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HOW ARE TOP COMPANIES ASSESSING THEIR HIGH-POTENTIALS AND SENIOR EXECUTIVES? A TALENT MANAGEMENT BENCHMARK STUDY

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Although high-potential and executive assessment has been a popular topic in practice for decades, the primary emphasis in the literature has been on the development and use of specific tools and interventions. As a result, when organizations seek guidance on the practice of assessment in corporations, Industrial-Organizational psychology (I-O) practitioners and consulting psychologists have limited information available with which to compare. Moreover, industry reports often represent a specific tool, technique or point of view. There are relatively few empirical perspectives of the current practice of assessment in corporations, and even fewer that focus specifically on high-potentials and senior executives. This article attempts to close the gap in the literature by presenting the results of a benchmark survey. The survey was designed to provide insights and visibility to talent assessment efforts in large organizations with strong talent management and leadership development functions. Specifically, the results focus on the use of formal assessments with high-potentials and senior executives, including the purpose of the assessments, the application of various methodologies, a discussion of scope and ownership models, and the type of resources used to support such efforts. The article concludes with summary observations and implications for internal and external I-O, talent management and consulting practice.

Keywords: individual assessment, high-potential identification, senior executive, talent management, organizational benchmark

In the last 15 years, the use of formal assessment efforts has broadened both within and across organizations (Scott & Reynolds, 2010). The increasing emphasis on the war for talent as first identified in the early 2000s (Michaels, Handfield–Jones, & Axelrod, 2001) and further reinforced in more recent workforce trend reviews (e.g., McDonnell, 2011; Meister & Willyerd, 2010), has raised awareness levels and concern over an organization's ability to fill future gaps in the leadership pipeline. This in turn has led to an increasing emphasis and focus on talent management strategies

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and frameworks in organizations (e.g., Boudreau & Ramstad, 2007; Cappelli, 2008; Church, 2006; Grubs, 2004; Silzer & Dowell, 2010) including the creation of new job titles, dedicated roles and entire functions dedicated to this area of focus. It has also led to a heightened focus on high-potential identification in corporations (e.g., Campbell & Smith, 2010; Hewitt Associates, 2008; Rogers & Smith, 2007; Silzer & Church, 2009, 2010; Thornton, Hollenbeck, & Johnson, 2010). In particular, there is an increasing emphasis on finding the singularly most effective assessment method or tool (sometimes referred to in practice as the "silver bullet") that will identify future leaders with the greatest potential for enhanced development and succession.

Interestingly enough, however, while the core theory, tools, and processes that support these efforts were used decades ago by Industrial-Organizational (I-O) psychologists, organization development (OD) professionals, and consulting psychologists, they have recently resurfaced as the new "hot topic" among many executives and HR professionals in organizations (Silzer & Dowell, 2010). In addition, although significant theory and research exist in the literature regarding specific models, measures and approaches to assessment including the benefits of using multiple methods (e.g., Groth–Marnat, 2009; Scott & Reynolds, 2010), there is little published with respect to what companies are actually doing with formal assessment programs.

Moreover, the benchmarks that do exist are either very high level in nature (e.g., Ready, Conger, & Hill, 2010; Silzer & Church, 2010), or based on samples with limited generalizability for organizations looking to establish a high quality assessment program (e.g., American Medical Association Enterprises, 2011; Hagemann & Mattone, 2011). In addition, the studies we were able locate were focused solely on methods for identifying potential and not necessarily formal assessment efforts, or anything to do with evaluating more senior executive populations. The latter is a major omission in the practice literature as senior executives are a critical target population of concern for organizations engaging in rigorous talent review processes today (Church & Waclawski, 2010). This is particularly true given the increasing involvement of the Board of Directors in corporate succession planning efforts over the last 5 to 10 years (Carey & Ogden, 2004; Paese, 2008; Silzer & Dowell, 2010).

This situation can leave the practitioner at a distinct disadvantage, for example, when attempting to answer senior leader or client questions regarding the current practice of assessment. While external consultants will have knowledge of what their specific clients are pursuing, they are not likely to have access to data reflecting a broader range of applications in general. Internal practitioners on the other hand must rely on their personal networks to gather intelligence on the current state. This is particularly true in the area of talent management which suffers from a (1) a lack of definitional boundaries of practice, and (2) limited or misinformed content knowledge on the part of leaders and managers regarding the appropriate selection of tools, interventions and techniques. In short, greater visibility is needed regarding the current practice of assessments in organizations to help guide the design and implementation of these efforts going forward.

To this end, the purpose of this article is to describe the results of an independently conducted benchmark survey designed to provide insights and visibility to talent assessment efforts in large organizations. In particular, the focus of this study was on the use of different types and approaches to assessment specifically with high-potentials and senior executives. These two target populations were chosen as the focus of the survey for three reasons. First, they have been significantly less frequently researched in the past compared with managers or front-line supervisors. Second, they represent strategically important talent pools and are areas of primary emphasis for talent management and succession planning efforts in organizations today. Third, the quality and C-suite readiness of this group have received increased attention from Boards of Directors and investors of publically traded organizations over the last decade for a variety of reasons (e.g., CEO failure rates, extensive financial and reporting scrutiny, increased transparency, and global impact).

The article begins with a brief review of the use of assessments in organizations, including some of the conceptual underpinnings and evolution of several key instruments and approaches. Next, existing data on the use of approaches and tools for identifying high-potentials are discussed. The design and survey results of the current *assessment practices benchmark* study are then presented.

Overview of Assessments in Organizational Settings

Although the origins of individual assessment practices can arguably be traced back to ancient China and Greece (DuBois, 1970), the tools used by OD and I-O practitioners today emerged during the dawn of the 20th century. These were introduced via the early efforts of Hugo Musterberg, Robert Link, Louis Thurstone, and others who faced many of the same assessment related issues that continue to challenge us today. Namely, as Musterberg put it, “finding the best possible man, how to produce the best possible work, and how to secure the best possible effects” (Hale, 1980, p. 153). Throughout most of the 20th century, as the field of individual assessment was in its fledgling stages, clinical and I-O psychologists pursued relatively different paths in their development of assessment tools. Clinical psychologists, the early pioneers in individual assessment, rooted their tools on a more holistic “total person” approach, leveraging techniques such as the clinical interview, projective testing, and Q-sort tasks. Conversely, I-O psychologists took a more “atomistic” approach, focusing on specific tools to assess specific constructs (Highhouse, 2002).

It should come as no surprise that we have such a range of tools and approaches in the field today. Within the leadership domain, for example, there are measures that assess a person’s motivation to lead, skills and abilities to lead, leadership style, learning agility, and so on. One can also find a wealth of measures for most any specific audience—for example, C-Suite leaders, high-potential candidates, midlevel and first-line leaders—as well as functional competency and technical skill assessments aimed at sales, marketing, or finance. Such diversity adds more precision to the profession, but it also adds potential for confusion and misuse.

Despite our continued diversification of assessment tools, there is, however, emerging agreement on what constitutes the main types of measures in a typical individual assessment. The more common measures can be classified as cognitive test, personality tests, multisource feedback, and assessment centers and simulations.

Cognitive Ability Tests

Since the early workings of Spearman (1904), the area of cognitive ability is one of the most researched of the individual difference constructs. Research has shown that cognitive ability influences virtually all aspects of work performance and potential (Ones, Dilchert, Viswesveran, & Salgado, 2010). Although the criterion validity evidence continues to mount, there remain issues with subgroup differences and adverse impact in selection contexts, which has made some organizations reluctant to pursue these types of measures (Ones, Dilchert, & Viswesvaran, 2012).

Personality Tests

The emergence of the five factor model (FFM) allowed personnel psychologists to develop more construct valid instruments with better predictive validity (Barrick & Mount, 2012) The FFM was able to bring order to the field and demonstrate that such characteristics are relatively enduring and stable. Over time practitioners have noted the value in combining personality and behavioral assessments for executive development. Combining both types of assessments is increasingly recognized as being a more robust process than using either method alone because it allows for the examination of convergence as well as possible divergence of the data. By integrating the pattern of results across measures the feedback facilitator, coach or consultant working with the data can generate deeper insights (e.g., when personality tests suggest a particular disposition to behave a certain way but multisource results indicate a lack of the behavior as observed by others, further probing can determine if the issue is in motivation or opportunity to demonstrate a behavior). This in turn yields enhanced interpretation and more targeted one-on-one feedback and development planning. As a result, the practice of using these types of measures together has become common today in the leadership and OD field (Burke & Noumair, 2002).

Multisource Feedback

Over the years, 360-degree feedback (Bracken, Timmreck, & Church, 2001) has transitioned from a fad concept to a core HR process. Most companies today have had some experience with 360 tools for developmental or organizational change purposes (e.g., Church, Waclawski, & Burke, 2001). Despite some continued methodological, statistical, and ethical concerns (many of which were summarized nicely by London, 2001), recent reviews (e.g., Nowack & Mashihi, 2012) have suggested that 360 feedback is being used increasingly for broader applications. Examples of these include executive coaching for driving behavior change (Dalton & Hollenbeck, 2001), performance management systems (Bracken & Church, 2013), and talent management processes (Church & Waclawski, 2010).

Assessment Centers and Simulations

After its military beginning, the assessment center method was made popular in industry by the well-cited Management Progress Study conducted by AT&T in the 1960s (Bray & Grant, 1966). After usage peaked in the 1980s because of widespread downsizing and an emphasis on productivity, organizations started to become more judicious in their applications. In addition, technology enhancements in the workplace allowed organizations to opt for less expensive assessment alternatives as well (Spychalsky, Quinones, Gaugler, & Pohley, 1997). Despite the level of investment required to design and implement, however, assessment centers and simulations still remain one of the best predictors of performance and potential (Arthur, Day, McNelly, & Edens, 2003; Hogan & Kaiser, 2010).

A Case for Multiple Methods

Given the emergence of these various methodologies and approaches to assessment over the last 60-odd years, it is no wonder that clients looking for assessment options are easily confused and in need of further direction. However, one key to providing structure and organization to the plethora of options comes from good measurement theory, which tells us that to measure any construct reliably, one should take a multiple-method approach (Nunnally, 1978). Based on this insight, Campbell and Fiske (1959) developed the multitrait-multimethod (MTMM) approach which involved a matrix of different qualities to be measured ("traits") by different ways to measure them ("methods"). According to this approach, confidence in construct validity is provided by a correlation in results from different methods for measuring the same traits (convergent validity) and a lack of correlation in results from the same method in measuring different traits (divergent validity).

The key principle, of course, is that no single test or assessment method is perfect, but measurement precision is enhanced when multiple tests or methods point to the same conclusion. These principles are integral to some assessment methods. For instance, assessment centers use multiple exercises designed to reflect a common set of underlying performance dimensions and multisource/360 feedback uses different rater groups (e.g., direct reports, peers and supervisors) to assess the same performance dimensions.

Key to the design of a MTMM procedure in the evaluation of talent is specification of the domain of performance dimensions to be assessed (e.g., Silzer & Church's [2009] model of potential; Bartram's [2005] great eight competencies), and the alignment of appropriate assessment procedures for measuring them. A full consideration of this procedure is beyond the scope of the present benchmarking survey. Here we focus on understanding the assessment methods and tools used in current individual assessment practices with a specific focus on senior leadership (i.e., executives) and high-potential employees. The concept of MTMM is still relevant, however, when different methods are used in combination in talent management efforts to assess multiple traits such as leadership competencies (via 360 feedback), personality factors, and cognitive capabilities.

Research on Assessment Practices in Industry Today

As noted earlier, assessments have become quite popular in practice, particularly in the talent management area. It is increasingly common, for example, for recruiting firms to use preemployment assessments to aid in decision making for their clients (Stamoulis, 2009). Meanwhile, assessment consultants have grown in prominence resulting in consolidation of the field in the past several years (e.g., Corporate Executive Board acquired Valtera and SHL, IBM acquired Kenexa, and Korn/Ferry International acquired PDI Ninth House).

Where we have seen the most movement recently, however, is in the use of leadership assessment, particularly with more senior level executives. Historically there has been what we would call an assessment "glass ceiling" perpetuated by several generally accepted beliefs. These consist of the following: (1) leaders at senior levels feel that assessments are beneath them; (2) organizations value experience over competence; and (3) politics trump precision (Stamoulis, 2009). The trend in assessment has begun to shift back, however, given recent high profile expensive CEO exits from major corporations such as Home Depot and Pfizer (e.g., Paese, 2008).

Interestingly enough, however, despite the increasing emphasis on senior leader assessments, a review of the mainstream talent management books (e.g., Boudreau & Ramstad, 2007; Cappelli, 2008; Effron & Ort, 2010) indicate that while most authors mention the importance of assessment as part of a broader strategic talent management process, few provide detailed guidance in this area. Instead practitioners are directed to more targeted professional publications, many of which have been published in conjunction with the Society for I-O Psychology (e.g., Groth–Marnat, 2009; Jeanneret & Silzer, 1998; Scott & Reynolds, 2010; Silzer & Dowell, 2010; Stamoulis, 2009). These volumes contain a wealth of knowledge and provide excellent guidance for implementing assessments at all levels; however, they do not provide a review of the current practice.

While there have been some studies of high-potential identification efforts, some of which do touch on assessments, the findings have been inconsistent. For example, Campbell and Smith (2010) reported that 56% of attendees at Center for Creative Leadership (CCL) leadership programs indicated that their organizations had a formal process in place for identifying talent. In comparison, Ready, Conger, and Hill (2010) indicated based on their survey of 45 companies that 91% purposefully identified high-potentials as part of their process. Similarly, Silzer and Church (2010) noted that 100% of their sample of 20 well-known organizations had high-potential identification models in place. While generalizations are difficult because of the variability of samples between studies, it appears that at least 50% or more of these organizations have some process for identifying high-potentials. Of course this is not a very precise estimate and is unlikely to influence a client's decision as to whether or not to implement an assessment program.

Two other studies do provide some insight into current practice, yet they focused solely on high-potential identification processes, not broader assessment efforts. Specifically, Hagemann and Mattone (2011) conducted a survey using a sample of 81 organizations representing public (54%), private (35%), and not-for-profit (11%) entities. Based on this more diverse sample of organizations they reported that 60% had formal high-potential identification processes in place. Interestingly, the number one method of high-potential identification was the opinion of senior executives (59%), followed by performance appraisals (51%), and then a formal talent review process (42%) similar to those described elsewhere (e.g., Church & Waclawski, 2010; Effron & Ort, 2010; Grubs, 2004; Silzer & Dowell, 2010). Interestingly, only 16% of this sample utilized customized 360 feedback based competency assessments, 14% psychological testing, 9% cognitive measures, 7% assessment centers, and 4% business simulations.

A similar study conducted by American Medical Association (AMA) Enterprise (2011) based on their database of contacts reported that only 8% of companies used systematic methods for identifying high-potentials, with another 42% indicating having in place some combination of systematic and informal approach. The primary methods used for identifying high-potentials as cited by this study included performance appraisals (74%), senior management (69%), innovative/unique contributions to the business (42%), assessments (35%), input from peers (35%), and educational background (18%).

While it is not uncommon in practice to see senior leader perceptions influence talent decisions, the fact that senior management was ranked at or near the top of the list in both studies above is troubling. In addition, and despite practitioner concerns over the comingling of performance and potential (that has been described as the *performance-potential paradox* by Church & Waclawski, 2010), performance was also a highly used method. In comparison, the more valid and empirically grounded approaches to assessment were used far less frequently in these surveys.

In summary, based on the above data it appears that while the identification of high-potential talent is widely believed to be critical, not all organizations have a formal classification process, and many rely on ungrounded methods. While this may accurately reflect organizations of all types, we hypothesized that those companies with a focused talent management agenda would have a significantly more complex MTMM assessment approach, particularly for their most important talent pools. To test that assertion, particularly with respect to the use of multiple assessment methods, a study was initiated with organizations that have strong talent management and/or leadership development functions. Although not representative of all companies, this sample was chosen because of its utility in providing data against a benchmark or standard of excellence in practice.

Assessment Practices Benchmark Study

The *assessment practices benchmark* study was designed and administered in the early part of 2013. The study was initiated and sponsored by the authors with no affiliation to any assessment product offering. The purpose of the study was to gather data from a number of large and well-respected organizations with strong talent management and leadership development/organization development functions regarding their current assessment practices. Although the first question in the survey asked about the use of assessment programs overall across a variety of populations, the primary emphasis of the study was on the number and types of assessments used with senior executives and high-potential populations as noted above.[1] More specifically, the intention was to collect data on the following topics: use of assessments with these populations relative to other possible target populations in organizational settings purpose of the assessments (i.e., development vs. decision-making or some combination) utilization of common methods of assessment (e.g., personality, 360 feedback, individual interviews, assessment centers, simulations, etc.), and the number of different methods typically used together scope and ownership models (e.g., global vs. regional vs. local) currently in use types of resources deployed to support the processes (internal vs. external).

Method

Sample

Given that this benchmark study was intended to identify best case contemporary assessment practices, a targeted sample was used for data collection. Specifically, we sought to include in our sample only those companies who are at the forefront of talent management, “the best of the best,” if you will. Although this is a somewhat subjective judgment guided largely by our own professional opinion based on many years of active involvement in the field, we also relied on more objective factors. The sample was developed using two sources. The first represented the membership roster of senior executives (in most cases the senior-most talent management leader of their respective organization) in a professional association focused specifically on talent management, leadership, and organization development. The members of this association meet several times a year to share and review best practices, current topics, and trends in the talent management domain. Unlike in

[1] Although the use of different types of methods/measures together as part of an assessment program might reflect a MTMM approach (e.g., including leadership competencies, personality traits, and cognitive abilities), this research was only focused on the methods used not the specific content domains being assessed.

other broader HR practice surveys, where the target respondent may not be deeply knowledgeable about assessment methods used in their organizations, the individuals in this association are directly responsible for the senior level and high-potential talent management programs and processes in their companies.

The second source of survey respondents was comprised of individuals in senior talent management, leadership development, internal consulting, and/or organization development positions in other large and well-respected organizations not included in the membership of the professional association above. These companies include those whose talent management staff present at conferences, publish professional articles on their practices, and who are identified in third-party rankings and evaluations as notable for their focus on leadership. The individuals representing these companies were included to expand the representation of the survey pool. Given the nature of the survey effort, external consultants were not included.

In total, individuals from 95 unique companies were invited to participate in the *assessment practices benchmark* study. All of the organizations targeted in the sample represented large, multinational or global companies that had a reputation for having some level of sophistication and credibility in their talent management and leadership development efforts. For instance, most had been recognized by the Aon/Hewitt ranking of "Top Companies for Leaders" published in *Fortune* (Murphy, 2011).

Because the information being collected could be considered highly sensitive and/or proprietary by many organizations, there was a concern that an identified survey approach would result in some companies choosing not to respond. Thus, the survey was conducted anonymously. This decision was made to maximize response rates at the expense of demographic detail associated with the responses. As a result, and to further protect the confidentiality of the companies invited, the names of the organizations are not reported. For context and generalizability concerns, however, Table 1 provides the characteristics of the organizations included in the sample. In general the sample was comprised primarily of publically traded organizations (88%) with a mean annual net revue of 45.7 billion, a range of employees (over 90% with 10,000 or more and 28% with 150,000+), primarily headquartered in the United States, and from very diverse industries.

Survey Questionnaire

A standard online survey methodology was used to gather the data. The questionnaire was short and consisted of five core items, some with subparts, and included one write-in question (see Appendix for a complete listing of the questions included). It required ~10 min to complete.

The first item on the survey asked about the use of assessments in the respondent's organization with a broad range of target populations ranging from senior executives to front-line supervisors. If participants selected either senior executives or high-potentials as groups currently being assessed in their organization, they were directed to complete the rest of the survey and offered more questions. If on the other hand they did not use assessments at all or used them with one of the other groups, they were dismissed from the study.[2]

Respondents who completed the rest of the survey answered the remaining questions specifically in the context of either high-potentials or senior executives. Additional questions were asked about each target group regarding purpose, methods, scope, and associated resources (see Appendix). Upon completion of the survey all respondents were offered the option of requesting a copy of the results. The data, however, were not linked to the organization to protect the confidentiality of the responses.

Definitions

The content of the survey was based on based on a combination of the researchers' experience in the area of assessment and information obtained from current practice texts (e.g., Groth–Marnat,

[2] Because survey responses were anonymous it was not possible to determine if any systematic differences existed between organizations that did assess high-potentials and senior executives versus those that did not.

Table 1
Organizational Characteristics of Invited Survey Sample

	Per Cent (%)
Type of organization[a]	
Private	88.4
Public	7.5
Other	1.1
Number of employees	
150,000 +	28.4
100,000–149,999	8.4
50,000–99,999	24.2
10,000–49,999	31.6
1–9,999	7.4
Headquartered	
U.S.	92.6
Outside U.S.	7.4
Countries with operations	
100 +	19.2
50–99	22.3
10–49	28.7
2–9	16.0
1	13.8
Industry group	
Automotive/transportation	5.3
Construction	3.2
Consumer products/apparel	9.5
E-Commerce/Internet	3.2
Energy	3.2
Entertainment/media	2.1
Financial/professional services	14.7
Food/restaurant	8.4
Hospitality	2.1
Insurance	8.4
Manufacturing	11.5
Pharmaceuticals/healthcare	9.4
Retail	7.4
Technology/software	8.4
Telecom	3.2
Annual revenue	
M = 45.7 billion	
Median = 26.0 billion	

[a] Data for this table obtained from publically available sources for those organizations invited to participate in the survey.

2009; Scott & Reynolds, 2010; Stamoulis, 2009). Because organizations use different talent-based segmentation models and frameworks for high-potentials (Silzer & Church, 2010), and official titles and management levels differ, standard definitions were offered at the beginning of the survey. The following definitions provided a response context for the survey participants:

> **High-potential:** someone below the VP level who is seen as having the capability to progress into leadership positions two or more levels beyond their current role.
> **Senior Executives:** leaders in the mid- to upper leadership levels in the organization (e.g., Vice President and above), regardless of whether they are considered high-potential or not.

Assessment: use of standardized tools and methods to evaluate an individual's capabilities and/or behaviors to make personnel decisions and/or provide development feedback.

There are two important points to note regarding the definitions provided. First, while many organizations identify high-potentials among their executive levels as well as lower down in the hierarchy, the intent here was to differentiate assessment practices between executives and midlevel high-potentials. Given that talent management functions focus on these groups as distinct populations with respect to dedicated time and resources, it was important to define them separately for respondents.

Second, while the term "assessment" is well understood among certain groups (e.g., I-O psychologists and consulting psychologists), because leaders in talent management functions sometimes have different professional backgrounds (e.g., HR generalists, staffing, or other functions outside of HR) it was important to align respondents to a single construct. Specifically, the focus was on formal assessment processes applied in a consistent and standardized manner versus those that might reflect unique individual applications (e.g., a single coaching or feedback intervention) that are also quite common in many organizations.

Results and Discussion

In total, responses were obtained from 84 individuals (each representing a unique organization) yielding an 88% response rate. Although the survey achieved a high response rate overall, given the nature of the data (e.g., multiple response) and with limited demographics because of survey anonymity, the analysis consisted of standard paired comparison *t* tests and Spearman rank-order correlations.

Use of Assessments

Overall, 70.2% of all companies responding to the survey indicated that they used some form of assessment, as defined above, with at least one population in their organization. Although similar studies of this nature are not directly comparable (because they were focused solely on high-potential identification and not formal assessments), this finding provides a more realistic counterbalance to the perhaps somewhat unrealistic highs of 90–100% reported in smaller studies cited above. It also supports the observation made earlier that assessments may have become more popular recently, at least in large organizations with well-established talent management and leadership development functions. In short, over two-thirds of these top companies do have formal standardized assessments efforts in place today.

Target of Assessments

Of those currently using assessments (i.e., 59 of the 84 survey respondents) based on the list of options provided, by far the most frequent targets of their efforts are senior executives (90%), middle managers (81%), and high-potentials (75%). Moving down the hierarchy, however, the data indicate that as the job level of the employee decreased the likelihood of a formal assessment process also decreased. Specifically, the next most cited population, first line supervisors at 47%, are significantly less likely to be assessed compared with the top three groups (senior executives $t(58) = 5.78$, $p < .001$, middle managers $t(58) = 5.08$, $p < .001$, and high-potentials $t(58) = 4.01$, $p < .001$). Interestingly and perhaps somewhat surprisingly given the level of emphasis on generation Y talent in the popular business literature, campus hires are the least likely to be the focus of assessments by these corporations at only 15%. Figure 1 provides the detailed breakdown of results for this item.

In total, all mean differences between the top three selections and the remaining four possible target groups yielded significant t values at $p < .001$. The minor differences in the top three targets of assessments, however, were not statistically significant, suggesting that these populations are about equally often the targets of assessment.

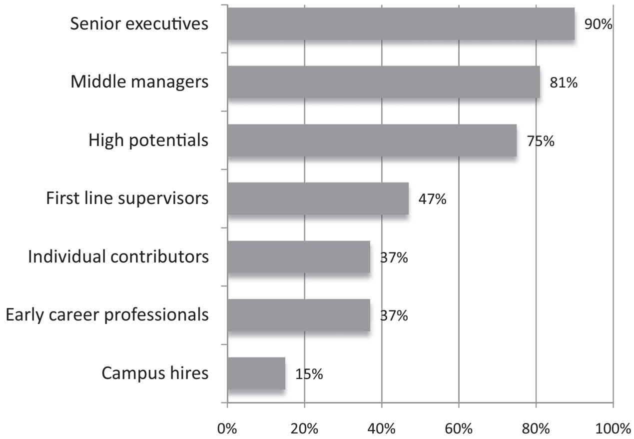

Figure 1. Use of assessments. In what parts of your organization do you use assessments?

While finding that high-potentials are assessed is perhaps not that surprising given the earlier studies cited, the fact that 90% of these companies are currently using assessments for their senior most executives (VPs and above) is a very useful and important finding for practitioners. It signals significant support and investment within these top companies in evaluating and potentially developing their senior most talent for succession purposes.

Also of interest was that middle managers and high-potentials are being assessed at very high rates among these companies as well. It appears that organizations are placing as much of an emphasis on midlevel assessments as they are senior leaders. This suggests a greater focus on building long-term succession bench than perhaps has been the case in the past. This likely reflects an intentional strategic human capital response to the war for talent.

Summing responses across this survey item, it was also interesting that the majority (70%) of organizations are engaged in assessments at any level. More specifically the mean number of target groups being assessed was 3.38 ($SD = 1.81$) out of the list of seven options provided. This indicates that those companies with assessment practices are applying them quite broadly, and have an aggressive talent development practice overall.

Because senior executives and high-potentials were of particular interest for this study, the relationship between the use of assessments for these two focal groups was examined. Although the χ^2 was not statistically significant given the small sizes of the two nonassessment groups, the cross-tabulation clearly indicates a trend toward shared assessment between the two targets. For example, 69.5% of the organizations using assessments do so with both populations, while 20.3% assess executives only and not high-potentials, and 10.2% assess high-potentials but not their senior executives.

Purpose of Assessments

The second question in the survey provided a list of eight potential purposes for the use of assessments. The options provided reflected both developmental and decision-making applications. Respondents answered via multiple responses to these choices independently for both senior executives and high-potentials. Overall, assessment for addressing development needs was by far the most commonly cited purpose for both target populations and ranked significantly higher than the next closest option chosen.

Specifically, 82% of respondents indicated using assessments for development with high-potentials versus 50% using assessments for the identification of that potential, $t(43) = 4.07$, $p <$ .001), confirmation of potential at 48%, $t(43) = 4.30$, $p < .001$, or succession planning purposes at 41%, $t(43) = 5.01$, $p < .001$. Similarly, 74% of those using assessments with senior executives indicated doing so to meet development needs versus a much smaller percentage at 30% identifying potential, $t(52) = 5.52$, $p < .001$, confirming potential at 28%, $t(52) = 6.56$, $p < .001$, or assessing senior executives individuals for succession planning at 47%, $t(52) = 3.24$, $p < .01$. Aside from development being most common use of assessment for both target groups development, there were some interesting differences between them (see Figure 2). A nonsignificant Spearman correlation between the rankings confirmed that the order was not the same, $r = .55$, $p = .16$ *ns*.

In examining the responses across target groups it was evident that assessments were significantly more likely to be used for the identification of potential among high-potential talent than for senior executives (50% vs. 30%, respectively), $t(58) = 2.62$, $p < .01$, and the confirmation of that potential as well (48% vs. 28%, respectively), $t(58) = 2.42$, $p < .05$. In comparison, assessments were less likely to be used for succession planning purposes with high-potentials than with senior executives (39% vs. 47%, respectively), $t(58) = 2.03$, $p < .05$. Although the other utilization rates were not statistically significantly different between the two groups, a similar trend toward greater use of decision making applications for senior executives applied (e.g., for external recruitment and selection). In summary, the data indicate a greater emphasis on using assessments for the identification and development of emerging talent and a greater focus on succession at the more senior executive levels.

This pattern of results is telling about the current state of assessment practices in organizations today. It likely reflects (a) the differences in emphasis at various levels when it comes to talent decision-making, and (b) the implications of a false positive or false negative among senior executive and CEO level staffing decisions. The organizations responding to this survey appear to be approaching their talent agendas by being more inclusive of individual leadership potential at lower levels (as demonstrated by their greater use of assessments for identification and confirmation of future potential), while simultaneously applying more precision in the process at the highest layers in their company (as demonstrated by their greater emphasis on deploying assessments for succession planning). In other words, assessments are being used to select more people *into* the talent development pipeline at the nonexecutive level, while these tools are being used to select senior executives *in or out of* the pipeline at higher levels when they are being considered for C-suite succession planning. This approach has implications for the design of assessment programs from a validation and legal defensibility perspective.

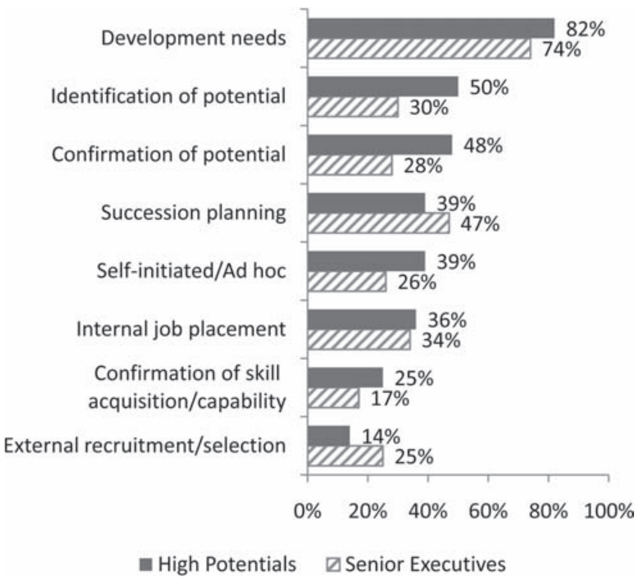

Figure 2. Purpose of assessments. For what purpose(s) are assessments used for both your senior executive and high-potential populations?

Although it was clear from the data that a focus on developmental needs was the singular most important reason cited for conducting assessments, given the multiple response nature of the data, the results were further examined for additional combinations of responses. By classifying the response options into either development or decision-making collectively, it was possible to determine the percentage of organizations using assessments solely for development, decision-making, or both.

Significant results from χ^2 analyses indicated the presence of a relationship between development and decision-making uses for assessments both for high-potentials, $\chi^2(1, 44) = 6.91$, $p < .05$) and senior executives, $\chi^2(1, 53) = 9.79$, $p < .01$). Specifically, for both groups organizations were more likely to use assessments for dual purposes (57% for high-potentials and 62% for senior executives) than for either development or decision making only. In fact, only a very small percentage of respondents indicated using assessments for decision making only (2% for high-potentials and 8% for senior executives), with the remainder using assessment for development only (41% and 30%, respectively). In short, even though almost all companies approach assessments from a development perspective, taken together 60%–70% are using the data for development *and* decision-making purposes after all.

Methods of Assessment Used

The next question in the survey focused on the choice of various methods, tools, and measures used for assessment. Based on a list of 13 options respondents were asked to select all of those approaches currently in use in their organization for assessing high-potentials and senior executives, again rating each group independently. In general, and somewhat surprisingly, the top three most commonly used methods were exactly the same, and with very little differentiation in utilization across the two populations. Multisource or 360-degree feedback was the most commonly used method for both high-potential and executives at 66% and 60%, respectively, followed very closely by personality inventories (66% and 57%), and then one-on-one interviews with candidates (59% and 57%). Figure 3 provides the detailed results.

None of the mean differences for the top rated methods were significant from each other either within or across groups indicating a very consistent trend in the use of these three methods for assessment. Finally, the use of biographical data was ranked 4th at 43% for both executives and high potentials. In general these results suggest several interesting points. Comments on each method will be described separately below.

360 Feedback

First, it is intriguing that 360 feedback was rated as one of the most commonly used forms of assessment for both senior executives and high-potentials in these top companies. In many ways this represents a fundamental change in the industry and for this tool. Historically, 360 feedback been seen primarily a developmental tool (e.g., Bracken, 1996; Church et al., 2001; Tornow & London, 1998). Even the most recent benchmark of 360 feedback utilization rates across over 200 companies (3D Group, 2013) indicates that at 69%, 360 is still used for primarily developmental purposes. While the 3D Group data show a trend toward greater utilization of 360 for performance management, which is consistent with recent arguments from feedback practitioners (e.g., Bracken & Church, 2013), it is not typically seen as an administrative tool for use with executives. Instead, it is almost always positioned in the context of development particularly with respect to senior level executives (Goldsmith & Underhill, 2001). Finally, 360 feedback has been discussed in the context of talent management more broadly (e.g., Effron & Ort, 2010; Lepsinger & Lucia, 2004), but is rarely described as explicitly influencing talent management decision-making (e.g., succession planning) either.

While there have been debates in the field over the years as to the appropriateness of a developmental versus administrative focus (e.g., Edwards & Ewen, 1996; London, 2001), some experts have predicted that over Time 360 would indeed migrate toward more decision-making applications (e.g., Bracken et al., 2001). Given that the companies in this survey are using these

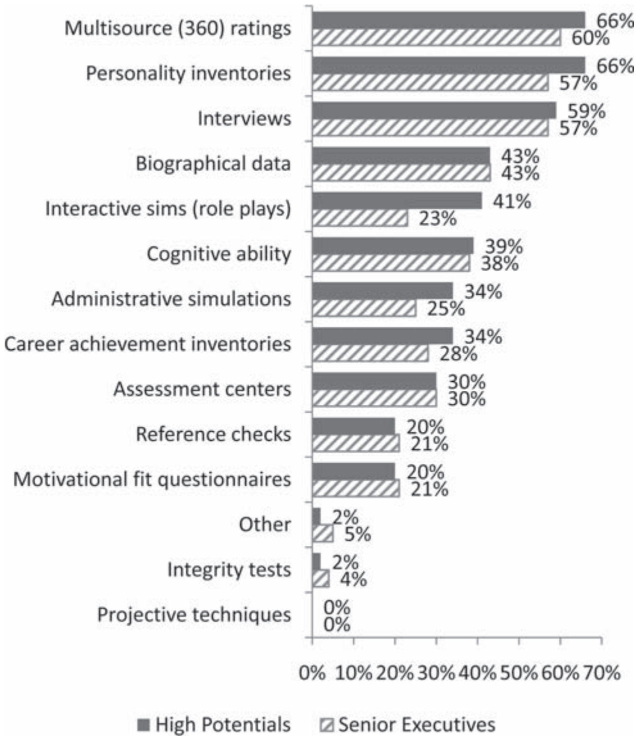

Figure 3. Types of assessment methods used. What types of assessments do you use?

methods largely for both developmental and decision-making purposes, however, this data would suggest that 360 feedback has shifted in emphasis toward more administrative uses in the high-potential and executive assessment area among organizations with strong talent management functions.

This observation is likely to be received with mixed response. While some practitioners will be pleased that the feedback process is being given increased accountability and impact in organizations, others may raise methodological and defensibility concerns. Some of these include the impact of small sample sizes when making comparisons across ratings and a common lack of agreement between raters (Mount, Judge, Scullen, Sytsma, & Hezlett, 1998). Others reflect potential design flaws in many measures with respect to job relevance and the quality (if any) of the validation work before utilization for decision-making. In addition, meta-analytic research on the purposes of performance appraisal ratings across 22 different studies (Jawahar & Williams, 1997) has indicated that when individuals know that their ratings will be used for decision-making versus developmental purposes they tend to inflate their scores. If this same effect were to be observed across 360 feedback ratings when used for decision-making in talent management processes, it would raise significant concerns regarding the validity of the results from this tool as well. Finally, there is also the concern over the potential impact of "poisoning the well" in an organization's culture for future development efforts by using 360 feedback for both development and decision-making purposes simultaneously.

Despite these issues and concerns, however, many talent management practitioners will argue that talent placement decisions will be made by leaders whether these tools exist or not. The central question for the talent management function in an organization then becomes how to implement a process that provides greater precision based on empirical data versus decisions more driven by idiosyncratic criteria, biases and limited observations (see Church & Waclawski, 2010, for a discussion of how these issues can impact talent management decisions). Nonetheless, if an organization decides to pursue 360 feedback as part of their assessment protocol, it is important that an appropriately trained OD consultant or I-O/consulting psychologist be involved in the process. This individual would work to ensure that the 360 feedback design and implementation meets certain standards and conditions, and that the purpose and utilization of results for talent management decision-making is fully transparent to program participants.

Personality

Another interesting finding observed in the data are the degree to which personality inventories are currently being used in these organizations for assessment purposes. In general, this level of utilization for both high-potentials (66%) and senior executives (57%) was quite surprising, and confirms the perception of resurgence in its usage. Despite this trend, however, many executives and talent management professionals continue to raise concerns over the use of personality for anything beyond solely developmental purposes. In fact the use of personality measures is far more concerning to many nonpsychologist practitioners than is 360 feedback. Issues of validity, relevance, intrusiveness and the perception of being overly psychological and not business focused have all been raised informally in discussions, at conferences and in the practice literature (e.g., Burke & Noumair, 2002; Cappelli, 2008; Effron & Ort, 2010).

One might think that these concerns would result in a significantly greater use of these tools with lower level employees versus senior executives but the data do not support that notion. All three of the top ranked methods were effectively used at the same level. Given that personality measures have been a common component of more integrated assessment methodologies, and the trend in this study suggests a cluster of assessment methods are typically used together, we would hope that the implementation of these tools would be done with appropriate care. Still, if an organization is pursuing the use of personality measures in their assessment efforts, the same advice with respect to the use of 360 feedback applies here as well (i.e., designing the process for legal defensibility, selecting measures with sound psychometric properties, and providing transparency to participations regarding use of the data).

Interviews

The fact that traditional one-on-one candidate interview methods represented the other most commonly used method of assessment (at 59% for high-potentials and 57% for senior executives) is the least surprising finding overall. In fact, we had expected this to be the most commonly used as it is generally the least (a) expensive and (b) difficult to design and implement if done using internal resources. One-on-one interviews have been the mainstay of both internal talent management efforts and external search firm protocols for decades. Despite the fact that many of these are unstructured and therefore not very robust measures (as typically conducted by nontrained professionals), interviews of this nature are the first method many leaders select in the absence of a more advanced view of assessment. Of course, when designed and executed by I-O psychologists, structured interview protocols do have a much higher degree of validity and can be effective as part of a broader multimethod assessment process overall.

What was somewhat surprising, however, was that interviews were not more commonly used with senior executives than with high-potentials. Given the sensitivities regarding senior executives and the use of more psychological and behavioral measures (as noted above) we expected a difference here. Our experience has been that many companies are reticent to subject their senior-most population (i.e., the C-suite in particular) to formal assessments or even purely development tools versus potentially less intimidating interviews. Despite the increasing popularity of assessments and the trend reported here the use of these measures at the very top of the organization is likely to be somewhat limited. This is because a formal assessment process can be seen as demeaning to some (e.g., "why should I have to take an IQ test, I'm a CEO"). More importantly, they may also have negative consequences outside of the control of the process owner if the data were somehow released publically. For example, if a C-suite leader's personality and 360 feedback results were given to a member of the Board of Directors it could impact the future succession plans for that individual in an unexpected manner. If the trends reported in this study continue over time, however, we would expect the concerns regarding other types of assessments to abate even for the senior most leaders in an organization.

Cognitive Ability Tests

Below the top three methods cited there were some other findings of note as well. In particular, cognitive ability tests, once quite in vogue, were cited as being used 39% of the time for high-potentials and 38% for senior executives. This is considerably higher than might be expected given the Hagemann and Mattone's (2011) reported only 9% of their sample of 81 companies used cognitive measures for identifying potential. It is also interesting given the number of issues and concerns that have been raised in the literature over the years regarding legal defensibility of this type of tool. Moreover, cognitive measures also have the disadvantage of being limited in their utility from a developmental perspective. There are legitimate questions as to how developmental a process truly is when it places primary emphasis on a cognitive component. Although we did not ask the question about the utilization of individual results from each measure for development versus decision making we would hypothesize that these might differ in assessment frameworks with multiple methods.

Other Methods

Finally, other additional traditional methods of assessment (not already described above) were indicated by ~20% to 40% of respondents. These included such approaches as administrative (e.g., in-basket) and interactive simulations, assessment centers, career inventories, and motivational fit indices. Utilization of these measures was not significantly different across target groups with one notable exception. Interactive simulations (defined in the survey as role plays and group discussions) were used significantly more frequently for high-potentials than for senior executives, $t(57) = 2.21$, $p < .05$. Projective techniques in contrast were not used by any of these organizations for either population. While the "other" assessment option was selected by 5% and 2% of respondents for the two target groups, a review of the three explanatory comments did not yield any new insights (e.g., Hogan and interviews were cited).

Use of Multiple Assessment Methods

Once again given the nature of the survey question it was possible to examine the degree of multiple applications of assessment technologies. Results of this analysis indicated that 82% of organizations surveyed used more than a single method of assessment with high-potentials and 74% used two or more methods with senior executives. The average number of assessments used was 4.54 (SD = 2.99) and 4.06 (SD = 3.09), respectively. Although the numbers ranged up to 11 different approaches at most, the median number of methods used was 5 for high-potentials and 4 for senior executives from the list in Figure 3. This finding suggests that organizations with strong talent management functions that are actively involved in assessment efforts are highly likely to use multiple methods in their assessment process for both senior executives and high-potentials.

Scope and Ownership of Assessments

The next question on the survey was intended to determine the level of scope and corporate ownership of the assessment practices described earlier. As with any core HR process or tool the approach taken can be centrally designed and led, driven from within some segment of the business, or a combination of the two. The same alternatives apply to the management of the results obtained from an assessment process (e.g., data, feedback, action plans, coaching reports, etc.). While there are pros and cons to each option, with respect to assessments in particular, there is an ongoing debate in practice regarding the appropriate ownership of high-potential talent. More specifically, the question concerns whether these future leaders represent enterprise or "corporate assets" to be deployed for talent management decisions globally versus empowering individual businesses, regions or units with control over their own talent. The argument made is that the greater the degree of centralization of talent ownership the greater the (a) consistency in assessments used, and (b) transparency and open access to the talent for deployment.

Thus, respondents were asked if their assessment processes were global, regional, or local in scope. Results indicate a significant trend toward having a global focus in the assessment process for both high-potentials at 63% and senior executives at 78% versus either regional or local approaches, $t(43) = 4.96$ and 4.15, and $t(52) = 10.54$ and 8.20, $p < .001$ for all comparisons. Figure 4 contains the complete set of responses.

In summary, those who are being assessed in the organizations responding to this survey are likely to be seen as "corporate assets." This trend toward a limited focus on regional and local scope in assessments makes sense for two reasons. First is the global nature of the business environment and the increasing emphasis on having a "global mindset" as a leadership competency (e.g., Rogers & Blonski, 2010). Second is the continued war for talent (Meister & Willyerd, 2010) and, as a result, the need for greater visibility and access to internal high-potential and/or highly skilled talent pools that can be deployed across the organization when critical job openings occur.

Resources to Support Assessments

Another question on the survey asked about the use of various resources (whether internal staff or external vendors) to support the assessment process. Over the last several decades there have been several pendulum swings in assessment strategy for organizations to either build internal capability (e.g., in the form of trained assessors) versus rely extensively on the use of external consultants. More recently, following industry consolidation, external search firms are now offering their own external assessment practices as well.

Based on the survey results the utilization of assessment resources appears to be somewhat mixed. For high-potentials 36% of respondents reported using external vendors only, 26% internal resources only, and 38% selected both. None of these percentages were significantly different from one another. For senior executives the pattern was slightly different with 47% using external vendors only, 11% internal resources only, and 42% indicating both. In this case internal resources alone were used significantly less frequently than either external vendors or a combination of resources $t(52) = 3.44$, $p < .001$, $t(52) = 3.08$, $p < .05$.

This finding makes sense given the differences in seniority level of the target audience being assessed. It is potentially more challenging for political and perceived credibility reasons; for

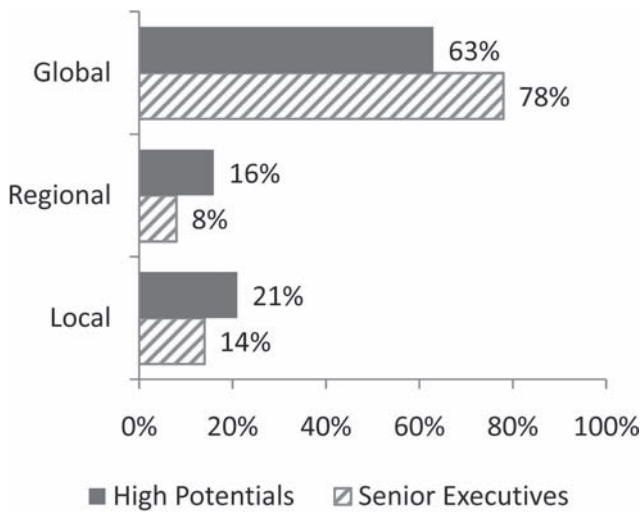

Figure 4. Scope and ownership of assessments. What is the scope of the deployment of your assessment process?

example, in most organizations, it would be problematic for lower level internal staff to assess higher-level executives in the same company regardless of their skillset. In addition, a formal assessment process is likely to result in heightened sensitivity and visibility with senior level executives as noted earlier, and this too might require more external objectivity. Perhaps this issue also reflects the persistent emphasis on productivity and therefore outsourcing of these efforts, as well as investor scrutiny that most of these publically traded organizations face today. In summary, there is a general preference for either external assessment by itself or in conjunction with internal resources, but less utilization of solely internal approaches.

Themes From Write-In Comments

The final item on the survey was a write-in question that asked for additional details or comments regarding the assessment practices currently in use. Overall 32 companies (or 54% of those currently using assessments) provided responses to this question. These ranged from relative short statements to quite long descriptions. Given the proprietary and potentially sensitive nature of the details of a specific talent assessment program, we were not surprised that this item received fewer responses compared to the rest of the survey. Many organizations are unwilling to publically describe their assessment approaches particularly for senior executives most, which is why survey results of this type are so difficult to find in the literature.

A content analysis of the comments yielded several key themes. Because respondent comments often reflected more than one theme the statements could be classified under more than one category. Table 2 provides the details of the analysis including a sample comment reflective of each.

In general, several of these themes reflected the importance of making broad linkages between assessment and development. The first and most common of these, for example, was the use of assessment data as input into individual leader development plans. Twenty-three of the 32 companies responding to this question (72%) specifically mentioned this aspect as integral to their talent management program. This trend is quite consistent with the top-most ranking received for development needs as the most commonly cited purpose for engaging in assessments with either high-potentials or senior executives. Similarly, 10 companies (31%) explicitly mentioned linking their assessment processes to more formal leadership development programs or courses. There was also a smaller group of seven companies that mentioned the use of assessments in a formalized coaching and development process (22%).

The second theme concerned more specific methodological or design elements of their process. Specifically, 20 companies (63% of those responding to this question) cited the focus of their assessment efforts on the measurement of leadership potential in various forms. Thirteen organizations (41%) mentioned leadership competencies and/or 360 feedback specifically and eight (25%) mentioned personality measures with the Hogan Assessment Suite (Hogan, Hogan, & Warrenfeltz, 2007) being identified several times in particular. Interestingly, however, and despite the quantitative survey responses only five companies (16%) directly discussed their external assessment partners in their response to this item. Once again this may reflect the confidentiality concerns inherent in collecting this type of information.

Finally, the remaining theme not described above and mentioned by eight companies (25%) concerned the previously fragmented nature of prior efforts in these areas and the extent to which some of the assessments described in the survey were relatively new to their organizations. This finding is intriguing. In other words, despite the clear trend in the data regarding the use of assessments for many groups via multiple methods, some of the organizations responding are still relatively new to assessments in general.

Summary and Implications for Practice

Given the results presented above it is evident that assessments are a very current and important topic for senior leaders today, particularly in large organizations with well-established talent management functions. This is in contrast to the overall statistics and trends reported in the prior studies based on broader organizational samples (e.g., AMA Enterprise, 2011; Hagemann &

Table 2
Content Analysis From Write-In Comments

Theme	No. of mentions	% of comments	Sample comment[a]
Linked to development plans	23	72%	We invite them to take part in a detailed development planning process, in which we will work with them to help ensure they have a robust development plan they can execute with their manager. We do not label people "high-potential" as such, so they do not feel like they are entering anything elite, but feel good about the focused support on their development.
Measures potential	20	63%	Used to identify and develop people who may have the potential to move into more senior roles.
Includes leadership competencies/360 feedback	13	41%	After the structured conversation they undergo a multi-rater feedback process (using competency sets that have been aligned with our own leadership model).
Linked to leadership programs	10	31%	Assessments are used in a development program that occurs annually for 50 hi-potential Senior Directors. The purpose is to increase awareness and to establish a "call to action" for them to work with their manager, external coach and internal mentor to build capability in those areas where they may need to focus to drive business results.
Includes personality measures	8	25%	We have leveraged the Hogan suite of tools much more rigorously in the last 2 years.
Evolving practice area	8	25%	Hipo processes are fragmented at this time. Disparate practices across business units and geographies . . . Goal is to assess current state and define some consistent practices and processes.
Integrated with formal coaching	7	22%	High-potential individuals are selected for inclusion in a hipo development program (18 months long) which includes . . . an external coaching component and we obtain feedback from the coaches.
Uses external firm	5	16%	We have a program . . . that uses an assessment suite (delivered by a consulting firm) as a core component of the program. Assessments consist of a 360, personality, and several assessment-center style activities during the program itself.

[a] Comments have been edited for clarity, grammar, and to prevent identification.

Mattone, 2011). It is helpful to have this assertion confirmed via the benchmark data reported here, particularly in light of the increasing popularity of assessment methods at professional conferences and the interest in identifying and segmenting various categories of talent (Silzer & Church, 2009).

In general, 70% of the companies responding to the present survey reported the use of assessments for some population, and the majority targeted more than one with senior executives, middle managers, and high-potentials being the most frequent targets. Further, although a focus on development needs was the single-most cited reason for engaging in assessments regardless of the population, the majority of these organizations utilized assessments for both developmental and decision-making purposes simultaneously.

The equally high usage of 360 feedback, personality measures, and interviews as part of the assessment process is encouraging. This suggests that these types of organizations are in fact approaching their talent management and assessment agenda from a MTMM framework. In addition it supports the recommendations made by Silzer and Church (2009) for practitioners to broaden the identification of leadership potential beyond just single unidimensional measures and constructs. If we apply the results of this study to that conceptual model of potential, it appears that these organizations are in fact measuring the various facets with respect to those that are foundational (e.g., cognitive ability, personality), growth oriented (e.g., learning ability, openness to feedback, etc.) and competence-related (e.g., leadership and functional knowledge and skills) domains.

In addition, from a classical test theory perspective (Allen & Yen, 2002) it is simply good measurement practice to use multiple measures. The more sophisticated and multifaceted an assessment process becomes, the greater (a) the value of the developmental feedback given to participants, (b) the specificity of the individual career and experience planning created, and (c) the reliability and validity of the overall process. In summary, the results indicate that organizations with strong talent management functions are likely to be actively engaged in an integrated, MTMM assessment process for both high-potentials and senior executives.

The study does raise some interesting questions, however, with respect to challenges that practitioners have over using classic I-O and OD related tools and assessments for dual development and decision making purposes. First, while few of these companies use assessments for decision making only, there is a clear emphasis on influencing both types of outcomes with contemporary assessment tools. Thus, while development is a great reason for engaging in assessment work (and in our experience often the means by which these tools are introduced to organizations to create a level of comfort), there appears to be significant interest in using the data collected to make an impact on the business through talent management. This makes sense given that leadership staffing and succession decisions are one of the most critical outcomes of a talent management process. One reason for this trend may be the increasing emphasis on measuring the value and ROI (return on investment) on talent management efforts and the human resources function in general.

Second, it should be noted that using assessments for decision-making purposes in an organization is by no means an inherently poor application of these tools. Indeed adding a formal measurement process of any kind represents a significant improvement over less informed gut-level perceptions. If data from assessments are intended to influence personnel or talent-related decisions, however, this reinforces the importance of ensuring a legally defensible, reliable and valid set of assessment measures are in place and consistently applied (see *Brito Vs. Zia Co.*, 1973, for using performance appraisals and by extension 360s). While implementing processes against these criteria are standard training in most I-O and consulting psychology curricula, it can represent a challenge for other talent professionals with backgrounds less grounded in formal assessment methods. Take, for example, the common situation where a nonpsychologist is enamored with a particularly popular measure (e.g., Meyers–Briggs Type Indicator, Clifton StrengthsFinder) and would like to use it for purposes beyond the boundaries for which it has been designed or validated.

Related to this concern is that with greater use is the potential for greater misuse. As talent management functions move forward in designing and implementing assessment programs, it is important that these are well-grounded both theoretically and empirically. Given the popularity of some of these tools (e.g., 360 feedback, the Hogan Suite), and the increasing presence of external firms offering their own measures and frameworks (Silzer & Church, 2009), additional oversight is needed. In the absence of regulation and oversight in this area, it is a “buyer beware” marketplace for assessments designed and delivered by external assessment vendors. Many organizations faced a similar issue in the late 1990s and early 2000s when 360 feedback first became popular and concerns were raised. Thus, it is important that organizations design and implement assessment practices for the right reasons and according to professional standards rather than solely because they reflect a trend in the marketplace.

A third important finding from this survey is that the majority of the organizations approach their talent assessment work from a global framework. This is important because it provides direction regarding the talent ownership debate in organizations today. If left to their own devices many leaders in organizations would prefer to plan and develop their talent vertically within their own business or region. While this builds pipeline continuity and a depth of knowledge in a single business unit, it is less likely to result in broad-based learning for individuals that would be obtained from experiences in other functions or parts of the business. Given that many organizations today support the experiential learning model (e.g., Lombardo & Eichinger, 2000; McCall, Lombardo, & Morrison, 1988; Yost & Plunket, 2010) the ability to move high-potential individuals and executives across organizational boundaries represents a strategic talent management priority. The most effective ways to enable this transfer of talent are to (a) put global or enterprise resources in place that own key talent pools, (b) ensure consistency of assessment and measurement process, and (c) institute metrics and rewards that track and reinforce the right behaviors. Results of this survey support the argument that organizations with strong talent management functions rely on more global frameworks with respect to assessment process, ownership, and scope.

Because of this emphasis on global talent management, however, it is important that assessment efforts be designed and implemented with careful attention to the potential issues inherent in norms, language translations, and validation with different populations. The more that these tools are used for talent decision-making purposes across multinational settings the more important it is to ensure measurement equivalence and cross-cultural validity. This is another area where I-O and consulting psychologists can assist organizations in the design of their assessment programs.

Finally, the fact that the majority of organizations in this sample are utilizing either external vendors or a combination of internal and external resources for their assessment programs is good news for I-O and consulting psychologists. It means that in the present business environment with an emphasis on talent management and high-potential assessments, skilled practitioners have a real opportunity to influence the quality of the efforts being delivered to organizations in support of their talent management goals.

In the end, it is important to recognize that designing and implementing any assessment process in an actual organizational setting is part science and part art. The extent to which the emphasis is placed on art versus science, however, depends largely on the theoretical and empirical grounding of the talent management practitioner (or I-O or consulting psychologist) designing and executing the process. In summary, if we were to apply talent management parlance to our advice regarding assessments it would be as follows: For any target role, you must ensure you are measuring the right content, with the right methods, for the right reasons. The organizations responding to this survey appear to be approaching their talent agendas by following this advice as well. They are being more inclusive of individual leadership potential using MTMM approaches while simultaneously applying more precision in the process at the highest layers in their company where decisions have more potential business impact. In short, these organizations are focused on the assessment of their leadership succession bench for both developmental and decision making purposes, and have invested in the methodologies and resources to better inform and execute their talent strategy.

Limitations

While the results from this benchmark are interesting and suggest some important implications for practice, there are several limitations that should be recognized. First, the study used a targeted sample of large corporations known to have strong talent management, leadership development, and/or OD functions (based on a variety of criteria). As a result, while the trends reported here are reflective of the sample identified (given the 88% response rate), they may not reflect a cross-section of assessment efforts at all types of organizations. Further, they are probably not generalizable to other types of social systems such as government agencies, family businesses, academic institutions, nonprofits, or professional associations. Future research could explore these same types of questions in other organizational forms using a similar approach.

Second, the individual responses to the survey were collected anonymously to enhance the overall response rate. This approach precludes additional follow-up data collection or analyses based on demographic variables. Given the sensitivity involved in publically sharing this type of data for many organizations, it is unlikely that a benchmark study of this nature could have been more transparent regarding individually attributable practices. Additionally, the individual responses we collected were the views solely of the survey respondent, and while we believe that they were the most informed respondents for this type of survey (as noted previously), it is an assumption that their views are reasonably complete and reflect practices throughout their organizations.

Third, while it would have been useful to ask a number of additional questions to provide further depth of responses survey was kept very short and targeted to maximize the response rates given the senior level of corporate practitioners targeted. Some additional questions that might be added in future surveys of this nature include: (a) the types/names of external vendors used, (b) the length of time the assessment practice has been in place, (c) the validation procedures associated with the usage of assessments particularly for decision-making purposes, and (d) the degree of integration with coaching efforts, leadership development programs, performance management, and other HR efforts.

Finally, although the concept of the MTMM is relevant to the findings above, the focus of this research was on the multiple-methods aspect not the multiple-traits or content being assessed by the organizations responding to the survey. Future research should explore the performance domain of assessment practices in high caliber talent management efforts in more detail. Specifically, (a) what type of content is being assessed, (2) which tools/methods are being used for each content domain, and (3) the purpose (development vs. decision-making) of each unique tool being deployed as part of the assessment process.

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Appendix

Assessment Practices Benchmark Survey

Q1: In what part(s) of your organization do you use assessments? (Select all that apply)

Senior executives
Middle managers
First line supervisors
Early career professionals
Campus hires
High-potential/fast track employees
Individual contributors
(If senior executives and/or high-potentials were selected respondents were directed to continue the survey. If neither of these two groups were identified they were not directed to proceed further.)

Q2: For what purpose(s) are assessments used for both your Senior Executive and High-potential populations? (Check all that apply; leave blank if none)

	Purpose of assessment	
	High-potentials	Senior executives
Internal job placement and staffing		
External recruitment/selection		
Identification of potential		
Confirmation of potential		
Succession planning		
Identification of development needs		
Confirmation of skill acquisition/capability development		
Self-initiated/ad hoc		

Q3: Please answer the following questions regarding the deployment of your assessment practices for both your Senior Executive and High-potential populations:

	Who deploys your assessment process? (Select all that apply)		What is the scope of the deployment? (Select all that apply)		
	External (vendor)	Internal	Global (company-wide)	Regional	Local
High-potentials					
Senior executives					

(*Appendix continues*)

Q4: For Each of Your Senior Executive and High-Potential Populations, What Types of Assessments Do You Use? (Check All That Apply)

	Types of assessments	
	High-potentials	Senior executives
Personality inventories		
Cognitive ability tests		
Integrity tests		
Motivational fit questionnaires		
Projective techniques		
Biographical data		
Career achievement inventories		
Reference checks		
Interviews		
Multisource ratings		
Administrative simulations (e.g., in-basket, case study, problem analysis)		
Interactive simulations (e.g., role plays, group discussions)		
Assessment centers		
Other (please explain)		

Q5: Please Provide Additional Detail Regarding Your Assessment Practices

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