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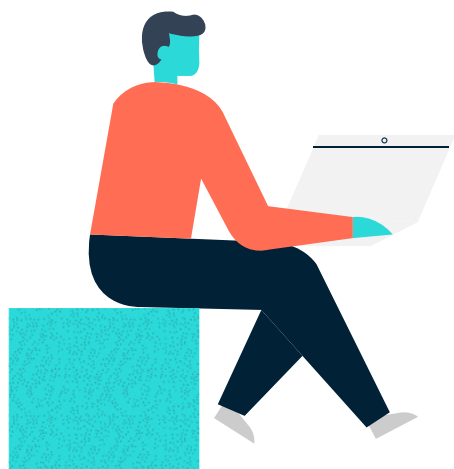
Developing future-ready leaders: From assessments to strategically aligned learning

More companies than ever are assessing their leaders' capabilities and skills. But too few connect those assessments to powerful learning programs that can help individuals and strengthen companies' leadership pipelines. At a time when leadership development and retention are more important than ever, we offer six considerations to help companies get started.



This article is one in an ongoing series of articles, discussions, and interviews exploring how leaders are building lasting competitive advantage by treating their leadership pipeline as a strategic asset.

Fundamental changes in the labor force participation rate and in how, where, and why many executives choose to work put companies at risk of falling into an insidious, lasting leadership deficit. To stay ahead and avoid this deficit, companies need to pivot to retention. One important consequence of this change is that leaders must make developing the skills and capabilities of their current and potential leaders a strategic initiative just as important as any other.



Given the volatility of employee expectations and labor markets, most organizations today are trying to better understand their current workforces and how the skills and capabilities they have now compare to what they will need for their companies to achieve their growth or transformation aspirations. Leaders can no longer assume that if someone leaves, someone better will come along, or that they'll be able to find the executives they need as conditions change. Furthermore, fundamental changes in the labor force participation rate and in how, where, and why many executives choose to work put companies at risk of falling into an insidious, lasting leadership deficit. To stay ahead and avoid this deficit, companies need to pivot to retention. One important consequence of this change is that leaders must make developing the skills and capabilities of their current and potential leaders a strategic initiative just as important as any other.

We consistently hear that leaders are seeing a growing gap between the leaders they have and those they will need. This is not only true in quickly evolving technical, digital, or data roles but also painfully true for leadership and executive roles. Leading is a much tougher lift today than it was in years past. The sheer pace of change and the heightened expectations for leaders to lead on both business and social issues require leaders to have a broader—and different—mix of skills and capabilities than they needed even three years ago.

An increasing number of organizations are taking the important first step of assessing all their executives with consistent, validated methods. However, many organizations do not then put the same effort into developing their leaders or linking assessments to promotion decisions. A recent Heidrick & Struggles survey of executives *not* in HR, for example, found that although assessments typically conclude with development plans, we see that despite the best intentions, these often become dormant documents with minimal follow-through, tracking, or accountability.^{1,2}

We offer six considerations for leaders seeking to find ways to better connect assessment data to learning. More programmatic leadership learning should, in turn, become part of a seamless, strategically relevant executive learning and development offering from assessment through learning, succession planning, and promotion decisions.

Barriers to programmatic leadership development

Programmatic leadership development requires consistent focus, senior sponsorship, experimentation, coaching, feedback, and ongoing adjustment. In addition, we have seen that development is even more effective when companies develop leaders in cohorts—created based on high-potential status, suitability for critical roles, or organizational level—so they develop some measure of collective identity and purpose. Yet even with such programmatic development initiatives, leaders can lose the momentum and confidence to lead in new and more effective ways if the broader organization doesn't support new approaches.

1 Analysis of Heidrick & Struggles proprietary survey data of 150 executives not in HR and of 101 HR leaders, fielded in summer 2022.

2 Sometimes companies invest in executive coaching for key leaders after an assessment, but while individual coaching can be effective for certain leaders, it can be cost-prohibitive to deliver at scale and does not tap into the power of collective learning. And more than half of the HR leaders we surveyed said coaching was minimally connected, at best, to learning and development programs.

Furthermore, we've also seen that too many people—including too many leaders themselves—continue to buy into the myth that leadership can't be learned. On the contrary, leadership can be learned, honed, and enhanced. The true power of assessment is identifying both the key strengths that individuals can more consciously and consistently leverage and the most critical areas for development that are related to their organization's strategy. With the right support systems and intentionality, it is possible to equip leaders to better meet the challenges of an uncertain, volatile, and dynamic world. The starting point for leaders is not inherent IQ or EQ, but a growth mindset: if leaders have curiosity, motivation, and support, they can develop new mindsets and skill sets. The key attribute is that they are open to learn; those who aren't are unlikely to progress as far in their careers.

Linking strategy, assessments, and future-ready leader expectations

More and more, companies are assessing leaders and potential leaders. But that work will really pay off only when companies prioritize understanding how prepared their current leaders are to assume critical roles or to apply critical capabilities required by strategic or transformational imperatives. Likewise, assessment should identify which individuals have the potential and attributes to play those bigger roles and develop those capabilities. In both cases, this requires a first step: linking strategy to specific leadership roles and leadership capabilities. Then, organizations can move to benchmarking current capabilities against future needs and targeting learning and development efforts in the highest-priority areas.

Future-ready roles: When assessment data is tied to a specific role profile for future success, the learning agenda and outcomes become tangible. For example, one company did a needs analysis to determine the most business-critical roles and competencies for the strategic shifts it wanted to make in its commercial organization. The company highlighted a handful of roles, including key account leader, global brand leader, business unit leader, and regional sales leader, and then the necessary capabilities for success in each. The people likeliest to move into those roles, the company found, all needed to be more customer-centric, entrepreneurial, strategic, and agile. Those in marketing-oriented roles had gaps in enterprise mindset and influence skills, while the sales leaders needed to get better at collaboration and coaching. The company designed specific learning journeys for each leader who was also eager to learn, with robust development experiences for each role based on their assessments.

Some crucial leadership capabilities are and will be applicable across roles for almost every organization. These include inclusive leadership, leading through influence, leading change, driving execution, agility, innovation, and having an ownership mindset.

A different company prioritized a critical scientific leadership role and focused its learning efforts on helping technical R&D leaders improve their collaboration, influence, and presentation skills.

Future-ready capabilities: Some crucial leadership capabilities are and will be applicable across roles for almost every organization. These include inclusive leadership, leading through influence, leading change, driving execution, agility, innovation, and having an ownership mindset.³ Some companies we are familiar with are developing agility by deploying a change management methodology. Another company built a campaign to help executives across functions get better at innovating with data, become digital disruptors, develop digital strategies, and drive digital change, which the company's leaders believe can differentiate the company in a very competitive industry.

³ For more, see TA Mitchell and Sharon Sands, "Developing future-ready leaders," Heidrick & Struggles, heidrick.com; and TA Mitchell and Sharon Sands, "Future-ready leaders: Finding effective leaders who can grow with your company," Heidrick & Struggles, heidrick.com.

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Diversity: Diversity is more important to business success than ever before; a recent Heidrick & Struggles survey of leaders in eight countries, for example, found that 52% said their DE&I efforts contributed to their business success to a large extent.⁴ Employees are at the center of why they believe this, both because companies that reach out to diverse talent pools reach larger talent pools and because representative leadership teams are the only way to meet the increasing expectations of customers and workers. Companies are therefore increasingly building development programs to accelerate the readiness of women and leaders from other underrepresented groups who have been assessed as having high leadership potential.

One technology company board, for example, identified 50 female leaders with the greatest leadership potential and built a rigorous, year-long, strategic leadership development experience that included in-person, week-long modules held in the firm's innovation hubs around the world; an executive coach for each participant to work on specific gaps highlighted by the assessments; and significant exposure to the board and top team, in part through the cohort taking on an ambitious technological challenge assigned by the CEO. Not only did these leaders build new capabilities, but within a year of the conclusion of the program, more than 40% had been promoted—a promotion rate that far exceeds one leading research organization's benchmark of an approximately 16% annual promotion rate among women in technology.⁵

A global consumer goods company chose to invest in the development of high-potential executives from underrepresented racial and ethnic groups to strengthen its leadership pipeline in North America. This experience was holistic, with one-to-one executive sponsorship (the details of which are described in the following section). Within a year of this program's conclusion, 55% of the first cohort had been promoted, and all others are flagged for next-level roles pending the availability of the right role.

Setting the right context for programmatic leadership development

For development programs like those described in the previous section to succeed, a prerequisite, as we noted, is that participants are open to feedback and have a desire to learn. Then, companies must create the conditions that support learning and implementing new ways of leading in day-to-day work. We have identified six key considerations.

4 Jonathan McBride, *Employees at the Center: What It Takes to Lead on DE&I Now*, Heidrick & Struggles, heidrick.com.

5 *Top Companies for Women Technologists: 2022 Key Findings and Insights*, AnitaB.org, September 2022, anitab.org.

Six considerations to get started



Surround and support key talent

People learn and grow faster if they have support systems.⁶ Even people who are self-motivated learners and have a strong growth mindset will benefit from a robust support system, just like star athletes and performers do. Support systems can involve sponsors, managers, mentors, coaches, and peers (such as those in a learning cohort). Participants in the consumer goods company's development program, for example, are each

assigned a career sponsor who is a leader in the organization two to three levels more advanced than the participant. These sponsors commit to staying with their emerging leader for at least a year beyond the program's end in order to mentor, coach, and help open doors. Support systems can also include digital assets and resources for self-guided learning if these include specific, actionable tips or tools to address gaps.



Create shared accountability

In the end, learners must own and apply the feedback and insights from any assessment, and yet it is very helpful if part of the support they receive is guidance in refining and implementing a development plan and sharing accountability

for success, as well as for navigating barriers or setbacks. Accountability partners have been vital at the consumer goods company; peer coaching circles follow each virtual session to challenge participants to apply and deepen the insights they just gained.



Track progress rigorously

As with any other business-critical effort, development plans based on assessments will be more actionable if there are clear metrics and milestones for progress. One of the best ways to gauge the return on investment of development efforts is to readminister a 360-degree assessment (or other equally robust assessment) 12 to 18 months after the initial assessment to illuminate progress (or lack thereof). One company that did this found that aggregate assessment data at the beginning of a structured learning program for a cohort of high-potential executives revealed a concerning gap in agility and anticipation. These were, therefore, a big focus of the collective learning curriculum, application assignments, coaching, and mentoring.

The follow-up assessment showed a 24% increase in these capabilities across the cohort, allowing the company to understand how effective their work had been and where additional work was needed.

Tracking can also be rigorous without reassessment. For instance, if a leader was assessed as lacking foresight and defined a key focus area as "increasing interaction with customers and expanding my industry network to keep abreast of emerging trends," then actions such as seeking opportunities to represent the company at industry events and associations or attending more customer meetings would offer learning opportunities. Tracking the level of those activities would then provide progress markers.



Build a feedback-rich culture

Even with clear metrics, timely and robust feedback is imperative, too. If a leader is falling short on an objective in their development plan, what are they missing? What was done well? What must be improved? For example, in the group seeking to improve agility, one person was working specifically on being more open-minded to suggestions for challenging the status quo, but assessment data indicated he was resistant to change. He shared this development focus with a few trusted colleagues and alerted them that he would be asking for feedback

periodically: "What did I do to encourage more risk taking, and what could I have done to show more openness?" This executive got feedback from his colleagues and mentor—for example, that he improved his body language to be more welcoming of different views and started asking questions versus judging when someone proposed a novel suggestion. And, beyond its individual value and development, a feedback-rich environment is at the core of creating a growth mindset.

⁶ For more on other ways companies can support career development, see Dorothy Badie, Lisa Baird, and Steven Krupp, "The overlooked weapon in the war for talent," Heidrick & Struggles, heidrick.com.



Recognize and reward

Because learning or developing new mindsets and skills is hard and incremental, even the most avid learners will benefit from tangible encouragement as well as support. In many companies, being recognized as part of a high-potential cohort is a reward in itself. Seeing others get new opportunities

such as participation in special projects or consideration for promotion as they achieve learning goals encourages people early in a development program to keep going. And, of course, achieving a promotion and/or receiving a compensation increase are the most tangible rewards.



Make learning collective

For many people, being part of a learning community with similar aspirations enhances the learning experience. And, in virtually all companies we are familiar with, there are common, collective gaps, often in areas of critical importance to the business. When teams learn together, the benefits of their learning can be exponentially multiplied. For example, one biotech company with very ambitious growth aspirations discovered that its executives two levels below the C-suite had strikingly similar development gaps, most notably in leading innovation, disrupting and challenging, and shaping strategy. The CEO himself noted that these were precisely the areas in which he most needed them to step up and lead if the firm was to realize its growth ambitions.

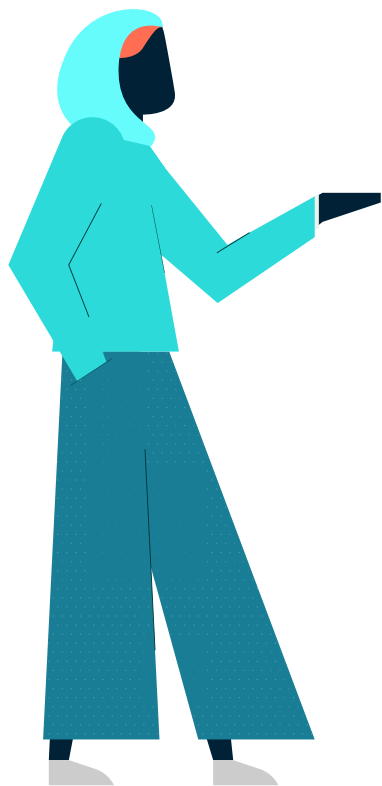
Collective learning is most enriching when it provides a diversity of perspectives, experiences, and learning styles. This expands horizons; provides differentiated role models; facilitates openness; and creates opportunities for role play, feedback, and experiential learning that stretch people beyond where they would go in a more homogenous cohort. This, in turn, means that participants are forced to challenge old assumptions, shift mental models, and embrace new, more innovative thinking. One example is soccer based: in an on-field session, participants engaged in basic soccer drills to learn something new, developing a growth mindset to build their individual foundations for success. They then collaborated in teams to take on more complex soccer challenges, in friendly competition against other teams. The teams that were most

successful were those where leadership was shared, depending on the challenge at hand. These teams also succeeded because they were able to more accurately identify the best talent for addressing the challenge at hand and put those individuals in key roles. By the end of such a session, participants had a more nuanced understanding of how they and their colleagues approach unfamiliar challenges, how they can help each other learn and grow, and how to identify the unique talent each person brings to the field of play—and, of course, they had developed new bonds. Improvisation sessions led by theater-based performance coaches can have a similar effect.

Furthermore, one of the biggest benefits and significant impacts of a focus on diversity in programmatic learning and development is the bonds and networks forged. Three years after one program for high-potential women leaders, the participants, who are situated around the world and some of whom are at new companies, still meet virtually on a regular basis and have an active WhatsApp group chat to share what's going on in their professional and personal lives and to ask for and receive help with such issues as career changes or recruiting challenges.

A final benefit of collective learning is that it can, over time, shift the organizational cultures that impede leaders in exercising their new capabilities. When a cohort of current, future, or high-potential leaders participates in a shared learning journey, it helps to promote a common culture that starts to percolate out into the broader organization.

How some companies are weaving together assessment and programmatic learning and development



A global financial services company launched a robust assessment-based program that included a two-day, in-person event. Participants were selected based on their potential for promotion. Before the in-person event, participants were given multiple assessments, including 360-degree reviews and psychometrics. When the cohort was together, they engaged in a number of tightly focused sessions and then an immersive simulation in which they were put in charge of running a business very different from that of their day jobs. As part of the simulation, they were given a scenario related to pressing challenges for that business and became part of a task force to come up with recommendations for the CEO. Throughout the two days, participants were observed by coaches and given real-time feedback about their leadership. They also had opportunities to share the experiences that shaped them as leaders and to present their leadership brand to each other and the coaches and get immediate feedback. After the in-person session, each leader also participated in robust individual feedback and coaching to gather all the insights from the various assessments and learning exercises and then craft an ongoing development plan with tangible next steps. Although it is too early for outcome data, the participants described this as the most powerfully useful learning experience of their careers because of the way that development and assessment were integrated throughout.

Another company wanted to address gaps in strategic thinking and risk taking among a group of executives who were its highest-potential future C-suite successors. The CEO, who sponsored the program, and the executive committee picked three strategic dilemmas with which they were grappling, and a shared learning journey was designed around each dilemma. Each challenge was assigned to a group of 5, who worked virtually as a team over five weeks to analyze the issue, get stakeholder input, and explore potential approaches. Then, the full group of 15 came together in person for two days to share what they had learned and fine-tune their approaches. Finally, the teams presented their analyses and recommendations to the CEO and members of the leadership team to get feedback and guidance, with the prospect of taking their ideas forward with an executive sponsor—and several were subsequently implemented. Equally important, the CEO got to evaluate the strategic thinking and risk tolerance of these critical leaders in real time.

Getting started

The pivot to retention is here, and future-ready leaders are at a premium. People will continue to have a wide range of choices in organizations. Growth opportunities and commitment to strategic leadership development will be critical to attract and retain aspiring leaders. Being world class at development will differentiate the best from the rest. These considerations will help leaders get started.

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