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Making Better Talent Decisions Under Uncertainty



3 Min Read

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MI members are questioning whether their talent processes can identify leaders for roles that are changing faster than their succession plans. The pressure is sharpest in executive and P&L appointments, where a strong track record offers incomplete evidence of what comes next.

Why it matters: Organizations risk both backing someone whose strengths no longer match the work and overlooking someone who could grow into it.

Three tensions stood out:

1. Internal candidates can receive less scrutiny precisely because they are familiar.
2. Demand for agility and AI fluency is outpacing confidence in how to assess them.
3. Decisions that improve efficiency today may weaken tomorrow's leadership pipeline.

Below are some of the key insights from recent member conversations and what to do about it.

1. Internal-first can conceal readiness gaps.

Several members favor internal promotion for organizational knowledge and faster integration. Others described benches rich in specialists but short on leaders with enterprise breadth.

One member wanted more due diligence before internal moves, “rather than it happening overnight.”

The distinction: knowing someone's performance does not establish readiness for a larger or fundamentally different role. External hires pose a different test—whether success elsewhere will transfer to this business.

2. More assessment cannot fix an unclear leadership profile.

Members described moving into assessment before agreeing on what the organization now needs from its leaders. Agility, curiosity and the ability to lead change featured prominently, but confidence in measuring them was uneven.

In one CHRO discussion, a leadership review produced judgments that did not align as strongly as expected with how leaders were running their businesses.

A practical idea raised in a Talent meeting: let candidates use AI on a business case, then ask them to defend their recommendation and explain where they challenged the output. That makes judgment visible alongside tool fluency.

3. AI could expose contradictions in the panel's reasoning.

One member proposed using AI as the “fourth” or “fifth” panel member: comparing interview evidence against agreed criteria and flagging inconsistencies.

Their example was concrete: a psychometric assessment indicates high humility, while interviewers perceive arrogance. The discrepancy warrants examination before either view becomes the verdict.

This remains a proposed use of AI, with the assessor or panel accountable for the decision.

4. Today's efficiency decisions can narrow tomorrow's bench.

Members raised concerns about removing entry-level work without replacing the experiences through which people develop judgment. Others described specialists who had not received enough cross-

functional exposure to become credible senior successors.

Rotations, stretch projects and internal marketplaces offer ways to build that experience before a vacancy forces the issue. The opportunity is to expand the pool of plausible successors.

What to do next

- **Require evidence of readiness for internal moves.** For critical promotions, identify what the candidate has yet to demonstrate at the next level. Use a stretch assignment, business simulation or structured assessment to test that gap before familiarity settles the decision.
- **Assign ownership of transition risks.** Give each incoming executive a small integration team responsible for closing known gaps—such as enterprise exposure, stakeholder relationships or sector knowledge—with explicit actions for the first 90 days.
- **Revisit the appointment at six and 12 months.** Compare performance against the original expectations and risks. Distinguish selection errors from gaps in onboarding or changes to the role, and use those findings to refine readiness criteria.