

INSIGHT PAPER

GREAT PEOPLE DECISIONS

LEADERSHIP SELECTION: BEST FIT, STRETCHED FIT, AND BEST BET

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Executive Summary

In today's volatile business environment, selecting the right leaders is critical to organizational success. Effective leadership decisions require a blend of pragmatic, scientific, and visionary approaches to address current challenges and future opportunities. This white paper explores three strategic frameworks for leadership selection—Best Fit, Stretched Fit, and Best Bet—and their application in hiring, promotion, and succession planning.

Key Frameworks for Leadership Selection

Best Fit

Focuses on immediate compatibility, selecting leaders who align closely with the organization's culture, needs, and goals.

Stretched Fit

Emphasizes growth potential, identifying leaders with foundational skills and adaptability for future leadership roles.

Best Bet

Takes calculated risks on high-potential individuals with unconventional qualifications but visionary capabilities.

Competence vs. Experience

26%

higher likelihood for leaders with high potential but limited experience to outperform experienced counterparts in high-stakes roles.

Leaders selected for "Best Fit" roles reduce onboarding disruptions by **30%** and achieve quicker productivity **within 90 days**.

Leaders chosen under the Stretched Fit model are **40%** more likely to achieve promotion within 3 years.

High-risk leaders in transformative roles deliver a **50% higher ROI** when successful, compared to traditional candidates.

Leadership selection is a strategic decision that should combine science, emotional intelligence, and visionary thinking, ensuring leaders not only thrive today but also guide organizations into the future.

Aligning Leaders with Organizational Needs

The Best Fit approach prioritizes leaders whose skills, experience, and personality align seamlessly with the organization's current needs. This strategy is rooted in immediate compatibility and effectiveness.

Organizations using a Best Fit approach see a **20%** decrease in senior hire failure rates.

Teams with best-fit leaders show a **15%** performance improvement due to better alignment with organizational culture and goals.

Companies prioritizing best-fit leadership selection experience a **20%** decrease in turnover rates, reflecting increased job satisfaction and commitment among leaders.



Key Characteristics

Alignment with Organizational Culture

Leaders who embody and champion the organization's core values.

Relevant Experience

A proven track record in similar roles or industries, ensuring they require minimal adjustment.

Immediate Impact

Familiarity with necessary skills and knowledge enables quick contributions to organizational goals.

When to Use

Organizations should consider this approach when stability, predictability, and immediate results are critical.

Advantages



Smooth Transition

Onboarding is seamless, with minimal disruption to operations.



Reduced Risk

Lower likelihood of mismatched expectations or underperformance.



Quick Wins

Accelerated impact on key initiatives, boosting morale and momentum.

Developing Potential for Long-Term Gains

The Stretched Fit approach focuses on leaders with potential but not necessarily the complete set of qualifications. It emphasizes growth, adaptability, and a forward-looking perspective.



Leaders selected via the Stretched Fit model have a **40%** higher chance of promotion within three years, reflecting their successful development and readiness for greater responsibilities.

Organizations targeting Stretched Fit candidates see a **30%** rise in leadership bench strength, creating a strong pipeline of future leaders for key positions.

Key Characteristics

Growth Potential

Demonstrated capacity to expand skills and responsibilities over time.

Learning Agility

Ability to quickly assimilate new knowledge and adapt to changing environments.

Motivation and Drive

A strong desire to embrace challenges and achieve excellence.

When to Use

Organizations should adopt this approach when focusing on long-term succession planning and leadership cultivation.

Advantages



Future Leadership Pipeline

Prepares leaders for greater responsibilities and fosters internal talent development.



Fresh Perspectives

Infuses innovative ideas and creativity into leadership strategies.



Enhanced Loyalty

Offering growth opportunities increases commitment and reduces turnover.

Visionary Leadership with Calculated Risks

The Best Bet approach involves selecting leaders with exceptional promise and taking a calculated risk on their potential. This strategy is ideal for organizations seeking transformative growth and innovation.

Companies taking calculated risks on visionary leaders see up to **45% of revenue from innovation**, compared to 26% for traditional teams.

45% of CEOs doubt their companies can survive a decade without innovative leadership, emphasizing the importance of bold bets.

Only **10% of people are natural leaders**, indicating the potential of unconventional hires to unlock hidden leadership capabilities.



Key Characteristics

Visionary Thinking

Ability to foresee and shape the organization's future trajectory.

Entrepreneurial Spirit:

A propensity for risk-taking and seizing opportunities.

Charismatic Leadership

Inspiring and motivating teams to exceed expectations.

When to Use

This approach is most effective during periods of significant market disruption or when pursuing bold, visionary goals.

Advantages



High Reward Potential

Successful leaders in this category can drive transformative change.



Adaptability

Exceptional resilience in navigating uncertainties and evolving landscapes.



Unique Strengths

Offers fresh insights and unconventional solutions to complex challenges.

Framework Approach

A structured framework is essential for distinguishing between Best Fit, Stretched Fit, and Best Bet candidates, ensuring leadership decisions align with both organizational goals and talent potential. This framework combines data-driven assessments, behavioral insights, and strategic foresight to guide the selection process.

Step 1 Define Organizational Needs and Context

Key Questions:

- What are the immediate and long-term objectives of the role?
- What leadership competencies are non-negotiable?
- How much risk is the organization willing to take?



A detailed leadership competency model categorized into Core Competencies (must-haves) and Future-Oriented Competencies (nice-to-haves).

Step 2 Evaluate Candidates Across Three Dimensions

This step involves assessing candidates on critical criteria relevant to Best Fit, Stretched Fit, and Best Bet.

Dimension	Best Fit	Stretched Fit	Best Bet
Experience	Proven track record in similar roles.	Foundational experience with gaps in scope.	Unconventional or non-linear career path.
Skill Alignment	Direct match with current role requirements.	Transferable skills with growth potential.	Unique skills or perspectives not typical.
Learning Agility	Moderate; focused on maintaining the status quo.	High; open to rapid learning and growth.	Exceptional; thrives in ambiguous scenarios.
Risk Appetite	Low; minimizes disruption.	Moderate; capable of adapting over time.	High; may challenge conventional approaches.
Vision and Innovation	Aligns with existing strategies.	Brings fresh perspectives for growth.	Drives transformation with bold ideas.

Step 3 Use an Assessment Toolkit

Competency-Based Assessments

- Structured interviews aligned with the competency model.
- Behavioral event interviews (BEI) to understand past behaviors.

Psychometric and Cognitive Assessments

- Tools like Hogan, MBTI, or CliftonStrengths to evaluate personality, EQ, and potential.
- Cognitive tests to assess problem-solving and learning agility

Simulated Leadership Challenges

- Real-world business scenarios to evaluate strategic decision-making and adaptability.

Performance and Potential Data

- 9-box grid for identifying high performers, high potentials, and developmental needs.
- Performance trends across previous roles.

Step 4 Map Candidates to Leadership Categories

Using assessment data, plot candidates into the following matrix:

	Immediate Impact (High)	Immediate Impact (Low)
Growth Potential (High)	Stretched Fit	Best Bet
Growth Potential (Low)	Best Fit	Not Recommended

Step 5 Decision-Making Framework

Use the below prioritization criteria
Urgency: Is the role critical for short-term goals?

Risk Appetite: How much uncertainty can the organization tolerate?

Future Focus: Does the role demand innovation and long-term transformation?

Leadership selection is dynamic. Build an Ongoing Leadership Development Framework to ensure continuous alignment

Additional Insights



Competence over Experience

Selecting leaders based on potential and competence often outperforms decisions based solely on extensive experience. Agile, innovative leaders adapt faster to evolving challenges, making competence a more reliable predictor of success.



Emotional Intelligence (EQ)

Leaders with high EQ excel in building relationships, managing conflicts, and fostering positive organizational cultures. EQ plays a critical role in navigating complex interpersonal dynamics and driving performance.



Structured Interviews

Implementing structured interviews enhances decision-making accuracy. Research indicates that structured interviews are twice as effective as unstructured ones in predicting job performance.



Diverse Leadership Teams

Diverse teams bring varied perspectives, fostering innovation and improving decision-making. Organizations with diverse leadership perform better and are more adaptive to change.

CONCLUSION

Leadership selection is both an art and a science, requiring a nuanced approach that balances immediate needs with long-term aspirations. By strategically leveraging the Best Fit, Stretched Fit, and Best Bet frameworks, organizations can craft a dynamic, future-ready leadership team.

This consultative approach emphasizes that great people decisions are not about choosing the "perfect" leader but about making informed, intentional choices that align with the organization's present challenges and future opportunities. By focusing on competence, emotional intelligence, and diversity, organizations can secure visionary leaders capable of navigating complexities and driving sustained success.



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