Virtual talent reviews: Virtual assessment and identification of potential leadership talent

An article from

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Abstract

This article addresses the question of which definitions, indicators and virtual tools can be used to identify and develop talented individuals with leadership potential. Recognising these high-potential employees at an early stage enables companies to invest in their development and retention, thereby securing a future generation of leaders. Virtual Talent Reviews are an important tool for organisations to effectively manage their talent, align individual skills with company goals and strategies as well as promote a high-performance culture.

What do we at papilio mean by a Virtual Talent Review?

In Virtual Talent Reviews, papilio uses standardised, online-based tools and methods to assess the skills and behaviour of so-called "high potentials" or "talents" in lower management and new managers in order to support personnel decisions and provide development feedback. High potentials are employees or individuals who are in lower to middle management and have the skills and motivation to move up one or more levels above their current role in management positions.

Why is the identification and development of talent so important?

As Boudreau and Ramstad impressively describe in their book Beyond HR, there is a "war for talent". The somewhat martial-sounding term emphasises the intense competition between companies to attract, promote and retain qualified employees, especially in areas where there is a shortage of such talent. The scramble for talent emphasises the importance of HR strategies that not only attract talent, but also focus on retaining it. As the pool of skilled labour becomes increasingly limited, securing and retaining these valuable human resources is critical to business success. According to demographic ageing, the proportion of people of working age in the EU will shrink, while the number of older, non-working people will increase; this pattern will continue in the coming decades as the post-war baby boom generation retires[1]. These developments will have profound implications, not only for individuals, but consequently also for HR's leadership succession planning strategy.

Here is a brief summary on why it is worthwhile for companies to invest in their talent:

- Investment in the development of employees ensures a pool of suitable junior managers

- Reduction of difficult-to-fill vacancies at management level

- Strengthening competences and skills, thereby promoting learning and development

- Improving motivation by showing employees their strengths

Ensuring alignment between talent management and the corporate strategy

Increasing performance at the organisational and individual level

Promoting a culture characterised by transparency and fairness

These are just some of the important reasons why, in today's competitive professional world, it is imperative to prioritise the identification, development, retention and recognition of your top talent. This necessity stems from the realisation that qualified employees are not only a valuable asset, but also a decisive factor in the success of a company.

Forward-thinking companies understand the central role that high potentials play. They have recognised how important it is that the right employees with the right skills fill key positions in the company. Talent is not just a resource, but a strategic tool for competitiveness.

Furthermore, leading companies firmly believe that talent is their most valuable asset. They not only recognise this fact, but also translate it into concrete action, resulting in better financial performance compared to other companies in the industry. For example, Aon Hewitt's research shows that top companies consistently outperform their peers in terms of revenue growth, profitability and shareholder return.

Over the past decade, a wealth of literature has emerged examining the impact of high potentials on organisational success. Experts emphasise the substantial returns generated by top performers and highlight their ability to add significant value to the bottom line.

Although various terms such as "high potential" or "top talent" are used to describe internal talent, it is important to have a clear definition that is tailored to the unique context of the organisation. In response, we offer Virtual Talent Reviews based on extensive research, including our experience of working in assessment and development with high performing organisations.

To summarise, the search for top talent is not just a matter of recruitment, but a strategic imperative that requires focused effort in identifying, developing and retaining high potentials. By recognising the value of talent and implementing effective talent management practices, organisations can gain a competitive advantage and thrive in today's dynamic business environment.

According to a meta-analysis by Kaliannan et al. (2023), which examined all published studies on the development and promotion of internal talent between 1997 and 2020, the authors concluded that most published articles on individual talent development focus on the dual benefits it provides: both for the individual employee and for the organisation as a whole. The articles analysed look at why and how individual talent development can add value, starting with the impact on individual career development. The following actions have been used by organisations to develop their internal talent: Identifying training needs, assessing skills gaps, promoting lifelong learning,
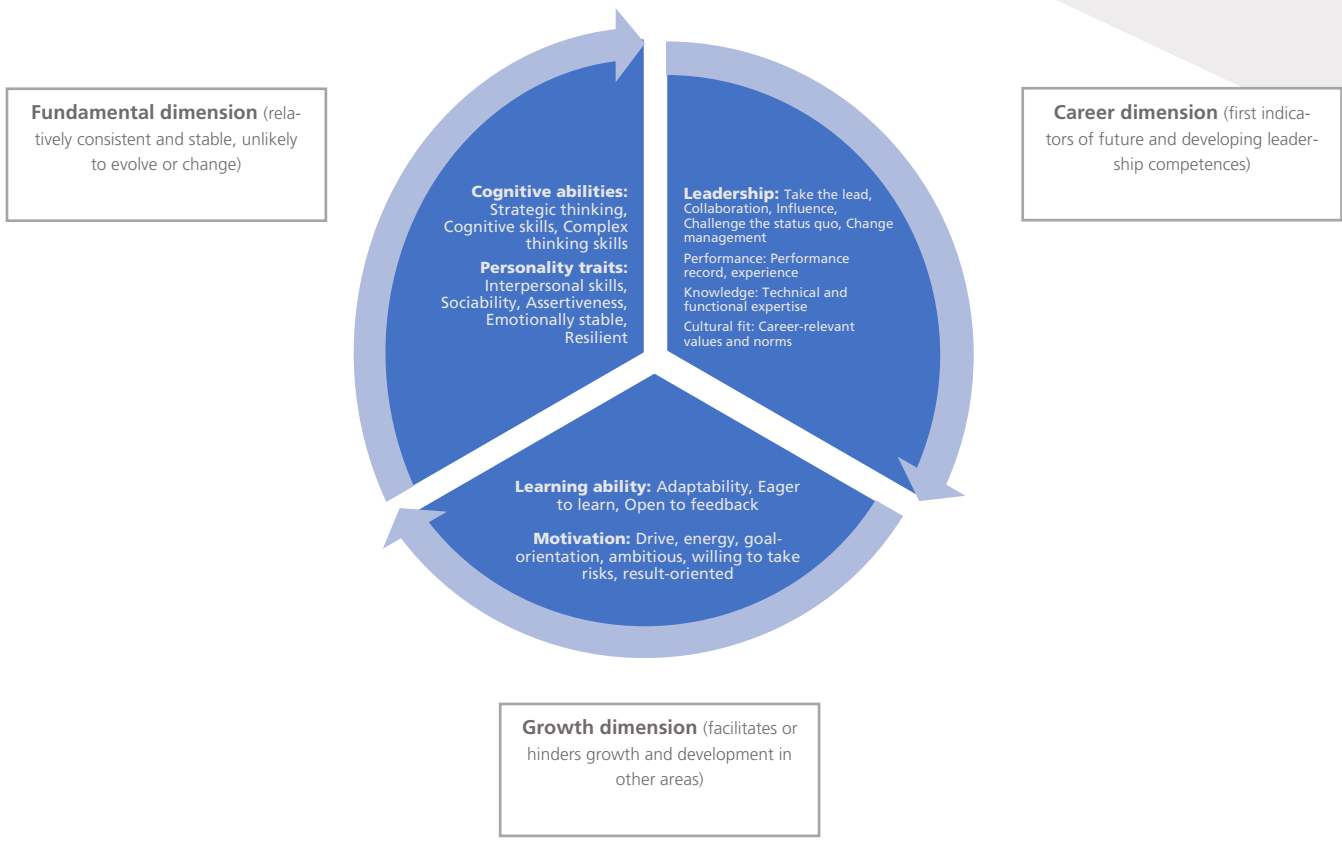
addressing career advancement challenges, unlocking untapped talent and promoting a values-based approach to talent development.

At an organisational level, the focus is on using talent development to improve performance and drive growth. This includes raising leadership awareness of the importance of talent development tools for both employees and the business, implementing strategies to address talent competition, advocating for strong leadership support for talent development initiatives, developing frameworks, processes and policies that are conducive to talent optimisation, and implementing comprehensive talent development for sustainable business growth and resilience.

How can the right talents, so-called "high potentials", be identified?

Firstly, we need to be clear about what "high potential" actually means for you and other companies. The authors Karaevli and Hall (2003) asked 13 different large companies how they defined "high potential" internally. Initially, it was found that none of the companies analysed had the same definition of their high potentials. Only the question of "potential for what?" was answered in the same way by all companies (Silzer & Church, 2009). The 'what' usually involves describing the desired long-term positions, responsibilities or ultimate achievements that a person would like to achieve in the future (Silzer & Church, 2009). It is ultimately about talent with potential being able to achieve a specific goal, be it as a senior executive manager, taking on a first leadership position or supporting the organisation in strategic roles (e.g. starting a new business, managing business development projects or a major project). For example, a survey of 252 companies by the Corporate Leadership Council (2005a; 2005b; 2005c) found that 47% of companies define high potentials based on their ability to move up two to four levels, and another 26% of companies plan to move in this direction in the near future. Furthermore, these surveys found that other companies rely almost exclusively on past performance to determine high potential, which is a clear problem as past performance does not accurately predict successful future behaviour in significantly different situations.

For the reasons mentioned above, the identification of high potentials should be based on a competency model. The model by Silzer and Church, which was determined on the basis of intensive literature research and survey data, illustrates so-called "key competences" along three dimensions for the identification of high potentials:

Fundamental dimension (relatively consistent and stable, unlikely to evolve or change)

Career dimension (first indicators of future and developing leadership competences)

Cognitive abilities: Strategic thinking, Cognitive skills, Complex thinking skills
Personality traits: Interpersonal skills, Sociability, Assertiveness, Emotionally stable, Resilient

Leadership: Take the lead, Collaboration, Influence, Challenge the status quo, Change management
Performance: Performance record, experience
Knowledge: Technical and functional expertise
Cultural fit: Career-relevant values and norms

Learning ability: Adaptability, Eager to learn, Open to feedback

Motivation: Drive, energy, goal-orientation, ambitious, willing to take risks, result-oriented

Growth dimension (facilitates or hinders growth and development in other areas)

papilio's approach to identifying talent

papilio has developed its own competency framework based on scientifically sound models, which also covers the three dimensions described in Silzer and Church's model. papilio can thus ensure a structured and standardised approach to identifying talent. Our competency model also reflects our many years of experience in consulting on the topic of talent with well-known companies and close collaboration with our stakeholders. Our clients look for skills and competences that will enable their top talents to take up senior positions in a relatively short space of time.

papilio's understanding of "potential"

papilio defines potential by assessing whether an employee has the ability to progress to and succeed in a higher or more advanced role. In the assessment, we differentiate between specialists who are suitable for an initial management position and talents at middle and senior management level who are to be developed. Depending on the target group, papilio offers different assessment and development centres to identify the respective strengths and development areas. An assessment or development centre is a reliable and valid method for evaluating performance and potential for future tasks by enabling companies to assess competencies and skills that cannot be observed in a current job.

The target group of Virtual Talent Reviews (VTR)

papilio's Virtual Talent Review (VTR) is another method within the assessment and development process and identifies the performance and development potential of talented individuals from lower management and new managers in a quick and fair way. It consists of various exercises, questionnaires, interactions in the form of a role play and online-based test procedures. Virtual Talent Reviews (VTR) take place online and remotely and are therefore extremely flexible and uncomplicated.

Contents

papilio differentiates between three possible variants of the Virtual Talent Reviews. The Short Talent Review consists of two cognitive performance tests, a personality questionnaire, an online business simulation and a SWOT analysis. Like the Short Talent Review, the *Talent Review Professionals* and *Talent Review Leadership* consist of the aforementioned online assessments and differ in that there is an additional interaction in the form of a management discussion (VTR Leadership) or a project discussion (VTR Professionals) with a papilio consultant.

Here is a graphic overview of the content and process of the VTR:

| 2-4 h | 2 Analytical Tests | Personality Questionnaire | Online Business Simulation | SWOT Analysis | + | Project- or Leadership meeting |

All exercises and online assessments have been developed and validated by experts on a scientific basis. They address various challenges from everyday working life, but in a different setting, so that candidates are required to use either tried-and-tested or new methods when completing them.

Observed competences in the Virtual Talent Review

In connection with the assessment of potential, papilio's approach of focussing on four to five central competencies has proved successful. The following four or five competences were selected on the basis of the papilio competency model:

1. **Analysing and assessing**
   Identifies key information; processes and weighs it accurately to reach sound decisions

2. **Acting professionally**
   Uses planning, prioritizing, monitoring, policies and procedures, as well as risk management

3. **Delivering excellence**

   Makes sure that business opportunities are exploited. Has a strong impact on profitability and competitiveness. Executes plans with commitment and determination

4. **Developing future-oriented solutions**
   Innovates strategically combining creative thought with common sense

In **Talent Review Professionals** and **Talent Review Leadership,** the following competencies are also measured using a role play:

5a. Shaping the collaboration (Talent Review Professionals)
Demonstrates understanding and concern for others in order to collaborate effectively.

5b. Assuming leadership (Talent Review Leadership)
Provides team with a clear sense of direction. Takes the initiative to make decisions. Supports the effectiveness and development of the team.

Top organisations focus on both the requirements and the personal characteristics of the people who fulfil these competencies. In addition, companies that are forward-looking and can predict their talent needs will ultimately grow and succeed.

Advantages of papilio Virtual Talent Reviews

papilio offers a talent assessment solution that fulfils most of the elements of a Swiss Assessment certified development centre and includes a 30-minute candidate feedback session. papilio strives to combine relevant scientific findings, modern technological tools and maximum flexibility to advise clients and identify the performance and development potential of their talents reliably, quickly and fairly with the Virtual Talent Review.

Completely remote and fully digital process for all parties involved

papilio's full-service model - minimal administrative effort on the client's part

Close collaboration before and after the Virtual Talent Review, including clarification of the assignment and coordination of feedback sessions with the candidates

30-minute feedback sessions for participants after the Virtual Talent Review

Consolidated report across all exercises along key competences

Fast, reliable and fair thanks to predefined framework conditions

Practical, field-tested and scientifically sound exercises

Report

At the end of the Virtual Talent Review, the behaviours are evaluated by a papilio assessor and presented in a detailed results report based on behavioural indicators and key competencies. The report contains the following analyses:

o Introduction: What is a talent review?

o Overview: Overall ratings

o Detailed ratings across all exercises and competences (indicator report)

o Detailed results on strengths and development opportunities; categorised by competency in bullet point format
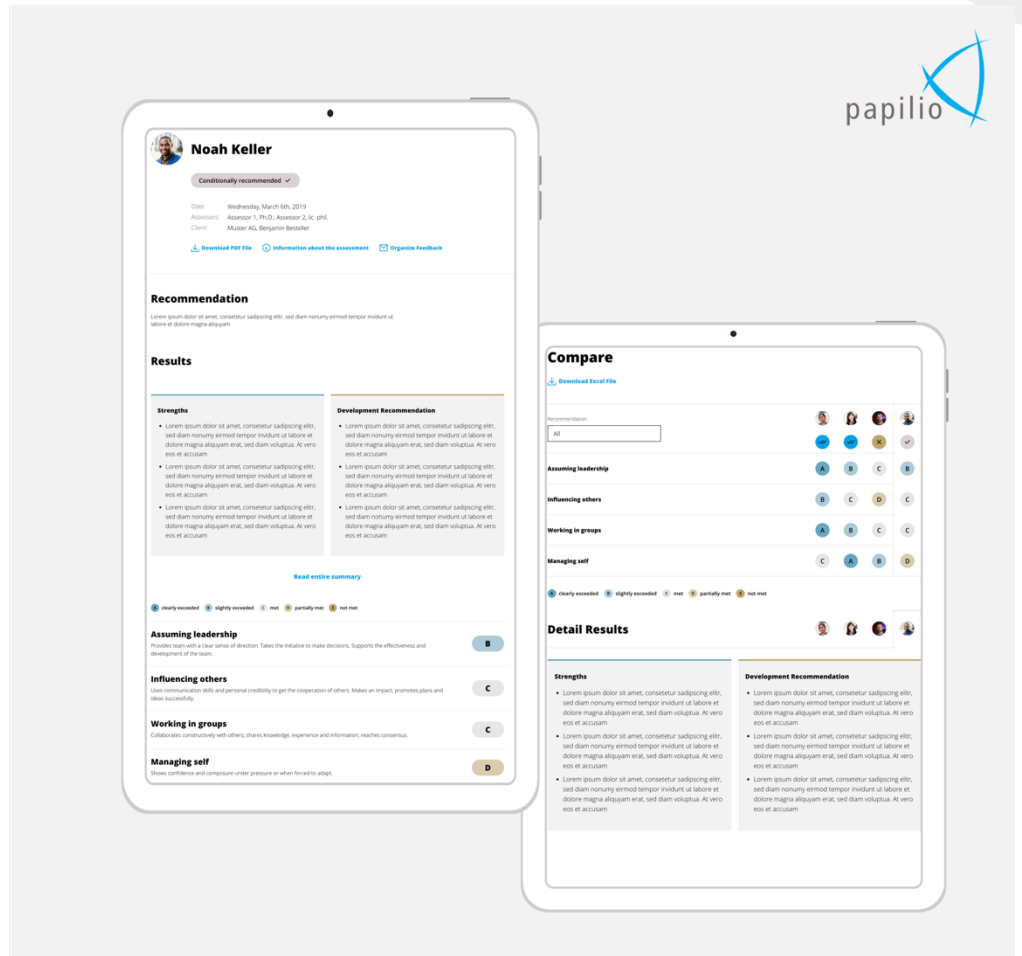
The results of the Virtual Talent Review in the form of a report can bring various benefits for candidates. The report can provide valuable feedback on the candidate's strengths and development areas and help them to better understand and utilise their own skills and competencies. Based on the areas of development and strengths identified, the report guides candidates in making informed career development decisions.

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