

# **BEST PRACTICES IN THE USE OF EMPLOYEE ASSESSMENT INSTRUMENTS IN LEADERSHIP DEVELOPMENT**

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## Introduction

Companies both large and small have been interested for decades in offering skill, talent and leadership development opportunities for their employees. These experiences can take place through a variety of talent management methods through selection, formal and informal training, performance management and succession planning just to name a few.

One of the most common ways to begin or enhance any development for individuals or teams is through the use of assessments, surveys and instruments where employees complete online or fill out in paper format. Utilization of assessment instruments is a beneficial practice in creating a foundation where individuals begin to understand differences in leadership styles, decision making approaches and work preferences. How are assessments utilized within leadership development? Can assessments be implemented as a stand-alone development method? This study focused on defining best practices

for companies using assessment instruments across the spectrum of talent management systems and in particular leadership development.

### **Problem Statement**

Assessment instruments typically provide useful information from which any gaps can be identified and from that baseline data career and leadership development programs can be customized and tailored for the individual. There are thousands of assessment instruments to choose from, and the market for assessments is large, spanning many industries and companies. Several of the more well-known assessment instruments include the Myers-Briggs Type Indicator (MBTI), DISC, MMPI, Hogan and Strengths Finder just to name a few. MBTI, as just one example, is administered over 2.5 million times every year (Shuit 2003). In addition, the cost of administering the assessment can range from \$150 for one-on-one feedback up to a full day at \$6000 for a

group session feedback ("What Does it Cost," 2007).

One avenue to gain awareness comes from utilization of assessment instruments, and thus assessment use is a common practice for many companies when beginning development programs, whether the programs are for teams, leaders, or departments. Self awareness is a critical element and starting point for many traditional learning and employee development processes as well as current practices. Self awareness consists of any mechanism whereby an individual learns about self, their leadership style, decision making preferences, approach to conflict and a host of other components. Ongoing self awareness is crucial so leaders can continue leading in a rapidly changing environment with systems that are complex and ever changing. Self awareness requires ongoing attention and focus as the individual evolves in their leadership. It is not a onetime event nor is it an endpoint. Self awareness is a vital aspect of leadership development. Previous

research tells us that companies will develop their leaders to compete in a global marketplace in an effort to assist with both an understanding of their strengths and weaknesses so the acquisition of new skills can continue. (Hayes, 2009).

*Assessment use is a common practice for many companies when beginning development programs...*

Many organizations invest in some sort of leadership development for their top talent. This occurs for a variety of reasons including individual skill enhancement, maintain or increase global competitiveness and retention of top talent as well as many other purposes. The practice of gaining awareness occurs at many intervals for organizations including hiring, promotional opportunities, performance management, succession planning, team and organizational effectiveness.

Before delving into the research about how and in what instances companies might use assessment

instruments, it is important to understand there are many different types and uses of assessment instruments. As related to leadership and the development of leadership skills, it is equally important to understand that individuals can be motivated and influenced by outside factors, learn new behaviors and focus efforts on changing aspects but inherent behaviors are most influential in predicting future behaviors (Winslow Research Institute Inc. 2004).

### **History & Utilization**

Significant research has been done in support of utilizing any type of assessment as an approach to create opportunities for individuals to learn about important qualities in becoming a leader in today's challenging marketplace. In fact, according to Linda Haneborg, senior vice president of Express Personnel Services, attendees were reminded at a leadership conference where she was the keynote speaker to evaluate their own style and strengths as part of increasing their leadership skills and competencies

(Franchising World, 2006). Her message emphasized that leadership development is not only achieved through books, conferences and coaching but also requires knowledge and understanding about oneself for individuals seeking to hone their leadership skills.

Indeed, there are many companies who know and understand the importance of investing in various types of assessment instruments to glean greater information in order to select, hire and develop their leaders or groom emerging leaders as part of their succession plan or for career advancement within the company. They invest large amounts of money to identify and create opportunities for leaders and emerging leaders to become self aware. They hire outside consultants to provide feedback, interpretation and even coaching to help professionals digest and implement the new data into their professional development plans.

However, the startling reality might very well be that even though

companies have access to the data, they may not use it to the fullest potential or on a regular basis in selection and talent development.

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For instance, companies who have enlisted consulting services to help them better understand their leaders may use the information on a one time basis but to not ensure knowledge has increased or behavior change has occurred. Often the assessments utilized may be chosen based on the presentation, cost and other palatable items. ***The impact of the information from such instruments is best utilized when it becomes part of a larger employee development program, thus motivating the ongoing use*** (Goodstein & Lanyon, 1999). They may even move on to the next type of assessment instrument in hopes of learning more or different information when in fact they would best be served by consistently

using any one of the resources they already have. Indeed, the type of individual assessment information that companies have gathered can be accessed repeatedly throughout that person's career. Personality, for example, is comprised of traits that tend to be consistent throughout adulthood with predictive capabilities in leadership (Strang, 2009).

### Summary

The following statements summarize the information noted in the research:

- All companies in the study use assessments for at least one purpose within talent management but to what degree is unclear.
- Companies excel at offering assessments to uncover areas of need for employees to develop; they may even offer classes or something similar but tend to fall short on the manager following up once the learning is complete to aid in implementation, sustained growth and long term behavior changes.

- Individual leader/executive determines use of assessments and at what level utilization occurs within the organization.
- There are no standard best practices for assessment use across the board identified through this research.
- Divisions and/or business units within a company may or may not choose to use assessments.
- Most of the companies follow "guidelines" not policy for use of assessments. In some cases assessment use is strongly suggested within a company but in actuality, the leader of a particular business unit or division determines when and if assessments will be utilized.

*Companies excel at offering assessments to uncover areas of need for employees to develop...*

### Solutions

Assessment instruments do have the potential to contribute to leadership from an awareness standpoint initially for the individual as well as the manager/leader. The benefits rest solely

on the level of understanding, internalizing, developing and use of the assessment report information. Companies have many choices for assessments they can use. ***The downside of the variety of instruments is that many companies shift their use from one assessment to another without long term commitment to any one assessment. The variety of assessments is appealing from an interest standpoint; however, it also creates opportunity for low commitment and long term sustainable impact if new assessments are repeatedly introduced without maximizing the effects of the current assessment.***

Not so surprisingly, the larger the company in terms of employees, divisions, geographical reach, the greater the variation in internal consistency of assessment use across the organization. This point is magnified in the absence of defined practices and guidelines for overall assessment use. In contrast, the smaller the company, the repetition of consistently administering assessments is greater; however, the ongoing use of

the assessment data from one component of talent management to the next is lessened due mostly to resource availability, time and cost.

Most companies excel at providing assessment opportunities to increase self - awareness as related to development and specifically development as a leader. The company may even determine areas to strengthen but may or may not encourage or create opportunities for the employee to go the next step and partake in formal or informal learning. In addition, there is very little repeated follow up with individuals on any given assessment data beyond the initial session or purpose.

***Likewise, there is very little connection between assessment use and development.*** In most companies, the actual process of gaining self- awareness and development is truly left in the hands of the individual. Similarly, individuals learn so much about themselves and their leadership but often do not do anything beyond the initial learning due to lack of follow through, direction and accountability on the part

of their leader. Therein lies the opportunity to implement ongoing discussions and opportunities for practical experience to solidify one's learning beyond the classroom.

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