

Preparing for the Challenges of Tomorrow

An Audit of Leader Capability



TALENT
INSTITUTE

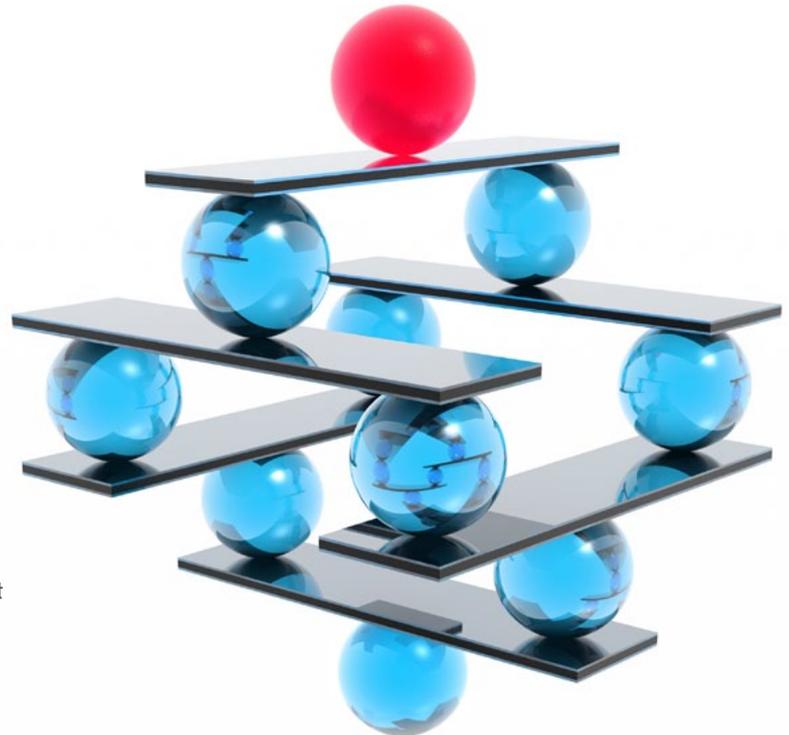
The Backdrop

Traditionally, high-performance has been equated with high-potential, while boss nominations were the standard for nominating people into high-potential or future leader development programmes. However, bosses tend to be highly subjective, and they vary widely in their observations and standards for measuring potential.

Adding to the conundrum of boss nominations, are the results of a study that shows that only 29% of high-performers are actually high-potentials.

The accurate identification of individuals with leader potential is critical in a world where organisations with the best leaders win. Ample evidence indicates a direct correlation between the financial performance of a business and the calibre of its leaders.

Given the context of succession management and business continuity, retaining high-potential leaders long enough to realise the benefits of their promotion is just as critical. Once identified, a segmented retention strategy has to be implemented.



Departure Point

The departure point is a clear understanding of what capabilities are required to deliver the strategy. These capabilities can be divided into four categories:



Mission-critical

Necessary for survival



Unique and Differentiating

Provide competitive advantage



Operationally Necessary

Keep the machine running



Movable

Can be retrained, transferred, eliminated or outsourced

About Capability Audits

A capability audit (also referred to as an *organisational X-ray*, *layered talent review*, or a *human capital due diligence*) is a comprehensive, science-based audit of capability of leaders at all levels.

A top-down process, an audit of this nature is usually triggered by:

Growth

How broad and deep is our current talent pipeline for meeting future demands?

OR

Concerns about Succession

What does our leader pipeline look like?
In which areas are we vulnerable or at risk?

OR

Organisational Restructuring / Strategy Re-direction

Do we have the capabilities to execute a new mandate or strategy?



Salient Output – Risk Intelligence

This scalable, robust, diagnostic intervention (executed by a team of psychologists) produces powerful risk intelligence, which fuels executive debate, and serves as a critical input into executive decision-making and re-engineered talent management practice.

Deliverables include:

Talent Dashboard

For the sample as a whole

Talent Analytics

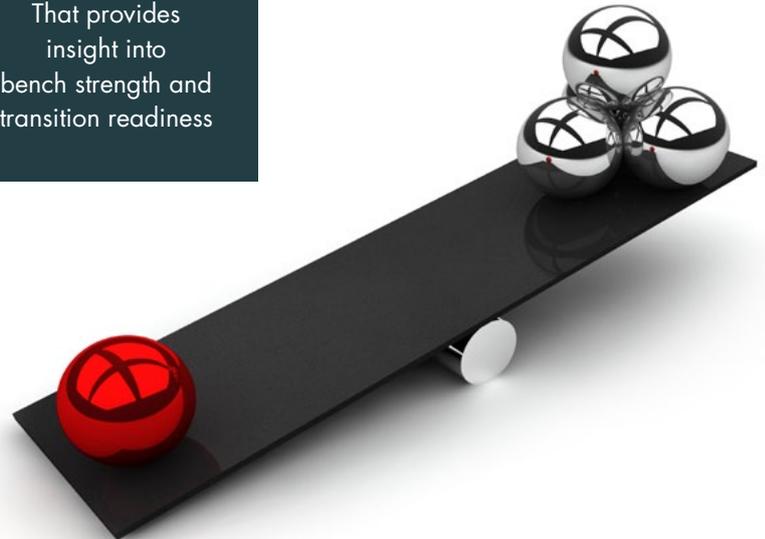
By organisational layer, function, business unit, talent segment

Performance – Potential Matrix

That provides insight into bench strength and transition readiness

Methodology

Aligned to **Drotter and Charan’s Leadership Pipeline-model** and the **DDI-whole person model**, the audit employs assessment centre methodology and sophisticated online psychometric measures. It also draws on fresh performance data.



The Benefits of a Capability Audit

The early identification of employees who have the potential to successfully transition to next-level roles has several benefits. These include:

Develop a picture of bench strength and vulnerability	Validate the potential of identified high-performers	Target investments wisely
Discover hidden talent	Gain Access to talent analytics that inform executive decision-making and action	



About the Talent Institute

The Talent Institute is a boutique professional services firm that specialises in helping clients develop and implement strategies to more effectively manage the acquisition, deployment, development and retention of talent to support current business strategies and to prepare for future challenges.

Next Step

For more information on human capital risk management and capability audits, please contact:

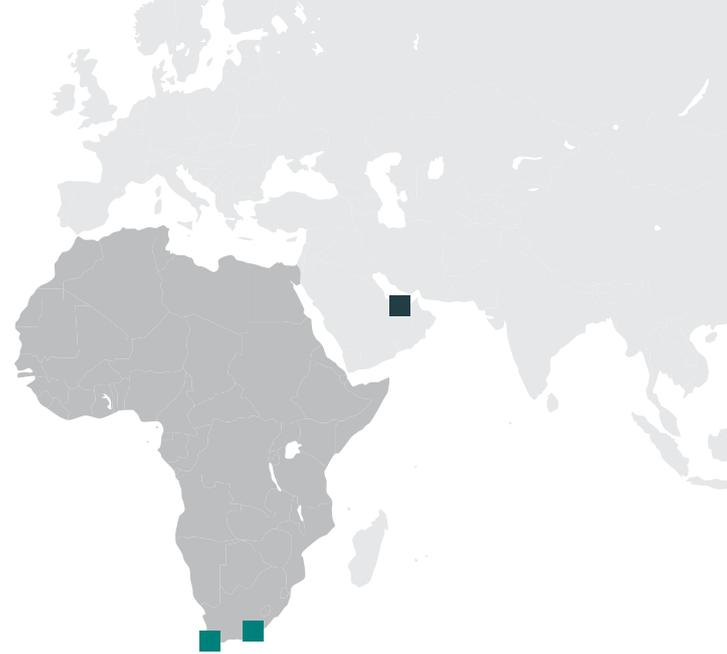
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