Potential Assessment and Development as a Management Task

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Abstract

Potential assessment and development will be one core responsibility of managers. This fact is widely discussed in the international scientific community as well as in the community of practitioners. However the differences how to tackle the route are substantial. While all standardized approaches based on tests and similar instruments lead to quick results, the role of managers for sustainable results and learning of organizations ask for a reflective approach on what kind of systems and approaches are preferred and how they themselves (re)produce organization design and culture. Organizations face two difficulties. One is that, in order to reproduce the existing culture, managers want to spread their own distinct style, which often conflicts with the results of competence models. So they do their own thing, ignoring the recommendations of their human resource departments. The second is the pressure to produce quick results. Tests and competence models reach all the staff. While admittedly overcoming limited understanding among managers of the potential within their staff, their use does not require those managers to develop their own expertise in understanding people’s potential. Because studies and practice show, that potential development occurs best when chief executives recognize the value of learning as the primary force to facilitate change, the paper discusses principles and case studies of an organizational development-oriented approach to potential development based on tests and organization-design oriented settings.

This paper critically highlights current forms of potential assessment and development, points out fundamental problem areas and presents an organizational development-oriented approach to potential assessment and development as a key issue within management learning.

One of the most important decisions which all organizations make is the selection of their personnel, especially their key staff. Mistakes in this area not only cost huge amounts of money but can cause widespread and enduring damage to the organization. As this risk has become clearer to organizations in recent years, potential assessment has correspondingly grown in importance. Nevertheless, current methods of potential assessment exhibit several basic deficiencies. To express it positively, potential assessment can do far more for organizations than it does at present. An organizational development-oriented system of potential assessment observes the complex interrelations between organization and person and fashions a development-oriented process of potential assessment (see Figure 1). Potential assessment is the first step in potential development, understanding oneself is the key to develop oneself.

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Figure 1: Principles of organizational development-oriented potential assessment
Let us begin by taking a look at the approaches commonly used in personnel selection in many organizations today. The job specification generally forms the starting point when it comes to filling a vacancy. This usually states the most important tasks of the job and the necessary “competences” to complete them, which—if a “competence-based management system” was taken as the basis for the whole—are probably broken down into “observable capabilities”. Candidates are invited to take one or more tests which promise to “measure” the potential and to participate in one or more interviews. If an external consultant is commissioned with the assessment, then a report of the candidate is provided. Finally the responsible managers make their selection—with or without reference to the advisory opinions\(^2\).

In addition to the potential for error inherent in this form of personnel diagnostics, which will be highlighted in this paper, such procedures unintentionally promote a judging culture, which is diametrically opposed to an open learning organization. An organizational development-oriented system of potential assessment has to do with the creation of “dialog partnerships” (Deissler, Gergen 2005) which can contribute as key elements to the establishment of a culture of appreciation.

1. Dealing with the organization

The first problem with the usual procedures is their oversimplified view of the person. Although typically described as a personnel development instrument, potential assessment should be established at the interface between organization and person; in so doing, the artificial division between personnel development and organizational development should itself be critically scrutinized.

In order to be at all meaningfully designed, potential assessment requires an intensive examination of and careful engagement with the context of the entire organization. In recent years a promising understanding has developed of the

\(^2\) This is how the organizational consultant and psychotherapist Klaus Deissler (2008) explains that with the aid of certain methodic gimmicks, experts act as if there were social facts which are independent of observer and participant, and thus objective. Following the axiom “the Good Lord placed diagnosis before treatment” an attempt is made to construct diagnostic ultimate justifications which cannot be challenged—although there is hardly an area in the shaping of human relationships which would make the character of social construction clearer than that of diagnosis. In short, diagnoses are socially constructed stipulations by experts which evaluate human behavior “independently of observers".
interrelationships among work on strategy, organizational structures, process management, personnel management and reward systems, known under the term “organizational design” (Galbraith 2002, 2009). At its core it deals with interconnection and simultaneity in the development of organizations in all five of these dimensions. A one-sided focus on a single dimension brings unbalanced results and limit effectiveness. Of all things it is potential analysis which is usually, with regard both to organization and to content, realized as a separate activity, and also those forms which relate to explicit job specifications do not adequately realize that these mostly do not correspond to a future-oriented specific organizational reality.

On the organizational level, therefore, the following questions are central to potential assessment: What is the core business of the organization? How does the organization’s organizational design look at present? Where are there currently contradictions in the design which must be dealt with? What are the primary benefits which the function should yield? In which business processes is this person active?

Every organization follows a particular strategy which it tries to realize through a number of concrete business processes. Without understanding this strategy (Where is the organization going?) and the business practices which are necessary for its realization (What are the primary activities which should result in the realization of this strategy?) any potential assessment is left hanging. Potential assessment is, in this sense, an advisory service at the interface of organization and person.

Without an appropriate understanding of central questions of organizational development, it withers away to a selective evaluation of people by means of the appraiser’s own methods or theoretical constructs.

2. From stable tasks to dynamic roles

Key positions in organizations today are no longer intended to be stable, but rather established as “dynamic roles”. More and more often one sees that managers and experts change their roles with time and often must temporarily fill more than one role at a time. An example will make this clear: Two years ago a bank hired a promising sales expert for complex financial products. In the course of the successful expansion, it was expected that not only would this expert manage ever more complex customer projects, but that he
would also share his knowledge with junior sales agents. At the same time it became clear that because of his experience he was one of the few people who were in a position to stimulate the lateral process coordination between the cooperating departments. Therefore he was also assigned to help ensure that these processes could be managed better. This expert’s reward system remained the same; he is still compensated based on his turnover, but within a short period of time his role was differentiated into three partial roles.

![Figure 2: Dynamic Roles and Distributed Leadership](image)

In addition to their original area of expertise (functional expert functions), people in many organizations are more and more active in roles which they further develop, at the implicit or explicit instruction of their organization (see figure 2). Three more roles can be distinguished:

- **Teacher/Instructor** (development of new or younger colleagues, knowledge management, mentor)
- **Integrator** (management of lateral processes between parts of the organization, teamwork, cooperation, networking processes)
- **Leadership not in the line but in various scopes of duties** (process management, project management, strategic work, creation of structures, human resources management of temporary groups)
The dynamic of the differentiation of these roles can derive from the special area of expertise of the person involved or from a current problem situation within the organization. An organizational development-oriented system of potential assessment must therefore constantly ask, based on the specific business processes:

- What are the partial roles and their various requirements which are to be performed based on a person’s function?
- Which capabilities and attitudes are necessary and desirable?

Since in daily practice more and more people are simultaneously active in multiple roles, job specifications must emphasize much more strongly than ever before what benefits the person should be able to bring to the company as a whole. It is therefore much less a description of tasks than a presentation in which functional units and processes the successful candidate will be involved and which competences are necessary for this.

**Case study illustrating the difficulty that organizations have in understanding dynamic roles**

An industrial organization founds a new organizational unit to take responsibility for the central sales direction of a number of countries and build up the sales operations on site. Thus on the one hand these experts in the central office lead the sales units in the countries and help to carry out projects there, and on the other hand they function as a development unit which is intended to support and develop the capabilities of the people in the countries. The manager of this unit is, moreover, a member of the top management team.

It turns out later that at the founding of the new unit the actual meaning of “development” is not completely clear to those involved. The translation is: “our good people tell the people on site how it should be done.” However, what is actually necessary for real development work is an understanding of teaching and learning, train-the-trainer capabilities and knowledge of coaching and how people learn.

When one observes the partial roles of those involved it becomes clear: First, they manage the sales unit; second, they are responsible for development and third, they have to work as members of the top management team. From the side of the consultant the following questions are raised:

- If they are involved in the top management team, what abilities do they need?
- When they are doing development work, what abilities do they need?
- When they manage the sales unit, what abilities do they need?
For example, the sales unit needs “hunters”, i.e. people who “like to hunt and kill the game”. In contrast, development work needs background work. In this case people are even needed who have the “hunter” mentality but are at the same time highly interested in development and have a great attitude for learning as well as social flexibility, because they can only learn what they need for these assignments when they are already underway. Precisely this knowledge of the basic business processes and the competences which are linked to them is the expertise of the consultant and cannot be provided by the employer. In the course of the consultancy the client comes to understand what the organization must achieve and what this implies for the roles and partial roles. They obtain a better understanding of the key business processes and a differentiated picture of process management, and they recognize that not only sales but also development processes and management processes are involved, which in turn require high social sensibility.

If instead classical “sales types” are hired—often with the rationale: “This is a fantastic salesperson; true, he doesn’t know much about learning or development, but that will come with time”—experience shows again and again: the first partial role is fulfilled but the other two are not, either because they do not interest him or are contrary to his mentality, or he lacks the necessary basic abilities to fulfill them.

3. Enlargement of leadership tasks - "distributed leadership"

Not only does the increasing momentum of organizations which was mentioned earlier bring with it multifaceted, temporary organizational structures, but management functions are also being divided among an ever-widening circle of experts. Experts and managers must increasingly take into their own hands tasks relating to general organizational design, which means doing something for the entire organization. They must translate strategies into concrete processes, devise new working structures (as temporary organizational structures) and lead correspondingly temporary teams. Experts are increasingly often challenged, in addition to their core tasks, to provide comprehensive results in other fields. Amy Kates (2006) has coined the term “distributed leadership” for this phenomenon. It is understood to refer to those activities which are carried out by different roles in organizations and are important for the alignment of the organizational design: interdisciplinary, interdivisional, process-oriented activities which are critical to the success of organizations which are both function- and process-structured (Galbraith 2009).

For this reason team leaders and experts are in need of more general management skills—not just strategic thinking, but above all the ability to think about complexities. They...
must understand whether a problem relates to a person, a team, strategy or process management; this calls for “multi-diagnosis”, that is, the ability to think simultaneously on various levels and in various disciplines while treating these as co-equals, in order to find the appropriate problem-solving action. This capability has traditionally only been expected of top management.

It has been observed that top managers and management teams today feel overextended when leadership tasks may only be delegated to the second level of management. However, when successful young managers (so-called “high potentials”) excel, they feel overwhelmed after a short time, because they are quickly assigned all the challenging tasks (“Give that special project to Tim; he has proved himself again and again.”) Here the perspective of distributed leadership is trend-setting. The requirement, however, is knowledge within the organization about who has what potential—and above all, that the people who are involved themselves have this knowledge. When consistently implemented, distributed leadership means a role change for top management, who move from being leadership providers to being those who maintain an overview of the various leadership activities as well as determining and coordinating initiatives. A potential assessment, it its methodical approach and with its own mindset, must pay attention to these changes. It requires anticipation of future necessary potentials, even when the organization presently cannot even consciously name them. Potential assessment thus shifts from service provider to long-term consultant (Untermarzoner 2011).

4. Remembering to focus on capabilities, attitudes and meta-competences

An organizational development-oriented system of potential assessment must differentiate between capabilities, attitudes and meta-competences (see Figure 3). This has to do with contributions to the function and the role itself (capabilities and attitudes) and with contributions to the organization as a complete system (meta-competences). This differentiation is especially important for organizations which must be in a position to react to changing environments not only quickly but also appropriately in relation to the business as well as to the process design.
Definition of terms: Capabilities are those behavioral patterns which someone can produce when they are necessary for a certain task. Attitude covers a person’s emotional and cognitive position (Schreyögg & Conrad 2006) in relation to a task: the will to do something and the conviction that it makes sense. The attitude given the behavior a purpose and makes it sustainable. Capabilities and attitudes together result in what we call “competence”: the ability which is linked to the will to do something. Practice clearly shows that attitudes shape organizational culture more strongly than capabilities do. Organizational culture consists of symbols and manifested values, and most especially of emotional and the cognitive attitudes and basic assumptions of key personalities who determine the essential parameters of the organizational design of an organization (Schein 1999).

Of late there has been an increasing necessity for comprehensive competences which are not directly related to the tasks of the function or role. This becomes essential particularly when organizations consciously convert to process and project management. Meta-competences, for example the inner orientation to the whole and not only to a person’s limited area of responsibility, contribute to an organization’s overall development.

5. Central meta-competences needed by people in project and process work

Based upon the author’s many years of experience in consulting dynamic organizations, three meta-competences appear to be of central meaning: cooperation competence, change competence and learning competence.

Cooperation competence as a core competence for the organization’s development as a whole consists of a set of different capabilities, emotional and cognitive attitudes

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3 One aid to understanding these positions and their inherent differences is the further developed stage model of the individual stages of development as they are of importance for managers and consultants by Otto E. Laske (2005).
(modified from Oelsnitz & Graf 2006). First of all, cooperation competence requires behavior-related capabilities on the interpersonal level—such as the abilities to communicate, to handle conflict and to recognize and accept various perspectives. Second, capabilities for practical cooperation management are needed: i.e. knowledge of how to choose a partner for cooperation, how cooperation can be steered, and which working structures call for cooperation. Third, however, cooperation competence also requires a person to have a specific emotional attitude: Cooperation must be emotionally desired; there must be sufficient inner motivation to consider the cooperation meaningful. This is due to the fact that, on an emotional level, cooperation can be understood in highly different ways: as “employment of others to reach my goals” or as “something that one simply does” or as “a way to generate more sense and value through the combination of different resources”. Fourth, it requires a particular cognitive attitude: the person must be intellectually convinced that cooperation as a respectful consideration of various interests makes more sense than subordinating one partner to the other (“If you want us to cooperate with you, then you must follow our principles!”). In particular, the level of attitudes is increasingly relevant for organizations and is discussed under the term “personality”.

The subject of change competence has two theoretical approaches: First, one can have the attitude that one is convinced of one’s own approach to change. In this case one is change-competent if one has the “right” approach. One can, however, also have the attitude that, both for organizations and for people, there are totally different approaches which coexist and which are to be understood and, when possible, integrated. In this second case, one is change-competent if one recognizes these differences cognitively and emotionally, can deal with them, and is flexible in their implementation (Caluwé & Vermaak 2003, Untermarzoner 2007). Dynamic organizations need fewer and fewer people who are convinced of their own approaches (“This model is the best; you only have to understand it”) and more and more people who can cognitively understand and integrate multi-faceted approaches to change (“In this situation we could do this; the other situation requires a completely different approach to change”).

The subject of learning will also require specific forms of learning competence in the future. Learning is no longer to be considered as the accumulation of cognitive content, but rather as the discovery of new worlds. Learning is a process which leads, via uncertainty,
to new abilities; it must be travelled over the path of existing abilities through the unknown. This “unknown”, which in actual fact is a “not-yet-known”, is highly unpleasant for most people. An encounter with something new brings with it familiar negative feelings such as fear or anger, for when certainty dissolves, the learner, in this phase of “I can’t”, becomes unstable. Learning competence is the capability and attitude of opening oneself to what is new and allowing uncertainty to happen. Dynamic organizations need fewer people who “already know it all”; rather they need more people with a high attitude towards reflecting and acting, as well as the readiness to develop themselves as important instruments of change. This competence discussion as the cornerstone for the future of organizational development is within the international organizational development community also conducted under the term “the self as instrument” (Cheung-Judge 2001). Four dimensions play a role in this process:

- Development of an attitude of life-long learning
- Reflection on the organizational and personal dynamics of influence and power
- Development of emotional and intuitive attentiveness
- Commitment to self-management

Considering the speed and extent to which change is occurring in organizations, it can be expected that development of “the self as instrument” will in future continue to grow in importance as a focus in organizational development-oriented systems of potential assessment. The assessor can develop himself as one of the “best” instruments.

6. Developing employers’ potential assessment competence

We assume that the capability to assess potential will become a central competence for success of organizations. In many cases, however, it is no longer sufficient to employ external consultants. Decision makers themselves require a stronger capability to assess potential in their everyday professional lives: this is not limited to assessment. It has much more to do with promptly solving temporary organizational problems: Why does a project not proceed, what are the structural and personal obstacles? Whom can I deploy for the concrete handling of the nonfunctional processes? Whom can I involve in a strategy development project? Who has a special talent in
bringing wayward projects back on track? Organizations and businesses must increasingly be in a position to get current problems under control, not through restructuring involving lengthy planning, but through concrete, prompt steering.

The translation of the requirements of a business process into a set of competences remains, for the time being, the expert task of a consultant. Developing the entire organization requires an accompanying qualification of the employer and a change in his concept of potential assessment. For the consultant, therefore, setting up an organizational development-oriented system of potential assessment must include development of diagnostic competence within the organization and practical support of this competence development through appropriate working structures. In this way the cooperation between the consultant and the employer can become an increasingly strong cooperation in the sense of expertise and reflection. Because such a process of qualification always begins with self-use, the employer profits doubly: On the one hand his own diagnostic skills are increased; on the other hand, the long-term development of his own competences is ensured.

Case Study illustrating the development of employers’ potential assessment competence

A department head is looking for a new product manager. Several potential assessments had been carried out in the past for this client, for internal product managers as well as for new employees. Despite clear recommendations, he always chose people who had specific weaknesses in creating a good customer relationship. He himself is a person, who is more interested in the world of finance than in creating relationships. In this dimension the engaged employees were very much like him, yet he would not or could not realize and accept these weaknesses in himself.

On the basis of this case history we suggest to him this time that he 1) allow himself to be trained in the use of two tests, 2) evaluate the initial results in a first interpretation together with the consultant, 3) develop a question outline for the interviews with the candidates whose results would then be reflected on together with the consultant, and 4) make the final choice himself. This system places the majority of the responsibility back on the employer. And, what do you know? Suddenly he is in a position clearly to see the weaknesses or unsuitableness of applicants and to discover similar aspects in himself.

Today more than ever, potential assessment demands that the decision maker be made responsible while nevertheless making sure that he achieves an informed understanding of how he is to make the decision.
An ideal design of a consultancy for the development of potential assessment competence in employers would look like this:

1. The employer conducts selection interviews with the applicants and formulates open questions for the applicants, which are provided to the consultant.
2. The employer is trained in the instruments and the fundamental models and how to use them himself.
3. The employer has the applicants take the tests.
4. Together with the consultant, the employer conducts a first interpretation, using previous perceptions in contacts with the applicants as background. Next he develops a series of questions on the basis of these hypotheses and is trained in the instructions for self-assessment. Optionally there will be an agreement of discussion settings, where certain behavioral patterns can be observed.
5. The employer carries out the appropriate conversations with the applicants.
6. The employer reflects on these conversations together with the consultant and develops options for decisions with chances and risks.
7. The employer makes the decision.

7. The design of potential assessment itself

7.1. Potential assessment as a process for understanding the person and the organization

The competence realistically to assess themselves develops in most people during the course of their professional development. There are many sources which participate in the development of this competence: feedback from others, comparison of one’s own behavior with that of others, use of concepts to describe one’s own working styles. An organizational development-oriented system of potential assessment emphasizes the systematic further development of this competence for self-assessment (for employers as well as for candidates).

Successful development of potentials begins with our understanding of ourselves and our competences and the development of a language to describe them. Therefore in

4 It can be observed in practice, however, that the increasing pressure of competition leads to an ever more idealized self-portrayal by participants; to admit weakness actually becomes a personal risk. At the same time, organizations’ interest the ability of individuals to assess their own weaknesses is growing—the new risk management in human resource management. In view of this, a non-judgmental, understanding approach to potential is an additional benefit for all who are involved. Only valuing people in their entirety makes it possible for a person to observe his own light and dark side.
potential assessment we work out, together with the person concerned, a solid picture of his potential with a view to the requirements, in a language which both he and the employer can understand. On the other hand we employ preferred instruments which, in addition to their diagnostic function, provide him with a map of his possible further potential. In the course of a potential assessment he learns to describe himself appropriately and can at the same time learn to use model which will help him, other people and the organization to make better assessments. When in addition to the assessment a consultant can generate learning incentives, the chance that critical topics will be productively handled is greater. The person concerned is not only the object of observation but trains his own observational capabilities by observing himself and others.

Potential assessment can also development an understanding for one’s own patterns of action in the organization and an understanding of the organizational culture: What do I pay attention to, when I initiate changes? How do I believe that change can successfully occur? How do I deal with opposition? etc. Understanding these dynamics between people and organizations expands the diagnostic instruments. Thus, for example, the person concerned may himself be very suitable for a function, but a comparison with the existing dominant culture can nevertheless identify a great cultural difference, which can be a valuable input for both sides. Thus potential areas of conflict can be understood in advance.

1.2. Potential assessment as consultancy for all participants

Most of potential assessment procedures commonly used today promise an objective culling of capabilities, attitudes and meta-competences. In so doing, they methodically—sometimes perhaps even deliberately—overlook the fact that tests can always be manipulated and falsified, or at least so dishonestly completed, that no findings result which actually provide information⁵. Potential assessment must therefore create a dialog situation which can provide information: the best information here is the consultancy

⁵ A topical book in the field of diagnostic research deals extensively with these potential sources of error (Lang-von Wins et al. 2008). The authors suggest not relying on test procedures alone, but rather actively training the diagnostic competence.
situation itself, since in this delicate situation the competence of the participant actualizes itself in dialog among the participant, the consultant and the employer.

In the planning of potential assessment consultancy, two basic approaches can be differentiated. The first is the idea of assessment by an external party, in the form of a consultant: the candidate is put through various tests and an interview is conducted; thereafter an assessment, that is, a judgment is presented to the employer. The second is the concept of potential assessment as development instrument, in which the consultant, the candidate and the employer engage in a dialog to discuss together the business activities and the competences needed for them, and to reflect on their own strengths and weaknesses as well as how the organization and the person could develop together.

When the organization conceives of potential assessment as an external process, it is logical for a candidate to present him- or herself in as ideal a light as possible, after which an open, honest dialog becomes irrelevant, especially when the candidate neither sees the consultant’s final report nor is told, “You have potential in three of our required dimensions but not in two others.” On the other hand, if potential assessment is viewed as a development step, the process must be designed so that the candidate can study both him- or herself and the situation and understand the idiosyncrasies of both. This involves a consulting service, a sort of one-day workshop with the person, ideally preceded by a conversation during which the candidate learns what the consulting service is about and what will happen, and during which the candidate is asked if he or she is willing to participate in order to learn more about him- or herself. This is not intended as a diagnostic judgment, but as the understanding of 1) working processes, partial roles and the demands associated with them, 2) the candidate’s own strengths and weaknesses and 3) how well these two have the potential to function well together for the benefit of the whole organization. This means that the key point is mutual understanding of what is important for the organization and thus what is important for the position, what the candidate can contribute, and where the opportunities and risks lie. Together the consultant and the candidate investigate the situation and try to reach a good decision. Instead of a process of deception in which the parties show only their best sides, often followed by a rude

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6 This makes clear what a central role the constant’s position plays: If he is in a judging position, he constructs a social situation in which the participant behaves as if he is being judged—one will be more cooperative, another somewhat more resistive. The common practice is then to assume that this is the participant’s usual behavior.
awakening, in this system serious dialog between the person and the organization has already begun in the recruiting stage.

This form of consulting for both the person whose potential is being assessed and the employer incorporates:

- consultation with the person whose potential is being assessed, in order to reach an appropriate understanding of his or her capabilities and attitudes in relation to the requirements of the function and the complete relevant context within the organization;
- consultation with the employer about an appropriate design for the function: How can the organizational design of the organization be translated into the design of a role?
- mutual consultation with both parties on questions of strategic fit, opportunities, risks and areas for development.

This system of potential assessment is a multistage working process in which the consultant is involved in all steps between all participants. Experience shows that the exchange of professional opinions and reports without the active participation of the consultant is seriously prone to error and does not do justice to the actual complexity of potential assessment processes.

7.3. Employ tests and test-like instruments in relation to their contexts

On the one hand the growing use of “objective” procedures is progress and reflects the need for differentiated bases for decision-making. On the other hand studies have already shown that they do not lead to better results (Lang-von Wins, 2008). Tests create a myth of objectivity and reality. In actual fact they are always instruments of self-assessment which have no informative value without consideration of the biographical development and the professional and personal context of some individual person. Basically it must be remembered that potential tests represent a great temptation to diagnose and, in the end, to judge social behavior. If these tests are not carried out in the context of a fully professional organizational development survey, but rather simply by a certified user of the test without an explicit organizational development consulting context,
the results are to a great extent deprived of their context, that is, their meaning for the organization is neither understood nor communicated. Klaus Deissler (2008), one of the most active exponents of social constructionism in German-speaking Europe, summarizes the problem thus: “In the end analysis, the interesting point about the scientific foundation for using experts to validate diagnoses is that, although the process is supposedly ‘socially’ designed, the subjects of the diagnoses are not allowed to have any influence on the experts’ judgments, since these otherwise would not be ‘independent of observers’ or objective. Thus those who are judged are not involved in the process of judgment—the experts make their decisions behind the backs or over the heads of their subjects, and a participatory scientific orientation falls by the wayside.”

This seemingly objective approach harbors clear potential for error:

- First, “objective” personnel decisions are not always the best in practice. Since this involves not simply logical comparisons of “what should be” with “what is” but rather complex decision processes with different perspectives, objectivity in personnel decisions is not possible. Instead of objectivity there must be reflection on various dimensions in a comprehensible working context where bases for decision-making can be discussed and negotiated.

- Second, it is frequently disregarded that one of the most common causes for wrong personnel choices is faulty qualification profiles. In this case, the qualifications which are considered necessary do not turn out to be critical for success in practice. Organizations which concentrate too heavily on tests which their own people are certified to perform tend to lose sight of this connection.

- Third, organizations which commit themselves to one instrument (“We always use the XY test”) lose any connection between the test results and the people. Personnel decisions are then based on very questionable foundations.

- Fourth, the context-related interpretation of scientific tests is a highly professional task which when used in other fields (such as school psychology, traffic psychology, etc.) always requires corresponding training lasting a number of years. When the intended use is aptitude testing for organizations, attendance of multiple two-day seminars suffices for certification.

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7 Relevant studies of sources for errors are compiled in Lang-von Wins et al. (2008).
Experience shows that companies which use such procedures in this way either tend strongly to base their decisions on particular test values as being critical for success (that is, to oversimplify) or else no longer really integrate the test results in their decision-making processes because they remain unrelated to content (“interesting, but not very relevant to practice”).

7.4. Pay attention to the ethical dimension

Potential assessment can support a person’s development but can also be irritating and have negative side-effects. It is therefore important to pay attention to the ethical dimension of potential assessment. For organizations is it of strategic importance to recognize the proper personal capabilities of managers and employees. Experience shows that organizational change processes bring people’s idiosyncrasies to the fore and generate a heightened need for interpretation on the part of the organization: Why is this employee or manager behaving so strangely right now, when he or she used to be so successful? This increasing interest on the part of organizations in the behavior of people is legitimate but brings with it an accompanying increase in responsibility.

Working with people on their potential means working in the area of their personal identity. Organizational changes (whether already in process or intended) trigger a change process in the person him- or herself; this can under certain circumstances cause a lessening of reliability. Previous strengths fall away, while undiscovered idiosyncrasies move to the fore. The personal disclosure and interpretation of idiosyncrasies and weaknesses also harbors a risk for the person: he or she may be of less value for the organization or be placed in a situation of greater competition. During the consultation there is no diagnosis without a corresponding intervention. This means that during a potential assessment the person involved may be irritated about his or her self-image. The associated temporary destabilization of the self-image must therefore be organized so that it can be understood and handled with a view to the future by both the person and the organization.
7.5. Advise on the decision

Personnel selection and development are complex decisions. Tichy and Bennis (2007) consider them, together with decisions about strategy and crisis management, to be the three most central decisions of managers and advocate the following principles in making such decisions:

- recognize decisions as complex phenomena and design a decision-making process,
- establish explicit parameters for decisions, and
- develop a common language.

Interpreted for an organizational development-oriented system of potential assessment, this means primarily that potential assessment should be designed less as a diagnostic evaluation of the individual and more as a decision-making process. Doing justice to the accompanying complexity necessitates a multistage working process which makes the various perspectives clear and adequately involves everyone concerned. An organizational development-oriented external consultant for potential assessment therefore has the dual task of delivering data which is relevant to the potential assessment and of being part of the decision-making process design. The consultant must bear in mind that, whether internal or external, the expert does not play the role of a “whisperer”, a shadowy figure influencing personnel decisions, but rather essentially concentrates on supporting the decision-making process. The central task is thus the shaping of a working structure for the communicative handling of demands, expectations and evaluations among the parties involved.

Such a process of consulting on decisions in an organizational development-oriented system of potential assessment basically begins right from the word “go” and accompanies the entire process. The consultant first explains the approach sketched out here, discusses with the employer in succession the relevant pivotal points in organizational design and directs his or her attention to the role played by fundamental business processes. The consultant translates these requirements into competences which in turn are discussed with the employer, then reconsiders the diagnostic part of the potential assessment including its theoretical background and supports the decision-making processes in the exchange of results and expectations.
This systematic communicative handling of results of potential assessments for existing employees is critical to success, as is, especially, an evaluation of external applicants. A full picture of the employee’s potential and the opportunities, risks and necessities for development can only be generated through, on the one hand, a systematic understanding of the meaning of the results and, on the other hand, their mutual interpretation by consultant, candidate and decision-maker or employer.

To assume that an organization is fixed and the people are inserted into it rather like pieces of a puzzle is simply not consistent with reality. Often there is no-one who fits the ideal management profile. Therefore it is all the more important, when it comes to the absolutely necessary core competences and mindset, to check which capabilities are stronger and which weaker, and how the role would have to be transitionally designed so that the person could still develop where necessary. It is therefore necessary to consider, for example: Whom must I set aside for this purpose, for how long, and which support resources will I need to tide over the gaps in performance?

8. Conclusion

In many organizations potential assessment is viewed as a selective event focused on individuals, and is thus trivialized. If, on the other hand, it is understood to be an important component in the development of the organization and is involved in the overall context, if organizational design and the fundamental business processes are chosen as the starting point and potential assessment is designed as a holistic process in which the employer or decision-maker deals with the business processes and requirements together with the candidate and accompanies the selection process professionally, then not only is the quality of the individual decisions improved, but learning and development also take place to a far greater extent than they would with the selective measures which would otherwise be the case. Such an understanding of potential assessment does not deal one-sidedly with pigeonholing a person, but rather becomes a relevant component of organizational development.
Bibliography:


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