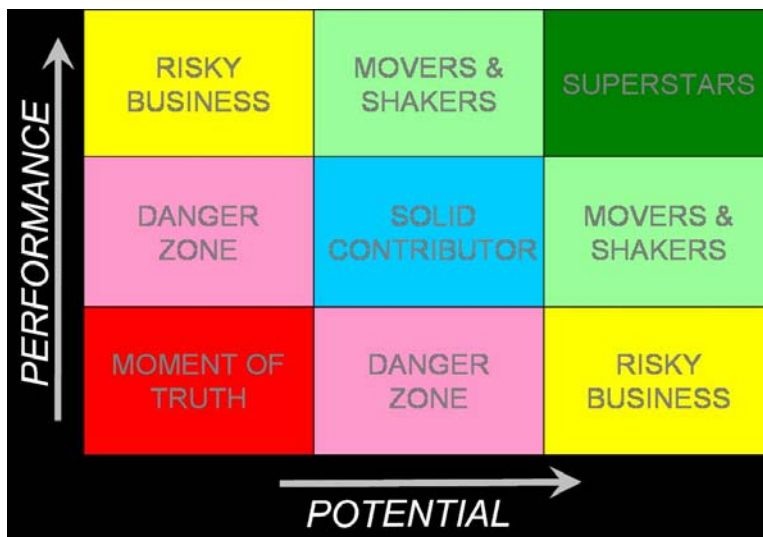




# Using the Jackson Leadership “Performance/Potential Matrix”™ for Succession Planning and Talent Management:

In 2004, the Corporate Leadership Council (CLC) surveyed 276 global organizations and found that only 20% of corporate executives were satisfied with their top management succession processes. Additionally, the CLC found that only 24% of these executives felt that their internal leadership development processes were aligned with the organization's corporate strategy. The National Association of Corporate Directors (NACD) also concluded that at least half the organizations in Europe with annual revenues of €500MM had no CEO Succession plans in place. In this era of increased transparency and risk assessment, why have so many global organizations not done a better job at Succession Planning and Talent Management?



In our experience, Directors and Senior Executives commonly lack an overriding Succession Planning model for consistently tracking and managing their crop of “high-potential leaders” (often referred to as ‘Hi-Po’s’). Rarer still is it to find organizations which ensure this model is aligned with its corporate strategy. The classic error that is most often made is an over-reliance on current performance as the sole predictor of future success. Although performance is an important consideration

when choosing and developing Hi-Po’s, it should not be the sole criteria considered in this process. Beyond current performance, how do you assess a Hi-Po’s *potential*?

We’re all familiar with the classic analogy of a superstar salesperson who, because of current performance, is promoted to the position of sales manager – and struggles. How do you assess whether a divisional head has the potential to rise to the CEO position? What characteristics should you focus on, in terms of development, to help him/her achieve this innate potential? And, how do you rigorously track a cadre of executives on a quarterly basis, to ensure you are constantly aware of whether Hi-Po’s are living up to their potential or struggling? We have found the “Performance/Potential Matrix”™ (illustrated above) to be a cornerstone tool in any effective Succession Planning and Talent Management program.

The benefit of the Matrix is that – once carefully set up and regularly updated – it provides any Board, CEO, or Senior Executive responsible for Human Resources with a dashboard-like signal of the quality and quantity of Hi-Po’s in the organization’s Leadership Funnel™. No effective



sales manager would neglect his/her "Sales Funnel," nor should any Board or CEO neglect the organization's Leadership Funnel™. The Matrix also allows for an immediate sense of each Hi-Po's current *performance* and future *potential*.

A Hi-Po's *performance* – which is his/her current level of functioning as a leader – is often more easily assessed than his/her *potential*. Performance is indicated by an assessment of a Hi-Po's past business results, past performance review ratings, and current assessment center results. An assessment center collects past perception ratings of others through a 360° survey, as well as current performance against key leadership dimensions (such as Integrity, Strategic Thinking, Creativity, Presentation Skills, Listening Skills, Personal Adaptability, Leading Others through Change, and Coaching & Team Development). Because Jackson Leadership has assessed literally thousands of other senior and emerging-level leaders, we are in the unique position of being able to assess a Hi-Po's performance on these dimensions in a statistically normed fashion relative to other Hi-Pos.

A Hi-Po's *potential* is also best assessed through an assessment center approach, which uses a number of interviews, simulation case studies and exercises, and survey data. In addition to the types of leadership dimensions mentioned in the previous paragraph, we are also probing to assess an executive's abilities on these following critical traits: (1) Open-mindedness, (2) Bias towards Personal Accountability, (3) Willingness to learn from Past Successes and Failures.

Think about your pool of Hi-Pos and how well each would fare with the following questions:

- How well does he/she receive negative feedback? Does he/she change his/her behaviour based on the feedback or do things just stay the same? Is there a track record of learning from mistakes? Is there a track record of learning from successes?
- Does he/she seek out new types of information to improve his/her workgroup or him/herself?
- Has he/she been faced with a need to learn a new skill in the recent past? If so, was he/she successful in learning and demonstrating this new skill?
- Does he/she develop others? Does he/she take an active interest in seeing direct reports realizing their full potential? Is there a track record of growing leaders within his/her group or are his/her people weaker compared to other groups within the organization?

If you answered "no" to any of the above questions, this individual's *potential* score would likely score lower through a more rigorous assessment center.

Not everyone in your organization will or probably should end up within the upper-right quadrant of the Matrix. A successful organization will have many cells represented in its upper-level ranks. Each cell within the Matrix has its own unique characteristics, as well as its own set of developmental challenges. "Superstars," for example, require continuous challenge – yet, they are sometimes neglected, because they are already so successful. "Solid Contributors" are the backbone of most organizations. Many will remain in this cell for the duration of their careers. Yet, some can definitely be developed to increase both their current *performance*, as well as their future *potential*.

To receive a copy of the full Jackson Leadership "Performance/Potential Matrix"™, including the developmental challenges associated for each level, please e-mail Eric Jackson at [leaders@jacksonleadership.com](mailto:leaders@jacksonleadership.com).

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