



# Transforming leadership selection with assessment

Leveraging a series of customized assessment experiences and techniques to inform succession planning and immediate placement decisions for key leadership roles.

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## Background

A multinational, multibillion-dollar manufacturing company with 30+ subsidiaries was facing several imminent retirements at the C-level. Each case required a decision: promote, move, or hire. The organization had a strong “promote from within” culture and talent strategy and sought to accommodate the retirements by either elevating current employees to new roles or moving people laterally.

In some cases, the retirements and necessary placement decisions were several months out, while others required immediate decisions. This posed a problem for the organization. Although the executive leadership team (ELT) had ideas about which moves to make, they lacked sufficient data on the larger bench of senior leaders across the enterprise to make these decisions confidently. In addition to the lack of data, any decisions would also have ripple effects throughout the organization, creating new vacancies.

The ELT recognized that this lack of sufficient data on senior leaders was a significant issue that they urgently had to do something about. The organization engaged BTS to assess both its leaders' leadership capabilities and business acumen, which they saw as vital to the organization's future success. In short, the organization wanted to ensure that the leadership moves they made were supported by objective data.

# What we did

BTS partnered with the client organization to create a series of assessment experiences for both executive and non-executive levels across the organization, leveraging a blend of psychometric tools, interviews, role plays, and business simulations.

## Executive-level roles

Critical to gathering data on internal candidates' suitability for executive-level roles was providing the opportunity for them to experience and practice the roles themselves—or at least simulated versions of the roles. To provide such an experience for candidates, BTS created a multi-day business leadership simulation, conducted entirely in a virtual environment, consisting of several elements:

1. **Psychometric assessments** to gain insight into candidates' behavioral styles and default tendencies. A BTS leadership assessment expert trained in the use of such tools interpreted each candidate's results and aligned them against a profile of a successful executive at the organization.
2. **Career accomplishments and experiences survey** for candidates to document their key accomplishments and experiences to date. By leveraging the data provided in survey format, each candidate was interviewed by a leadership assessment expert and a business acumen expert to dig in and learn more.
3. **Multi-round simulation** during which candidates worked in teams to run a fictitious business over the course of multiple "years." To serve as the backdrop, the fictitious business was designed to resemble (but not mirror) the actual business, complete with financial statements, competitors, products and services, etc. Creating a fictitious business in this manner provided the fidelity needed to make the simulation feel "real" for candidates while affording the flexibility and space for creative freedom to make the business digestible for all to ensure a level playing field, regardless of background or current role.

In running the business, teams of candidates made decisions and investments across different areas of the business (e.g., product areas, distribution, operations, and investment management). They tackled real strategic trade-offs in the business, including unexpected challenges that mirrored the reality of executive-level roles at the organization. As candidates made decisions and tradeoffs, they could monitor a real-time dashboard displaying key metrics important to the business (e.g., revenue, operating profit, employee satisfaction, and customer satisfaction).

Throughout the simulation, leadership assessment experts used detailed behavioral checklists to observe each candidate individually—their interactions with the team, contributions to the discussion, rationale for decisions, etc. This information provided valuable insights into candidates' behaviors under stress, decision-making styles, and other important capabilities.

4. **Behavioral role plays** with leadership assessment and business acumen experts provided additional insights on each candidate individually. Role plays were based on the same fictitious business described previously and coincided with the business simulation.

During the first role play, which took place before the team began working together to run the business, candidates developed and presented their own strategy—as President—for running the business over the next 3-5 years. In this scenario, leadership assessment and business acumen experts played the role of board members, asking specific questions about the candidate's business strategy to gain insight into their thinking and priorities.

In the second role play, which took place after the second "year" of running the business as a team, candidates also played the role of President and conducted a town hall meeting with the entire company. Leadership assessment experts played the role of moderator, asking questions of candidates to dig into their description of the state of the business, their vision for the future, the implications of both to the broader team, etc. In both role plays, assessors followed detailed scripts and used behavioral checklists to ensure consistency across candidates.

Following the experience, BTS assessment experts looked across all sources of data on each candidate, triangulated patterns in results—patterns of behavior, decisions, etc.—and provided the following:

1. **Detailed reporting and debriefs** with the executive team. For each candidate, the leadership assessment experts prepared a report summarizing their strengths, development opportunities, and likely support needed if placed into roles of greater scale, scope, and complexity. These reports were shared and debriefed with the executive team, allowing them to ask the leadership assessment experts specific questions regarding each candidate.
2. **Debrief discussion with each candidate**, during which the leadership assessment experts walked through their findings and helped candidates make sense of the information considering their own career journey. Candidates were also able to access six-month 1:1 coaching journeys with a BTS coach.

## Non-executive leadership roles

In the case of non-executive leadership roles where both internal and external candidates were being considered, the client organization did not have the luxury of utilizing a multi-day assessment experience akin to what was used for executive-level roles—such an experience would not have been practical, particularly for external candidates. Therefore, a modified approach was defined for each role, leveraging some or all of the following elements to ensure internal and external candidates could be evaluated consistently for a given role:

1. **Psychometric assessments**, including BTS's Panorama (a measure of reasoning and critical thinking) and a personality assessment, to gain insight into candidates' behavioral styles, default tendencies, and cognitive capabilities. Like their use in executive assessments, a BTS leadership assessment expert trained in the use of these tools interpreted each candidate's results and aligned them against the success profile for the target role.
2. **Career accomplishments and experiences interview** with a BTS leadership assessment expert to gain insight into the candidate's career, interests, accomplishments, etc.
3. **Virtual assessment center** consisting of the following:
  - a. Business case requiring candidates to learn about a fictitious business, their situation, challenges, etc., and to make decisions regarding the case.
  - b. Simulated in-box consisting of new information for the candidates, and, in some cases, decisions they need to make.
  - c. Role plays with simulated direct reports, peers, and leaders based on the case, challenges, and characters within.

This 3-hour experience, administered entirely virtually, was designed to give candidates, and hiring leaders the information they need to make great employment decisions. For candidates, the assessment allowed them to see what it feels like to perform the job, giving them insights into the alignment between the demands of the job and their own capabilities and interests. For hiring leaders, the assessment yielded deep insights into the candidates' capabilities and demonstrated behaviors.

Then, BTS leadership assessment experts looked across all sources of data on each candidate, triangulated patterns in results—patterns of behavior, of decisions, etc.—and provided the following:

1. **Detailed reporting and debriefs** with hiring leaders to discuss candidates' strengths, development opportunities, and likely support needed if selected for target roles. This information was then leveraged by hiring leaders in final interviews with candidates to make hiring decisions.
2. **Debrief discussions with internal candidates** (and external candidates who were hired), during which leadership assessment experts walked through their findings and helped candidates make sense of the information considering their own career journey.

## Outcomes

First and foremost, the insights generated by the assessments provided the information necessary for candidates, hiring leaders, and the ELT to make the best decisions possible. When making employment decisions, both candidates and hiring leaders alike must make these decisions with eyes wide open.

On multiple occasions, for example, the process prompted candidates to inquire about the realities of target roles, which led to deeper discussions between candidates and hiring leaders about expectations, requirements, etc. This information was crucial for candidates to self-evaluate the alignment between the role available and their own capabilities, interests, and needs.

For hiring leaders and the ELT, the assessments provided deep insights into candidates' capabilities and capacity to take on new roles—sometimes of greater scale, scope, and complexity than current roles. Leaders then leveraged this information in subsequent conversations with candidates as well as internal talent and succession planning discussions to make the most informed decisions possible.

In the case of executives, for example, the assessment process provided deep readiness insights on the organization's most senior leaders, which has already led to the selection and placement of multiple leaders into new executive-level roles. Furthermore, additional leaders were identified for succession into future vacancies at the highest levels of the organization. The executive assessment process and the insights it revealed led to two fundamental shifts in the ELT's perception of and reliance on assessments and, ultimately, led to utilizing assessments for hiring non-executive leadership.



## Context matters

One of the roles for which a new executive needed to be identified and placed was president for the company's largest business unit, accountable for more than 20 percent of the company's revenue across 30+ business units. Two frontrunners being considered, both of whom were strong contenders with track records of great success. However, the key difference between the candidates was that one sought independence from the ELT, seeing them as stakeholders who should be brought in only at critical milestones for input and oversight. The other candidate sought to partner very closely with the ELT, looking to them for detailed guidance on the future direction and strategy of the business unit.

Without knowing anything about the context of the situation, it may seem that the former candidate—the “independent” one—might have been better aligned with the role of president. The reality, however, was that the ELT expected to play an active role in the business unit—they wanted to be closely involved in major decisions impacting the business. Business analysts may debate whether this was the right approach for them, but it was the reality of the context in which the new president would operate.

BTS helped to paint two pictures for the ELT based on results from the assessment – what the future would look like if each of the two candidates were selected for the role. The decision for the ELT was easy. The phrase “must run all major decisions affecting the business past the ELT for approval” was nowhere in the role description, but in reality, this was critically important.

## Assessments provide insights, not just confirmation

The most impactful outcome for the organization was the fundamental shift in the ELT's collective mindset from “assess to confirm” to “assess for insights.” Prior to partnering with BTS, the ELT thought they knew the leadership moves they needed to make to accommodate the imminent C-level retirements. They sought objective assessment data to confirm these moves. After the executive leadership business simulation and the resulting insights, one member of the ELT noted, “If you can open our eyes by providing these kinds of insights on people we already know, imagine what kind of insights you can give us on people we do not already know.”

Ultimately, this collective shift in mindset has led to an ongoing partnership between BTS and the organization. In partnership with BTS, the organization continues to successfully evaluate and hire both internal and external candidates for executive-level and senior leadership roles across the enterprise.