

2024 High Performer & High Potential Development Report



Table of Contents

About	1
Executive Summary	2
Q1: What Percent Of Your Employee Population Is Considered To Be High Performer Or High Potential?	4
Q2: How Formalized is Your Selection/identification Process for High Performers and High Potentials?	5
Q3: Does Your Company Have A Formal Philosophy For How Talent Should Be Developed?	6
Q4: Who is Responsible to Develop Typical, High Performing and High Potential Employees?	8
Q5: How Are Leaders Held Accountable To Develop Team Members?	10
Q6: Are there Development Plans for High Performers and High Potentials?	11
Q7: Does Development Planning Take Place In Talent Reviews?	13
Q8: How is High Performing And High Potential Talent Developed?	14
Q9: What's The Relative Balance Of How High Performers And High Potentials Are Developed?	15
Q10: What Is Your CEO's and Executive Team's Attitude Toward High Performer and High Potential Development?	16
Demographics	17

ABOUT

This Report

The 2024 High Performer & High Potential Development Report includes data from more than 300 responding companies around the world. We solicited responses through an email to about 10,000 contacts and multiple LinkedIn posts in the month of June 2024.

Participants answered 17 questions and no answers were forced after an initial validation screen to ensure that respondents were HR practitioners. This data gathering method introduces potential response biases. We don't assume that the collective responses constitute a perfectly representative sample of the HR population. We believe the sample size, combined with the diversity of respondents' company size and sector, helps to reduce bias that could fundamentally alter any of the report's findings. All data was gathered without attribution to any individual, so no incentive existed to be other than honest in responding.

The Talent Strategy Group

The Talent Strategy Group helps the world's premier companies, governments, foundations and non-governmental agencies transform human resources and their ability to grow talent. Our advisory services include HR strategy, organization design, HR leader assessment and HR process design, among others. Our education and development services are based at our Talent Management Institute, which is the world's most popular executive education program on talent. We teach executives and HR leaders how to build better talent faster through our public and private programs.

We advise across sectors and geographies. We have deep consulting experience in consumer products, big food, technology, pharmaceutical and bio-pharmaceutical companies, medical devices, financial services and health care. We partner with private equity firms to assess and develop talent for C-suite roles.

Authors

Marc Effron advises the world's premier companies, foundations, governments, NGOs and not-for-profit organizations on their most critical talent issues. He co-authored the Harvard Business Review Publishing best-selling books *One Page Talent Management*, often referred to as the “talent management bible,” and *8 Steps to High Performance*.

Marc co-founded the Talent Management Institute at the University of North Carolina with Jim Shanley. It has become the world's most popular executive education program on talent.

Chloe Kuhlman is an associate consultant with the Talent Strategy Group and provided research and analytical support to this report.

EXECUTIVE SUMMARY

Our 2024 High Performer and High Potential Development report offers a glimmer of hope but largely shows weak investment in those who contribute tremendous value. Our report presents both facts and analysis from the survey along with commentary and advice based on our consulting and practitioner experience.

Key Findings

Some slightly good news, to start, on top team commitment

While only 28% of organizations says that their CEO and executive team are “all in” on top talent development, another 25% say that this group develops their own team but doesn’t have an enterprise view. While those are far from being celebratory facts, they are the most optimistic findings in this survey.

Right size but right choices?

- A refreshing statistic finds a restrained percentage of leaders rated as high potential and high performing. Our responding organizations consider 15% of leaders to be high potential and 21% to be high performing, on average.
- We temper our excitement however given that only 57% of companies have a formal standard and discussion process to identify high potentials. 24% have an informal standard and discussion and 20% have no standard.

A clear, applied philosophy for development is rare

Just 18% of organizations report having and applying a formal philosophy for how talent is developed. 45% say they have a philosophy that’s not consistently applied and 30% don’t have a philosophy.

It’s challenging to consistently develop your best talent when there’s no applied agreement about how to do that.

Shift in responsibility for developing high performing and high potential talent

The average balance between managers’ and employees’ responsibility for an employees development is 58% employee/42% manager. Those numbers shift dramatically for high performers where 31% said these individuals should be responsible and only 15% said the high potential should be accountable.

It is an open question whether the managers and executives to whom their development is suggested to shift are willing and capable to execute that accountability.

Very little extra investment for top talent

Nearly 50% of respondents say they additionally invest 10% or less in their high performers development, with an average additional investment of 34%. High potentials received a slightly higher additional investment average of 50% with about a quarter of organizations additionally investing 100% or more.

These rather modest sums suggest that either companies are not matching their investment to their top talent's potential, or they've found a way to be incredibly efficient with their spend.

Few top talent have a high quality development plan

In the majority of companies, 30% or fewer high performers have a high quality, written development plan. The news is worse for high potentials, with 75% of companies saying that less than half of their high potentials have a high quality plan. This leaves companies hoping that good intentions about development will translate into actions.

Missing a key opportunity in the talent review process

Talent reviews provide an obvious opportunity to identify development actions for top talent. But, in only 29% of companies are actions Always or Frequently identified for high performers, and this happens for high potentials in 46% of companies.

The talent review process exists to assess and plan how to appropriately develop top talent into new roles. It's a fundamental "miss" if companies are not using this process for its intended purpose.

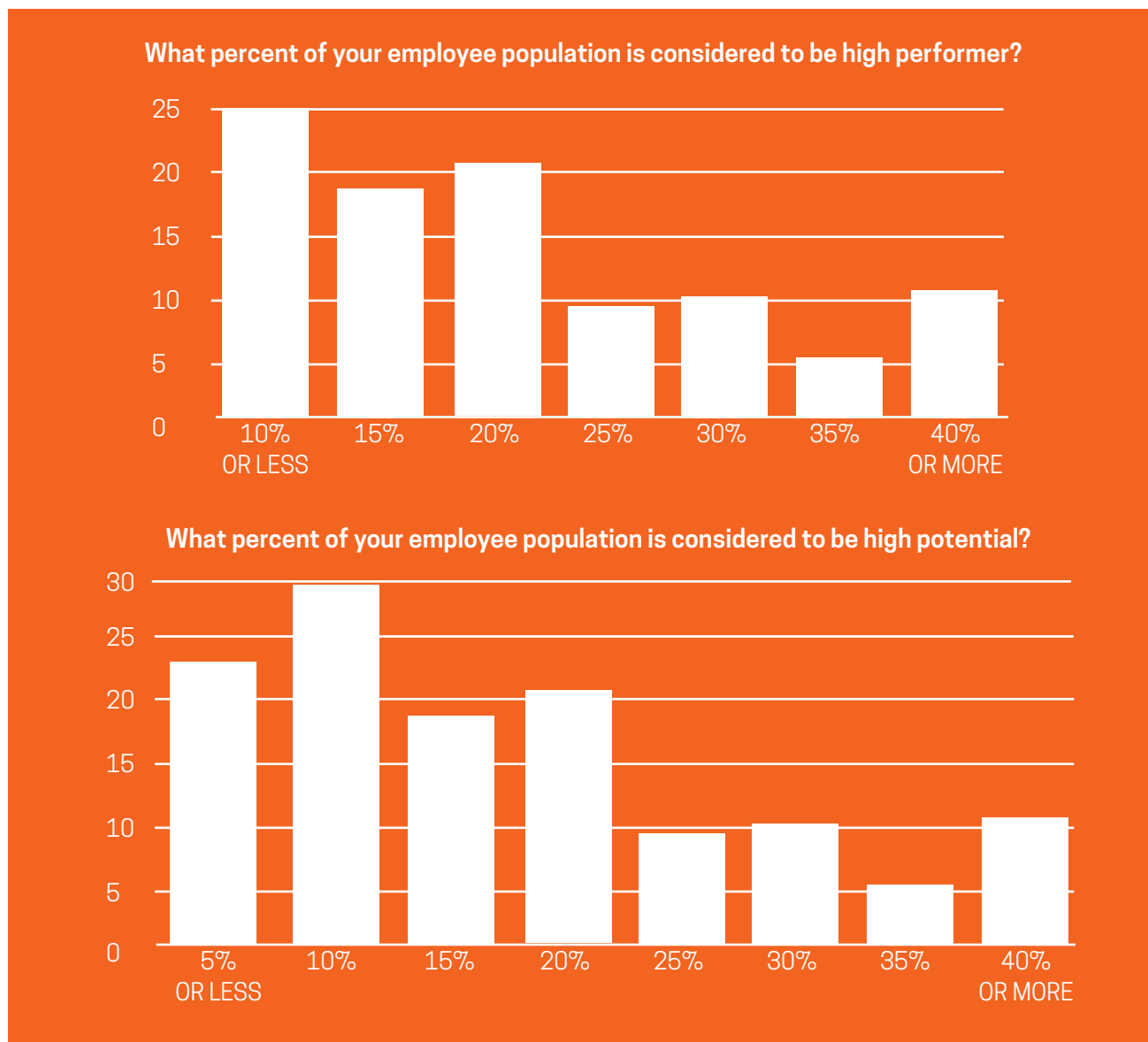
And it all comes down to accountability . . .

A majority of respondents says there is no accountability for leaders to develop their team members. Fewer than 1 in 5 companies include talent development in their leadership model or give people leaders a specific talent development goal in performance management.

Q1: What Percent Of Your Employee Population Is Considered To Be High Performer Or High Potential?

There's good news in that organizations consider a modest percentage of employees to be high performers (21%) or high potential (15%). This finding is important if we want to dedicate a greater percentage of investment to top talent. We explore whether that differentiated investment is happening later in our report.

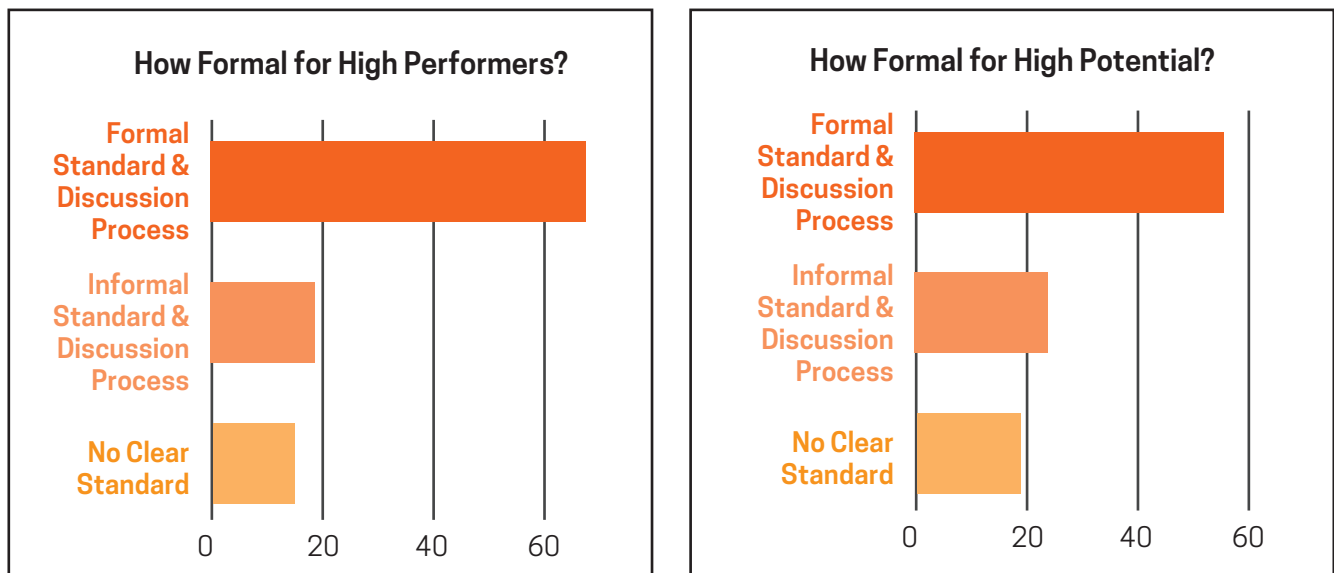
The most popular choices for the percentage of high performers are 15% and 20%. The most popular choice for percentage of high potentials is 10%. There is no meaningful difference in these responses by company size, which indicates a generally consistent mindset about how to assess these groups.



Q2: How Formalized is Your Selection/Identification Process for High Performers and High Potentials?

This question enhances the findings of Q1 by exploring the quality of the selection process for high performers and high potentials. Quality of selection is important since, if you aren't selecting true top talent, you won't get your desired returns from your investment.

Two-thirds of responding companies have a formal standard and a discussion process to select high performers. Just 57% say the same about high potentials.



Approach by organization size

There are differences between larger and smaller organizations, with about 3/4's of larger companies having a formal process for identifying both high performers and high potentials.

How Formal is Your Process to Determine...

High Performers	Employees	
	5000 or less	5001 or more
Formal Standard & Discussion Process	56%	75%
Informal Standard & Discussion Process	26%	14%
No Clear Standard	19%	11%

High Potentials	Employees	
	5000 or less	5001 or more
Formal Standard & Discussion Process	47%	72%
Informal Standard & Discussion Process	19%	17%
No Clear Standard	34%	10%

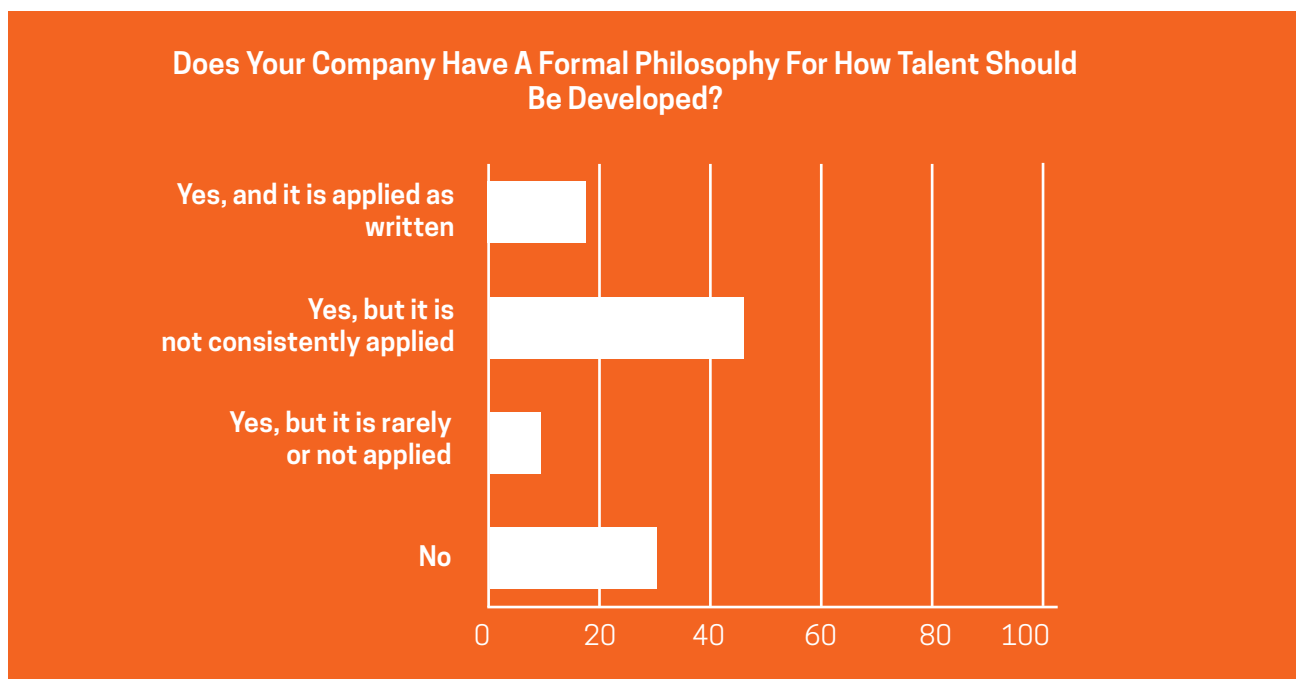
Q3: Does Your Company Have A Formal Philosophy For How Talent Should Be Developed?

A [talent philosophy](#) – your executives’ preferred way to manage talent to achieve your strategy – is the foundation for your company’s talent practices. Without one, every leader manages their team in the way that they believe is optimal rather than how the company believes is optimal.

When we asked about a development philosophy (part of a talent philosophy), we found the vast majority of companies have no consistently applied philosophy. Only 18% of companies say they have a philosophy that is applied as written. In other words, if you say that employees are responsible for their development, they are. If you say that leaders need to ensure that development plans are in place, they are.

In 45% of companies there is a formal philosophy that’s not consistently applied. This is at least a small step forward, but it risks the perception of hypocrisy when the company says they believe in something but certain leaders behave differently. In 3 of 10 companies, there’s no development philosophy.

Company size had no effect on whether they had or applied a development philosophy.

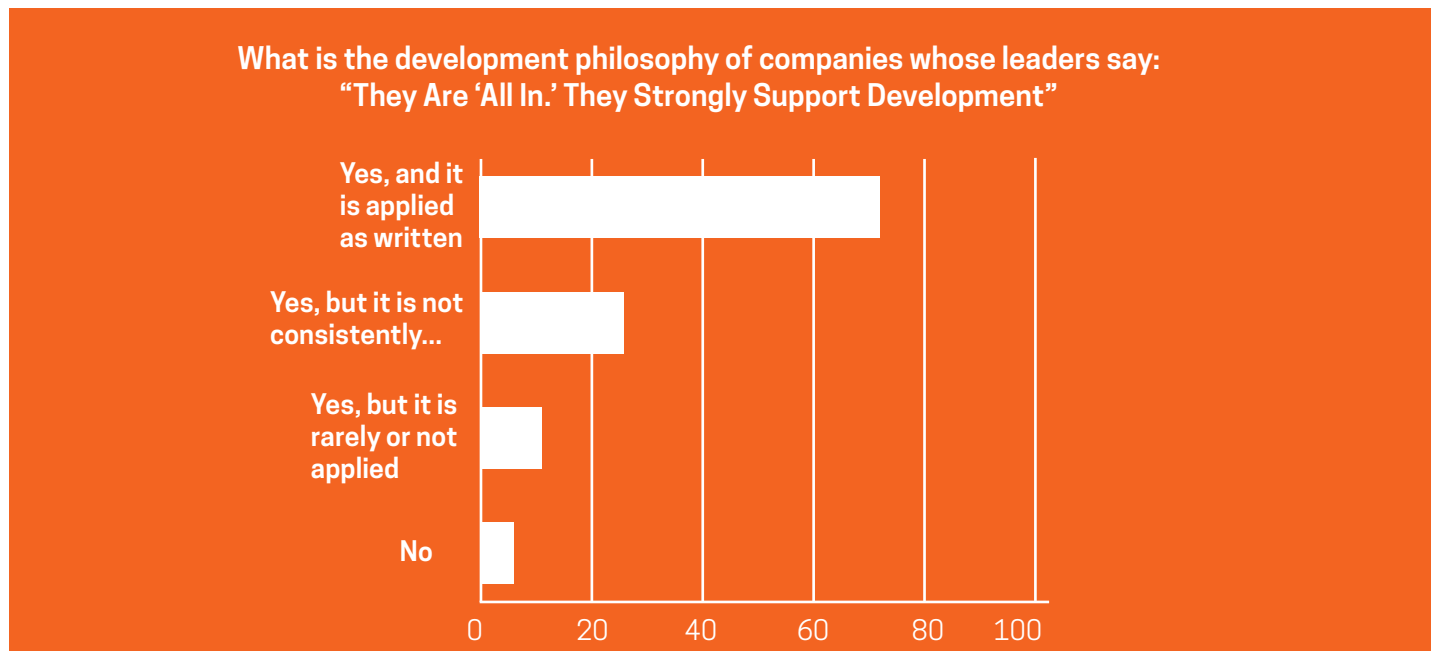


What comes with having a development philosophy?

Companies with a development philosophy are far less likely to say there is not clear accountability for development and far more likely to have specific elements of accountability in place.



They are also far more likely to indicate executive team support for top talent development.



Companies responding "Yes, and it is applied as written; had a significantly lower number of employees considered to be high performers – 17% vs. 23%.

Q4: Who is Responsible to Develop Typical, High Performing and High Potential Employees?

We start to answer the responsibility question by finding the baseline balance of development responsibility for all employees. You'll see below that the average balance fell 57% on the employee and 43% on their manager.

Half of organizations said the balance was between 40/60 and 60/40. Almost no organizations said that the responsibility primary lies with only one of these groups. We'll consider this a relatively even balance of responsibility.

Development responsibility for the average employee

Manager Accountability	Employee Accountability	% of respondents
91 - 100%	0 - 10%	1%
81 - 90%	11 - 20%	1%
71 - 89%	21 - 30%	2%
61 - 70%	31 - 40%	6%
51 - 60%	41 - 50%	25%
41 - 50 %	51 - 60%	25%
31 - 40 %	61 - 70%	17%
21 - 30%	71 - 89%	11%
11 - 20%	81 - 90%	6%
0 - 10%	91 - 100%	5%

AVERAGE BALANCE OF RESPONSIBILITY FOR DEVELOPMENT

57% Employee

43% Manager

High performer and high potential responsibility

There's change desired in who's responsible for both high performer and high potential development. For high performers, the shift is away from the individual and HR to their people manager. Very few respondents said that the executive team should be responsible.

For high potentials, there's meaningful shift towards the executive team being responsible for their development. This number increases 24 percentage points from 14% to 38%. It's interesting that 11% of respondents still believe that, despite a decrease in this number, the primary responsibility for high potential development lies with HR.

There are no meaningful differences by company size about who should be responsible.

Responsibility for High Performer Development

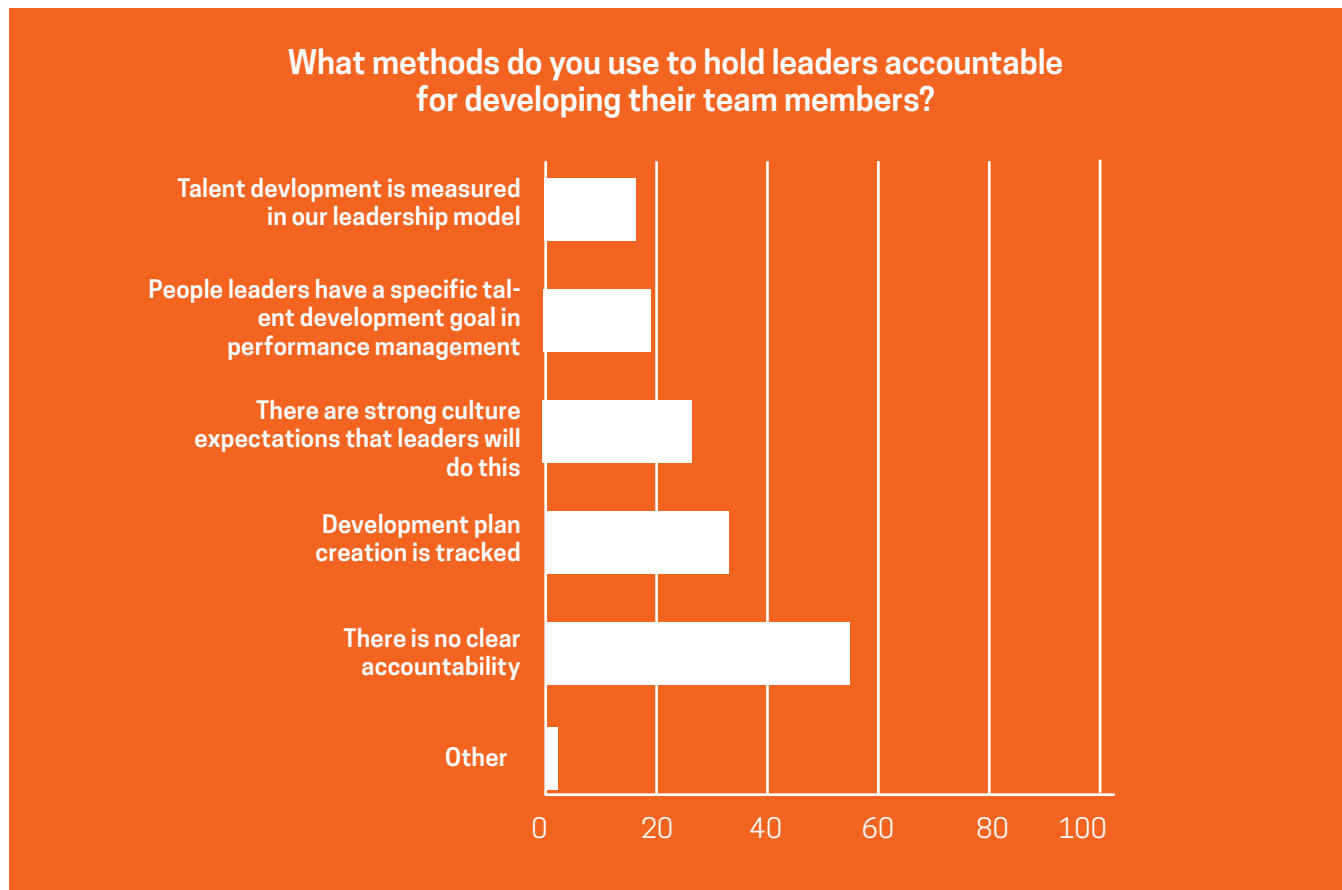
	The Individual	Their people manager	HR	Executive Team
Today	36%	44%	11%	4%
In the Future	30%	60%	5%	6%
Change	-6%	16%	-7%	1%

Responsible for High Potential Development

	The Individual	Their people manager	HR	Executive Team
Today	23%	34%	25%	14%
In the Future	15%	36%	11%	38%
Change	-8%	3%	-15%	24%

Q5: How Are Leaders Held Accountable To Develop Team Members?

The majority of companies (55%) say there is no clear managerial accountability to develop their team members. The remaining firms hold leaders accountable by methods like tracking development plan creation and setting strong culture expectations.



Q6: Are there Development Plans for High Performers and High Potentials?

If an individual does not have a development plan, it's unlikely that their development path will be thoughtful, structured or disciplined. In 83% of companies, less than half of high performers have a development plans. In 75% of companies, less than half of high potentials have one.

On average, 29% of high performers have a quality, written development plan as do 37% of high potentials.

This is a meaningful and consequential finding that reflects the very poor state of “high talent” development in organizations. It suggests that most development actions are “random” or generic activities like high potential development cohorts, rather than thoughtful and consequential experiences that will accelerate an individual’s growth.

While creating a high-quality development plan requires effort, it is far from difficult. Both HRBPs and talent leaders should be expert in this area and be held accountable by the CHRO to ensure that a plan is in place for top talent.

What percent of this group have high quality, written development plans?

	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%	0%
High performers	3%	2%	5%	3%	5%	11%	5%	8%	22%	24%	13%
High potentials	8%	3%	8%	3%	5%	13%	4%	11%	14%	17%	15%

Accountability matters

The data shows that any form of accountability is associated with higher percentages of development plans being in place. *Any form of accountability produces at least 2x the results of having no clear accountability.*

Type of Accountability	Development Plans in Place	
	High Performers	High Potentials
Talent development is measured in our leadership model	34%	46%
People leaders have a specific talent development goal in performance management	40%	49%
There are strong culture expectations that leaders will do this	42%	53%
Development plan creation is tracked	45%	59%
There is no clear accountability	20%	23%

Multiple accountabilities produce better results

Our data shows that accountability measures seem to be more effective when multiple measures are used. Each additional measure is associated with more development plans being produced.

Number of accountability measures used	High performers with a development plan	High potentials with a development plan
4	48%	63%
3	45%	59%
2	45%	58%
1	24%	30%

Recommendations:

- Development plans for high potentials should be presented at talent review discussions and modified based on that discussion. This plan should be the clear commitment of the organization – manager, manager’s manager, high potential/performer and HRBP.
- Quarterly tracking against the development plan should occur for high potentials. The HRPB or talent leader should lead this tracking, following up with the people manager to ensure and support progress.

Q7: Does Development Planning Take Place In Talent Reviews?

There is some use of talent reviews to inform high talent development plans but also significant opportunity for improvement. An annual or semi-annual talent review provides the opportunity to identify, validate and amend the development actions for top talent. It also allows tracking against previously set development plans.

There's reasonable progress with nearly 50% of high potentials having development actions identified in talent reviews. This also shows to those who don't regularly do this that it's fully possible.

Development actions identified in talent reviews

	Always	Frequently	Sometimes	Rarely	Never
High performers	7%	22%	40%	21%	9%
High potential	20%	26%	32%	14%	7%

Actions are identified far more frequently where respondents indicated that their CEO and executive team are committed to high talent development.

	How frequently are development actions Always or Frequently identified in talent reviews?	
	High Performers	High Potentials
CEO and Executive Team Are "all in"	53%	71%
Invest in their own team but don't have an enterprise view	61%	55%
Say they are supportive but actions don't show it	21%	37%

Q8: How is High Performing And High Potential Talent Developed?

The development tactics used mainly for high potentials include individually focused executive education, external coaching, cohort based external programs and developmental moves.

	Only used for high po's	Mainly for high po's; sometimes for high performers	Used regularly for both high po's and high performers	Mainly for high performers; sometimes for high po's	Only used for high performers
Executive education - individual	44%	23%	19%	7%	8%
Coaching - externally provided	33%	26%	28%	5%	9%
Cohort-based externally delivered programs	26%	35%	22%	8%	9%
Purposeful placement in roles for developmental	23%	41%	25%	4%	7%
Formal job rotations	22%	24%	41%	9%	4%
Cohort-based internally delivered programs	14%	26%	49%	5%	5%
Internal mentoring	13%	13%	63%	7%	5%
Special projects	6%	19%	61%	7%	7%

Q9: What's The Balance Of Activities for Developing High Performers And High Potentials?

Surprisingly close to 70/20/10

The survey question we asked was, “Thinking about the classic 70/20/10 ratio of development (70% learned through experiences, 20% learned through others, 10% learned formally), what is the actual balance of development activities for high performers in your company?”

The average answers hewed relatively close to that ratio for both high performers and high potentials – 63/19/18. But the responses varied significantly as shown by the standard deviations below.

The center number is the average and the two end numbers show 1 standard deviation from the average. This means that ~68% of responses fell between the two endpoints.



Q10: What Is Your CEO's and Executive Team's Attitude Toward High Performer and High Potential Development?

There's good and bad news in this data with 53% of respondents saying that their top team either strongly supports high talent development, or at least invests in their own teams. Another 39% of respondents say their top team members talk a good game but are short on results.

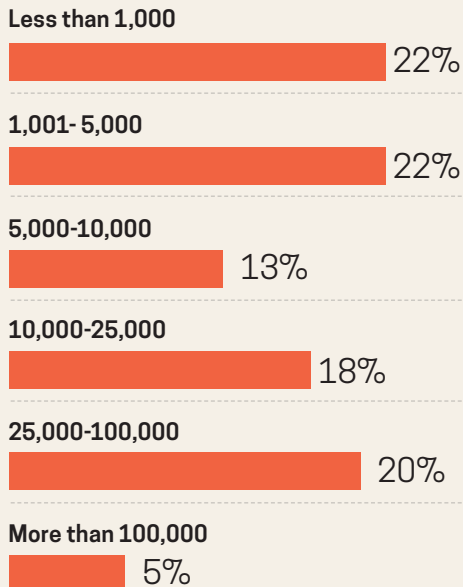
Degree of commitment	%
They are “all in.” They strongly support development.	27%
They invest well in developing their teams but don't have an enterprise-wide view.	26%
They say they are supportive but their actions don't show it.	39%
They show little or no interest in actively developing these groups.	6%
Other	2%

In companies where leaders are “all in,” 50% have a written and followed development philosophy (twice the average percentage). They are also far more likely to agree that “Talent development is measured in our leadership model” (34%), “People leaders have a specific talent development goal in performance management” (44%) and “There is strong culture expectations that leaders will do this” (52%).

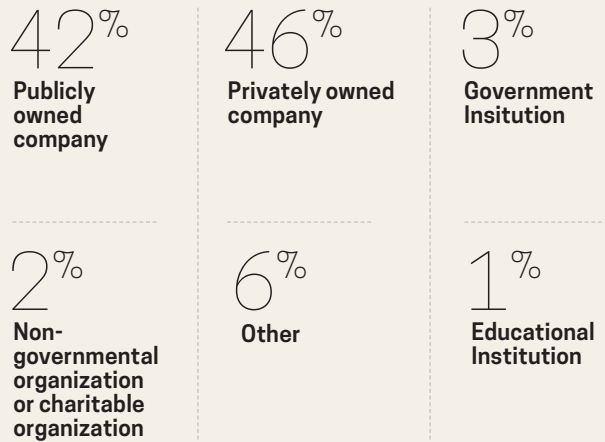
SURVEY RESPONDENT DEMOGRAPHICS

We present this demographic data to provide insights about the background of the 2024 High Performer & High Potential Development Report.

HOW MANY EMPLOYEES WORK IN YOUR COMPANY/ORGANIZATION?



MY ORGANIZATION IS A:



2024 HIGH PERFORMER & HIGH POTENTIAL DEVELOPMENT SURVEY



The Talent Strategy Group