



Smart ways to identify next generation leaders

Global expansion, pressure on resources, governance constraints, technological advances and aggressive competition are placing huge demands on organizations.

Competitiveness and business sustainability are dependent on the quality of leadership at the helm of the enterprise. However, finding, developing and engaging the next generation of leaders demands fresh models and new tools.

Next generation leaders, accustomed to a rapid rate of change, are impatient to move forward through the ranks. Organizations don't have the luxury of reviewing performance over time. In any event, experience does not necessarily equate to competence. Smart tools are needed to hire the right people and identify high-potential individuals for promotion into leadership positions.

In a complex, uncertain world, talent hiring, promotion and leadership development decisions that rely on candidates' past performance have limited usefulness. Instead, future-oriented tools are essential to identify the leadership attributes needed for long-term success. Simulation-based tools such as assessment centres are emerging at the forefront of talent management because they fulfil this requirement.

Simulations combined with an in-depth interview demonstrate the highest reliability of any selection process. They allow companies to 'test drive' candidates and observe their skills levels in a future role.

Assessment should always be aligned with the strategy of the business. For example, an organization whose strategy is fast growth through mergers and acquisitions can identify future leaders who are most capable of leading the organization through a period of dynamic change.

In a virtual simulation, a candidate might lead a fictitious organization for three hours or a full day. The candidate is bombarded with e-mails, telephone calls and online meetings with co-workers, prepares and presents a strategic plan to a board, coaches a resistant colleague, conducts damage control for a new launch or makes statements to the media about a corporate social responsibility issue.

Using the latest technology, assessments can be conducted online, so that the candidate does not need to leave his desk. This, in itself is a reflection of the way in which the simulation reflects our current networked, connected world.

The basis of the assessment is to determine core competence in seven key areas:

- **Strategic thinking:** Broad, visionary thinking that focuses on long-term business goals.
- **Entrepreneurship:** Capacity to seize business opportunities and manage risks.
- **Business acumen:** Understanding the business world, formulating solid business decisions and identifying strategic priorities.
- **Emotional intelligence:** Self-insight and insight into interpersonal interactions based on empathy, active listening and consideration.
- **Executive presence:** Confident, poised, engaging and charismatic presence that radiates credibility, commands respect and inspires trust.



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- **Building strategic relationships:** Ability to build strong relationships with key internal and external business partners, create buy-in and navigate organizational politics.
- **Developing talent:** Champion talent development by promoting continuous learning, creating strategies to attract and retain talent and mentoring and coaching others.

The weight given to each of these competencies will vary depending on the environment in which the company operates and its organizational strategy.

The aim is to assess basic levels of proficiency in the core competencies and establish how the individual applies them in a given context. Simulations can be used to assess potential for the next level of management and pinpoint gaps in competence. Custom-designed coaching can then be developed to help the individual adopt new behaviours.

Organizations need to determine what kinds of leaders they need to execute their future business strategy. They need to identify and build leaders who can work effectively in an increasingly globalised environment with diverse workforce expectations.

They must prepare the next generation of leaders well enough and fast enough to meet the company's strategic goals and competitive threats. This involves asking which roles are critical to business strategy, and how to build bench strength in these areas to minimise risks.

Creating a robust leadership pipeline depends on the ability to identify people with the motivation and potential to become future leaders, accelerate the development of these high-potential candidates and prepare them for major change. It's essential to identify key competencies related to current business goals *and* future trends.