

**Deloitte.**

Who has the  
potential to lead in  
the new world?

Deloitte Leadership



# The new world needs a **new breed** of leader



What happens when **'more of the same'** isn't enough?

Recent years have presented a shift in the demands on leaders, with the advent of digital, acceleration of organisational transformation and political turbulence. As digital disruption sweeps across every major industry, leadership capabilities are not keeping pace and the challenges faced by leaders have multiplied. The digital revolution, evolving regulatory requirements, demographic changes and demands for greater sustainability are some of the factors that are creating a tough new set of challenges for businesses and leaders as they move through the 21st century.

Many organisations have not yet successfully tackled the issue of how to effectively identify and develop those with the underlying potential to lead within this rapidly changing context. Pace, responsiveness and good commercial judgement have always been leadership 'must haves'. However, the need for innovation, the ability to navigate ambiguity and complexity, as well as an increasingly diverse workforce with differing needs and drivers, suggests a new breed of leader is required to achieve success.

Therefore, how do we identify high potential future leaders who will be capable of responding to these new challenges, for which there is no benchmark of performance? How do we know if a leader can reimagine the future, shape new and different business models and lead a winning strategy? Who will genuinely be able to 'make change stick', bringing people through radical programmes to successfully transform their business?

Deloitte Leadership have defined a model of the critical personal factors that differentiate leaders with the potential required to succeed in this new world; the model highlights the speed with which leaders are likely to be able to adapt themselves to new challenges. Identifying and accelerating the speed at which an individual can transition through different landscapes, roles or leadership levels, to meet changing demands and operate effectively in a VUCA world, is key.



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## Thought leadership

# Deloitte Leadership Potential Framework

Deloitte Leadership have defined a clear model of the critical personal factors that differentiate leaders with the **'fast'** potential required to succeed in this new world

Deloitte Leadership draw on a database of psychological assessments of 24,000 senior leaders globally, compiled over the last 25 years. Our research, based on this dataset, defines the core indicators that predict leadership potential. Our view of potential is unique in the marketplace, in that it determines the speed of potential rather than generating a 'high' or 'low' prediction. Speed is driven by four areas of leadership potential: Change Potential, Intellectual Potential, People Potential and Motivational Potential. Evaluating leaders against this model provides clear insight into the speed at which an individual will adapt to increasingly complex demands and therefore allows us to assess their potential to lead in the new world.



The return on investment associated with identifying those who fit the mould of the 'new breed' of leader is substantial. A robust and reliable method for identifying the speed of potential allows targeted investment in the leaders who will deliver the most value for the organisation, reduced spend on expensive external hires, proactive succession planning and contributes to a satisfied and motivated workforce.



# The art and science of assessing leadership potential



In order to determine whether leaders have the 'right stuff' to enable them to operate effectively in the context of an array of new leadership demands, we believe that robust approaches to the assessment of potential are required. Using single psychometric tests as proxies for the measurement of leadership potential, essentially relies on self-report, and without additional validation this method is potentially flawed if an organisation is seeking to gain truly objective insights into the likely flexibility and agility of their leaders.

Our high-touch leadership assessments of potential and capability, delivered by trained psychologists, focus on inter-rater reliability, peer review and on drawing data from across psychometric and interview inputs to inform robust ratings and rich insights in order to reveal faster vs slower potential in business leaders. The same assessments can be leveraged as part of rich individual development for the leaders involved.

Deloitte Leadership have developed a range of tools to help clients uncover potential and inform themselves in relation to the 'bench-strength' of leaders in their organisation. Tools include:

- **Full leadership assessments of potential** (comprising interview, psychometrics, feedback, ratings and full narrative report)
- **Shorter version assessment of potential** (comprising interview, psychometrics, feedback, ratings and short report)
- **Online Potential Spotter tool** - both a tool for educating and alerting HR/L&D and Managers to the core components underpinning leadership potential, and a tool for facilitating data-driven talent reviews
- **Aggregate reporting of the potential within assessed leadership populations**, with comparison to Deloitte Leadership's global benchmarks - this may inform 'build' or 'buy' talent strategy



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If you would like to find out more about our model of Leadership Potential and the approaches we use to measure against it, please do get in contact.



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