

**EBOOK**

# The CEO's guide to diagnosing people problems

# Talent optimization for CEOs

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As CEO, you're responsible for delivering business results. But even the best laid business strategy will fail if employees don't successfully execute it.

We recently conducted a study of more than 150 CEOs and discovered that 52% didn't achieve their business objectives in 2018. The number one reason? People problems.

Successful CEOs intentionally align their people strategy with their business strategy—by following a four-part discipline called talent optimization.

In this e-book, we'll walk you through the first aptitude of talent optimization—Diagnose—and how to practically apply it in your organization. This process will require buy-in from your senior leadership team and close collaboration with your HR department. Your HR team will lead the charge in collecting, analyzing, and reporting on people data, and your executive team will use that information to make objective decisions about your people strategy.

Let's take a closer look at the Diagnose aptitude.

# Diagnose your people problems.

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Diagnose is a method for pinpointing the root causes of problems in your business—any underlying people problems.

Similar to how a medical doctor would conduct a physical examination and run labs before making a diagnosis, it's important for businesses to collect data that will allow for objective decision-making on how to improve people strategy.

**PRO TIP:** Be proactive in your diagnosis. Rather than respond to existing problems in your organization, seek to get ahead by proactively collecting and measuring critical people data.

**There are three activities that comprise the diagnose aptitude:**

1. Measure what matters.
2. Analyze the evidence.
3. Prescribe improvement actions.

Let's look at each in practice.

# Measure what matters.

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Most businesses regularly monitor key business results, such as revenue, customer retention rates, or profits and losses. Why wouldn't we do the same with key people metrics?

By rigorously measuring people data, you can uncover people problems that are negatively impacting business results and proactively take action to improve outcomes.

## Decide what people data to measure.

Here are common examples of people data to measure:

- **Behavioral profiles:** [Behavioral assessments](#) identify natural drives and preferences. It helps you hire people who are naturally suited for the job and manage them accordingly.
- **Cognitive abilities:** Cognitive assessments gauge a candidate's learning agility—how quickly can they learn new things and adapt to change? This allows employers to identify candidates whose cognitive ability is suited to the job and the company.
- **Employee engagement:** Collected directly from your employees, this data describes how they feel about working for you. Engagement data can help identify any misalignment between employees and their job, their managers, their colleagues, and your organization.
- **Job performance:** This data identifies how well employees are moving business initiatives forward and pinpoints those who are struggling to succeed.
- **Organizational and team culture:** Culture can be created intentionally or by accident. This data identifies your organization's values and culture and can help you determine if the culture in place is appropriate to reach business goals.
- **Employee sentiment:** This data includes the experiences of employees at work. It's often collected through a performance feedback method or during exit interviews.

If you're diagnosing preventatively, you'll want to start with the people data that's easiest to collect. For example, you could gather data from regular performance reviews. If you're diagnosing in reaction to a problem, such as high turnover or a decrease in sales, start there.

## Choose your measurement tools.

Once you've determined what you'll measure, it's time to choose your measurement tools.

There are a wide variety of tools that collect and measure people data—spanning from lightweight and inexpensive tools, such as performance evaluations or exit interviews, to more comprehensive and expensive tools, such as a talent optimization software or assessment providers.

Based on what you're trying to measure, determine the easiest, fastest, and most cost-effective way to collect that data.

### Here are commonly used tools:

- [SurveyMonkey](#)
- [The Predictive Index](#) talent optimization software
- Exit interviews
- Performance evaluations
- [Glassdoor](#) reviews
- Google Forms

## Determine the right frequency.

How frequently you need to measure your people data depends on what you're measuring and how dynamic your business environment is.

For example, job performance and employee engagement will vary over time, so measuring annually or quarterly will help you to keep a pulse on these metrics and how they're changing.

On the other hand, data like behavioral profiles tends to be stable over time, requiring less frequency of measurement.

In addition, your work environment will play a factor. If your organization is relatively stable, you may measure things such as employee engagement less frequently. Constant or disruptive change, however, will require more frequent measurement.

# Analyze the evidence.

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Once your people data has been collected, you'll want to analyze it within the context of your business. For example, you may need to work backward from a poor business result, such as a dip in sales or low production quality. Remember that in business, nearly every problem is a people problem. Analyzing people data objectively uncovers issues that aren't obvious, which allows you to quickly and effectively take action.

Once you've determined the people problems at play and brainstormed ways to address them, it's time to prioritize. Change happens slowly, and it happens best when you focus on changing one thing at a time. Consider the following four factors when making the decision of where to put your time, attention, and resources first:

- **Examine the magnitude.** What's the level of impact on your organization and business results?
- **Determine the relevance.** Is this problem really important? Was this problem flagged by your low performers or your high performers?
- **Consider the breadth.** How widespread is this problem? Problems that span a larger portion of the organization should take precedence over less impactful issues.
- **Look for repetition.** Is this a problem that happens over and over? Is there a pattern to the problem (e.g., lower engagement scores consistently coming from newer employees)?



# Prescribe improvement actions.

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For those who like to take action and make things better, this is the step you've been waiting for!

Prescribing improvement actions is where you plan the actions you need to take to correct the issues you discovered upon measuring and analyzing your talent metrics.

**There are three steps to taking action:**

1. **Determine the best course of action.** There may be several paths you could take to achieve your goal. Look at all your options and choose the most feasible tactic. Then determine what steps you can take immediately to set that path in motion.
2. **Decide how to take action.** Make a rollout plan based on your action items and decide who should work on what. If you can fit these items into your existing processes, great. But don't be afraid to change things up if need be.
3. **Anticipate resistance.** Communicate the "why" as early as possible. Change is hard and people have emotions, so transparency is critical.

# Interested in learning more about talent optimization?

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