

Is Your High Potential Program Biased?



Cognitive biases refer to the shortcuts our brains take when processing

information that lead us to think less rationally and sometimes reach inaccurate conclusions. These shortcuts are useful for increasing efficiency, but tend to increase the likelihood that we will make poor decisions. High potential identification is one area

where our cognitive biases can run amok. There are ten common cognitive biases that directly influence the way high potential employees are identified and viewed within organizations:



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1. Halo Error

What is it? When people rely on their general impression of a person and rate all specific characteristics according to that general impression.

Why does it matter? In identifying high potentials, managers are notoriously poor at discriminating between different factors for identifying potential (e.g., receptivity to feedback, passion for results). Without a more nuanced conversation focused on specific strengths and needs, discussions around development and placement decisions are a waste of time.



2. Availability Heuristic

What is it? People overvalue information that they can remember more easily.

Why does this matter? When discussing high potential candidates, managers often give more weight to examples that they can easily remember. Managers will be less likely to evaluate candidates' full track record. They can be swayed by certain events that were reinforced in their memory for an arbitrary reason.

3. Bandwagon Effect

What is it? People are more likely to adopt a decision if others have adopted it as well.

Why does it matter? In talent review discussions, managers can easily be swayed by popular opinion. This is more likely to happen when influential members adopt a particular opinion about a high potential candidate.

4. Authority

What is it? People attribute higher levels of accuracy and value to the opinions of authority figures.

Why does it matter? Similar to the bandwagon effect, the opinion of an authority figure can influence the

opinion of others within a talent review. The problem is that many authority figures are willing to make suggestions based on incomplete information. Lower level managers will likely have more thorough observations to form opinions about a particular candidate.

5. Confirmatory Bias

What is it? People tend to seek, interpret, focus on, and remember information that confirms their previously held beliefs.

Why does it matter? If a candidate is identified as high potential, a manager may only recognize performance examples in which the person was highly effective. Managers might become too willing to give a high potential employee the benefit of the doubt and ignore areas for development.

6. Overconfidence Effect

What is it? People tend to believe their subjective judgments are far more accurate than they actually are.

Why does it matter? Some managers prefer to rely on their own judgments for high potential status rather than using other tools or assessments (e.g., *I have a good feeling about this guy*). They often believe that they can accurately identify high potential employees at a rate far higher than their actual capabilities.

7. Dunning-Kruger Effect

What is it? People who are novices and unskilled tend to overestimate their abilities or opinions while experts tend to underestimate their abilities or opinions.

Why does it matter? Many senior leaders think that they are capable talent scouts without having their opinions contrasted with any evidence. Experts in identifying potential and using assessment often hesitate to make strong recommendations because they know how difficult it is to predict potential. As a result, non-experts often have the loudest voice in the discussion.

8. Ingroup Bias

What is it? People favor others who they perceive as part of their inner circle of friends and/or colleagues.

Why does it matter? When evaluating candidates, managers are more likely to favor those who have an identity similar to their own. Identity is complicated and can include similarity in demographics, functional backgrounds, or work experience. However, managers will have a tendency to prefer candidates similar to themselves. The problem is that organizational leadership can become increasingly homogenous and resistant to new ways of thinking.

"High potential identification is one area where our cognitive biases can run amok."

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9. Fundamental Attribution Error

What is it? When evaluating the actions of others, people tend to emphasize internal characteristics rather than the situation as the main cause of why a person responded in a particular way.

Why does it matter? Many high potential candidates are compared from different departments, teams, jobs, and under different constraints. It is difficult to disentangle when a high performer overcame a unique challenge from when situational factors enabled a high performer to be successful. Taking time to scrutinize the level of difficulty and complexity in a candidate’s task is essential. However, people will tend to focus solely on the candidate’s characteristics.

10. Escalation of Commitment

What is it? People and groups tend to rationalize their previous decisions and investments even when conflicting information about those decisions is raised. This is related to the sunk cost fallacy in which people want to continue making decisions in line with previous investments because they will experience a sense of loss if they change course.

Why does it matter? Once leaders create a high potential process, decide on whom to identify, and make developmental investments, they often have an irrational tendency to increase commitment for those decisions regardless of whether they were correct. As a result, it can be difficult to suggest that a candidate or process be reevaluated.

No one is immune from these cognitive biases. In fact, highly experienced and intelligent people often convince themselves that they are unbiased, when they simply have more complex rationalizations to support those biases. The purpose of high potential identification is to improve investment decisions based on the probability that certain candidates will grow faster to become tomorrow’s leaders.

Most decision makers rely on emotion and rarely think probabilistically. That is where objective assessment and reassessment help to guide decision makers. Reliance on onetime manager reviews of potential are dangerous for the health of organizations and personnel; it is time for HR leaders to start having an honest conversation about the limitations of unfiltered manager judgments in identifying potential.

Stay tuned for future posts on how to get the most out of a high potential program by identifying the right people and having a more nuanced approach to growing them faster.

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