



*Organizational Impact Summary*

# Better Leaders, Better Outcomes

The Power of Selection Tools to Drive Business Results

*Written by  
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and Bradford Thomas*



Organizations are severely lacking the ability to identify and develop the right individuals for critical leadership roles. Our research shows, however, that strong assessments give organizations the clarity to select the best leaders for their business needs.

The Talent Management Expert



## *Ready-Now Leaders*

*Frontline leaders are seen as the foundation for an organization's success. Making up more than half of most companies' management ranks, frontline leaders directly supervise a majority of the workforce. But whether organizations look to outside hiring or to internal promotions, they are failing to produce ready-now leaders. The Global Leadership Forecast 2011 found that only 33 percent of HR leaders are highly confident in their frontline leaders' ability to ensure the future success of their organization.*



## So what's holding back organizations from being able to identify and develop individuals to take on their most important positions?

Their selection systems are not providing them with the data they need to separate the good candidates from the bad. And they don't have an accurate diagnosis of skill gaps or strong development plans and training programs to close those gaps.

At the end of the day, leadership readiness boils down to three things:

1. Driving Bottom-Line Performance
2. Mastering Interpersonal Skills
3. Improving Engagement, Morale and Retention

DDI has a variety of assessment and development solutions that have been proven with hundreds of organizations to ensure that you hire, develop, and promote leaders who will be successful in these three areas. This report highlights some of the differences these solutions made for both our clients and the individuals themselves.

*If you would like for us to take a closer look at the impact of your leadership assessment initiatives, please contact us at 1-800-933-4463.*

## ABOUT DDI'S SELECTION SOLUTIONS



### DDI SELECTS LEADERS

Leadership assessment serves a variety of purposes for organizations including: hiring external, managerial candidates, making key promotion decisions, diagnosing development needs of current and potential leaders, and gaining an organization-wide view of leadership strengths and gaps. DDI offers the most comprehensive range of employment testing, assessment and behavioral interviewing tools in the world—tools that are used to assess more than 4.5 million people each year. Our assessments allow organizations to streamline the hiring process and increase the accuracy of hiring and promotion decisions. All are proven, valid, and legally defensible.

In addition to assessments, DDI's *Targeted Selection*<sup>®</sup> is the world's most proven and accurate behavioral interviewing system. Once the candidate pool is narrowed, this system produces the best hiring and promotion decisions for your organization.

Our selection solutions identify individuals with the right combination of skills, motivations, knowledge, and experience to be successful on the job. For leaders, in particular, these solutions measure the appropriate personal attributes and competencies to predict success on the job and diagnose development needs.

*In this report, we highlight three of our selection solutions.*

### PRE-EMPLOYMENT ASSESSMENT: PRE-EMPLOYMENT TESTING

#### Leader Career Battery

The Leader Career Battery (LCB) is a type of assessment that is optimized to yield improved quality of hire while requiring a relatively short amount of time for test administration. The assessment's breadth of coverage allows the test user to measure multiple, job-relevant constructs within a single testing experience. The LCB is best utilized as a screening tool in high volume situations and is typically administered at the beginning of a hiring process. It is appropriate for both internal and external job candidates and has been shown to predict job performance, time to productivity, and many other leader-specific job performance criteria.

#### Leadership Insight Inventory

The Leadership Insight Inventory (LII) is a type of assessment that is optimized to help organizations identify leaders who possess essential characteristics associated with job success. The LII is used when the target job demands a higher level of complexity and when there is a desire to understand the candidate's personal disposition in more detail. The LII is used in both selection and development applications and is appropriate for internal as well as external leadership candidates. This combination of data leads to deeper insights that can be used to enhance understanding of performance and to focus development planning.

### Leadership Readiness Assessment

The Leadership Readiness Assessment (LRA) is a type of assessment that is designed to identify leadership development needs and to identify those leaders who will yield the best return from an investment in development. The LRA is most often used to assess internal associates as part of a process to audit leadership ‘bench strength’ and determine training needs. The advantage of the LRA is that it contains the measurement targets from the LII and is extended to include items that measure job-relevant, behavioral competencies. The LRA can be used in high participant volume situations when the use of simulation-driven assessment is not practical and when there is a desire to gain more objective data about individual and group performance.

### Health Care Leader Career Battery

The Health Care Leader Career Battery (HCLCB) is a multiformat inventory designed to select health care leaders across all functional areas by measuring personal attributes to predict success in patient-facing frontline leadership roles. Positions in this job family include first-level supervisors with formal management duties and subordinate reporting duties.

## PRE-EMPLOYMENT ASSESSMENT: JOB SIMULATIONS

### Manager Ready® Assessment

Manager Ready® is an online behavioral assessment that provides the accuracy and depth of insight of a traditional assessment center at a fraction of the cost. This assessment measures the nine most common behavioral competencies critical to success for frontline leaders, including Coaching, Influencing, Problem Analysis, and Judgment. Participants respond to 30 open-ended situations they would face on the job—such as coaching an underperformer or solving a business problem. Their behavioral responses to these situations are then evaluated by trained assessors to produce in-depth insight to help guide selection and development decisions.

## BEHAVIORAL INTERVIEWING

### Targeted Selection® Interviewing

Targeted Selection® (TS®) is a structured, replicable approach to behavioral interviewing that develops the skills to interview confidently, gather data that accurately predicts future job performance, evaluate candidate information to make the best selection decision, and facilitate a legally defensible interviewing process. TS® can be tailored using the competencies that best fit each job family, including frontline and mid-level leadership roles. The data represented in this report pertains to both leaders and non-leaders.

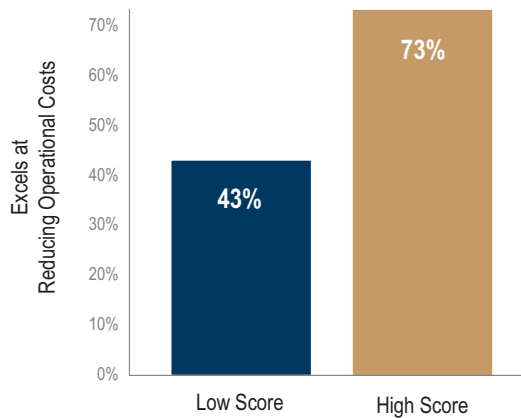


## DRIVING BOTTOM-LINE PERFORMANCE

Your leaders can make a real difference to the bottom line. A study by *Bloomberg BusinessWeek* and Hay Group found that companies ranked in the top 20 for leadership acumen significantly outperformed the S&P 500. And that leadership acumen results in driving performance—increasing productivity, improving customer loyalty, lowering operating costs, and achieving higher profitability. But it is also about getting managers who are higher performers themselves—leaders who get up to speed faster and outperform their peers.

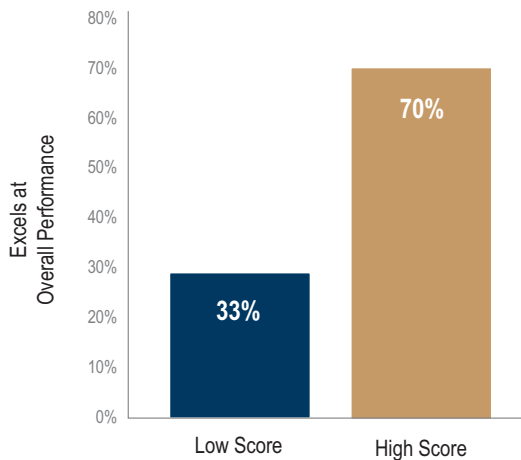
*Leadership Insight Inventory for Industrial Manufacturing Organization*

High scorers are **70 percent** more likely to excel at reducing operational costs than low scorers.



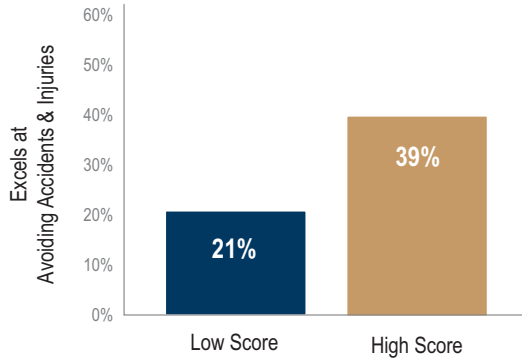
*Leader Career Battery for Manufacturing Organization*

High scorers are **112 percent** more likely to excel overall in their position than low scorers.



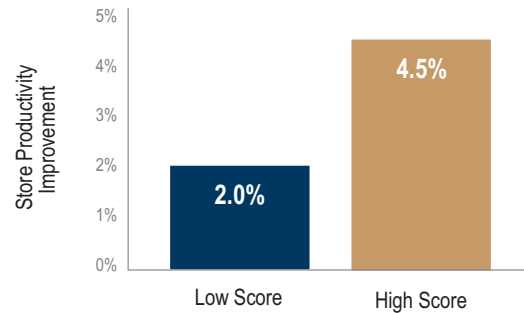
*Leader Career Battery for Steel Manufacturer*

High scorers are **86 percent** more likely to avoid accidents and injuries than low scorers.



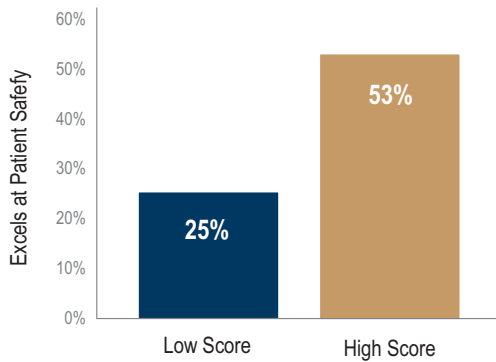
*Leadership Insight Inventory for Grocery Chain*

High scorers achieved **125 percent** more store productivity than low scorers.



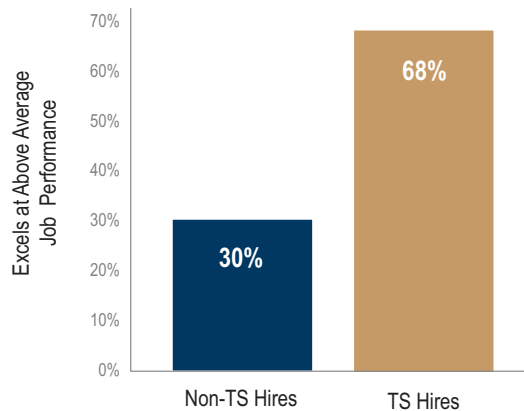
*Health Care Leader Career Battery for Health Care Provider*

High scorers are **112 percent** more likely to excel at committing to patient safety than low scorers.



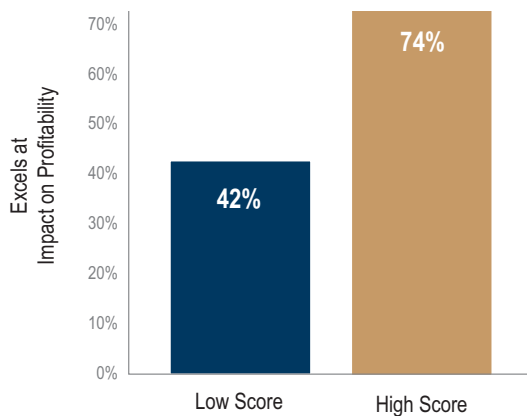
*Targeted Selection® Interview for Baked Goods Organization*

TS hires are **127 percent** more likely to have above average job performance than non-TS hires.



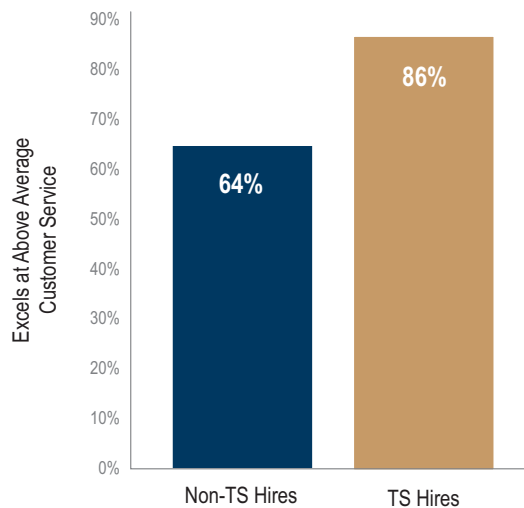
*Leadership Insight Inventory for Maintenance Services Organization*

High scorers are **76 percent** more likely to positively impact profitability than low scorers.



*Targeted Selection® Interview for Hospitality Chain*

TS hires are **34 percent** more likely to be rated “good” or “excellent” in customer service than non-TS hires.





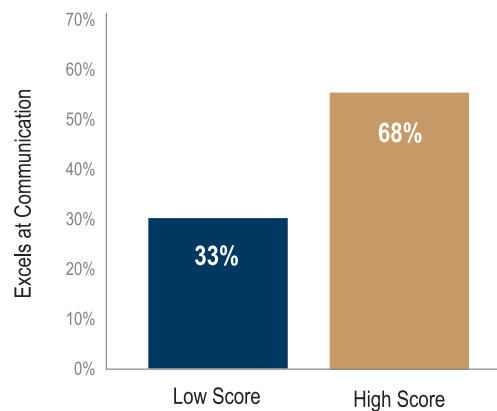
# MASTERING INTERPERSONAL SKILLS

A leader needs to have a high level of interpersonal skills to relate to others, communicate effectively, and successfully manage with respect and equality. What if all of your managers could have these traits? It's that person who inspires a team through a trusting relationship. And that person who empathizes with team members when they are struggling, and recognizes members for their achievements.

The research we conducted looked at those interpersonal qualities and determined success based on the results. This section is all about how the manager interacts with her or his team.

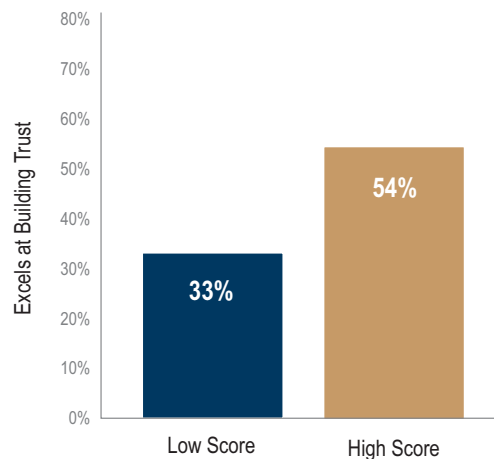
*Leadership Insight Inventory for Global Technology Organization*

High scorers are **113 percent** more likely to excel at communicating than low scorers.



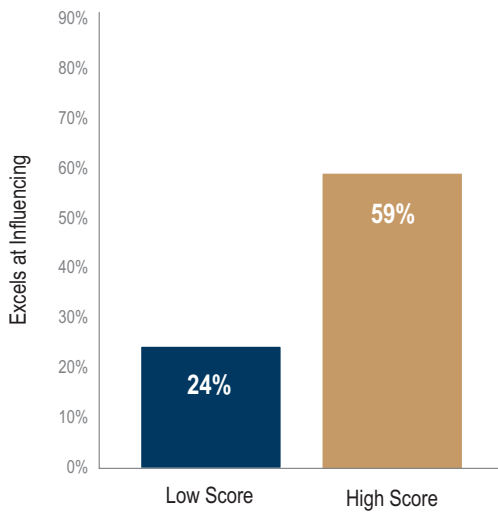
*Health Care Leader Career Battery for Not-for-Profit Hospital*

High scorers are **64 percent** more likely to excel at building trust than low scorers.



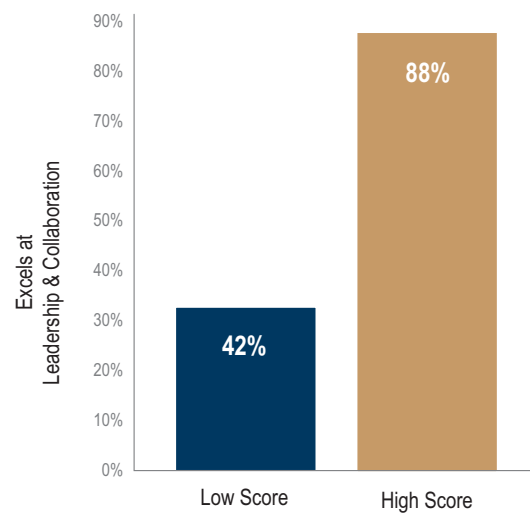
*Manager Ready® Assessment*

High scorers are **146 percent** more likely to excel at influencing than low scorers.



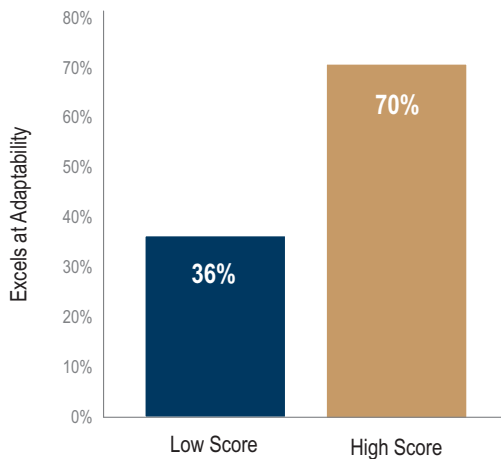
*Leadership Readiness Assessment for Fortune 500 Technology Company*

High scorers are **109 percent** more likely to excel at leadership and collaboration than low scorers.



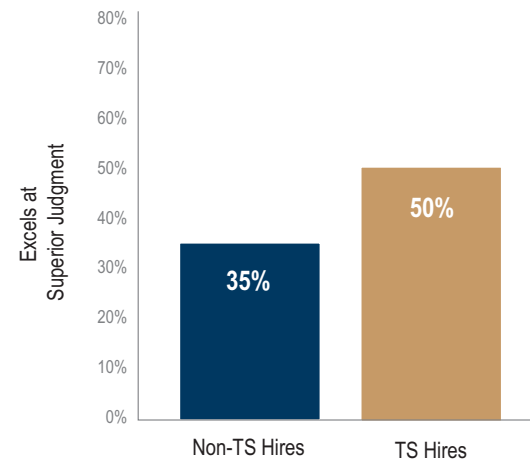
*Leadership Insight Inventory for Health Insurance Provider*

High scorers are **94 percent** more likely to be adaptable than low scorers.



*Targeted Selection® Interview for Health Care Provider*

TS hires are **43 percent** more likely to demonstrate superior judgment than non-TS hires.



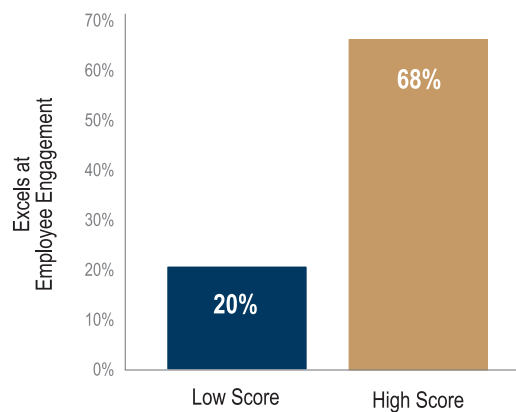


## IMPROVING ENGAGEMENT, MORALE AND RETENTION

DDI's pre-employment assessments predict a leader's ability to engage direct reports, which leads to increased productivity, retention, and overall job satisfaction. Successful frontline and mid-level managers are able to challenge and develop their employees. The following research demonstrates the link between the assessments and these critical outcomes:

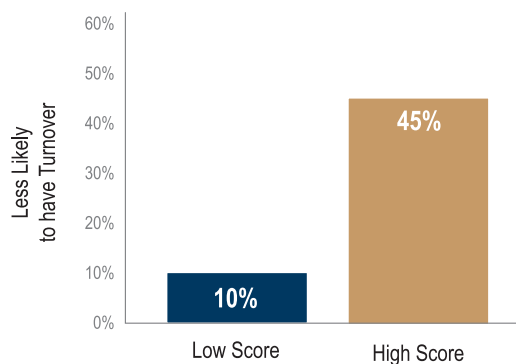
*Leadership Insight Inventory for Life Insurance Provider*

High scorers are **240 percent** more likely to excel at engaging employees than low scorers.



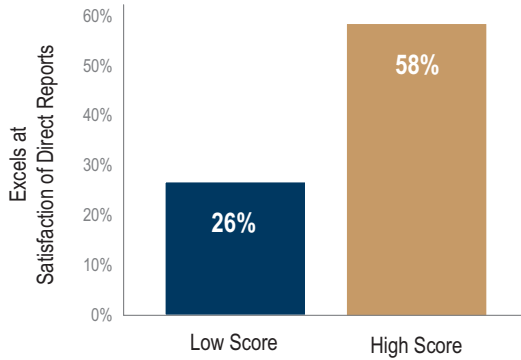
*Leadership Insight Inventory for Global Technology Organization*

High scorers are **350 percent** more likely to have lower direct report turnover than low scorers.



*Leadership Insight Inventory for Facilities Management Services Organization*

High scorers are **123 percent** more likely to be highly engaged than low scores.

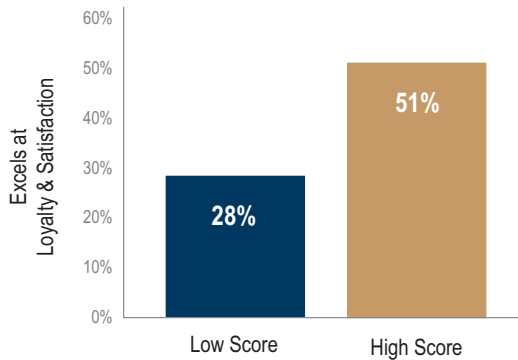


*“High levels of employee loyalty have been linked to an estimated 11% boost in productivity. Employees that are happy and satisfied with their jobs and their leadership team tend to put forth extra effort to achieve goals and meet expectations.”*

*– Journal of Organizational Culture, Vol. 14, No.1, 2010*

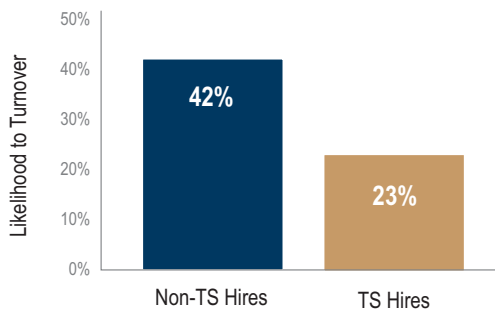
*Manager Ready® Assessment*

High scorers are **82 percent** more likely to gain direct reports’ loyalty and satisfaction than low scorers.



*Targeted Selection® Interview for Retail Organization*

TS hires are **45 percent** less likely to turnover than non-TS hires.



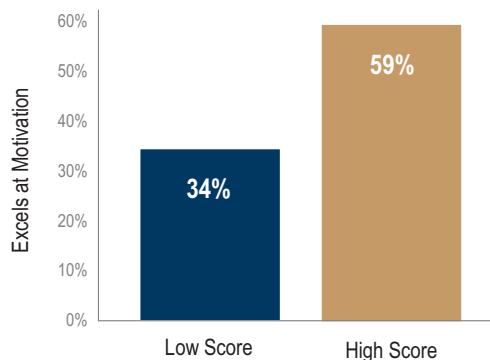


## MOTIVATION TO LEAD

A key driver for success in leadership positions is the motivation to take on the challenges associated with the role—motivation to coach direct reports, motivation to handle upset internal and external customers, motivation to implement change, motivation to lead. It is as critical to assess for motivation—the ‘will do’ part of the success equation—as it is to assess for knowledge, experience, and competencies – the ‘can do’ components of job success. If your leaders are not motivated, how will they motivate others to take pride in their work and to strive for higher levels of performance? DDI assessments are designed to target motivation in two ways. First, our assessments provide a realistic preview of the job by forecasting to the candidate, through scenarios and questions, what will be required. This leads to higher degrees of met expectations when the final candidates get the job. Second, specific questions measure motivation to lead, screening in those people who truly desire the challenge of leadership and screening out those who could be less satisfied with the role. The following tests measured motivation to lead and research results revealed the following impact:

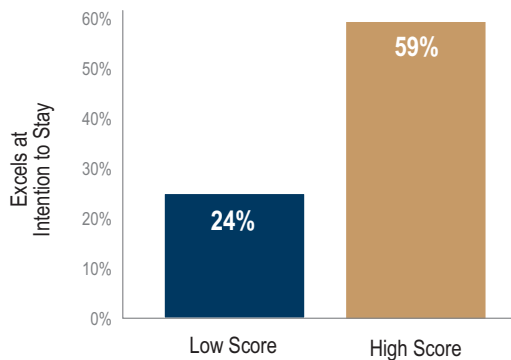
*Leader Career Battery for Global Fortune 500 Retailer*

High scorers are **74 percent** more likely to be motivated in their work than low scorers.



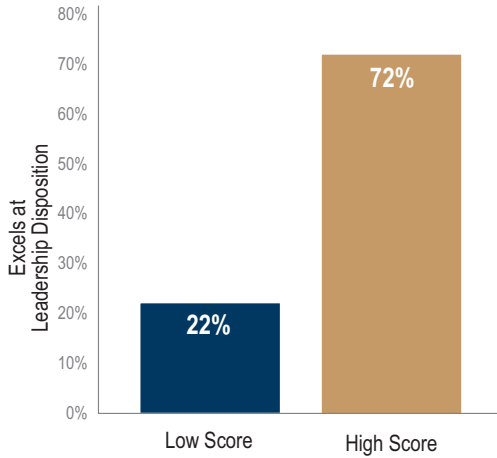
*Leadership Insight Inventory for Global Hospitality Organization*

High scorers are **146 percent** more likely to intend to stay with their organization than low scorers.



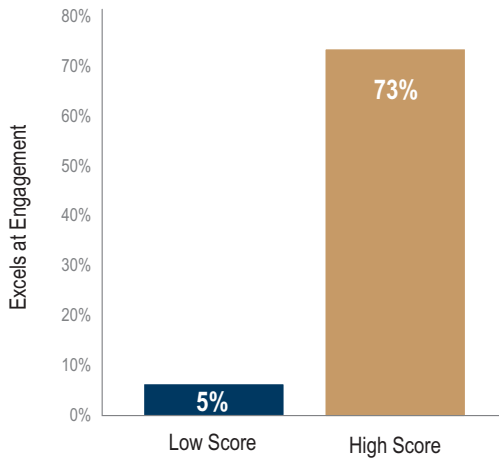
*Leadership Insight Inventory for Global Technology Organization*

High scorers are **227 percent** more likely to have a positive leadership disposition than low scorers.



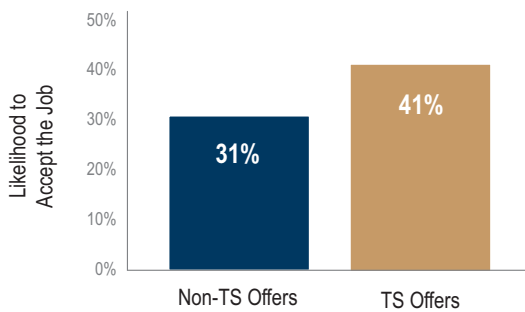
*Leadership Insight Inventory for Global Energy Organization*

High scorers are **1360 percent** more likely to be engaged in their work than low scorers.



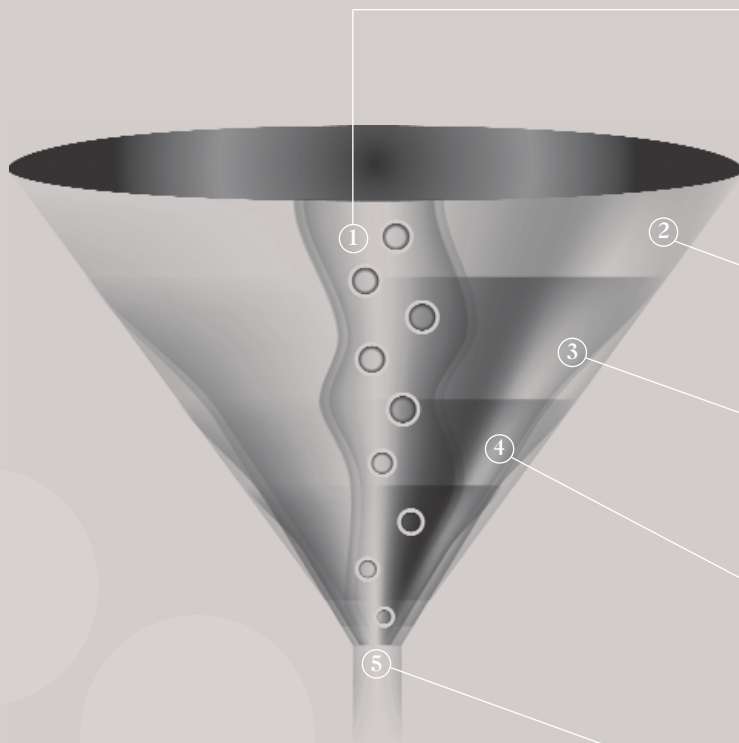
*Targeted Selection® Interview for High Tech Organization*

TS interview job offers are **32 percent** more likely to accept the job than other interview method job offers.



# A Holistic Approach to Selection

Whether you're selecting leaders, individual contributors, or executives, this selection toolbox helps organizations find the right system to reach their goals by efficiently driving external hiring and configuring solutions for the needs of an internal promotion process. These solutions are fully integrated to work with each other as a comprehensive suite, but can also effectively stand alone.



## COMPETENCY MANAGEMENT

**Success Profiles<sup>SM</sup>** are a wide range of comprehensive job analysis and competency modeling services that let you quickly and accurately identify the competencies and motivations needed for successful job performance. It is a streamlined process for getting to the right profile quickly through identification of four characteristics that describe the ideal candidate—work experience, knowledge and skills, personal attributes, and competencies.

## PRE-EMPLOYMENT ASSESSMENTS

**Pre-employment Tests** allow organizations to assess a broad range of factors critical to on-the-job success and quickly identify top candidates. Organizations are able to streamline the hiring process, identify potential for future growth, and increase the accuracy of hiring and promotion decisions.

**Job Simulations** reveal insights valuable for future development by seeing how candidates would perform in real-world situations. They offer a deeper view of candidates and determine strengths and growth opportunities of each.

## BEHAVIORAL INTERVIEWING

**Targeted Selection<sup>®</sup>** is the world's leading behavioral interviewing system. It's a structured interview process through which an organization's own trained interviewers possess the right skills needed to interview confidently, gather better data, and facilitate a legally defensible interviewing process.

## ON-BOARDING

**Strong Start<sup>®</sup>** allows organizations to accelerate new hires' time to productivity. By giving leaders the skills they need to engage new hires, accelerate performance, and monitor progress, organizations see new hires effectively transition into the job and quickly assimilate into the corporate culture.



## About the Authors

- **Scott Erker, Ph.D.**, is the senior vice president of DDI's Selection Solutions. Scott developed his global perspective on workforce selection from his work with organizations around the world on personnel hiring strategies—ranging from large-volume hiring for start-ups to steady-state selection system operations, including measuring return on investment. Scott has a doctorate and a master's degree in industrial/organizational psychology from the University of Akron. He is a member of the American Psychological Association as well as the Society for Industrial and Organizational Psychology.
  
- **Bradford Thomas**, is a product manager with Development Dimensions International (DDI). Brad has more than 18 years of business development, consultative sales, and marketing experience. He is the co-author of six research studies on leadership readiness and sales talent management. Brad has been published in *Talent Management* magazine, *Workforce* magazine's "Dear Workforce" and SmartBrief on Leadership.



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#### ABOUT DEVELOPMENT DIMENSIONS INTERNATIONAL:

For over 40 years, DDI has helped the most successful companies around the world close the gap between where their businesses need to go and the talent required to take them there.

Our areas of expertise span every level, from individual contributors to the executive suite:

- Success Profile Management
- Selection & Assessment
- Leadership & Workforce Development
- Succession Management
- Performance Management

DDI's comprehensive, yet practical approach to talent management starts by ensuring a close connection of our solutions to your business strategies, and ends only when we produce the results you require.

You'll find that DDI is an essential partner wherever you are on your journey to building extraordinary talent.

#### CONTACT US

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The Talent Management Expert



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