The readiness linchpin

Closing the gap between potential and ready-to-promote

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Introduction

Companies invest a lot in high potential identification, expecting in return some assurance that qualified people are ready to step into any breach. Unfortunately, pinpointing high potentials is not the same as preparing them. When a pivotal job opens up, organizations look toward their talent bench, and it appears somehow ... shorter than expected. There might be people suited up, but few who are truly ready to get into the game.

What happens? Ready or not, someone gets sent in—risking career-killing injuries and damage to the organization. Talent gets mismatched to roles. Individuals wind up in sink-or-swim situations. Promising talent, unreasonably stretched beyond capabilities, disengages. Careers derail.

Readiness is the crucial link between high potential and success in a new job. And yet it is the one thing that rarely gets measured.
The foundation: the right question at the right time

To have the right candidates at the right time, organizations need to examine four things: performance, potential, readiness, and fit. And yet only the first of these—job performance—gets regular attention at almost all organizations. Many companies also assess for potential. But beyond that point, things often fall apart and succession strategies suffer.

It is important to understand the distinction between potential and readiness. Both look ahead into the future, but with very different time frames and levels of detail. Potential has a three- to five-year time frame, and can even span an individual's career trajectory. Readiness is about the very near term—tomorrow, next week, next year. A “ready” candidate is one who already has the experiences and competencies required for success in his or her next position, such as a leadership role of greater scope or responsibility.

<table>
<thead>
<tr>
<th>Assessment</th>
<th>Underlying questions</th>
<th>Timeframe</th>
<th>Focus</th>
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</thead>
<tbody>
<tr>
<td>Performance</td>
<td>How effectively is this person performing in his or her current role?</td>
<td>Present and past</td>
<td>Current position</td>
</tr>
<tr>
<td>Potential</td>
<td>Does this person generally have the capacity to be effective in a more challenging role?</td>
<td>3 to 5 years or more</td>
<td>Broader, deeper, or more complex role (e.g., ext level of leadership)</td>
</tr>
<tr>
<td>Readiness</td>
<td>How prepared is this person to perform a specific role?</td>
<td>Immediate to 24 months</td>
<td>Specific type of role (e.g., general manager)</td>
</tr>
<tr>
<td>Fit</td>
<td>How well suited is this person to the specific business context and culture?</td>
<td>Immediate</td>
<td>Specific position (e.g., CIO)</td>
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</table>
To evaluate readiness, candidates are assessed and results compared with models that incorporate the known challenges of the next job. The readiness assessment not only provides clear insight into whether the person is fully prepared now for a specific job, it identifies any gap in skills and indicates how quickly an individual might be made ready using targeted development or some other accelerated preparation. This may entail additional experiences and assignments, learning new skills, enhancing existing abilities, adjusting leadership style, or addressing potentially derailing behaviors. Once the gaps are closed, however, the leader can be promoted with confidence.

WHAT A READINESS GAP LOOKS LIKE

At a large manufacturing company, the head of human resources made sure there was a robust high potential program to create a steady supply of candidates for pivotal roles. It appeared to be a success. Participation was high. Leadership engagement was up. Individuals made progress on their development plans.

And yet when a general manager position opened up at an Ohio plant, none of the high potentials was prepared for that assignment. Rather than the anticipated smooth succession, the company had to scramble. Should it do an external search hoping to find a candidate who could ramp up quickly? That might take months. Should it promote someone into this pivotal leadership role, even if it would be a stretch of his or her current capabilities? That might risk setting back the whole plant.

Organizations have a keen self-interest in measuring the readiness of high potentials and steering their development strategically toward preparation for pivotal roles.
How is readiness measured

Of the four methods of assessing talent—observation, self-reporting, interviews, and simulation—observation is the gold standard. In annual performance reviews, for instance, a manager watches someone perform in a job for a year and then evaluates his or her effectiveness. But for readiness? The person has not yet been in the role or tried the task. While the person could simply be promoted and then removed if he flounders, this is a risky proposition for both the individual and the organization.

Readiness assessments have to use a combination of the other three options for a window into how well an individual will perform in the future:

- Self-reporting: Ask the person to self-rate on key attributes that would be important for success in the new role;
- Interviews: Ask focused questions about the person’s performance in situations that approximate those he or she will face in the new role; or
- Simulation: Creating a scenario that parallels the new role and observing the individual’s behavior.

Each method has pros and cons in terms of cost and certainty. Not surprisingly, lower-cost self-assessments generally provide less-certain answers. And the more confidence needed on a candidate’s readiness, the higher the cost of assessment.

Readiness decisions, of course, vary in significance: the more mission-critical the job role, the more certain the organization needs to be that the candidate will hit the ground running and thrive. Korn Ferry’s assessment of readiness is a rigorous, objective process designed to take into account the specific challenges of the future leadership level or role.

The process can be broken down into three stages:

**Define requirements for success.** Before trying to measure anyone’s readiness, the organization must answer this question: ready for what? High potential leaders need to be compared with a model of the future role, whether it is the next level of management (e.g., moving from mid-level leader to business unit leader), a specific challenge (e.g., leading a multinational team), or a specific position (e.g., head of marketing). Korn Ferry calls these requirements “success profiles” and crafts them based on data and research from client engagements, as well as a vast database of leadership assessments. Success profiles are the bar against which an individual’s competencies and experiences can be compared to see whether he or she is ready to move up.
Assess individual readiness. The next step is to take stock of the leader’s current state. An in-depth career interview reveals the candidate’s performance and track record, key experiences and lessons learned, and goals and aspirations. Self-assessment inventories uncover leadership style, conceptual reasoning, and any negative tendencies. Finally, a realistic, high-stakes simulation that reflects the anticipated leadership and business challenges is used to evaluate the individual’s capabilities.

For example, a frequent challenge for mid-level leaders is holding other leaders accountable for leading teams. Likewise, new business unit leaders might for the first time have to set the unit’s strategy within the broader enterprise strategy. Related experiences—i.e., dealing with inherited problems and strategy development—are designed into the simulation.

Like a flight simulator for pilots, Korn Ferry’s “leadership simulator” does not just reflect a day in the life of a general manager. Instead, it presents a condensed version of the make-or-break decisions that might occur over the course of a year. Participants reveal not only what they can do, but what they will do when facing the stresses and demands of the job. Business simulations are an excellent way to try out talent in a future role with no risk, and substantial upside: the candidate gains deep personal insight and a preview of the role to come, while the organization gets a complete picture of whether he or she is ready to tackle the job, or can be soon.

Accelerate readiness. If the assessment reveals gaps in experience or competency, it’s crucial to craft a robust development plan that specifically addresses the requirements of the target role. Such a plan may include recommended course work, partnership with a mentor, executive coaching, or skill-building job assignments. The latter is one of the best methods, and may include part-time, full-time, external, or action learning assignments. Done strategically and thoughtfully, developmental job assignments benefit both the organization and the individual.

It’s also vital that readiness efforts span the organization, not be done in silos or departments. After all, talent is a shared asset, and development plans should prepare individuals for roles outside of their department, function, or business unit.

Benefits of simulations

For individual leaders:

- Better springboard for development because suggestions are specific and relevant.
- Situations are designed to be challenging and engaging even for top performers.

For organizations:

- Best test of readiness and most accurate prediction of future performance.
- Measures effectiveness in specific situations or contexts.
- Can be used for hiring, promotion, or development.
- Provides specific targets for development planning.
For organizations, there is a lot riding on the answer to the question: Which of our high potentials are ready now to move into the next level of leadership? The stakes are too high to rely on gut feeling or best guesses.

Simulation-based assessments offer organizations a realistic prediction of what candidates are capable of, what they are ready for, and where they need more development, providing organizations with more certainty before they make promotion decisions. An analysis of Korn Ferry’s high-stakes simulation assessments taken by 1,717 people at twelve companies found a direct correlation with performance after a promotion. Those who were strongly recommended based on the assessment were four times more likely to be rated a top performer than a bottom performer by their new boss.

**Figure 2**

**Strongly recommended candidates’ job performance 6 to 24 months after promotion**

<table>
<thead>
<tr>
<th>Percent of leaders</th>
<th>Top performer (top 25%)</th>
<th>Mid range performer (26-50%)</th>
<th>Mid range performer (26-50%)</th>
<th>Bottom performer (bottom 25%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>43%</td>
<td>29%</td>
<td>19%</td>
<td>9%</td>
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</table>

An action plan for organizations

Assessing readiness is the step that connects high-potential programs with viable succession planning. Once organizations start proactively taking stock of which people are ready to move into their next role—or, why they aren’t ready—they are poised to build a continuous talent pipeline. High-potential identification, development and coaching, as well as promotions and job assignments all become aligned toward one goal: creating a strong bench of ready-now leaders.

Perform a talent review. The first step is typically to have leaders identify those they see as both high performers and high potentials. Based on their profiles, they may be candidates for a certain job, or for a range of roles that all require specific levels of leadership acumen and skill. Then, the most viable candidates should be assessed for their readiness to move up.

Decide where to invest. The readiness assessment results may reveal that some candidates don’t have potential for the role after all; or having had a true taste of what the job entails, some may decide that they don’t want to advance. You’ll then consider those who remain in the pool. Based on their gaps, organizations can decide which high potential candidates to offer targeted development opportunities. A chief advantage of simulation-based readiness assessments is that every candidate undergoes the same assessment and their results can be reliably compared. Those with few gaps to fill may be considered immediate candidates while others may be viable options given a bit more time.

Accelerate readiness. Unlike general high potential development, which serves to broaden leaders as much as possible, readiness development drills down to the exact competencies or experiences needed to succeed in a specific role. Development now has a specific purpose and strategic focus for the leader and the organization. Coaching, action learning, challenge-based learning, and stretch assignments are readiness development approaches proven to yield results quickly.

Promote ready-now individuals. When a talent need arises, and a candidate has made sufficient progress to be declared “ready,” it’s time to give the person a well-deserved promotion. This does not mean the work is done. Newly promoted individuals are in a time of rapid growth and development, and the organization needs to support these new leaders as they transition to the next level.
Energize transitions. Even organizations that invest heavily in readiness often drop the ball at the moment of transition into a new role. To garner the highest ROI on development and readiness efforts, transition support is essential. Coaching is a highly effective method to ensure that leaders focus on the right priorities, relationships, and agendas during their first few months in a role.
Conclusion

Identifying potential is an important priority for organizations. Indicators of potential, however, mean only that a leader has the capacity to grow into higher levels of leadership—not that he or she is prepared now. Readiness assessment is the linchpin of talent strategy: it turns high potential programs into smooth leadership succession.

Simulation-based assessments, in particular, are a reliable way to determine someone’s readiness for a bigger, more challenging role and surface any shortcomings before he or she steps into the job. Targeted development plans can close any skill or experience gap before the person is promoted. Transition support such as coaching also helps a ready leader get up to speed. This rigorous process gives the individual and the organization confidence that the leader will enter the game warmed up, ready to score and win.
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About Korn Ferry

At Korn Ferry, we design, build, attract and ignite talent. Since our inception, clients have trusted us to help recruit world-class leadership. Today, we are a single source for leadership and talent consulting services to empower businesses and leaders to reach their goals. Our solutions range from executive recruitment and leadership development programmes, to enterprise learning, succession planning and recruitment process outsourcing (RPO).

About The Korn Ferry Institute

The Korn Ferry Institute, our research and analytics arm, was established to share intelligence and expert points of view on talent and leadership. Through studies, books and a quarterly magazine, Briefings, we aim to increase understanding of how strategic talent decisions contribute to competitive advantage, growth and success.

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