Leadership Assessment for a VUCA World

Integrating Behavioural Evidence from an Online Business Simulation with Psychometrics and Interview Data

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Agenda

- Outline a leadership model reflecting competencies important for today’s VUCA world
- Describe a leadership assessment process for this integrating behavioural simulations, psychometrics and interview data
- Explore and discuss the benefits of combining behavioural data with information from other assessments
Today’s Work Environment

V U C A
Volatility Uncertainty Complexity Ambiguity

The New Normal
What is VUCA?

- **Volatility** - ‘A high rate of change’

- **Uncertainty** - ‘Lack of clarity about the present and the future’

- **Complexity** - ‘Multiple factors impacting key decisions’

- **Ambiguity** - ‘Lack of clarity about the meaning of events’
What Does This Mean for Leaders?

- Leaders must **recognise and be prepared** for the VUCA environment they are operating in.

- But **less than two-thirds** of leaders report being highly or very confident in ability to meet VUCA challenges (*DDI, 2014*).

- Organisations need to **assess and develop** leadership competencies important for VUCA readiness.

- Top 20% of organisations are **3 times more likely** to have VUCA-capable leaders than bottom 20% (*DDI, 2014*).
# The LIVED® Leadership Model

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Definition</th>
<th>Elements</th>
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| **Learning** | Willing and able to adapt to new environments and challenges by drawing on learning and feedback from previous experiences. | • Finding Learning Opportunities  
• Evaluating Experiences  
• Applying Learning |
| **Intellect** | Thinks incisively, deals effectively with complex and ambiguous information, sees issues in a broader context and takes sound decisions based on this analysis. | • Incisive Analysis  
• Strategic Perspective  
• Insightful Judgement |
| **Values** | Acts in an authentic and consistent way, inspires trust and demonstrates integrity, courage and respect for others. | • Acts With Integrity  
• Fairness and Respect  
• Courage |
| **Emotions** | Manages own emotions effectively, builds positive relationships and uses emotions to influence and inspire others. | • Managing Own Emotions  
• Building Relationships  
• Influencing and Inspiring Others |
| **Drive** | Sets challenging goals, takes an action-oriented approach and shows passion and determination to overcome obstacles, act decisively and achieve results. | • Action Orientation  
• Drive for Results  
• Enthusiasm and Commitment |
Why These Dimensions?

In a VUCA world, leaders need:

- **Learning** to provide agility to tackle unforeseen challenges.
- **Intellect** to cope with the complexity and unpredictability.
- **Values** to guide them through uncertain times.
- **Emotions** to enable them to understand and relate to others.
- **Drive** to act decisively and keep a relentless focus on objectives.
“Leadership is best predicted by an amalgamation of attributes reflecting cognitive capacities, personality orientation, motives and values, social appraisal skills, problem-solving competencies, and general and domain-specific expertise.”

Zaccaro, Kemp & Bader (2004)
Holistic Leadership Assessment

**Motivation**
What the person values and is motivated to do

**Capability**
What the person can do

**Style**
How the person approaches tasks and interactions
The Leadership Assessment Process

Stage 1: Pre-assessment Activities
- Scoping to understand the business context
- Engagement call with participant
- Complete online psychometrics

Stage 2: Assessment Day
- Business simulation with multiple exercises
- ‘Deep Dive’ interview incorporating psychometrics

Stage 3: Post Assessment Integration & Report
- Integrate data from simulation and deep dive interview
- Write assessment report
- 1:1 Coaching feedback and/or stakeholder discussion
Assessor Training / Accreditation

- Psychologists always act as assessors
- All have undergone standard assessor training and have substantial AC experience
- 1-day accreditation course about specific leadership assessment process
  - Includes observed practical assessment
  - Formal evaluation of assessor performance before accreditation
Pre-Assessment Psychometrics

- **Personality:** Saville Wave® Professional Styles
  - Customised report based on LIVED model
  - 31 individual personality scales mapped to 5 dimensions
  - Includes overall leadership dimension scores

- **Cognitive Ability:** Saville Swift Executive Aptitude™
  - Verbal
  - Numerical
  - Abstract

- **360 Feedback (development only):** LIVED 360™
  - Purpose built measure of LIVED leadership dimensions
Virtual Business Simulation

- ‘Day in the life’ ½ day simulation
- Delivered online via a ‘virtual desktop’
- Simulations for different levels of leadership pipeline
  - Manager of Individual Contributors
  - Manager of Managers
  - Functional Manager
  - Business Manager
- Incorporates 3 integrated exercises
  - Inbox exercise
  - Analysis exercise with verbal briefing
  - Role-play exercise (phone or video call)
Business Simulation Interface
Example Simulation Structure

Exercise Introduction and Tutorial (15 mins)

Read and respond to emails, and prepare for 1:1 call (45 mins)

1:1 call with Direct Report (20 mins)

Work on analysis report and emails (95 mins)

Briefing call with Line Manager and answer questions (25 mins)

Complete emails and Participant Report Form (25 mins)

Phone call with Roleplayer/Assessor

Phone call with Assessor
## Deep Dive Interview Structure

<table>
<thead>
<tr>
<th>Component</th>
<th>Evidence for</th>
<th>Duration</th>
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<tbody>
<tr>
<td>Career history narrative and aspirations</td>
<td>Motivation</td>
<td>20 mins</td>
</tr>
<tr>
<td>Facilitated discussion around psychometric data per dimension</td>
<td>Style, motivation</td>
<td>2.5 hours</td>
</tr>
<tr>
<td>Standard behavioural event questions per dimension</td>
<td>Capability, style</td>
<td></td>
</tr>
<tr>
<td>Interview summary and close</td>
<td>n/a</td>
<td>10 mins</td>
</tr>
</tbody>
</table>
Post Assessment Integration

- **Business Simulation**
  - LIVED Elements evaluated on individual exercises to create *Exercise Element Ratings*
  - Mechanical combination of Element ratings across exercises to obtain *Simulation Element Ratings*
  - Mechanical combination of ratings of Elements within a Dimension to obtain *Simulation Dimension Ratings*

- **Deep Dive Interview**
  - Data and evidence from psychometrics and interview questions integrated by assessor to create *Deep Dive Interview Element Ratings*
  - Mechanical combination of ratings of Elements within a Dimension to create *Deep Dive Interview Dimension Ratings*

- **Overall Integration**
  - Serial processing of simulation and deep dive interview ratings (Thornton & Rupp, 2006)
  - Equal weighting given to simulation and deep dive in *Overall LIVED dimension ratings*
Data Integration Diagram

Virtual Business Simulation

- Exercise Element Ratings
- Simulation Element Ratings
- Simulation Dimension Ratings

Deep Dive Interview with Psychometrics

- Deep Dive Interview Element Ratings
- Deep Dive Interview Dimension Ratings
- Overall LIVED Dimension Ratings
Benefits of Approach

Measures capability, style and motivation

Draws on assessment methods with well-established validity (eg Schmidt & Hunter, 1998)
- Assessment Centre, structured behavioural event interview, cognitive ability, personality

Comprehensive assessment – personality and ability can add incremental validity over ACs and vice versa (Dilchert & Ones, 2009)

Standardised process – enables ongoing validation and benchmarking
Points for Debate & Further Research

- Single assessor or multiple assessors?
  - Deeper understanding of participant using single assessor
  - But multiple assessors are core component of AC method

- Integration of simulations and deep dive interview
  - When to combine behavioural data and self-report data
  - Incremental validity of deep dive interview above simulation?
  - Relative weighting of behavioural data and self-report
  - One method better than other for measuring particular leadership dimensions?
Summary

- Select and develop leaders for competencies important for VUCA readiness
- Leadership assessment should encompass a participant’s capability, style and motivation
- Combine behavioural simulations with other established assessment methods for comprehensive measurement
- Behavioural simulations and other assessment methods can be rated independently and integrated at final stage
Questions and Discussion
Thank You!

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