



# REBUILDING HIGH POTENTIAL HOW TO MAKE HIPO PROGRAMS FAIR, VALUABLE, AND BUILT FOR THE 21ST CENTURY

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# Rebuilding High Potential How to Make HiPo Programs Fair, Valuable, and Built for the 21st Century

High Potential (HiPo) development programs should be among the most powerful tools in a company's talent strategy. Designed to identify and grow an organization's most promising employees, these programs promise better performance, stronger retention, and smoother succession planning. But despite their cost and intention, most HiPo programs fail to deliver measurable returns for individuals or organizations.

This article reexamines the promise—and pitfalls—of HiPo programs. Drawing on behavioral psychology, educational research, and contemporary workplace studies, we propose a new framework for HiPo programs that makes them more equitable, evidence-based, and aligned with how people and teams actually grow today.

We write this not just as researchers and entrepreneurs, but as former HiPos ourselves—who have both benefited and been burned by flawed systems. The time has come to reimagine HiPo programs not as elite perks, but as practical, auditable pathways for unlocking human potential.

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## A Legacy Worth Learning From

The earliest and most famous HiPo program began in 1956 when GE opened its Crotonville leadership campus. Under Jack Welch, the program became a symbol of corporate excellence, credited with shaping GE's future leaders and amplifying its global success (Welch, 2001).

In 2024, GE sold Crotonville and split into three businesses—signaling a shift in how companies develop talent (GE, 2024).

While Crotonville was revolutionary in its time, today's workplace is radically different. HiPo programs built for industrial-era managers now serve digital-age knowledge workers. We have better science, richer data, and deeper insight into how people grow. That's the opportunity.

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## Why HiPo Programs Fall Short

HiPo programs often rest on strong foundational claims:

- Top performers raise expectations for everyone (HBR, 2014)
- Internal development boosts retention (LinkedIn Learning, 2020)
- Succession planning drives long-term company success (Bersin, 2013)

But the outcomes tell a different story. Employers spend an average of \$3 million per HiPo program (Corporate Executive Board, 2015), yet 73% fail to deliver business outcomes or ROI (Gartner, 2016). Only 25% of leaders deem them successful, and 82% of HR executives are dissatisfied (Gartner, 2016).

On the employee side, 40% of HiPo job moves fail, and 46% fail to meet expectations in new roles (Gartner, 2014). Harvard Business Review reports that 75% of HiPos look for new jobs within their first year and typically leave within 28 months due to lack of development, mentorship, and coaching (Fernández-Aráoz et al., 2011). A Willis Towers Watson study found that over 70% of high-retention-risk employees leave due to lack of advancement opportunities (WTW, 2013).

Clearly, the problem isn't with the idea—it's with the execution.

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## What the Research Tells Us

1. **Expectations Shape Outcomes** In *Pygmalion in the Classroom*, Rosenthal and Jacobson (1968) found that randomly labeling students as “high potential” led teachers to treat them differently—resulting in actual performance gains. The only difference was expectation. The “Pygmalion Effect” is real: belief shapes behavior.
2. **IQ Isn't Enough** Karen Arnold's Illinois Valedictorian Project found that only 25% of valedictorians reached top professional status a decade after high school. Most fell back into the middle. High test scores didn't translate into real-world success (Arnold, 1995).

Similarly, Kahneman, Sibony, and Sunstein (2021) argue in *Noise* that General Mental Ability (GMA) predicts performance in complex jobs but doesn't explain success alone.

3. **Psychological Safety Is the Differentiator** In 2016, Google revealed that its most successful teams shared one key trait: psychological safety. Not alma maters, tenure, or credentials—just the freedom to experiment, fail, and learn (Duhigg, 2016).

This challenged the long-held belief that top performance is a function of individual brilliance. It's not. It's about how people work together.

4. **Accountability + Development = ROI** McKinsey's *Performance Through People* report (2023) analyzed 1,800 large companies and found that the top tier—those with the best returns—combined talent development with accountability. These firms outperformed during the pandemic and created more upward mobility (McKinsey & Company, 2023).
5. **Top-Down Control Doesn't Work for Knowledge Work** Captain L. David Marquet's *Turn the Ship Around* shows that replacing command-and-control with “leader-leader” dynamics transformed the USS Santa Fe. Results: 100% retention, better performance scores, and more re-enlistments (Marquet, 2012).

Marquet writes, “People who are treated as followers have the expectations of followers and act like followers.” That’s a direct challenge to traditional HiPo structures.

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## What About Ethics?

Is it ethical to offer exclusive opportunities to select employees? Yes—if the criteria are transparent and based on auditable data. Selection must be fair, not political. “Pattern matching” or gut feeling should have no place in the NextGen HiPo process.

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## A New Blueprint for HiPo Programs

Based on this research, we propose a framework for building equitable, scalable, and ROI-driven HiPo programs:

1. Define Success Start with clear metrics tied to business goals. Adjust annually based on participant feedback.
  2. Open Application Allow all employees to opt in. Rank applicants on:
    - Quantified contributions to others (e.g., mentoring, ERG roles)
    - Measurable work impact
  3. Ensure Transparency Make selection auditable. Publish criteria. Share how the program works company-wide.
  4. Embed in the Workday Offer development at times that fit work schedules. Terawatt’s experience shows morning, lunch, or half-day formats work well (Terawatt, 2022).
  5. Use Dual Assessments Use one personality profile (DISC, Enneagram, etc.) and one valid psychometric with strong reliability, low error, and fairness across demographics.
  6. Prioritize Psychological Safety Use 360-degree assessments to evaluate and build team dynamics.
  7. Collect Real Feedback Incorporate feedback from peers, mentors, KPIs/OKRs, and assessments regularly.
  8. Facilitate Peer Learning Form participant-led discussion groups to share experiences and challenges.
  9. Engage Leadership Senior leaders should actively participate—just as Jack Welch did at Crotonville.
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## The Equity Imperative

Terawatt’s 2022 survey found that Latino employees were more likely than white peers to perceive employer-sponsored development as unfair. This echoes a larger reality: Talent is equally distributed—opportunity is not.

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## The Prosperity Trait Index

Steve developed the Prosperity Trait Index (PTi) to help individuals reduce the gap between potential and performance. Grounded in the psychology of learned helplessness (Seligman, 1972) and self-efficacy, PTi provides a quantifiable measure of belief systems that drive sustained achievement (Long Training+Research, 2022).

Francie's personal experience: After scoring a 9/100, she worked with Steve and six months later scored a 99. Six months after that: 97. The change wasn't in her ability—it was in her mindset.

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## Conclusion: Build What Works

HiPo programs have a reputation problem. They're often exclusive, expensive, and ineffective. But when rebuilt on science, transparency, and equity—they can become engines of performance and transformation.

Let's use what we know to build HiPo programs that truly unlock human capital—at scale, for good, and with measurable results.

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