



Clouds Over My Festive Spirit in Celebrating 25 Years in Business

By Nancy Parsons
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While reaching 25 years in business this month is cause for great celebration and gratitude to our team, clients and executive coaches, there is simultaneously a troubling industry perspective that clouds my festive spirit.

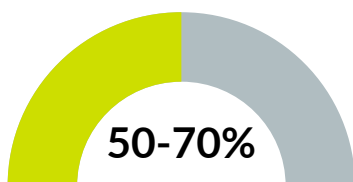
First and foremost, I love what we do! We help people reach a level of self-awareness that is life changing. I have great passion for the work we do helping executives, leaders, coaches and talent development professionals. And, I am proud to say that our assessments are unmatched for identifying true talent and that CDR continues to evolve. Now, in addition to live executive coaching, team development and talent solution services, we offer a scalable individualized coaching technology solution to reach all levels of employees. I am ecstatic about these achievements and also penned an article titled **25 Years & So Much Gratitude – What an Amazing Journey!** I want to assure you that this is intentional. As I am sure you will agree, as we journey through our lives and work, there are often simultaneously successes, disappointments, and goals both attained and gone unmet.

Where I have frustration for the profession of leadership and talent development at large, is that we are failing to produce acceptable outcomes that show progress. Worse yet, no one seems to be paying much attention to this problem. Most consulting firms, executive coaching organizations, and academic institutions seem to be continuing on the same paths, business as usual. Why is the status quo acceptable? Statistics show we aren't making the changes we need to and business as usual doesn't create change.

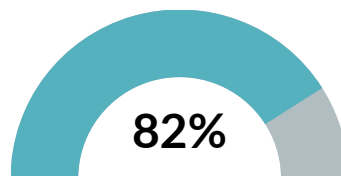
When we started CDR Companies in 1998, the leadership ineffectiveness rates were staggering: 50 to 75%! Our vision back then was to revolutionize leadership with our scientific assessment measures – to get leadership right. While we have made inroads as a boutique sized firm, we haven't had the scaled impact needed to achieve our vision.

Here is the rub that clouds my celebratory spirit - today's numbers have not changed.

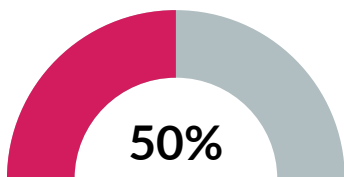
Take a glimpse of just a few recent studies:



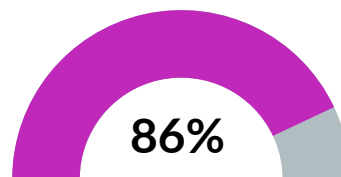
Research from the Corporate Executive Board ([CEB](#)) estimates that **50% to 70% of executives fail within 18 months of taking on a role**, regardless of whether they were an external hire or promoted from within



Companies **fail to choose the right talent for management positions 82 percent of the time** according to [Gallup](#)



According to CCL [Research](#), **50% of leaders and managers are estimated to be ineffective**



Out of 1,767 respondents to the [Survey](#) on the Global Agenda (WEF), **86% agree there is a leadership crisis** in the world today



700

700 CEOs surveyed by [PWC](#) recently expressed they are both worried and confused when it comes to the people side of the business

Also, as a result of leadership ineffectiveness:

- **85% of Employees are Not Engaged** according to a [Gallup](#) workplace report
- In 2022, the overall cost of [voluntary employee turnover](#) amounted to over **\$1 trillion**

Failed Investments

Bottom line, organizations are investing *hundreds of billions* of dollars into leadership development and management systems with minimal return on investment (ROI). Any reasonable business owner, CEO or leader with spending authority would

consider it absurd to invest in equipment that would only work 25% to 50% of the time! Why are organizations dumping huge investments into leadership and development initiatives that are failing? Why do we keep making the same mistakes? How do we revolutionize the approach to hiring, developing, and promoting leaders and maximizing top talent?



History Repeats

Our research and analyses reveal the primary reasons selection and promotional decisions practices fail. The most disturbing of the reasons is the reliance on old, outdated practices, assumptions and organizational norms.

Organizational leaders rely on the same practices

our ancestors did centuries ago. Leadership performance issues are not new; in fact, they are thousands of years in the making. This is because way we “do” leadership has remained the same even though change in other areas has been exponential. Selection decisions, promotions, succession, development, and rewards have followed the same patterns since the beginning of recorded times.



The decision-makers of both yesteryear and today choose those for leadership roles whom the decision-maker:

- Generally likes or has an affinity for
- Feels is equipped with the right “stuff”
- Sees as similar to the decision maker
- Views as able to talk the talk
- Believes to have the right experiential and academic boxes checked
- Judges to have a paper trail of sufficient financial performance successes
- Trusts, based on desirable references
- Views as having the needed level of confidence and boldness
- Respects regarding technical knowledge or strengths
- Judges to pass the social club or comfort zone criteria
- Sees as looking as though they will play the leadership part well



Of course, nobody publishes such a list. Today's HR leaders and hiring teams have sophisticated semantics. We talk of talent development investments, perks, and glitz (executive competencies, descriptors, performance measures, culture, incentives, etc.) Even so, the processes of getting ahead and becoming one of the chosen few has not changed significantly throughout the history of humankind. Those who are charming, witty, tough, articulate, courageous, reasonably intelligent, clever, well groomed, competitive, energetic, politically astute or aligned and aggressive, tend get the prized top jobs. They always have. These are subjective practices.



Strides in Diversity?

Another area where we are failing is with diversity, equity and inclusion efforts. Even with dramatically increased investments and initiatives over the last several years intended to improve selection of underrepresented populations, efforts are not

successful because of flawed processes and companies are now pulling back. Something has been missing and remains elusive. What is it? Again, subjective practices in selection decisions, promotions, succession, and development have followed the same historical patterns. These practices do not identify true talent objectively

and accurately. The truth is that diversely abundant talent goes largely unidentified and underutilized. That is why doing more

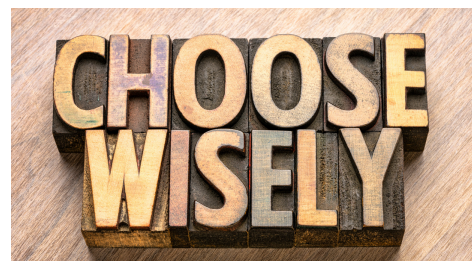
of the same will not give us the results we seek. Hiring based on demographic biases or other common biases used without deploying objective assessment measures up front, sets future performance of members of these groups up for a high probability of failure.



Getting Hiring & Promotional Decisions Right

Getting hiring and promotional decisions right matters greatly. This means assuring that the personality characteristics and motivational profile are a fit for the job

role. When more objective assessment measures are used, more diverse candidates will naturally be identified without biases of typical selection procedures. Skills can be developed if the best-fit candidates are selected as you can see in this [article](#) where we found “hidden” talent for an organization that they developed.





I regularly see assessment results for a substantial number of individuals in “leader and executive” positions for which they are not well suited. When this happens, performance always falls short, and the stress is high. I also see an alarming number of pre-employment executive candidates who do not fit the jobs they are applying for

even though their resumes and tickets punched, including interviewing skills, meet the traditional standards. We must get out of this vicious cycle of getting the people decisions and systemic talent support systems wrong! It is frustrating to see in this age of such technology, AI and scientific advancements, no significant changes to the poor outcomes in how we select, develop and promote people. What executives miss, particularly HR leaders, is that solving this long-term problem really isn’t difficult.

Back to the questions

Why Do We Keep Making the Same Mistakes

1. We keep making these mistakes because we continue to use subjective data. We fail to acknowledge the need to change



and continue with a seeming lack of awareness that it can be done with proper tools.

Our data shows that the profiles of CHROs and the HR community at large tend to be operationally focused gatekeepers and administrators, and they tend to resist change. My article titled, **“HR Transformation for the Future Will Take More than a ‘Can Do’ Attitude”** in ACEC – Association for Corporate Executive Coaches, Courageous Leadership Magazine, shares their CDR Character Assessment profile data that explains why change and innovation gets stalled in HR. So, until HR includes (either by hiring or adding consultants) more innovative thinkers and strategy folks, they will stay steady and resist change.



2. The second point is that executives, leaders and HR folks fail to take a clear-eyed look at this issue. They see themselves as good, or reasonably good, judges, process designers and decision makers when it comes to the people side of the business. They get caught up in the day-to-day and do not take the time to consider this decade after decade of underwhelming performance impacting their organizations.

3. Consultants and advisors continue to deliver or support flawed systems and approaches. I get it. It isn't a positive message to deliver to executives that a good portion of their leaders and, yes, even some executives are ineffective. In fact, when you use accurate, scientifically validated assessments like ours that drill deep, many see this as potentially threatening to their own

positions and power. Many HR leaders run the other way rather than get it right. All along for 25 years, we have always said it takes leaders with courage and compassion – and that is true to this day. Clearly, the goal is to right fit people, and sometimes shift roles or responsibilities when there is not a great fit. In the end, when people serve in job roles for which they are well suited for and enjoy,



they perform better, the business performs better and there is less stress for all.

4. And more to the point:

- There is a lack of self-awareness by leaders and employees and a lack of understanding of true talent or bench strength inventory by organizations.
- Inherent personality-based risk factors run amok - triggered by stress, conflict, when facing adversity. Since most leaders and employees do not know what their own risk factors are, out of the 11 that follow, they regularly undermine performance, communications, and relationships. (Risks: False Advocate, Worrier, Cynic, Rule Breaker, Perfectionist, Egotist, Pleaser, Hyper-Moody, Detached, Upstager, Eccentric)

5. There is a lack of accountability for ALL of the above.





How Do We Revolutionize Hiring, Developing and Promoting Leaders and Top Talent to Dramatically Transform Success

Use objective data. Organizations need to incorporate well-constructed validated personality characteristics and motivational assessments into their hiring, development, succession planning and promotional decision-making processes. Of course, we utilize our CDR 3-D Suite: Character, Risks and Drivers and Rewards which are ideal for this process.

Choosing Assessment Tools Wisely

Whether you consider CDR's tools or others, here is what to look for as written by Kimberly R. Leveridge, Ph.D. co-founder of CDR in her post titled: [Choosing Assessment Tools Wisely](#).

Personality assessment is useful for describing an individual on characteristics which cannot be directly observed. Behaviors are visible to people, but the reasons behind them and the motivations for them are not observable. Psychological assessment results provide a vocabulary for describing propensities and a view of the "whys" behind the behaviors. This information sets the stage for more effective employee and manager selection, succession planning, team building, and professional development.





So How Does One Determine the Validity of a Personality Measure?



First, there is what's known as the test-test validation process which correlates scores on an instrument with other instruments. These test-to-test correlations are conducted with instruments that are hypothesized to have similar or related constructs and with instruments that are hypothesized to be unrelated.

The next level of validation should include correlations between test scores and relevant non-test indicators—such as actual performance ratings. This step is taken to validate (confirm or not) whether the instrument accurately measures the predicted behavior and the impact on performance. Using our assessment, those who have high scores on the CDR Character Assessment “Adjustment” scale and a high CDR Risk Assessment “Egotist” scale will generally have higher self-ratings on 360 performance reviews. This translates to people who have higher opinions about their own performance in comparison with the perceptions of others. Thus, the correlations will be higher between these scale scores and the resulting behavior ratings.

The validation process should include statistical analyses using a variety of non-test indicators and performance results. In addition to performance reviews, other examples of non-test indicators may include sales results, customer retention, customer complaints, accidents, turnover, errors, etc. We can provide summaries of this analysis or actual sample validation studies conducted for clients.

When evaluating personality assessment measures or styles inventories, it is important to determine whether the assessment authors performed only the first level of validity analysis, i.e., test to test, or also validated the assessment results through correlations with actual performance behaviors. The test development process determines the applicability of the assessment results to workplace decisions. Only valid and reliable tools, as determined through the test development process, are valid for selection decisions. In other words, valid measures correlate to actual results.

Excerpt about Using CDR Assessments & Selection Screening Process Design Tips¹



It is pretty simple -- if you seek to screen in the best-fit, highest performing candidates, then you need to use CDR Assessments. Our tools separate the best-fits from the miss-fits.

Let's face it, in today's challenging business climate, hiring mistakes are costly. We help clients identify the best talent quickly and reduce the hefty toll of getting it wrong.

Our tools are designed and validated to predict performance and to pinpoint critical personality and motivational characteristics that impact one's ability to be successful in a specific job. Without this objective assessment information, the selection process (including in-depth targeted interviews and even test problem-solving scenarios) often falls short. Without CDR Assessments, the best intentions often reap poor results.

The assessment process begins with the **CDR Character Assessment** that provides the personality characteristics essential for matching the basic job fit or non-fitness of candidates. Next, the **CDR Drivers & Rewards Assessment** determines motivational and cultural fit and defines individual reward and satisfaction needs and aversions. The **CDR Risk Assessment**



identifies inherent risks that may interfere with effectiveness that can be important to selection when it comes to high risk or high impact positions.

Interviews, performance reviews, and other similar observation selection techniques give the hiring team clues as to what types of behaviors are demonstrated within a fairly controlled context. CDR Assessments provide a more authentic view of the candidate by getting past self-marketing to objectively provide relevant information on what matters most to being successful in a given job.

¹2002, Last Revised, 2023, Why Use CDR Assessments for Selection? www.cdrcompanies.com

CDR Assessments are:

- Designed to predict job performance
- Scientifically valid for the screening/selection/staffing decision making process
- Diversity and inclusion safe and non-discriminatory with no adverse impact
- Comprehensive, relevant to job requirements, and more accurate than interviews and other observable data sources
- An objective selection and candidate screening tool that can help avoid wasting valuable time and efforts often spent on unnecessary interviews or other screening processes
- Based on essential job specific traits and organizational requirements, values, and culture



Designed to
predict

Diversity and
inclusion safe



- **When, Where & Who to Test** – For selection, it is recommended that the tests be given onsite or proctored, after pre-screening activities are completed, and before in-depth interviews are conducted. This is to ensure that you are acquiring the candidate's natural responses, not with input from or participation of others. CDR also offers detailed

interview reports based on how each candidate scores on the three assessments scales and subscale levels.

Testing before interviewing is *strongly suggested* and saves significant dollars and time. Once a candidate is interviewed, an interviewer's bias may cause them to become too interested or "hooked" on a particular candidate who may not be a good fit for the job. This can be a difficult connection to undo. **This is probably the most important process suggestion** we offer and will save your management team a great deal of time and unnecessary expenses. Bad decisions occur (and have happened with clients) when managers try to disregard the CDR data because they have developed an affinity for a candidate by interviewing them first. Some candidates interview spectacularly, then perform poorly when you get them on board. We weed these candidates out of the process before the interview. We also help you pull in candidates who are excellent fits and performers who might not interview well.



Why the Need for Assessing for Promotional & Succession Planning Decisions

Using validated assessments for promotional and succession planning purposes is important too. When considering internal candidates, it is critical to get the decisions right so that there is a win-win result for the employee and the organization. This is where companies often get it wrong and promote great performers into jobs for which they are not well suited to perform. I have been involved with many such cases recently and the outcomes can be costly:

- Underwhelming performance
- Promoted employee/leader becomes burned out and frustrated
- Other team members become frustrated and risk behaviors run rampant
- Turnover and other negative consequences to business

In a couple of recent HR promotions to leadership that I have reviewed – after the fact – individuals were promoted who lack the sufficient “Leadership Energy” (which involves decisiveness, confidence, and drive.) They were also high on Interpersonal Sensitivity along with having high risks as: Pleasers, Perfectionists and Worriers. This can be a recipe for frustration and failed performance. Keep in mind, before the promotions, these were hard-working individuals who excelled in their roles. Their strengths did not include being assertive or being courageous. They regularly helped others and performed relentlessly for the good of the organization. They were accomplished in the tasks that needed to be done. Unfortunately, these individuals were not able to not set boundaries and worked tirelessly, often sacrificing their own basic time away. While these were tremendous individual contributors, they lacked the inherent capabilities to lead others well. The promotions were given as a reward or thank you to them, but this reward eventually backfires by taking a tremendous toll on the person, the team, and, eventually, the organization.





More Bad Fit Leader Cases

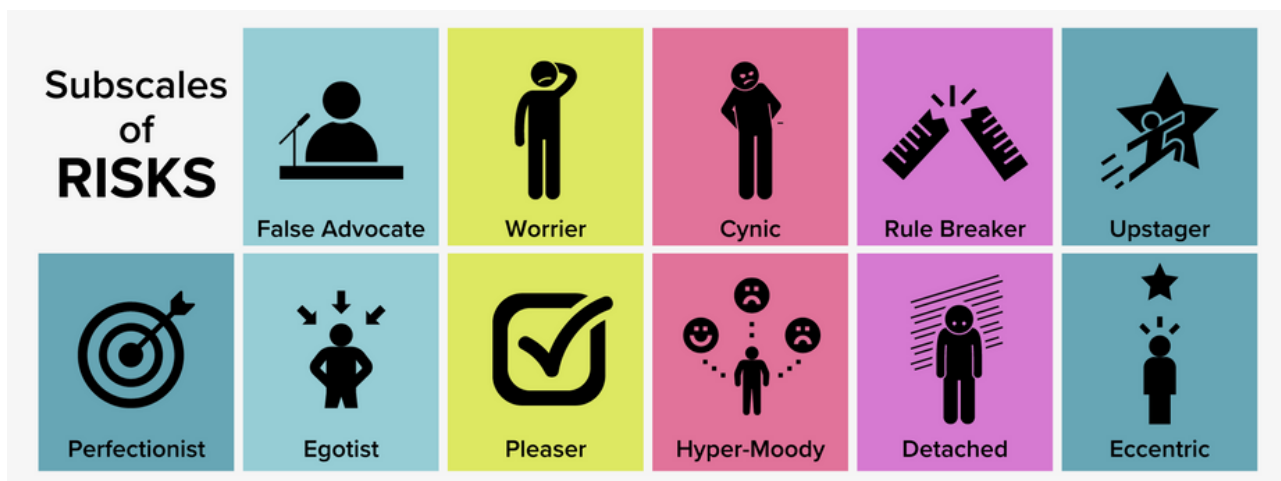
A couple more prime example of bad-fit leaders where their behaviors were predictable by their assessment results if they had only used them up front:

The University Director

Ned, a person of color who had a Ph.D., was the director of a highly visible department, had been verbally abusive to staff and other key constituents for more than seven years. Change and unexpected events caused Ned to explode emotionally, and the staff received the brunt of his anger. One staff member said, “I have lost count on the number of constituents and staff members Ned has brought to tears.” We were called into this intervention case. What we learned through his assessment is that he was never fit for the job in the first place.

Ned was in a horrifically bad job for him. He didn’t have an ounce of leadership capability, yet he was the director of a prestigious and highly visible department. One of the scales on the CDR Character Assessment (part of the Suite and graph shown on next page), is Leadership Energy. For selection and succession planning purposes, to be considered for any management position, a mid-range to high score on “Leadership Energy” is needed. Ned scored a mere 1% on Leadership Energy. He was completely out of his element. Making matters worse, he had low Adjustment at 6% and Interpersonal Sensitivity was a lowly 3%, not well suited to support others.

The good news, in this case, was we were able to design a new individual contributor job for Ned where he was successful and no longer leading people. He actually was a highly creative person and had many talents that he could use in the right job. Leadership was just not that job.



CEO Pharma Retail & CHRO Energy

While these two executives who were in totally different C-Suite roles, in different industries and countries, they shared a commonly seen leadership failure profile. Both were extremely high in Prudence Perfectionism, as well as being Perfectionist and Cynics under stress. They micro-managed the executive level to management five levels down in their large organizations. They were relentless in their need for information and control. The CEO required (unnecessary) updates and reports even over the weekend from his senior executives. The CHRO asked us to not accept a bellman's help at a conference to unload boxes, because she didn't want to reimburse for a tip though she was leading HR in a Fortune 100 business. Both of these individuals were terminated for their over-the top perfectionism.

Youth Minister

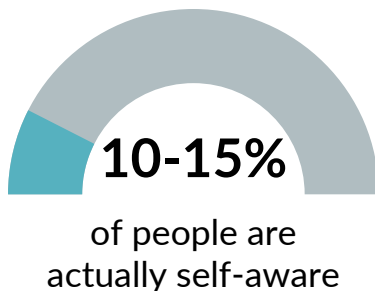
This one shook me to the core. One of our executive coaches going through certification selected and coached this "Youth Minister" as his practice case for certification credentials. When new coaches go through these practice cases, they review with an instructor ahead of time and I was that person. In short, this individual was too high risk to work with youths. He had a clearly delinquent Character profile and had what is known as a stealth saboteur (or stalker type) profile on his risks. He was also charming with his social skills. This means, if his delinquency tendencies were playing out with the youths he served, he would be adept at hiding his behaviors. Fortunately, he was leaving for another entrepreneurial role.

There are many more case studies that I could share, but you get the idea from these troubling situations above, which are sadly not all that unusual. Bottom line, these types of real-life scenarios are easily prevented when using objective, scientifically validated assessments at the front end.



Develop Leaders & Talent with Validated Assessments

When it comes to leadership and talent development, it is also critical to help each person with an increased and accurate sense of self-awareness.



“Research (of over 5,000 participants) by Tasha Eurich’s team revealed in HBR that even though most people believe they are self-aware, self-awareness is a truly rare quality: We estimate that only 10%–15% of the people we studied actually fit the criteria.”

When leaders and employees are equipped with accurate personal insights, they can drive their careers in the most productive direction for themselves and better support the company’s bottom-line. A deep dive into self-knowledge is critically important not only for performance and setting one’s best career direction, but it is also needed to build better relationships, teams, and communication throughout the organization. This also provides each employee with ownership of their career development and growth, hopefully, then supported by the company for better outcomes.

Of course, there also needs to be effective development and growth opportunities that are molded to each person’s needs, and this is doable with the data from scientifically validated assessment results (such as CDR’s).



Further, without keen self-knowledge about one's risk factors, many individual's careers are stalled or never reach their potential due to one's naturally occurring self-sabotaging behaviors. Equipped with the knowledge of one's own risks, individuals can build the skills to manage and prevent these behaviors from undermining their success. This is a key reason why women fail to move to senior leadership positions according to our research as outlined in my most recent book, "Women Are Creating the Glass Ceiling and Have the Power to End It."

Everyone has personality-based risk factors which show up under stress and conflict in these three categories: aggressive, avoidance or seeking affection – however, keep in mind, these are not an excuse for bad, inappropriate, or ineffective behaviors. So, self-awareness is crucial.



Summary – Let's Revolutionize Leadership!

The key is to add objective, scientifically validated assessments into the selection, development, promotional and succession planning processes in order improve leadership effectiveness and employee performance with dramatic results. And finally, there must be accountability for effective leader behaviors. The minimum standard is that all employees need to be treated with respect at all times, no exceptions. This is doable!

Again, I am delighted to reach the 25-year milestone and am still looking forward, with enthusiasm, to revolutionizing leadership!

Don't forget to read **25 Years & So Much Gratitude – What an Amazing Journey!** To hear some of the successes and enjoyable experiences too!