SIGMA Assessment Systems

Build Your Leadership Pipeline

Using the LSP-R™ for Succession Planning

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According to Benjamin Franklin, only two things are certain in life: death and taxes. Ask any business leader, and they'll tell you that employee turnover and transition can also be added to the list. Given the inevitability of changing personnel, it is important for organizations to develop and implement a strong succession plan. Assessments such as SIGMA's Leadership Skills Profile – Revised (LSP-R) can be used to augment this process along the way.

About the LSP-R

The LSP-R is a scientifically valid, self-report personality assessment that predicts individual potential on 50 leadership competencies. In the development of this assessment, researchers at SIGMA leveraged well-established theories and decades of multi-source validation data to create a personality instrument that can be used to predict effective leadership behaviors. Below, we outline some ways in which the LSP-R can be integrated into the succession planning process at your organization.

Support Succession with the LSP-R

The implementation of a succession plan will significantly affect the careers of current incumbents and their potential successors. As such, it is important for organizations to invest in proper tools that enable data-driven and objective decision making at each stage in the succession planning process. In particular, experts recommend using assessments to support the validity and fairness of decisions made during this planning process.[1] Though there are a number of available assessments to choose from, not all will supplement your succession plan with the same degree of effectiveness. In order to ensure that your succession plan is of the highest quality, the assessment you choose should be scientifically valid, objective, and predictive of the skills needed for key succession roles. When an assessment has these qualities, you can be more confident that your succession plan is identifying the right people with the right skills. Additionally, using credible assessments can facilitate buy-in by helping reassure employees that their future in the organization is grounded in an evidence-based, unbiased decision-making process. SIGMA's LSP-R is one of those assessments, and there are a variety of ways it can be used to assist the succession planning process.

Validating Success Profiles

One way to use the LSP-R in succession planning is to validate Success Profiles. Building Success Profiles is a foundational step in the succession planning process, as the information contained in the profile will be used to clarify which skills and expertise are needed in a given role both now and in the future. Success Profiles will be used throughout the entire succession planning process, and therefore it is important to ensure the careful and accurate creation of the profiles using the expert knowledge of organization members and the powerful, science-driven information provided by the LSP-R.

Success Profiles are built in two stages: First, several members of the organization with knowledge of the critical role (e.g., the current incumbent and the succession advisory team) work to draft the initial profile. Leveraging multiple sources of information helps to build more comprehensive profiles, but as more individuals begin weighing in, it is important that they all draw from a common competency model. SIGMA offers a competency model containing 50 leadership competencies that are applicable across a wide variety of industries. We recommend creating Success Profiles based on competencies in this model in order to ensure that all informants are leveraging an evidence-based framework, using a comprehensive list of competencies, and communicating in a common language.

The second stage uses external sources to validate the internally created profiles. This stage is important, because information provided in Stage 1 by role incumbents and individuals on selection committees will be biased by the experience and perspective each person holds. As such, it is useful to validate Success Profiles against unbiased, objective criteria. SIGMA's LSP-R can be used for this process because it leverages the same competency model that was used to build Success Profiles above. This makes it easy to compare the results from the LSP-R to the competencies in the Success Profile. To validate your Success Profiles, use the following steps:

1. To begin the validation process, administer the LSP-R to the current incumbents. The LSP-R generates a custom report for each incumbent that identifies their strengths as well as opportunities for development.

2. Take a look at competencies that are showing up as strengths for the incumbent, and compare these to the current strengths listed in the Success Profile. The goal of this process is not to get an exact match between the incumbent's strengths and strengths needed for the role. Rather, this process is useful for identifying competencies that are showing up as strengths in the LSP-R results that are NOT represented in the profile.

3. After identifying potential gaps, consider whether it would be useful to add certain competencies from the incumbent's LSP-R results that are important for success in the role but were missed in the initial Success Profiles. This process of validation and revision ensures your Success Profiles do the best job they can of reflecting competencies needed for success in a particular role.

Assessing Talent

Once Success Profiles have been created, the LSP-R can be used to identify and nominate candidates for succession. Although it is called the "Leadership Skills Profile," candidates do not need to currently occupy a leadership position in order to benefit from the results of the test. This is because the LSP-R uses a test-taker's personality to assess their natural propensity for leadership. As such, the results of this assessment can provide a scientifically valid way of determining a candidate's potential to take on critical roles regardless of whether or not they are currently in a leadership role.

When nominating candidates, it is important to consider individuals who are ready to assume a critical role in the short term as well as those that have the potential to do so in the more distant future. This ensures a long-term strategic plan for establishing a strong leadership pipeline. The results of the LSP-R can help with this by identifying the current strengths and development opportunities of potential candidates, which can be evaluated against the Success Profile for the critical role. For example, if a candidate's LSP-R results indicate that they already possess many of the strengths required for a critical role (as determined by the Success Profile), then this person may be ready to assume the role in a relatively short period of time. In contrast, other candidates' LSP-R results may reveal that they have a few competencies on their list of long-term development opportunities that need to be addressed before they are ready to move into a critical role. In this case, this individual could be flagged as someone who has the potential to be a strong candidate in the future, given the appropriate experiences and training.

The need to create a robust succession bench by identifying candidates that are ready in the short-term and in the future also highlights the benefits of administering the LSP-R across the organization, rather than just to a select group. Succession planning is a complex process, and many senior leaders are rightfully concerned about choosing the right people to take over critical roles. With so much pressure on leaders to "get it right" when nominating potential successors, it can be tempting to narrow the focus to individuals who are similar to the current leadership team. Although this approach can help ease anxieties and reduce uncertainty in the short-term, succession planning is all about creating longevity and envisioning where the role could go. By comparing the LSP-R results of a wide range of candidates to the Success Profile, organizations can be more confident that they are prepared to fill critical positions with candidates who possess the skills needed for the role now in the future. Not only does this help to include a diverse range of candidates in the succession process, it also reduces bias by focusing on objective, performance-relevant criteria for nominating successors.

Widely administering the LSP-R can also help organizations determine whether collective change is needed to support a succession planning initiative. Although the Focus Report summarizes each individual employee's LSP-R results, the scores can be aggregated to the group level and used to identify patterns of strengths and development opportunities across a team, department, or organization. If specific competencies are listed as development opportunities for many employees, then the organization may want to consider investing in the collective development of these skills. In this way, the group-level LSP-R results can be used to make decisions about how to distribute funds for training initiatives that can help everyone in the succession plan.

Developing Talent

Once candidates are identified, the information provided in the LSP-R Focus Report can be used to facilitate the creation of a personalized development plan. This is achieved by building a Candidate Profile, which summarizes the candidate's strengths as well as any gaps that need to be addressed in order to prepare them for the critical role. "Gaps" in a candidate's profile occur when critical competencies on a Success Profile have been identified as development opportunities in a candidate's LSP-R results. Since the LSP-R and the Success Profiles use the same competency model, identifying gaps and populating Candidate Profiles becomes a relatively straightforward process. This information can then be used to create individual development plans that will ensure succession candidates are ready for their role when the time comes.

Using the information from the LSP-R and the Candidate Profile for the purpose of creating a development plan can be facilitated with the support of an executive coach. At SIGMA, we recommend a two-step coaching process to help succession candidates prepare for a critical role and receive the appropriate training opportunities. In the first step, candidates familiarize themselves with the results of the LSP-R and are presented with the Candidate Profile, which highlights strengths and gaps in their skills or expertise. For many candidates, receiving this information can be an overwhelming experience, so the coach's job is to help them narrow down the most important LSP-R development opportunities. The development opportunities chosen should be ones that were identified as critical for the succession role (i.e., "gaps"), however, the candidate's ability and motivation to develop these competencies should also be considered. In other words, the development plan will be most successful if the candidate chooses a small subset of development opportunities (two or three) that they are interested in working on, and that they will be able to improve given the current job and time constraints. Once the development opportunities have been agreed upon by candidate and coach, a concrete plan should be created and documented. It is important that the candidate has a copy of their development plan, including descriptions of timelines and metrics for success. The second stage of the development process involves long-term maintenance of the development plan. This requires regular check-ins with the executive coach to monitor progress and modify the development plan as needed.

Measuring Progress

When measuring a candidate's development progress, it should be noted that the individual does not need to take the LSP-R again (e.g., to see if their development opportunities have now become strengths). This is because the test is designed to facilitate self-discovery, serve as a foundation for development efforts, and provide a framework to aid HR functions such as selection and succession. Instead, candidates can measure their long-term development progress using SIGMARadius, a 360 feedback assessment that incorporates performance ratings from multiple sources (e.g., supervisors, peers, the candidate themselves). SIGMARadius is a great compliment to the LSP-R because they both use the common language of SIGMA's competency model. Whereas the LSP-R provides information on candidates' natural propensity on these leadership competencies, SIGMARadius gives feedback on how the candidate is performing these behaviors at work. In short, the LSP-R can tell you what to work on and SIGMARadius tells you how you are progressing towards your development goals. Additionally, the feedback from SIGMARadius can be used to adjust or modify the development plans created from the LSP-R results. This iterative process of creating, enacting, and evaluating development plans using both the LSP-R and SIGMARadius is essential for the long-term development of candidates as they prepare to assume critical roles.

SIGMA Can Help

Ready to start incorporating the LSP-R into your succession planning process? You can visit SIGMA's website to learn more about the LSP-R and how to order assessments for your team. If you don't already have a mature succession plan in place, or you are looking to modify the process, SIGMA also offers a variety of services that can help, including our Succession Planning Certification workshop and our Launch Series. These services walk you through our six-step succession planning process as well as how to integrate the LSP-R as described in this article. You can also contact us directly for more information. We're always happy to speak with you!

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[1]Rouch, K., Monahan, K., & Doherty, M. (2018). *The holy grail of effective leadership succession planning: How to overcomes the succession planning paradox.* Deloitte Insights. https://www2.deloitte.com/us/en/insights/topics/leadership/effective-leadership-succession-planning.html