

Deloitte.

Who has the potential to lead in the new world?

Human Capital Consulting | Deloitte Leadership UK



© 2018 Deloitte MCS Limited. All rights reserved.



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



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.

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



01

02

03

04

Thought leadership

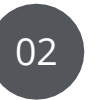
Deloitte Leadership Potential Framework

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 23,000 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



01

02

03

04

Thought leadership

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.



Natasha Abajian

nabajian@deloitte.co.uk

Human Capital Consulting
Deloitte Leadership UK, Senior
Consultant, Author



Jim Tapper

jitapper@deloitte.co.uk

Human Capital Consulting
Deloitte Leadership UK, Partner



Roger Coveney

rcoveney@deloitte.co.uk

Human Capital Consulting
Deloitte Leadership UK, Partner



Peter Sloan

pesloan@deloitte.co.uk

Human Capital Consulting
Deloitte Leadership UK, Director



Further information

[Deloitte's Global Human Capital Trends Report 2018](#)



01

02

03

04

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of DTTL and its member firms.

Deloitte MCS Limited is a subsidiary of Deloitte LLP, the United Kingdom member firm of DTTL.

This publication has been written in general terms and therefore cannot be relied on to cover specific situations; application of the principles set out will depend upon the particular circumstances involved and we recommend that you obtain professional advice before acting or refraining from acting on any of the contents of this publication. Deloitte MCS Limited would be pleased to advise readers on how to apply the principles set out in this publication to their specific circumstances. Deloitte MCS Limited accepts no duty of care or liability for any loss occasioned to any person acting or refraining from action as a result of any material in this publication.

© 2018 Deloitte MCS Limited. All rights reserved.

Registered office: Hill House, 1 Little New Street, London EC4A 3TR, United Kingdom. Registered in England No 3311052.