

# THOUGHT PAPER

## Simulations: The Secret Sauce of Cutting-Edge Leadership Development Programs

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It's Monday morning and you are starting a new job. No more orders from your boss, widgets, or customer calls — today, you are in charge. Your first day as a division manager starts swiftly as you receive several emails. Some of your colleagues are welcoming you, others are already throwing tasks your way:

"I am getting ready to board a 20-hour flight to Sydney to hopefully close this deal. Can you please keep the customer on your radar while I am out?"

"It seems to me that all the arrows are pointing to one of your team members, Tony Polster. We've had several issues with her in the past. I expect that you take this incident seriously and deal with it accordingly."

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**"With a click of a button, potential leaders experience the job of a manager, just like soon-to-be pilots utilize flight simulators," says Dr. Eurich**

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No, this is not a dream; it is a cutting-edge leadership development program. "Instead of spending 3-4 days in the classroom, with a click of a button, potential leaders experience the job of a manager and learn from their own mistakes, just like soon-to-be pilots utilize flight simulators," says Dr. Tasha Eurich, Director of Leadership and Organizational Development at a large metropolitan health system.

Typically, the three most common approaches to leadership development are personality tests, classroom courses, and 360 degree feedback. Each of these approaches carries with it a set of assumptions that may limit their effectiveness. For instance, personality tests assume that insight into one's innate tendencies will lead to action or build skills to improve effectiveness. Classroom courses assume knowledge transfer from the classroom to the job. Finally, 360 degree feedback tools assume that untrained raters (e.g., supervisors, subordinates, or peers) can accurately observe and rate others' behaviors.

A more recent innovation in leadership development, simulations, can often supplement or even replace more traditional methods. Since World War II, workplace psychologists have used simulations to identify talent for high-stakes jobs like military

officers or secret service agents. In the private sector, perhaps the best-known application of simulations for leadership development comes from AT&T in the 1950s. However, lacking recent technological advances, such traditional simulations were often cost prohibitive because of the resources needed to build and run them. With the dawn of state-of-the-art technology, we can now create scalable simulations that are 80 to 90 percent cheaper than most multi-day training programs.

Many Fortune 500 organizations already utilize simulations as part of their leadership development strategy. In fact, even the white house has set the Office of Personnel Management on a "show me" instead of "tell me" crusade in employee hiring. As recently discussed by Dr. Elaine Pulakos in *Talent Management Magazine*, federal employees will no longer be selected based on resumes, they will have to demonstrate skills in a competency-based assessment.

"Managerial jobs are tricky," Dr. Eurich continues, "in that we can't just let someone try it for a day or two and see what happens. The potential cost of failure would be enormous. Simulations provide a safe environment for aspiring leaders to develop and practice their leadership skills. In that way, a simulation serves as a very safe 'stretch assignment' for the employee that does not expose the organization to risk."

In addition to having opportunities to practice, simulation participants also receive feedback on their strengths and developmental needs. As potential managers complete the simulation, behind the "web curtain" trained psychologists observe the participants' behaviors and rate them on key leadership competencies, such as decision-making, planning, empowering, delegating, and entrepreneurship. To ensure feedback is useful and actionable, these ratings are then integrated and fed back to the participant in a comprehensive report.

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What are participants saying about the experience? Recent results from a pilot study revealed that, when compared to a well-known personality test, participants rated the simulation more favorably in helping them understand their leadership strengths and development needs, providing a challenge, and outlining the specific behaviors they need to demonstrate to be successful. The following graph highlights these differences.

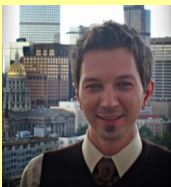
All (100 %) agreed that the simulation was a valuable component of their leadership development program, and a large majority (90%) said that it was realistic and engaging. One participant noted, “[This process helped me experience] a wide range of management responsibilities the farther up the ladder you go.” Another commented, “It made me think outside my box; it was a really big switch from my current role”.



In the eyes of employees, leadership development tools communicate the value organizations place on their talent. “Our organization chose to use simulations because we wish to help our employees develop in the most efficient, effective, and cutting-edge manner possible,” comments Dr. Eurich. “This message is especially important as our talent management strategies require us to retain and develop our best and brightest employees!”

Although simulations may have been the best hidden secret, with state-of-the-art technology, organizations of any size can now garnish their leadership development program with “the secret sauce”.

### Martin Lanik, PhD



Dr. Martin Lanik is a business psychologist, specializing in leadership and executive assessment and development, and organizational change. He has worked in a management consulting and organizational research capacity across Asia, Europe and the United States. Dr. Lanik consulted for organizations in multiple industries, including healthcare, interpreting, mining, financial services, food services, transportation, education, information technology, and government. Prior to founding Global Assessor Pool, he consulted for Development Dimensions International. Dr. Lanik is also an Adjunct Professor in the Department of Psychology at Metropolitan State College of Denver. Recipient of the Industrial-Organizational Psychology Fellowship and past co-chair of the Industrial-Organizational Psychology and Organizational Behavior (IOOB) conference, Dr. Lanik is a frequent speaker at international conferences, such as the Society for Industrial and Organizational Psychology, International Congress on Assessment Center Methods, and European Congress of Psychology, with over 20 peer-reviewed papers. Most recently, Dr. Lanik has been invited as the keynote speaker at The Assessment Center Study Group of South Africa.

### Tasha L. Eurich, PhD



Dr. Tasha L. Eurich is the Director of Leadership and Organizational Development at a large metropolitan health system. Reporting to the CEO, Tasha champions the hospital's leadership development, team development, organizational development, change management, and HR strategy initiatives. Tasha holds a PhD in Industrial and Organizational Psychology from Colorado State University and BAs in Theater and Psychology from Middlebury College. Though most recently a practitioner in healthcare, Tasha's nine year career has spanned multiple industries, including engineering, construction, finance, non-profit, hospitality, manufacturing, and municipal government. Tasha has also served as an adjunct faculty member and instructor in Colorado State University's Management and Psychology Departments. A member of Phi Beta Kappa, Tasha was the recipient of the Thornton Outstanding Graduate Student in Industrial/Organizational Psychology Award as well as the Martin P. Seligman Award for Achievement in Applied Research in Psychology. Tasha continues to engage in scholarly research in many areas in her field, with over 20 peer-reviewed papers and conference presentations. Most recently, Tasha was among four senior HR executives invited by Rocky Mountain HRPS to speak on the topic of employee engagement.