

## Delta Organization & Leadership

### CASE STUDY: LEADERSHIP THAT DELIVERS RESULTS

## Building for the future through talent management

To ensure a credible process and meaningful results, assessments needed to be rigorous, disciplined, and practical.

### *Challenges*

With a generation of energy executives beginning to contemplate retirement as the sector continued to boom, increasing concern was being voiced in boardrooms over the business risk potential leadership talent shortages could cause. The CEO of one power generation company decided to get ahead of the curve by conducting in-depth assessments of internal executive talent available to lead the company into the future—and determining what it would take to prepare these leaders to step into top roles.

The company had begun to implement disciplined talent management practices a few years earlier, but had no history of or experience with formal executive assessment. One challenge was to help people understand that best-practice companies review executive bench strength and begin planning for succession years in advance—minimizing divisive speculation on which key executives might be planning to leave and unproductive jockeying for position. A second challenge was to overcome the natural reluctance of some executives to undergo assessment for the first time in a long and successful career—and their initial skepticism about the process.



## Actions

The CEO and executive vice president of human resources asked us to design an assessment process that would answer two questions: Will there be a suitable internal CEO candidate when the current CEO declares his intention to leave? How many senior leaders are ready—or have the potential—to take on executive officer roles?

Because the stakes were so high for the 15 participating executives—especially for the three considered potential CEOs—it was critical that the process be accepted by the candidates as deep, rigorous, disciplined, and practical. After working with them to redesign and communicate their leadership model, we then helped develop a multi-faceted assessment approach that included:

**A career achievement record**, completed by the leader being assessed, documenting background, education, work experience, and career interests.

**A strategy white paper**, written by each leader, articulating what he or she thought the company's strategy should be for growth and sustained profitability over the next five years.

**Customized 360 feedback survey**, based on their leadership model and shaped by input from the board and top leaders on the company's strategy, challenges, and what it would require in the leader of the future.

**Hogan leadership risk factor survey**, a published and validated personality instrument designed to provide insight into characteristics and tendencies that could derail the leader.

**Assessment center**, a half-day off-site that included two key elements. Several case study simulations (videotaped for later review) were built to test the candidates' ability to deal with interpersonal and media challenges a senior leader typically handles. A panel interview touched on educational and career history, leadership style, self-appraisal of leadership strengths and development needs, candidate perspectives on organizational/strategy issues, and career expectations.

We used this material to produce individual summary assessment reports, which were reviewed with each participating leader. We held a talent review with the most senior managers on their direct reports and a second review with the board on the potential CEO candidates. Knowing that most companies struggle to translate assessment data into workable development plans, we engaged participating leaders and their human resource business partners in creating a one-page plan for the next several years that they supported and considered relevant.

## Results

Both the participating executives and their leaders came away feeling the assessments were "on the mark." While assessment was the focus, the executives felt they had benefited greatly from the insight they got into how they are perceived by others, the increased visibility and profile with the senior team and/or board, and the carefully tailored development plans. The board, CEO, and head of human resources were confident they had several internal candidates for CEO and other leaders with future executive potential. Within nine months of the work, the candidates considered likely to be "ready soon" have lived up to their expected potential and some participants judged less likely to become future executives have left the company.



Candidates  
have lived up to  
expected potential  
and are prepared  
to fill key positions.

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