFLUENCE

56% Dissatisfaction with level of responsibility

49% Conflicts with immediate superiors

45% Lack of influence

Replacement costs can be up to 200% of the HiPo employees' CTC

Defining Development Goals for HiPo
in context of the organization

Decide organisational **Objectives**

Ideally select 1 primary and upto 2 secondary development goals

1. Succession Planning
2. Capability Transition
3. Employee Retention
4. Growth and Innovation
5. Performance Development
6. Business Efficiency Improvement

Align with **Culture & values**

Structure goals according to organisational drivers

1. Meritocracy v/s Equal pay
2. Fast-paced growth v/s long tenure
3. Volume and distribution of opportunities
4. Org. Structure : Flat or Heirarchial
5. Competitiveness v/s Empathy

Identify **Core Job Skills**

Define the desired skills for each function and level

- Important technical/ business skill-sets
- Is the objective current improvement or creating a progression or transition for the future?
- What relevant digital or emerging skills can be added to fulfill future business objectives?
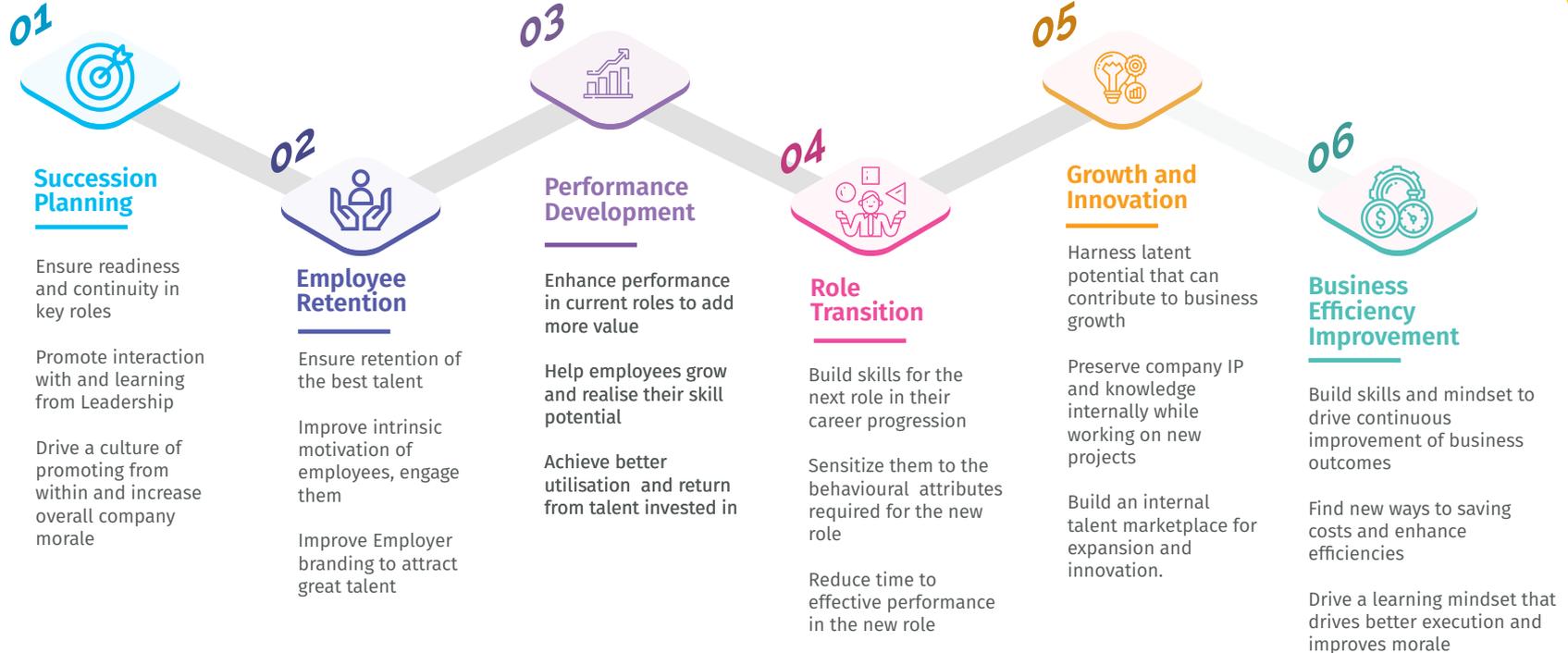
Identify **Behavioural Transitions**

Define the desired attributes for each seniority level

- Execution to Strategizing
- Hardwork to Agility to Resilience
- Individual Contributor to Managing Others to Leading Others
- Communiciating clearly to Shaping Vision to Inspiring Others
- Training to Mentoring to Coaching teams

The 6 key Organisational Objectives for HiPo development

01

Succession Planning

Ensure readiness and continuity in key roles

Promote interaction with and learning from Leadership

Drive a culture of promoting from within and increase overall company morale

02

Employee Retention

Ensure retention of the best talent

Improve intrinsic motivation of employees, engage them

Improve Employer branding to attract great talent

03

Performance Development

Enhance performance in current roles to add more value

Help employees grow and realise their skill potential

Achieve better utilisation and return from talent invested in

04

Role Transition

Build skills for the next role in their career progression

Sensitize them to the behavioural attributes required for the new role

Reduce time to effective performance in the new role

05

Growth and Innovation

Harness latent potential that can contribute to business growth

Preserve company IP and knowledge internally while working on new projects

Build an internal talent marketplace for expansion and innovation.

06

Business Efficiency Improvement

Build skills and mindset to drive continuous improvement of business outcomes

Find new ways to saving costs and enhance efficiencies

Drive a learning mindset that drives better execution and improves morale

The 6 key Organisational Objectives for HiPo development:
Use cases

Asking the following questions will help identify the reasons why you need to build an initiative

Succession Planning

Can your business sustain if your key employees or leaders were not around?

Is the organisation too dependent on a few employees?

Are your well-performing employees fungible or tied to their precise roles?

Employee Retention

Do you have higher churn than that in the industry?

Are you losing well-performing employees to your competitors?

Do their reasons to quit (exit interview/form data) resonate with the known HiPo employee pain-points?

Performance Development

Are you satisfied with the value your top employees are adding to the organisation?

Do you believe they have the knowledge and skills to perform at their full potential in their current roles?

What can they do better and how can you help them?

Business Efficiency Improvement

Could your day to day business operations run more efficiently?
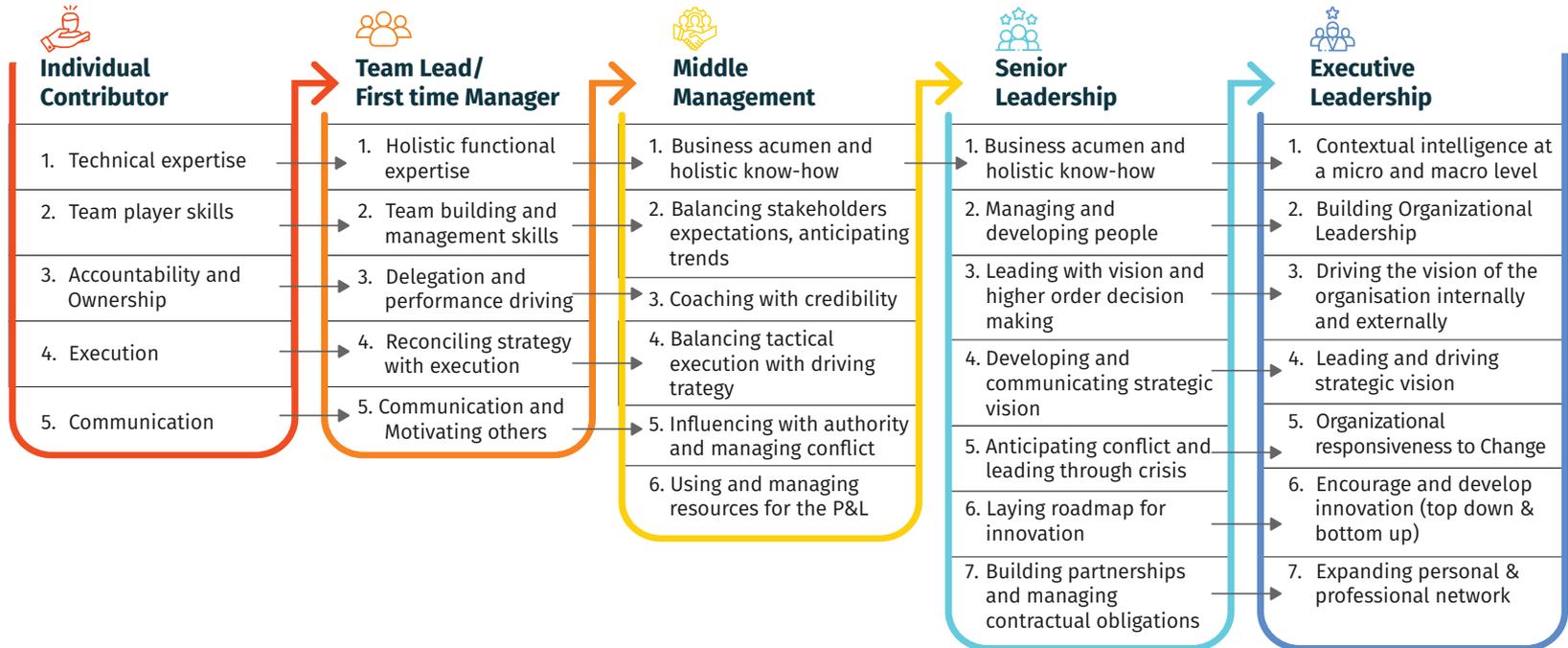
What can your employees do better- faster, smarter, or more frugally? How can they learn that?

Is there a competitive need or internal push to evaluate new approaches to doing things?

The 6 key Organisational Objectives for HiPo development:
Use case Role Transitions

In every role transition the employee needs to build a new set of higher order of skills to excel and perform. Organizations need to approach role transitions as a HiPo development exercise.

Individual Contributor
1. Technical expertise
2. Team player skills
3. Accountability and Ownership
4. Execution
5. Communication

Team Lead/ First time Manager
1. Holistic functional expertise
2. Team building and management skills
3. Delegation and performance driving
4. Reconciling strategy with execution
5. Communication and Motivating others

Middle Management
1. Business acumen and holistic know-how
2. Balancing stakeholders expectations, anticipating trends
3. Coaching with credibility
4. Balancing tactical execution with driving trategy
5. Influencing with authority and managing conflict
6. Using and managing resources for the P&L

Senior Leadership
1. Business acumen and holistic know-how
2. Managing and developing people
3. Leading with vision and higher order decision making
4. Developing and communicating strategic vision
5. Anticipating conflict and leading through crisis
6. Laying roadmap for innovation
7. Building partnerships and managing contractual obligations

Executive Leadership
1. Contextual intelligence at a micro and macro level
2. Building Organizational Leadership
3. Driving the vision of the organisation internally and externally
4. Leading and driving strategic vision
5. Organizational responsiveness to Change
6. Encourage and develop innovation (top down & bottom up)
7. Expanding personal & professional network

The 6 key Organisational Objectives for HiPo development:
Use case Growth and Innovation

Businesses are facing unprecedented and accelerated change. Investments in growth and innovation not only de-risks the business but also help retain and attract a sound talent pool

Future growth and related talent dimension

⇨ Industry 4.0 and digital transformation require new talent and changes in approach

⇨ Knowledge management, IP protection are key to competitive advantage. Talent is a critical ingredient to building and enhancing IP

⇨ Developmental projects, require long term planning and fresh perspectives to building talent resources

⇨ Organizational culture is a key element that drives ideation and collaboration. It builds the ability required to implement growth projects
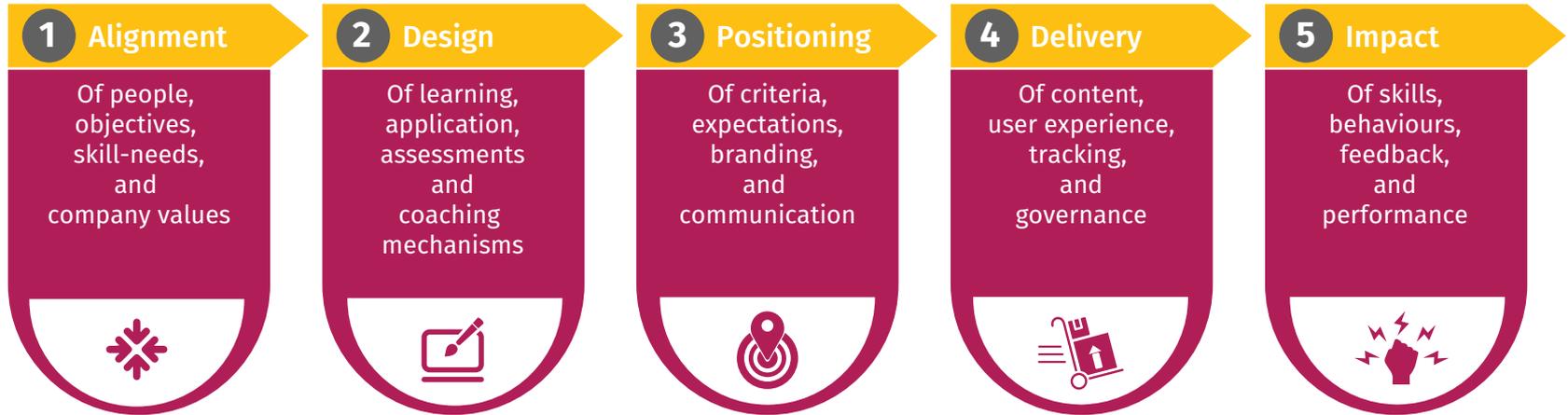
Benefits of hiring from internal talent marketplace

⇨ Improving organisation's brand as a great place to work

⇨ Benefit of pre-existing organisational alignment, work relationships and synergies

⇨ High likelihood of employee's commitment and gratitude

⇨ Increasing overall employee morale

⇨ Reduced onboarding time and costs

⇨ Zero Hiring costs

According to the 2016 Gartner CIO Survey, **top performers expect to deliver 40% of new critical solutions** in-house because the components don't exist externally.

A structured blueprint for HiPo development may help to create a **high-value internal talent marketplace** in perpetuity. More so, it helps build the employer brand to attract quality external talent

SHRM IN Focus, 2019 Executive Survey. Randstad Workforce 360, 2017; Careerbuilder Hiring Survey Study, 2013

The HiPo Development process an approach

There are 5 key stages in the process of building and managing a HiPo Development program. The synergy, and the seamless flow between stages, will lead to better results

1 Alignment	2 Design	3 Positioning	4 Delivery	5 Impact
Of people, objectives, skill-needs, and company values	Of learning, application, assessments and coaching mechanisms	Of criteria, expectations, branding, and communication	Of content, user experience, tracking, and governance	Of skills, behaviours, feedback, and performance

The HiPo Development process Alignment & Design

Only 53% organizations presently have fully structured HiPo Programs.

Multimodal design and multiple touchpoints create a learning value multiplier.

Alignment

Synergise with organization's **culture and objectives. Take on board** HiPo employee **expectations**

Map the skills and behavioural attributes required in the target roles. Create a **competency matrix**

Mitigate program risks. Envisage the journey, plan for overruns, Accommodate for some agility in design and experimentation

Ensure continuity and scalability Improve employee coverage, program continuity, processize feedback and knowledge management

Learning & Application Design

Utilise **experiential learning** to drive long-lasting behavioural change.

Spaced repetition using **multiple touchpoints** over a few weeks to months improves recall

Focus on **actionable learning and practice environments** (action projects, timed simulations)

Multimodal learning as a combination of **assisted** learning and **self-learning** at the convenience of web/ mobile

Evaluation & Coaching Design

Phased assessments (pre, during, post program) mapped to a defined competency and sub-competency framework.

Individual & group coaching calls by **experienced industry mentors** to identify development areas and help structure intervention design

Individual action plans, development journey and **career roadmaps** for employees to achieve goals.

Mentorship by company leadership. 360 deg feedback to measure growth and performance.

The HiPo Development process Delivery & Management

Only 50% HR leaders believe their HiPo programs are delivering desired outcomes. Program communication, governance processes, tracking, and reporting are crucial to achieve outcomes

Positioning & Communication

How should the program be branded and positioned for **internal communication**?

Should the HiPo tag be visible to all or only participants or only HR / business leadership?

If transparency is preferred then s**hould criteria of selection also be shared**?

What are the performance milestones and **expectations from participants**?

What are the **benefits and next steps** for the participants?

Whether and how the program should be **branded and announced externally** to the media or industry?

Delivery & Management

High-quality & **experienced instructors** for delivering facilitator led interventions

Engaging digital user experience for immersive learning and motivation

Strong community and engagement throughout the program

Scorecards and leaderboards to drive competitive spirit and team building

Robust governance processes and **operational mechanisms for review and feedback**

Administrative dashboards, **course correction for maximum impact**

Outcomes & Impact

Measuring

- learning impact through real time feedback
- skill improvement through on-the-job performance
- behavioural change through managerial/peer feedback

Final report on

- participant profiles and performances
- overall group trends and observations
- program reception and feedback
- program sustainability, potential, improvement areas, and next steps

Case Studies

Successful implementation of HiPo Development for different objectives and industries

HiPo Development for Succession Planning:
A case study in the IT industry

Company and Requirement:

A global IT company wanted to bridge the gap between the skills of their senior management and top leadership.

Talent Development Solution:

Enparadigm, created a program to build and contrast key qualities that distinguish and drive top leadership.The intervention was designed to drive these key mindset shilfts required for senior Management to move to the next level

1. **CEO Experience:** High level enterprise view of the business.
2. **Entrepreneurial Mindset:** Driving ambitious goals and making difficult decisions needed to get there.
3. **Change Drivers:** Drive innovations and be the driving agents for organisation level change.
4. **Customer Centricity:** Think on behalf of the customers
5. **Collaborative Leadership:** Bringing everyone together

Implementation:

Enparadigm leveraged its business simulation platform and group of highly trained facilitators to design and deliver a customized experiential learning workshop in a blended format covering the following areas

1. **Performance:** Strategic Negotiations and Conflict Management
2. **People:** Situational Analysis vand Change Management
3. **Business Growth:** Cross-functional Decision Making, Pricing, Service Quality, and Financial Impact Modelling

Outcomes:

On-the-job change in appraoch and improvement in defined metrics as ratified by Leadership and Human Resources

75%	69%	62%	58%
Drove coaching and talent development outcomes	Launched new initiates in Quality and Customer Centricity	Drove revenue growth and price negotiations independently	Led financial planning and forecasting independently

Organizations with strong succession pipelines grow their profits twice as fast as those who don't have one. It is expected that 40% of today's leadership roles will look dramatically different five years from now.

Top 3 priorities of HR Leaders | Gartner Succession Planning Research 2019 | 4 New Ways to Gain an Edge With HIPOs, CHRO Gartner, 2018

HiPo Development for Capability Transition:
A case study in the FMCG industry

Company and Requirement:

A leading consumer goods company with revenue of over a billion USD and 1500 employees across Asia and Middle East, wanted to develop a comprehensive program to help first time managers learn critical aspects of their new role and adapt to its responsibilities and challenges.

Talent Development Solution:

Enparadigm developed a HiPo development learning journey to build skills in 3 key areas

- Leading and Managing Self

- Understanding Business context

- Leading and Managing Teams

The assessment of participants was done on the following parameters and used to calibrate the program design

Working with people	Target Orientation	Persistence and Resilience	Learning Agility
Critical Thinking	Emotional Maturity	Managing Ambiguity	Adaptability
Problem Solving	Risk Taking	Decision Making	Foresight

Implementation:

Enparadigm designed a 7-month learning journey with multiple touch points using a blended learning approach that included elements like

Simulation based virtual workshops	Self-paced simula-
Mobile and web-based micro modules	Coaching call (Individual and group)
Individual Development Plan Creation and Implementation	

The journey also included a series of pre-program and post-program assessments such as OPQ (Occupational Personality Questionnaire), Self-assessments, and 360 reviews.

Outcomes: 160 young leaders were trained within the first 2 years and the program was extended to multiple batches and geographies.

87% Demonstrated effective execution of new responsibilities

75% Demonstrated improved behavioural attributes for managers

With a proven track record, the initiative has been expanded to multiple geographies outside India

68% of HR leaders mention 'building critical skills and competencies' as a top priority for three consecutive years

HiPo Development for Employee Retention:
A case study in the BPM industry

Company and Requirement:

A global Process Management company with ~50,000 personnel working across 60+ centers around the world, had identified HiPo employees who could be developed into future business unit managers over a 2-year horizon. The company was keen on investing and retaining these employees and offering them positions of responsibility.

Talent Development Solution:

The objective of the intervention was to help them improve on key competencies relvant in a business lead role

Strategic Thinking: Focussed on a) Synergies across different Business Units and b) Future Resource Planning

Business Acumen: Focussed on a) Financial Decision Making and b) Process and Capability Optimisation

Industry Insights: Focussed on a) Market and Competition Trend Analysis and b) Customer-Centric Research

Implementation and Impact:

Enparadigm designed and delivered a multi-level, year long leadership intervention for participants across multiple countries through digital simulations, live sessions, and assessments. Top performers were advanced to the level-two intervention and further nurtured to become 'Future Business Managers'.

Outcomes:
Assessment at the end of training program indicates

70%	60%	68%	63%
Took well-rounded strategic decisions for the business	Improved in Customer Centricity	Were more research and data-driven in their decisions	Understood financial and resource optimisation

83% of Level 2 employees confirmed being motivated and confident to to perform in the business unit manager position next year.

66% of HiPo employees who believe that they have a reasonable opportunity for growth are unlikely to look for external opportunities

HiPo Development for Growth/ Innovation:
A case study in the Automotives industry

Company and Requirement:

A Fortune 500 automotive company looking to maintain competitive market share in India wanted to sensitize key operational leadership on the impact of time and cost overruns and come up with sustainable initiatives to drive share and profitability

Talent Development Solution:

Enparadigm, identified that to win over the competition, the functional team-leads need to take a 3 pronged approach while keeping the local context in mind.

Strategic Planning and Forecasting: To improve production volumes, ensure operational planning, negotiate with suppliers, and avoid cost overruns.

Business Financial Acumen: To take timely decisions regarding relevant vehicle features and avoid delays or a play-it-safe mindset.

Cross Functional Collaboration: To better understand challenges, constraints, and decision making at different roles and collaborate effectively towards the common goal.

Implementation and Impact:

Enparadigm leveraged its business simulation platform to design and deliver customized experiential learning. The program, through digital simulations, helped participants get a holistic perspective. Post the workshop a micro-learning program was designed to assist learning retention and application of concepts

Outcomes: With the improved planning and 'challenge management' demonstrated by the functional team leads, the company was able improve on key metrics defined for post program action.

79%	55%	08%
Improved in Strategic Planning and Collaboration	**Improved in Financial acumen and Decision Making**	**As a result an 8% reduction in costs was achieved by the team within a span of 6 months following the HiPo intervention**

According to the 2016 Gartner CIO Survey, top performers expect to deliver 40% of new critical solutions in-house because the components don't exist externally.

HiPo Development for Performance Development:
A case study in the Hospitality industry

Company and Requirement:

One of Asia's oldest group of hotels established in the early 1900s with over a hundred properties in 60+ locations worldwide, wanted to enhance specific capabilities of their General Managers

Talent Development Solution:

Enparadigm, through discussions with the company leadership identified the key skills to drive performance at the General Manager role and devised a series of interventions to develop the same.

Entrepreneurial Mindset: Making the shift from operational implementation to new idea generation.

Customer Delight: Moving beyond Customer Satisfaction is to Delight in order to improve repeat bookings.

Ownership of Profitability: Taking responsibility of top line and EBITDA to drive the business growth.

Stakeholder Management: Balancing a diverse set of stakeholders: property owners, hotel managers, and others.

Implementation and Impact:

Enparadigm leveraged its business simulation platforms with a series of facilitator-led debriefs and concept sessions to develop decision making skills. A simulated business environment, helped them learn how to

- **Manage expectations of different stakeholders.**
- **Drive revenue for multiple segments and impact on profitability.**
- **Implement a strategy to drive Return on Investment.**

At the end of the training, measuring skill development indicated that of the participating HiPo employees:

72%
Demonstrated sound decisions making skills

68%
Improved on new idea generation

65%
Better understood P&L drivers to maximise ROI

59%
Practiced balanced expectation management

70% of employees have not mastered the skills they need for their jobs today, and 80% of employees do not have the skills needed for their current and future roles

HiPo Development for Business Efficiency Improvement :
A case study in the Chemicals industry

Company and Requirement:

A global industry leader in the area of specialty chemical, advanced materials, agro-sciences and plastics, was preparing for a major change and wanted to position and market their products strategically

Talent Development Solution:

Helping middle and senior level managers to improve metrics of business efficiency, building customer driven innovation were seen as key vectors to improve sales. The program addressed aspects of

Business Ownership: Drive results like an entrepreneur.

Financial Impact: Measure financial impact of decisions and drive profitability.

Cross Functional Collaboration: Leverage strengths and resources from across the organisation for maximum impact.

Cross Functional Decision Making: Empathise with customer needs and devise innovative solutions to delight them.

Implementation and Impact:

Enparadigm leveraged its business simulation platform with a series of facilitator-led debriefs and concept sessions to help them learn how to align to strategic orientation, understand business holistically, leverage cross functional synergies, and build commercial acumen.

Outcomes:

At the end of the program the participants felt better equipped with tools to aid functional and financial decision making and help drive business efficiency

86%
Demonstrated more ownership of financial decisions

12%
Increase in sales, contributed by improvement in business efficiency in a span of 3 quarters following the HiPo intervention

65%
Improved in functional collaboration and customer centricity

In the list of Top 3 priority for HR Leaders amidst focus on growth in 2021, 'cost optimization' has increased in importance and 'improving operational excellence' remains paramount.

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Gartner Says Only 20 Percent of Employees Have The Skills

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Find out more at
www.enparadigm.com

Contact us

Nidhi Shah
📞 +91 70452 51819
✉ nidhi.shah@enparadigm.com

Shashank Saurav
📞 +91 70459 02734
✉ shashank.saurav@enparadigm.com