

Predicting Performance

Looking Back, Looking Ahead, Looking Within

Predicting performance is an ongoing challenge facing organizations. In predicting the performance of a business or company, many data points are taken into consideration and forecasting tools are employed to gain the most accurate picture of what future performance will look like. Business capacity and resources are evaluated with consideration toward projected requirements and historical performance, and balanced against the external business environment. Significant effort is expended to conduct a comprehensive analysis to ensure the most accurate assessment of the business or company's future performance. Interestingly, human capital, the backbone of the business, is largely evaluated through the conventional practice of referencing past performance alone.

Leadership talent is primarily gauged by looking in the "rear view mirror" at past performance, including industry and professional experience and accomplishments, technical and functional skills, management and leadership style, interpersonal skills and other ***observable*** factors and easily measured skills. While all of these factors are important, they only provide evidence of performance linked to previous accountabilities within a specific environment. Conventional practices, or the "rear view mirror" approach, often fall short of establishing an individual's *capacity for performance or overall potential* and therefore provide a limited view out the "front windshield" of the road which lies ahead.

In nearly every functional area of a business, forecasting processes are used for an enhanced prediction of business performance. While human capital is the means through which businesses perform, achieve objectives, succeed and sustain growth, it is the one resource which is least evaluated with a revealing forward-looking approach.

A sound "forecasting process" centered on determining the level of capacity an individual possesses beyond what he/she has had the opportunity to demonstrate in past performance can offer important information affecting individual leadership and business performance.

Looking in the rear view mirror can provide excellent data points upon which certain decisions can be based with a sufficient level of confidence. Problems often arise in evaluating the likelihood of solid performance in situations where the position for which the candidate is being considered requires skills *which have not been demonstrated* in prior roles and, therefore, cannot be referenced in the evaluation of ground previously covered. When an individual is being considered for a position which is more senior in level or broader in scope and responsibility, past performance is only part of the equation necessary to understand the individual's potential for future performance.

Understanding an individual's overall capacity and potential requires a forward-looking approach and cannot be determined by looking backward at past performance alone.

Without looking “under the hood” to understand performance capacity, attempting to predict performance beyond that which has been previously demonstrated is a risky proposition. In the similar way that manufacturers use processes and tools designed to forecast the capacity of equipment and production operations and marketers use processes to forecast market trends and the future performance of products within those markets, a well developed assessment process can make the difference in forecasting human performance and potential by looking forward and beyond previously demonstrated behavior. By understanding an individual’s mindset and how they think, in addition to what drives him/her to perform, we can derive a much clearer picture of the overall capacity and potential of that person and therefore, better forecast performance.

Looking back at the road already traveled can only suggest the likelihood of repeat performance on the same or similar road.

Identifying how an individual thinks through an objective assessment process is an effective way to identify overall capacity and potential. Understanding past performance in combination with an understanding of what an individual is capable of today *and* tomorrow is a powerful business performance proposition. Individual capacity and potential is the foundation for individual performance, value contribution and ultimately, business performance.

In most cases, people are hired for what they are capable of today as well as what they are believed to be capable of achieving in the days ahead. Clearly understanding an individual’s “positioning” through a multi-angle view which includes past performance, current capacity and future potential can make the difference between making a good selection decision and a great selection decision.

Predicting human capital performance requires a multi-dimensional view of an individual’s experience, technical skills, industry and functional knowledge, operating style, drivers, and capacity to perform beyond yesterday.

For additional information related to determining leadership potential through the use of a forward-looking assessment approach in combination with the traditional evaluation skills of A.T. Kearney Executive Search professionals please contact:

Lisa D. Tromba, CPBA, CPVA, CAIA
Principal
A.T. Kearney Executive Search
153 East 53rd Street
New York, NY 10022
(212) 705-1311 – Direct
[**lisa.tromba@es.atkearney.com**](mailto:lisa.tromba@es.atkearney.com)

