Assessing Executive Talent  
By Robert E. Ployhart

We all think we know talent when we see it. Unfortunately, hundreds of scientific studies provide compelling evidence that we’re wrong. As humans, we are fallible observers and suffer from a number of biases and heuristics that distort our ability to objectively recall information. These distortions play out throughout all aspects of talent acquisition and succession planning. They are unavoidable and yet, because of hindsight biases, hard to identify and change. While we are bad at objectively observing talent, we are marvelous at denying or ignoring our failures in judging talent. These frailties are not unique to CHROs; they exist in all functions and in all disciplines (e.g., medicine, law).

It is for these reasons that the scientific field of talent measurement and predictive analytics has grown steadily over the last 50 years. Quantitative approaches for assessing talent continue to become more refined and accurate. When professionally developed, administered, and interpreted, quantitative talent assessments can provide a more objective and balanced view of talent. Further, because they are quantitatively derived, it becomes possible to use predictive analytics to model the accuracy of hiring decisions. Such analytics are not intended to replace human judgment (even though they tend to predict better than humans!), but are intended to be an important complement—an objective and independent voice—in the talent conversation.

While talent measurement and predictive analytics have made great strides, they are less frequently used in executive succession and hiring. The main reason is because there is a belief that such assessments are not useful at executive levels. Such a belief is false and likely results from use of inappropriate assessments that were not professionally developed, or a lack of knowledge about how to interpret and use them appropriately for executive assessment. Making matters more confusing is the fact that many vendors offer assessments that may look impressive, but can differ greatly in their technical adequacy and informational value (not to mention how the data are collected). Furthermore, even professionally developed assessments will not be equally useful for all situations. Different assessments will be more appropriate for some situations and less appropriate for others.
Thus, while there are many good vendors who offer assessments capable of providing credible objective information about talent, trying to understand which assessment is the “right” assessment for your situation is daunting. For example, a brief sampling of results from our recent C-Suite assessment survey found they differed in terms of:

- **Data collection**: some assessments are based on self-report tests; some use interviews, and others use simulations.
- **Administration**: some assessments are completed solely by the candidate and evaluated/interpreted by the vendor; others are based on 360-type evaluations.
- **Benchmarks**: some assessments have benchmark data relative to other executives; others do not.
- **Purpose**: some assessments focus on current or historical characteristics; others focus on future potential.
- **Customization**: some assessments are customized to the organization; other assessments are generic.
- **Resources**: Assessments differ greatly in terms of how much time and cost are involved.

Our conversations with CHROs and executives suggest there is too much mystery with executive assessments. To address this neglect, CES will be conducting an extensive review and critique of executive assessment tools and vendors. We will also be providing guidance on how to choose an assessment and questions to ask a vendor about their assessment products and services. Our goal is to separate fact from fiction and enable CHROs to make informed choices about talent assessments that will deliver results in an objective manner and consistent with the firm’s culture and strategic goals.

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Responses to the quick poll of C-Suite Assessment Tools used or recommended by CES Members are below:
**Hay Group (Christine Rivers)** - First developed a profile of the CEO of the future and assessed all executive against it for development and succession planning. The results were extensive and very accurate. Also allowed us to compare strengths. Also defined the profile of an “executive” and assessed selected SVP and VP’s against that for the same reason. Highly recommend although it is expensive and takes time.

**MDA, of Minneapolis** - The methodology is multi-dimensional, multi-exercise, and multi-rater. Multiple dimensions of behavior are examined through a variety of exercises, with each dimension measured at least twice, using several raters so that each rater makes independent observations of the candidate. The specific data points include cognitive aptitude tests (EAS series, Wesman Verbal, Watson-Glaser), measures of personality and motives (CPI, Hogan series), executive business simulation exercises (MDA proprietary tools), and a work-style interview with the assessment consultant. Additionally we have used a 360 to obtain broader internal perspectives. This comprehensive approach provides us the robust insights we are looking for when making senior talent decisions.

**Korn Ferry** - EMT and CEO completed a comprehensive assessment battery that included: a) Stakeholder Interviews, b) Structured Interviews to assess success profile competencies and experiences, c) Business Simulations, d) Psychometric Tests – including Global Personality Inventory, Leadership Experience Inventory, Career History Questionnaire, Leadership Motives/Interests, Raven’s advanced progressive matrices.

Overall, the assessment battery resulted in a comprehensive view of each EMT member’s strengths and development opportunities compared to the CEO and EMT success profiles. It has provided actionable information for both individual development and CEO succession planning. EMT members updated their development plans based on the assessment and met with the CEO to review them.

The assessments provided great value, but there were some challenges as we rolled this out to our leadership team. The process required a significant time investment for the EMT to complete the assessments, discuss feedback with Korn Ferry coaches, and update their development plans. Also, our executives pushed back on the business simulations, which were not tailored to TIAA-CREF.

**DDI Training & Assessment Centers** - We use several leadership assessment approaches for senior executives – primarily DDI assessment centers.