Six Mistakes That Drive Away Your Rising Stars
The CLC’s Recent Research Profiled in the HBR
An employee’s potential is determined by his or her aspiration, ability, and engagement.

A NEW SYNTHESIS ON EMPLOYEE POTENTIAL

The Corporate Leadership Council’s Model of Employee Potential

The High-Potential Employee
A high-potential employee is someone with the ability, engagement, and aspiration to rise to and succeed in more senior, critical positions.

Currently, a majority of employees have limited potential to truly excel at the next level.

- Nearly half the workforce has less than a 5% chance of being a top performer at the next level.
- About 8% of employees have at least a 75% chance of being a top performer at the next level.

**THE POTENTIAL GAP**

Distribution of Workforce Probability in the Top Quartile in a More Senior Role

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An employee's probability of performing in the top quartile in a more senior or a critical role is based on the employee's potential score, which is weighted according to the predictors of top performance at the level above him or her. An employee's potential score was converted into the probability of being a top performer in a more senior, more critical role using logistic regression.

No function or level has adequate number of high-potential employees.

POTENTIAL DEFICITS EXIST IN MOST FUNCTIONS AND AT MOST LEVELS

Percentage of High-Potential Employees

By Function

Although some functions house more potential than others, no function is fully prepared.

Percentage of High-Potential Employees

By Level

The potential gap is slightly higher at more senior levels.

Organizations are prioritizing HIPO identification due to the high value associated with the employees.

**HIGH PRIORITY DUE TO HIGH VALUE**

Please Indicate the Priority of Effective HIPO Identification at Your Organization

- 77% Immediate/Short-Term Priority
- 19% Long-Term Priority
- 3% Not a Priority in 2010–2011

How Much More Valuable Is a High-Potential Employee Than an Average Employee?

- 60.2% More Than 50% More Valuable
- 19.3% More Than 20% More Valuable
- 15.7% More Than 100% More Valuable
- 1.2% No Material Difference in Value
- 3.6% More Than 10% More Valuable

n = 83.

Note: Numbers may not add up to 100% due to rounding.

Source: Corporate Leadership Council's HR Organizations' High-Potential Employee Management Strategies Survey.
Organizations report increased investments in high-potential employee development but less than one-third report significant returns.

**INCREASING INVESTMENTS, POOR RESULTS**

Change in Investment in HIPOs’ Development

- 33% Greatly Increased
- 47% Somewhat Increased
- 16% Stayed Constant
- 4% Somewhat Decreased
- 0% Greatly Decreased

n = 88.

Returns on Investments in High-Potential Employees

- 31% Significant Returns
- 14% Minimal Returns
- 55% Moderate Returns

n = 86.

1 Change in investment measured over past two years.

Source: Corporate Leadership Council’s HR Organizations’ High-Potential Employee Management Strategies Survey.
MISTAKE #1: ASSUMING THAT HIGH-POTENTIALS ARE HIGHLY ENGAGED

Percentage of Employees Who Admit They’re Not Trying Their Best

- HIPOs are aware that their skills are valued and don’t share the need to stick around.

“At the time when we need them most, my rising stars seem to have one foot out the door.”
General Manager
F100 Technology Firm

## BUILDING MANAGER AWARENESS ABOUT EMPLOYEES

### Manager Checklist

**Illustrative**

<table>
<thead>
<tr>
<th>Answer each question with “yes” or “no.”</th>
<th>Scoring System</th>
<th>Susie Wong</th>
<th>Ben Peng</th>
<th>Lily Wu</th>
<th>Grace Chou</th>
<th>Kevin Liu</th>
<th>Number of “No”s</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Part I: Manager–Employee Relations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do I maintain an open, trusting, and mutually respectful relationship with this employee?</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Do I know this employee’s objectives and work with him or her toward these goals?</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Do I know that this employee perceives his or her total rewards to be fair and receives recognition for achievements?</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Do I understand why this employee works at Novartis and not at another firm?</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>Manager–Employee Relations Risk</strong></td>
<td>Low</td>
<td>Low</td>
<td>Med</td>
<td>Med</td>
<td>Low</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td><strong>Part II: Employee’s Work–Life Balance Satisfaction</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do I understand if the working environment fits with my employee’s personal and career needs?</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Do I understand and support this employee to expand his or her interests or hobbies?</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Do I know if this employee’s attitude, physical health, and overall status have been healthy for the past six months?</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td><strong>Employee’s Work–Life Balance Risk</strong></td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
<td>High</td>
<td>Low</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td><strong>Part III: Employee’s Job–Interest Alignment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do I know if the employee’s values are consistent with the organization’s values and culture?</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Does this employee demonstrate passion and enthusiasm for his or her work?</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Do I know how satisfied my employee is with aspects of the work situation (e.g., projects, training, coworkers)?</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td><strong>Employee’s Job–Interest Alignment Risk</strong></td>
<td>Low</td>
<td>Low</td>
<td>Med</td>
<td>High</td>
<td>Low</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td><strong>Part IV: Employee’s Career Goals</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do I know if the employee’s current work is aligned with his or her long-term goals?</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Have I discussed different career choices with this employee?</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Am I currently and actively working with this employee toward his or her career goals?</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Have I had a discussion with this employee about ways to contribute to the company?</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Do I proactively support this employee’s development through training and challenging learning opportunities?</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td><strong>Employee’s Career Goals Risk</strong></td>
<td>Low</td>
<td>Low</td>
<td>Med</td>
<td>High</td>
<td>Low</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td><strong>Retention Risk (Based on Number of “No”s)</strong></td>
<td>Low</td>
<td>Low</td>
<td>Med</td>
<td>High</td>
<td>Low</td>
<td>9</td>
<td></td>
</tr>
</tbody>
</table>

Source: Novartis; China HR Executive Board research.
**Manager “To-Do List”**

*Illustrative*

Directions: Identify and incorporate the following steps in your interactions with your team, based on their specific retention risks.

<table>
<thead>
<tr>
<th>Retention Risk Category</th>
<th>Step 1: Improve Team Management</th>
<th>Step 2: Target Action Steps to Areas of Concern</th>
</tr>
</thead>
<tbody>
<tr>
<td>Career Goals</td>
<td>Create a development plan that focuses both on skills for the current job and for future jobs</td>
<td>Discuss the value the employee brings to the organization</td>
</tr>
<tr>
<td></td>
<td>Offer new types of projects across functional or divisional area to employee</td>
<td>Learn about the employee’s career goals and personal aspirations</td>
</tr>
<tr>
<td></td>
<td>Work with employee to ensure he or she can attend training events</td>
<td>Express your own enthusiasm and passion for the job</td>
</tr>
<tr>
<td>Job–Interest Alignment</td>
<td>Demonstrate the organization’s values and recognize employees for exhibiting them</td>
<td>Regularly check-in with your employee and ask about their work situation</td>
</tr>
<tr>
<td>Manager–Employee Relations</td>
<td>Recognize employee’s accomplishments both publicly and privately</td>
<td>Inquire about his or her work motivations—pinpoint why he or she is working here</td>
</tr>
<tr>
<td></td>
<td>Conduct regular meetings with your team—formally and informally</td>
<td>Ask questions to learn what is important to him or her</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ensure employee understands communications about pay and feels open to ask questions</td>
</tr>
<tr>
<td>Work-Life Balance</td>
<td></td>
<td>Discuss reasons for noted health or attitude changes (e.g., tiredness, mood swings)</td>
</tr>
<tr>
<td>Satisfaction</td>
<td></td>
<td>Learn about the employee’s personal interests outside of work</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ask how the employee works best</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Discuss options for employees’ work hours, work style, work load, etc.</td>
</tr>
</tbody>
</table>

Suggested follow-up steps focus on actions that are within the manager’s control... and can easily be incorporated into daily routines and interactions.

Source: Novartis; China HR Executive Board research.
MISTAKE #2: EQUATING CURRENT HIGH PERFORMANCE WITH FUTURE POTENTIAL

Percentage of Designated Employee Population Who Are HIPOs
By Employee Characteristics

- Tenure, experience in turning a business around or even leadership capabilities cannot predict an employee’s probability of being successful at the next level.

Identifying potential based on tenure or experience produces poor and inconsistent results…

…while reliance on competencies or performance are only moderately more accurate.

Source: Realizing the Full Potential of Rising Talent, CLC Human Resources.
WHY HIGH PERFORMERS ARE NOT ALWAYS HIGH POTENTIAL

Deficiencies in ability are most detrimental to an employee’s chances of future success, followed by deficiencies in engagement and aspiration, respectively.

 Seventy-one percent of high performers have limited potential for success at the next level due to shortcomings in ability, aspiration, or engagement.

- Engaged Dreamers are employees with a great deal of engagement and aspiration but only average ability.
- Unless the organization can develop requisite skills, the probability of success in the next level is virtually zero.

- Unengaged Stars are employees with a great deal of aspiration and ability.
- They hesitate to believe that working for the organization is in their best interest and do not fully believe in their work or organization.

- Misaligned Stars lack the drive and ambition for success at the next level.
- Despite their outstanding ability and commitment to the organization, they simply don’t “want it” enough.

**Frequency: 10% of High Performers Who Are Not High Potential**
**Characteristics**
- Engaged Dreamers are employees with a great deal of engagement and aspiration but only average ability.
- Unless the organization can develop requisite skills, the probability of success in the next level is virtually zero.

**Frequency: 43% of High Performers Who Are Not High Potential**
**Characteristics**
- Unengaged Stars are employees with a great deal of aspiration and ability.
- They hesitate to believe that working for the organization is in their best interest and do not fully believe in their work or organization.

**Frequency: 47% of High Performers Who Are Not High Potential**
**Characteristics**
- Misaligned Stars lack the drive and ambition for success at the next level.
- Despite their outstanding ability and commitment to the organization, they simply don’t “want it” enough.

MISTAKE #3: DELEGATING DOWN THE MANAGEMENT OF TOP TALENT

Percentage of HIPOs Rating Their Managers as Effective or Highly Effective

- High-potential employees are concerned about their development and are less tolerant with this decrease in managers’ capabilities.

- Even though managers will continue to play a key role as a conduit between the employee and the organization, the organization needs to treat its HIPOs as a corporate asset and manage their development accordingly.

Source: CLC Human Resources Manager Survey. CLC Human Resources Rebuilding the Employment Value Proposition.

1 Change in manager or senior leader in the last six months or anticipation of change in the next six months.
REFINE DEVELOPMENT GOALS

HIPO Development Review Board Agenda

HIPO Opening Comments

(20 minutes)

HIPO and Review Board Discussion

(60 minutes)

All-Party Debrief

(10 minutes)

HIPOs present their goals, aspirations, and development questions, defining ideal outcomes from the meeting.

1. Assess Viability of HIPO Career Plans
   Group tests the achievability of HIPO career proposal in light of Barclays’ needs.

2. Generate Ideas and Insights into Development Plan
   - Board shares stories of past development successes and failures as they relate to HIPO’s goals.
   - Board provides specific development suggestions—e.g., special projects, useful contacts, or personal effectiveness insights.
   - Group determines how board members can offer ongoing career support.

Source: Barclays Bank PLC.

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MISTAKE #4: SHIELDING RISING STARS FROM EARLY DERAILMENT

Job experience that personally challenges employees to move outside of their comfort zone and become active "change agents" will have the greatest impact on development.

Potential grows when employees are pushed outside their comfort zone in new, personal (and at times painful) ways.

Rotational programs could have a significant impact on an employee’s potential. However, most programs don’t provide significant returns due to their short duration and failure to place HIPOs in a place where they need to make impactful decisions.

Potential grows when employees are pushed outside their comfort zone in new, personal (and at times painful) ways.

"I am being asked to contribute to my full potential"

Source: Realizing the Full Potential of Rising Talent, CLC Human Resources.
HIPOs HAVE A LARGER APPETITE FOR RISK

Preference for Risk Taking
HIPO Versus Non-HIPO Employees

To accelerate development, organizations should expose HIPOs to high-risk, high-return opportunities.

- Rather than continuing to excel in their current role, HIPOs prefer to be in situations where they have increased accountability, need to develop new skills, and are working for higher stakes.

Source: CLC Human Resources Employment Value Proposition Survey.
EVALUATE BUSINESS CHALLENGES TO MEET INDIVIDUAL DEVELOPMENT NEEDS

Criteria to Uncover New Crucible Roles

Matching HIPOs to Business Challenges

1. Is there a senior position in the business unit that would be a crucible role if its risks were divided among two or more HIPOs?
2. Is there a lack of organizational maturity at an operating location, within a business unit, and/or function?
3. Do the leaders at this location have development needs that match HIPO strengths?
4. Is there a large unique or special project that could address HIPOs’ core development areas?
5. Is there a high-quality people manager who can oversee the HIPO in his or her new role?

Determining the Crucible Role’s Viability and Sustainability

1. Do we need to create an entirely new position or can the new role be an aggregate of select duties relating to existing roles?
2. Will this position be “deactivated” or be held by non-HIPOs once the HIPO moves on to a new role? Will it still be a crucible role?
3. If it is deactivated, can the position be reactivated if another HIPO needs a similar development opportunity?
4. Is the scope of the position significant enough to create pressure to deliver, but not setting HIPOs up to fail?

At a new operating location, one HIPO did significant upward coaching of a new-to-organization leader and instilled company values in the workforce while running back-office operations for the first time.

Methanex created a new crucible role by combining elements of four back-office operations—Human Resources, Finance, Public Affairs, and Safety—to create “Director of Corporate Resources.”
MISTAKE #5: EXPECTING STAR EMPLOYEES TO SHARE THE PAIN

Increase in Desire for Job Recognition During the Downturn
October 2008–March 2009

Employees in general, and HIPOs in particular, show an increased desire for recognition in their work.

- Employees who claim that their managers are effective at differentiating recognition show effort levels 10 percentage points higher than those who say their managers use a more “democratic” approach.
- HIPOs care more about the recognition itself than the size of any reward, as long as the recognition is in line with their contribution.
- Only 11% agree that their managers differentiate recognition accurately, leaving a huge opportunity untapped.

Employee desire for recognition has increased by 15%.

Percentage of Respondents Rating in Top Five

- 42%
- 36%
- 30%


"My Manager Differentiates Recognition Accurately"

- 11% Agree
- 45% Neutral
- 44% Disagree

Source: CLC Human Resources Rebuilding the Employment Value Proposition, CLC Human Resources Managing in the Downturn, CLC Human Resources HIPO Study.
LOW- AND NO-COST RECOGNITION IDEAS (CONTINUED)

Top Ideas for Forms of Recognition

Top Ideas for Tokens of Appreciation
- Post a thank you note on an employee’s cube.
- Create and post an “Employee Honor Roll” in reception area.
- Make a thank-you card by hand.
- Swap a task with an employee for a day—his/her choice.
- Establish a “Behind the Scenes” award specifically for those whose actions are not usually in the limelight.
- Give a shiny new penny for a thought that has been shared.
- Recognize employees who actively serve the community.
- Create an Above and Beyond the Call of Duty (ABCD) Award.

Top Ideas for Development Opportunities
- Give special assignments to people who show initiative.
- Ask people to present a summary of what they learned at a conference or seminar during a department meeting.
- Complete an on-the-job special assignment.
- Represent company at external event.
- Attend a leadership training workshop.
- Establish mentor relationships with senior executives.
- Provide opportunity to manage one or more direct reports.
- Manage a new project or initiative.
- Work on a cross-functional team or taskforce.

Top Ideas for Public Acknowledgment
- Publish a “kudos” column in the department newsletter, and ask for nominations throughout the department.
- Publicly recognize the positive impact on operations of the solutions employees devise for problems.
- Create a “Wall of Fame” to honor high achievers and special achievements in your organization.
- Make a photo collage about a successful project that shows the team that worked on it.
- At a monthly staff meeting, award an Employee of the Month and invite coworkers at the meeting to say why that person deserves the award.

Top Ideas for Awards and Perks
- Provide low-cost gift certificates (e.g., iTunes or Amazon MP3 downloads).
- Conduct an office outing, such as going bowling or to the zoo.
- Allow employees to leave two hours early one Friday afternoon.
- Take employees to lunch as a thank you and allow employees to choose the restaurant.
- Provide an assigned parking space for “Employee of the Month.”
- Offer concierge services, both on-site and off-site (virtual) to recognized individuals.
- Appoint a financial adviser to meet with selected employees and provide guidance on their financial planning issues.
MISTAKE #6: FAILING TO LINK YOUR STARS TO CORPORATE STRATEGY

Maximum Impact of Senior Executive Team on Discretionary Effort

Reciprocity pays: Senior executives who are open to input and commit to their employees receive heightened effort in return.

Maximum Impact of Commitment Type on Intent to Stay

A strong rational commitment to the organization leads to the strongest increase in intent to stay.

1 Each bar represents a statistical estimate of the maximum total impact on discretionary effort each lever will produce through its impact on rational and emotional commitment. The maximum total impact is calculated by comparing two statistical estimates: the predicted discretionary effort level for an employee who scores high on the lever and the predicted discretionary effort level for an employee who scores low on the lever. The impact of each lever is modeled separately.

Source: CLC Human Resources Driving Employee Performance and Retention Through Engagement.
SPONSOR YOUR BEST TALENT

Candidate Selection Process

- Selection of participants based on past performance, and potential value to corporation.
- Strategy committee members nominate employees based on (informal) assessment of past performance, likely future contribution with final selection made by entire strategy committee.

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Source: Anheuser-Busch Companies, Inc.
Participants exposed to corporate agenda, develop executive instincts through regular consideration of strategic issues.

- Monthly meetings scheduled immediately prior to strategy committee meeting promote consistent, ongoing attention to development activities.

## FAR FROM DAILY BUSINESS ACTIVITIES

Shadow Cabinet Logistics

<table>
<thead>
<tr>
<th></th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Thursday 19 October</strong> Shadow Cabinet Meeting</td>
<td>✔️</td>
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<tr>
<td>Rotate meeting chair</td>
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<td>✔️</td>
<td>✔️</td>
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<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Consider committee agenda</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
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<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Formulate recommendations</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
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</tr>
<tr>
<td>Rotate three members to present recommendations at next day’s strategy committee</td>
<td>✔️</td>
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</tbody>
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| **Friday 20 October** Strategy Committee Meeting | ✔️      | ✔️       | ✔️     | ✔️    | ✔️   | ✔️    | ✔️    | ✔️     | ✔️        | ✔️      | ✔️       | ✔️       |
| Present shadow cabinet recommendations during strategy committee meeting | ✔️      | ✔️       | ✔️     | ✔️    | ✔️   | ✔️    | ✔️    | ✔️     | ✔️        | ✔️      | ✔️       | ✔️       |
| Take notes on discussion to report back to next month’s shadow cabinet | ✔️      | ✔️       | ✔️     | ✔️    | ✔️   | ✔️    | ✔️    | ✔️     | ✔️        | ✔️      | ✔️       | ✔️       |

### Time Commitment
- Shadow cabinet meets 10 times per year, one day prior to scheduled strategy committee meeting
- Total (estimated) time away from job: 20–25 days per year (includes travel and meeting time)

### Typical Agenda Items

- Stock repurchase proposals
- Capital appropriation request for expansion
- Deciding international venture strategy
- Researching special assignments from strategy committee (e.g., possible acquisitions, evaluating current policies)
- Due diligence research on potential acquisitions
- Review of financial performance
- Evaluating reengineering or refurbishment plans

Source: Anheuser-Busch Companies, Inc.
TEN CRITICAL COMPONENTS OF A TALENT-DEVELOPMENT PROGRAM

A Core Set of Best Practices for Identifying and Managing Emerging Talent

1. **Explicitly test candidates in three dimensions**: ability, engagement, and aspiration.

2. **Emphasize future competencies** needed (derived from corporate-level growth plans) more heavily than current performance when you’re choosing employees for development.

3. **Manage the quantity and quality** of high potentials at the corporate level, as a portfolio of scarce growth assets.

4. **Forget rote functional or business-unit rotations**; place young leaders in intense assignments with precisely described development challenges.

5. **Identify the riskiest, most challenging positions** across the company, and assign them directly to rising stars.

6. **Create individual development plans**; link personal objectives to the company’s plans for growth, rather than to generic competency models.

7. **Reevaluate top talent annually** for possible changes in ability, engagement, and aspiration levels.

8. **Offer significantly differentiated compensation** and recognition to star employees.

9. **Hold regular, open dialogs** between high potentials and program managers, to monitor star employees’ development and satisfaction.

10. **Replace broadcast communications** about the company’s strategy with individualized messages for emerging leaders—with an emphasis on how their development fits into the company’s plans.