

Title: High Potential Employees (HiPo) –Identification & Development
Released by – Head HR
Date of Issue: November 10, 2021
Version: 2/2021



## **HIGH POTENTIAL EMPLOYEES (HiPo) -**

### **IDENTIFICATION & DEVELOPMENT**

High Potential (HiPos) employees are critical to drive a business' present and future success who catapult the business to greater heights.

Identification and development of HiPos in the Company is a key element in the success of its talent management system.

#### **HiPo - Definition**

Potential is defined by the ability to move work level within a given time span. Accordingly, high potential employees are individuals who are able to move at least two work levels within a span of 5 to 6 years and who score well on various assessment criteria based on 'on-the-job' demonstration of the current as well as future work level competencies as future leaders.

#### **Objective:**

1. Identification, development & retention of HiPo employees.
2. Creation of Talent Pool for Succession Planning

#### **HiPos at Apar**

An Employee in Officer and above as well as GETs will be eligible for identification, segmentation and development in HiPo pool.

A central talent pool can be made so that HODs don't hoard talent (talent pool may be Division wise).

#### **Assessment of Potential:**

##### *Guidelines*

1. HiPo Employee must be upto 45 years of age (HODs to consider not more than 10% approx. of the total team members for the HiPo Development Program).
2. He/She must be preferably open to transfer including relocation, preferably. This is highly desirable for business roles. It may not be stressed for central Functional/Support roles.
3. He /She must have got 3.5 or above rating in each of the last 3 years' PMS cycle (in case tenure of the employee is less than 3 years then 2 years' performance rating should be considered). Also the record of the employees' Promotion(s) during his/her tenure with APAR must be presented. Employees who

SK

have been through the APAR PMS cycle at least twice, are eligible for consideration for the HiPo Program.

4. Any kind of performance related accolades such as awards, rewards, Thank You Cards, Appreciation Letters, etc. shall be considered as an advantage for Nomination for HiPo Program.
5. The HiPos will be assigned Special Projects in their addition to their day job.
6. Potential assessment is done using the current work level and the next one work level competencies.
7. Use the Apar Competency Framework as guidelines for assessment of potential.
8. Look for specific levels of these competencies and reflect whether the person has demonstrated those behaviors.
9. Rate the person on each competency using the five point rating scale given below
  - 1- Poor
  - 2- Average
  - 3- Good
  - 4- Very Good
  - 5- Excellent
10. Potential of an Employee will be rated offline by the persons as is done online for Annual Appraisal, that is, Self, Manager, Reviewer – 1, Reviewer – 2 & Business Head and HR.
11. After having rated the person on each one of these competencies across the current, and +1 and +2 work levels, take an overall call about the potential using the scale given below
  - A High potential – Can move to next two work levels
  - B Medium Potential – Can move to one work level
  - C Low Potential – Can stay in the current work level
12. Indicate the potential rating by checking the appropriate potential box.

*GK*

## Identification & Segmentation of High Potential ( HiPo ) Employees

### **The Nine Box Performance Potential Matrix**

<i>Potential</i>	High    A	High Potential / Low Performance 1A	High Potential / Medium Performance 2A	High Potential / High Performance 3A
	Medium    B	Medium Potential / Low Performance 1B	Medium Potential / Medium Performance 2B	Medium Potential / High Performance 3B
	Low    C	Low Potential / Low Performance 1C	Low Potential / Medium Performance 2C	Low Potential / High Performance 3C
<i>Performance</i>		1 Low	2 Medium	3 High



*Potential vs Performance*

PERFORMANCE	POTENTIAL
<p>Performance is a relative measure, cannot be measured in absolute terms.</p> <p>Age, level, salary, upbringing, self motivation, style of boss, culture at work place, job requirements all impact performance.</p> <p>Performance is linked to present job.</p>	<p>Potential assessment is usually associated with determining whether the individual has "what it takes" to advance to positions of greater management or leadership skills and/or positions requiring greater technical knowledge.</p> <p>Potential is linked to future advancement possibilities.</p>

SK ✓

### Segmentation Process

Review the trends in performance of the person over the past 3 years using the criteria mentioned above classify the performance rating as 1, 2 or 3 as the case may be, Promotions in the last 6 years & HR Observations.

Functional Manager assesses the potential using the Apar work level behavioral competencies for the existing level and the next level.

Classify the potential of the person as A, B or C.

Plot the outcome of the classification in the relevant cell on nine box matrix.

Employees falling in 3A and 2A Box are segmented as HiPos.

Consolidated summary report on the segmentation is then presented to BH/ Head - HR for approval.

### Development of HiPos

The main objective of HiPo development is to:

Maximize potential utilization of an employee and enable him/her to perform effectively in the, current role and future ones as well.

### Development Options:

#### *General Management or Functional Career Paths*

The career path of a leader in our group branches out into General Management Path and Functional Management Path.

#### *GENERAL MANAGEMENT PATH*

*Business Head*

*Unit Head / SBU Head*

#### *FUNCTIONAL MANAGEMENT PATH*

*Group Functional Head*

*Function Head – Company / Business*

*Function Head – Unit*

*Manage Managers*

*Manage Others*

*Manage Self*

To help employees discover their career inclinations and pursue career paths which they are naturally inclined towards, we have developed the following processes:

**Development Centres** - to help employees discover their competencies and career inclinations

**Individual Development Plans** - customized plans aligned to their career inclinations

GV



### **Development Centers ( DCs )**

Development Centers provide a means of gathering relevant information, under standardized conditions about an individual's capabilities to perform different kinds of managerial and leadership roles.

This is a proven and reliable method of identifying managerial and leadership potential which has stood the testimony of time.

The focus of the Development Centers in Apar is Employee Development, hence the term Development Centers is applied.

### **The DC process (can also be done virtually)**

The identified HiPos ( 3A, 2A ) are invited to participate in the DC which is typically a two-day event.

The DC process is held at a central location.

DC reports are given to the DC participant by the consultant and he/she is urged to discuss the same with the immediate superior.

The DC report is valid for three years.

The report has qualitative descriptions on each of the competencies assessed during the DC and development recommendations.

### **Individual Development Plan (IDP)**

An Individual Development Plan (IDP) is a formal document that identifies an individual's learning and developmental goals.

The IDPs are written and implemented for the participants of the Development Centers.

The IDPs are prepared in Apar IDP Format – IDP – 1 for all employees who participate in DCs.

This is prepared by the respective HR Head and endorsed by the Unit/Business Head.

This plan contains training, education, and development activities (formal and informal) to acquire the competencies needed to meet IDP goals.

**Our HiPo Management objective only gets realized with the successful implementation of the development plans.**



### **Development Process**

Each HiPo Pool member necessarily has to participate in the DC.

HiPo pool member discusses his/her DC report with the immediate supervisor.

Consensus discussions are held between HR/UH/BH to discover and discuss the areas of congruence / incongruence in Unit and DC ratings.

The panel finalizes the ratings after consensus discussions.

IDPs are prepared by respective HR based on the inputs from DC.

HR engages with Unit Heads & Functional heads to finalize the Developmental plan.

HR & respective Functional Head implements the IDPs with the help & support of BH/UH by preparing a Training Calendar.

HR in consultation with UH/BH will assign mentors for Mentoring to HiPo employees for implementation of IDPs.

IDPs will consist of Special Projects and HiPos will be assigned at least one Special Project.

HiPo Administrator ( HR ) generates half yearly report for Head - HR, indicating the status and progress made on the development plans of HiPo pool members.

Head - HR takes up issues relating to non-implementation of the development plans with respective HR.

**Process Owner : HR**



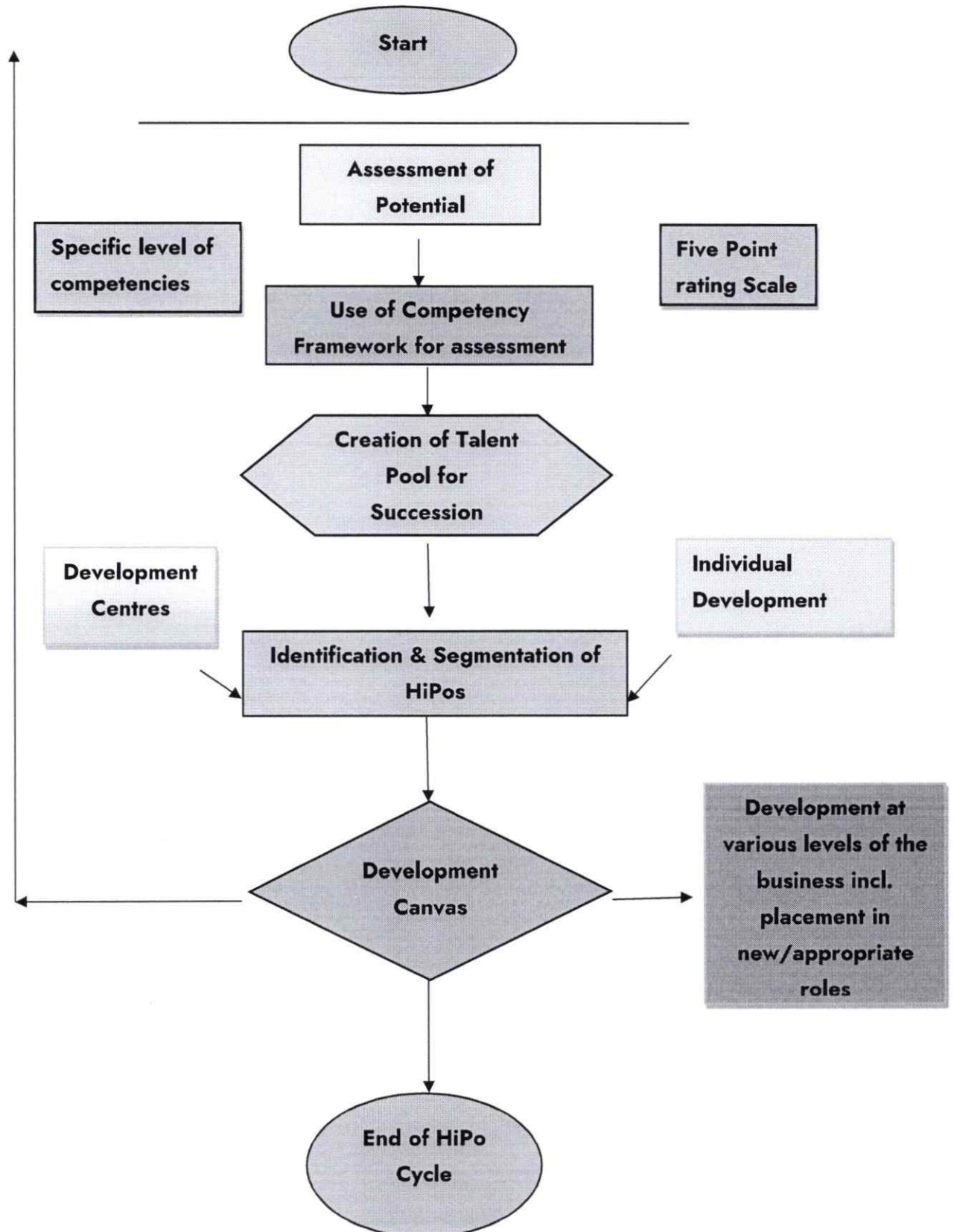
**Kushal N Desai**

**Chairman & Managing Director**



Annexure

HiPo FLOWCHART



**Apar Industries Limited****Individual Development Plan**

Name :	Designation :
Business :	Unit :

**Development Plan**

Year	Targeted Competency	Knowledge & Training Activity	Timing	Development Exposure / Assignment	Timing
Year 1					
Year 1					
Year 2					
Year 2					
Year 3					
Year 3					

**Career Plan (Next Two Moves)**

Position / Business Unit ( Mention Both )	Department / Employee Code ( Mention Both )	Target Date	Readiness
Obstacle to Mobility – Yes / No ( Explain if Yes )			

Signature / Dates

Function Head

Name of the Person

Business Head

Name of the Person

Head - HR

Name of the Person