

# Are We Overestimating Leadership Potential?

## The Role Complexity Gap

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### Most succession plans look solid on paper.

The real test comes later — when a promoted leader is suddenly expected to operate at a level of complexity they have never had to manage before.

Despite years of investment in high-potential programs and talent reviews, many organizations remain uncertain about the strength of their succession pipelines. Research shows that most organizations lack formal succession processes — and even fewer senior HR leaders express confidence in their ability to accurately identify leaders who are ready for future, more complex roles (Gallup; Center for Creative Leadership).

This lack of confidence is not surprising. Succession decisions are too often built on indicators that work well for evaluating current performance but break down when used to predict future leadership effectiveness. The core risk is not that organizations fail to identify talent, but that they overestimate future potential — especially when future roles require more complex thinking. Exceptional performance demonstrated in a current role does not necessarily demonstrate future capability for more complex roles.



The real question succession planning must answer is not: Who is performing well now?

It is: ***How confident are we that our identified successors can handle the future roles we need them to fill?***

The answer lies in anchoring succession decisions to the complexity of future roles — and assessing whether leaders are likely to develop the capacity to operate at that level of work.

### Role Complexity: The Missing Anchor in Succession Decisions

Role complexity is not synonymous with workload, span of control, or seniority. It reflects the level of judgment, integration, and time horizon a role requires. Two roles at the same organizational level can differ significantly in complexity depending on the decisions they own and the ambiguity they must navigate.

As leaders advance, the nature of their work does not simply become “more

of the same.” It becomes qualitatively different. Responsibilities expand from executing defined tasks to integrating across systems, exercising judgment under greater ambiguity, and making decisions with longer time horizons — all of which require increasingly more complex mental models and cognitive capability.

## Why Readiness Breaks Down when Role Complexity is Missing

Most succession systems are not anchored in shared understanding of the complexity of the roles being planned for.

Rather, succession systems tend to measure what is visible and familiar (see [Figure 1](#)). These indicators are not wrong. They are simply incomplete for measuring future readiness.

Although effective for evaluating current performance, none of these indicators (past performance, observable behaviors, and development experiences), on their own, reliably demonstrate readiness for future roles that require more complex, longer-term judgment. This is where readiness risk begins.

In practice, this structural misalignment shows up in predictable ways.

### 1. We Assume Performance Scales

High performance in a current role is routinely interpreted as evidence of readiness for a more complex one. Yet success in operational or functional roles with a 6–18 month time horizon does not reliably predict effectiveness in roles that require decisions whose results will not become apparent until longer time horizons are present.

Operational or functional roles with shorter time horizons reward execution, expertise, and reliability. Senior roles require integration across systems, longer-term judgment, and decision-making under ambiguity. The shift is not incremental — it is structural.

Research on role complexity and levels of work shows that individuals across a range of cognitive capability can perform very effectively in earlier levels of work, creating false confidence about readiness for more complex roles (Elliott Jaques).

Studies of executive derailment reinforce this pattern. Many leadership failures occur after promotion, when

**Figure 1.** Three Common Errors in Readiness Evaluation

| What is Commonly Assessed Today | What It Tells Us              | Evaluation Errors                   |
|---------------------------------|-------------------------------|-------------------------------------|
| Past performance                | Effectiveness in current role | We assume performance scales        |
| Observable behaviors            | How leaders show up           | We overvalue what we can see        |
| Experience / tenure             | Exposure to challenges        | We equate experience with readiness |

leaders encounter a level of complexity they have not previously had to manage — and for which they may not yet have the cognitive capacity required (McCall et al.; Center for Creative Leadership).

Performance and potential are related, but they are not interchangeable. Without explicit attention to the complexity of future work, they are often conflated.

Performance signals fit with current work. It does not guarantee readiness for more complex work.

### 2. We Overvalue What We Can See

Succession systems also tend to emphasize what is most visible: leadership behaviors. How leaders communicate, influence, execute, and engage others is assessed, calibrated, and discussed extensively in talent reviews.

These behaviors matter. But research consistently shows that behavioral effectiveness is not the same as cognitive readiness for more complex work.

In positions of broader scope and scale, effectiveness depends less on applying known behaviors and more on a leader's capacity to reason through ambiguity, integrate across competing priorities, and make judgments when rules, precedents, and data are incomplete. Behavioral strengths developed in earlier roles can mask limitations in this deeper capacity — particularly when leaders have not yet been required to operate at longer time horizons or across enterprise-level systems (Jaques; Hogan & Hogan).

As a result, leaders may appear highly effective based on observable behaviors,

yet struggle when roles demand fundamentally different kinds of thinking.

As role complexity increases, what determines success shifts from what leaders do to how they think. At higher levels of work, cognitive capability — not effort, behaviors, or skill — becomes the constraint.

### 3. We Equate Experience with Readiness

Experience is often treated as evidence of advancement. Leaders who have “been there” or completed multiple stretch assignments are assumed to be prepared for larger roles and greater responsibility.

But exposure to complexity does not automatically translate into development of complex cognitive models. Experience provides opportunity; it does not ensure progress in how leaders think, integrate information, or exercise judgment.

Research on leadership development shows that growth depends on reflection, abstraction, and cognitive maturation — not tenure alone (McCall et al.; Dalton, Thompson & Price). Two leaders can complete the same stretch assignment and emerge with very different levels of insight and readiness.

Time served is an input to development, not evidence of readiness for more complex work.

## Closing the Role Complexity Gap

Across performance, behavior, and experience, the pattern is the same: most succession planning assesses effectiveness at the current level of work and infers readiness for the next. That inference is where risk enters the system. When

succession criteria are calibrated to past performance, observable behavior, and tenure — rather than the complexity of the future role — the gap is not in individual judgment. It is in the design of the system itself.

Closing this gap does not require heavier processes or more elaborate talent reviews. It requires recalibrating succession decisions to the level of work required.

Instead of beginning with the person, effective succession systems begin with the role. They define the complexity of the future role explicitly — its decision scope, time horizon, degree of integration across systems, and level of ambiguity. Only then do they evaluate whether identified successors demonstrate the cognitive capacity to operate at that level.

This shift changes the nature of the conversation. The questions move from:

- “Has this leader demonstrated high performance?” to “Has this leader successfully navigated ambiguity, competing demands, and long-term objectives consistent with the next level of work?”
- “Can this person do more?” to “Is this leader capable of thinking and acting the way the role requires?”
- “Has this leader had stretch assignments?” to “In complex assignments, has this leader demonstrated the ability to integrate across functions, systems, and longer time horizons?”

That is a fundamentally different inquiry.

## Strengthening Succession Confidence

Organizations that improve succession consistently make three disciplined shifts:

### 1. Define the complexity of the future role explicitly

What decisions will this role own? Over what time horizon? With what degree of ambiguity and level of integration? Succession decisions begin by defining the level of work before evaluating successors.

### 2. Assess cognitive capacity alongside performance

Behavioral strength and results matter — but at higher levels of work, cognitive capability becomes the constraint. Validated, efficient tools exist to assess how leaders process complexity and exercise judgment — complementing, not replacing, behavioral assessments.

### 3. Distinguish readiness from development

Not every strong leader is ready now. Clarifying that distinction enables targeted growth without premature promotion and reduces costly misalignment without disengaging talent.

The goal is not to remove judgment from succession decisions. It is to anchor that judgment in the right criteria.

Confidence in the leadership pipeline depends on more than having names on a chart. It depends on clear alignment between:

- The complexity of future leadership roles
- The demonstrated and assessed capacity of identified successors
- And a clear plan to help successors address the gaps

This alignment clarifies where development investment meaningfully reduces risk — and where it does not.

Succession confidence increases not because uncertainty disappears, but because it becomes visible early — while there is still time to act.

## Final Thoughts

When future roles are not explicitly defined in terms of complexity, succession planning defaults to what is easiest to observe — performance, behaviors, and experience. Those indicators confirm current effectiveness. They do not confirm readiness for more complex work.

The strength of the leadership pipeline increases when succession decisions are anchored to the cognitive capacity required for the level of work ahead — and leaders are evaluated against that standard.

Succession planning doesn't fail because talent is misidentified. **It fails because future work is misunderstood.**

## About the Authors

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