Simulations in Leadership Development

Martin Lanik, PhD

AHRD Conference
March 1st, 2012
Top Talent Trends for 2012

“There is an app for that”

- LinkedIn has 120 million users

Telecommuting

- More than 100 million people will telecommute to work by 2015

Measurement of human capital

- SHRM developing recommendations for financial reporting on human capital
The Game is On!

“The leadership shortage is growing dramatically with the retirement of the baby boomer generation.”

Aon Consulting

“Executive leadership is the main talent gap in the Americas and Asia Pacific.”

Deloitte

“First-line managers are the ‘least ready’ workgroup, even less capable than entry-level employees.”

Bersin & Associates
The Business Case

**Productivity**: 5-12% increase in productivity of direct reports (Leone, 2008)

**Cost of turnover**: 100% of annual salary (Saratoga Institute)

**Customer satisfaction**: 3-4% improvement results in 1.5% increase in revenue (The Ken Blanchard Companies)
Leadership Development Tools

**Personality tests**
Extroversion, emotional intelligence, etc
*Purpose:* Learn about my innate tendencies

**Simulations**
High Potential e-Simulator™
*Purpose:* Learn about my skills and abilities

**360 Feedback**
Supervisors, peers, subordinates
*Purpose:* Learn about how coworkers perceive me

**BUILD INSIGHT, IDENTIFY STRENGTHS & DEVELOPMENT AREAS**
Imagine This

How would you select agents for espionage jobs?
Who Simulates?
Why Simulate?

- Mimic high-stakes when cost of failure high
- Discover leadership potential
- “Stretch” skills to prep for show time
- Objective view of strengths & development needs
- Determine best fit job/career to improve performance
Welcome!
Thank you for selecting the e-Simulator Suite for your leadership assessment and development.

Welcome!
During the simulation, you will play the role of a newly hired Director of the Center for Virtual Medicine at a fictitious organization called Ibisco Medical Research.

The High Potential e-Simulator™ simulates the first 3 hours of your first day at work, and you have exactly 3 hours to address all emails, telephone calls and solve all problems. Please note that you will receive some emails in the beginning of the simulation and other emails during the simulated 3-hour workday. After your 3 hours are up, your access to the online simulation platform will be deactivated, and you will no longer be able to send or receive emails.

You will also receive two telephone calls from your fictitious coworkers at Ibisco Medical Research. Thus, you will participate in two 15-minute telephone role-plays. During the role-plays, act as yourself and use the provided information as a basis for the interactions.
e-Simulator™
e-Simulator™
# e-Simulator™

Email account

<table>
<thead>
<tr>
<th>From</th>
<th>Subject</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alan Murphy <a href="mailto:alan.murphy@webmds.com">alan.murphy@webmds.com</a></td>
<td>RE: asd</td>
<td>28 Aug 2011 10:52:30</td>
</tr>
<tr>
<td>Ben Lewis <a href="mailto:Ben.lewis@ibisco.org">Ben.lewis@ibisco.org</a></td>
<td>Phone call with Sam Reed</td>
<td>28 Aug 2011 10:49:01</td>
</tr>
<tr>
<td>Alex Montgomery &lt;alex.montgomery@...&gt;</td>
<td>DieGNOSE article</td>
<td>28 Aug 2011 10:49:01</td>
</tr>
<tr>
<td>Dr. Ian Willis &lt;ian.willis@medici...&gt;</td>
<td>Call with Alex Montgomery</td>
<td>28 Aug 2011 10:49:01</td>
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<td>30 Jun 2011 14:59:01</td>
</tr>
<tr>
<td>Newsflash <a href="mailto:no.reply@newsflash.com">no.reply@newsflash.com</a></td>
<td>Today's issue of Virtual Focus</td>
<td>30 Jun 2011 14:59:01</td>
</tr>
<tr>
<td>Alex Montgomery &lt;alex.montgomery@...&gt;</td>
<td>DieGNOSE article</td>
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<td>Dave Carson <a href="mailto:Dave.carson@ibisco.org">Dave.carson@ibisco.org</a></td>
<td>FW: RE: RE: RE: Leaked information</td>
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e-Simulator™
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<tr>
<td>Alison Locke</td>
<td><a href="mailto:alison.locke@columbia.edu">alison.locke@columbia.edu</a></td>
</tr>
<tr>
<td>Anne McMains</td>
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<tr>
<td>Cherri Barrick</td>
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</tr>
<tr>
<td>Daniel Russel</td>
<td><a href="mailto:Daniel.russel@chicago.edu">Daniel.russel@chicago.edu</a></td>
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New Forms of Exercises

**Interactive Inbox**

Email-based role-play exercise

Participants receive a standardized email based on their response to the initial stimulus
New Forms of Exercises

Interactive Inbox

Email from angry customer

Reply to customer

Ask subordinate

Customer accepts the offer

Customer doesn’t accept the offer

Receive more info from subordinate
New Forms of Exercises

• High-Fidelity In-Basket validation study (Kemp & Bernthal, 2011)
  • $N = 44$

$r = .49$

Coaching role-play exercise

HFIB
**e-Simulator™**

*Streamlined Assessor Workflow System*

- Rating scales
- Records of specific behaviors
- Streamlined report generation tool
# Simulation Events & Competencies

<table>
<thead>
<tr>
<th>Sales Pitch</th>
<th>Angry Customer</th>
<th>Subordinate</th>
<th>Delegation Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Decision-Making</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Interpersonal Skills</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Leadership Skills</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Influencing Others</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>
Translating Actions into Ratings

1. Decision-making

<table>
<thead>
<tr>
<th>Development need</th>
<th>Proficiency</th>
<th>Strength</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jumps to a quick conclusion</td>
<td>Only refers to information from the initial email</td>
<td>Seeks additional information</td>
</tr>
<tr>
<td>Only considers one side of the story</td>
<td>Supports own decision with good rationale</td>
<td>Considers the potential consequences of his/her action</td>
</tr>
</tbody>
</table>

2. Interpersonal skills

<table>
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<th>Development need</th>
<th>Proficiency</th>
<th>Strength</th>
</tr>
</thead>
<tbody>
<tr>
<td>No attempt to build rapport</td>
<td>Some attempts are present to build rapport or address emotions but these are awkward or don't seem genuine</td>
<td>Builds rapport (small talk, humor, etc)</td>
</tr>
<tr>
<td>Doesn’t address emotions</td>
<td></td>
<td>Effectively addresses fear of loosing her job</td>
</tr>
<tr>
<td>Seems disrespectful</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Traffic Light Report

Communicating with Impact

Expressing ideas in a stylistically appropriate, clear and concise manner that keeps the audience engaged.

**Uses Proper Language**

- What you did well: Write without any grammatical errors.
- What you did okay: Write without any spelling errors.
- What you did not do: Speak without any grammatical errors.

**Sends a Clear Message**

- What you did well: Include only relevant thoughts in your message.
- What you did okay: Focus the message on your key points.
- What you did not do: Sufficiently explain main points and define technical terms. Present messages in different ways to ensure understanding.
Implementation

Global Assessor Pool

- 3 weeks  - 2 weeks  - 1 week  + 1 day + 1 week

Candidate List to GAP

e-Simulator™ experience

Coaching Session

Traffic Light Report

Group Debrief

Manager Orientation

100-Day Coaching

Manager Orientation

Group Debrief

100-Day Coaching

Improvement Meter

Parallel Simulation

100-Day Coaching

Client
Participants’ Experience

- The experience was interesting
- The experience was rewarding
- I felt challenged
- The experience increased my self-knowledge
- I learned things about myself that I didn’t know before
- The experience helped me understand my strengths
- The experience helped me understand my areas for development
- The experience outlined the specific behaviors I need to show to...
- I will look back at this experience and know it helped me develop...
- I would recommend this experience to others

[Bar chart showing comparisons between eSimulator and Personality test]
## Participants’ Experience

<table>
<thead>
<tr>
<th>Statement</th>
<th>On average ...</th>
</tr>
</thead>
<tbody>
<tr>
<td>The e-Simulator™ was realistic and engaging.</td>
<td>AGREE (63%)</td>
</tr>
<tr>
<td>The e-Simulator™ was a valuable component of our program.</td>
<td>AGREE (79%)</td>
</tr>
<tr>
<td>The performance report accurately captured my current capabilities.</td>
<td>AGREE (63%)</td>
</tr>
<tr>
<td>The performance report helped me identify my areas for development.</td>
<td>AGREE (79%)</td>
</tr>
</tbody>
</table>
Those who scored high on the e-Simulator™ were 3 times more likely to be top performers than those who scored low on the e-Simulator™.
Conclusion

Simulations are here to stay!

• Email is the preferred method of communication by 74% of online adults (2010)
• Ferris Research: 25 billion emails were sent each day in 2006, with around 6 trillion emails a year being business related
• Generation Y is entering leadership positions
  • Grew up with video games and communication technology
• Technology is the no. 1 HR strategy
Please Stay in Touch ...

Martin.Lanik@GlobalAssessorPool.com

Thank you!