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INFORMATION ASYMMETRY IN HIGH POTENTIAL PROGRAMS

Abstract

Purpose - To examine the implicit beliefs both high potentials and HR directors hold about the terms of the exchange relationship between high potential employees and their organizations. We position the study within the framework of the psychological contract, exploring specifically whether strategic ambiguity and information asymmetries in high potential programs create a heightened risk of psychological contract breach.

Design/methodology/approach - 20 high potentials and 11 HR directors from 9 different organizations were interviewed. Open and axial coding of the qualitative data was performed by three raters.

Findings - Information asymmetry in high potential programs, indeed, poses a potential risk for psychological contract breach. Although strategic ambiguity can be an effective communication strategy in that it creates a power imbalance in favor of the organization, at all times a delicate balance must be maintained between leaving room for flexibility and intuitive decision making, and creating perceived promises in high potential employees that are subsequently broken. In fact, through information asymmetry organizations run the risk of achieving the exact opposite of the goals they had for their high potential programs in the first place.

Originality/value – Hardly any research has been done on the psychological effects of identifying a very small proportion of an organization's workforce as high potentials. In addition, research contrasting employee and employer beliefs about psychological contract terms is scarce.

Keywords High potential programs, Talent management, Workforce differentiation, Psychological contract breach, Signaling theory, Strategic ambiguity, Information Asymmetry

Paper type Research paper

Information Asymmetry in High Potential Programs a Potential Risk for Psychological
Contract Breach

Introduction

Studies estimate that between 40 and 60 percent of global companies have high potential programs in place (Pepermans *et al.*, 2003; Silzer and Church, 2010; Slan and Hausdorf, 2004; Slan-Jerusalim and Hausdorf, 2007). Also called high-flyer or fast-track development programs (Altman, 1997; Baruch and Peiperl, 1997; Feild and Harris, 1991; Garavan and Morley, 1997), these programs encompass the systematic identification, socialization, and development of cohorts of employees seen as having high potential for a top management position, or for advancement to a higher level of responsibility more generally (Larsen *et al.*, 1998; Silzer and Church, 2010). Inspired by a ‘war for talent’ discourse (Michaels *et al.*, 2001), companies have become convinced that they should groom their most talented employees (i.e., their ‘A players’) for positions of strategic importance, whilst directing their ‘B players’ towards support positions, and their ‘C players’ towards the exit (Huselid *et al.*, 2005). Hence, the underlying principle of high potential programs is workforce differentiation—i.e., the investment of disproportionate resources where one expects disproportionate returns (Becker *et al.*, 2009; Collings and Mellahi, 2009; Huselid and Becker, 2011; Ledford and Kochanski, 2004).

The notion of the war for talent is rooted in two main assumptions (Beechler and Woodward, 2009). First, that in a knowledge economy context traditional sources of competitive advantage are losing their edge whereas human talent is a renewable resource not easily copied or stolen by competitors. Second, that attracting and retaining ‘high potential’ employees is becoming increasingly difficult as a result of specific demographic and psychological contract trends. Increasingly, organizations worry that a consumerist attitude is taking hold of their employees—in which the organization is considered a

resource to the individual just as much as the other way around (Inkson, 2008). A typical target for high potential programs, then, is to increase the commitment, engagement, and loyalty of those employees the organization can least afford to lose (Vloeberghs *et al.*, 2005).

Somewhat paradoxically—considering their focus on achieving retention and commitment through differentiation—the typical mode of communication about high potential programs seems to be ‘strategic ambiguity’, meaning that openness and clarity are deliberately avoided (Eisenberg, 1984) thus creating information asymmetries in which one party (i.e., the organization) has more or better information than the other (i.e., the high potential employee) (Stiglitz, 2002). Organizations are typically afraid that communicating openly and clearly about their high potential programs will cause arrogance in those selected for the program, and jealousy in those not selected (Larsen *et al.*, 1998). Consequently, less than one in three organizations disclose information about their high potential programs to employees—and when they do, information is often exchanged in a very informal manner (Bournois and Rousillon, 1992; Dries and Pepermans, 2008; Silzer and Church, 2010). This might lead to a number of issues.

First of all, according to Becker and Huselid (2006), in order to guarantee the retention of ‘A players’, career opportunities need to be clearly communicated. In their study of 199 high potential managers, Campbell and Smith (2008) found that those who were formally identified as high potentials displayed significantly less job search behavior than those who were informally identified—receiving formal recognition was considered very important by the study participants. Moreover, the literature on perceived organizational justice suggests that being transparent about high potential programs might be an important buffer to perceptions of unfairness among employees *not* identified as high potentials (Gelens *et al.*, 2013; Slan-Jerusalim and Hausdorf, 2007). Second, even when organizations (think that they) are not openly communicating about their high potential

policies, they are still communicating—which is the central tenet of signaling theory (Connelly *et al.*, 2011). HRM scholars estimate that even under conditions of strategic ambiguity, information about high potential programs ‘leaks’ to employees in 90 percent of cases (Bournois and Rousillon, 1992). We posit that the signals organizations advertently or inadvertently send out about their high potential programs—conveyed, for instance, by performance reviews, compensation and benefits decisions, training manuals, and procedural changes (O’Neill *et al.*, 2007)—will feed into the implicit assumptions high potential employees hold about their relationship with their employer (Suazo *et al.*, 2009).

Theoretical Framework

Employee perceptions of the rules of the exchange relationship they have with their employer, and of the resources that are exchanged, are typically referred to as ‘psychological contracts’ (Höglund, 2012; Rousseau, 1995; Shaw *et al.*, 2009). Psychological contracts thus express employees’ inferred interpretations of explicit and implicit promises made by their organizations (Conway and Briner, 2009). Although they are not legally binding in terms of creating a mutually shared agreement between employers and their employees (Suazo *et al.*, 2009), many studies have demonstrated that the effects of psychological contract breach—defined as an employee’s perception regarding the extent to which his or her organization has failed to fulfill its promises or obligations (Robinson and Rousseau, 1994)—can be as devastating as those of legal contract breach (Zhao *et al.*, 2007).

In the present, qualitative study we investigate the implicit beliefs both participants in high potential programs and the developers of those programs (i.e., HR directors) hold about the terms of the exchange relationship between high potential employees and their organizations. We are particularly interested in examining the extent to which these beliefs are mutual, considering the indications in the literature that these programs are often poorly communicated to employees (Bournois and Rousillon, 1992) whilst the stakes of potentially

losing high potential employees to the competition are high (Vloeberghs *et al.*, 2005). We position our findings within the framework of psychological contract theory, exploring specifically whether information asymmetry in high potential programs creates a heightened risk of psychological contract breach (Lester *et al.*, 2002). In so doing, we aim to contribute to the literature on high potential programs—situated mostly within the talent management domain (Silzer and Church, 2010)—on the one hand, and to the literature on psychological contracts on the other.

Talent management research is generally positioned within a strategic HRM, or a resource-based view (RBV) framework (Collings and Mellahi, 2009), which means that it is typically studied from the perspective of organizational strategy makers rather than individual employees (Gelens *et al.*, 2013; Huselid and Becker, 2011). To date, hardly any research has been done on the psychological effects of identifying a very small proportion of an organization's workforce as high potentials (typically 5 percent) on employees—whilst the satisfaction and commitment of the participants in high potential programs is a crucial concern to organizations (Feild and Harris, 1991). We argue that examining the psychological dynamics at play in high potential programs is an important addition to the literature, in order to fully grasp the implications of this type of HRM interventions. Humans, after all, cannot be expected to react as rationally and predictably to strategic decisions as other 'resources' do (Inkson, 2008).

As for **the literature on the psychological contract**, there have been calls in recent years for more research on the ways in which **it** is influenced by organizational-level variables (Guest and Conway, 2002; Guzzo and Noonan, 1994; Suazo *et al.*, 2009). Although Rousseau, in her seminal work on the psychological contract (i.e., Rousseau, 1989, 1995), acknowledged that it is formed both by individual predispositions and interpretations and by organizational messages and social cues, an overwhelming majority of studies has

studied the psychological contract from the employee perspective alone (Conway and Briner, 2009)—claiming that whether or not employees make accurate assessments of the promises made by their organizations is irrelevant in determining their attitudinal and behavioral reactions to perceived breach (Robinson, 1996). At its origins, however, the concept of the psychological contract did include the perspective of organizational agents, as well (March and Simon, 1958). As the psychological contract is essentially an exchange concept, it is somewhat puzzling that research contrasting employee and employer beliefs about psychological contract terms is scarce (De Cuyper *et al.*, 2008).

In the current study, we examine both employee and employer assumptions about the terms and conditions of participating in a high potential program, because we are interested to see whether the information asymmetries often inherent to these programs might lead to differences in perception between the different parties involved. In line with Rousseau's (2011) call for more research on the processes that create agreement versus disagreement about psychological contract terms, we hypothesize that large discrepancies between employee and employer beliefs may be precursors to psychological contract breach among high potential employees (Lester *et al.*, 2002).

Psychological Contracts of 'Special' Employee Categories

In recent years, respected authors have stated that in order to advance the psychological contract literature theoretically, we need to come to a better understanding of differences between groups of workers in relation to the psychological contract (Isaksson *et al.*, 2009). Indeed, an increasing interest is observed in the psychological contracts of specific employee categories, such as contingent workers (e.g., McLean Parks *et al.*, 1998; De Cuyper and De Witte, 2006), minority groups (e.g., Chrobot-Mason, 2003), core versus peripheral workers (e.g., Lepak and Snell, 1999; Rousseau and McLean Parks, 1993), volunteers (e.g., Vantilborgh *et al.*, 2012), and employees who have managed to negotiate

‘i-deals’ (i.e., personalized work arrangements allotted on an individual basis; Rousseau *et al.*, 2006).

We propose that entry into a high potential program is a critical incident in the (re)formation of the terms of the exchange relationship between employees selected for such programs, and their employers. Signaling theory proposes that HRM practices—through their impact on employee perceptions of the type of behavior that is rewarded by the organization—play a central role in shaping psychological contract beliefs (Höglund, 2012; Guzzo and Noonan, 1994; Suazo *et al.*, 2009). As for high potential programs, specifically, being identified as a high potential signals an employee’s value to his or her current organization, but not elsewhere. A typical target for high potential programs is to accelerate the development of employees with high potential for advancement up the organizational career ladder, so that their talent “becomes more rapidly available” to their organizations (Vloebergs *et al.*, 2005, p. 547). Thus, being identified as a high potential implies larger investments on the side of the organization in a person’s internal career development (Dries and Pepermans, 2008; Höglund, 2012; Silzer and Dowell, 2010). Special inducements often follow immediately after identification, ranging from special benefits and training programs to the prospect of a potential promotion to a management position (Larsen *et al.*, 1998).

In a 2008 interview study, high potentials reported that their formal nomination as a ‘special’ member of the organization withheld them from accepting outside job offers, since they perceived their advancement within the organization as more ‘guaranteed’ than external opportunities for advancement (Dries and Pepermans, 2008). In general, employees identified as high potentials seem to believe that they would most likely be worse off changing employers (Lazear, 2009). One reason lies in the fact that employees may doubt that their special status would transfer to another organization (Ng and Feldman, 2008). Another reason might be that the allocation of the high potential label makes high potential

employees feel adequately rewarded (i.e., in line with their market value), and so there is no incentive to try to better themselves (De Cuyper *et al.*, 2011). We posit, however, that these beneficial psychological effects might not occur (or, at least, to a lesser extent) under conditions of strategic ambiguity.

Strategic Ambiguity, Information Asymmetry, and Psychological Contract Breach

As mentioned earlier, most organizations report to have adopted strategic ambiguity as a communication strategy for their high potential programs (Bournois and Rousillon, 1992; Dries and Pepermans, 2008; Silzer and Church, 2010). Strategic ambiguity is defined as follows: “the deliberate use of ambiguity in strategic communication in order to create a ‘space’ in which multiple interpretations by stakeholders are enabled and to which multiple stakeholder responses are possible” (Davenport and Leitch, 2005, p. 1604). According to Eisenberg (1984), although many authors in organizational communication seem to equate effective communication with open communication, clarity and openness are in fact nonsensical standards for effective communication. In fact, from a strategic communication point of view, clarity and openness are only measures of communicative competence *if one has as a goal to be clear* (p. 230).

Most organizations are hesitant to communicate openly and clearly about their high potential programs for the following reasons: fears of creating high expectations in terms of promotions, development opportunities, and resources that the organization might not be prepared to provide (Silzer and Church, 2010); fears of ‘crown prince syndrome’, a phenomenon whereby people who believe they are assured a spot in their organization’s senior management (much like crown princes) lose their motivation to work for it (Dries, 2013; Göbel-Kobialka, 1998); fears of losing leeway to make promotion decisions based on gut feelings rather than standardized assessments (Highhouse, 2008); and fears of creating peer jealousies and a competitive climate (Bothner *et al.*, 2011; Larsen *et al.*, 1998). We call

the ambiguity surrounding high potential programs (at least, from the viewpoint of the employees participating in them) ‘strategic’ because most organizations with opaque high potential policies deliberately utilize ambiguous promotion criteria to keep their high potentials on their toes (cf. tenure criteria in academe; Yining *et al.*, 2006).

According to signaling theory, however, any form of communication by the organization or an agent of the organization (e.g., direct supervisor, HR staff, colleague)—ambiguous or not—can be interpreted by an employee as a promise that can create a psychological contract (Connelly *et al.*, 2011; Conway and Briner, 2009; Rousseau, 1995). Therefore, information asymmetries between participants in high potential programs and the developers of those programs (i.e., HR directors) are likely to trigger incorrect assumptions in high potential employees about promises made by the organization (Dries *et al.*, 2012). When employees have little information about organizational practices, they will ‘fill in the blanks’ using whatever cues or signals they receive from the organization (e.g., positive feedback, satisfactory performance ratings; Suazo *et al.*, 2009).

Among the most likely causes of psychological contract breach are perceived inadequacy of HR practices, a lack of trust in management, discrepancies between employee and HR beliefs about the employment relationship, and perceptions of differential treatment as compared to coworkers (Conway and Briner, 2009)—all of which are likely to be induced or worsened by strategic ambiguity (Suazo *et al.*, 2009). Therefore, we posit that the information asymmetries that emanate from strategic ambiguity in high potential programs are at risk of causing psychological contract breach in high potentials. In what follows, we explain how we collected and analyzed the qualitative data used to examine this hypothesis.

Method

Organizational Contexts

We obtained the participation of nine organizations, identified as best practice organizations by a major consulting company, spanning six different industries (see Table 1). Prescreening interviews were conducted to find out more about each organization's high potential program. Table 1 presents an overview of the characteristics of each participating organization and their high potential program. As can be seen in the table, the participating organizations differed in terms of: (1) the percentage of employees identified as high potentials on an annual basis (percentages ranged from 0.05 to 10); (2) the degree of formalization of their high potential programs ('low' indicating that decisions are made based mostly on gut feelings; 'medium' that there are policies in place but that these are not binding; and 'high' that decisions relating to the program are highly formalized); and (3) the degree of strategic ambiguity in their high potential programs ('low' indicating that the organization communicates openly and clearly about the program to all of its employees; 'medium' that high potential employees are informed about the program, but not other employees; and 'high' indicating that the organization does not disclose much information about its high potential program, not even to program participants).

Although the data summarized in Table 1 indicate some heterogeneities in our sample, all participating organizations met specific predefined inclusion criteria. First of all, the organizations' definition of a high potential program needed to correspond to that of the study (see Introduction). Second, they had to be able to present an official list of program participants. Third, organizations were not allowed to compose ad-hoc lists of their high potential employees especially for the study; only people identified as high potentials at least one year prior to the study were considered for an interview.

—Insert Table 1 about here—

Sample and Procedure

Data were collected through semi-structured interviews conducted with HR directors and employees identified as high potentials. We interviewed 11 HR directors (organizations 3 and 4 both had two HR directors, one for general HR matters and another one for their high potential program specifically), 6 male and 5 female. The average age of the HR directors was 38.75 ($sd = 3.49$); their average organizational tenure was 14.25 years ($sd = 2.54$). Each of the interviewed HR directors selected one or more employees knowingly identified as high potentials within their organization as interviewees. Twenty high potentials agreed to an interview. Whether or not these high potentials had formal knowledge of their status depended on their organization's policies (see Table 1). All of them were aware either formally or informally, however, of the fact that they were identified as high potentials by their organizations. Four female and sixteen male high potentials were interviewed, with a mean age of 33.05 ($sd = 6.09$), and an average organizational tenure of 6.10 years ($sd = 2.75$).

All interviews took place in the participating organizations' offices during office hours and lasted between one and two hours. Semi-structured interview guides were developed to ensure a certain degree of standardization between the interviews. The HR directors were invited to tell us about their organization's high potential programs and what they expected of their high potential employees. The high potential interviewees, from their side, were asked what they expected from the high potential program. Interviews were conducted in Dutch; the quotes and codes reported in this paper were translated into English after completion of the analyses.

Each individual interviewee was assigned a two-digit code indicating whether he or she was an HR director (HR) or a high potential (HP), his or her employing organization (first number of the code), and reference number within the organization (second number of the code). This allows the reader to link the interview quotes reported in the Results section

and in Appendix A and B to the organizational characteristics reported in Table 1 without compromising participant anonymity.

Analyses

All interviews were digitally recorded and transcribed verbatim with permission of the interviewees. Coding of the data was performed using ATLAS.ti (5.0). Data were analyzed as they were collected, through an iterative coding process conducted by multiple raters. The first stage of analysis involved thematic content analysis based on *open coding*—i.e., “the process of breaking down, examining, comparing, conceptualizing, and categorizing data” (Strauss and Corbin, 1990, p. 61). Using open coding allowed us to explore the ideas that were captured in the raw interview data (Corbin and Strauss, 2008; DeCuir-Gunby *et al.*, 2011). As similarities and differences emerged throughout the coding process, a coding scheme reflecting underlying constructs was developed by clustering codes together to make categories (see Appendix A and B). First, the two authors along with a third subject matter expert (SME) independently carried out preliminary coding on a sample of five transcripts. These codes were exchanged and discussed, leading up to the development of two initial coding schemes—one for the HR director interviews and one for the high potential interviews. For each code, a definition was formulated, based on the data, the insights of the three raters and the literature. A code was considered reliable when all three raters agreed that it reflected a separate category of the interview data (i.e., when excerpts from the interview were assigned to the same coding category, and not to another, by all three raters). Second, we coded an additional five transcripts and optimized the initial coding schemes based on their independent analyses. Finally, in the last step of the iterative open coding process, we independently coded all transcripts using the final coding schemes. For each code, the final coding schemes contained a label, a definition and a sample excerpt (see Appendix A and B).

In the second stage of analysis, *axial coding* was performed—i.e., “a set of procedures whereby data are put back together in new ways after open coding, by making connections between categories” (Strauss and Corbin, 1990, p. 96) (see Figure 1). Axial coding involves the selection of a core category, which refers to that category of data that accounts for most of the variation of the central phenomenon of concern and around which all other categories are integrated (Kendall, 1999). As shown in Figure 1, we selected ‘disagreement between high potential employees and HR directors about the terms of the exchange relationship between high potentials and their organizations’ as our core category. First, we analyzed and discussed the relationships between the final codes described in the two coding schemes. Second, we developed a ‘paradigm model’ of the data (Figure 1)—i.e., an organizing scheme that connects subcategories of data to a central idea or phenomenon (in our case, information asymmetry in high potential programs) to help researchers think systematically about their data and pose questions about how different categories in the data relate to each other (Strauss and Corbin, 1990).

Findings

Based on the open coding conducted in the first stage of our qualitative analysis, we developed two final coding schemes—one for the HR director interviews and one for the high potential interviews—to describe the most important themes in our data (see Appendix A and Appendix B). As the Appendices show, we found three categories of implicit beliefs relating to the terms of the exchange relationship between high potential employees and their organizations that appeared to be mutually shared by HR director and high potential interviewees: ‘training and development’, ‘networking’, and ‘career advancement and planning’. In addition to the three mutual categories, two categories of implicit beliefs were identified in the data that were only mentioned by the HR directors: ‘performance’ and ‘ambition and drive’ (see Appendix A). We also identified two categories of implicit beliefs

mentioned only by high potential interviewees: 'privileged position' and 'financial rewards' (see Appendix B).

As our findings will demonstrate, much disagreement was found between HR directors and high potentials about the terms of the exchange relationship between high potential employees and their organizations. Even the 'mutual' categories revealed conflicting expectations held by high potentials and HR directors, especially in terms of which party in the exchange relationship they hold accountable for success or failure of the high potential program.

Disagreement About the Terms of the Exchange Relationship

When comparing the interview data of the HR directors with that of the high potentials, the most significant finding is that both parties seem to hold the other accountable for managing high potentials' careers. A good illustration of the conflicting expectations held by high potentials and HR directors can be found in the implicit beliefs with respect to training and development. High potentials expect their organizations to offer them interesting and exclusive training opportunities, whereas organizations expect their high potentials to proactively look for interesting training opportunities themselves, express their interest in specific programs, and request information from HR about how to register for them. As concerns networking, the high potential interviewees report that they expect their organizations to organize all sorts of activities which will allow them to demonstrate their capabilities and enhance their visibility within the organization, such as breakfast meetings with the board. The HR directors, on the other hand, expect their high potentials to network for themselves (both in terms of political and knowledge networking; see Appendix A), and make sure their skills and talents are visible to higher management. As for career advancement and planning, high potentials expect their organizations to create promotion opportunities as well as customized career tracks, whilst simultaneously allowing their high

potential employees to take their careers into their own hands and manage it themselves. HR directors, from their side, expect high potential employees to demonstrate a proactive and realistic attitude towards career planning:

The initiative has to lie with the person him or herself [...] if they're not pushing for it themselves the impression will be created that they don't want [it] that badly. We'll coach our employees, but if they're a high potential, they won't wait for that. (HR_{3,1})

Axial coding of our interview data allowed us to dig deeper into the core category in our data—i.e., disagreement between high potential employees and HR directors about the terms of the exchange relationship between high potentials and their organizations (see Figure 1). In what follows, we analyze the conflicting expectations held by high potentials and HR directors, as well as their potential causes and effects, in more detail.

—Insert Figure 1 about here—

Expected by High Potentials

Across the mutual and unique categories of implicit beliefs, the three most salient themes in the high potential data—which we argue, are most indicative of their end of the psychological contract—were organizational support and career guidance, special treatment, and adequate financial and psychological rewards. Specifically, high potentials believe that their entry into the high potential program implies that the organization will provide special support in achieving their career goals:

Once you're on that [high potential] list, and you're not satisfied in your job anymore [...] they'll say "OK, let's look at all possible positions for you here at [company], what would you like to do next" [...] I feel so comfortable in this situation. (HP_{3,2})

In addition, high potentials expect their organization to include them in high-level projects commissioned by important clients, resulting in higher levels of responsibility and increased opportunities to make an impact on the organizational bottom line. They also expect equitable financial returns for their continued efforts. The relationship between being identified as a high potential and financial rewards is not always a positive one, however.

Around half of the high potentials interviewed reported that their salary and bonuses were at the same—if not at a lower—level than that of some of their non-high potential colleagues. The fact that their high potential status was not rewarded by a higher salary was perceived as ambiguous and confusing:

It's a bit frustrating [...] I know what [...] everyone else is getting compared to what I'm getting [...]

I wonder, if I'm such a high potential, how come I'm making only half of what others are making who are at the same level, and who I know for a fact are not identified as high potentials? (HP7.2)

Expected by HR Directors

Across the mutual and unique categories of implicit beliefs, the three most salient themes in the HR director interviews—which we argue, are most indicative of their end of the psychological contract—were employee initiative and proactivity, a consistent track record of excellent performance, and patience and realism in terms of career planning. Performance was the most frequently mentioned category among HR directors. All HR directors interviewed considered it self-evident that high potentials should consistently maintain a flawless performance record and deliver a unique and obvious contribution to their organization's strategic mission:

If you don't live up to expectations, you're out [...] If you look at the number of hipos, they are around 3 or 4% of the population. The next level, [which we call] the corporate hipos, who we see as capable for even more senior roles in the organization, refers to less than 1% of the population. So that's at least 2 out of 3 that will drop out at some point [...] if, at a certain point—because we review everyone annually—you're not achieving that performance standard anymore, you're probably out. (HR4.2)

In addition, HR directors expect high potentials to take the lead in managing their own careers, and to demonstrate a high level of ambition in terms of showing perseverance:

[We are not] going to do it *for* them. We're not going to look for courses they can take. We're not going to recommend books they should read. We're not going to help them self-coach. No [...] we offer support, the door is open, feel free to drop by. But it's in your own hands [...] not many people are up for that. (HR6)

The HR directors also stressed that being identified as a high potential does not mean that rapid career advancement is guaranteed. They expressed some irritation as to the—according to them—‘unrealistic’ expectations the employees in their organization’s high potential program had about career advancement:

In the last few years I’ve increasingly been confronted with young people who are expecting to move really, really fast. That desire for speed is inherent to the concept of a high potential I guess [...] but there are limits [...] it can be challenging to adjust their expectations sometimes (HR_{4.1})

Evidence of Information Asymmetry in High Potential Programs

Plenty of evidence was found in the interview data for the occurrence of information asymmetries in high potential programs, whereby information about the programs was deliberately withheld from participants. Many of the HR directors we interviewed talked about actions taken by the organization ‘behind the scenes’, so as to avoid having to communicate openly about who is, and who is not, part of the high potential program:

If there are only 15 available seats in a training program and we have 14 high potentials in our program, yes, we’ll make sure that the high potentials are enrolled first. But this all takes place at the ‘hidden’ level [...] we have no intention of communicating about that. That is why I shut my door [for this interview]. It would be as though a bomb went off in here. (HR₇)

Fears of creating ‘career guarantees’, of creating arrogance in high potentials, jealousy and frustration in non-high potentials, and of being overly bound to rules and regulations were typically used to legitimize the choice for a communication mode of strategic ambiguity. A number of HR directors also expressed that they severely disliked the term ‘high potential’, and therefore had instructed their organization’s managers not to use it in front of employees:

Calling them ‘high potentials’ [...] seems to imply that all other employees are ‘low potentials’. I consider it a dirty word, sort of. Just like talent. It’s just a very difficult topic area to communicate about. “Talent, what do you mean? I’m not in the program, so I don’t have talent?” (HR₃)

The HR directors also expressed doubts about the quality of the communication skills of their organization's managers (i.e., the direct supervisors of the employees in the high potential program):

This is a type of information that you don't want shared with employees without boundaries or structure. You have to teach managers how to spot talent and how to communicate about it. Right now, I'm not feeling very confident [that we're doing it well]. When I see some of our people leave the [talent review] meetings [...] I can't even begin to imagine how they interpret what they heard and how they are going to convey that to their subordinates... And then I think, how is that person ever, using the right words and putting things in the right perspective, going to deliver *that* feedback? (HR₉)

Interestingly, we found no apparent connection between an organization's actual high potential policies (as reported by the HR directors; see Table 1), and the experience of strategic ambiguity and information asymmetries on the part of the high potentials. To the contrary—we found both instances of high potentials in 'high ambiguity' contexts reporting that the terms and conditions of the program were clearly communicated to them, and instances of high potentials in 'low ambiguity' contexts reporting they had no idea what the program they were in was about:

[Company] has a program for high potentials and everyone knows that [...] because you can tell from certain things [...] But they don't communicate openly about what the program implies and I find that unfortunate [...] I think it would be much, much better to openly discuss people's available career options with them [...] otherwise it's a guessing game. (HP_{6.1})

A possible explanation for this latter finding might be that direct supervisors often go against the official guidelines prescribed by the organization in their communications about the high potential program:

The official directive is no communication, at least no direct communication. This means that, if communication happens at all, it should be along general lines like "we believe in you and we're going to get you the necessary training" et cetera. And again, there are going to be managers who want to be completely transparent about it [...] and who show all of their subordinates exactly where they are on the nine-box grid [i.e., the organization's performance appraisal framework]. (HR₁)

Information asymmetries were not only the result of strategic ambiguity; other factors were at play, as well. First of all, the different interests and agendas of HR directors and high potentials (i.e., employees are resources to organizations, and organizations are resources to employees' careers) are likely to cause selective perception effects, in which each party in the employment relationship 'hears what they want to hear'. Second, both parties have differential access to information. Whereas HR directors have more information about the high potential program, the high potentials have more knowledge of how the program is *actually* experienced by its participants (bearing in mind that they often receive information from their direct supervisors unofficially, possibly without the HR department being aware of it). Third, some of the HR directors we interviewed indicated that although they would like to communicate more openly about their high potential program, they feel it is impossible to do so because they are unhappy about the state the program is in. These interviewees typically felt they needed to improve the program first, before they could even consider transparency towards participants:

The problem is, we conducted the reviews, we know where all of them are, but we don't do anything more about it [...] Since we've been restructuring, all those beautiful promises [...] we haven't been able to follow up on the talent reviews [...] We [the HR department] are so busy that we don't have any time left over to work on the high potential program. It will get better, but right now it's just not a priority. (HRs)

Potential Effects of Information Asymmetry in High Potential Programs

For organizations, information asymmetry in high potential programs can be beneficial in that it tends to stimulate those with a tendency for overachieving and perfectionism—a shoe that fits many high potential employees. Because criteria for advancement are ambiguous, HR directors argue, those who are most motivated and driven will work even harder so as to make sure they meet the requirements. Other advantages of information asymmetry are that the less information high potential program participants

have about the program, the less they can pin down their organization's management on promises made; and that strategic ambiguity creates freedom to make decisions (for instance, about who gets to participate in the program and who does not) based on gut feelings rather than standardized criteria. As mentioned earlier, the HR directors we interviewed reported that the line managers in their organizations prefer to follow their own judgment when it comes to the high potential program, rather than having to comply with a set of rules and regulations:

We wanted to develop a special tool for the identification of high potential employees, and we did [...] but we got feedback [from management] along the lines of "we don't really need this, we know who our key talents are and who isn't and we don't need any extra toolkit or framework or checklist for that". (HR₅)

The other side of the coin for organizations is that information asymmetries might lead to lowered morale (when employees get frustrated with the lack of information), health issues (when overachievement and perfectionistic tendencies lead to workaholism, stress and burnout), and gossip among employees about the high potential program. A very remarkable finding was that some organizations do not implement certain HR practices they would like to include in the high potential program out of fear of compromising the anonymity of the program participants (one HR director referred to this as 'the tail wagging the dog'):

We were thinking [...] of assigning internal mentors to our high potentials. But since it is decided that we won't communicate about the program [...] it is difficult. So management [has told us] "we don't really want to go forward with the internal mentor thing". (HR₃)

As for the high potentials themselves, although information asymmetries have mostly negative effects for them (following the adage that 'knowledge is power') one possible advantage of strategic ambiguity in high potential programs is that it challenges them to assume accountability for their personal development, and allows for some (perceived) space for the negotiation of 'i-deals' (in the sense that

under conditions of strategic ambiguity, high potentials feel less bound to standardized career tracks):

I mean I can appreciate that they point out strengths and weaknesses to me or congratulate me on my strengths, but not that they are going to determine what my career will look like. And I don't think they do that [...] So I can't say that I am on a standard career track or that they determine my career, or at least I hope not. (HP2.3)

On the negative end, information asymmetry in high potential programs might lead to a heightened sensitivity to feedback in high potentials (in their attempts to collect 'clues' about where they stand in the program), and feelings of insecurity and anxiety caused by a lack of information about their opportunities for career advancement:

The reason I wanted to leave [company] last year was that after months and months of being identified as a high potential [...] it was just an empty box. There really was nothing in return. On top of that, because of the crisis in telecom, [company] had announced a salary freeze. I was becoming more and more convinced that my wage was not in line with my value. So I started shopping around on the market to find out what I was really worth. The result was that I got a contract offer for a significantly higher amount [...] Out of loyalty for [company] I took that back to them and told them "I'm only staying if you let me help you develop a high potential program with more body to it, and if all high potential salaries are benchmarked against the market". Both of my conditions were met, and so I ended up staying. (HP4.2)

Discussion

The goal of this study was to examine the implicit beliefs both high potentials HR directors hold about the terms of the exchange relationship between high potential employees and their organizations. We were particularly interested in examining the extent to which these beliefs are mutual, considering indications in the literature that the typical mode of communication about high potential programs is strategic ambiguity, which creates information asymmetries between organizations and employees. We positioned the study within the framework of the psychological contract, exploring specifically whether

information asymmetries in high potential programs create a heightened risk of psychological contract breach.

Our findings indicate that information asymmetry in high potential programs, indeed, poses a potential risk for psychological contract breach in high potential employees.

Although strategic ambiguity can be an effective communication strategy in that it creates a power imbalance in favor of the organization, at all times a delicate balance must be maintained between leaving room for flexibility and intuitive decision making, and creating perceived promises in high potential employees that are subsequently broken. In fact, as summarized in Figure 1, through information asymmetry organizations run the risk of achieving the exact opposite of the goals they had for their high potential programs in the first place—i.e., accelerating the development of their high potential employees in a controlled way, grooming them for top management positions, and increasing their commitment, engagement, and loyalty.

Implications for HR Practice

Organizations should never lose sight of the fact that the categorization of employees into ‘A, B, and C players’ is a strategic choice with important repercussions (Becker *et al.*, 2009). By labeling employees as high potentials, high expectations are created. The high potentials we interviewed reported to be quite frustrated and confused by their organization’s ambiguous communication about what the high potential program entails, exactly. The findings of our study imply that organizations—HR directors in particular—seem to underestimate the expectations high potential programs create in their participants (Feild and Harris, 1991). Specifically, employees interpret entry into a high potential program as a signal from the organization that they can expect preferential treatment from now on, especially in terms of customized career support. Organizations, however, have a very different idea of the implications of being part of a high potential program. They see

entry into the program mostly as an opportunity for high potential employees to demonstrate their capabilities and attract the attention of higher management. They take accountability mostly for the *identification* of high potentials—but after entry into the program, expect these to take their careers into their own hands.

Since high potentials are typically the employees organizations are least willing to lose (Dries and Pepermans, 2008; Vloeberghs *et al.*, 2005), it would be in the best interest of organizations to ‘manage’ these differences in perception. One particular implication of our study, therefore, is the importance of deliberate psychological contract building with employees identified as high potentials, so as to align their implicit beliefs of what is expected of them, and what they can expect from their organization in turn, with the organizational agenda (Suazo *et al.*, 2009). High potentials’ motives to stay with their employing organizations are often grounded in perceived career guarantees from the side of the organization rather than in feelings of loyalty *per se* (Baruch and Peiperl, 1997; Höglund, 2012). Consequently, frustrating their expectations about the magnitude and pace of their career progression within the organization is likely to be detrimental to their commitment and engagement (Dries *et al.*, 2013).

As our findings show, strategic ambiguity in high potential programs might not only lead to confusion among the participants in these programs, but also to discrepancies between the organization’s official position and what line managers are actually saying and doing—fertile grounds for misunderstanding, gossip, and ultimately, psychological contract breach (Lester *et al.*, 2002). Therefore, organizations making the choice for strategic ambiguity would do well to monitor whether they are unintentionally creating ‘grapevine’ communication activity undermining the goals of their high potential programs (Connelly *et al.*, 2011; Suazo *et al.*, 2009).

Strategic ambiguity and information asymmetries in high potential programs—when properly executed—are not without benefits, however. As our findings show, high potentials, indeed, intend to stay loyal to their organizations as they expect certain privileges in the future, without knowing exactly what, when and how. There is a fine line, however, between stimulating high potentials' imagination and frustrating their expectations to such an extent that they leave the organization (Feild and Harris, 1991).

Finally, the findings of our study imply that perceived effort-reward imbalances in terms of financial rewards can be detrimental to high potentials' commitment, engagement, and intention to stay with the organization. We recommend that organizations monitor their high potentials' expectations in this respect on an ongoing basis, as pay dissatisfaction is likely to lead to job search behavior and an increased openness to external job offers (Campbell and Smith 2008). Our data implies that 'pay for potential' might be a powerful tool for motivating and retaining high potential employees. Admittedly, cultural and institutional factors—such as the degree of unionization of a nation or sector—might inhibit the introduction of differential pay based on assessments of (something as intangible as) potential in specific countries or institutional settings (Dries and Pepermans, 2008). Nonetheless, voices in the HR literature (e.g., Becker *et al.*, 2009; Lepak and Snell, 1999) are adamant that high potential programs cannot reach their envisioned goals without being aligned with differential reward systems.

Study Limitations and Suggestions for Further Research

The study reported in this paper was not without its limitations. First of all, the study was qualitative and not conducted on a scale that allows for representative conclusions about the high potential population as a whole. Since being identified as a high potential cannot be measured validly using self-report data, however, and organizations are usually hesitant to disclose archival data about their high potential population to researchers, the

high potential population is ‘unknown’ and representative sampling across organizations is impossible (Dries and Pepermans, 2008).

Second, although we did prescreen participating organizations on a number of criteria, it proved difficult in our analyses to control for all possible heterogeneities in the high potential programs of the different organizations (see Table 1). Multilevel studies with representative samples per participating organization thus form a potential avenue for further research, which would allow for cross-validation of our findings. This would allow for a more in-depth analysis of organizational contexts, and of how specific features of high potential programs relate to participants’ psychological contracts. It would also allow us to study the extent to which information asymmetries have positive, versus negative effects—and so help uncover the ‘optimal’ level of strategic ambiguity for high potential programs.

Third, our interview sample did not include a control group of ‘non-high potentials’. As in most organizations only a minority (1 to 5 percent) of employees is identified as a high potential each year, it is clear that the risk of frustrating a large part of the organization’s workforce, career-wise—and thus, potentially causing psychological contract breach—is quite high. It would therefore be interesting to work with a control group of ‘average’ employees in future studies to contrast their perceptions of their organizations’ high potential programs (if they are aware of them at all) to those of their high potential counterparts. This avenue for future research is particularly relevant considering the fact that negative reactions of non-high potentials to high potential programs are often used as a key argument in favor of strategic ambiguity (Dries and Pepermans, 2008; Larsen *et al.*, 2008), even though there has hardly been any research on employee reactions to high potential programs (Gelens *et al.*, 2013).

Fourth, in the Introduction, we posited that entry into a high potential program can be seen as a ‘critical incident’ in the (re)formation of the terms of the exchange relationship

between high potentials and their employers. Although it is clear from our findings that being identified as a high potential has important implications for employees' psychological contracts, longitudinal designs are needed to further explore the idea of program entry as a causal antecedent to psychological contract change (Rousseau, 2011).

Concluding Remarks

There is an urgent need for more research on 'workforce differentiation' from the perspective of employees (Huselid and Becker, 2011). From a rational-economic perspective, the differential treatment of employees based on their relative potential to contribute to the competitive advantage of their organizations is a (cost-)effective practice (Lepak and Snell, 1999). It remains unclear, however, how this type of unequal treatment affects both high potential and 'non-high potential' employees psychologically (Gelens *et al.*, 2013). If we want to make statements about the effects of high potential programs on the commitment, loyalty, and engagement of high potential employees in a 'war for talent' context, we will need more research examining this type of HR practices from their perspective.

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Table 1.

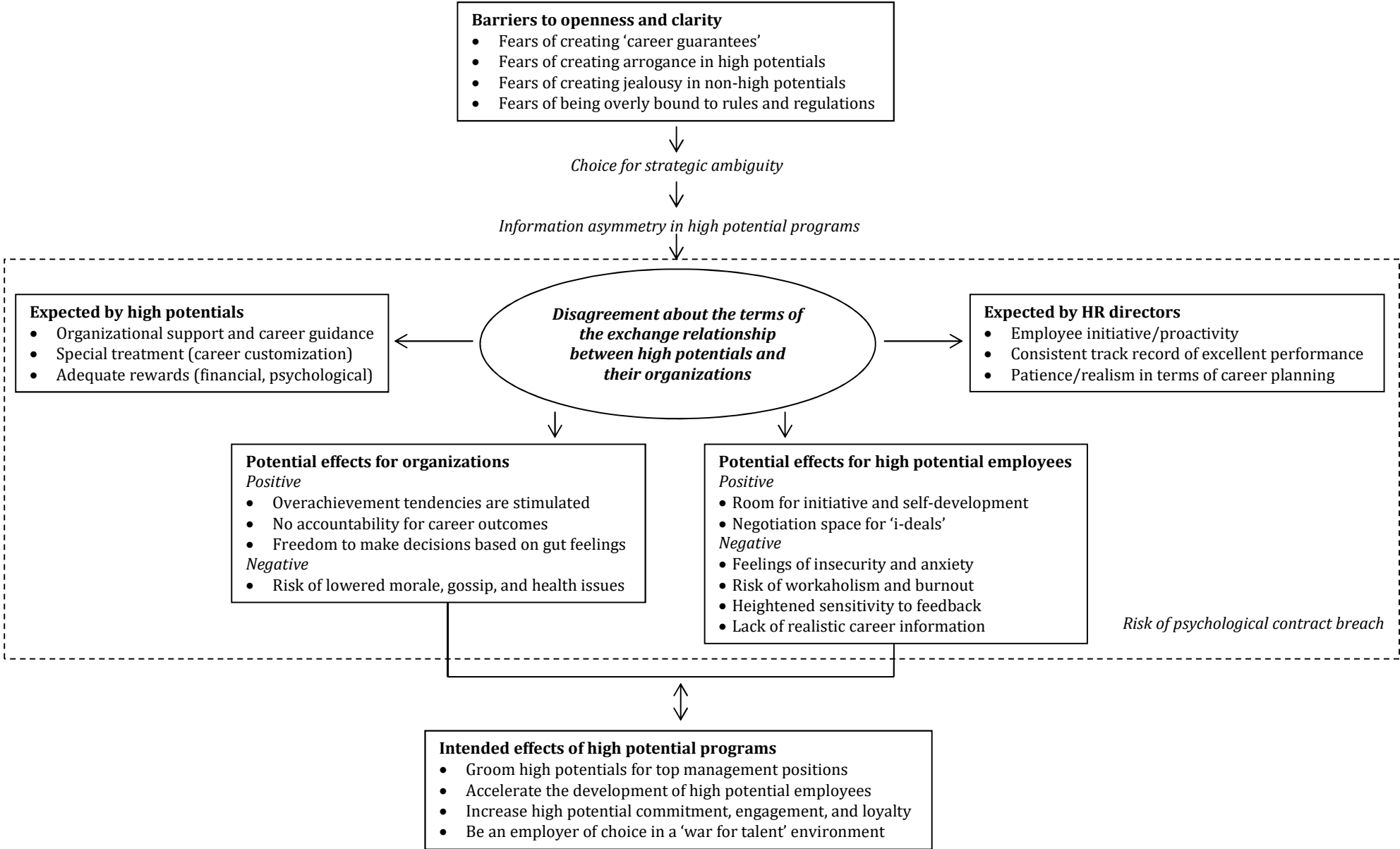
Characteristics of the Participating Organizations and their High Potential Programs

Organization	1	2	3	4	5	6	7	8	9
Sector	Headhunting	Finance	Electronics	Telecom	Security	Pharmaceuticals	Finance	Finance	Electronics
Organization size	500	180,000	360,000	75,000	300,000	100,000	85,000	8,000	115,000
High potential population	10%	5%	2%	3.5%	0.5%	2.5%	0.05%	2%	2%
Degree of formalization	Low	Medium	High	High	Low	High	Medium	Medium	Medium
Degree of strategic ambiguity	Medium	Low	High	Medium	High	Low	Medium	Medium	Medium

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Figure 1. Information asymmetry in high potential programs a potential risk for psychological contract breach (paradigm model developed through axial coding).

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Appendix A.

Final Coding Scheme for the HR Director Interviews (Developed through Iterative Open Coding)

Code	Definition	Sample excerpt
1. Training and development		
1.1. Self-initiated learning	Keeping up to date through self-initiated learning experiences	Learning agility, to me, is a key aspect of potential. People who adapt quickly, who are fast learners [...] We're not going to develop someone against their own will [...] nor are we going to do it for them. We're not going to look for courses they can take. We're not going to recommend books they should read. We're not going to help them self-coach. No [...] we offer support, the door is open, feel free to drop by. But it's in your own hands [...] not many people are up for that. (HR ₆)
1.2. International experience	Demonstrating a willingness and ability to go abroad for work	One thing that we do especially for the hipos is this international mobility program, so we expect them to work one year, two years in another [company] office abroad. We don't really push them if they don't want to go [...] although it's recommended that they do for their career [...] HQ expects us to move our key talents around internationally [...] Pretty soon I expect it to become a criterion [for promotion]. (HR ₂)
2. Networking		
2.1. Knowledge networking	Engaging in knowledge networking (i.e. continuously exchanging ideas and information with subject matter experts)	These are people with a natural aptitude for networking [...] always hopping by people's offices to exchange ideas [...] when they're doing a project they'll ask people's expert opinion [...] They'll involve lots of people in their projects and collect enormous amounts of information in a short period of time [...] like taking a shortcut. (HR ₁)

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- | | | |
|---|--|---|
| 2.2. Political networking | Engaging in political networking (i.e. seeking to establish relationships with important others) | Trust me, if there is a luncheon somewhere, he [the high potential] will be there [...] A salesman will go to an event and hand out lots of business cards and see everyone and talk to everyone. But a future leader, he'll create an actual relationship [...] He might not talk to twenty people, but he'll talk to five, the most important ones. And he won't just leave his card, they'll know his wife's and his children's names and where he went on vacation [...] I don't know if I'm explaining it right, but that's the difference [between] networking to sell and networking for success. (HR ₂) |
| 2.3. Visibility | Keeping up one's visibility in the organization | I think internal visibility is almost a prerequisite to being successful as a high potential [...] making sure your PR is good [...] If he [the high potential] really wants to make it in the organization, clearly he needs to perform well first, but also make sure that it's noticed by the organization. Not only by his direct supervisor, but also by other people. I think most high potentials have that natural ability to sell themselves [...] They usually like to be at the center of attention. (HR ₁) |
| 3. Career advancement and planning | | |
| 3.1. Proactivity | Communicating openly about career goals and ambitions | They [high potentials] tend to grow out of their job much quicker [...] And it's a natural process because these people will come up to you and say « Hey – I've been in this job for two years no. What's my next step? » [...] With the people that aren't high potentials, you sometimes have to tell them that they it's time to shake things up. But the high potentials will be knocking at your door every two years, asking for a new challenge. (HR _{4.1}) |
| 3.2. Realism | Setting career goals that are realistic and achievable | I'm going to sound like an old fart now [...] but in the last few years I've increasingly been confronted with young |

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people who are expecting to move really, really fast. That desire for speed is inherent to the concept of a high potential I guess [...] but there are limits. Some people want to change every year because « I need to evolve » [...] And I tell them, you will be working for another 40 or 50 years [...] So at this speed [...] what I'm trying to say is that it can be challenging to adjust their expectations sometimes (HR4.1)

4. Performance

4.1. High performance

Demonstrating consistently high levels of performance

We offer a clear framework where, if you don't live up to expectations, you're out [...] If you look at the number of hipos, they are around 3 or 4% of the population. The next level, the corporate hipos, who we see as capable for even more senior roles in the organization, refers to less than 1% of the population. So that's at least 2 out of 3 that will drop out at some point [...] if, at a certain point – because we review everyone annually – you're not achieving that performance standard anymore, you're probably out. (HR4.2)

4.2. Contribution

Making a critical contribution to the organization

If you want to be a high potential it's not only about networking but also, making an actual contribution. We have a framework called Drive, Focus, Impact, and Guide [...] It's not scientifically validated or anything, it grew pragmatically. I know a lot of people who are very intelligent and do a very good job, but they're not leaving a mark on the organization. It's about drive and impact and showing that you contribute something tangible to the organization's core business. (HR3.2)

5. Ambition and drive

5.1. Initiative

Taking initiative to showcase one's talents

The initiative has to lie with the person him or herself [...]

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5.2. Commitment	Committing to tasks, roles or assignments that are important to the organization	<p>They can have the best manager in the world, if they're not pushing for it themselves the impression will be created that they don't want to advance within the company that badly. We'll coach our employees, but if they're a high potential, they won't wait for that. Because those people [...] invariably, always want to progress faster than the standard programs we're offering" (HR_{3.1})</p> <p>The fact that you're a high potential also implies high commitment [...] If they [management] say « There's this project, do you want to collaborate? » and you say no, I'll just work nine to five and nothing beyond that [...] or there's an interesting opportunity to work abroad for six months [...] OK, there's a good and a bad time for everything but if you repeatedly turn down opportunities like that you don't deserve the [high potential] label [...] if you're not going the extra mile for the company [...] Then by all means, just keep doing what you're doing but not as a high potential. (HR₇)</p>
5.3. Perseverance	Demonstrating perseverance throughout one's career within the organization	<p>I think any career is a combination of getting chances, creating chances, and taking chances. And being patient and perseverant [...] I believe that true talent will always surface at some point. But also, that it's hard work [...] In my opinion, if you really want to establish a solid career in business you need six or seven years [...] avoid job-hopping every two years because you're impatient [...] When you start something you need to see it through and work hard, really hard, but in that particular business. And if you keep that up long enough, you'll get a chance to truly build something solid, like a team of your own. (HR₂)</p>

INFORMATION ASYMMETRY IN HIGH POTENTIAL PROGRAMS

Appendix B.

Final Coding Scheme for the High Potential Interviews (Developed through Iterative Open Coding)

Code	Definition	Sample excerpt
1. Training and development		
1.1. Training programs	Offering exclusive access to training programs	As for the MBA... Again, that relates to my nomination [as a high potential]. They don't just do that for anyone. You have to apply for it and then the organization decides yes or no. But when you're a high potential it's basically a given that you'll get it [...] because an entire selection process already preceded your nomination [as a high potential]. (HP _{4.2})
1.2. Mentoring	Assigning a personal mentor to each high potential	Being identified as a talent offers the advantage that there's follow-up on an individual basis. They look at the major points where you can improve and then a number of people from higher up will follow up on that and recommend courses and other sorts of developmental activities [...] Since last year I officially have a personal mentor [...] which is definitely not for everyone and I'm very aware of it [...] He's very high-level and he reserves one hour for me every two months to talk about me and my experiences. I feel really spoiled. (HP _{3.2})
1.3. International assignments	Offering opportunities to work internationally	[...] and after that, I'd like to go abroad for a few years. It's sort of an unwritten law that if you really want to advance in the company that you establish relationships with [company] departments in other countries [...] so I expect that they'll send me abroad for three or five years [...] with the whole family of course. And then we'll see how we like it there and how long we want to stay. (HP _{3.1})

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2. Networking

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| 2.1. Access to networks | Offering access to influential networks | At that first stretch entry point session we each got to talk to [company's] big boss [...] which is a big deal, getting to talk to him personally. They [HR] arranged that and I think it will definitely happen again, because I just started in the track [...] Also internationally, a lot of people are identified [as high potentials] across many countries and we're going to meet them in a number of events in the near future. (HP _{4,1}) |
| 2.2. Visibility | Organizing activities that enhance visibility | You seem to automatically end up in all of these workshops based on the fact that your name is on that [high potential] list [...] and when certain themes come up and they're looking for a spokesperson for that [...] you automatically step into the picture without really having to do anything for it. (HP _{3,2}) |
| 2.3. Exclusive group membership | Creating an exclusive group in the organization reserved only for high potentials | [Company] has this hidden LinkedIn group [for high potentials]. It has 1,088 members worldwide [...] of which 60 in Belgium [...] I also notice it in my environment and with colleagues who are also in the [high potential] pool [...] Everyone's like « hey, congratulations, you made it, you're with the lucky few now » [...] It's a bit like the high potentials are the winners and the rest are losers, frankly. (HP _{9,1}) |

3. Career advancement and planning

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| 3.1. Transparency | Being transparent about internal career opportunities | [Company] has a program for high potentials and everyone knows that [...] because you can tell from certain things. For example, I've been here six years and this is my fifth job [...] The policy for hipos is that they should change positions quickly to get as much experience as possible [...] But they don't communicate openly about what the program implies and I find that |
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3.2.	Customization	Setting up customized career tracks tailored to fit the high potential's specific needs	unfortunate [...] I think it would be much, much better to openly discuss people's available career options with them [...] otherwise it's a guessing game. (HP _{6.1}) Once you're on that [high potential] list, and you're not satisfied in your job anymore [...] they'll say « OK, let's look at all possible positions for you here at [company], what would you like to do next » [...] I feel so comfortable in this situation because for many engineers there really aren't that many options. (HP _{3.2})
3.3.	Promotion opportunities	Creating opportunities for promotion on a yearly basis	I think promotions are important, not just because of the hierarchical aspect but also as a reward for your hard work [...] It's not like everybody has that goal of becoming a senior manager [...] but in our organization, no one has to drop dead or retire before you can get promoted [...] So if you're not, you'll see it as personal failure, like you didn't do your job well [...] If you do well, you'd automatically get promoted. (HP _{2.2})
3.4.	Self-management	Allowing career self-management from the side of the high potential	I mean I can appreciate that they point out strengths and weaknesses to me or congratulate me on my strengths, but not that they are going to determine what my career will look like. And I don't think they do that [...] So I can't say that I am on a standard career track or that they determine my career, or at least I hope not. (HP _{2.3})
4. Privileged position			
4.1.	Preferential treatment	Giving preferential treatment to high potentials	So when that person retired, I was kind of keen to take over the team leadership role, so they asked me for it because they knew I wanted it [...] So I guess I made that clear to them, I don't know, I knew chances were high the job would go to me [...] And they gave it to me. (HP _{4.1})
4.2.	Appreciation	Showing appreciation for hard work	It's not that I necessarily feel the need to belong to this little club [of high potentials], I just want to do my job

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		well and be happy. Of course it is really great to be appreciated like this. So it's more the other way around [...] I don't work hard because I want to be part of that [high potential] club, I do my job well because I want to do it well and luckily they see that, they notice that and that's a nice way to work. (HP _{8.1})	
4.3.	Responsibility	Delegating higher levels of responsibility to high potentials	[My current boss] always puts me in the spotlight. So instead of him reporting to the board about what I did and taking credit for it – as it so often happens – he'll say « I'm going to let you do this, but do it well, because you're the one who's going to get called on it ». (HP _{4.2})
4.4.	Impact	Allowing high potentials to have an impact on management decisions	[After working here for two years] I wrote a vision text about how I felt the organization was doing, evaluating it, and offering one or two suggestions for improvement that in my view required immediate action [...] I told them to create a new type of function for me that would make my life so much easier [...] And so they did, and they haven't regretted it since. (HP _{5.1})
4.5.	High-level projects	Inviting high potentials to participate in high-level projects	People who had a good evaluation and show that they can do more, something more difficult, are going to get more of the new high-level clients [...] the others just keep the machine going [...] When you start from zero, you can only get to a thousand and not below zero. When you're already at a thousand and you need to keep the machine going, it's much harder to get to 1,200 and no one will notice anyway [...] but if you get from zero to fifty on a new project everyone will see [...] You need those high-profile things to get people's attention. (HP _{2.2})

5. Financial rewards

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5.1. Salary

Paying an equitable salary

It's a bit frustrating. Clearly, my perspective is a bit different from the average employee – I'm in HR myself, I have to okay all the salary decisions being made here. And so I know what the range is, and what everyone else is getting compared to what I'm getting [...] I wonder, if I'm such a high potential, how come I'm making only half of what others are making who are at the same level, and who I know for a fact are not identified as high potentials? (HP_{7.2})

5.2. Bonuses

Giving additional bonuses to high potentials

They differentiate at the bonus level. In the beginning [of your career] it's not that big, but the higher up you go it could mean 30, 40, 50% difference [...] there's no official communication, to avoid resentment [...] But people try to measure themselves by comparing what others got [...] otherwise you don't know if yours is higher or lower than the rest. But you'll find out where you are one way or another. (HP_{2.1})
