

Cornell's Center for Advanced Human Resource Studies

Targeted Benchmarking on How Companies Measure the Leadership Capabilities of Their Employees



CAHRS Partners have the opportunity to benchmark with other partner companies on HR topics of interest. The benchmarking is typically conducted with 5-7 other CAHRS Partners selected by the company that initiated the request. The CAHRS office identifies the appropriate connections at selected companies and the benchmarking company then schedules 1:1 phone calls to explore their questions.

Examples of recent requests include: Sponsorship Initiatives, Organization Designs and Structures, Diversity Metrics, Talent Management Practices, Competency Models and a variety of HR Policy Questions (i.e. Relocation, Cost of Living, Airline Mile Usage, etc.).

CAHRS partners find this more qualitative approach to benchmarking very valuable for revealing novel insights and practices, as well as for building their network. At the conclusion of the process, the benchmarking company shares an anonymized summary of their findings with the participating companies and CAHRS, who then makes them available so all partners can benefit from the learning.



QUESTION:

A financial services company sought to understand how companies measure the leadership capabilities of their employees.

BENCHMARKED WITH CAHRS COMPANIES IN THE FOLLOWING INDUSTRIES:

- IT Services and IT Consulting
- Industrial Machinery Manufacturing
- Semiconductor Manufacturing
- Manufacturing
- Financial Services

QUESTIONS ASKED:

- Does your company measure leadership capabilities? If so: how integrated is this into performance management and other key processes?
- For which segments of your employee population do you measure leadership capabilities?
- What resources/stakeholders did you leverage to create the measurement tool?

EXECUTIVE SUMMARY:

- External benchmarking shows that leadership measurement is common, and most companies build to it over time.
- 100% of benchmarked companies (14) are using a leadership measurement tool, and some are using as an input into performance and promotion decisions. Others use as a purely developmental tool.
- 100% of benchmarked companies measure people leaders at all levels.
 Some companies are also measuring individual contributors against their leadership model.
- Companies use a mix of 180-degree and 360-degree feedback to inform their leadership measurement.
- Change management is important for rolling out leadership capability measurement. Most companies found the change curve to be steep and took at least a year to scale. The consensus among companies is to be transparent and patient as it's introduced.