

Leadership Assessment at the Top

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Accurately predicting which executives will succeed in a senior leadership role, particularly that of a CEO or other mission-critical senior positions, is crucial for organisations. However, it has proven to be challenging for most companies.

First, it requires a determination of whether an executive can succeed in a new leadership context—one that is likely larger in scope, more dynamic and complex than previous roles. Furthermore, most assessment approaches are not designed to predict whether an individual has the ability to stretch beyond current capabilities to perform successfully in a new job and adapt to it.

To complicate matters, executives at this level are highly accomplished. They speak compellingly about their capabilities and experience. They are driven to influence others, and are often good at it. This makes accurate assessment extremely difficult, particularly in distinguishing exceptional leaders from the great and the good.

So how can organisations improve their ability to make these high-stake decisions? Thousands of tools exist to assess people on all sorts of dimensions—from IQ and personality to professional competencies. The question is whether these tools truly predict performance of business executives at the most senior level.

In this article, we will explore the characteristics of the most effective executive assessments and how Spencer Stuart has developed an assessment approach that generates the rich insight needed to make the most important leadership decisions.

Driving deeper insight: Characteristics of the best assessments

The most effective executive assessments do the following:

Measure the capabilities that are central to effective executive leadership

The role of leadership in an organisation is to continually scan the external environment to anticipate what could affect the business, and drive results over the long-term through people—the senior team and the broader organisation. To do this, senior-level executives draw on a core set of leadership capabilities, regardless of their role, industry or geography. An effective assessment scores leaders on these critical capabilities against an objective scale designed for senior executives, so that individuals can be compared to one another and to the required degree of competence for a given role.

Evaluate future potential with a developmental lens.

Demonstrated capabilities represent just part of the equation. That is because prior knowledge and expertise become less effective levers for steering the business and navigating challenges as leaders move higher in an organisation. As the context changes, executives must make sense of a much wider set of issues with less concrete information, and then conceptualise a clear plan and inspire, engage and motivate a large organisation to act. For these reasons, an assessment should provide insight into an individual's capacity to develop new capabilities, and respond to changing leadership demands and evolving business conditions and priorities in complex and ambiguous situations.

Consider the relevant leadership context

Most people can recall examples in which the same person, with similar mandates executed more or less the same way, delivered a spectacular success in one situation but an outright failure in another. How can this be? It turns out that context matters—how well an individual leader performs is related to how well his or her capabilities, leadership style and expertise align with the demands of the specific role. Therefore, an executive assessment must be based on a sound understanding of the specific leadership context.

Embrace multiple methods for precision

Research and common sense show clearly that one assessment method is never enough, particularly for senior executives. No matter how insightful the tool, not everyone responds to it. Nor can any single tool illuminate all the critical aspects of leadership. An effective assessment employs a range of methodologies to evaluate an executive from multiple perspectives, going deep to illuminate aspects of the person such as his or her motivation, values and personality, in addition to capabilities and knowledge.

Combining executive-tailored, experience-based interviews, interpersonal style questionnaires, live-case-based demonstrations and 360-degree referencing improves the overall accuracy of an assessment and provides rich, comprehensive and powerful insight into the person.

Conduct assessments with a developmental focus. The best assessment approaches are also predicated on the idea that each person has the potential to continue to develop and enhance performance. When conducted with a developmental lens, assessments will be viewed as valuable by those being evaluated, thus increasing the likelihood that the executives will take actions on the developmental feedback, and strive to become better leaders.

The Spencer Stuart Assessment Model: Predicting a leader's success

The Spencer Stuart assessment method and tools are built for business, enabling leadership decisions that carry the highest stakes. We believe that an effective leader must have the necessary Career profile, Capability, Capacity and Character, with Compatibility to the context of their organisation and the broader environment. These are the 5Cs that we apply in both assessing and developing leaders (Figure 1).

We begin by working with clients to define the specific strategic context in which the executive must operate to be successful. This involves identifying the strategic business priorities as well as the leadership goals for the specific role with measurable performance outcomes, the specific tasks and behaviours required, the preferred leadership style and the necessary capabilities. This extensive understanding is critical in ensuring the **Compatibility** of the person to the role.

In assessing **Capability**, we use a scaled Leadership Capabilities Framework with which we are able to compare any executive with another across companies and sectors. The top levels are calibrated to surface distinctions even among the outstanding top leaders of the largest global companies. Derived from research into more than 140 assessment models and our assessments of tens of thousands of executives, we have identified six capabilities that are critical to leadership performance. We consistently benchmark executives on the following capabilities (as shown in Figure 2), as well as other more specialised ones according to client needs.

In assessing **Capacity**, we deploy our Executive Intelligence (ExI[®]) methodology, which targets the characteristics that predict executive impact in complex and ambiguous situations. We have developed a scale that is unique and dedicated entirely to top executives, instead of confining them into a narrow band at the top of a scale where executives lie almost entirely in the upper 10 to 15 per cent. This proprietary approach is the only one proven to predict executive development and performance over time for senior executives.

Figure 1. The 5Cs that predict the success of an individual leader

The 5Cs that predict the success of an individual leader

An effective leader must have the necessary career profile, capabilities, capacity and character to succeed and be compatible with the context of the organization and the broader environment



Figure 2. Capabilities critical to leadership performance



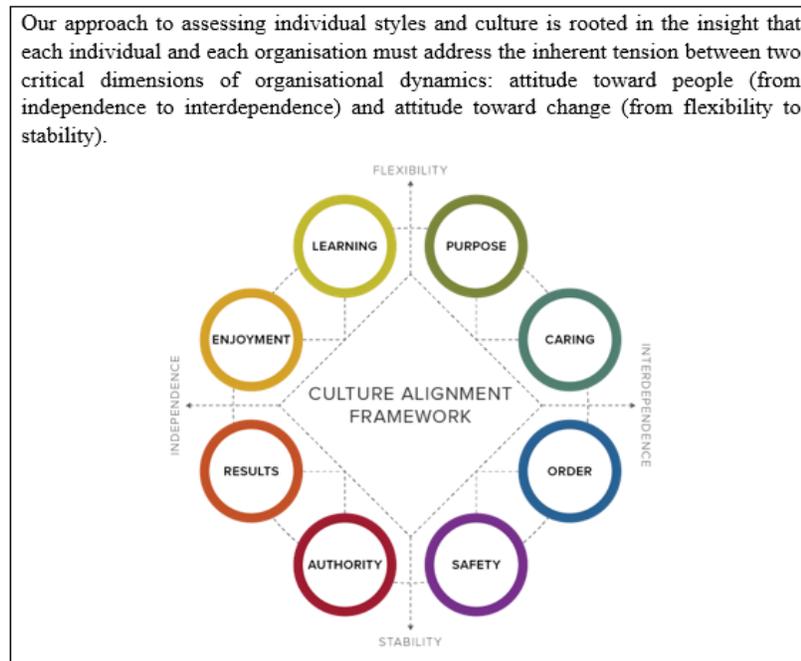
Over the last decade, we have found that the three dimensions of Executive Intelligence predict not only the speed of promotion for senior executives, but also the performance of the business two years after a CEO takes the role. They measure a leader's potential to develop true executive capability, and how fast it can be done.

Executive Intelligence is evaluated through an executive-level case methodology that allows the individual to demonstrate thinking abilities and patterns in real time and in an unfamiliar context, removing prior experience from the situation to get to deeper traits.

In assessing **Character**, we consider a leader's personal drivers that represent his or her deeply held principles in life and motivations, as well as characteristics that define the person at his or her best, bringing into focus how best they can utilise their energy and strengths to maximise impact. A leader's drivers and strengths manifest themselves in the leadership styles he or she uses naturally to interact, influence and lead others.

In the diagnosis of leadership styles, the Spencer Stuart framework draws from eight primary and universal styles to describe the complex and diverse behavioural patterns of an individual and understand how the executive is likely to align with the culture of the organisation (Figure 3).

Figure 3. The Culture Alignment Framework



While every person has the full spectrum of styles within them, the relative ordering of style is what defines an individual's unique profile as well as alignment with the organisational culture. Because the model uses the same language to characterise culture and individual styles, assessment of cultural alignment is straightforward and actionable.

In summary, based on the 5Cs—Career, Capability, Capacity, Character and Compatibility, our skilled assessors are able to synthesise the assessment findings into holistic insights about the person—of who they are today and who they can be in the future as leaders. The assessment and feedback processes are also highly interactive and engaging to ensure that senior executives are energised by the exercise and are motivated to become better leaders for the benefit of themselves, their teams, organisations and society.

In-depth market and assessment experience, at the senior executive level

Even the most sophisticated tools and processes will fail to deliver without the expertise of well-qualified assessment professionals. Our assessment teams are distinguished by three key features:

- Our understanding of CEO and executive leadership. As executive search and leadership advisers for over 60 years, we have observed and studied leadership in different contexts and have developed a view on how to help clients think about the role of leadership in their organisations and how to select and develop senior executives who are able to make a lasting positive impact on the business.
- Our dedicated assessment experts who bring rigorous, insightful objectivity, coupled with broad and in-depth knowledge about senior leadership performance and extensive experience at the intersection of business and psychology.
- Our business and market knowledge of industries, regions and functions. By pairing expert assessors and search consultants who know the industry and market well, we can objectively assess if an executive is competent as well as how he or she measures up relative to peers in similar roles in the market.

The calibre of our people, our methods and our integrated approach to assessment combine to substantially increase the accuracy with which we can predict a leader's future success—in service of our clients and the organisational outcomes they aspire to achieve.

About the Author



Siew Kiang Ng leads Spencer Stuart's Leadership Advisory Practice for Southeast Asia and Greater China, advising clients in succession planning, executive assessment, leadership team effectiveness and culture transformation. Siew Kiang works with global and local clients across sectors, including PE-backed investments and M&A situations.

Prior to joining Spencer Stuart, Siew Kiang was with the Economic Development Board, where she advised entrepreneurs and family-owned businesses to set up businesses and residence in Singapore. Before that, Siew Kiang served as the director of human resources, responsible for talent acquisition, development and engagement. The early part of her career was in promoting Singapore as a location for global oil and chemicals companies to invest in.

Siew Kiang holds an executive master's degree in consulting and coaching for change from INSEAD, an MBA from the Massachusetts Institute of Technology Sloan School of Management and a chemical engineering degree from the National University of Singapore.