

# Identifying, Assessing, and Selecting NextGen Leaders

## Sattar Bawany

*"In today's challenging economy and hypercompetitive business environment, CEOs and senior executive teams face enormous challenges to achieve and sustain breakthrough operating results. The intensifying war for talent, globalization, economic change, more stringent regulation and tougher governance make realizing shareholder value increasingly difficult. But the tougher challenge is identifying, selecting and developing new leaders—critical for developing the sustainable competitive advantage for the organization and its eventual success."*

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**Abstract:** In most part of the world, shortage of leaders and talent, in general, is evident. Organizations are facing greater pressure to deploy future leaders faster in response to the challenges ahead for business and HR leaders in a dramatically changing digital, volatile, uncertain, complex, and ambiguous (VUCA) business landscape. In an age of disruption, business and HR leaders are being pressed to rethink their current practices in how they identify, assess and develop next-generation (NextGen) leaders to ensure the sustainability of their organizations.

How do organizations identify and select the next generation of leaders? This article is designed to provide insights and understanding of the best practices and contemporary approaches to talent assessment and selection of high-potential talents or future leaders of the organization.

**Keywords:** High potentials, Leadership pipeline, Next-Generation leaders, Talent assessment, Talent identification, Talent management, Talent selection and development, War for talent

## INTRODUCTION

Today's dramatically changing work environment demands that organizations have to continuously ensure that there is a robust leadership pipeline ready to be deployed now and in the future. Identifying, assessing, selecting, and developing the next-generation or potential future leaders are, therefore, critical strategic objectives for ensuring a sustainable, competitive organization. The business case for doing so is clear as supported by extensive published research. In the first 18 months of ascending to leadership positions, 30 to 70 percent of leaders fail (Hogan 2011). These failures cost organizations substantial time and resources, with estimates ranging from \$750,000 to over \$2.5 million to replace senior leaders, and the estimated cost of replacing a CEO is an astounding \$12 million to \$52 million (Stoddard and Wyckoff 2009). Equally important indirect costs are associated with leader failure, including increased employee stress and decreased engagement (Schippmann 2010).

Today's businesses face unprecedented challenges operating in a global environment that is increasingly becoming volatile, uncertain, complex, and ambiguous (VUCA). Leaders are also confronted with increased competition, globalization, demand for growing social responsibilities, and a stream of technological revolution causing disruption in the marketplace. Hence organizations need to strengthen their leadership bench strength and also ensure the availability of leaders today and tomorrow to take on the responsibility to ensure the sustainability of the organization.

In essence, the heart of the leadership challenge that confronts today's leaders is also applicable to next generation of leaders who will be expected to lead in situations of ever greater volatility and uncertainty in a globalized business environment, allied with the needs to deal with scale, complexity, and new organizational forms that often break with the traditional

organizational models and structures within which many have learned their "leadership trade" (Bawany 2015).

One of the challenges of identifying high-potential individuals is the inherent complexity of making predictions about how successful a person might be in the long-term future. It involves defining what you are trying to predict, assessing a person against the appropriate criteria, and making predictions about future performance. A wide range of issues needs to be considered, including the person's capabilities and motivations and the challenges and opportunities associated with future positions in the organization. This is different from a selection decision where there is a clear understanding of the specific job requirements for the position to be filled.

## NEXTGEN LEADERSHIP PIPELINE

Leading in a world that is highly disruptive as well as VUCA not only provides a challenging environment for leaders to operate and for executive development programs to have an impact: it also provides a much needed range of new competencies. The new reality is resulting in the realization that new and different capabilities are needed to succeed (Bawany 2018).

Leading organizations continuously asked where their future or next generation (NextGen) of leaders will come from. It would seem that the same approach has been implemented for a long time, which includes identifying high-potential talents within the workforce and provide them with the relevant leadership development opportunities so as to equip them with critical leadership skills and competencies that would be required to drive the organization strategy (Bawany, 2014b). Given the daunting challenges that these future leaders will have to resolve, which are to result from the ongoing highly disruptive and VUCA-driven environment, there is a need for organizations to continuously reassess their approach toward ensuring

the development of the right set of skills and competencies for their NextGen leaders (Bawany, 2017).

One of the most important, yet misunderstood, questions within talent management is how to successfully identify and manage high-potential employees—those talented few who can and will step up and deliver in bigger, broader roles. Smart businesses know how to take full advantage of their talent by identifying those who have the highest potential. This ability to identify the elusive “potential” in an employee is considered a key competitive advantage (Silzer and Dowell 2010).

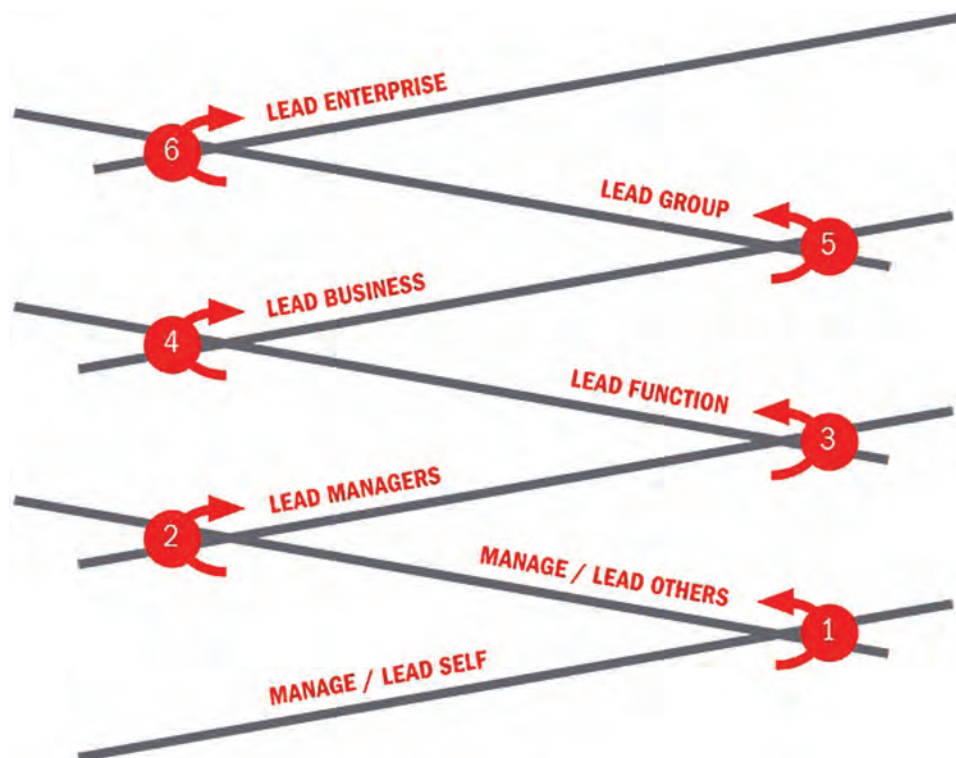
According to the Corporate Leadership Council (2010), most companies believe that their high-potential employees are more than 50 percent valuable than an average employee. Not surprisingly, over three-quarters indicate that high-potential identification is an immediate/short-term priority. The investment in high potentials has also increased, with 80 percent of companies

claiming to have spent more dollars than ever before on this group. And the appeal is clear on the other side as well—promising talent is attracted to companies known for having strong development resources and opportunities (Fernández-Aráoz, Groysberg, and Nohria 2011).

Talent management represents an organization’s efforts to attract, develop, and retain skilled and valuable employees. Its goal is to have people with the capabilities and commitment needed for current and future organizational success. An organization’s talent pool, particularly its managerial talent, is often referred to as the leadership pipeline (Conger and Fulmer 2003).

Developing the next generation of leaders involves building a sustainable leadership pipeline for the organization. Ram Charan introduced the image of a leadership “pipeline” (see Figure 1) and asserts that, if whatever is flowing through it gets stuck, the pipeline will not deliver the resource it contains (Charan, Drotter,

**Figure 1: The Leadership Pipeline Framework**



and Noel 2000). Where the pipeline shifts direction, things can easily get stuck. It is the task of managers who lead to help those who get stuck to move on (up or out) and make room for others.

### **WHO ARE THE NEXTGEN LEADERS?**

Broadly speaking, next-generation or future leaders are primarily the high potentials of the organization. High-potential talent is often viewed as an employee who is assessed as having the ability, organizational commitment, align to the organization's values and have demonstrated the competencies and skills as well as the motivation to rise to and succeed in more senior positions in the organization. Each organization will have their own definitions of high-potential talent, but in essence, the process and criteria for assessment and identification of high potentials are quite similar between organizations.

A robust leadership pipeline is critical to driving strategy and growth so organizations may achieve their goals. But, while many organizations have devoted considerable resources to the development of these next-generation or future leaders, few have a readily available pool of these leaders who are ready to take on greater responsibilities and to meet the daunting challenges of the future. While the severity of the issue varies among organizations and industries, it's clear throughout the business world that the demand for these future leaders is greater than supply and as a result, many organizations face a shortage of leadership talent. The complexity and fast-changing nature of the hypercompetitive global economy have created the demand for new leadership mindsets, skills, and capabilities. With the failure of leadership development programs to develop people fast enough to fill the new and changing roles required for success, many organizations are in a predicament and their long-term sustainability is in question.

Having a robust leadership pipeline remains as one of the critical talent management

issues facing organizations around the world operating in a VUCA business environment as this would contribute toward the development of a sustainable competitive advantage of the organization. This is achieved by identifying and cultivating emerging talent early while enhancing organizational capability. Developing a leadership pipeline starts with identifying and then transforming high-potential individuals to a variety of developmental opportunities and experiences (Bawany 2014a).

Organizations are facing unprecedented new leadership challenges, including developing different generations of leaders likely to be from Gen Y or Millennials, meeting the demand for leaders with global fluency and flexibility, building the ability to innovate and inspire others to perform, and acquiring new levels of understanding of rapidly changing and emerging technologies and new disciplines and fields. As experienced leaders, managers, and professionals continue to leave an organization, their intellectual capital and tacit knowledge, unless codified, will be lost, creating tremendous challenges at a time when the market is growing more global and dynamic. This translates to tougher competition in the marketplace, making the search for high-potential people externally more difficult and future success more elusive. Further, there is a sense of urgency for organizations today to accelerate the time to competence compounds the challenge of building a strong leadership pipeline from within (Bawany 2018).

The leadership development training programs may be strengthened, broadened, and deepened to include inspiring and engaging others, as well as cognitive readiness skills and emotional and social intelligence competencies. These capabilities can be addressed by incorporating specific activities and exercises designed to increase awareness of their impact and importance in familiar techniques, such as case studies or applicable business simulations.

Additionally, opportunities for application and practice can be provided in experience-based approaches where participants work to apply the concepts and skills directly to real business issues, while colleagues and facilitators provide feedback based on behaviors they observed during their work together.

We are operating in a hypercompetitive VUCA business environment. The world moves faster today when compared to 20 years ago. Companies feel the pressure to decrease time to market and improve the quality of products while delivering on ever-changing customer expectations to maintain competitive posture—that is, be adaptive and nimble. Driving results in high-performance organizations (HPOs) is difficult even for companies that have the benefit of dedicated and knowledgeable employees and business leaders to leverage (Bawany 2018).

From ongoing research by the Centre for Executive Education (CEE), it has been identified that various next-generation leadership competencies such as cognitive readiness (critical and strategic thinking skills), emotional and social intelligence, managerial coaching and leading team for performance, effective negotiation and conflict management, and cross-cultural communication and diversity management are crucial to driving results and achieving organizational success in an HPO operating in a highly disruptive and increasingly VUCA-driven business environment (Bawany 2016).

### **IDENTIFICATION AND ASSESSMENT OF NEXTGEN LEADERS (HIGH POTENTIALS)**

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In recent years, the use of formal assessment efforts has broadened both within and across organizations (Scott and Reynolds 2010). The increasing emphasis on the war for talent, first identified in the early 2000s (Michaels, Handfield-Jones, and Axelrod 2001), has raised awareness levels and

concern over an organization's ability to fill future gaps in the leadership pipeline. This, in turn, has led to an increasing emphasis and focus on talent management strategies and frameworks in organizations (Cappelli 2008) including the creation of new job titles, dedicated roles, and entire functions dedicated to this area of focus. It has also led to a heightened focus on high-potential identification in corporations (e.g., Campbell and Smith 2010). In particular, there is an increasing emphasis on finding the most effective assessment method or tool that will identify future leaders with the greatest potential for enhanced development and succession.

Many organizations recognize that assessment, selection, and development procedures for their people are of paramount importance in order to achieve a sustainable competitive advantage. Increasingly, they are turning to the *Assessment Centre* approach, which, when carefully constructed and well run, can provide a number of benefits to an organization seeking to improve its approach to the selection and development of their talent, which in turn can identify and predict key behaviors in the workplace that transform future leaders. These benefits may include but are not limited to:

- Reduction in turnover and subsequent recruitment costs (as the most appropriate individual is selected for the leadership role)
- Identification of high-potential talent within an organization
- Identification of individual strengths
- Identification of individual development needs
- Identification of crucial “skills gaps” to drive the organization forward
- Provision of a robust process for restructuring of the organization if needed
- Provision of relevant and credible information for Succession Planning
- Production of a detailed Talent Audit within the whole organization

The purpose of an Assessment Centre (AC) is to obtain the best possible indication of a person's actual or potential capability to perform in the target job or level of responsibility. The AC is designed to focus on the systematic and objective identification of behaviors of an individual for the purposes of selection, placement, promotion, development, career management, succession planning, and training. The AC method is now regarded as one of the most accurate and valid assessment procedures and is used globally for both selection and development.

### **Leveraging on an Assessment Centre**

It is difficult to provide an exact definition of an AC, since the content may differ widely depending on the objectives of the program for each organization. In general, however, an AC involves the standardized evaluation of behaviors and the following key factors should be included in the process:

#### **Assessments Are Behaviourally Based**

The primary purpose of an Assessment Center is the evaluation of the performance of participants against a pre-identified set of competencies or criteria. These competencies or criteria can be identified by carrying out a thorough job analysis of the role in question (whether the job is an existing one or a new position). These criteria should incorporate the participant's knowledge, ability, personality, and personal motivation. This will enable the identification of those behaviors that differentiate successful from the less successful performance. It is also important at this stage to ensure the context in which the behaviors take place is understood, together with the level of complexity of the problems likely to be encountered by the jobholder.

#### **Several Candidates or Participants Are Observed Together**

This allows interaction between participants, both in the actual exercises and

less formally, ensuring that the program is more interactive as well as more economical. With the increasing advances in technology, these groups can not only be formed physically but also in the form of, for example, a Virtual Assessment Center. While there are no hard and fast rules on the numbers of participants to be involved in each center, the practical considerations for the design of the center usually require multiples of four or six participants.

#### **Assessment Is via a Combination of Methods**

A key factor in the design of a center is the inclusion of at least two work sample simulations that replicate, so far as possible, the key challenges of the job in question. These simulation exercises will typically be used in combination with other assessment techniques to ensure comprehensive coverage of attributes and skills and to increase the reliability of measurement. Two important factors to bear in mind when selecting appropriate assessment methods are:

- (i) Do they capture the different situational contexts of the job?
- (ii) Do they provide the opportunity for the accurate assessment of the range of skills and competencies required to perform the job?

When designing the center program, and selecting the assessment methods to use, it is important to ensure that there are at least two measures for every competency to be assessed.

#### **Multiple Assessors/Observers**

The involvement of a number of assessors increases both objectivity and impartiality. A key factor in the use of multiple assessors is that the timetable should be designed in such a way as to allow for their rotation so that, ideally, a range of assessors observes each participant. The assessors can be taken from a range of personnel specialists, line managers, and psychologists. All should be fully trained in the behavioral

assessment process and in its application to the particular exercises being used in the center.

### **Integration of Data**

An integration session provides a fair and objective review of all the evidence gathered and aims to gain consensus among the assessors. The aim is to focus on the participant's overall performance against the competency model and to identify a pattern or profile of strengths and development needs of each individual. When used for selection, no decision should be taken until all the evidence has been shared and a final rating agreed upon. This session should be used to gather information to provide feedback to the participant on their strengths and potential development areas, and the participant may even be given some feedback during the center. Ideally, no one assessor should have all the data on a single participant until the integration session.

### **LESSONS LEARNED FROM DERAILMENT OF HIGH-POTENTIAL IDENTIFICATION**

It would be prudent to learn from mistakes other organizations made in identifying candidates that were eventually proven not to succeed in future leadership roles. Interestingly, most managers will nominate high performers who are not actually high potentials based on past performance only, but not validate the selection with some form of observational or psychometric assessment or through an AC as described in an earlier section. These managers mistakenly assume that high performers are automatically high potentials.

There have been extensively published research that clearly supports that this is not the case, when in fact only 20 percent or less of high-performing employees are also high potential (Ready, Conger, and Hill 2010). A manager may be a high performer at their current level but struggle with a higher-level business leadership role due to increased demands and capabilities

required to succeed in those roles. Second, after implementing a high-potential program in the company, there is no organizational system or processes to develop, rotate, or deploy candidates to help them gain the right experience so that they can prepare themselves for their next role.

Leading organizations develop their high-potential leaders best through job-based exposure and stretch experiences, so the organization must have a well-defined process to support these activities. For those high-potential leaders who are not managed under a structured development process, many or most lose faith in the company providing for their career and they may leave the company to pursue their careers with another firm. On the hand, there are many instances that many or most of these high potentials stay with their current companies when they can see their future aligned with the company's future.

Often managers and executives confuse assessing an individual's current skills and abilities with the person's potential, just as they confuse past performance with future effectiveness. Current skills and abilities are different from potential and need to be considered separately. Accurately assessing a person's current knowledge, skills, and abilities is an important first step, but it should not be confused with determining the person's ability to grow, adapt, and develop enough to handle more complex future work challenges and responsibilities. Unfortunately, this difference is not typically recognized or discussed in most organizations, even when they understand the difference between past performance and future effectiveness. This may be due to a poor understanding of the difference but also to a poor definition and measurement of potential.

Unfortunately, the judgment about an employee's future potential is often left to a hasty discussion at the end of a long succession planning meeting, and the decision is frequently made by few or even a single

senior executive. Few organizations have specifically defined what they mean by potential or how an individual employee's potential differs from past performance or current abilities and skills. Even when potential is clearly defined, the judgment can be difficult. How do you evaluate a person's ability to grow and develop in the future? Making predictions about the future is more complex than assessing a person's current skills and abilities. It may be similar to

predicting progress on other development variables (Silzer and Church 2010).

In 2009, Executive Development Associates, Inc. (EDA) embarked on a research and published the findings of the study on the identification of high-potential leadership talent. The respondents were asked to address the factors they consider to identify high-potential leadership talent (Hagemann and Bolt 2009). The following factors as listed in Table 1 rated the highest:

**Table 1: Factors in Identifying of High Potentials**

<b>Factors for Identification of High-Potential Talent</b>	<b>Explanation/Description</b>
1. Strong track record of performance, proven results, and success in past or current roles	Executives said they look at how successfully candidates perform their various job duties individually and compared to their peers. For instance, one executive said she looks for successful people in their current roles; another looks at job performance, and a third stressed standing out above the rest. One executive asks, "What kind of results are they getting? Did they go beyond what was initially laid out, and did they complete the project?"
2. Strong interpersonal skills	Understanding the people-side of business. Interpersonal skills were described as softer skills and included the ability to interact with diverse individuals; to recognize how actions will affect themselves, others, and the business; to understand the people-side of the business, and to express empathy. When describing individuals who have strong interpersonal skills, one executive says he looks for people who are not all about themselves. One executive asks himself: "How do they achieve results? How do they work with people to get the work done?"
3. Strong communication skills	Strong communication skills include excellent verbal and written communication. Excellent verbal and written communication and clear, concise communication at all levels were emphasized repeatedly as key predictors of future success. One executive identified high potentials by their ability to give presentations and how well they communicate and handle conflict. For many, the ability to communicate with their team was critical.
4. Drive, initiative, or an ambition to an increased level of responsibility or readily accept new challenges	High potentials were described as hungry individuals who are self-driven and not expecting the company to take them in any certain direction. Always thinking of a better mousetrap, these individuals are spotted by their initiative, persistence, and drive—their work ethic. One executive searches for individuals who are always unsatisfied with the status quo—looking to change what needs changing. One of the role-model leaders asks himself, "Does the individual have an interest and desire to learn more and to take on more responsibilities?"
5. An ability to create and articulate company vision and strategy; set direction, execute objectives, and understand the total business	Not only was it important to understand the company vision and strategy, but it is also important to look for individuals who are vision-setters, meaning they have a vision, share the vision, execute it, and get others to buy into it. In other words, they cast a vision for people to follow. One of the executives mentioned that high potentials should have no fear of personalizing the strategy and vision or of seeking input from subordinates because that is often what it takes to understand the dynamic(s) across the organization, and to have a clear point of view in understanding the (total) business and the context it is in.

### **COMPETENCY-BASED SELECTION OF NEXTGEN LEADERS (HIGH POTENTIALS)**

The work of David McClelland (1973) set the stage for the widespread growth of competencies. McClelland argued that aptitude tests, almost universally used to predict performance, do not serve their intended purpose well and are prone to cultural biases. Also, he argued that other traditional measures, such as examination results and references, are equally poor at predicting job success. Instead, McClelland suggested that individual competence might provide a more promising alternative for predicting performance. He described competencies as representing groups of behaviors underlying individual characteristics that enable superior job performance.

The 1980s witnessed a growth in using competencies to identify and predict leadership effectiveness and long-term success (Boyatzis 1982; McClelland and Boyatzis 1982). These applications led to the development of leadership competency models and competency-based selection tools, such as behavioral event interviews (Boyatzis 1994; McClelland 1998). Competencies also provide a structure for linking performance with cognitive ability and personality, coaching employees to overcome dysfunctional behavior (Boyatzis 2006), and selecting and developing high-potential employees (McClelland 1994).

Managers are required to ensure that organizations achieve their objectives. Managerial competencies are defined as sets of knowledge, skills, behaviors, and attitudes that a person needs in order to be effective in a wide range of managerial jobs and various types of organizations. Organizations applying several managerial competencies, which draws attention to the need to understand how different these competencies are working in organizations, therefore require to highlight the most effective competency in order to enhance it for a good performance.

Competency is an important concept in organization management since it is

closely related to excellent work performance. Individual competencies are one of the factors that determine the effectiveness of organization performance. Managerial competency models located in the literature capture business skills, intrapersonal skills, interpersonal skills, and leadership skills as important competencies for effective performance. Managerial competence is the ability of managers and leaders to direct work streams and define outcomes clearly. Identifying the requisite competencies for achieving an occupational field is a critical process in management, where the task of identifying qualities defines the efficiency of managers. Competency often means “a fairly deep and enduring part of a person’s personality” (Alec Levenson 2011).

Competent managers have been required by the organizations from the early 1950s (Boyatzis 1982). Managers are required to ensure that organizations achieve their objectives. Many researchers over a period of time have tried to identify and establish competencies that are required for managerial effectiveness leading to superior performance. Managers may thus be seen as seeking to give, take, and manage to mean through work and the organization. Boyatzis (1982) defines managerial competencies as characteristics that are causally related to effective and/or superior job performance. Organizations applying several managerial competencies, which draws attention to the need to understand how different these competencies are working in organizations, require to highlight the most effective competency in order to enhance it for a good performance. Boyatzis (2008) also analyzed managerial competencies and defined competencies as an underlying characteristic of a person that could be a motive, trait, skill, aspect of one’s self-image, social role, or a body of knowledge that he or she uses. These characteristics are revealed in observable and identifiable patterns of behavior, related to job performance and usually include knowledge, skill, and abilities.

## NEXTGEN LEADERSHIP COMPETENCIES

As shown in Figure 2, the five pillars of next-generation leadership competencies operating in a VUCA world includes emotional and social intelligence and cognitive readiness (critical and strategic thinking skills amongst others (Bawany 2018).

### Emotional and Social Intelligence Competencies

In 1998, in *Working with Emotional Intelligence*, author Daniel Goleman set out a framework of emotional intelligence (EI) that reflects how an individual’s potential for mastering the skills of Self-Awareness, Self-Management, Social Awareness, and Relationship Management translates into on-the-job success for a leader. This model is based on EI competencies that have been identified in extensive published research on hundreds of corporations and organizations as distinguishing outstanding performers (Goleman 1998).

An emotional competence is defined as “a learned capability based on EI that results in outstanding performance at work” (Goleman 1998). To be adept at an emotional competence like Customer Service or Conflict Management requires an underlying ability in EI fundamentals, specifically, Social Awareness and Relationship Management. However, emotional competencies are learned abilities: having social awareness or skill at managing relationship does not guarantee we have mastered the additional learning required to handle a customer adeptly or to resolve a conflict—just that a leader has the potential to become skilled at these competencies (Goleman 1995).

Emotional competencies are job skills that can, and indeed must, be learned. An underlying EI ability is necessary, though not sufficient, to manifest competence in any one of the four EI domains, or clusters,

**Figure 2: The NextGen Leadership Competencies for HPO**



### Cognitive Readiness Competencies

The next-generation leadership competencies will include a suite of cognitive readiness skills, which can be viewed as part of the advanced thinking skills that make leaders ready to confront whatever new and complex problems they might face. As stated earlier, cognitive readiness is the mental preparation that leaders develop so that they, and their teams, are prepared to face the ongoing dynamic, ill-defined, and unpredictable challenges in the highly disruptive and VUCA-driven business environment (Bawany 2018).

The EDA has identified the following seven key cognitive readiness skills collectively known as Paragon 7 (see Figure 3), which

develop, enhance, or sustain a leader's ability to navigate successfully in this "new normal":

1. **Mental Cognition:** Recognize and regulate your thoughts and emotions.
2. **Attentional Control:** Manage and focus your attention.
3. **Sensemaking:** Connect the dots and see the bigger picture.
4. **Intuition:** Check your gut, but don't let it rule your mind.
5. **Problem Solving:** Use analytical and creative methods to resolve a challenge.
6. **Adaptability:** Be willing and able to change, with shifting conditions.
7. **Communication:** Inspire others to action; create fluid communication pathways.

**Figure 3: Paragon7 Cognitive Readiness Competencies**



Overall, heightened cognitive readiness allows leaders to maintain a better sense of self-control in stressful situations.

### BEYOND COMPETENCIES: MEASURING SUCCESS OF HIGH POTENTIALS

Leadership competencies are the most frequently assessed criteria for high potentials and senior leaders. Competencies have become fully embedded in the language and practice of leadership assessment, selection, and development, and they also help drive business strategy, but they are not the only way to measure leadership effectiveness.

Some organizations believe that competencies are not the most appropriate target for leadership assessments and that organizations would be better served to define leadership effectiveness based on expected outcomes rather than on proficiency in a set of competencies. People with many different styles and skills can achieve excellence in leadership; therefore, organizations should select and develop leaders for overall competence, not just based on a list of attributes (Hollenbeck and McCall 2001).

Morgan W. McCall of the University of Southern California has defined a set of

five leadership demands that can serve as the basis for evaluating leadership competence (see Table 2). These leadership demands are drawn from successful leaders and reflect hundreds of descriptions of experiences and thousands of lessons learned (McCall 2010). Assessing a leader based on how well he or she meets these five demands avoids the search for a single style, personality, or set of competencies common to all leaders.

### CONCLUSION

The field of identifying and assessing high-potential talent in organizations is evolving. Based on the challenges as identified through various research and stated earlier in this article, we believe several key issues in the area need to be addressed in the future in order to advance the field.

There is certainly room to do better in terms of identifying high potentials. The greatest opportunity for improvement starts with having a clear definition of potential, followed by a systematic assessment of those nominated for inclusion in the high-potential pool. Increasingly leading companies use the competency-based talent review process to select and align on high potentials.

**Table 2: McCall’s Five Leadership Demands**

1. Set and communicate direction:	Establish and communicate the purpose, vision, and mission of your part of the organization. Create an architecture and set of processes that will drive that vision.
2. Align critical constituencies.	Make sure that the people and groups necessary to achieve the mission understand it and are aligned with it, and that those who are obstacles to the mission are dealt with.
3. Demonstrate an executive temperament.	Show the ability and confidence necessary to cope effectively with the pressures and ambiguity of a leadership role.
4. Set and live your values.	Convey and reinforce what the organization—and you as a leader and person—believe in and stand for.
5. Grow and learn.	Take the necessary steps to ensure that you and your people continue to learn, grow and change.

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