

Executive Assessment, Selection, and Development



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In the dynamic labor market of the 21st century, speed is a critical factor in the competitive, global search for talent. As a result, companies often don't have sufficient time to obtain and review extensive information about candidates.

When hiring for a position requiring skill and proficiency, organizations can usually rely on a candidate's experience as an indicator of his or her potential for success. When hiring at the senior management level, however, organizations may be more concerned with style and other more intangible criteria that are critical for performance success yet difficult to ascertain.

Many organizations use professional-assessment consulting firms that employ scientific testing and assessment tools to gauge the fit or misfit between a candidate and the organization. These firms are often made up of psychologists who have experience in job counseling and behavioral and cultural assessment. Although expensive, such firms can spare organizations the devastating cost of hiring the wrong executive or senior manager. Pre-hire assessments and executive development are critical in effective staffing and success.

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Introduction

Each organization has its own personality and way of achieving and defining success. The demands of the new workforce are making leadership, management, and organizational effectiveness the most important issues of the business community in the 21st century. Today’s workforce has greater autonomy and individualization, which makes the job of managing and leading excruciatingly difficult. In addition, finding managers who can succeed in the new environment has become quite a complex endeavor. The new intellectual workforce will not blindly follow a manager who is “out of sync” with the organization’s culture. Management style has become a critical success factor for organizations.

Less time for decision making and shorter cycle time for strategies and implementations reduce the amount of time available to hire executives. However, few decisions can have a more negative impact than hiring managers with whom employees are not in alignment. The pressure on organizations to promptly hire managers could result in the loss of time, revenue, client satisfaction, and key employees if hires are not compatible with the culture and paradigm of the workforce. Some companies try to resolve the disconnect with an “I am the boss, and you will obey” approach, but this tactic never works. Even when entire groups of workers have been replaced to better align the workforce with the new manager, the company or service has ultimately failed, resulting in restructuring or outsourcing.

Because a senior manager is hired at a base salary of \$150,000 to \$300,000 or more and is responsible for \$1 million to several billion dollars of a company’s assets and services, any money spent on services that help assess a candidate’s character and management style is a wise investment for an organization. These same services can be used to enhance the effectiveness of the organization’s existing management, who face the same challenges in managing today’s workforce. Managers who think they “have it wired” will discover quickly that they need some expert help understanding why they are losing their effectiveness and how they can stay aligned with the workforce they are charged with leading and optimizing.

Pre-hire Assessment

An undisputed dynamic of organizational life is that a group’s leader has the most significant impact on the behavior of a group and its alignment with the larger organization or society. A newly hired executive needs the good will of the organizational leaders. This new leader is not always hierarchically the most superior or powerful person in the organization. As a matter of fact, employees often seek advice from informal leaders or elders within an organization, despite their lack of formal or hierarchical power or authority. research shows that company executives rarely know the identity of the informal leaders within their organizations.

If managers have a disproportionate impact on organizations, why do few organizations take the time to make sure that the hire is a good fit for the company? This imprudence can be attributed to incompetent employment departments, persuasive candidates who successfully sell themselves, search firms that hide candidates’ deficiencies, a highly competitive labor market, and an accelerated hiring process. In

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Recruiting and interviewing potential employees are selling activities. Because both the organization and the candidate are trying to close the deal, it is unlikely that either party will seek out or offer negative input during the hiring process. Keep in mind that when companies are hiring at the executive level, they are not necessarily concerned with a candidate's skills and experience — without these credentials, the candidate would not be considered for the job. Instead, organizations use the hiring process to ascertain a candidate's capacity, capability, and character, which candidates at the executive level must present as extraordinarily high. These qualities have enabled the candidate to obtain capital, manage businesses, engage customers, and otherwise conduct business.

A successful executive is an adroit social integrator first and a business expert second.

Executive hires rarely fail because of their capacity, capability, or character. If these hires are unsuccessful, it is usually because they don't fit the culture of the organization. Therefore, companies are challenged with assessing how the candidate fits with the extended organization, which includes the enterprise's management, employees, shareholders, vendors, customers, business partners, influential partners (such as communities and governments), and employee links (such as schools, churches, and health organizations). It is unrealistic to think that the executive will only need to successfully deal with controllable resources and variables within company walls. A successful executive is an adroit social integrator first and a business expert second.

So, how do organizations know whether they are hiring the appropriate candidate when even the candidate can't assess his or her fit? Companies can make this determination by either conducting a pre-hire assessment that compares the candidate's behavioral factors with the organization's behavioral norms and culture or hiring the executive and letting him or her "figure it out as he or she goes." Of course, in the latter case, the new executive often doesn't figure it out quickly enough to avoid being marginalized and positioned for failure.

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Hiring executives too often act on their "gut feelings." Dr. Arthur Resnikoff, a consulting psychologist with Hagberg Consulting Group, helps illustrate why interviews conducted by hiring managers and others often don't work well as exclusive means for selection: "Interviews can give one a sense of fit or connection with the individual. But, what you get in the interviewing process is the individual's 'role' style, what he or she is conscious of in communication, what image the individual is wanting to portray. What you don't get is 'operating' style, what the individual is like when he or she is focused on solving a problem and less conscious of the impact upon others. That's what an assessment device can provide, along with specific questions derived from assessment results designed to explore the potential areas of lack of fit with the position, the hiring manager, the team, and the culture."

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The outstanding candidate will embrace a rigorous assessment of his or her behaviors and perspectives as they compare with those of the hiring company. If the comparison indicates that the candidate and company are incompatible, both parties are able to part amicably. In today's interconnected, global business world, establishing contacts can be advantageous for companies and candidates. Additionally, identifying disconnects between the candidate and the firm increases the hire's

potential for success in the firm; it allows the hire to develop as necessary for optimal impact and satisfaction.

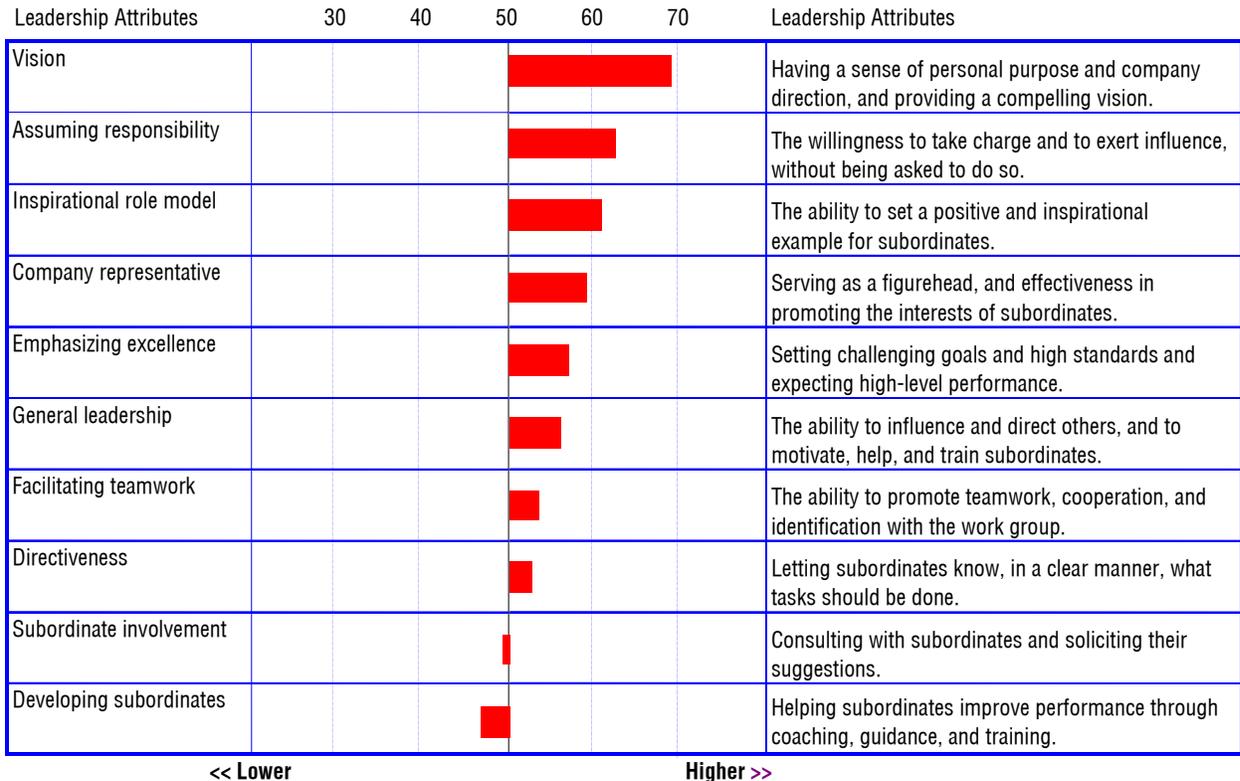
Silicon Valley-based Hagberg Consulting Group (Foster City, California; www.hcgnet.com) is one of the leading suppliers of such services as pre-hire assessment, executive development, organizational effectiveness, cultural assessment, and succession planning. In Hagberg Consulting Group's parlance, its added value to the hiring process is to "validly and accurately predict an individual's personal characteristics, social and communication style, decision-making ability, and management and leadership capabilities, and to assess a candidate's fit with the position and organization culture." These services enable the hiring entity to obtain more quantified data about a candidate relative to critical success attributes for an executive role.

Hagberg's predictive assessment includes methodology, tools, and a consultative analysis:

- A position analysis instrument is used to determine which management characteristics and skills are most essential for the job.
- The hiring manager is interviewed to identify his or her preferences, style, and characteristics.
- Organization members are interviewed to identify key cultural elements.
- The candidate is tested and assessed on personality, behavior, and work-style characteristics.

Figure 1 shows a portion of Hagberg's management assessment report. There are several additional sample reports in the appendix at the end of this document that demonstrate the complexity and thoroughness of an adequate assessment. Hagberg Consulting has kindly allowed the use of its proprietary materials by Dr. Boyd.

Figure 1 Hagberg Consulting Group's Management Assessment Report



Source: Hagberg Consulting Group, 2000

The comparison of a candidate's scores with those of a particular organization shows how well that person is aligned with the organization's workforce. As a hiring (pre-assessment) exercise, the comparison is used to influence the hiring decision. If a currently employed executive is seeking improved organizational effectiveness, the assessment exercise identifies the areas in which the executive needs development and the behavioral changes and skills that will most effectively align the executive with his or her organization. The clear advantage of Hagberg's exercise is that it enables an organization to scientifically quantify the "soft" components of organizational success with data and analysis so that optimal effectiveness can be achieved.

The areas of fit reflected in the above process indicate that the candidate's characteristics need to fit not only the requirements for the position but also the hiring manager's preferences and style and the organization's culture. For example, Hagberg uses the Hagberg Leadership Evaluation instrument to predict how a candidate would rate with potential coworkers on 47 dimensions of personal characteristics, social and communication skills, decision-making style, and leadership ability (including delegation, negotiation, decisiveness, vision, motivating others, and facilitating teamwork). With a database of over 2,500 senior executives who have been rated and evaluated, Hagberg is able to add quantitative and qualitative value to the assessment of a candidate relative to how he or she compares with leadership characteristics of successful executives. This would seem to

be a critical aspect of using pre-hire assessment services, especially for smaller or less-mature hiring organizations. For these companies, it may be more important that a candidate is compatible with an industry norm because their cultures change frequently and quickly. Silicon Valley start-ups are good examples of organizations in which high turnover rates and rapid changes in structure make the industry norm more predictive of executive success.

Executive Development

To assess an executive for development, it is necessary to compare the characteristics and behaviors of the executive with the culture in which he or she has a leadership role and responsibility.

To lead and optimize a group or enterprise, executives need to make sure that their behavior and perspective is in complete alignment with the workforce. Before they can take the necessary steps, however, executives must know what behavioral characteristics and norms are important and what areas could benefit from change.

Although many of the same assessment instruments and methodologies used for pre-hire assessment are used for executive development, development programs focus more on existing relationships than on previous roles. In addition, data collection is more intense and complete for an executive's evaluation. To assess an executive for development, it is necessary to compare the characteristics and behaviors of the executive with the culture in which he or she has a leadership role and responsibility. Data is collected from previous coworkers, bosses, and subordinates, but the comparison is with the executive's current environment. A key part of the evaluation concerns current performance. Most firms use a 360-degree feedback process, a self-assessment tool, and a position-requirements evaluation to thoroughly compare the executive's assessment of his or her performance and behavior with the critical success factors for the position and opinions from the executive's boss, coworkers, subordinates, and superiors.

In some cases, executives decide they would rather leave the job than change their behavior in a way that conflicts with their personal comfort or values.

Executive development programs are confidential — between the executive and the consultant. Some programs include development program goals that are shared with the executive's boss, but these goals are of an "outcome and action" variety rather than of a evaluative nature. Confidentiality is as imperative to successful development as is the quality of the development. The objective of these programs is to determine whether the executive's character, style, and behavior can be improved in ways that will increase his or her effectiveness as an executive in the organization's current environment. In some cases, executives decide they would rather leave the job than change their behavior in a way that conflicts with their personal comfort or values. This is often a courageous decision and can be in the best interests of both the company and the executive.

Hagberg's approach is called the Executive Development Program (EDP). The program is individualized and confidential, and it includes an assessment of the client's current management style and the creation of a personalized development program supported by long-term coaching. By using 360-degree coworker feedback, self ratings, and a peak-performance analysis, Hagberg is able to help clients' identify strengths, weaknesses, and areas for development through a comparison with its proprietary database of over 2,500 executive (including 550 CEOs) profiles.

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Executive development is not a "fix it" program enabling rapid behavior changes or paradigm shifts. Instead, it is a long and intense program providing scientifically validated information, cause-and-effect understanding, and personal counseling aimed at systemic

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change in the leadership style and managing behaviors the client has decided to address. EDP, for example, requires about 30 hours of in-person counseling from an expert psychologist. Scientific validation is accomplished through the application of instruments that have been used for many years in psychological and organizational assessment practices. The executive development normally suggested by the firm is in accord with the assessed profile of the client's organization. With EDP, this quantifies 31 domains of organizational effectiveness. In many cases, the contract will include follow-up sessions, which the executive will attend for 6 to 12 months, focusing on the success of the development plan that the executive has designed. This plan is the result of establishing specific goals and an action plan.

Failing executives often need situational change before they are able to accept personal change. In some cases, executives may decide that they need to change jobs or other aspects of their life. High-energy, goal-oriented executives often don't take the time to analyze in depth their personal levels of satisfaction (e.g., what they like to do, where they want to be, how they are comfortable behaving). Development is usually for the successful executive who wants greater personal and organizational effectiveness. Both the executive and the organization will realize the greatest benefits if development efforts are made for these reasons.

Organizational Effectiveness

Senior leadership has an enormous impact on the effectiveness of an organization. The right leader can create organizational synergy that will lead to superior worker contribution, satisfaction, and retention, whereas the wrong leader will cause social (team) dysfunction resulting in delayed projects, poor quality, and increased worker turnover. Research shows that the most common reason for organizational failure is incompatible leaders. How individuals and teams are assessed, organized, supported, and measured will determine whether the activity has a chance at success. The leader/executive who must create that environment needs to be the enabler and catalyst for success. Therefore, it is imperative that organizations hire the "right person."

The aspect of the executive assessment and development processes that is especially meaningful is the involvement of the workgroup and stakeholders (i.e., the people affected by the new leader). Their participation not only ensures that the requirements are connected to the actual group culture but also affords positive cultural support through inclusion and group ownership. Of course, if an enterprise wants neither a collaborative environment nor positive employee relations, then the assessment needs to be based on higher management specifications.

Also important to note is that the dynamics of every organization are constantly changing. An executive that is "sent away for executive development" will return to a new culture. Assessment and development, therefore, must be a continual and cumulative learning process.

As for pre-employment testing and background checking, privacy and predictability issues warrant careful review by all parties. Leveraging the experience, data, and scientific training of firms such as Hagberg helps companies select leaders who are more likely to be aligned with the job and the human environment of the firm. These firms promise confidentiality as a condition of their services. Although confidentiality

is critical to the reputation of all firms, some are not so professional, and the risk of private information being divulged to a client company exists. This risk is shared by the candidate, executive, employer, and consultant. The assessment and development business is based in trust, and once a firm compromises this trust, it will struggle to regain it. Boyd recommends that companies check all assessment and development firms for prior breaches of ethics under their current and former names.

Once an executive is hired and begins an executive development program, it is imperative that his or her development areas and goals are kept confidential. There are many observed instances in which a breach of privacy occurred after an executive went to work for another company. Unfortunately, because of the close network of functional executives, the negative aspects of an evaluation could follow an executive and damage his or her success elsewhere.

Conclusion

Pre-hiring assessment of an executive manager by an expert resource can be critical to the success of the individual, the group, and the company. Using a firm that is expert by virtue of consultant competency, scientific validation of the instruments used, and the practice of privacy, confidentiality, and thoroughness is the difference between a solid hiring practice and a gamble on subjective guess-work. The kind of crucial information needed to make an informed decision is only available through a rigorous and scientific process of testing and analysis.

The executive who commissions an assessment and development program to determine how he or she can more effectively lead and manage is a 21st-century manager. Although a manager may have the desire to bring greater alignment to the workplace, few executives are able to take the necessary steps on their own. The best leaders know they need assessment and coaching to succeed —these are the services good executive-development firms provide.

When discussing human interaction and behavior, it is important to recognize that the dynamics of every organization are constantly changing. While an executive is undergoing executive development, the workforce he or she was unsuccessful in managing will change. Therefore, assessment and development must be a continual and cumulative learning process.

Leading a group or enterprise is not an easy role. Those executives willing to work hard enough to be successful deserve tools such as pre-hire assessment and executive development that enable them to be effective managers.

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APENDIX:

Management Assessment Report

COMPANY: Company "Y"

NAME: Evaluated Manager

Prediction of Management and Leadership Skills

Problem Solving

and Decision Making

	30	40	50	60	70	
Creativity				████████████████████		The ability to initiate original and innovative ideas and approaches.
Analytical Orientation				████████████████████		The ability to analyze complex problems and identify relevant information.
Risk Taking				██████████████████		The willingness to take calculated risks in situations involving uncertainty.
Technical Orientation				██████████████████		Specific proficiency or expertise acquired through education, training, or experience.
Open Mindedness				██████████████████		The willingness to consider new ideas and approaches as well as input from others.
Decisiveness				██████████████████		The ability to make clear-cut decisions with the appropriate amount of data.
Objectivity				██████████████████		The ability to maintain realistic perspective, minimizing personal bias.
Thoroughness				██████████████████		The ability to attend to detail and develop comprehensive solutions.

<< Lower

Higher >>

Social and

Communication Skills

	30	40	50	60	70	
Formal Presentation				████████████████████		The ability to deliver an interesting, informative, and organized presentation.
Persuasiveness				██████████████████		The ability to sell others on ideas, approaches, products, services, etc.
Listening				██████████████████		The ability to effectively attend to the verbal communication of others.
Political Astuteness				██████████████████		The ability to read and respond astutely to organizational trends, norms, and politics.
First Impression				██████████████████		The ability to create a positive impact through confidence and social skills.
Negotiation				██████████████████		The ability to negotiate outcomes which favor the organization, and, when possible, others.
Conflict Management				██████████████████		The ability to mediate and resolve conflicts, in a manner that is best for all parties.
Interpersonal Relations				██████████████████		The ability to form and maintain, over time, effective interpersonal relationships.
Sensitivity				██████████████████		The extent to which one truly cares about the needs, concerns, and aspirations of others.
Sociability				██████████████████		The ability to relate to others in an outgoing, friendly, warm, and personal manner.
Down-Up Communication				██████████████████		Keeping subordinates and superiors informed about developments that affect them.

<< Lower

Higher >>

Personal Characteristics

	30	40	50	60	70	Personal Characteristics
Independence				50	65	The ability to be self-starting and work independently of others when necessary.
Achievement & Motivation				50	65	The energy and motivation to work hard, strive to succeed, attain goals, and master tasks.
Self Esteem				50	65	A high level of self-worth and confidence.
Ambition				50	65	The desire for promotion or to increase responsibility or influence
Emotional Control				50	60	The ability to maintain composure during times of stress or when faced with conflict.
Flexibility				50	55	The ability to adapt to changing situations in order to attain a goal.
Dependability				50	55	The ability to be counted on to meet commitments and deadlines.
Results and Productivity				50	55	The ability to get results, accomplish objectives, and see projects to completion.
Self Discipline				50	52	The ability to resist impulse, maintain focus, and see a task/project through to completion.
Perceived Trustworthiness				50	51	Giving the impression that s/he can be trusted and is unwilling to compromise his/her principles.

<< Lower Higher >>

Leadership Attributes

	30	40	50	60	70	Leadership Attributes
Vision				50	68	Having a sense of personal purpose and company direction, and providing a compelling vision.
Assuming Responsibility				50	65	The willingness to take charge and to exert influence, without being asked to do so.
Inspirational Role Model				50	60	The ability to set a positive and inspirational example for subordinates.
Company Representative				50	60	Serving as a figurehead, and effectiveness in promoting the interests of subordinates.
Emphasizing Excellence				50	55	Setting challenging goals and high standards and expecting high-level performance.
General Leadership				50	55	The ability to influence and direct others, and to motivate, help, and train subordinates.
Facilitating Teamwork				50	55	The ability to promote teamwork, cooperation, and identification with the work group.
Directiveness				50	55	Letting subordinates know, in a clear manner, what tasks should be done.
Subordinate Involvement				50	52	Consulting with subordinates and soliciting their suggestions.
Developing Subordinates				50	55	Helping subordinates improve performance through coaching, guidance, and training.

<< Lower Higher >>