EXECUTIVE ASSESSMENT AFICIONADOS BELIEVE THAT SOME PEOPLE ARE BORN AND BRED TO BE BUSINESS MANAGERS.

The Naturals

by Cheryl Waixel

A couple of years ago, Robert Redford starred as Roy Hobbs in the Hollywood version of *The Natural*, a story about a small-town boy who was born to dominate the baseball diamond. Just as Hobbs possessed an innate ability to wield a ball and a bat, are some of us predisposed by birth and breeding to become business managers?

About 2,000 public and private organizations nationwide would say the answer is "yes."

That's the number of organizations that are currently using executive assessment centers—which isolate personnel from their normal work environments for a period ranging from a day to a week and use a combination of simulated business situations, in-depth interviews, and printed questionnaires to evaluate as objectively as possible whether they have the aptitude to assume a management role.

There is no way in which employees can prepare for the executive assessment experience. Their ratings—and their careers—hinge on their actions and reactions while they are at the assessment center. Those participants who exhibit a great deal of raw talent—the requisite intellectual and emotional capacities plus motivation— will almost certainly be promoted. Others will be designated as good candidates for additional management training. And an unfortunate few will find themselves so hobbled by the process that they will be forced off the fast track and benched for the remainder of their tenure with their organizations.

Can the process really identify nonsupervisory personnel who possess innate or inbred management talent? Industrial psychologist Constantin Temcheff, who directs Peat Marwick's human resources practice in Montreal, comments, "The only thing we are born with is some intellectual capabilities. But by age ten we have had exposure to good and bad managerial behavior within our own families, which will affect our emotional stability and the ways in which we

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interact with others at school, at play, and at work. Later on, we also absorb managerial behavior from our supervisors. Thus, certain people may have the breeding to become outstanding executives, while others may never become good managers, even with the benefit of all the training that our educational and business communities have to offer. That's what assessment centers are equipped to judge."

From OSS to EEO

Assessment centers are certainly not a new phenomenon. They were used first by the Germans, then by the British, and then by U.S. personnel for military purposes circa World War II. In America, Station S in the Office of Strategic Services assessed potential U.S. spies to determine how well they might perform overseas.

When the final report on the OSS program, *Assessment of Men*, was published in 1948, the American public was intrigued—and it was just a matter of time before other organizations would put assessment principles into practice.

"I was fascinated by that OSS report," recalls Douglas Bray, Ph.D., an industrial psychologist who was hired by American Telephone & Telegraph Co. in 1956 to launch the first assessment center in a business setting. Bray, who today is

chairman of Development Dimensions, Inc., a multinational assessment firm based in Pittsburgh, and is acknowledged by his peers to be the "father of assessment," undertook a study for AT&T designed (1) to determine "the abilities, aptitudes, values, and motivations" of 422 young managers and (2) to track their development as they progressed in their business careers. This management progress study (MPS), initiated by Bray and now directed by another industrial psychologist, Ann Howard, proved that it was possible to evaluate and predict the future success of professionals.

Thus, in 1958, Bray recalls, "We were asked by Michigan Bell to start the first applied center aimed at actually evaluating and recommending managers for promotion instead of just tracking their progress."

Within a short time, General Electric, IBM, J.C. Penney, Sears Roebuck, and Standard Oil of Ohio had set up similar programs. And today, the centers are more in vogue than ever before.

The executive assessment methodology has been applied at almost every organizational level to:

☐ ensure that only the ablest individuals are designated for possible executive succession;
☐ identify middle managers early on as fast trackers; and
☐ conform to the government's stringent equal employment opportunity (EEO) guidelines for hiring, promotion, and appraisal.

But perhaps the most common and accepted use of this still controversial methodology is to designate personnel for first-level management status. According to James Baughman, Ph.D., manager of corporate organization, executive compensation, and corporate management development at General Electric, "We have used executive assessment centers extensively at the first level of management, but don't really advocate them for mid- and senior-level personnel. At the first level, personnel have no previous track records in management and we may need to be sure that they can handle the jobs. Farther up the ladder, I believe that a manager's track record is more predictive of success than an artificial assessment process would be."

No two assessment centers are precisely alike, since they are each designed to evaluate candidates in relation to the prerequisites and dynamics of a specific job and organizational culture. Participants, typically nominated by their supervisors and separated into groups of six, are taken off-site, away from the distractions of a normal business day, and evaluated by personnel from their own organization who are at least two management levels above them.

Scrutinizing and Catechizing

Among the exercises that may be part of an assessment experience are:

☐ *the in-basket scenario*, in which the participant is asked to sort through, assign priorities to, and take action on piles of paperwork—including memos, performance appraisals, invitations, contracts, and phone messages—supposedly left behind by a senior executive who has hastily taken a leave of absence;
☐ *the leaderless group discussion*, in which the six participants are each assigned a different point of view and told, for example, that they are members of a city council that must arrive at a decision—either cooperatively or competitively—on how best to use an unexpected windfall of federal funds;
☐ *the business game*, during which the participants must buy materials from their evaluators (in Bray's original center, the materials were Tinker Toys), put them together to form a new product, and then sell the product to the evaluators at a profit;
☐ *the written or oral exercise*, in which a par-

ticipant may be asked to make a presentation that will sell an idea to the rest of the group, which will pose as a board of directors, or may be interviewed by an evaluator posing as, for example, Mike Wallace of "60 Minutes";
☐ *the interview*, a lengthy discussion between the participant and one of his evaluators that may cover everything from the participant's childhood and schooling to current aspirations and goals; and
☐ *a written test*, which elicits specific knowledge of the position and industry in which the participant is, or will be, working.

According to Dennis Hawver, Ph.D., an organizational psychologist who is president of the New York City-based Hawver Group, "All of these exercises are specifically designed to give participants a chance to exhibit their managerial competence in five areas: problem-solving, communication, motivation, interpersonal skills, and administrative skills." Competence in each of these areas is measured by a number of criteria. For instance, to receive a high rating in the area of administrative skills, the participant must be adept at planning and organizing, delegation, and follow-up and control, and must demonstrate not only a commitment to excellence but a willingness to take calculated risks.

Super-Executive or Scapegoat?

All of this seems scientific, however, since the participant may either be deified or damned by the process, the mere semblance of objectivity and quantifiability is not enough. Can executive assessment practitioners convince us of total validity?

Based on his preliminary management progress study for AT&T and a follow-up done 20 years later, Dr. Bray thinks so. "There is a great amount of evidence from the AT&T studies," he comments, "that the assessment center does, for example, predict success in management with a high degree of statistical reliability and practical utility." Sixty percent of the study participants whom Bray and his colleagues believed would reach the fourth level of management or higher within AT&T had done so 20 years later. Of those whom he predicted would only reach the third level of management, only 35 percent exceeded his expectations and were promoted to the fourth level or higher. And of those whom he predicted would not be promoted above the second level of management, just 21 percent exceeded his expectations. Thus, he says, "Assessment centers have been shown over and over again to really work."

But is the success of these centers strongly influenced by the fact that participants are judged by personnel from their own organizations?

The likelihood, according to Robert Cuddy, principal in charge of organizational analysis and personnel services in Peat Marwick's New York office, is that assessors will show favoritism to their subjects in the years to come—not during the assessment process. "These senior managers will have a vested interest in seeing the people they assessed favorably succeed," he comments. "An old-school network may develop among the assessors and the junior participants, many of whom may benefit professionally from this delayed halo effect."

As for objectivity *during* the assessment process, Dr. Hawver believes that thorough training of assessors is the key, and that the fact that more than one assessor (the average number is four) judges each participant ensures even greater control and objectivity.

Thus, when Hawver worked with the New York City Fire Department in 1982 on a program designed to assess the skills of 800 firefighters who were eligible for promotion to the rank of lieutenant, he trained a team of 80—comprised of the department's officers and outside civilians—in the art of objective assessment. "We train future assessors to judge participants only on those things they can see or hear during any scenario; they must screen out gut feelings. We are careful to point out ways in which assessors may succumb to bias; in addition, we teach our assessors to challenge each other if they believe there is any likelihood that

Planning Your Own Assessment Program

If your organization opts to go with the executive assessment center approach, your first step may be to contact Peat Marwick or the American Psychological Association, and ask for the names of some reputable consultants in your area. The consultant you choose should meet with a team comprised of top-level management, and with representatives from your human resources, communications, and legal departments. Among the questions to answer during the planning stages are:
☐ who will be assessed and how the participants will be nominated;
☐ whether the purpose of the assessment center will be selection/promotion, development, or placement;
☐ how to delineate the important elements of the job function—and the associated skills and behaviors;
☐ what exercises, tests, and simulations will be used;
☐ the number of assessors to be trained, the length and location of that training, plus the number of times each assessor will serve that function;
☐ who will manage the project;
☐ where the assessment center will be located, how many rooms will be needed, and whether meal service and audio-visual services will be required;
☐ what type of budget will be necessary;
☐ what type of feedback will be provided; and
☐ how the program is to be communicated to your personnel.

The better the communications program—which should introduce the concept of executive assessment centers and also familiarize personnel with the actual steps inherent in the process—the better reception the process of assessment will receive within your organization. However, even if your middle and senior staff members are not very enthusiastic about the program, don't designate them as the last participants, if you intend to assess them at all. The process of assessment should flow *down* the hierarchy. Those who have already been through the process can easily be trained as assessors. But those who started out as assessors may do a lot of game playing and manipulation if they become participants afterward.—*C. W.* ■

a colleague's rating may be prejudiced."

Chief of personnel Anthony DiMartino of the NYCFD is pleased with the results of the 1982 assessment. "There is no perfect system, but we feel pretty secure that this is a good system," he comments. "We opted to go with the assessment-center approach in answer to pressure exerted by special interest groups for affirmative action; the validity of the tests we had used previously had been challenged repeatedly. Firefighters who become lieutenants need a whole new set of managerial skills that we could not appraise using our previous examination methods. Those tests did not assess the decision-making capabilities that are integral to being an officer. And, after all, what the devil is

the sense of giving an exam and having the results thrown out?"

To date, 620 of the 800 firefighters tested have become lieutenants; those who received the highest ratings were placed at the top of the list for promotion. "If any of the participants have questions about the results, they know they are welcome to take a look at their personnel files and see precisely how we arrived at their ratings," explains DiMartino.

The only problem he believes inherent in the assessment program? "The cost is somewhat prohibitive. It runs close to $1 million to assess about 1,000 of our personnel."

"Yes the cost is high," comments Peat Marwick's Cuddy, "but what would be the cost to the organization if it selected or promoted the *wrong* person? That's really what you have to consider."

Excluding the time put into the program by the assessors—and time is definitely money when high-level managers may first spend from one day to one week in training and then from one day to one week assessing staff members two levels below them—Peat Marwick's Constantin Temcheff estimates that assessment costs an organization about $1,000 to $1,500 per participating employee. In addition, many organizations allocate time at the end of the assessment process for debriefing and feedback to the participants.

For example, at Canadian National, a diversified Crown corporation that employs 65,000 workers throughout the country, personnel are assessed for promotion to the first supervisory level and then all the way up the organizational ladder—stopping short of the top level of management. According to Temcheff, CN allots one and one-half days for assessment and half a day for feedback. Does he think feedback is advantageous? "For the third of the participants who receive the top ratings, it's a motivator. For the middle third, who may be told that they are lacking in some essential management skills, it can be discouraging—unless the organization makes the commitment to provide extra training to those participants so that they can shore up any weak areas. And the organization may actually wind up losing some of the participants in the bottom third of the group, who may realize that they are at a dead end."

On the other hand, the purpose of some assessment centers is to give an organization an idea of the strengths and weaknesses of the total senior management team. Participants receive direct feedback on their individual strengths and weaknesses—but these assessments are regarded as privileged information and do not find their way into personnel files. Harvey Morris, Ph.D., and Charles Reiner, Ph.D., the principals of New York-based Vector Management Systems, explain how this sort of arrangement works: "In the case of one multinational corporation, we worked with members of senior management, and came back to them with three overall recommendations. First, we believed that, based on the dynamics of the groups and the results of the interviews, the company needed to facilitate the flow of information among divisions. Second, it became obvious that the chairman and president would need increased bench strength for the purpose of corporate succession. Third, the members of the management team saw themselves as great street fighters, but they needed to do more strategic planning instead of being so shortsighted."

Indeed, whether the goal of your organization is individual assessment of candidates for promotion or an evaluation of the dynamics of the total executive team, you will undoubtedly, after the process of assessment, end up with a clearer picture of the strengths and weaknesses of your most important asset: human resources.

And those employees who have been assessed and subsequently become assessors are apt to be much more useful to the organization than they were prior to the experience. According to Peat Marwick's Temcheff, "Those who have been assessed are much more sensitive to their effectiveness and deportment as managers; if they have also been assessors, they will have heightened powers of observation, a much more objective point of view, and the ability to work more constructively and productively within your organizational culture."■