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WORK PERSONALITY® INDEX

SUCCESSION PLANNING PLAYBOOK

IDENTIFYING & DEVELOPING HIGH POTENTIALS

SUCCESSION PLANNING

Succession planning is important for all key roles in an organization, but the need to find and develop leadership is critical. It starts with the question **"Who has the potential to be the leader we need?"** This is easy to ask, but traditionally has been difficult to answer.

IDENTIFYING POTENTIAL

Potential is the likelihood that someone can develop and apply certain competencies and skills in the future. Leadership potential is the capacity of an individual to develop and grow those competencies necessary to exercise good leadership.

Potential is very different from performance. Performance is what someone is capable of now. Potential is what they can be capable of in the future. Identifying high potential employees to meet the organization's future talent needs is the core of succession planning.

DEVELOPMENT

Peoples' potential needs to be nurtured and harnessed. Without planful development their potential remains an untapped resource.

For succession planning to work, organizations need to tap into this growth potential by providing the right developmental opportunities to the right people, at the right time. Getting this right brings increased:

- Capabilities
- Engagement
- Retention

SUCCESS

When organizations get succession planning right they are able to:

- Fill key positions when they arise.

- Focus their leadership development programs on the capabilities managers need to meet their strategic goals.

- Find, develop and promote people to execute their vision.

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PRACTICES THAT FAIL TO DELIVER

According to research, poorly managed C-suite transition costs companies in the S&P 1500 approximately $1 trillion a year (combined)[1].

WHAT ORGANIZATIONS DO & WHY IT DOESN'T WORK

WHAT ORGANIZATIONS DO

THINK OF SUCCESSION PLANNING ONLY WHEN A LEADERSHIP ROLE NEEDS TO BE FILLED

FOCUS THEIR EFFORTS SOLELY ON THE C-SUITE

LOOK TO EXTERNAL TALENT FOR LEADERSHIP ROLES

WHY IT DOESN'T WORK

This creates the pressure to choose someone quickly, rather than evaluating potential carefully. This pressure results in:
- Less effective decision-making.
- Mistakes such as maintaining the status quo, justifying past choices, seeking information that confirms your bias, and overconfidence in your decisions.

Most active leadership takes place on the front-line. Without focusing on this level, organizations:
- Lose the ability to develop the next generation of leaders.
- Curtail the engagement and retention of high potentials, driving them to seek opportunities elsewhere.

Research suggests that larger organizations have a tendency to hire new leaders from outside of the company, rather than looking within.
- They assume that success in another organization predicts success at their organization. However, research suggests otherwise: CEOs who led more than one company generated 70% better performance in their first role.[1]
- Additionally, if high potentials within the organization do not see a path into leadership roles, they will leave to realize their potential.

PRACTICES THAT FAIL TO DELIVER (continued)

Large companies' excessive tendency to hire leaders from outside is one of the biggest problems with succession practices...only 39% of outside hires would have done better than a theoretical inside hire[1].

WHAT ORGANIZATIONS DO & WHY IT DOESN'T WORK

WHAT ORGANIZATIONS DO	WHY IT DOESN'T WORK
RELY ON FAMILIARITY AND RELATIONSHIPS	**Like Me Bias: We gravitate or seek out people who are most like us.** • New leaders are chosen because they are similar to current leaders, creating homogenous groups that make decisions quicker, agree more and feel more confident in their decisions, but arrive at less effective solutions when compared to diverse teams.
CHOOSE INDIVIDUALS BASED ON THEIR PERFORMANCE IN THEIR CURRENT ROLE	**The Peter Principle: Promoting people beyond their capabilities.** • Leadership requires a different skill set compared to individual contributors. • Current performance is not the same as future potential, just as success in one's current role doesn't guarantee success in a different position.
ONE-SIZE FITS ALL LEADERSHIP DEVELOPMENT	**Each leader has their unique strengths and weaknesses.** • Issues that derail an individual's leadership are typically unique, so it shouldn't be expected that generalized development efforts will help. • If leadership development does not account for individual needs, these new leaders are left under-prepared when entering a leadership role.
HAVE ONLY ONE SUCCESSOR IN MIND FOR EACH POSITION	**Putting all of your succession planning investment into one person is very risky.** • That person could leave to pursue opportunities elsewhere, leaving you scrambling to adjust your development plans. • Other employees who have not been considered, or given developmental opportunities, can become disengaged and look to leave as well.

BENEFITS OF GOOD SUCCESSION PLANNING

The benefits of succession planning are not always immediately visible, but they are **long-term and on-going.**

- Improves business and financial results.

- Drives employee retention and engagement.

- Identifies organizational vulnerabilities and skill gaps.

- Promotes a culture of growth and development.

- Boosts leadership bench strength.

- Increases diversity and inclusion.

SUCCESSION MUST BE MADE A HIGH-VISIBILTY ISSUE WITH ACTIVE SUPPORT ACROSS ALL LEVELS.

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KEY STEPS FOR SUCCESSION PLANNING

Successful organizations recognize that succession planning is an ongoing process. It is the beating heart of organizational growth and change.

HERE'S HOW TO DO IT.

1 IDENTIFY POTENTIAL

Find the people who have the potential to become the leaders the organization needs by using objective evaluations of potential rather than analysis of current performance.

Identifying potential is different than assessing performance.

2 DEVELOP LEADERSHIP

Develop the leadership capabilities for these individuals through self-discovery, multi-rater feedback, and learning opportunities, and stretch assignments.

Developing leaders is multifaceted and needs to be done strategically.

3 PROMOTE LEADERS

Promote when ready. Think strategically about career paths and the timing. You will find a repetitive cycle between developing and promoting leaders.

Promote when ready – not too quickly, but not too late either!

To gauge the effectiveness of your current succession planning activities ask the following questions:

ARE WE BETTER ABLE TO FILL KEY POSITIONS WHEN THEY ARISE?

DO OUR PROGRAMS BUILD MANAGERS CAPABILITIES TO MEET OUR STRATEGIC GOALS?

CAN OUR PEOPLE EXECUTE OUR VISION?

If the answer to any of the above is no, there is more work to be done.

IDENTIFYING HIGH POTENTIALS

ARE LEADERS BORN OR MADE? IT'S BOTH.

Leadership is a combination of environmental and genetic influences. Which means that leaders come in many shapes and sizes and their leadership requires development. Identifying high potentials who can be the leaders you need them to be is where you need to start. **HERE'S HOW.**

1 ASSESS POTENTIAL, NOT PERFORMANCE

Organizations who equate performance metrics with potential are making a serious mistake. Current success does not guarantee future success in leadership. Leaders need to be generalists; people who can bridge the domains of technical expertise with relationships and social influence.

2 HARNESS OBJECTIVE INFORMATION

Assessments of personality, cognitive ability and situational judgment provide the objective information that is required to combat the subjectivity and "like me bias" that creeps into decision-making. High potentials can be individuals that senior leaders do not currently know well. These high potentials may also be quite different from current leaders.

3 GET MULTIPLE PERSPECTIVES

People are complex and so is leadership. Finding high potentials is the intersection between these two complexities. When making complex decisions it is critical to gather information from a wide range of sources.

The Work Personality Index Leadership Potential Report was designed to help you identify high potentials. It acts as a source of objective information about potential, not performance. It provides data-driven information about an individual's leadership strengths and weaknesses. Which allows you to explore the important question - **"DOES THIS PERSON HAVE THE QUALITIES THAT WE NEED IN OUR ORGANIZATION?"**

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CHARACTERISTICS OF HIGH POTENTIALS

WHAT SETS HIGH POTENTIALS APART? HERE ARE SOME OF THEIR CHARACTERISTICS AS MEASURED BY THE **WORK PERSONALITY INDEX.**

ENERGY & DRIVE

- Embrace a challenging schedule.
- Set and work towards tough goals.
- Set a broad direction for others, but give them freedom to complete their work.
- Are self assured and comfortable in social situations.
- Pursue buy-in and get people on board.
- Balance multiple demands and responsibilities.

WORKING WITH OTHERS

- Enjoy building new relationships.
- Encourage cooperation and team-spirit, but understand the value in approaching some tasks indepentently.
- Build supportive and trusting relationships.
- Make many decisions independently, but involve others in ones that are complex.

PROBLEM SOLVING

- Implement practical solutions.
- Synthesize information from multiple sources.

WORK STYLE

- Meet obligations, but shift priorities when needed.
- Overcome obstacles and are not stopped by setbacks.
- Challenge the status quo and are willing to bend the rules.
- Align others with strategic objectives.
- Set broad plans, but willingly adapt the plan as new information arises.

DEALING WITH PRESSURE & STRESS

- Are diplomatic and controlled, but still authentic and personable.
- Show resilience when facing difficult situations.

IDENTIFYING & MANAGING CHANGE

- Identify and act on opportunities.
- Are quick to adapt, but value some structure in how work is completed.

IDENTIFYING HIGH POTENTIALS

Leadership

- Dislike exerting direct control or power over others
- Willing to let others set the agenda and decide on the path forward
- Adopt a consultative and collaborative leadership style

Prefers to let others lead — *Readily takes leadership positions*

✓ Your Strengths

- Working in organizations where team members have equally important contributions to make
- Willingness to give up control when someone is better suited to take the lead
- Inclusiveness and support for following other's ideas

⚠ Potential Derailers

- Not being assertive enough when your experience and skillset is most appropriate
- Adopting a non-directive approach that leads to restricted influence and delayed action
- Not delegating tasks

Enhancing Your Leadership

- Consider situations where your hands-off approach to leadership may be ineffective. Are there times where taking control of tasks or teams will allow you to deliver a better result?
- You can make a significant contribution by sharing your skills and experience with the team directly. Consider ways to comfortably give direction and guidance to people working under you.

Teamwork

- Adopt a team approach for large or complex tasks
- Prefer to work on your own for simple ones
- Encourage your staff to exercise their judgment when involving others in their work, hoping for quick collaboration when solving problems, but independent action for straight-forward issues

Operates autonomously — *Gets people involved*

✓ Your Strengths

- Capable of working independently and in teams
- Comfort with a wide range of work environments and individuals
- Encouraging others and sharing your expertise to create learning opportunities

⚠ Potential Derailers

- Working alone too often can leave you feeling disconnected and drained
- Not providing enough autonomy to members of your team

Enhancing Your Leadership

- Not everyone will be as versatile as you are when it comes to jumping between group and individual work. Consider the needs of your team members and adjust your approach accordingly. Some will value more collaboration, while others will prefer to work on tasks individually before bringing their findings or progress back to the group.
- While naturally drawn toward tackling difficult issues in a team setting, this is not always appropriate as a leader. Make sure that the tasks and issues you involve others in are suitable.

Analytical Thinking

- Rely on your intuition to make smaller decisions
- Devote more time and analysis to serious issues
- Enjoy solving problems and considering abstract concepts some of the time

Instinct and intuition — *Logical analysis*

✓ Your Strengths

- Seeking a balance between analysis and action
- Critical thinking and impartial evaluation
- Asking questions and seeking out additional information when tackling complexity

⚠ Potential Derailers

- Struggle with making multiple decisions in a short period of time
- Getting worn down by issues that require extensive analysis and jumping to implementation too quickly
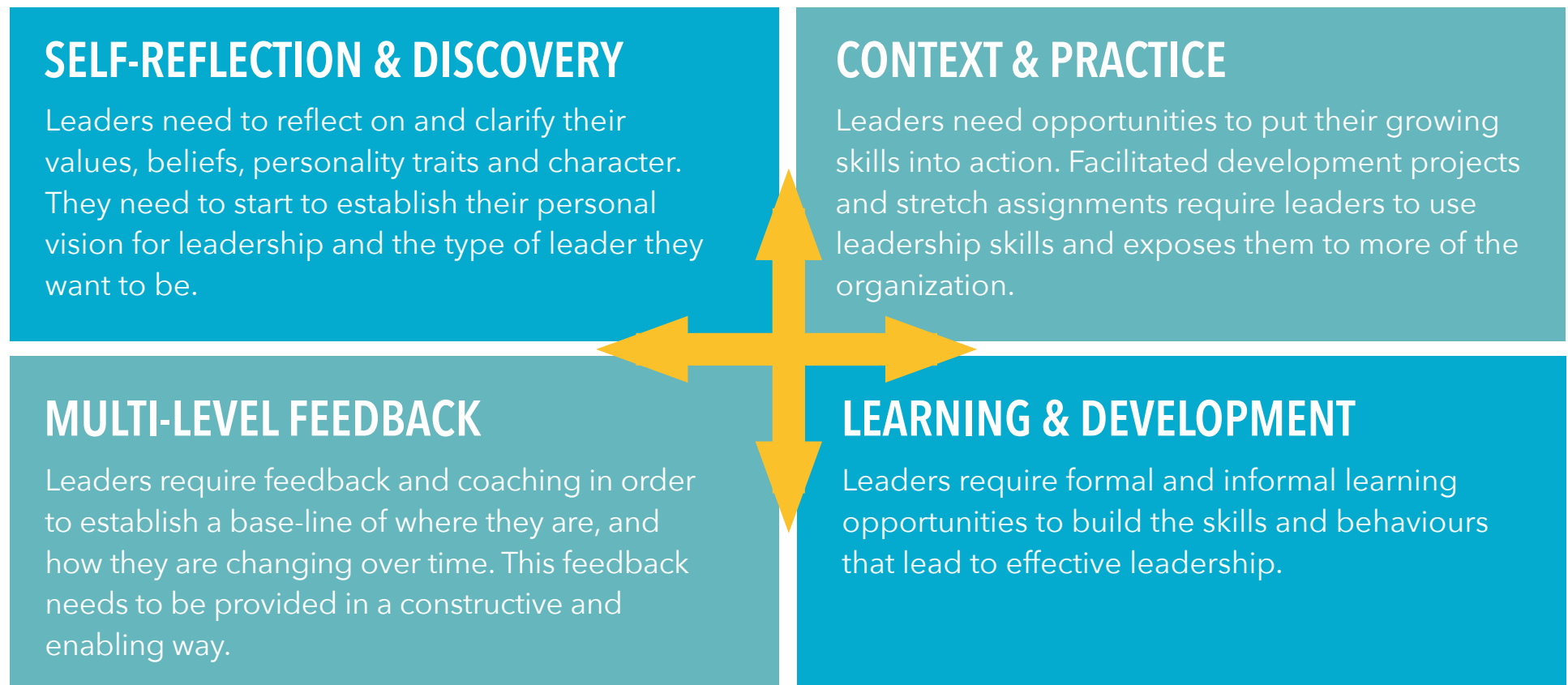
Enhancing Your Leadership

- Getting the correct balance between action and analysis can be challenging. Take the time to evaluate how you balance the two, and if there are any issues with the way that you approach different situations. Are there times when you should take action and move forward faster than you currently do? Are there times that you should dive deeper and analyze the situation?
- When in doubt, discuss your ideas and solutions with those who favour analysis. They will be able to provide you with a critical review, and a different perspective.

The WPI Leadership Potential Report shows how an individual's results on twenty-one personality characteristics compares to that of senior leaders. While it is unlikely to find someone who closely matches the leadership benchmark in all areas, individuals with a closer fit show greater potential, and will find it easier to develop the characteristics and capabilities necessary for effective leadership.

Using the results to highlight how an individual's style matches or strays from that of senior leaders allows you to help them leverage their strengths and develop the required skills to address any gaps.

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DEVELOPING HIGH POTENTIALS

There is no one-size fits all solution to leadership development - it requires a whole-system approach. High potential leaders and the organization need to work together to plan, engage and re-evaluate developmental efforts in a strategic way. **Byron Hanson's Leadership Development Interface**[13] models the interconnected nature of leadership development and what needs to be articulated and aligned for leadership development to work.

SELF-REFLECTION & DISCOVERY

Leaders need to reflect on and clarify their values, beliefs, personality traits and character. They need to start to establish their personal vision for leadership and the type of leader they want to be.

CONTEXT & PRACTICE

Leaders need opportunities to put their growing skills into action. Facilitated development projects and stretch assignments require leaders to use leadership skills and exposes them to more of the organization.

MULTI-LEVEL FEEDBACK

Leaders require feedback and coaching in order to establish a base-line of where they are, and how they are changing over time. This feedback needs to be provided in a constructive and enabling way.

LEARNING & DEVELOPMENT

Leaders require formal and informal learning opportunities to build the skills and behaviours that lead to effective leadership.

These four areas need to be taken up together. Reflection, practice, learning and feedback need to be aligned. This requires attention and joint ownership from the individual leader and the organization.

SELF-AWARENESS
THE LEADERSHIP SUPERFOOD

Self-awareness is one of the key factors towards becoming a great leader. Multiple research studies show that self-awareness in positively related to:

MANAGERIAL EXCELLENCE

DECISION QUALITY

TEAM COORDINATION

CONFLICT MANAGEMENT

INDIVIDUAL WORK PERFORMANCE

SELF-AWARENESS IS THE ABILITY TO REFLECT ON AND UNDERSTAND YOUR OWN BEHAVIOURS AND SKILLS AND THE IMPACT THEY HAVE ON OTHERS.

The starting point for developing high potentials is to improve their levels of self-awareness. The Work Personality Index Leadership Potential Report provides individuals with insights into their personality, and how their traits and behaviours are seen by others, for better or for worse.

HARNESSING STRENGTHS AND FOCUSING DEVELOPMENT

Effective development is targeted development.
The Leadership Potential Report helps future leaders focus on what matters the most.

STRENGTHS TO HARNESS

The Leadership Potential Report describes individuals' key strengths - characteristics that are a natural fit with leadership requirements and can be leveraged straightaway.

AREAS TO DEVELOP

Everyone moving into leadership roles have unique learning and development needs. The Leadership Potential Report highlights which areas requiring immediate attention.

ENHANCING LEADERSHIP

Individuals receive specific insights on how to take advantage of their natural strengths and make the appropriate behavioural adjustments when required.

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COMMON LEADERSHIP DERAILERS

Leaders' common challenges do not arise from a lack of technical skill. Leaders get derailed due to poorly developed generalist capabilities such as interpersonal skills, strategic thinking, and change management. Effectiveness in these areas requires social awareness, social influence and interpersonal connection, which are heavily influenced by a leader's personality.

Our research found that the most common derailers for people moving into leadership roles are:

POOR COMMUNICATION

SHORT-TERM THINKING

AVOID CONFLICT

NOT COLLABORATING

UNABLE TO MANAGE CHANGE

LACKING SELF-AWARENESS

The Leadership Potential Report highlights which areas are likely to cause difficulty for a new leader and provides feedback on how to enhance their generalist skills and when to put them to use.

SUMMARY

Succession Planning =
Identify High Potentials + Develop High Potentials

You can identify high potential employees using **objective measures.**

Developing high potentials is just as important as **identifying** them.

The **Work Personality Index Leadership Potential Report** does both.

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ABOUT US

PSYCHOMETRICS CANADA - **BUILDING BETTER ORGANIZATIONS THROUGH PEOPLE**

Since 1976, our assessment solutions have provided valuable personality, cognitive and leadership insights that help organizations select and develop people. With an unmatched collection of industry recognized employee development assessments and selection tests, we provide the right tools to address a range of organizational challenges such as teamwork communication, conflict, leadership development, stress and succession planning.

We work with more than 4000 organizations, including 84 of the top 100 companies in Canada. We're proud to work closely with our clients every day, helping them to find and develop great people.

Contact our experts to explore how talent assessment solutions can help you identify the right people and develop their potential to enhance organizational performance.

SHAWN BAKKER

Head of Professional Services

sbakker@psychometrics.com

JUSTIN DEONARINE

I/O Psychologist

jdeonarine@psychometrics.com

Psychometrics