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# Finding Tomorrow's Leaders

Lessons in Identifying and  
Selecting High-Potential Talent

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**Michael Arena, PhD**

Chief Talent Scout, General Motors



## Michael Arena, PhD

In this installment of the Zenger Folkman Leadership Podcast series, Michael Arena, PhD, joins Dr. Jack Zenger to discuss methods and strategies to help identify and select talent.

Michael Arena, Chief Talent Scout at General Motors, is an experienced executive and researcher in the areas of leadership, innovation, and transformation. He is responsible for enterprise talent management, strategic workforce analytics, talent acquisition, leadership development, and global learning.

This eBook is a brief part of that conversation. Listen to the full podcast at [zengerfolkman.com](http://zengerfolkman.com).

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## **Michael, what are some of the best practices that General Motors has developed for identifying high-potential leaders?**

We do all the core things like many organizations. What we do that is unique and more experimental are things like trying to determine how people fit into their networks, and trying to understand the impact networks have on potential.

We also create high-exposure opportunities to see how people respond and how they react. Do they emerge and rise to the top based on these vacuum experiences?

Finally, we go out and observe leaders. We go beyond traditional job-analysis and traditional input/output methods. We spend the day with them to understand the nuances of leadership.

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## **I'm fascinated by your concept of understanding how people fit into their network. Does that imply that you're seeking information from not only the immediate manager but also from the people in the network?**

There is some early research that indicates that the way somebody stands up in their network is as important as what they know: your social network and social capital is as important as human capital.

We have also done a lot of experimentation with organizational network analysis and looking at brokers and connectors and comparing that to potential.

This is really predicated on some research that indicates that we identify 50 percent of our high performers or high-potential people inside an organization through traditional methods.

But if you look at the value contribution these people have to the organization, which you can study through network analysis, you end up missing the other 50 percent. These people are hidden from managers, but they are providing tremendous value to those people they are in close contact with on a daily basis. And you can map that.

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## **What tools or techniques do you use to identify and select what you deem to be high-potential managers?**

I spend more time looking at the aggregate of high-potential pools than I spend looking at individuals. We do a lot of interesting analytics work. And at the end of the day I want to know if we have a robust pipeline with enough high-potential people to fill anticipative voids and provide us with a very fluid pipeline.



We measure potential by level. We have a manager-potential pool of people across the organization. We have a separate executive-potential pool. And then we have a senior-leader potential pool.

Sometimes you don't get it right and somebody you feel is a high-potential person is put in a different job and does not perform at the same level. Or the circumstances are different and they drop out of that pool. We certainly look at individual attributes, but the pool is the primary focus for us.

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## What separates the manager pool from the senior-leader pool?

It's not a whole lot different from the pipeline theory, where you have managers, managers of managers, and so forth. And as you move up in the organization there are different needs and different focus topics.

Certainly in a manager-potential person, are they delivering? Do they get results? Are they focused on results? Can they really set stretch goals and will they take initiative?

But two—which separates them from an individual contributor—can they do that in a manner where they're building the capacity around the broader team? Are they building local relationships? Do they collaborate? Can they deliver results from their team and are they able to motivate and inspire others? That's the management-potential category.

When we get to executive-potential, that's really the first point inside an individual employee's career or turn in the pipeline where they must start thinking more broadly across the enterprise. They have to put on an enterprise hat and think broader than their function, broader than their region, and they have to make sure that the enterprise is performing. These people are constantly looking out over the horizon and looking around corners. Can they anticipate things that are coming? Can they be more strategic in nature? Can they work across domains as opposed to staying focused in whatever domain they've grown up in?

It's really the difference between deep thinking and executing. And at the executive-potential level, we're much more interested in people who can



work laterally across the organization. And of course when you get to a senior executive, we're even more interested in determining whether they can develop strategy and truly enable a very large section of the organization to perform differently.

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## **A lot of the people listening to this podcast work in organizations that are smaller than General Motors. What can they learn from your experience in General Motors about identifying and selecting talent?**

There is no substitute for actually going out and watching people. It is easy to just listen to what people say about others, but we want to know what separates great leaders from leaders that are something less than great. What are they doing differently?

We often find that the nuances between a great leader and a poor leader are smaller than what we think. We can observe what they're doing; they can't always tell us what they're doing. They would have told us, "I don't know what I'm doing differently. I'm doing the same thing that all other leaders do."

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## **How do you select people who succeed in international responsibilities?**

We sometimes use the word "versatility" to articulate a set of experiences and determine if people have been successful across multiple terrains.

That's a hard thing to predict. It is part art and part science. You can examine a person's experience and chart the course of their career to see how much versatility they've had. Were they always in manufacturing, or did they do an engineering rotation? Can this person deal with ambiguity? Can this person make sense of complex situations?



It's not fully predictive, but you've got to have a pretty detailed, comprehensive dialogue whenever you're putting someone out where they represent General Motors in another country. That's a big bat and we think these things through carefully.

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## **If you were a middle-sized organization and you wanted to apply what you've learned about analytics, what advice could you have?**

First of all, don't make it too complex. There's a lot of buzz around analytics today and sometimes we make it this mystical black box of people locked in a room somewhere crunching data, running correlation analysis, and trying to predict the future. It certainly doesn't have to be that.

I think it can be very simple. Do we have the right quantity of talent in the organization with the right skill sets? I think there are very simple ways to be able to measure that.

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## **The first piece of advice I would give is on the quantity side. Look at your pipeline and decide how to partition the organization into pools at different levels. How do I calculate "where we are" today? Where do we think we'll be?**

The second dimension is the quality of the people you're bringing in and promoting in the organization. Some of that is assessment. Data works tremendously well. We're wrapping a lot of the stuff we've done for years in the HR space with the banner of analytics, which I'm thrilled about because we have made progressions, but I don't think it's all brand new. Much of this stuff we've been doing, so don't let it be threatening to you.



You and I are both old enough to remember the war for talent when it was at its heyday. Then it seemed like there was a temporary truce for a few years. You mentioned that the war is beginning to heat up. Tell us where you see us being on this war for good talent.

Thank you for reminding me of how old I am! I saw an article the other day entitled “The War for Talent’s Over, Talent Has Won.” To me, that summarizes it. To get highly skilled people into large organizations today is incredibly challenging. The days of organizations being able to open up an offer, put a requisition out there, and hope the best are going to come are over.

I think that organizations are going to have to get incredibly aggressive. And I think that means much less of a passive model, waiting for people to apply. Organizations will need to use a proactive model. They will need to mine the talent they need from other organizations, even if that talent might not be looking for other opportunities.

It’s becoming highly competitive, especially as the economy has turned a bit. I think it’s different around the globe. But I think it’s going to become increasingly more difficult to get high-quality talent into organizations.



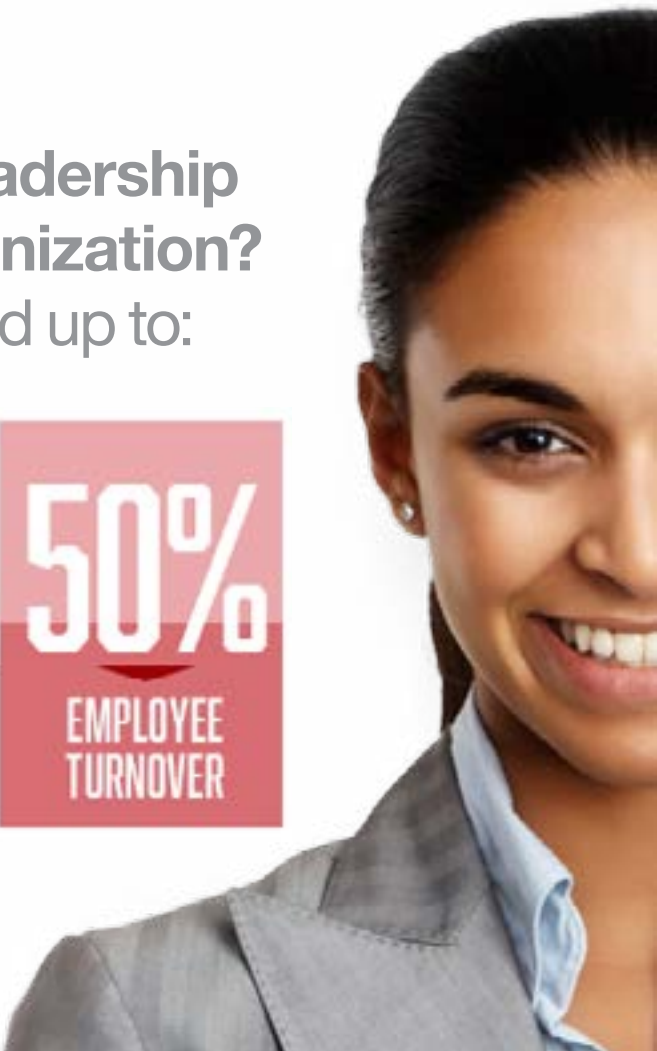


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