

Scorecards: They're Not Just for Hiring Anymore

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Image: iStock / PeopleImages, ghSMART

Scorecards create clarity, alignment, and accountability from day one and throughout the talent lifecycle.

Have you ever gone to the grocery store on an empty stomach? You walk in with every intention of buying ingredients for a healthy dinner and walk out with a bag of salt-and-vinegar chips, a frozen pizza, M&Ms, Swedish Fish, and a protein bar you added at the last minute to check the healthy box.

“Shopping hungry” doesn’t just happen at the grocery store – we see it all too often in hiring. When you’re desperate to fill a role, it’s easy to let your stomach trick your brain into making decisions based on what seems most appealing in the moment, even if it’s a recipe for heartburn down the road. Our research shows that a single C-level mishire can quietly drain an organization of up to 15 times the leader’s actual compensation once you factor in opportunity costs, damaged morale, and reputational harm.

At ghSMART, we try to avoid the hiring disasters that come from shopping hungry by anchoring hiring decisions in the scorecard for a given role. A scorecard isn't a generic job description ("healthy dinner"). Instead, it explicitly defines success for the role, including both the desired business outcomes ("what" needs to be done) and the required leadership and management competencies ("how" it needs to be done). It also forces decisions about prioritization and timelines.

A good scorecard is your shopping list: it keeps you focused, disciplined, and honest about the must-have ingredients so that gut instinct and bias can't hijack your thinking.

Additionally, [the act of creating a scorecard](#) – gathering input and discussing tradeoffs with key stakeholders – [helps ensure that everyone is on the same page](#) regarding what the ideal candidate will deliver and by when.

Clearly, we believe scorecards are critical to an effective hiring process. In fact, while at ghSMART we pride ourselves on increasing hiring success rates from 50% (no better than a coin toss) to 90%, when we do get it wrong, more often than not it's because we got the scorecard wrong.

The power of scorecards, however, extends way beyond hiring. You can put scorecards to use across the entire talent lifecycle, from onboarding to professional development and performance management. And their value doesn't stop with the individual – they can be a powerful tool at the organizational level as well. The following example demonstrates how you can fully unlock a scorecard's potential.

Chief Digital Officer Example - Leveraging Scorecards Across the Talent Lifecycle

As digital technologies began going mainstream in the early 2000s, companies started hiring Chief Digital Officers (CDOs) to help navigate the transition from an analog world. By 2020, PwC estimated that more than 20% of large public companies had a CDO on their executive team.

However, based on anecdotal data, success rates in these roles have been mixed. While some leaders have outsized impact, others stumble – most commonly due to the lack of a clearly defined mandate and insufficient organizational alignment and support. Translated into ghSMART-speak, that means that someone at some point probably got the scorecard wrong.

More recently, we've also seen many CDO roles morph into Chief Data Officer roles or get folded into combined Chief Technology and Digital Officer roles. Artificial intelligence is also increasingly part of these leaders' remits. All this added complexity only exacerbates challenges with clarity and alignment.

So when a client told us they were considering adding a CDO to their executive team, we knew getting

the scorecard right would be an all-important first step.

We started where we always start, by talking to the CEO and other members of the executive team about what they wanted the CDO to accomplish. We pushed to develop outcomes that were SMART (specific, measurable, achievable, relevant, and time-bound) as well as “necessary and sufficient,” which led to some explicit conversations about what would be non-negotiable and what would be nice-to-have. We also asked about how the CDO would need to operate – the behaviors and underlying motivations that make leaders effective in the context of their distinctive company culture.

It took a few iterations, but we landed on a scorecard that everyone involved felt accurately captured the “what,” “how,” and “by when” of the role. In this case, the leader’s first year would be about developing strategies for applying new technologies to upgrade performance across the business while creating the “pull” from other leaders that was key to successful implementation in our client’s decentralized organization.

Our client then used the scorecard to guide candidate screening and their initial rounds of interviews before asking us to [conduct SmartAssessments™](#) with their finalists. The assessments allowed us to identify which candidate offered the best fit to the scorecard in an objective, data-driven way. We also drew on the assessment findings to provide recommendations on how to compensate for where the top candidate had minor but addressable gaps (e.g., by offloading a digital marketing outcome to a commercial leader and adding a direct report with data science expertise).

And then the candidate accepted the offer, our client thanked us for the report, and we all went on to the next items on our respective to do lists, completely oblivious to how much value we’d left on the table by letting the scorecard languish in a forgotten corner of someone’s hard drive.

That was one possible scenario. Except we’ve worked with this client over the years to embed scorecards throughout their talent processes – crisis averted! Here’s what happened instead.

Scorecards as an onboarding manual

We’re always surprised when we hear from someone we’ve assessed that they haven’t seen the scorecard for the role they just started – it’s a huge missed opportunity. Handing a new hire their scorecard is a gift: you’ve just provided them with a manual for delivering outstanding performance. Talking through the scorecard is a great way to make sure there’s no daylight between you from day one.

That’s exactly what the CEO and CHRO at our client did with the new CDO. They even jumpstarted the process by having the scorecard conversation in the weeks between the CDO accepting the offer and her first day. As a result, the CDO was able to plan for her first 90 days with complete clarity on expectations and a better understanding of the situation she was walking into.

She suggested tweaks to a couple of the scorecard outcomes to eliminate unnecessary steps and proposed sequencing her work in a way that would allow for success-based go/no go decisions. She also teed up where she might need to add or redeploy resources once she had a chance to evaluate her team.

Additionally, by explicitly discussing the organizational culture and importance of earning buy-in from her new colleagues, the CEO and CHRO were able to help the CDO pinpoint which relationships to invest in building first, and they made introductory conversations with those stakeholders part of her formal onboarding plan.

Scorecards can inform professional development

Aligning on the scorecard with new hires up front does more than help them ramp – it becomes a vehicle for facilitating regular progress reviews, troubleshooting obstacles, and identifying where they would benefit from coaching or support.

For example, at the end of her first 90 days, our CDO was already making good headway against most of her scorecard outcomes, but she was struggling to get traction with the procurement organization, where there were opportunities to reduce costs and realize efficiencies by integrating predictive analytics. The initial plans had underestimated the amount of training required to get the most out of the new tools, which seemed like it should be an easy fix – except convincing the Chief Procurement Officer to spend time and budget on training when he questioned the potential ROI was anything but easy.

However, because so much thought had gone into the “how” aspects of the scorecard, the CDO was well-aware that she would need to use influence and persuasion to earn his support – mandates from the top won’t work in our client’s organizational culture. That awareness equipped her to more quickly understand the challenge she faced, and to ask for advice from the CEO and other colleagues on the right approach for winning over the skeptical CPO.

Scorecards as an objective basis for performance management

When review season rolls around, the scorecard again serves as that objective yardstick for evaluation. Everyone knows exactly what they’re on the hook to deliver – there’s no risk of surprises or disconnects resulting from mysteriously shifting goalposts. If reviewers disagree on an employee’s performance, the scorecard lays out the criteria in black and white, and the same goes for if an employee disagrees with your assessment of their performance. Even for outcomes that are more qualitative and can’t be graded pass/fail – for example, using influence to get business unit leaders bought-in to digital strategies – defining what success looks like up front reduces the risk of subjective opinions creeping in and ensures a shared understanding on both sides of the table.

And when reviews are over and it's time to think about what's next, you can update the scorecard to define a roadmap for the year ahead. A scorecard can and should be a living document.

This was especially relevant for the CDO, because by effectively delivering her original scorecard, she was essentially working herself out of a job – implementing new technologies required her to upgrade the technical capabilities of people within the business, which meant they then had less need of a CDO to guide them. Creating her next scorecard was an opportunity to think through if and how her role should evolve, and to ensure she stayed aligned with broader enterprise objectives.

Scorecards and organizational alignment

But wait – there's more! Everything we've discussed so far is about using scorecards within the parameters of a given role. However, scorecards have uses that transcend the individual employee.

The CEO Scorecard as Organizational Scorecard

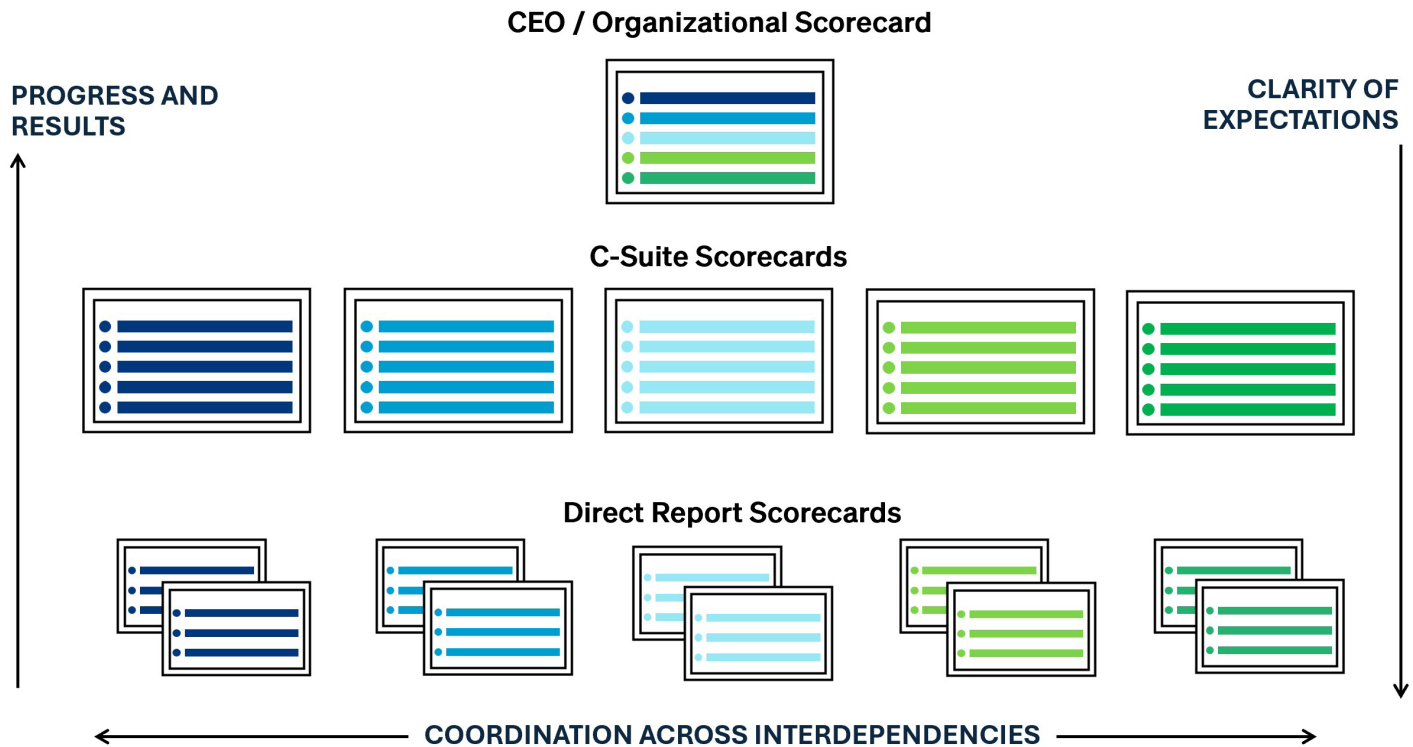
When we create a scorecard for a CEO, we're essentially creating a scorecard for their entire company. We're defining the outcomes that will have investors popping the cork on a bottle of Champagne when earnings come in and the leadership and management competencies that the CEO will need to engage and mobilize their organizations.

The CEO scorecard offers all the same benefits as the scorecard for any other role, from hiring through to onboarding, performance management, and professional development, but it can also serve as the basis for creating alignment across and down the organization.

For example, the CEO can share their scorecard with their executive team to communicate what they want to accomplish and how they plan to get there. They can also use the scorecard to invite constructive debate about the right outcomes and necessary competencies for the organization as a whole.

You can also “cascade” the CEO scorecard across and down the organization, to promote alignment, clarify accountabilities, and coordinate across interdependencies. The Chief Operating Officer's scorecard should add up to the operations outcome on the CEO scorecard, and the Chief Commercial Officer's scorecard should add up to the commercial outcome. And if there are outcomes on the CEO scorecard that don't correspond with anyone else's scorecard, that could be an indicator of where opportunities are in danger of falling through the cracks or additional people and resources may be required.

Cascading Scorecards



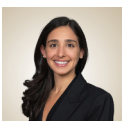
Scorecards are more than a hiring tool; they're a strategic asset. When use across the talent lifecycle, they bring clarity, consistency, and accountability to every stage of an employee's journey, from day one to year five and beyond. And their power extends beyond individuals: when a CEO and board use a scorecard to define what success looks like, that vision can cascade across the executive team and the broader organization – ensuring that everyone, at every level, is aligned on where the company is headed and how to get there.

Whether you're building a team or steering a company, the scorecard helps keep everyone focused on what matters most. The only question is: are you using yours to its full potential?

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