

Leadership



Disconnected Data

The Case for
Wisdom in
Leadership
Assessment

By
The Amrop
Global Leadership Services
Practice



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Leaders For What's Next

Disconnected Data

The Case for Wisdom in Leadership Assessment

Ethical | Responsible | Sustainable

Leadership assessment sits at the very heart of the talent management landscape.

It is extensively (and enthusiastically) deployed by executive search firms and organizations.

Yet it is in this domain that shortfalls in leadership talent strategy are most starkly reflected.



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Management Messages

The Case for Wise Leadership Assessment

Ethical | Responsible | Sustainable

1 THE NEED FOR WISE LEADERSHIP HAS NEVER BEEN STRONGER

2 WISE LEADERSHIP NEEDS BETTER INTEGRATION IN LEADERSHIP ASSESSMENT

3 THERE IS ALWAYS AN IMBALANCE OF POWER IN AN ASSESSEMENT

4 WISE ASSESSMENT HAS HIGH AWARENESS

5 ASSESSMENTS ARE TOO OFTEN AN ISOLATED PANACEA

6 ASSESSMENTS ARE NEVER THE WHOLE TRUTH AND NOTHING BUT THE TRUTH

7 SEEN AS A CONVENIENT FIX, ASSESSMENTS CAN BE RISKY

8 ASSESSMENT NEEDS A CLEAR LEADERSHIP MODEL AND COMPETENCY FRAMEWORK

9 ASSESSMENTS SHOULD BE WIRED IN TO 3 TALENT STRATEGY DIMENSIONS

10 WE PRESENT KEYS IN THIS ARTICLE



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Ethical | Responsible | Sustainable

- 1 THE NEED FOR WISE LEADERSHIP HAS NEVER BEEN STRONGER**

A more ethical, responsible and sustainable approach is in demand by shareholders (for example, meeting ESG criteria or SDGs), and the wider stakeholder community.
- 2 WISE LEADERSHIP NEEDS BETTER INTEGRATION IN LEADERSHIP ASSESSMENT**

Leadership assessment is a high-stakes intervention in decisions related to recruitment, development and career progression. It requires elevation.
- 3 THERE IS ALWAYS AN IMBALANCE OF POWER IN AN ASSESSMENT**

One party exposes much more of his/her personality than the other and there is usually more at stake for the candidate than for the organization.
- 4 WISE ASSESSMENT HAS HIGH AWARENESS**

Wise assessments are clear on the 'why' and 'how', with a highly-attuned human awareness, discernment about the use and sharing of output — particularly its sharing with assessees.
- 5 ASSESSMENTS ARE TOO OFTEN AN ISOLATED PANACEA**

They are run on the sidelines, limited to a diagnostic process, rather than used as one of several inputs to assess a current situation and build leadership competencies. Quantitative tools are particularly misused.
- 6 ASSESSMENTS ARE NEVER THE WHOLE TRUTH AND NOTHING BUT THE TRUTH**

The results should generate hypotheses to feed a deeper discussion with a candidate. They are neither the whole truth, nor a watertight prediction of future performance.
- 7 SEEN AS A CONVENIENT FIX, ASSESSMENTS CAN BE RISKY**

An assessment can mislead decision-making if poorly designed or assessors lack training. If participant care is neglected, it can affect self-esteem and performance. This may lead to defection and harm to the organization's (vital) reputation.
- 8 ASSESSMENT NEEDS A CLEAR LEADERSHIP MODEL AND COMPETENCY FRAMEWORK**

These enable organizations to identify and evaluate the competencies that will lead to higher profitability and sustainability. Yet they are too often missing or undercooked.
- 9 ASSESSMENTS SHOULD BE WIRED IN TO 3 TALENT STRATEGY DIMENSIONS**

Assessments truly add value when connected to 1) diversity and inclusion, 2) organizational design, and 3) leadership development and coaching.
- 10 WE PRESENT KEYS IN THIS ARTICLE**

We offer 7 Keys to Sustainable Assessment: the why, who, what and how. And to help organizations assess a candidate's inclination to make wise decisions, we propose 6 questions to gain insight into self-leadership, motivations, and decision-making hygies.

Disconnected Data

The Case for Wisdom in Leadership Assessment

Ethical | Responsible | Sustainable

The need for 'wise' leadership in business has never been stronger. Today a more ethical, responsible and sustainable approach is in universal demand; not only by shareholders (for example, when it comes to meeting ESG criteria or SDGs), but by the wider stakeholder community.

Smart leaders become wise when they address the dilemmas of modern business in a holistic way. Not only do wise leaders create and capture vital economic value, they also build more diverse and legitimate organizations.

This 'holistic' approach is rapidly earning its place in the way leaders are expected to think, behave and make decisions.

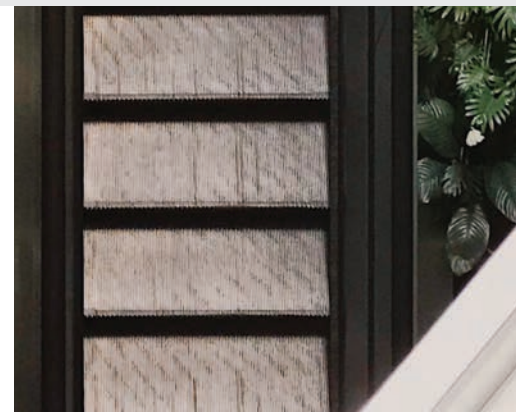


A recent Amrop study, 'The Amrop Talent Observatory' examined the career needs of senior executives. It asked a global population about the factors that would attract them to an organization, or dissuade them from joining. 94% said it was very important to them to be aligned with an organization's ethical values and principles. These factors mattered to more people than compensation or remuneration. Trusting and being supported by top management or other hierarchical superiors is very important to 90%. In general, senior executives displayed a clear preference for wise decision-making factors such as diversity of thought, compassion, involvement and societal and environmental values, over their opposites.

In this article we'll argue that wise leadership needs better integration in the way in which these key executives are assessed — a high-stakes intervention in recruiting, development and career progression.

We believe that it's high time for leadership talent strategy to raise its game from 'smart' to 'wise'.

Ethical, responsible and sustainable thinking should underpin the whole talent life cycle. From hiring, to performance management, coaching and development and succession planning. And in the case of re-structuring, downsizing, mergers and acquisitions, in making tough decisions about the leader's future.



Leadership assessment sits at the very heart of the talent management landscape. It is extensively (and enthusiastically) deployed by executive search firms and organizations alike. Yet it is in this domain that shortfalls in leadership talent strategy are most starkly reflected.

Leadership Assessment | the State of Play

Juliana John is co-leader of Amrop's Global Leadership Services Practice. She has served in HR leadership roles in multiple sectors and world regions. Her expertise lies in aligning an organization's strategy, structure, processes and culture and defining its leadership and people agenda. She has helped global organizations through large scale organizational transformations; restructuring, post-merger, and business model transformation. And she has developed an insight into what will, and will not, work.

A case in point: "In one organization, assessment results lay unused on the shelf for several years," she recalls. "The data was later retrieved and used to make decisions about the participants' future in the organization. This is a prime example of 'unwise' practice in an intervention that has high stakes for the individual and the organization.

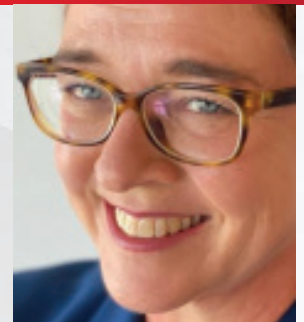
It's important to understand that there is an unbalance of power between the two parties in an assessment setting in the sense that one party exposes much more of his personality than the other, and in the sense that there is usually more at stake for the candidate in terms of a position, promotion or participation in a leadership program.

Ethical, responsible and sustainable assessment practice demands clarity on the 'why' and 'how'. You need a highly-attuned human awareness throughout, discernment about where the output goes and the manner in which it is shared with stakeholders — in particular with the person assessed.

Ultimately it's about respecting the individual and even showing gratitude, from start to finish. This means sharing the context with the individual at the outset. All too often, links are emailed to assessees without any form of context."

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Juliana John



Wise leadership – and indeed wise talent management - is about taking a long-term view with a prevailing emphasis on ethics.

Igor Sulik



Igor Sulik co-leads Amrop's Global Leadership Services Practice with Juliana John. He has an extensive track record heading complex projects in leadership assessment and organization consulting and advising in board and corporate governance. He also leads international executive search assignments across a wide spectrum of board and C-level positions.

He sees the need for a fundamental shift in approach: "Wise leadership (and indeed wise talent management) are about taking a long-term view with an emphasis on ethics," he adds. "It's a matter of being mindful about what's happening in the wider environment. This may be difficult given today's turbulent business environment and the relentless pressure on rapid results. But that only makes wise decision-making even more essential."

Leadership Shortfalls in Organizations

80%	71%	5%
Report a leadership development gap	Do not trust their leaders' capability to take their organization to the next level.	Have fully implemented leadership development programs at all levels.
42%	74%	<p>Source: 'Teamstage Leadership Statistics for 2021', 'AESC, Executive Talent 2025', Businesswire</p>
Lack a leadership competency framework on which to base their development programs	Expect to seek external expertise to plan for leadership succession by 2025.	

Data, Not Information

Leadership assessment is widespread in modern talent management. It is enthusiastically invested in by executive search firms and hiring organizations alike. From recruitment, performance management, development, downsizing or restructuring, quantitative instruments in particular are welcomed as a comparatively easy way of collecting, reading and storing data. Their measures allow for convenient cross-comparison between individuals and groups.

It is this ease of deployment that can lead to assessment tools being misused. Firstly, as we'll argue, they are too often an isolated panacea. "Leadership assessment is often limited to a diagnostic process. This is a mistake. Its purpose is actually to build around leadership competencies, seeing diagnostics as just one of the inputs for assessing the current level of competencies," says Igor Sulik.

In the Amrop article: *Wising Up, Your Decisions May be Smart. Are They Sustainable?*, Dr. Peter Verhezen, an expert in ethics and corporate governance, argues: "Business reality is not black or white. We all behave in a less-than-consistent way. We are all more fragmented, less true to ourselves, more malleable, than we might wish to be. We are a tangled nexus of emotions, dispositions, desires and traits which pull and push us in different and occasionally contradictory ways."

Juliana John: "I think the shortcomings lie in not putting insights from psychometric tests into perspective, but rather seeing them as 'THE truth'. In my professional practice I use insight from psychometrics as a hypothesis-generating exercise. I go back with these hypotheses to the candidate and ask him or her for his or her perspective, reflections, and experience.

This gives me wider and richer insight into how the candidate operates and reflects — which kind of awareness s/he has about potential professional 'derailers', how s/he uses strengths (or remains in a professional context that does not give the space to use them), what kind of coping mechanisms s/he has in place to overcome potential weaknesses (for example, by wisely surrounding him- or herself with a diverse and complementary leadership team)."

Nor are such leadership assessment tools a watertight predictor of *future* leadership performance. "Especially since the contexts in which the leader needs to perform are changing fast," says Igor Sulik. "This makes it even more important to look not only into executives' current competencies, but also how a competency may be required and used in the specific context of the company. More important still, to assess additional competencies that may not be required at the moment, but may be needed in the future as the nature of the role is expected to change."

Danger in Limitations

Leadership assessment, then, is all too often an exercise that lacks bandwidth. Given this, it can not only mislead decision making, but cause damage. One problem is that the design of assessment tools, whether qualitative or quantitative, can fail to account for diversity in terms of gender, race, religion, culture, and age — and even discriminate against certain groups. This is even more of a risk when the people conducting the tests are not properly trained.

When conducting assessments and interpreting the results, (especially if they know the individuals), assessors may also be subject to biases. On the right we list four.

As Juliana John says, a leadership assessment demands a high quality of before and after-care. A participant has the right to expect a clear explanation of context, and for the results (whether qualitative or quantitative) to be shared and explained to him or her in a consistent, dialogue-based manner. Yet too often, these steps are patchily conducted and in the worst case, the participant is then left alone to deal with the outcomes.

Not only can sloppy or inconsiderate practice harm the individual's self-esteem, it can negatively affect their engagement and performance, especially in the case of difficult feedback, or undesired outcomes (not being selected for a post or development program). The executive may defect to another organization as a result.

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What's more, a disgruntled executive may well share his or her frustrations with his or her professional entourage, however implicitly. Those frustrations will be all the more intense if the assessment has resulted in his or her dismissal from the organization, or if an external candidate who is not selected has doubts about the process. More still, if he or she was proactively approached by the hiring organization or its appointed executive search firm.

This can have a negative impact on the hiring organization's reputation and undermine its employer branding proposition. Our recent global study, 'The Amrop Talent Observatory', found that a clean ethical reputation is a big attraction factor for senior executives and that reputational errors have a dramatic effect. 91% want to join an ethically intact organization — even a slight black mark will significantly reduce attractiveness.

The study also revealed that executives are performing their own 'audit' of an organization prior to interview; consulting multiple channels, many outside an organization's control. If 96% do look at company websites, only 33% seek further data and facts direct from the organization. 64% prefer to get the back story from current (and ex-employees). So the way in which executives are treated at high-stakes moments in their careers, such as an assessment, influences their views of an organization's procedural justice and culture, and ultimately, its capacity to attract and retain valuable talent.

4 Common Biases

1. *Anchoring Bias*: the common tendency to over-rely on the first piece of information when making subsequent judgements.
2. *Halo and Horns Effect*: Our (first) impression of one aspect of a person, influences our assessment of his or her general character or properties. However, success in one field does not automatically imply equal success in another.
3. *Like Me Effect*: We tend to be attracted to people whom we perceive to be like ourselves (organizational cloning)
4. *Set Up to Fail Syndrome*: A vicious circle whereby the increase in time and attention paid to a perceived 'underperformer' results in his or her disengagement, with the result that the relationship spirals downward.

Process Pitfalls

1 Unclear link to organizational strategy

2 Over-reliance on quantitative tools — failure to blend with qualitative approaches

3 Poorly managed stakeholder expectations (client, assessee, board)

4 One-size-fits-all application of tools — over-reliance on a single tool with only a tenuous link to specific competencies

5 Untrained and/or uncertified assessors or interviewers

6 Time and cost pressures leading to undercooked processes

7 Poor role and competency definition

8 Inconsiderate before and after-care of assessees

Wiring Assessment In

Who is being assessed, on what points and with what purpose? A clear leadership model and competency framework enable organizations to pin down and evaluate the specific behaviors that matter when it comes to making a business (more) profitable and sustainable.

However these frameworks are all too often absent or undercooked. At the highest level, we observe a problem of 'disconnected data' in many organizations. Firstly, assessment initiatives operate in silos, isolated from organizational strategy and objectives. Secondly, there is a widespread failure to properly wire leadership assessment into other elements of talent strategy. Diversity and inclusion, for example. Or organizational design, leadership development and coaching.

Assessments such as psychometric testing should be conducted with purpose; not as an 'end in themselves'. Either as part of a hiring decision or in the start of a coaching process or for setting up individual development plans or deciding on a promotion. To bring out the best in the data, it needs to be integrated in other HR and talent processes and worked with accordingly.

Establishing these critical connections is a major opportunity for organizations to create results that will benefit executive and organizational performance in the short, medium and long term. In other words, sustainably.




7 Keys to Sustainable Assessment

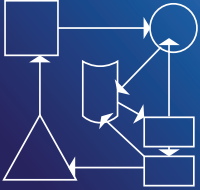
Amrop defines Leadership Assessment as a structured, comprehensive and objective evaluation of current competences and future potential. It is related to a specific set of criteria, (position, role or managerial level), based on professional and documentable observations and measures. And it is always adapted to the strategic context of an organization and requirements of the role.

	<p>1 THE WHY</p>
<p>Set the strategy</p>	<p>Link the competences</p>
<p>Good understanding of the business and strategic challenges</p>	<p>Well-defined & agreed competency model (probably adapted to organization's needs & situation)</p>



	<p>2 THE WHO</p>
<p>Ensure human quality & objectivity</p>	
<p>2 assessors per assessment: combining assessment of the leader's business competencies and personality traits Reference, experience and credibility of consultant</p>	

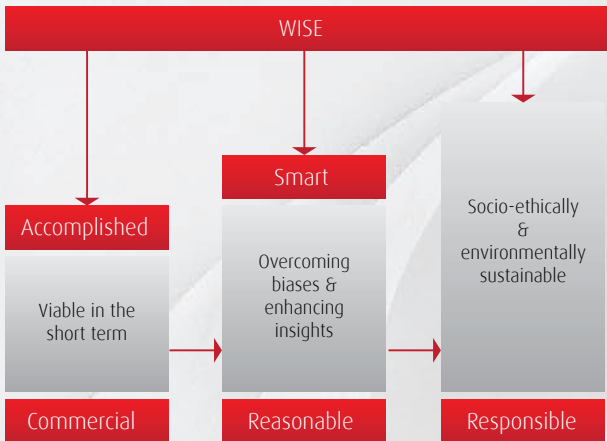
	<p>3 THE WHAT</p>
<p>Ensure validity of tools</p>	
<p>If psychometrics are used: Scientifically based (validity, reliability, objectivity, norms)</p>	

	<p>4 THE HOW</p>	
<p>Before</p>	<p>During</p>	<p>After</p>
<p>Thorough preparation and communication before starting the process</p>	<p>High level reports, clear analytics, all statements based on actual observations</p>	<p>1:1 feedback to candidates In depth presentation & discussion of findings with top management team Targeted coaching & development</p>

From Wise Talent Strategy to Wise Talent

At Amrop, we have long believed that today's ethical, ecological and societal challenges call for executives who are not just accomplished and smart, but wise.

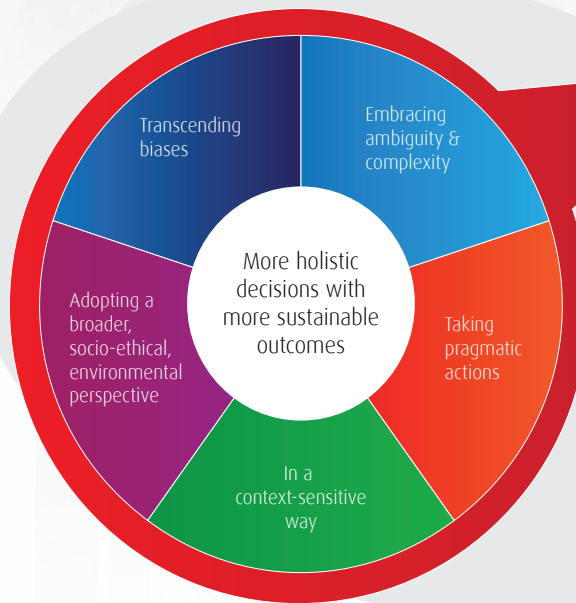
Stepping Up to Wise Leadership



As we proposed in our introduction: smart leaders become wise when they address and resolve the dilemmas of modern business in a holistic way.

Wise leadership | Vital Signs

Hiring organizations have a vested interest in selecting leaders who not only create and capture economic value, but who create a more sustainable — and legitimate — organization. These outstanding professionals take account of values and responsibilities, focusing not only on satisfying shareholders, but stakeholders.



Creating & preserving organizational shared value. According to a well-defined & communicated organizational purpose.

In a risky, uncertain environment

Assessing the 'Wisdom Inclination' | Opening the Box

Leadership assessment typically covers four dimensions: career progression, over-arching leadership competencies, content-related technical skills or domain knowledge, and personal and social aptitude. The 'sustainability' of an executive's leadership approach is rarely addressed. If wise leadership matters, how can organizations assess for it? How can we start to introduce Wise Decision-Making factors into interviewing? Open questions can help to assess an executive's inclination to make wise decisions. Where to begin?

Business life is pressured, turbulent, and often ambiguous, and decision-making can be extremely difficult. Considering the journey to wise leadership as a lifetime quest, the purpose of questions is to understand not only a leader's current tendencies and preferences, but also his or her level of openness to wise decision-making, self-awareness regarding his or her current position, and aspiration (if different).

Gaining a sense of these indicators via an honest dialogue can open the window on a leader's attitudes, beliefs and behaviors and his or her willingness and ability to evolve further.

Amrop's Wise Decision-Making Model and Study

A recent Amrop study asked a global population of senior executives to assess themselves using Amrop's Wise Leadership model. The model has 3 pillars: *Self Leadership* (how leaders exercise self-governance), *Motivational drivers* (what drives their choices) and *Hygienes* (how they nourish their decision-making 'health').



The 6 sample questions below focus on areas that leaders find challenging, according to our study. For example: *Self Leadership*: only 45% of senior executives could easily describe their personal mission. Only 23% systematically based their decisions on the input of diverse stakeholder groups, and only 33% would systematically stop or adapt a decision on the basis of counter-evidence.

Motivational Drivers: even if 86% saw themselves more as servant, than sovereign leaders, 63% were ultimately driven by the 'Need for Power (responsibility and status) when making career decisions.

Hygienes: whilst 58% proactively sought feedback on their attitudes and behavior (and take it into account), 42% did not.

Starting the wise dialogue | 6 Open Questions

1. Thinking about your personal mission in life (your guiding framework and purpose), how easily could you describe that? And would you like to share it with me now?
2. When making a difficult decision under pressure, what do you tend to do?
3. When you have engineered an important decision and evidence shows it needs to be adapted or stopped, what do you tend to do?
4. If a work colleague comes to you with a personal difficulty, what is your approach (assuming professional boundaries are respected)?
5. What is your attitude to influence and power in your career?
6. When it comes to difficult feedback on your attitudes and behavior, how do you tend to approach this?

Wise Decision-Making: Stepping Up to Sustainable Performance (2018), Amrop and Dr. Peter Verhezen

Juliana John

A Partner in Hamburg, Germany, Juliana is Co-Leader of Amrop's global Leadership Services Practice.

Juliana has served in Human Resources leadership roles across multiple sectors, with particular expertise in Aviation, Automotive and Professional Services. She has deep and specialized expertise in aligning an organization's strategy, structure, processes and culture, and defining its leadership and people agenda. She has helped several multinationals through large scale organizational transformations in a restructuring or post-merger situation and business model transformation. Juliana has lived and worked in Europe, Southeast Asia and Latin America.

Juliana holds a Master's degree in Psychology from Johann Wolfgang Goethe University in Frankfurt am Main, Germany, and an Executive Master's in Consulting and Coaching for Change from INSEAD, France.

She is fluent in German, English, Spanish and Portuguese.



Igor Sulik

Based in Bratislava, Igor is the Managing Partner of Amrop in Slovakia and Co-Leader of Amrop's Global Leadership Services Practice.

Igor has long-term experience in leading international executive search projects at Board and C-level. He leads complex consulting projects focusing on leadership assessment and organizational consulting, including potential analysis and board and leadership development. As a member of Amrop's Board Practice, he delivers board search, board design, appraisal and review, advising on corporate governance on local and international levels. A passionate advocate of applying social cognitive neuroscience to leadership, he was the first European to be certified as an i4 Neuroleader Master Trainer.

He is a member of the Jenewein Group Strategy Board, the Governing Board of European Public Policy Partnership (EPPP), and the European Corporate Governance Institute (ECGI), as well as an i4 Neuroleader Partner of the About My Brain Institute.

Igor holds a Master's Degree in Political Science and Cultural Anthropology from Comenius University in Bratislava, Slovakia and is an alumnus of the C-suite Trusted Advisor Program of IMD in Lausanne.

He is fluent in Slovak, Czech, and English.



Let's Talk!

To explore how leadership assessment can help you prepare your organization for What's Next at a local, regional or global level, please contact us.

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With over 60 offices in all world regions, Amrop is a trusted advisor in Executive Search, Leadership and Board Advisory. It is the largest partnership of its kind.

Amrop advises the world's most dynamic organizations on finding and positioning Leaders For What's Next: top talent, adept at working across borders in markets around the world.

Amrop's mission: shaping sustainable success through inspiring leaders.

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