

GLOBAL TALENT MANAGEMENT:

USING LEARNING AGILITY TO IDENTIFY HIGH POTENTIALS AROUND THE WORLD

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A RESEARCH STUDY

Key Takeaways:

- The war for talent increases the urgency for MNCs to leverage talent strategically and globally.
- Decades of research shows that learning agility (the ability to learn from experience) is a key indicator of high potential.
- The study found that a standardized assessment of learning agility can be used in different regions of the world to identify high potentials.
- This comprehensive study found no difference in learning agility assessment scores across four major regions of the world.

Today, most organizations operate their business around the world through trade, flow of information technology, finance, manufacturing, and migration. It has been estimated that global trade in goods and services will rise more than threefold to \$27 trillion by 2030 (The World Bank, 2007).

However, simply doing business in other countries does not make an organization global. If a multi-national company (MNC) remains a collection of independent entities, it is not global and may give up many of its potential competitive advantages.

Truly global organizations design and implement global systems while meeting local needs. Historically, human resource (HR) management has tended to closely adhere to local practices. Regional laws, cultures, and employment policies fostered a geographic bent to HR (Rosenzweig, 2006). Recently, more and more organizations have recognized that some HR practices should be operated at a global scale.



“...simply doing business in other countries does not make an organization global.”

“In general, there are three approaches to global staffing – ethnocentric, polycentric, and geocentric.”

“As organizations become global...it is essential to move beyond the simplistic, traditional staffing approaches.”

The current war for talent is increasing the urgency for MNCs to leverage talent strategically and globally in order to identify, develop, and retain high potential employees.

Three approaches to global staffing

How an MNC staffs and develops its global workforce greatly influences its competitiveness in a global business. In general, there are three approaches to global staffing – ethnocentric, polycentric, and geocentric (Perlmutter, 1969).

An ethnocentric approach refers to a situation where all crucial organizational positions are filled by parent-country nationals from corporate headquarters. A polycentric approach occurs when foreign subsidiaries are staffed primarily by host-country nationals from the subsidiary location. Finally, a geocentric approach involves filling positions at both the headquarters and subsidiary level with the best person for the job regardless of nationality or location.

Traditionally, many organizations have applied either an ethnocentric or polycentric staffing approach. An advantage of employing such an ethnocentric approach is that the parent-country managers are familiar with the organization's policies, goals, and strategies. Unfortunately, these homegrown managers may not assimilate into foreign cultures.

The polycentric approach offers the advantage of staffing host-country managers who are familiar with the local culture, language, customs, and business practices. On the other hand, there may be significant coordination difficulties between the parent company and the foreign entity.

As organizations become truly global, it is essential to move beyond the simplistic, traditional staffing approaches and align staffing practices with other business strategies. The demand for competent and experienced leaders is growing rapidly. Successful MNCs will need to identify and hire talent wherever it exists.

A key question is how do companies identify talent on a global scale? What factors should they consider? How much weight should be given to performance? Who is in the best position to evaluate candidates? Once the relevant factors are determined, how do we measure them?

Learning Agility as a Key Indicator of High Potential

Several authors have recommended that a critical component of talent management is the development of a structured process for assessing and identifying high potentials (Charan, 2005; Hewitt, 2005; SHRM, 2006). One factor which has received much attention as a predictor of high potential is “learning agility.”

In this whitepaper, we will define learning agility, present an instrument which measures it, and investigate the extent to which learning agility varies across four regions of the world. In addition, we will discuss the implications of our findings on global talent management.

Organizations report continuing problems with the definition and assessment of high potential. For example, many organizations appear to identify their high potentials simply based on their work performance. Organizations employing such an approach must be careful. Research has clearly indicated that high performers do not necessarily have the potential to take on new and different responsibilities.

One study found that fully 71% of high performers were not high potentials (Corporate Leadership Council, 2005). Rather, such high performing employees had limited success at the next level due to shortcomings in their ability, aspiration, motivation, or engagement. Interestingly, the same study found that 93% of high potential employees also were high performers.

The seminal research in this area was conducted two decades ago by McCall, Lombardo, and Morrison (1988). In their groundbreaking book entitled, *Lessons of Experience*, the authors discovered that many managers who produced positive results based on their current technical skills did not perform well when they were promoted. They found that numerous managers and executives derailed, because they tended to depend largely on the same skills which got them promoted in the first place rather than learning new ones. The strengths that used to work became weaknesses when they relied too heavily on them or applied them when the context was inappropriate. In contrast, the successful ones (i.e., the high potentials) seemed comfortable with new, different, and challenging situations. These managers and executives were willing to learn and develop from their “lessons of experience.”

Studies have repeatedly shown that the ability to learn from experience is what differentiates successful executives from unsuccessful ones (Charan, Drotter, & Noel, 2001; Goldsmith, 2007; McCall, 1998). Successful executives have strong and active learning patterns from key job assignments. They learn faster, not because they are more intelligent, but because they have more effective learning skills and strategies. They were learning agile.

In contrast, the unsuccessful executives (many of whom had been very successful for many years and had experienced many of the same key assignments) derailed, because they did not learn from their jobs. They underestimated the novelty of new challenges and performed as they had performed previously. The ability to learn from experience is what makes and develops expert leaders (Lombardo & Eichinger, 2000; McCall & Hollenbeck, 2008).

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“The same study found that 93% of high potential employees also were high performers.”

“...successful ones (i.e., the high potentials) seemed comfortable with new, different, and challenging situations.”

“Learning agility is currently viewed as a key indicator of potential.”

“...four facets of learning agility include mental, people, change, and results agility.”

“...learning agility predicted supervisory ratings of job performance and promotability.”

Organizations today, more than ever, need high potentials with openness, willingness to learn, and flexibility to execute complex strategies. The MNCs need leaders who are curious about the world, willing to learn and experience new things, and have high ambiguity tolerance, good people skills, vision, and innovation. The concept of “learning agility” has been used to describe individuals who possess such skills. Learning agility is currently viewed as a key indicator of potential (Eichinger & Lombardo, 2004; Spreitzer, McCall, & Mahoney, 1997).

The Assessment of Learning Agility

One of the most frequently used measures of learning agility is referred to as CHOICES® (Lombardo & Eichinger, 2000). The CHOICES® instrument contains 81 survey items and measures the following four key facets of learning agility: (a) mental agility, (b) people agility, (c) change agility, and (d) results agility.

Mental agility refers to individuals who are comfortable with complexity, examine problems carefully, and make fresh connections between different things. People agility refers to individuals who know themselves well and can readily deal with a diversity of people and tough situations. Change agility refers to individuals who like to experiment and can cope effectively with the discomfort of rapid change. Finally, results agility refers to those individuals who can deliver results in first-time situations by inspiring teams and having significant impact.

Embedded in these four factors are 27 dimensions (e.g., critical thinker, cool transactor, role flexibility). CHOICES® is a multi-rater assessment that uses a 5-point rating scale, ranging from “not at all like this” (1), “less often than most” (2), “about like most people” (3), “better/more often than most” (4), to “the clearest example of this” (5). An individual receives an overall score on learning agility, as well as factor and dimension scores.

In their original research, Lombardo & Eichinger (2000) found that learning agility was significantly related to supervisory ratings of performance and potential ($R^2 = 0.30$, $p < .001$). Connolly and Viswesvaran (2002) examined learning agility among law enforcement officers from 26 organizations in the United States. They found that learning agility predicted supervisory ratings of job performance and promotability beyond what was explained by IQ and personality. In addition, the authors found that learning agility was not significantly related to IQ and personality.

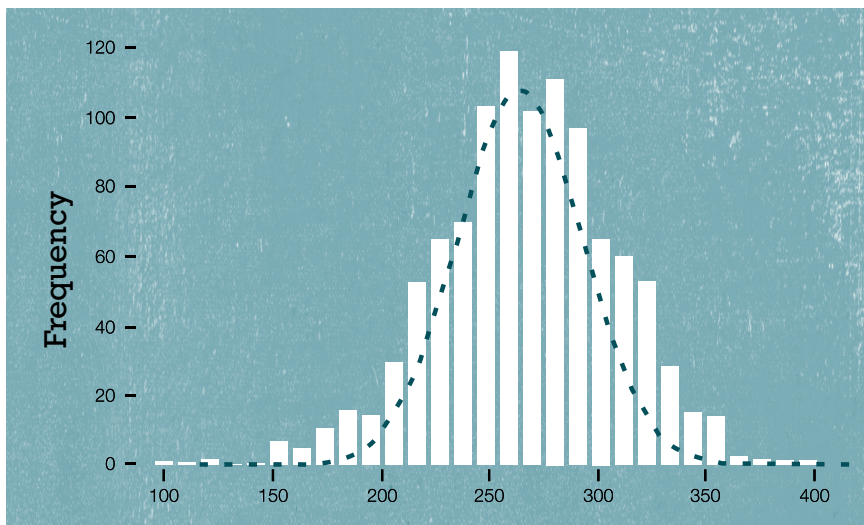
GENERAL FINDINGS ON LEARNING AGILITY

In this study, we investigated whether scores on learning agility were normally distributed. The CHOICES® assessment was administered to over 1,000 employees in a large, industrial company headquartered in South America.

Distribution of Learning Agility

Similar to the findings in the original research by Lombardo and Eichinger (2000), the scores reflect a normal distribution. See Figure 1 below. Obviously, if learning agility is measured on a limited pool of employees generally viewed as high potentials, the distribution of scores may be skewed toward the high end. This underscores the point that learning agility is a differentiating factor not commonly found in the population at large. In order to accurately assess it, organizations will need valid and precise measures.

Figure 1
Learning Agility Appears Normally Distributed among Employees



Gender Differences

Although overall scores on learning agility should be the same for males and females, one might hypothesize that scores on some factors may be different. For example, one might speculate that females would score higher than males on “people agility” since women tend to be perceived more favorably than men on their interpersonal skills (Tang, De Meuse, & Dai, 2007).

“Overall, the gender differences are trivial and do not appear to have any practical value.”

“...learning agility would have no adverse impact on ...age if MNCs use it as a selection criterion for high potentials.”

The table below presents gender differences by factor and total score. As can be observed, females generally scored slightly higher than males. Females outscored males by 0.05 on people agility. Overall, the gender differences are trivial and do not appear to have any practical value. This finding is consistent with what has been discovered by other researchers (e.g., Lombardo & Eichinger, 2000).

Table 1

Gender Differences on Learning Agility			
	Female	Male	Difference
Mental	3.83	3.83	0.00
People	3.77	3.72	0.05
Change	3.80	3.79	0.01
Results	4.07	4.01	0.06
Total Score	3.83	3.80	0.03

Age Differences

We also examined whether learning agility was significantly related to age. One might hypothesize that older managers would be less learning agile than younger ones. Certainly, the literature on ageing suggests that a number of personal attributes deteriorate as we age (e.g., eye sight, hearing, physical ability, dexterity).

The following table presents the correlation between learning agility and age from the data collected in a recent organizational client. None of the correlation coefficients approached statistical significance (see also Lombardo & Eichinger, 2000). Consequently, it appears that learning agility would have no adverse impact on either gender or age if MNCs use it as a selection criterion for high potentials.

Table 2

Correlations between Learning Agility and Age	
	Correlation with Age
Mental	-0.12
People	0.15
Change	0.03
Results	0.13
Total Score	0.06

Note: None of the correlations is statistically significant (all ps > .05).

Sample Description

For the following global learning agility series of studies, we collected the data from assessments completed between 2005 and early-2008. A total of 2,242 participants (primarily managers and executives) from 25 different companies in four geographical regions were analyzed. The sample included 506 participants from Europe (23%), 229 participants from Asia Pacific (10%), 89 from South America (4%), and 1,418 from North America (63%). Learning agility was measured via CHOICES®. This instrument is a multi-rater assessment in which input from multiple constituency groups such as boss, HR specialists, peers, boss's boss, and others is gathered to gain a broad perspective on the ratees' learning agility skills. Typically, the average of "all others' ratings" is used to index a participant's skill level on learning agility. Among the total sample, 705 participants also provided self-ratings.

LEARNING AGILITY AROUND THE WORLD

Whatever instrument one uses to assess learning agility, it is important that the reliability of the measure is acceptable across all regions of the world. If it is not, an organization would be required to use different instruments for different regions. A statistical index referred to as Cronbach's alpha coefficient is applied to test a measure's internal reliability (Cronbach, 1951). An alpha coefficient greater than 0.70 generally denotes an acceptable level of reliability.

The following table presents the reliability of the CHOICES® instrument. As can be seen, the four factor scales (as well as the total score) have alpha coefficients above 0.85 for all four international regions. These findings strongly indicate that the learning agility assessment used in this study is applicable across the world.

"...it is important that the reliability of the measure is acceptable across all regions of the world."

"...managers in all four regions had extremely similar learning agility scores."

Table 3

Reliability Coefficients of Learning Agility Assessment Across Four Regions of the World

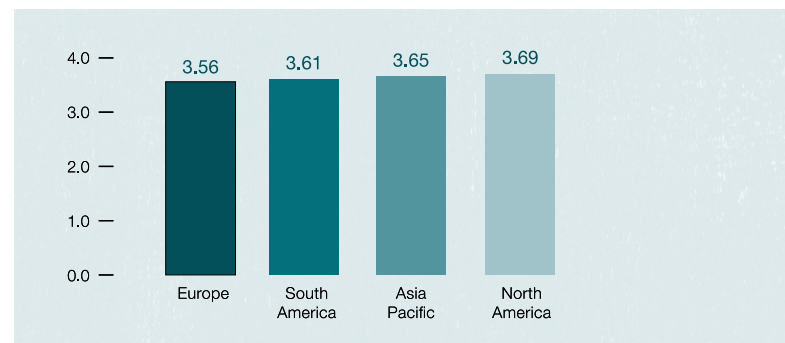
	Europe	South America	Asia Pacific	North America
Mental	0.95	0.93	0.95	0.95
People	0.94	0.94	0.95	0.96
Change	0.91	0.85	0.90	0.90
Results	0.92	0.86	0.91	0.92
Total Score	0.98	0.97	0.98	0.98

“...individuals score relatively higher on “result agility” and “mental agility” than on “change agility” and “people agility.””

Learning Agility Scores by Geographical Region

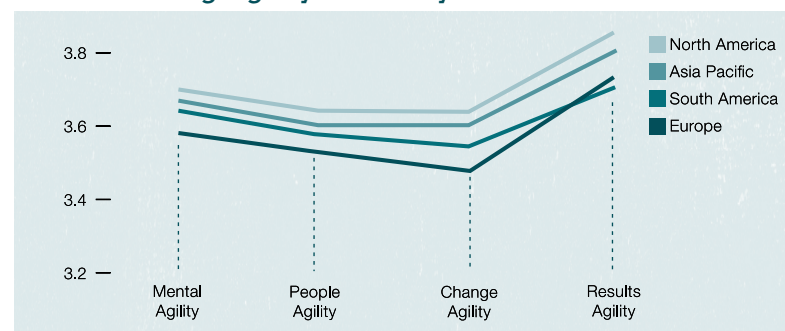
Total Score. Figure 2 depicts the regional mean scores of learning agility. As can be seen, managers in all four regions had extremely similar learning agility scores.

Figure 2
Regional Mean Scores on Learning Agility



The largest difference was between European and North American managers ($M_s = 3.56$ and 3.69 , respectively). And even in this instance, the mean score difference was 0.13 , which is only one-eighth of a point on a five-point rating scale. Overall, none of the regional mean differences approached statistical significance ($p > .05$).

Figure 3
Mean Learning Agility Scores by Factor



Factor Scores. When one examines learning agility by factor, we repeatedly observe that individuals score relatively higher on “result agility” and “mental agility” than on “change agility” and “people agility.” This scoring pattern is consistent across the four regions. See Figure 3.

Dimension Scores. A number of researchers have investigated the extent to which leadership competencies are similar across the world (e.g., see De Meuse, Hanson, & Dai, 2008; Dorfman & Ronen, 1991).

In general, this research has reported that managers are very similar in skill level around the globe. For example, Dai and De Meuse (2007) found correlation coefficients ranging from a low of 0.89 to a high of 0.97 between various geographical regions, suggesting that managers around the globe are relatively similar in regard to strengths and weaknesses. To date, no one has examined the degree to which learning agility is similar across regions.

As previously stated, we measured 27 specific dimensions of learning agility. We measured the correlation between the rank order of each of these dimensions for each region. Overall, the correlation coefficients among the four regions were very high, ranging from a low of 0.76 (between North and South America) to a high of 0.95 (between Europe and Asia-Pacific).

The Top 3 and Bottom 3 rated dimensions by region are presented in Table 4. As can be observed, the Top 3 dimensions across the regions are the same – (a) deliver results, (b) drive, and (c) complexity. All three dimensions are from the same two learning agility factors, Results Agility and Mental Agility. The degree of similarity among the Bottom 3 dimensions across regions is less.

In this instance, a total of six different dimensions are rated as lowest across the four regions. Again, the Bottom 3 dimensions come from two factors, People Agility and Change Agility. Thus, the results confirm that Results Agility and Mental Agility are the highest factors of learning agility and People Agility and Change Agility are the lowest.

“... suggesting that managers around the globe are relatively similar in regard to strengths and weaknesses.”

“Results Agility and Mental Agility are the highest factors of learning agility and People Agility and Change Agility are the lowest.”

Table 4

Top and Bottom Learning Agility Dimensions across Regions				
	Europe	Asia Pacific	North America	South America
Top 1	Deliver Results RA	Drive RA	Drive RA	Drive RA
Top 2	Drive RA	Deliver Results RA	Deliver Results RA	Deliver Results RA
Top 3	Complexity MA	Complexity MA	Complexity MA	Complexity MA
Bottom 3	Cool Transactor PA	Experimenter CA	Conflict Manager PA	Experimenter CA
Bottom 2	Conflict Manager PA	Conflict Manager PA	Self Aware PA	Help Others Succeed PA
Bottom 1	Experimenter CA	Light Touch PA	Experimenter CA	Light Touch PA

Note: CA= Change Agility MA= Mental Agility PA= People Agility RA= Results Agility

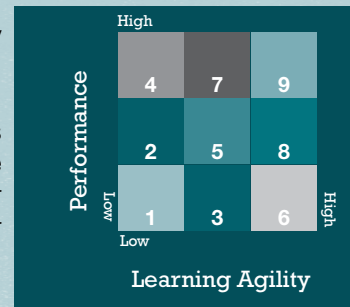
“...During a Typical Talking talent session, a talent management committee carefully assesses candidates using a 9-cell performance-potential matrix.”

“The CHOICES® assessment provides the individual candidate’s overall score on learning agility.”

Case Study One

We recently were asked to evaluate the effectiveness of high potential employee identification for a global pharmaceutical company headquartered in Europe. Historically, this company has devoted much time to the development of high potentials. Compared to many MNCs, its global talent management process is at a high level. Up to three times a year, Talking Talent sessions are conducted to identify and develop their high potential employees around the world.

Talking Talent is a facilitated session where executives openly discuss and calibrate talented employees in terms of performance, potential, readiness, willingness, and mobility. During a typical session, a talent management committee carefully assesses candidates using a 9-cell performance-potential matrix (see figure below). Each candidate is placed in a cell based on ratings of their performance during the past years and a discussion revolving their perceived level of learning agility.



The company was interested in determining whether an objectively derived score on learning agility systematically obtained via a multi-rater assessment would alter candidate cell placement. Consequently, the CHOICES® instrument was administered and cell placement was reanalyzed.

As of this time, we have collected learning agility scores on 58 senior managers and executives located throughout Europe, Asia-Pacific, and North America. The majority of the candidates were placed in Cells 7, 8 and 9 based on the Talking Talent sessions. Therefore, we expected to find relatively high scores on learning agility for this pool of candidates. The CHOICES® assessment provides the individual candidate’s overall score on learning agility, as well as whether that score would be classified as high, medium, or low (based upon a normative data base).

Region	Mean Score	% of Employees High on Learning Agility
Europe	3.80	77%
Asia Pacific	3.78	81%
North America	3.81	79%

As can be seen in the above table, the mean learning agility scores for these 58 candidates were high; over three-fourths would be classified as high on learning agility based on the norms. Further, the percentages of those candidates identified as learning agile are nearly the same across the three international regions. This finding suggests that both the Talking Talent sessions and the CHOICES® assessment function consistently across different regions.

We also examined how specific cell placement of candidates reflected learning agility scores obtained on the CHOICES® assessment. In the 9-cell matrix, learning agility increases from left to right on the horizontal axis. Consequently, employees placed in Cells 1, 2, and 4 should have lower learning agility scores than employees placed in Cells 3, 5, and 7. In turn, employees placed in Cells 3, 5, and 7 should have lower scores than employees placed in Cells 6, 8, and 9. See table on top right.

Finally, we tracked three years of performance ratings that we obtained from each candidate's annual performance reviews. We were interested in determining whether cell placement decisions corresponded with the reported performance rating. (Due to restriction of range, a mean performance rating was computed based on the three years – recall all 58 candidates were at the senior level.) According to the 9-cell matrix, performance increases from bottom to top along the vertical axis (see figure on previous page). Therefore, employees placed in Cells 1, 3, and 6 should have lower performance ratings than employees placed in Cells 2, 5, and 8, and in turn lower than employees placed in Cells 4, 7 and 9. See table on bottom right.

Self-Other Agreement on Learning Agility Ratings

Learning agility typically is measured via a multi-rater assessment. As such, it can be computed either by including or excluding self-ratings. To ascertain whether the two approaches would lead to different conclusions regarding the level of learning agility an individual possessed, we used a sub-sample of 705 participants in which self-ratings also were obtained.

We employed the method proposed by Atwater and Yammarino (1992) to examine the patterns of self-other agreement. Initially, we categorized the managers into “low,” “middle,” and “high” learning agile groups based upon the ratings we obtained from other raters (i.e., “all others’ ratings”). Managers in the low group had ratings that were one standard deviation or more below the mean of all others’ ratings. The middle group had ratings that were one standard deviation around the mean of all others’ ratings. Finally, the high group had ratings that were one standard deviation or more above the mean of all others’ ratings.

We then compared self and others’ ratings for each of the three groups. The results are presented in Figure 4. For the low group, self-ratings were higher than all others’ ratings. In contrast, for the high group, self-ratings were lower than all others’ ratings.

Cell	Learning Agility
1	—
3	—
6	3.54
2	—
5	3.79
8	3.69
4	—
7	3.88
9	3.99

The above table shows the mean learning agility scores of the candidates placed in the nine different cells. As can be observed, the mean scores increased as expected (Ms = 3.54, 3.74, and 3.94, respectively).

Cell	Performance
1	—
3	—
6	—
2	—
5	2.64
8	2.48
4	2.71
7	2.76
9	2.85

The above table presents the mean performance review ratings of the candidates by cell placement. Again, the results were as expected (Ms = NA, 2.56, 2.77, respectively). Overall, the above findings affirm the accuracy of the high potential identification and cell placement employed by this company.

“... individuals may be largely unaware of their personal learning agility.”

“This pattern of self-other agreement was observed in all four global regions.”

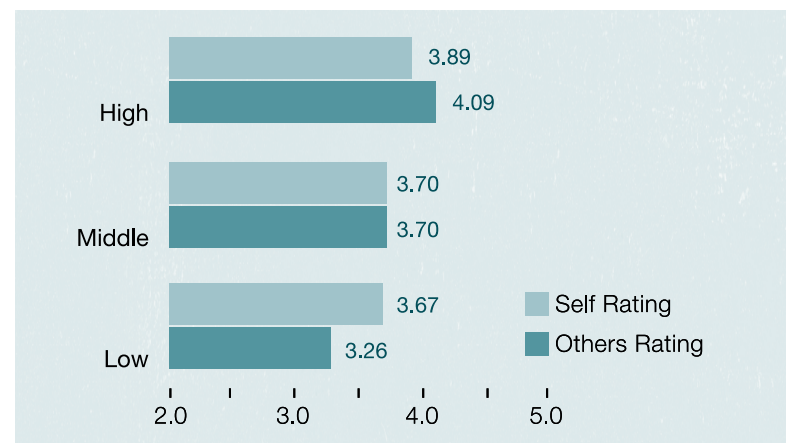
“...the inclusion of self-ratings of learning agility may artificially inflate the multi-rater score.”

Overall, these findings indicate that individuals may be largely unaware of their personal learning agility. People whom others perceive as low in learning agility tend to view themselves as quite high; whereas, people whom others perceive as high in learning agility tend to view themselves lower. The largest gap is with low learning agile managers, who surprisingly perceive themselves as quite high.

This pattern of self-other agreement was observed in all four global regions. The implication of this pattern of findings is that a self-assessment of learning agility may be very difficult to meaningfully interpret.

Figure 4

Patterns of Self-Other Ratings Agreement on Learning Agility



Another implication of the above finding is that the inclusion of self-ratings of learning agility may artificially inflate the multi-rater score. Some organizations deliberately include self-ratings in the assessment process to highlight the transparency of talent management. While this practice may be aligned with their corporate culture and management philosophy, the inclusion of self-ratings of learning agility has the potential to negatively impact the accuracy of high potential identification.

In addition, some organizations provide feedback on the learning agility assessment to individuals for the purpose of developing them. When other raters realize that individuals will be provided feedback, they also may inflate their ratings. Raters may do so (a) to avoid being perceived in a negative light and/or (b) in exchange for being rated high in return. Thus, transparency could have the unintended effect of decreasing the validity of overall ratings of learning agility.

Table 5 presents the results of this analysis. As can be seen, the inclusion of self-ratings does consistently increase the factor scores and total score of learning agility, albeit only slightly. The largest increase is on the Mental Agility factor, where the difference increased by .08. Overall, the differences appear rather trivial. Nevertheless, organizations must exercise caution if self-ratings are included to avoid a corresponding increase in the number of false positives inappropriately identified as high potential employees.

“...again we found that learning agility does not appear to differ among regions of the world.”

Table 5

The Impact on Learning Agility Scores when Self-Ratings are Included

	Others' Rating When		
	Self not Included	Self is Included	Difference
Mental Agility	3.64	3.72	0.08
People Agility	3.58	3.62	0.04
Change Agility	3.56	3.62	0.06
Result Agility	3.79	3.84	0.05
Total Score	3.63	3.68	0.05

“The most intriguing finding was that the percentage of candidates classified as learning agile increased over time.”

Case Study Two

A Fortune 500, global chemical company has used the CHOICES® assessment to affirm the high potential selection process of its Talking Talent sessions for several years. Following the talent management committee review of each high potential candidate, the learning agility score is obtained for new candidates selected as high potential for that year.

This data enabled us as researchers to examine two questions. First, are there mean score differences in learning agility across regions of the world? Secondly, do learning agility scores increase over time as the talent management committee receives feedback on the prior year's CHOICES® performance of new candidates? In other words, does the organization “learn” to do a better job at selecting new high potential employees with higher levels of learning agility?

The table on page 14 presents overall mean learning agility scores by region. In addition, the percentage of candidates classified as high in learning agility is provided by region. As can be seen, high potential candidates in Europe and North America had very similar mean scores (Ms = 3.72 and 3.74, respectively).

Region	Mean Score	% of Employees High on Learning Agility
Europe	3.72	71%
Asia Pacific	3.67	62%
North America	3.74	70%

The percentage of candidates classified as learning agile also was nearly identical in these two regions. Although the Asia-Pacific candidates scored slightly lower in learning agility, the difference was not statistically significant ($p > .05$). Thus, again we found that learning agility does not appear to differ among regions of the world.

Given that this company had employed the CHOICES® assessment for several years, a longitudinal analysis was performed to examine the degree of learning agility over time. A separate group of high potential candidates was identified for each of the following years – 2006, 2007, and 2008.

As the figure below indicates, a substantial portion of those candidates scored high on learning agility each year. These results confirmed that the organization did a relatively good job at selecting high potential candidates.

Figure 5

Percentage of Managers High in Learning Agility



The most intriguing finding was that the percentage of candidates classified as learning agile increased over time, ranging from 66% (2006) to 68% (2007) to 71% (2008). It suggests that as the company implemented the Talking Talent process, decision makers learned from their experiences, calibrated their evaluations, and improved their accuracy in identifying their high potentials candidates.

Conclusions and Implications

The identification, development, and retention of high potential employees are critical elements of global talent management. To be successful, MNCs should select the best person for the job regardless of nationality or location (i.e., employ a geocentric approach to staffing).

The results of this series of studies provide further evidence that learning agility can be an effective criterion on which to select high potentials. There appears to be no adverse impact with regard to gender or age. Moreover, managers and executives around the world score similarly on it. That is, individuals from Asia to Europe to the Americas all seem to score equally well (or poorly) on learning agility. Although North American managers are rated slightly higher on it, and European managers slightly lower, the differences are very small. The relative rankings of factors and dimensions of learning agility across the four regions of the globe examined are nearly identical.

Based on our analyses of global learning agility, we can conclude the following points:

- A standardized assessment of learning agility can be consistently used in different regions of the world to help MNCs assess and identify high potentials. Such a standardized process is vital for effective global talent management. The CHOICES® instrument provides an equally reliable assessment across regions.
- Executives and managers in different regions appear equally learning agile. Any suspicion and resistance to identifying high potentials globally would appear to be unfounded. MNCs should readily search for the best high potential candidates, irrespective of location, to support their global business strategies.
- Our findings suggest that there are some dangers in the self-assessment of learning agility. Our research consistently found that high potentials tend to under-rate themselves, while low potentials tend to over-rate themselves. In high potential identification, organizations should not rely on managers self-selecting themselves. A reliable and standardized process should be used to identify high potentials to guard against the impact of rater leniency and severity. In addition, companies must balance between transparency and assessment accuracy. A transparent process may lead to rating inflation.

“The results of this series of studies provide further evidence that learning agility can be an effective criterion on which to select high potentials.”

“...even highly skilled companies with highly honed talent management systems can obtain much value by systematically measuring learning agility.”

- Companies can learn to manage their talent more effectively over time. The second case study suggests that companies do learn from their experience and gradually improve their accuracy in identifying high potentials.
- The CHOICES® assessment methodology largely affirmed the Talking Talent process. Overall, approximately 60-70% of the high potentials identified through Talking Talent sessions scored high on the CHOICES® learning agility assessment. This percentage is high. However, one should realize that 30-40% of the identified high potentials scored moderate to low. Further, the company has no concrete way of knowing how many high potential employees they overlooked. Such so-called “false positives” and “false negatives” can be extremely costly. For example, consider the amount of money, time, and effort companies invest in an executive who eventually derails. Consequently, one of the key lessons from this paper is the importance for MNCs to clearly define, measure, and select those high potential employees for tomorrow’s leaders.

The use of a standardized instrument assessing learning agility to buttress Talking Talent sessions is important for many other reasons. For example, the two case study companies illustrated in this paper demonstrated that high potentials identified through Talking Talent likewise scored high on the learning agility assessment. Consequently, it may appear that obtaining an independent measure of learning agility is redundant (and unnecessary).

We must acknowledge that the two companies highlighted here had a sophisticated process of talent management and historically were very skilled at identifying their high potentials. Many MNCs are just beginning to seriously examine their high potentials and likely have fairly crude, ill-defined processes in place. However, even highly skilled companies with highly honed talent management systems can obtain much value by systematically measuring learning agility.

First, an independent, quantifiable assessment of learning agility can be used to validate the selection of the high potentials already identified. Companies can evaluate their Talking Talent sessions against the learning agility assessment, calibrate, and improve their Talking Talent process.

Second, a measure of learning agility provides a comprehensive assessment of various factors and dimensions which can be used to develop managers. Moreover, hopefully, companies will avoid making some serious mistakes by not delegating certain assignments to the wrong individual.

Third, typically large MNCs have hundreds or thousands of employees who need to be evaluated from a talent management perspective. Many of those employees may have limited visibility with upper-management. Hence, evaluations of their potential without a calibrated, scaleable learning agility instrument can be extremely difficult.

Fourth, although a company may be quite adept at identifying the “high” high potential employees (resulting in few false positives), it might be overlooking some diamonds in the rough (resulting in many false negatives).

Finally, the use of a quantifiable, objective tool sends a message to all employees that the organization is employing science to the talent management process. Certain “favored sons” are not simply being handpicked based upon who they are or what schools they attended or because they are somebody’s son or daughter. Moreover, an independently obtained score can eliminate the contention that high potential selection is made simply based on upper-management’s “gut instincts.”

“...the use of a quantifiable, objective tool sends a message to all employees that the organization is employing science to the talent management process.”

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