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ASSESSMENT CENTERS SELECTION BASED ON SIMULATION

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Hundreds of organizations are using simulations such as in-baskets, management games, leaderless group discussions and other unique exercises in determining management potential. The process is called an assessment center. More than thirty research studies indicate that assessment centers are superior to any other technique in identifying management potential. Participation in centers is also a powerful management training experience for both the participants and their higher management assessors. Not a place, but a method, which is available to all sizes of organizations, assessment centers are being used at all levels of management from first level of supervision to top corporate management. Organizations using centers may be found in every major industry and in government, in almost all the industrialized nations of the world.

In a typical center, twelve first-level manager participants are nominated by their immediate supervisors as having potential for middle-level management positions based on their current job performance. For two days, participants take part in exercises developed to expose behaviors deemed important in the particular organization. A participant may play a business game, complete an in-basket exercise, participate in two group discussions, participate in a role playing exercise, and be interviewed. Six line managers, two levels above the participants acting as assessors, observe the participants' behavior and take notes on special observation forms. After the two days of exercises, participants go back to their jobs and the assessors spend two more days comparing their observations and making a final evaluation of each participant. A summary report is developed on each participant, outlining his or her potential and defining development action appropriate for both the organization and the individual.

The level of candidate to be assessed usually dictates the length of the center. Centers for identifying potential in non-management candidates for foreman positions often last only one day while middle management and higher management centers can last as long as two and a half days including evenings.

Assessment centers are more accurate at predicting potential than supervisory judgment because the exercises used provide a means of observing the behavior needed at higher levels before the person is put on the job. The selection of a sales manager is a good example of the superiority of the assessment center method. A supervisor asked to nominate a salesman for supervision can judge his men only in terms of their sales performance. Usually the best salesman is nominated. However, because many other skills are needed in management, the man often fails and the company loses both a manager and an excellent salesman. If an assessment center were used, the unique abilities needed for management would be determined and their presence or absence observed through simulations before the individual is promoted.

Assessment centers are more accurate at predicting potential than personnel tests because they sample actual behavior not what the applicant

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says he would do or says he has done. For years, managers have observed that applicants can often talk a better story than they can perform. The assessment center checks on actual performance.

The accuracy of assessment centers results from a number of factors:

- (a) Candidates are observed by line managers who have been specially trained to perform their tasks of observing behavior and who are giving this function their full attention rather than trying to observe behavior while subjected to other on-the-job pressures which often prevent them from observing accurately;
- (b) The managers usually come from above the level of the candidates' immediate supervisors and have a broader perspective of the skills and abilities needed than does an immediate supervisor nominating people for his own level;
- (c) Line management assessors bring to the task a thorough knowledge of the whole company--its mores and its idiosyncrasies. They know the skills needed now and those that will be needed on projected changes;
- (d) Where possible, assessors who have no direct management contact with the candidates are used to make the evaluation, thus decreasing bias;
- (e) The use of exercises exactly consistent for all candidates allows comparative judgments on large numbers of candidates working for different bosses in vastly different circumstances;
- (f) The format of the assessment center method forces the assessors to spend time and effort in seeking information about the applicant before they make a decision. Even though research has constantly shown that the more a person fact-finds the more accurate the decision, most managers jump too quickly to a decision about people. They are turned on or turned off by some aspect of the individual and jump to an immediate decision. Fact finding and decision making are separated in assessment centers;
- (g) Group decisions about individuals, such as are obtained in an assessment center, have constantly been shown to be more accurate than individual decisions. Perceptions can be compared, biases can be challenged;
- (h) Managers are more likely to effectively use assessment center results than psychological test results because they can better understand the source of the findings. Assessment centers look valid and make sense to management. Most organizations using centers systematically rotate the manager who will receive the reports through assessor assignments so they are fully familiar with the entire process--a situation seldom encountered with test results.

Common Assessment Center Exercises

Background Interview: A participant completes a 'background interview' form, which covers education, work history, major accomplishments, plans for the future, values and attitudes. After considerable training and following detailed directions in an 'interview guide,' the assessor uses the information from the background information form to prepare a patterned interview designed to bring out the desired predetermined dimensions. After the interview, the assessor completes a specially designed evaluation form.

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B & B Electronics Game: The B & B Electronics Company buys electrical components and assembles them into simple appliances for resale. In groups of four, participants must make decisions concerning allocation of resources, purchase of capital equipment, inventory control, manufacturing, scheduling and marketing. In three twenty-minute periods, using real electrical components, the group attempts to maximize profits through investment and good management.

Section Managers' In-Basket: Administrative, organizational, leadership, and communication problems are but a few of the challenges that await the potential middle manager who takes this exercise. Newly appointed to the section manager position, the participant is in his office on Saturday with no opportunity to make phone calls or to seek other advice. He must go through his predecessor's in-basket, solving problems, answering questions, delegating, planning and making decisions just as he might do if he were promoted to the position.

Management Problems: Four short cases calling for various forms of management judgment are presented to teams of participants. In one hour, the team, acting as consultants, must resolve the problems and submit written recommendations of appropriate actions. Observations of dimensions such as leadership, salesmanship, reaction to time stress, flexibility of thinking, etc., can be obtained from observing his role in the group.

Compensation Committee Assigned Role Group Discussion: The Compensation Committee of a hypothetical organization is meeting to allocate \$8,000 in discretionary salary increases among six managerial employees. Each member of the committee (participants) is instructed to 'do the best he can for one of the employees.' Information about his candidate is provided to help him in accomplishing his task. The exercise provides opportunity to bargain and do some quick thinking.

Financial Analysis: The ability to sift through data, come to a conclusion and then present a logical argument to back up the conclusion may be observed in this exercise. The participants are given financial data on the C. F. Pretzil Company and are asked to recommend appropriate courses of action for the company. At least two hours of preparation time is provided. The participant then makes a seven-minute standing oral presentation of his position followed by the opportunity to meet with several other participants to come up with 'the one best' solution to the problem.

Research Budget Individual Fact-Finding and Decision Making Exercise: The participant is told that he has just taken over as a Division Manager, who is faced with a request to continue a research project turned down by his predecessor. The participant is given fifteen minutes to ask any questions he can think of relative to the facts in the case. Following the questioning period, he must present his decision orally with supportive reasoning and defend it under challenge.

Appraisal Interview Simulation: The participant assumes the role of a supervisor recently assigned to a new position. He is scheduled to conduct an appraisal interview the next day and must do so based entirely on

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the personnel file of the subordinate. The task of the participant is to reinforce the 'employee's' strengths while helping the individual see and overcome his weaknesses.

Exercises are available in many languages and in special adaptations for various countries from Development Dimensions, Inc., 767 Colony Circle, Pittsburgh, Pennsylvania.