

## Taking Care Of High Potentials ("HIPOs")

High-potential employees are the next-generation talent with the ability, values, aspiration, talent and potential for future leadership within a company. HIPOs tend to be collaborators, relationship and team builders, proactive, ambitious, trustworthy, eager for feedback, flexible, and they do not shy away from accountability. In the real estate industry, few firms take the requisite time and dedicate necessary resources to identify, develop, retain and perfect their next-generation stars. HIPOs are high performers, but not all high performers are high-potential candidates. High-potential employees tend to focus on *how* not *what* they learn. According to various studies, HIPOs are of "more value" [by 90% or greater] to an organization than are non-HIPOs...yet nearly two-thirds of HIPOs are not satisfied with their career and professional development. **Today 45% - 50% of real estate firms believe that their existing talent pool does not have enough HIPOs.**

### Characteristics Of High Potential Employees

- Aspirational	- Leads Rather Than Manages
- Collaborates With Others	- Possesses Business Acumen
- Committed To The Organization	- Proactive Not Reactive
- Confident	- Receptive To Feedback
- Creative Problem-Solver	- Respectful Of Others
- Emotional Intelligence Quotient High	- Seeks Continuous Learning
- Entrepreneurial And Enterprising	- Self-Manages
- Excellent Communication Skills	- Strategic Thinker
- Exemplifies The Company Culture	- Team Leaders
- Knowledge Of The Business	- Trustworthy

Source: CEL & Associates, Inc.

**Real estate firms must create a monitoring/development process and career pathway for HIPOs.** The biggest challenge is identifying high potential employees. (A little secret...it is not always about title or tenure.) Use formal assessment technologies...quantitative as well as qualitative measures. When HIPOs are identified, a career development plan must be created to perfect/strengthen each HIPO's skills. Knowing what motivates them is crucial. According to recent CEL & Associates, Inc. studies, **while compensation is high on the list of HIPO motivators, what they truly want is an ability to reach/exceed their potential**, have a voice at the table, influence/lead challenging assignments and have multiple engaging experiences. In addition, companies should carefully consider promotions from outside their HIPO talent pool.

Identifying and perfecting HIPOs is an essential mandate/requirement of best in class firms. Aligning individual and company goals and needs is key when developing these employees. Let them know they are considered a high-potential candidate. Having a structured program and personal development process is imperative and cannot be ad hoc or seat-of-the-pants. Tomorrow's real estate issues and opportunities will be challenging. Success will be determined by those companies that have a HIPO process in place today.

## Key Questions To Discuss With Your Leadership Team

1. Does your company have a defined HIPO plan and process in place? If not, when should such a plan be created?
2. Does your company encourage the personal and professional growth of HIPOs?
3. If the top 3 – 5 leaders of the company suddenly were gone, who would lead the organization?
4. Do you know the quantitative and qualitative characteristics of a HIPO within your organization?
5. What is your company doing to motivate and retain HIPOs?

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### Prediction

*“By 2025, all best in class real estate firms will have HIPOs in place as 15% - 20% of their workforce.”*

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### Closing Comments

We hope you enjoyed this article and will be able to utilize the “Key Questions” at a future leadership meeting within your firm.

We welcome your comments, feedback, insights and perspectives

Regards,



Christopher Lee

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