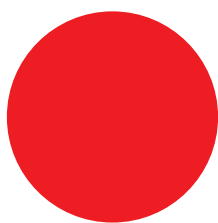


2025 POTENTIAL REPORT



THANK YOU

We're only able to produce high quality research like the 2025 Potential Report through your support. We wanted this survey to be the largest ever research project on potential and you made that possible!

To everyone who completed the survey – which was our longest ever in our 15 years of research – thank you! Your transparently sharing data provided a research base that allowed us to produce this very thorough report.

Thank you to those who sent notes and posts that encouraged participation including David Murray at Confirm, JP Elliott at Future of HR, Glen Kallas at Camden Delta, Manuela Morelli of Talentum Consulting, Brian Heger at Talent Edge Weekly, Angela Lane, Derrick Pauly and other that I may have missed. And thank you to the many people who re-shared our posts to their networks!

I have always believed that our HR community can produce great results when we support each other. This report is an example of that “by us, for us” mindset at work.

Thanks again and enjoy the report!

Sincerely,

Marc Effron
President



TABLE OF CONTENTS

About this Report

What this report is about
and why the research was
conducted

1

Report Highlights

Key data and findings from
the 2025 Potential Survey

2

About the Process

The frequency, depth,
guidance and percentage of
high potentials identified

4

About the Definition of Potential

The models and definitions
used to assess potential

8

About Assessments and Potential

The processes used to
assess potential

14

About the Tools Used

The tools, grids and labels
used to assess potential

18

About Managing High Potentials

How compensation and
development is used

22

About Transparency

How open organizations
are about their potential
designations

25

About Capabilities

How the capability to identify
potential is built

27

About Effectiveness

The self-assessed
effectiveness of potential
practices

28

ABOUT THIS REPORT

The **2025 Potential Report** provides a comprehensive view of how organizations worldwide are identifying, managing and developing their higher potential employees. This research continues our recent research theme into organizations' top talent including our [High Performer/High Potential Development Report](#) and [Critical Roles Report](#).

Why this Topic Area

The accurate prediction of how far and how fast individual's can advance at work (potential) is incredibly valuable but remains a significant challenge. If we can increase this accuracy, we can reduce turnover risk in critical roles. We can ensure successors are available for key talent. We can reduce waste in our leadership development investments.

Our consulting and teaching experience shows massive variation in practice and the use of unproven methodologies in the potential identification process. This primarily results in Type 1 error (individuals being incorrectly identified as high potential) but there's increasing recognition in a talent-scarce world that Type 2 error is also occurring (not identifying individuals who could successfully move upward in their organization).

In this Report

We provide insights into the processes used, definitions, tools, assessments, communications approaches and more. We thank the more than 300 companies worldwide that participated.

This report is intended to share information about how practices around potential are being applied today. It is not a "best practices" report or a benchmarking guide and should not be used that way. We encourage you to use the commentary to help guide your interpretation of the statistics presented.

As with all Talent Strategy Group research, we present objective findings based on a non-biased list of survey items. Our report does not include the social commentary or projected personal points of view that seem to seep into many firms' reports.

We appreciate your interest in our research. We hope to serve your organization in the future.

The Talent Strategy Group



REPORT HIGHLIGHTS

There are surprising strengths and familiar weaknesses in the 2025 Potential Report. In what we believe is the most comprehensive survey ever of potential assessment and management, you shared that you use accurate assessment criteria, traditional charting tools and care little about building assessment capability or communicating potential status.

Some of the key findings you'll read more about include:

Most organizations are assessing for potential and doing it with science-based factors

Most companies assess for potential; those who don't plan to: This is a near-ubiquitous process in the more than 300 companies surveyed. Most of those not yet assessing potential were smaller organizations.

Generally clear, science-based markers of potential: Assessment of the 70+ potential models submitted show that many used elements that are science-proven predictors of upward potential, including measures of ability, ambition, and agility. We don't know how effectively individuals are being assessed against those predictors (although the stats below suggest not very well).

Classic tools like the 9-box dominate; standardized assessments play little role

The 9-box still rules: The reported death of the 9-box grid has been greatly exaggerated. This tool emerges as the overwhelmingly favorite way for organizations to chart potential in their assessment process.

Little use of standardized assessments: Cognitive and personality assessments are used by a small minority of organizations to assist in the potential identification process. Fortunately, we didn't find that organizations use any of the invalid tools that remain a favorite in select HR shops.

Organizations don't tell, don't build capability and don't select accurately for potential

Low transparency continues: A small downward shift occurred since we last asked this survey question with even fewer companies now sharing when someone is or no longer is a high potential leader.

No commitment to capability-building: Very few companies have mandatory training for leaders in how to accurately assess potential. The low numbers on this item may be linked to the low potential prediction accuracy rate reported below.

Organizations rate their potential assessment process as largely ineffective: As evaluated either by their reported rate of being correct when predicting potential (44%) or by the percent of organizations saying they agree or strongly agree that their potential assessment process is effective (36%), there is a significant gap in organizations' ability to accurately predict potential.

Process over Progress; Effort over Outcomes

Our 2025 Potential Report findings mirror the themes from our [2025 Critical Roles Report](#) and our [2024 High Performer/High Potential Development Report](#). The HR community is making smart choices on process design. We see few obvious errors in the mechanics of how potential assessment is designed.

The gaps are in process enablement. There's not training in how to accurately assess potential. There's not accountability to have development plans for high potentials. There's not transparency to tell someone that they are designated as, or no longer designated as, someone who can move far and fast in the organization.

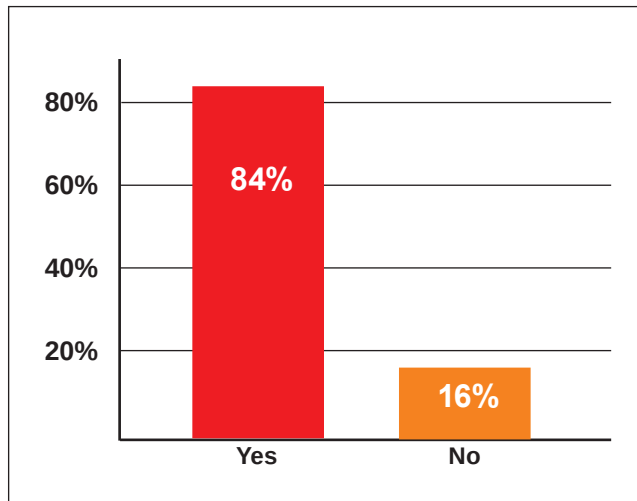
The consistency of these themes across our research is disturbing and serves to undercut any potential gains that our profession may make in other areas. The "right" answer means nothing if it's not implemented. What you have told us through your data over the past few years is that you are making smart choices, but that you are unable to leverage those smart choices to produce the expected results.

Going Forward

We challenge the HR practitioners reading this report to identify the weak implementation links in your practices for assessing and managing higher potential leaders. Ask yourselves, "What are the two largest reasons our organization is not accurately predicting potential or effectively managing those with higher potential?" Make solving those issues the number one and two priorities on your talent management strategy for next year.

ABOUT THE PROCESS

Does your organization have a regular process to identify the potential of internal employees?



The fact that 84% of organizations answered “Yes” to this item reinforces that a systematic review of talent is an accepted part of life in many organizations. This process discipline is the foundation on which other elements in our survey rest.

Even if this regular review process is imperfect, its very existence allows it to be improved over time.

Of the 16% of organizations that responded “No,” half were organizations with less than 1,000 employees. Another 1/3 had less than 5,000 employees. No organization with more than 25,000 employees responded “No” to this item.

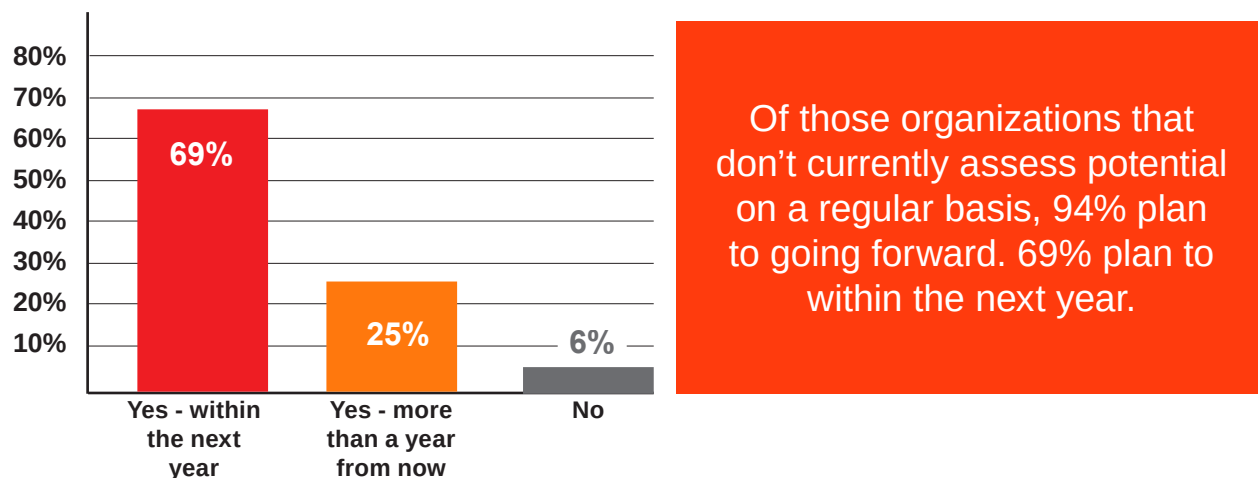
The conclusion is that with size comes sophistication, and that larger organizations have the staffing and leadership to support a disciplined review of potential. This is reinforced by the verbal responses of the smaller companies shown at right.

If you don’t regularly assess for potential, why not?

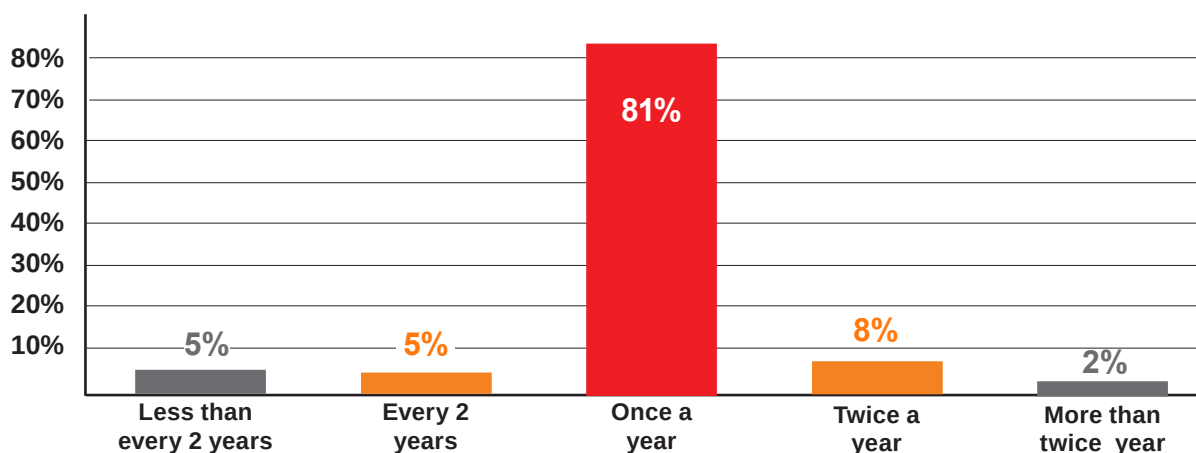
A sample of the responses from those without a regular process to identify potential include:

- Foundational work was needed first on assessing performance... now complete and building Talent Review process for the org
- Lack of capacity and business imperative
- Focus had been to fill holes with external hires
- We have a difficult time defining potential
- Time consuming process
- It’s a family business, no career path
- Real life impact is low
- We spend too much time on performance management at the expense of talent management
- Focus on significant hiring for growth
- Too politicised a process
- We have in bits not like a process
- No alignment on what is most useful
- Not thought of before. Is part of go forward plan
- Organization change, leadership disruption, lack of will to measure consistently

If not, do you plan to implement such a process?



How frequently do you formally assess potential for most employees?

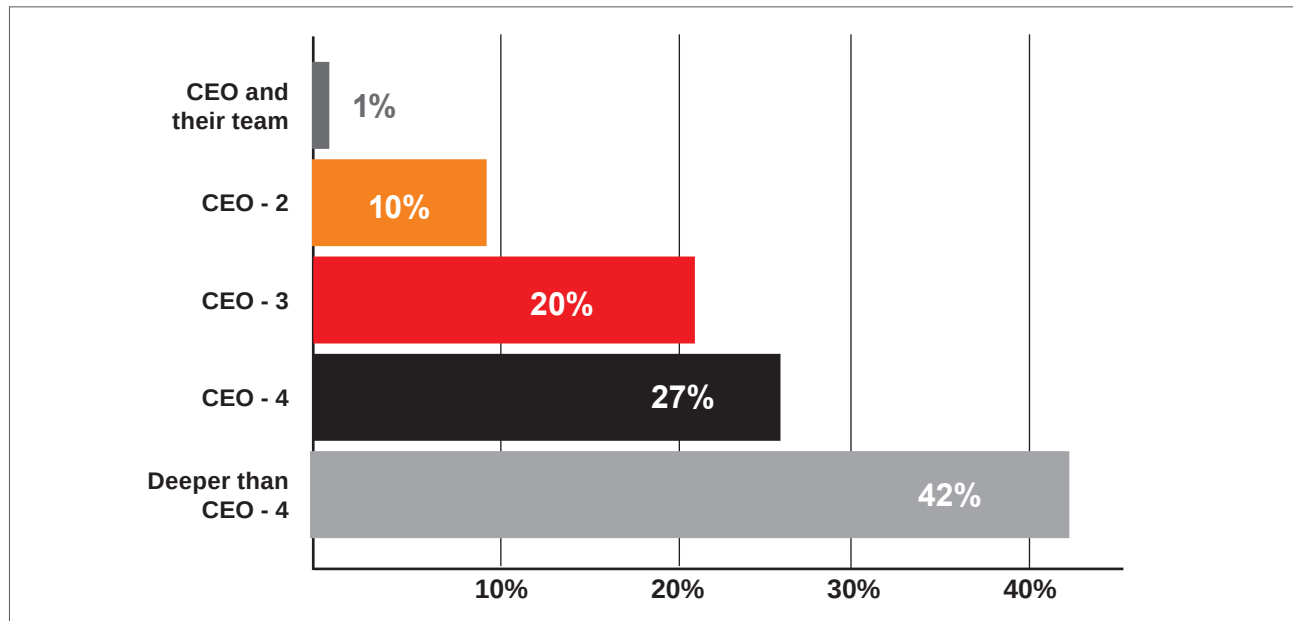


The overwhelming majority of organizations assess potential annually with a handful assessing more or less frequently. We recommend an annual cadence since it's unlikely that you'll see meaningful shifts in either the individual or organizational components of potential more frequently than that.

We do recommend a light six-month review of all high potentials to check on development plan progress, engagement and retention risk.

You can use this discussion to validate that everyone is still at the same potential level, or call out if they're not.

Down to what organization level do you assess for potential?



While the above chart looks like organizations have varied philosophies about how deeply to assess for potential, the answer may be simpler. Broken down by organization size, the number assessing “Deeper than CEO – 4 increases almost linearly as the employee base grows. By the time we get to organizations with more than 100,000 employees, all but 1 assess to that level.

The conclusion is that, as company size increases, layers likely grow and the assessment process grows with it. However, if we average the data as presented across all organization, most assess for potential to CEO – 4.

A common question from our clients is: How deep should the potential assessment process reach?

Our advice is typically split between the practical and the educational value of depth.

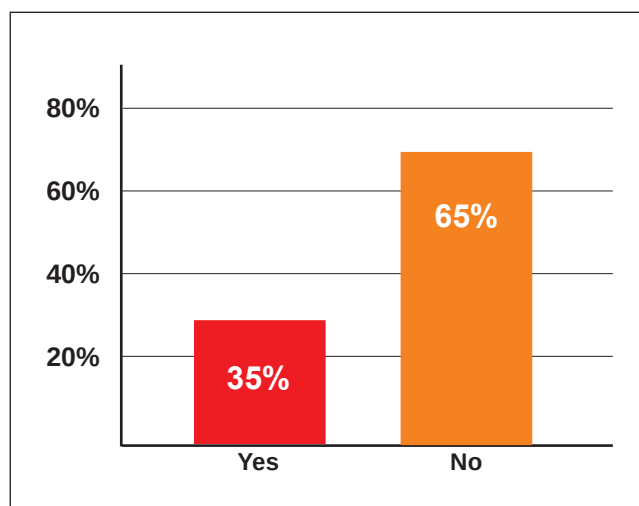
Practically, there’s value in understanding the quality and depth of talent in your organization down to CEO – 3 or – 4. This is your talent pipeline to the C-suite over the next 5 – 10 years. You should want to understand what the “raw material” for those roles looks like today and your confidence in their ability to grow into senior leaders.

Below that level, potential assessment has little practical value but it does have educational value. We should want our people managers to be experts at assessing talent and creating powerful, focused, experience-driven development plans.

They’ll only become proficient in that skill set after many rounds of practice. We don’t want the first time a people manager assesses potential and creates a development plan to be when they’re promoted to director. Start their practice when they’re a supervisor and they’ll have ten rounds of practice at this valuable activity before it truly matters.

Do you have a guided or recommended distribution for the number of leaders who can be rated as high potential?

It feels like walking a tight rope without a net to see so few organizations even recommending a distribution of high potentials. About 1/3 (35%) say they make this recommendation, with larger organizations more likely to ask their managers to stay in a range.



Larger organizations (those with 10K+ employees) do this 46% of the time while those below that level only do it 26% of the time.

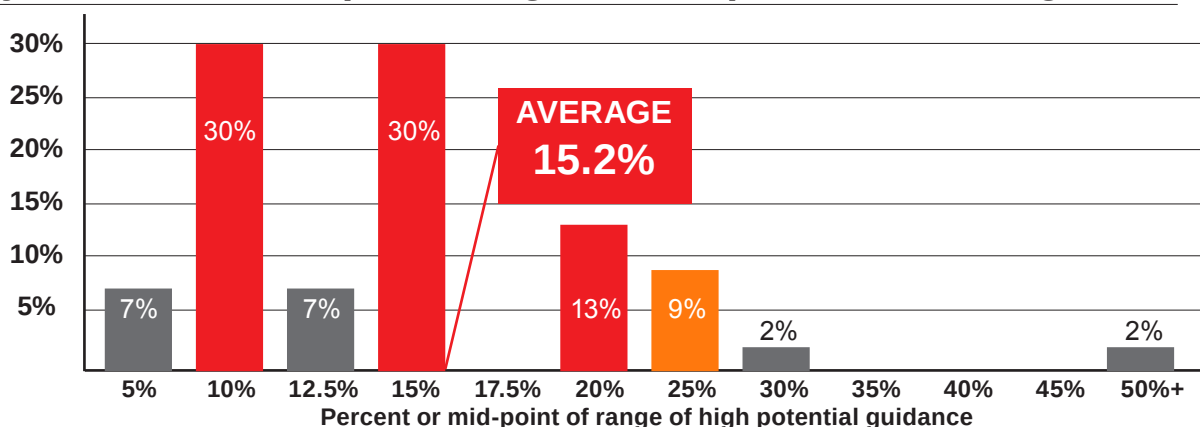
Our concern about not providing guidance is that there is overconfidence bias in how managers assess their teams. That can result in too many individuals being rated as having potential.

There's also what we call a "prize" problem in many companies. In this situation, there aren't great rewards (prizes) available to high performers, so managers label anyone they want to invest in a High Potential to ensure they get a

"prize." (For more detail, read our article, ["A Prize In Every Box"](#)).

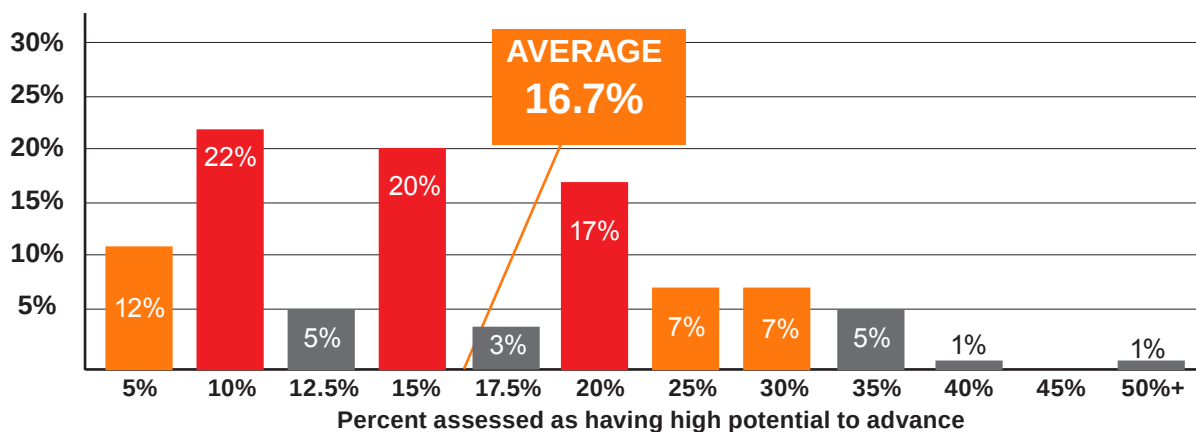
Given these pressures, we shouldn't expect manager evaluations of potential to be accurate without other forms of support. This support can include training, coaching from their manager, accurate and easy to apply definitions of potential, calibration meetings, etc.

If yes, what is that percentage or mid-point of the range?



We see variation here but there are clear anchors at 15% and 10%. The average is 15.2%. It's interesting that 26% of organizations target 20% or more of their leaders to be high potential. We would consider that level to not represent a highly selective approach.

What percentage of leaders is typically assessed as having high potential to advance?



When organizations look at the outcomes of their potential assessment process – standards, discussions, tools, training, et al – this is their quantitative statement of the result.

You'll see there's quite a range of results with spikes at 10%, 15% and 20%. The overall average is 16.7%. We could say that there's no right or wrong answer to this question; that it's unique to every organization.

The "righter" answer

But, using the following logic, we'd prefer to see a slightly lower average number than this survey shows.

Let's generously say that the top 25% of your organization is consistently high performers. If you've attended our Talent Management Institute, you'll know our mantra that "most high performers aren't high potential."

Applying the logic that "most high performers aren't high potential," let's say that 40% of high performers are high potential. If so, then 40% of that 25% high performer group leaves just 10% who *are* high potential. That 10% number feels like a good starting point in a well-run organization.

Also, remember that if you differentiate how you invest in your high potential talent, the more of them there are the less you can invest in each.

Does providing guidance matter?

We showed earlier the organizations that guided or suggested a potential distribution, and suggested that unguided managers tend to overrate their teams. What did the results show about actual potential percentages in organizations that do and don't provide guidance? We're surprised too.

Actual High Potential Percentage in Organizations that Do and Don't Provide Recommended Guidance for Percentage of High Potential

Provide Guidance	Don't Provide Guidance
17.8%	16.1%

ABOUT THE DEFINITION OF POTENTIAL

This series of questions asks how organizations define potential. As we highlighted in the survey instructions, the definition of potential and the way that organizations record potential (9-box grid, etc.) are different elements and need to be analyzed separately. This section discusses the definition of potential and a later one covers the tools used to chart potential.

Do you currently use any of the following consulting firms' potential models in your potential identification process?

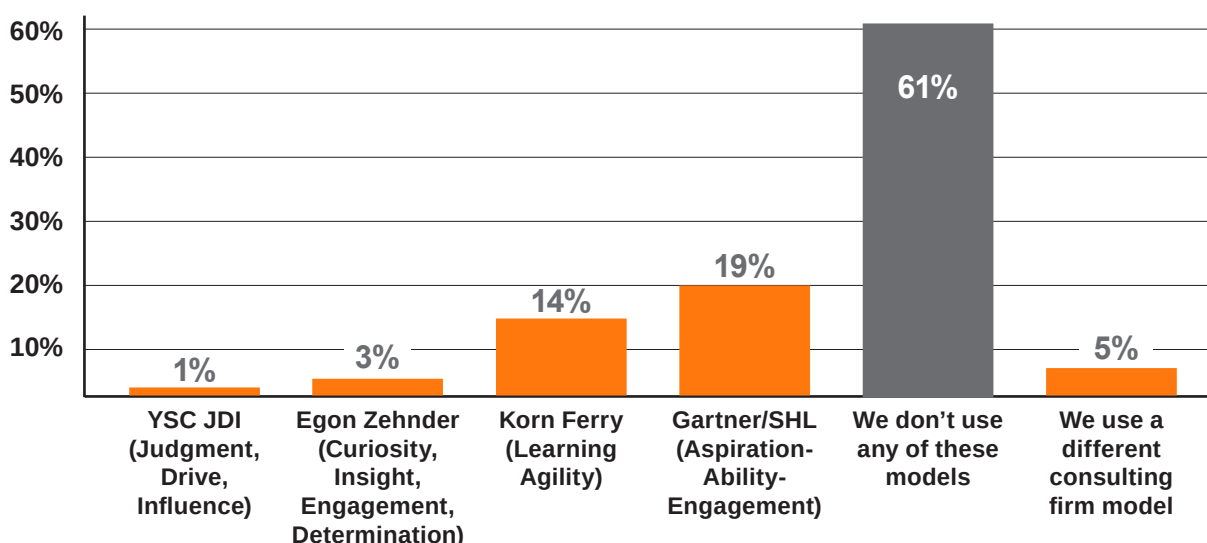
While the survey results suggest that most organizations' potential models aren't from consulting firms, the question we asked after this one offers some additional nuance.

The most commonly used model at 19% was Aspiration-Ability-Engagement, used by Gartner (created when they were Corporate Executive Board) and SHL (which was previously part of Gartner). Korn Ferry's Learning Agility model was the next most popular, used by 14% of respondents.

A handful of respondents use Egon Zehnder's (Curiosity, Insight, Engagement, Determination) model (3%) and YSC's JDI (Judgement, Drive, Influence) model (1%).

Other verbatim responses included McLean, HPTI from Thomas International, Mercer / stable malleable potential, a model from the Talent Strategy Group and SHL HiPo model using OPQ.

All that suggests there is not a dominant model that companies use to identify potential – that is until we look at the next question's results.



If your company uses a custom potential model, please share it with us.

In the survey process, we asked organizations to enter into a text box or upload a file containing their potential model. Participants were promised data confidentiality and that only aggregate findings would be reported.

More than 70 companies submitted their custom potential models. In reviewing those submissions, and then passing them collectively through ChatGPT 4o, we found remarkable consistency across the diverse group of participating organizations.

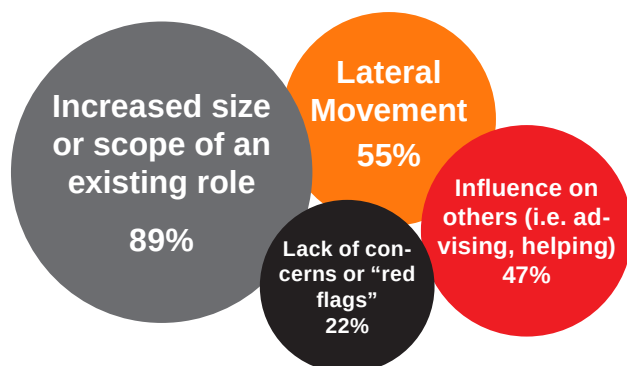
A very uniform model emerges that largely mirrors the Ability-Aspiration-Engagement model. The ChatGPT analysis of every model submitted shows this:

ChatGPT summary of 71 potential models submitted by survey participants		
Theme	Description	Prevalence
Performance / Track Record	Sustained success in current or past roles; foundation for considering someone high potential.	Almost Universal
Learning Agility	Ability to learn quickly, adapt, be curious, and perform well in ambiguous or new situations.	Widespread
Aspiration	Desire or motivation to grow, lead, or take on more responsibility; includes willingness to relocate or stretch.	Very Common
Ability / Capability	Capacity to perform at a higher level or across broader scopes; includes leadership traits or cognitive ability.	Frequent
Engagement / Drive / Commitment	Emotional commitment to the organization and consistent motivation over time.	Moderately Common
Derailers & Cultural Fit	Consideration of derailers such as low trust or cultural misalignment; includes values and behavioral checks.	Occasional

We consider this finding to be generally good news since it reflects the current science on the contributions of cognitive capability and select personality factors to career success. It also reflects the practical reality of selecting individuals for larger, more complex roles, including sustained strong current performance and a stated desire to contribute for more career success.

While the basic themes are sound, we don't know the quality or rigor with which these themes are assessed in evaluating individual potential. We also didn't see, confirmed by a later question in this section, that a criteria for potential was "fit" with the organization's strategy. This suggests an incomplete assessment approach.

Does your definition of potential include . . .



Percent responding "Yes" to each

An important question when discussing the definition of potential is whether it only indicates upward movement. Our attempt to answer that question yields mixed results.

An overwhelming majority of organizations (89%) say that increasing the size of an existing role is a factor in assessing potential. But lateral roles get that consideration in just over half of companies.

So you may have potential if you can do your same job with a different set of challenges, but not a different job at the same level.

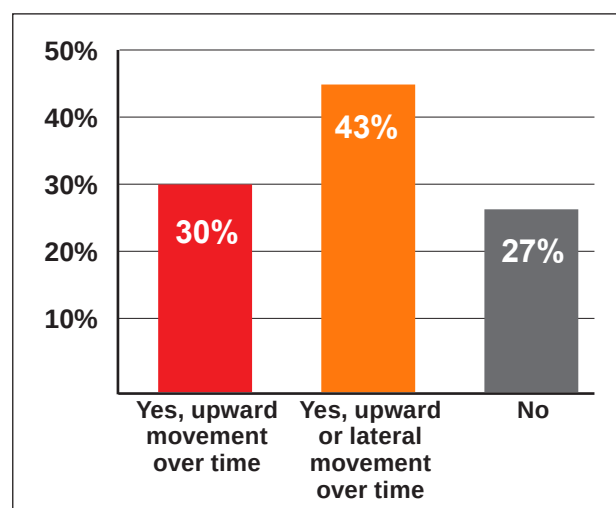
Less than half the respondents said that positively influencing others was included in their definition of potential and only 1 in 5 actively considered "red flags" raised by others.

Is movement over time a part of your potential definition or potential model (i.e. 1 level in 2 years)?

We still occasionally meet organizations that predict "ultimate" potential, e.g. "this person has the potential to be CFO at some point in time." The obvious challenge in that approach

is that it doesn't link to succession planning. You need to know *when* someone can be CFO, not *if* they can be CFO.

Responses to this question indicate a preference for time-bound definitions of potential. 30% assess the potential to move up over time but 43% include lateral movement in their definition. 27% do not include any time boundaries in their potential criteria. There were no meaningful differences by company size.

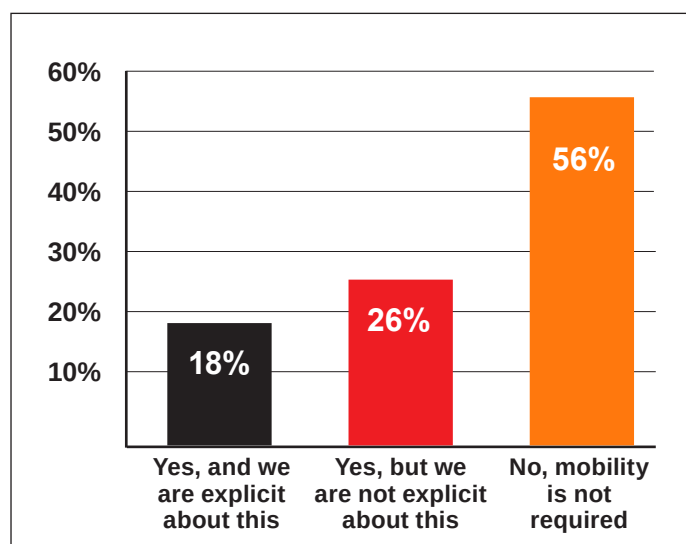


Do you need to be geographically mobile (not just travel) to be considered high potential for senior roles in your organization?

The most interesting answer here isn't the relatively large number (57%) of organizations where ascending to the senior ranks doesn't require geographic mobility. At first glance, that seems unusual even if our survey sample was skewed to primarily one-country organizations.

What's fascinating is that in the 44% of organizations where geographic mobility is

required, a majority (59%) of them are not explicit about that fact! This is a key example of having unwritten rules and it's anathema to an effective potential selection process.



If you are in a company that isn't clear about this, at what point in a leader's career do they find out? This feels like a clear miss on both ends.

Some leaders may seek geographic moves in their career and your lack of transparency means you're not attracting them. Others may have thought they'd have a great career with your organization only to have it stopped short when they find out that geographic moves are required.

Transparency, as we'll discuss in a later section, is still lacking throughout the potential process and this finding is one additional piece of evidence.

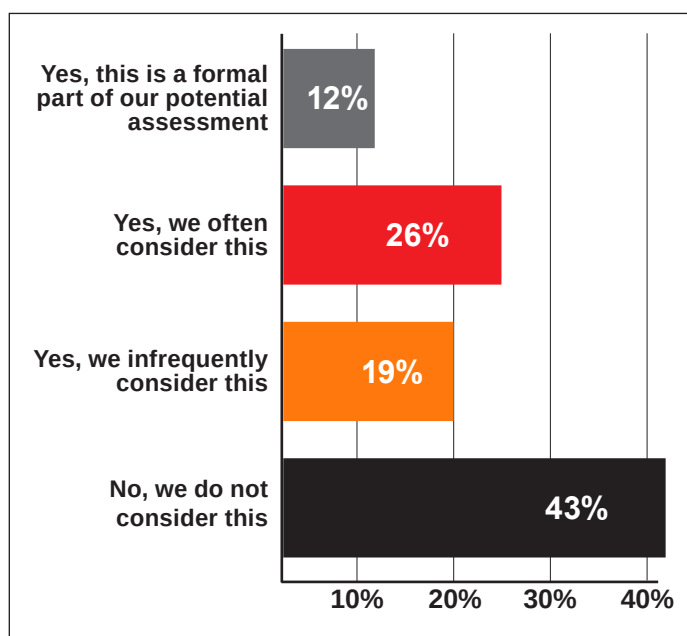
Do you evaluate how an individual fits with your future business strategy to help determine potential? (For example, if your organization will be moving into a turn-around phase, do you specifically evaluate an individual's potential to succeed in a turn-around environment?)

An individual doesn't have generic potential – they have specific potential for the challenge we want to place them into. They “fit” (or don't) with our vision of the organization, function or possibly role that may exist in the future.

That's why when we work with organizations on potential, we ensure they analyze and specify the future state of the organization.

We use our Executive Fit Matrix to start that conversation and you can read about it in [“Companies Change Faster than Leaders Do”](#) or in more detail and with tools to assess fit in [8 Steps to High Performance](#).

The good news is that there is plentiful



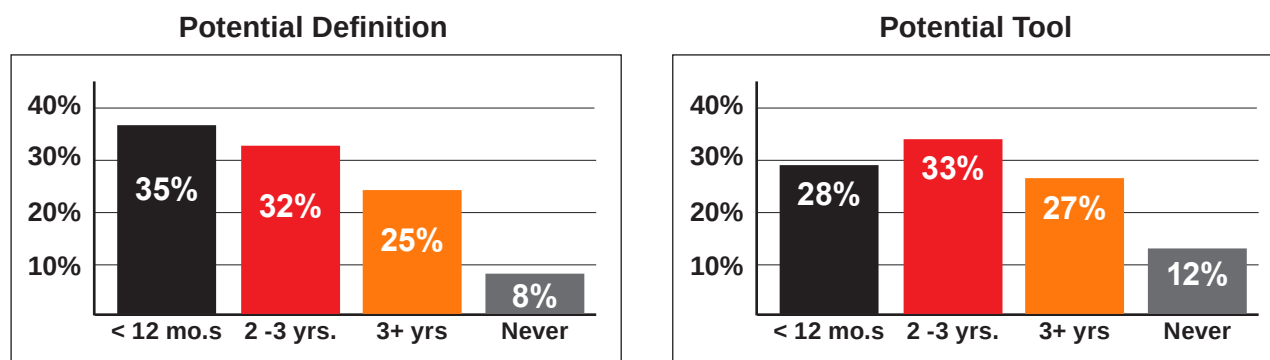
science suggesting that when people fit with their work environment, they are more committed, more engaged and higher performers. The bad news is below.

A minority of companies consciously consider fit when they evaluate potential (38%). In other words, they ignore half of the potential equation.

Given that, it's no surprise that the self-assessed success rate of accurately selecting for potential (as we report later) is below 50%.

Just 13% of companies actively include fit in potential discussions with another 25% often considering it. That's 38% that can say they consider fit when assessing potential. The other 62% rarely or do not consider it.

When did your organization last change its definition of potential or the potential tool it uses?



In the survey we included the following definitions:

Potential definition: This describes the standard you use to determine if someone has potential to advance (i.e. “aspiration, engagement, ability” or “sustained high performance + intellectual, technical and behavioral capabilities to thrive at the next level”)

Potential tool: This is a grid or chart on which you record how much potential an individual demonstrates, like a 4, 5, 6 or 9-box grid.

There's still significant churn in both the potential definitions and tools organizations use, with a majority changing both in the past few years. We find this is typically due to dissatisfaction with elements of the process, not with the accuracy of the definition.

Some organizations make the actual definition more complex than needed. There may be no follow through on development actions which may invalidate potential predictions.

The definition may be part of a larger,

bureaucratic potential identification process which frustrates managers using the process.

None of these elements are the fault of the potential definition. The prior items in this section showed that many organizations are focusing on science-based factors of potential. Rather than adopting a new definition or tool, it may help to understand which elements of the assessment process are causing pressure on the definition where it might not be warranted.

ABOUT ASSESSMENTS AND POTENTIAL

In this section, we discuss which formal assessments organizations use in their potential assessment process. These assessments may be used to inform the definitions discussed earlier or to provide additional data points when making an holistic assessment of potential.

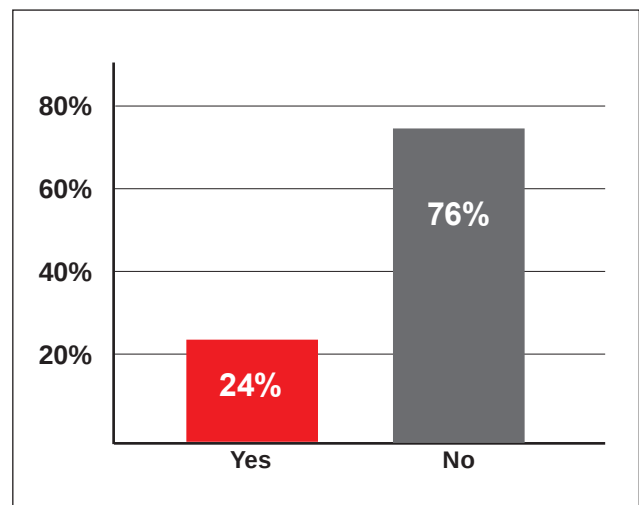
Do you use external assessment centers in your potential identification process for internal leaders?

There's low use overall of assessment centers to inform potential identification, with an expected split between US-based and non-US-based organizations. Just 18% of organizations based in the United States utilized assessment centers while 28% of those based outside of the United States did.

This geographic difference reflects our consulting experience globally, but also raises an important philosophical question: Who can more accurately assess the potential of your organization's leaders to advance: internal leaders or external assessors?

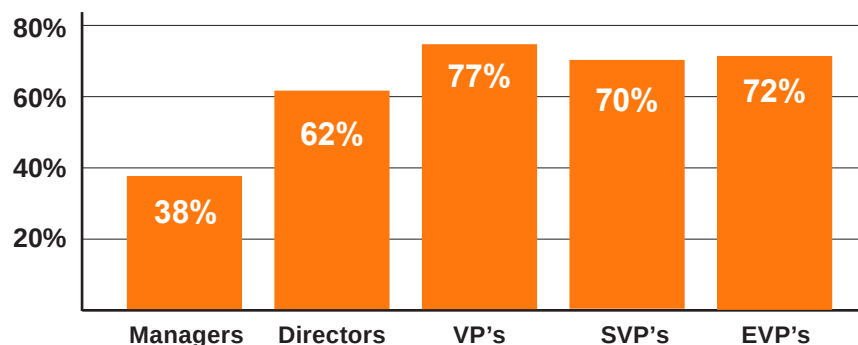
We believe that a well-run talent review process using a crisp and clear potential definition, simple charting tools and a well-facilitated calibration discussion should yield as accurate of an assessment as any other approach.

We tell clients that use assessment centers to assess potential that they should only use these until they build their managers' capability to assess talent. They should not be a permanent crutch to substitute for manager judgment or because they're afraid to make tough calls on talent.

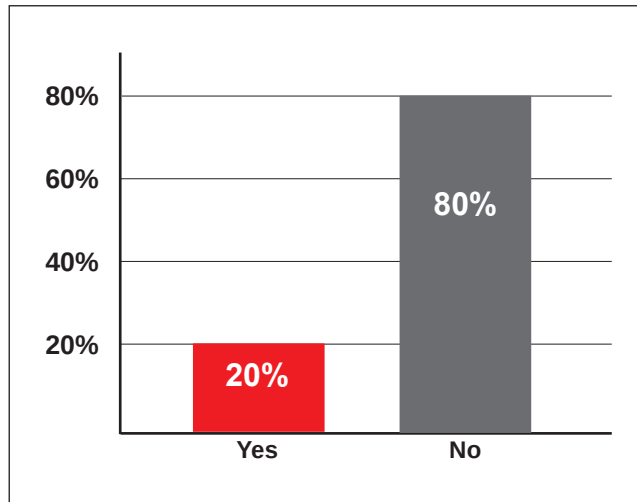


For what levels do you use them?

Organizations using assessment centers offer them broadly to Director-level talent and above, with slightly more usage at VP levels.



Do you use cognitive assessments in your potential identification process for internal leaders?



There's a 20/80 split in organizations that use cognitive assessments to help identify potential and those that don't. The use of these assessments raises some questions for those who apply them.

The science is clear that an individual's cognitive ability is the single largest predictor of their career success (despite some recent Ivory Tower infighting about the precise power of this factor).¹ This means that, in general, we want talent that has higher cognitive ability since they have more of the "raw material" that typically indicates higher potential to advance.

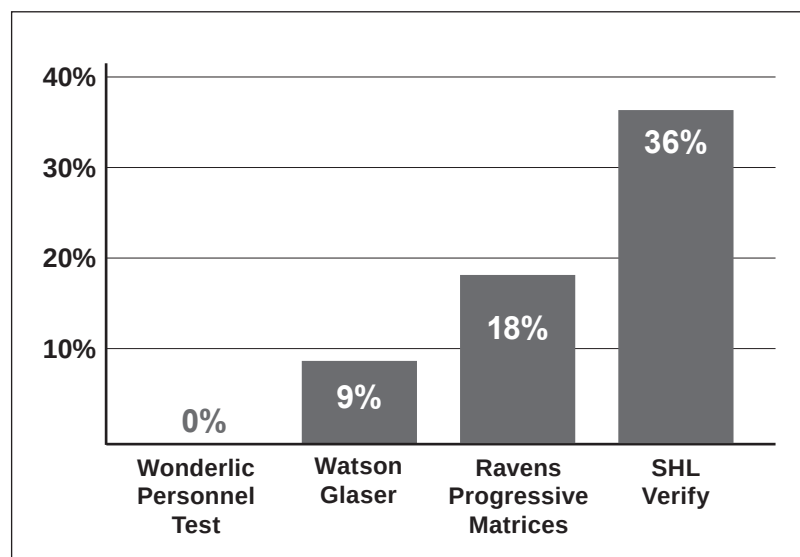
The challenge is that cognitive ability is largely fixed once some enters the working world. Since this survey question applied to your internal leaders, those leaders are not going to get any smarter after they've joined your organization.

Before you assess their cognitive capability, you need to think through your next steps. Are you clear about the importance of cognitive skills versus other capabilities in the roles you're considering them for? What will you do if you're unhappy with the results of their cognitive assessment? Will you share with the participant the career implications of the assessment?

Which assessment do you use?

Of the 20% of respondents that used cognitive assessments, SHL Verify was the most frequent choice at 36%, Raven's Progressive Matrices was used by 18% of respondents and Watson Glaser by 9%.

Other verbatim answers included Hogan (4 mentions), Predictive Index, Career Path Appreciation, Saville, Swifte Executive Aptitude, HMM, GTP Assessment, Caliper – Bridges and Sova Logical Abilities Test.



¹ Despite the noise over Hackett, et al (2024), the debate over *g* and its relative contribution to success at work is far from settled. The best summary I've found of the current state of science is at 4.2.6 in, Cucina, Jeffrey M. "Reconsidering the search for alternatives to general mental ability tests." *Intelligence* 109 (2025): 101892. Criterion related validity is .51.

Do you use personality-based assessments in your potential identification process for internal leaders?

About 3 in 10 organizations use personality-based assessments in their potential identification process. Personality is the second largest predictor of success at work (some personality scientists will argue that it's #1) which suggests that insights on personality may be helpful in your potential assessment process.

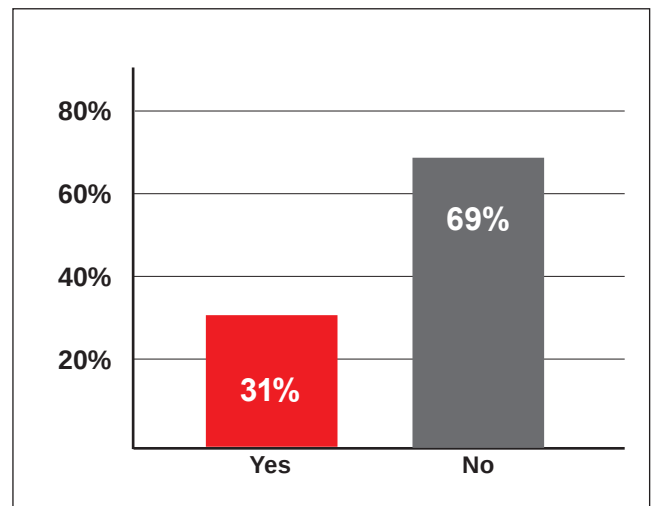
Similar to cognitive capability, personality also doesn't change much after we enter the working world. However the benefit of personality is that independent of ones' personality, a leader can choose to behave in any way they want.

This means that if certain elements of a leader's personality aren't naturally ideal for a situation, they can still choose to behave in an ideal way.

A personality assessment can help you, and them, understand the benefits and risks of their traits and point to better behavior alternatives where helpful.

If you use personality assessments in the potential identification process, you should know the value you're seeking from that assessment. Are you using a derailer instrument to understand behavioral risks? Are you using a motives and preferences inventory to better understand cultural fit? How much weight do you plan to assign to those factors versus others in your evaluation?

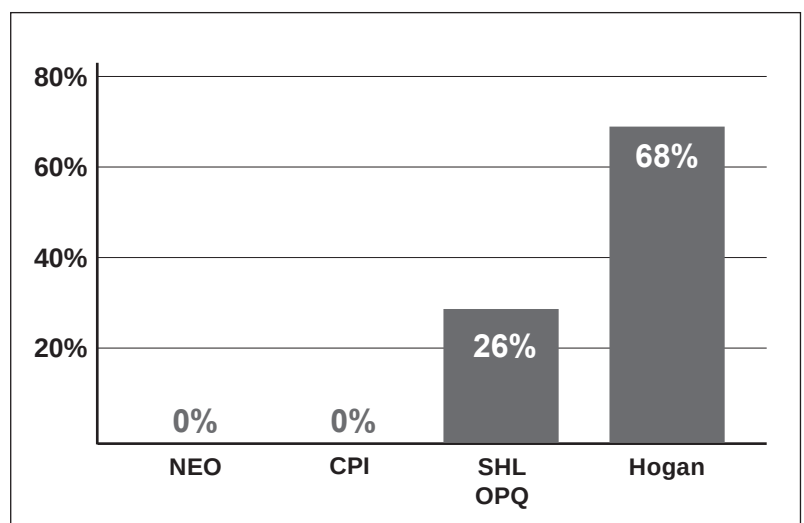
A personality assessment can provide helpful data in assessing potential but it's one piece of data. Will it add incremental information that you don't already have to the discussion? Are you using it solely to provide comfort in making a decision you already plan to make? Are you outsourcing your managerial judgment to it?



Which assessment do you use?

Hogan Assessments were the overwhelming choice of the 31% of respondents who use assessments. 68% of them use one or more of Hogan's tools. A distant second was SHL OPQ at 26%.

Other verbatim responses included: DiSC, HBDI, Deeper Signals, Saville - Professional Styles, PPA Thomas International, TEIQ, GIA and Predictive Index.





Do you use any other assessments to help assess potential?

We were pleased to see almost no mention of the classic invalid, unreliable tools that continue to live on in many organizations. The short list of assessments mentioned included (verbatim):

- Korn Ferry Leadership Potential
- Internally designed tool to have managers assess KF's 7 signposts of upward potential
- MBTI
- EQi (JvR)
- Cognitive process profile (CPP) from Cognadev or the Career Path Appreciation tool (CPA) to measure conceptual potential
- Caliper

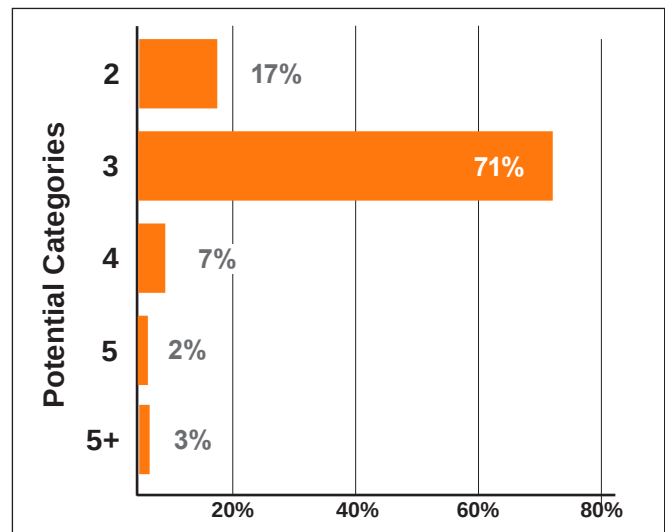
ABOUT THE TOOLS USED

In this section, we discuss which tools (and their design) organizations use to chart different levels of potential.

How many potential categories do you have?

We report this question before discussing specific tools used, since not every organization uses a matrix or tool to chart potential. But, nearly every organization that assesses potential has some way to classify their different levels of potential.

The overwhelming majority of organizations (71%) report having three categories, with 17% reporting two categories. The remaining 12% report having four or more categories of potential.



Do you use a matrix tool (9-box, etc.) to record your potential assessment?

A quick anecdote to start this section: A few months ago, I was on a call with a business leader client. He had invited his HR colleague to join our call in hopes that we would work with them.

As I was discussing contemporary talent review challenges, I made an off-hand remark about a 9-box performance and potential grid. The HR colleague quickly interrupted.

“I can’t IMAGINE any company that would STILL be using that! EVERY company I know stopped using that 20 YEARS ago! NO ONE uses a 9-box grid anymore!”

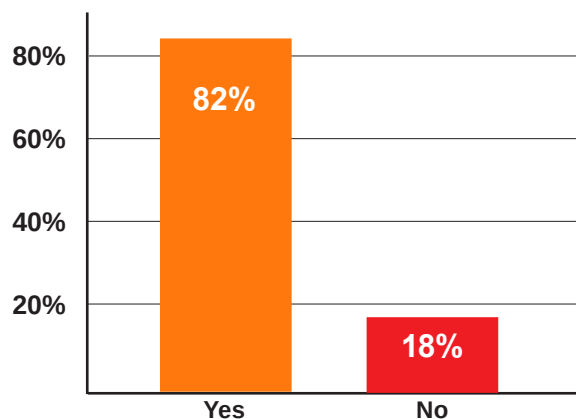
The HR leader then described a 3-dimensional grid they had created and why it was far superior to the lowly and outdated 9-box,

heaping on some additional derision on the 9-box along the way. Needless to say, we passed on that engagement.

While it seems fashionable on LinkedIn and elsewhere to dismiss the 9-box or variations of it as old and outdated, the data from the 2025 Potential Report is clear. 82% of companies use a matrix tool of some type to record their potential assessments.

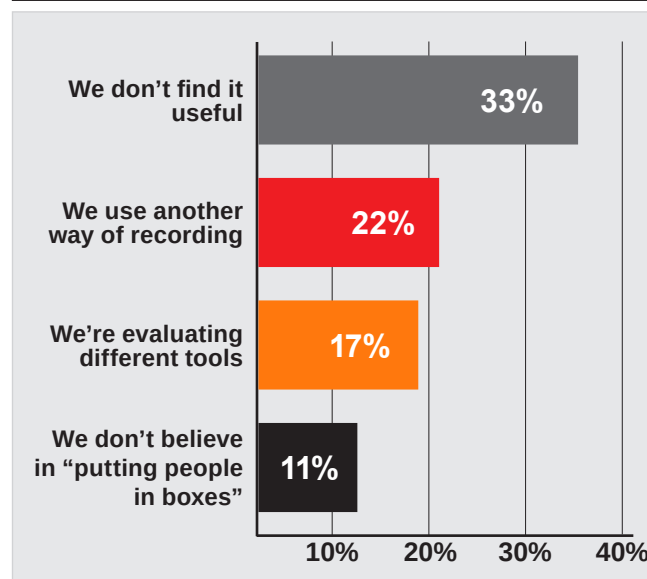
The grid, specifically the 9-box grid, with the labels Performance and Potential is the dominant tool used by organizations around the world in 2025 to chart potential. Feel free to cite that quote the next time someone on social media feels the need to promote novelty to replace usefulness.

Do you use a matrix tool (9-box, etc.) to record your potential assessment?



These percentages held across company size and geography.

If you don't use a tool, why not?



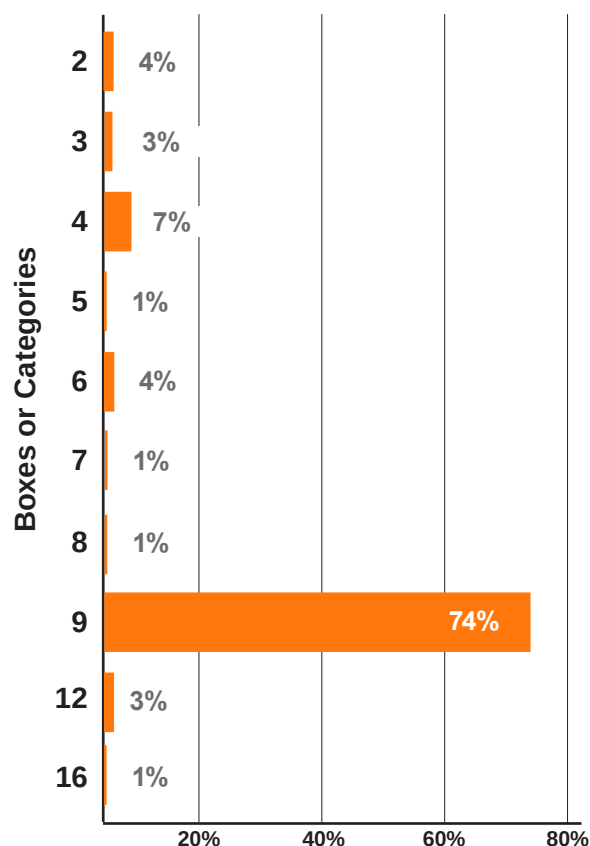
How many boxes or categories are there in that tool?

It's interesting to see that there's considerable variety in the number of categories used to sort performance and potential. Every choice we presented except the 28-box (not shown at right) received at least a few votes.

What's clear is that the 9-box grid remains the dominant tool for charting potential with 74% of organizations using it.

If we multiply the percent of organizations using a grid (82%) by the percent using the 9-box (74%), it tells us that overall, 61% of all organizations use the 9-box grid. That doesn't sound too outdated to us.

This doesn't mean that a 9-box is the best tool, the right tool or the most useful tool. But it is, according to the data from 300 plus companies worldwide, the number one tool by a significant amount.



What are the axes labels on each side of the matrix?

We asked about the labels you place on each axis and found very traditional labels for each side.

Performance and Potential dominate with 95% and 94%. A small number of companies use Values, Behaviors or the other choices we list below.

Label	% Using
Performance	95%
Potential	94%
Behaviors	3%
Values	3%
Others	3%

The only other choices suggested were Values and Behaviors, Agility and Development Strategy.

We think these traditional labels can work well if a few rules are applied. While this report is about potential, the potential definitions we discussed earlier start with a track record of high performance. That suggests that “Performance” on the grid must be sustained high performance. We recommend this be a 3-year performance trend.

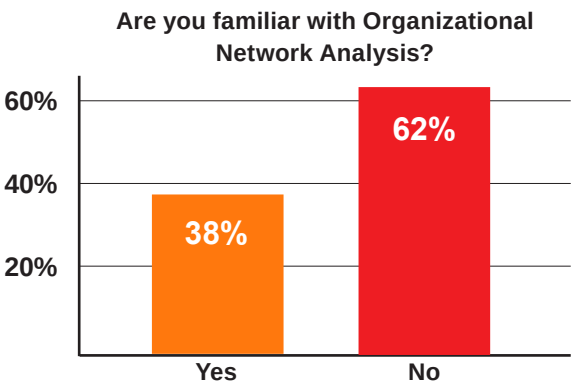
On the label of Potential, as covered earlier, most organizations include movement over time in their definition of potential. As long as that is included in the grid’s potential definition, you have a practical tool.



Are you familiar with Organizational Network Analysis (ONA)? If so, do you use ONA data as a factor in determining high potential?

An emerging way to assess select elements of potential (i.e. influencing, relationship strength, extroversion) is through [Organizational Network Analysis \(ONA\)](#).

We first asked if participants were familiar with this process and then if they incorporate it into their potential identification process. A large minority (38%) of total respondents were familiar with ONA.



Of those familiar with ONA group, very few (13%) said they use it in their potential process, which is 7% of the total survey respondents.

Yes, we use passive ONA data (e.g. chat, email or in-office data)	6%
Yes, we use active ONA surveys (e.g. send a survey asking people who they go to for help and advice, etc.)	4%
Yes, we use both passive and active ONA data	3%
No, we do not use ONA data	87%

What's Missing When We Assess Potential

A guest column by David Murray, CEO, [Confirm](#)

There's a universal but rarely discussed problem when it comes to assessing potential. Managers are expected to have the visibility, insight, and awareness to accurately assess who on their team has high potential. Unfortunately, managers don't have complete information about their direct reports, and they suffer, as we all do, from typical decision-making biases.

Organizations can help support more accurate conversations through crisp potential definitions and well-calibrated talent reviews. But there's still something missing, especially in today's world of hybrid and remote work where many people work in networks and managers lack visibility to employees' day-to-day work experience.

The “what” of work – objective, easily measurable metrics like sales quotas and KPIs are less of a challenge. It's those factors that describe the critical “how” of work – teamwork, leadership, peer support, etc. – that are often unmeasured, therefore not included in potential prediction.

For example, are you accurately assessing that quiet contributor (TSG calls them a “[Shy-Po](#)”) who may produce high-quality work that colleagues see, but who doesn't actively self-promote? What about that leader who manages up extremely well but whose colleagues and peers would tell a different story about him?

An innovative way to get better insights on the “how” of potential is through Active Organizational Network Analysis (ONA). The 2025 Potential Report shows that many of you are familiar with ONA but that few of you use its power to inform your potential decisions.

How much could you improve the accuracy of your potential predictions if you had organization-wide insights to these four questions:

1. Who do you go to for help or advice, and about what?
2. Who energizes or motivates you at work, and why?
3. Who do you see as an outstanding contributor if you could only pick 3 people, and why?
4. Who are you concerned about that needs additional support or attention, and why?

You'd likely surface previously hidden insights on Shy-po's, get confirming data on possible high potentials and disconfirming insights on leaders you thought had high potential.

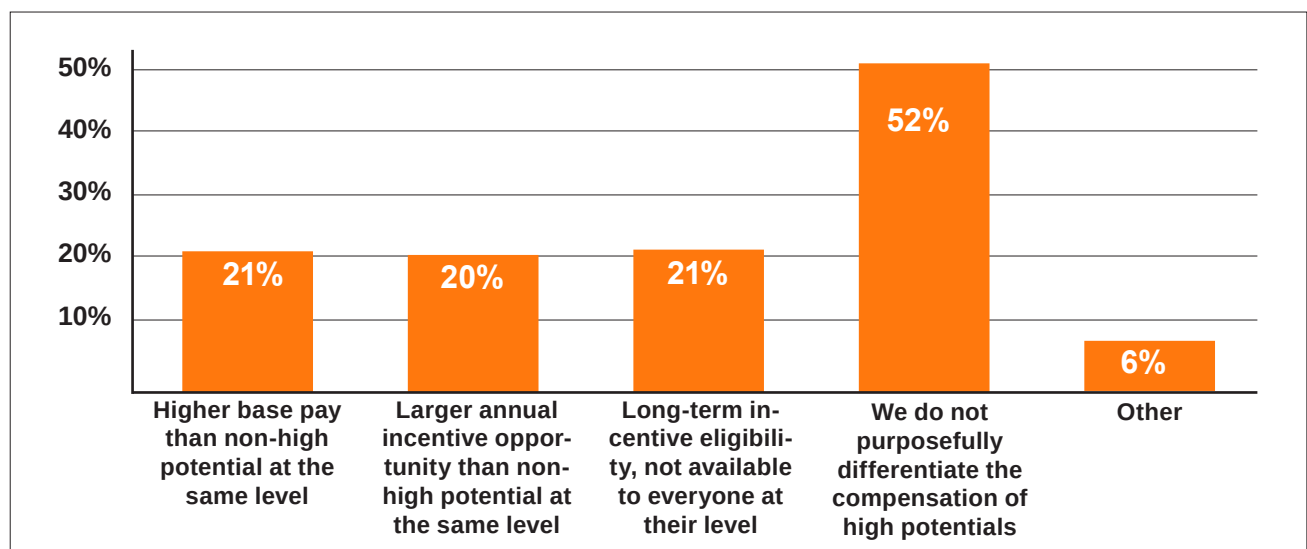
This report shows there's significant room to improve accuracy in predicting potential. We strongly recommend adding [ONA](#) to your talent review process to provide new, valuable data to elevate the quality of your potential predictions.

David Murray
CEO, Confirm

ABOUT MANAGING HIGH POTENTIALS

In this section, we discuss some of the tactical choices organizations make in how they manage their highest potential talent. We also include below relevant findings from our recent [High Performer/High Potential Development Report](#) completed in 2024.

Does your organization differentiate the compensation of high potentials?



Whether, and how much, to differentiate the compensation of higher potential talent is a classic [talent philosophy](#) choice. Our survey respondents say that there is generally no *structural* difference in how they approach compensating their high potential talent.

This does not mean that their high potentials do not receive higher compensation, simply

that there are not additional vehicles or methods to compensate them. The data does show however, that base pay is generally not differentiated for higher potential talent.

The few companies that responded in the “other” category mentioned that high potentials do receive differentiated compensation through some customized vehicles.

Does your organization differentiate the investment they make in high potentials (not including compensation)?

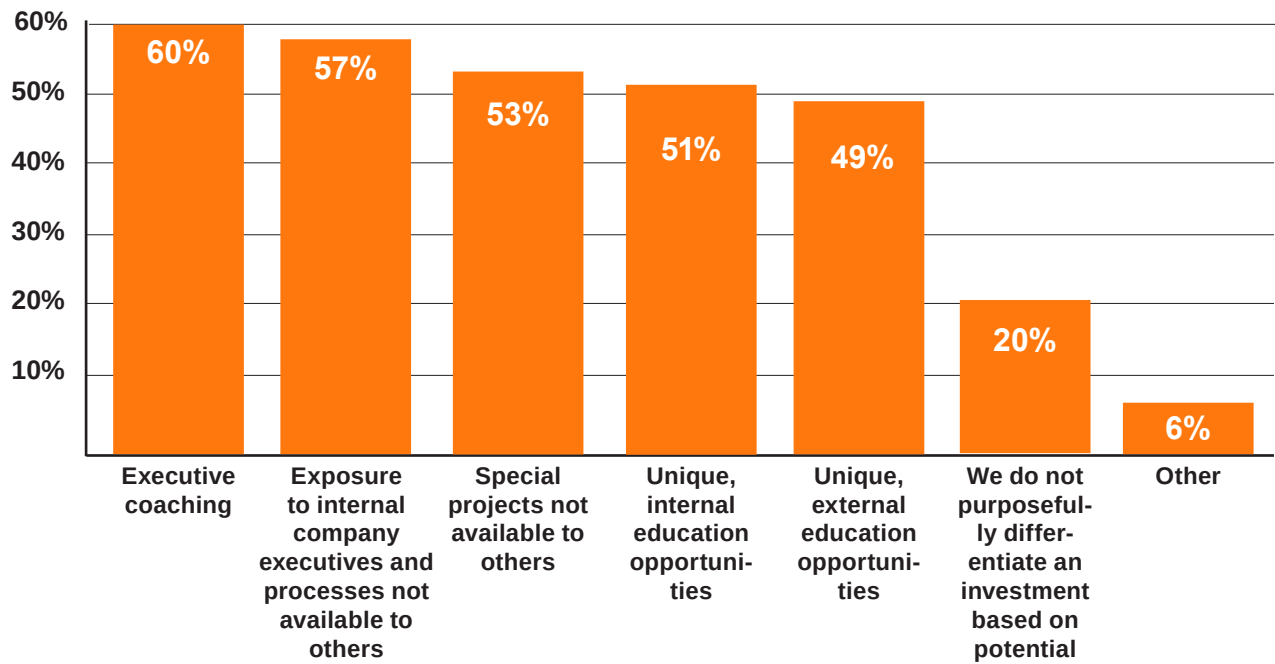
A majority of organizations differentiate their development of high potential leaders, using all typical development levers led by executive coaching and unique exposure to company

processes and executives.

Only 20% of organizations said they don't purposely differentiate development investments based on potential. There were general

size affects across all answer choices, with larger organizations more frequently utilizing every development lever.

These results still leave meaningful room for additional structured and planned development for organizations' top talent.



What percent of your high potential leaders have a development plan?

The data below is from our High Performer/High Potential Development Report released in late 2024.

Organizations report that only 37% of their high potential leaders have a development plan. That's a seriously surprising statistic for an organization's most valuable talent. That finding is reinforced by the next chart which shows that any type of accountability for development dramatically increases the chances that there will be development plans in place for high potential talent.

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

Plans in Place	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%	0%
% of organizations	8%	3%	8%	3%	5%	13%	4%	11%	14%	17%	15%

Avg.
37%

Any type of accountability, from tracking development plan creation to measuring talent development in a leadership model, increases the frequency of having those plans in place. If organizations exert even modest effort in this area, they can achieve tremendous benefits.

Type of Accountability	Frequency of High Potential Development Plans
Talent development is measured in our leadership model	46%
People leaders have a specific talent development goal in performance management	49%
There are strong culture expectations that leaders will do this	53%
Development plan creation is tracked	59%
<i>There is no clear accountability</i>	23%

ABOUT TRANSPARENCY

In this section, we discuss organizations' approach to transparency around potential.

What is your organization's policy about telling people when they are identified as having potential to advance?

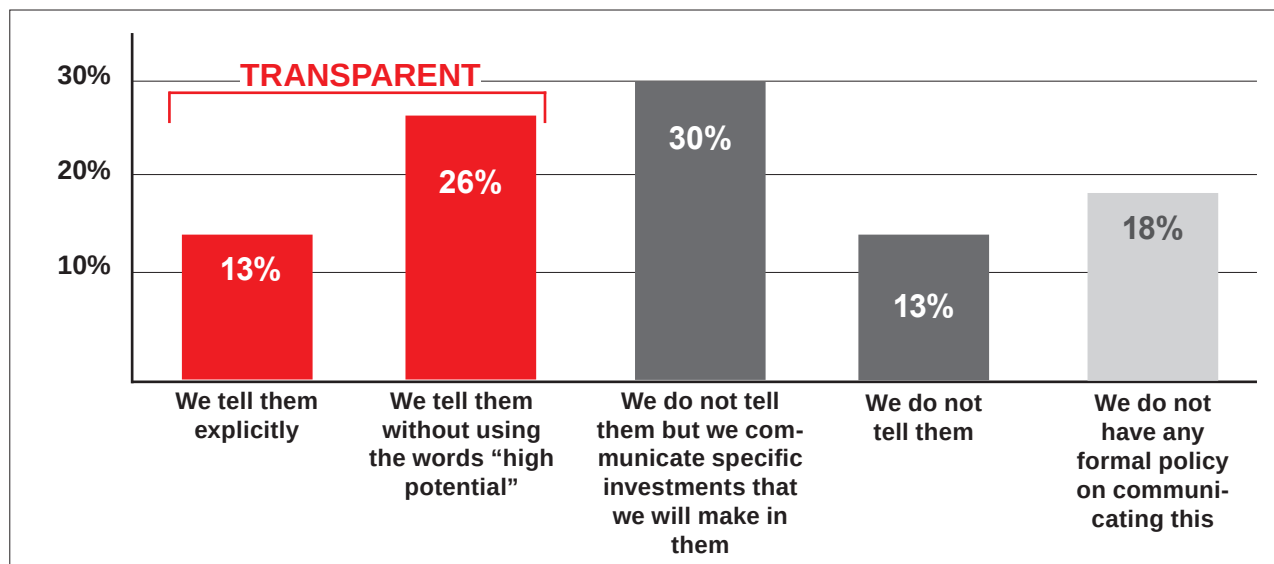
In our [Talent Management Institute](#), we teach a section where we discuss transparency in the talent review process.

We show a statistic from a survey we conducted 15 years ago on how transparent organizations are about high potential status.

We state that we haven't formally updated

ed that survey but we think the figure is still correct. That 15-year old figure for the percent of organizations that are transparent about potential is 40%.

What does the 2025 Potential Report show that percentage is 15 years later? It's not very far off at 39%.



We have a strong point of view about transparency, believing that more is better than less. This doesn't require 100% transparency, but that you should have good reasons for every degree of transparency you are away from 100%.

Your choice about transparency should be purposeful, not accidental. What do you plan to tell people and why? What do you plan to not tell them and why? When will you tell

them your philosophy for what you'll tell them?

We believe that you hire adults and you should treat them like adults. Again, that doesn't mean that everyone needs to know everything the moment you know it.

But it does suggest that if you have important information about their career, every moment you withhold those facts from them is a moment you are doing a disservice to them and to the reputation of your organization.

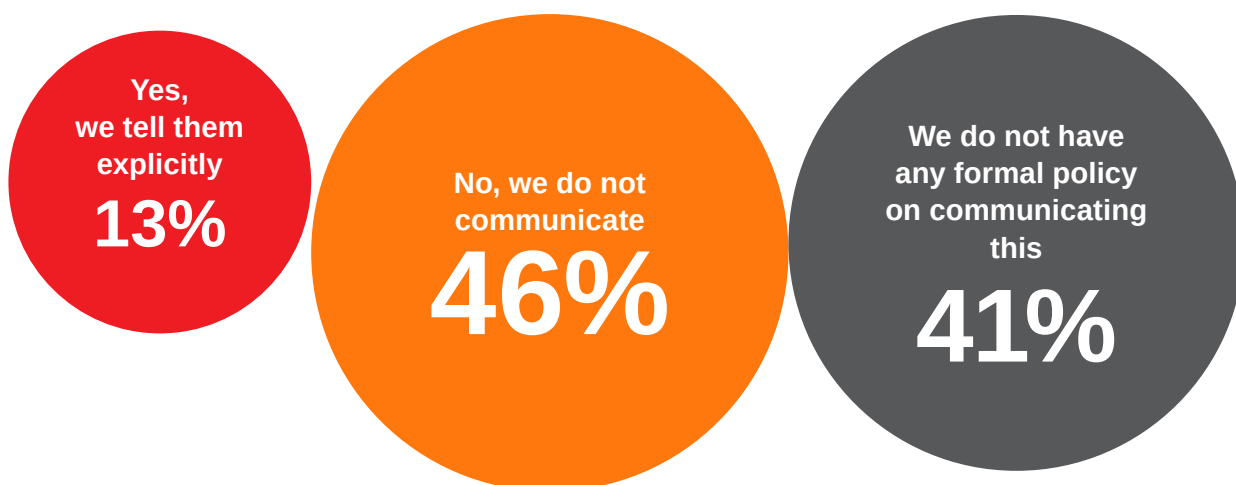
Do you tell people when they are no longer considered to be high potential?

This is one of our all-time favorite questions to ask precisely because no one else ever asks it. We know the numbers about telling an employee they are high potential are bad. But what about the opposite situation?

Everyone stops being a high potential at some point – we all reach our ultimate potential. So, do we ever tell people, “Congratulations you’ve reached your potential! You are no longer high potential.”

This seems like a very logical and congratulatory conversation to have. You have the potential to reach the summit of Mount Everest. Congratulations! You’ve reached the summit. There is no higher mountain for you to climb!

The survey results say that almost never happens. So we should not be surprised, with people naturally overestimating their own capabilities plus this lack of honest conversation about their potential status, that nearly everyone thinks that they are a high potential!



ABOUT CAPABILITIES

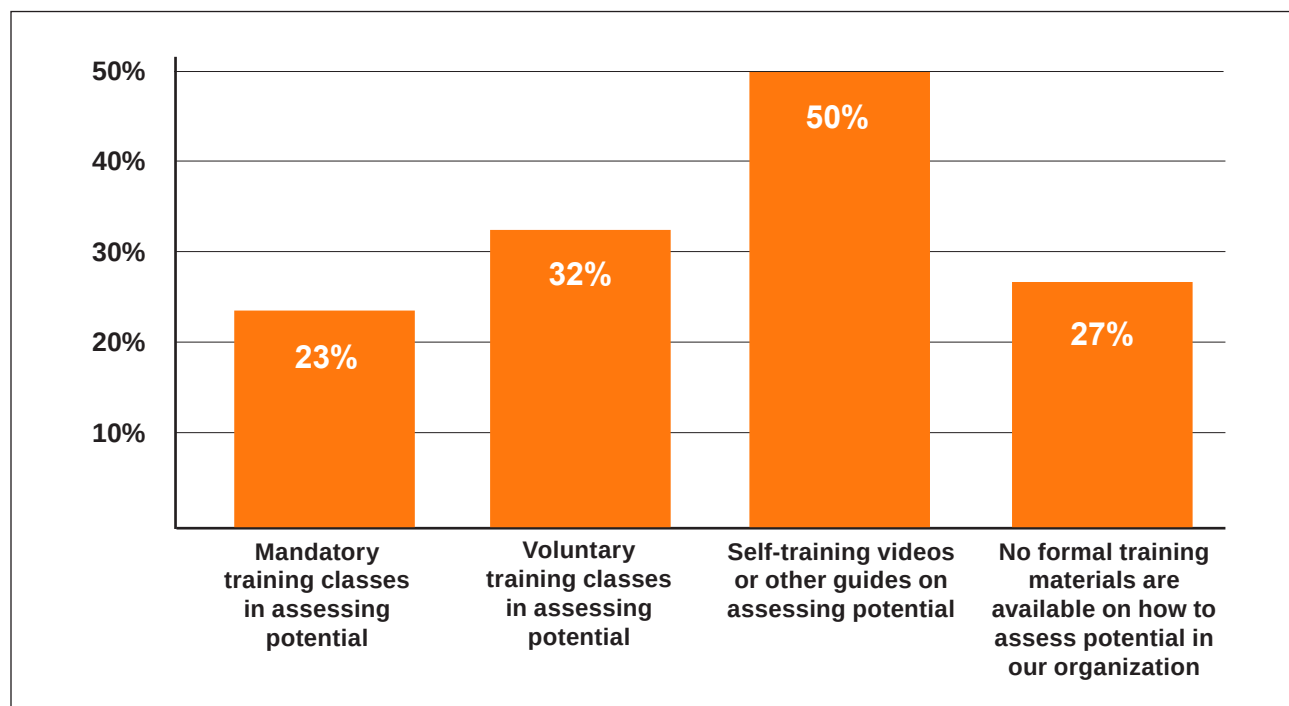
In this section, we discuss how organizations build managers' capabilities to assess potential.

In what ways does your organization build managers' skills in assessing potential?

There's no shortage of biases that creep in when trying to assess an individual's potential to advance in an organization. There's also solid science that can help us better predict an individual's likelihood of successfully moving far and fast in an organization.

Those facts would suggest that we would want to train our people managers on both how to avoid those biases and how to use the science-proven factors to predict potential.

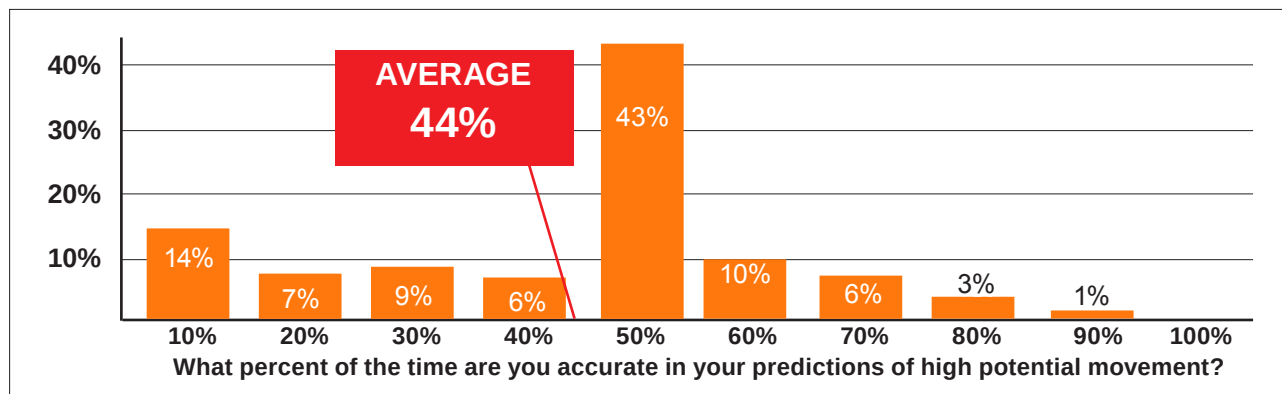
Unfortunately, the survey results show a stunning lack of commitment to capability building. Not even a quarter of responding organizations have mandatory training courses in this content. More than a quarter offer no material whatsoever to support their people managers.



ABOUT EFFECTIVENESS

In this section, we discuss measures of effectiveness around assessing potential.

What is your estimate for how accurate the predictions of potential are at your organization? (i.e. if you predict that someone will move up 2 levels in 5 years, how often do they actually progress at that pace?)



It's the "dependent variable" to this entire report: Given everything that you do to predict potential, how good are you at accurately predicting potential?

The results are not particularly impressive at 44%. Organizations with more than 25,000 employees say they're accurate about 50% of the time with those under that number saying they're accurate 43% of the time.

Our expectation for a high-performing organization is 75%. People change and organizations change, so you will never be 100% accurate in your predictions. But, we should be able to do better than being wrong almost 60% of the time.

Why is the predictive accuracy low?

Let's review the information that you provided in this report.

On the positive side, most organizations have an annual assessment of potential that includes movement over time. A large major-

ity use potential definitions with factors that are generally science backed (although it's unknown how individual organizations apply these). A majority of you use a matrix to "grade" potential. You assess a reasonable percentage of leaders as high potential.

On the challenging side, most of you do not formally train your leaders on how to assess potential. Many of you do not hold anyone accountable for the development of potential or have development plans for those with potential. You don't typically consider how an individual "fits" with your company's strategic challenges. You do not communicate when people gain or lose potential to advance.

How can you increase your accuracy?

The starting point for greater predictive accuracy would seem to be acting on the obvious weak spots.

- **Train your leaders** - live, sit-down, prac-

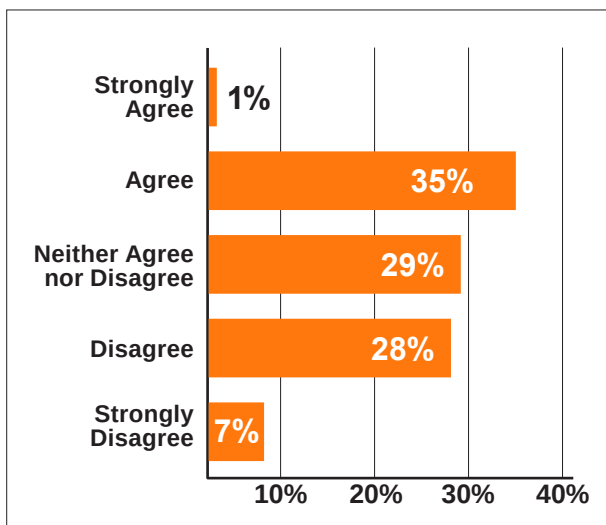
tice-and-get-feedback-until-you're-good training. Stop relying on voluntary videos and training on the talent review tech.

- **Formalize “strategic fit” as a discussion point in talent reviews.** It doesn't need to be added to your potential model. Just ask, “given where our organization will be three years from now, rate and discuss how Suzie will fit our needs on a 5 - 1 scale.”

- **Create high quality development plans** for your high potential leaders and ensure they're monitored for progress quarterly by senior team members.

Each of those steps is 100% controllable by the organization, costs little or nothing and can be done in the next three months. If you want to be more accurate in your potential predictions, it's well within your control.

I believe that our potential assessment methodology works well today

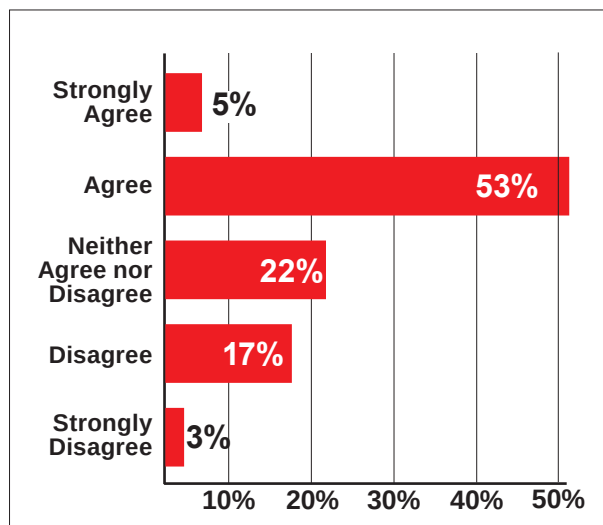


This question's findings align well with the previous data about predictive accuracy. Slightly more than 1/3 of organizations agree that their potential assessment works well and slightly more than 1/3 disagree.

If we want a splashy headline for LinkedIn, we would say that nearly 2/3 of organizations don't agree that their potential assessment methodology works well.

Improvement suggestions have been previously shared.

I believe that the tools my organization uses to assess potential are easy to use



Easy of use is a desirable quality in any HR instrument. Given the low effectiveness cited in the last two questions, there may be room for added complexity if it adds additional value to the potential identification process.

I believe that the tools my organization uses to assess potential are easy to use

A few years ago we wrote an article titled, [“Rethinking Potential: Should We Search for Hidden Gems, Shy-Po's and Repressed Per-](#)

[formers?”](#)

The long title hid the short premise that in our search for our organization’s obvious high potential leaders, we might miss finding less obvious ones.

We coined the term “Shy-po” in that article to refer to great talent that might not be immediately obvious. With an increasing mismatch of skills globally, finding talent that may have

been overlooked is an increasing priority in many organizations.

This question asked how effective your organization’s potential identification process is in finding these quiet contributors or shy-po’s.

The results suggest there’s room to grow, with nearly a majority (46%) disagreeing that their organization’s process can do this.

