



# Assessing potential with Wave-i: Going beyond the traditional



Traditional models of potential can be very restrictive in terms of what they say and measure. They tend to present one very clear definition of potential that applies to all leadership across all organizations and fail to account for different types of leadership roles. Some also take a black-box approach, making it difficult to clearly see what sits behind an algorithm. We wanted to change that.

Wave-i is an end-to-end solution for strategically identifying and developing emerging talent and leaders.

Wave-i puts the best predictor of potential in your hands. Developed based on over 7,000 ratings of potential, refined to maximize fairness on an international dataset of 18,000 and further explored using an additional sample of over 30,000, Wave-i reduces the odds of wrongly identifying potential from 1 in 5 to 1 in 50. Designed to increase fairness and mitigate against adverse impact from its first principles, the methodology has a built-in mechanism that tests the data for fairness and makes suggestions for model modification where any group differences are identified. The tool is internationally applicable and grounded in flagship research that was conducted across 50 countries.

**Wave-i goes beyond the constraints of one universal lens so often used in traditional methods, offering a new way of capturing potential that:**



**Picks up on the nuances of leadership in your organization**



**Accurately reveals the types of career or leadership role individuals will thrive in**



**Helps build and maintain diversity in leadership pipelines**



**Mobilizes a wider pool of potential**



**Engages the many, not just the few: everyone has potential for something**



### Core Leadership Potential

Individuals with strong core leadership potential will be those most likely to achieve leadership success in an organization.



### Professional Potential

Individuals with strong Professional potential are likely to be curious experts with a desire to grow into best-in-class specialists in their fields.



### People Potential

Individuals with strong People potential will likely rally, inspire and bring people together to work towards a common goal.



### Pioneering Potential

Individuals with strong Pioneering potential will likely drive towards growth, either through innovation or a sharp commercial focus.

# What does Wave-i do that other tools don't?

## Picks up on the nuances of leadership in your organization

There are key characteristics for predicting leadership potential across organizations and industries and (if backed by thorough research and scientific data) they are not to be discounted. However, we sometimes need to dive deeper. We know from working with our clients, one generic model of potential does not always work for all organizations, particularly for those facing unique challenges. Whilst there may be overlap on the core, there could be differences on the key – this ability to flex is what unlocks truly successful high-potential assessments.

## Accurately reveals the types of career or leadership role individuals will thrive in

In a recent Saville Assessment survey, 96% of organizations said the types of leadership roles they need are diversifying and nearly half (48%) said the number of specialist leadership roles in their organization is increasing. In the same way organizations shouldn't restrict themselves to looking at one definition of leadership potential, they shouldn't limit themselves to looking at one type of leadership role.

The data collected by a robust assessment process should be enough to provide an indication of individuals' potential against different types of leadership roles or career tracks, not simply against a generic measure of potential. Are they more likely to be professional experts, people inspirers or pioneering innovators?

Capturing this has a dual benefit. Understanding the types of leaders coming through increases the chances of successfully closing any gaps and healing any weak links threatening the strength of your pipeline. We often see pinch points in the pioneering space, so by gathering data relating to this, you can be proactive rather than reactive.

## Helps build and maintain diversity in leadership pipelines

To improve the diversity of leadership pipelines for a new world of work, we need to look at who is identifying individuals as high potential. Most nominations onto leadership development programs involve the manager.

Over half of the organizations in a recent Saville Assessment survey relied on 'manager only' nomination, with just 7% saying they used self-nomination alone.

The trouble with this is that managers often struggle to effectively identify potential. This is not just something we hear about from clients, we have seen it in our own research too. The reasons are multi-faceted, but unconscious bias is one of the most problematic.

Where there is no structure, rigor or objectivity in a process involving people being assessed, you create a breeding ground for bias. The similar-to-me bias is probably the most rampant – leaders and managers identify those similar to them as high potential. This is not only likely to be inaccurate, it results in a pipeline of "mini-me"s, seriously lacking in any diversity.

Even if you think you are being objective, the chances are that you aren't. In her book 'Invisible Women', Caroline Criado Perez references how research shows that the more you believe you are objective and not sexist, the less objective and more sexist you are likely to be. Incidentally, Daniel Kahneman also found that interviewer confidence is not a predictor of interview effectiveness. These are challenges that will spill into promotion and potential identification processes too. Moreover, research suggests that evaluation also tends to favor the dominant group - usually white, cisgender, able-bodied males in many organizations or at least at the levels where these decisions are being made.

Criado Perez also cites a study looking at performance reviews in US tech companies (N=248) that found how differently men and women can be evaluated. First of all, the study found that women were more likely to receive negative feedback than men. Secondly, the language used in feedback provided to men and women was strikingly different. Words and phrases used in feedback for women were: "watch your tone", "step back", "bossy", "abrasive", "strident", "aggressive", "emotional", "irrational". Of all of these words, only "aggressive" appeared in men's reviews, and in two cases the messaging was suggesting that the individual should be more so.

See the theme emerging? Left to their own devices, without tools that systemize, structure and objectify the decision-making processes, manager-nominated approaches to potential identification will never conquer the diversity gap. It is time to start doing things differently.

So why aren't more organizations opting for a self-nomination approach? Talking to Talent teams, hesitation seems to come from a concern that increasing transparency and opening up processes results in the need to 'reject' employees, which risks disengaging them. It is possible to reduce this risk though, by using approaches that are able to drive the idea that, whilst not anyone could be your next CEO, everyone has potential for something.

Self-nomination isn't a silver bullet; 'You can't be, what you can't see' and if people don't see themselves represented higher up in the organization, they are unlikely to put themselves forward. But used alongside the right assessment tools, it is a step on the road to improving DE&I outcomes in leadership pipelines.

## Mobilizes a wider pool of talent

In developing our own model of leadership, we analyzed a lot of data that pointed clearly towards the idea that there were three broad types of leadership: Professional leadership, People leadership and Pioneering leadership.

Leadership pipelines today need to be flexible and agile enough to allow organizations to pivot in any direction at any time. Hospitality and retail businesses focused on growth pre-pandemic had their customer base whipped from under them pretty much overnight and, in order to survive, they needed to switch focus to managing risk and keeping staff informed. Instead of Pioneering leaders pushing growth, they suddenly needed Professional and People leaders to really come to the fore. Supermarkets that comfortably made millions by very efficiently providing lots of food to lots of people suddenly had to deal with unprecedented supply chain and staffing issues. Professional, People and Pioneering leaders would have all been critical here. And many manufacturing businesses fought back against a suddenly empty order book by reinventing themselves as PPE producers, when they might have made dresses, snowboards or whiskey before. They wouldn't have been able to do this with just Professional leadership.

By ensuring your leadership pipeline has healthy coverage across these areas, you are protecting the organization from not having the right leadership in the future, whatever that future may be, and we believe this should be a critical part of any high potential identification process.

## Engages the many, not just the few: everyone has potential for something

Capturing data that provides an indication of someone's 'Professional', 'People' or 'Pioneering' potential also helps widen the opportunity for development and sometimes even progression outside of what is often an exclusive

cohort. Career tracks can be laid for everyone, whether identified as high potential or not (which leaves you with no excuse not to run an open and transparent process).

A recent survey illustrated that 57% of organizations accept 20% or less of nominations on to their leadership programs. This means you are left with a situation where you are technically 'rejecting' more people than you are accepting. However, unlike a recruitment campaign, the unsuccessful individuals are already employees, so careful consideration is needed. Telling someone you don't class them as high potential is incredibly disengaging and potentially damaging.

Being able to position the program as something that helps everyone understand what their career path may look like provides a framework for positive development planning and career conversations outside of the limited high potential group. This means that your process actually has the opportunity to engage everyone. It also strengthens organizational structures by developing people towards places they can add real value, outside of that very exclusive top tier.

# Wave-i: The data and the research

Wave-i's powerful ability to predict potential is based on over 15 years of Wave and performance data. Its equations were developed based on over 7,000 ratings of potential, refined to maximize fairness based on a group of over 18,000 international professionals and managers and further explored using a sample of over 30,000. The behaviors within each equation are differentially weighted based on what was identified as Critical, Highly Desirable and Desirable as part of the development process.

## Wave-i metrics

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### Baseline Behavioral Potential

#### *i-Potential*

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Your key potential score, based on our own research and big data, that can be flexed to pick up the nuances of your organization to ensure you are assessing what matters for you.

The i-Potential score is powered by the completion of the Wave Professional Styles behavioral assessment.

2

### Career Indicators

Additional scores that help you understand where individuals are more naturally orientated towards a particular type of career.

#### *Professional Potential*

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Strengths here means you are a curious expert, with a desire to grow into a best-in-class specialist in your field.

#### *People Potential*

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Strengths here means you rally, inspire and bring people together to work towards a common goal.

#### *Pioneering Potential*

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Strengths here means you will drive towards growth, either through innovation or a sharp commercial focus.

Initial development of the i-Potential equation focused on over 7,000 ratings of potential to identify the behaviors in the Wave model that are the best forecasters of potential. Preliminary equations were created based on this validity evidence. However, a key development aim for Wave-i was to increase fairness and reduce adverse impact and while validity data is incredibly useful, we must acknowledge the potential limitations of any data and the risk these can bring in terms of perpetuating behaviors that are more stereotypically seen as relating to potential for leadership.

Therefore, fairness analysis was also run using over 18,000 international professionals and managers. Where potential adverse impact was identified, the equation was further refined to increase fairness. Specifically, initial versions of the equation were slightly favoring men, so certain behaviors which tended to be higher in males were de-prioritized and behaviors which tended to be higher in females were brought in or weighted higher to even this out. The initial assumption was that this would slightly reduce the validity of the equation – an acceptable trade-off to increase fairness. We were delighted to discover that not only did the validity not drop but it actually increased slightly. We were fascinated by the implication that more supportive behaviors such as understanding and getting to know people could increase potential for leadership roles when combined with more typical leadership behaviors around drive and leading people, rather than detract from them. This is also a testament to the power of combining these behaviors into an overall i-Potential score rather than looking at the behaviors in isolation.

A similar process was followed to develop the career indicators, although in this case composite ratings of Professional, People and Pioneering Impact were used to validate. We also analyzed the correlations between the career indicators to ensure that these are three distinct and unique areas of focus.

**“ We were fascinated by the implication that more supportive behaviors such as understanding and getting to know people could increase potential for leadership roles when combined with more typical leadership behaviors around drive and leading people, rather than detract from them. ”**

## Validity: The predictive power of Wave-i

Our research showed that the i-Potential metric was significantly related to external ratings of the criterion of ‘Demonstrating Potential’, which was measured using the Wave Performance 360 questionnaire. This provides good evidence for the use of i-Potential to identify future leadership potential. Replicating this across four different samples also provides cross-validation evidence and demonstrates that these relationships are able to be generalized.

### Concurrent Criterion-Related Validity of Wave-i i-Potential from self-report data matched against external ratings of Demonstrating Potential, adjusted for criterion unreliability

	Study 1 <sup>1</sup> : Research Sample	Study 2 <sup>2</sup> : Operational Sample		Study 3 <sup>3</sup> : Research Sample
	(N=369)	Boss (N=1887)	Peer (N=1976)	(N=622)
	$r_c$	$r_c$	$r_c$	$r_c$
<b>i-Potential</b>	.53	.24	.28	.50

Correlations are statistically significant at the  $p < .05$  level (one-tailed).

Corrected validities ( $r_c$ ) were corrected for attenuation based on the reliability of the criteria (for the research samples based on 263 pairs of criterion ratings, for the operational boss sample based on 472 pairs of criterion ratings and for the operational peer sample based on 1885 pairs of criterion ratings). No further corrections were applied (e.g. restriction of range, predictor unreliability).

<sup>1</sup>Study 1: Saville Assessment Datasets - Epsom Sample

<sup>2</sup>Study 2: Saville Assessment Datasets - Live Operational Sample

<sup>3</sup>Study 3: Saville Assessment Datasets – Standardization sample

While clear evidence of validity is demonstrated in all four samples, the validity was higher in the research samples than the live operational sample groups. The primary difference in the methodology of the studies using research samples is that the raters were aware that the potential ratings they gave were kept anonymous and would not be shared with the individual they were rating. In the live operational sample, the raters were aware that their ratings would be shared with the individual being rated as part of the process. In particular, Boss ratings generally have no anonymity because each individual would typically only have and be rated by one boss. This means that there are likely to be other factors influencing raters within the live operational samples beyond simply the performance and potential of the individual they are rating (e.g. not wanting to upset them, their personal relationship, etc.). Therefore, the live operational sample demonstrates that the Wave-i indicators validate but is less likely to give an accurate picture of the level of prediction of potential than the research samples.

Using the same samples, we have also shown that the 'Professional', 'Pioneering' and 'People' career indicators were significantly related to matched external criteria ratings. This also provides good evidence for the use of the career indicators to highlight the most relevant career path.

### Concurrent Criterion-Related Validity of the Wave-i Career Indicators from self-report data matched against external ratings on composite matched behaviors, adjusted for criterion unreliability

Career Indicator with Matched Ratings	Study 1 <sup>4</sup> : Research Sample	Study 2 <sup>5</sup> : Operational Sample		Study 3 <sup>6</sup> : Research Sample
	(N=369)	Boss (N=1887)	Peer (N=1976)	(N=473-573)
	$r_c$	$r_c$	$r_c$	$r_c$
Professional	.55	.28	.23	.43
People	.36	.30	.30	.64
Pioneering	.52	.24	.22	.77

Correlations are statistically significant at the  $p < .05$  level (one-tailed).

Corrected validities ( $r_c$ ) were corrected for attenuation based on the reliability of the criteria (for the research samples based on 263 pairs of criterion ratings, for the operational boss sample based on 472 pairs of criterion ratings and for the operational peer sample based on 1885 pairs of criterion ratings). No further corrections were applied (e.g. restriction of range, predictor unreliability).

<sup>4</sup>Study 1: Saville Assessment Datasets - Epsom Sample

<sup>5</sup>Study 2: Saville Assessment Datasets - Live Operational Sample

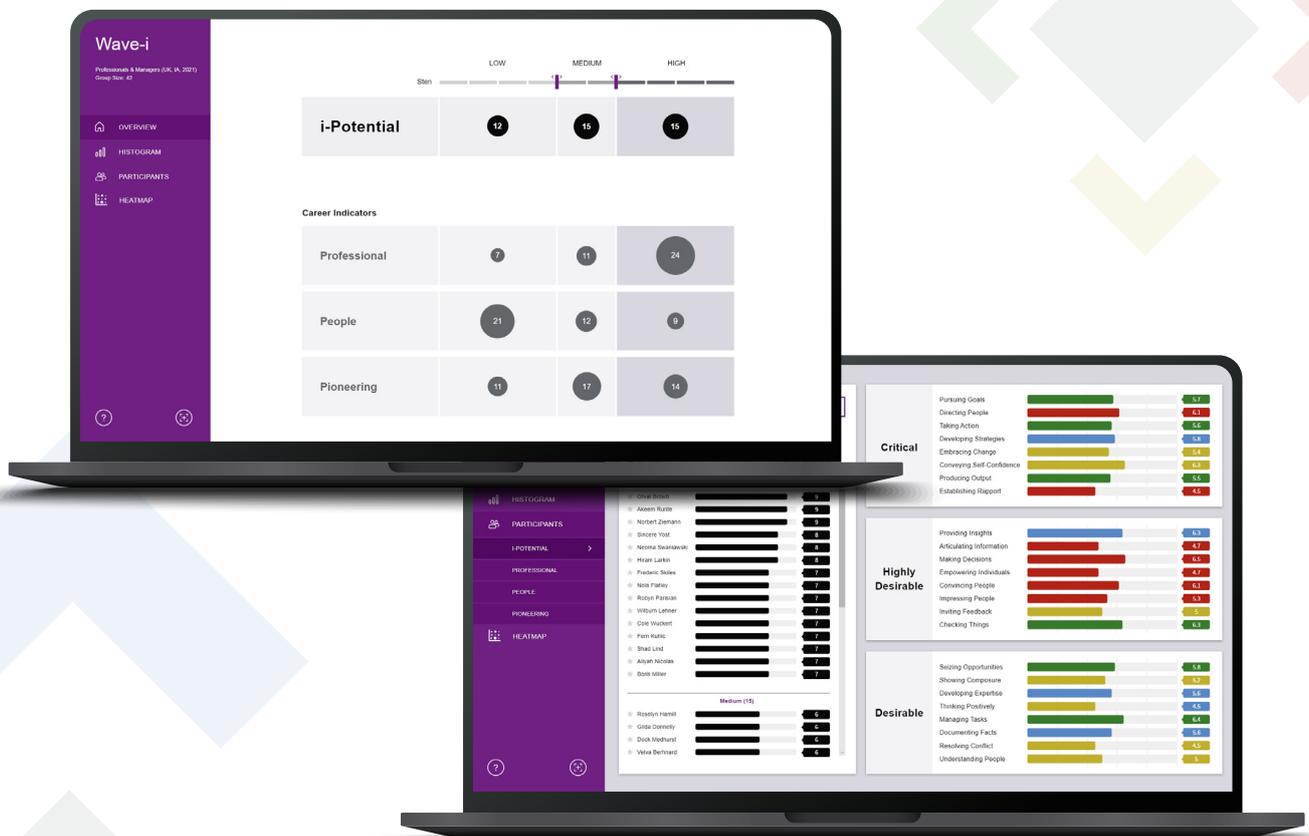
<sup>6</sup>Study 3: Saville Assessment Datasets - Standardization Sample

## Wave-i dashboard

The Wave-i dashboard, designed to be intuitive and rich in information, presents group and individual results against i-Potential and the career indicators. It can be used to order and cut the group based on indicator scores, identify group trends across the metrics and the underpinning Wave dimensions, as well as drilling down into individual behavioral scores.

Wave-i scores can be generated based on completions of our flagship Wave Professional Styles questionnaire (35-minute completion time). While we do recommend there is a trained user within your organization to help interpret the dashboard, we also have the option to provide you with consultancy support to help you get the most out of the information.

Whilst the dashboard is not intended to be shared with candidates, our easy-to-interpret Development Reports are available as part of the Wave-i package, to help support individuals in their career development, whatever their potential and for wherever it might be.





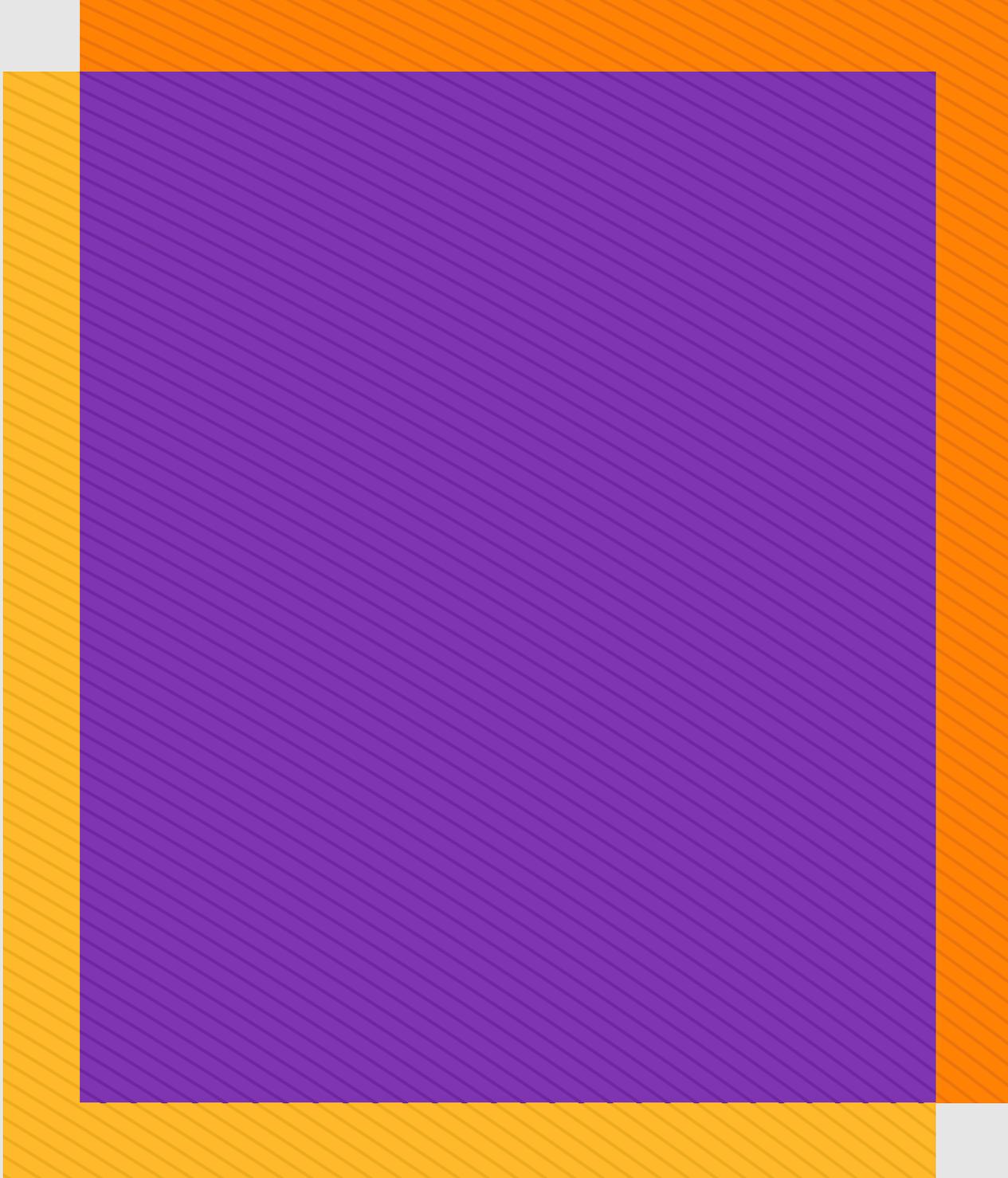
We believe everybody has potential for something. However, traditional methods for identifying and measuring potential are often too restrictive, reliant on subjective ratings or feedback, and designed to engage the few not the many.

Wave-i is a new way of looking at potential. Underpinned by over 15 years of research and over 7,000 ratings of potential, it goes beyond other measures of potential to:

- ◀▶ Unlock a more diverse range of talent
- ◀▶ Reveal broader pathways for development
- ◀▶ Inform better, fairer decision making
- ◀▶ Mobilize meaningful development activity for all

**Transform your organization of tomorrow, with your talent of today.**





**About Saville Assessment, A WTW Company**

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