Technology: Taking Leadership Assessment from Good to Great

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In today’s current business landscape, innovation and agility are prized. Companies strive to outpace competitors, create products that dominate the marketplace, and continuously produce cutting-edge business solutions. This emphasis on speed and growth has been intensified by the rapidly expanding role of technology. Clearly, technology has taken center stage in today’s volatile, unpredictable, complex, and ambiguous environment (VUCA), and the use of technology provides multiple avenues for organizations to move forward at an ever-quickenning pace.

Technology allows corporations to connect, communicate, and work globally in a more productive manner than ever before possible. Sophisticated computer models enable companies to amass a great amount of data, decipher that data in a comprehensible manner, and store it in a logical way, facilitating the future use of that information. Navigating and utilizing technology effectively expedites the organization’s ability to nimbly respond to changes in the marketplace.

Not surprisingly, technological progress has also impacted talent management practices. Over the past decade, technological advancements have permeated crucial areas such as leadership selection, assessment, and development. Specifically, the assimilation of technology into assessment and development systems and processes has allowed for major advancements in the efficiency and realism of assessments. The use of gamification, for example, has become popular in the assessment space. This relatively novel mode of assessment greatly diverges from the paper and pencil tests used in the past, and immerses participants in the assessment measures in a completely new way—creating an engaging and realistic approach that is appealing to both participants and administrators.

There is no question that the use of technology has led to some dramatic changes and opportunities in assessment. However, remaining questions linger concerning the way practitioners can and should interweave technological advances into best practices that have been developed based on rigorous science and extensive past experience. Technology should not replace the solid base of scientific and practical knowledge that already exists; rather, technology must be used in the service of our previous knowledge and viewed through the lens of best practices.

Leadership assessment plays a fundamental role in numerous organizational talent practices, including leadership development, high potential identification, and succession planning. As Jim Collins stated in his widely read book, Good to Great, “Those who build great companies understand that the ultimate throttle on growth for any great company is not markets, or technology, or competition, or products. It is one thing above all others: the ability to get and keep enough of the right people.” (Collins, 2001).

In a previous white paper, “Leadership Assessment: The Backbone of a Strong Leadership Pipeline” (Harvey, Oelbaum, and Prager, 2015), we emphasize the criticality of leadership assessment for building a robust leadership pipeline that starts with front-line managers and extends upward to senior executives. The overall essentiality of leadership assessment makes it an important area in which to evaluate the role of technology. Specifically, what do we know about the technological tools available for assessment from a scientific and practical standpoint? How can technology be used in a way that supports the best of what we already do?
The Six Guiding Principles of leadership assessment offered in our previous white paper, “Leadership Assessment: The Backbone of a Strong Leadership Pipeline,” are summarized below. The remainder of this paper focuses on the way in which technology can best be employed in order to facilitate and improve upon these Guiding Principles.

**Leadership Assessment Guiding Principles: Highlights**

1. Assess potential to “make the curve” at each leadership level.
2. Align assessment practices with organizational strategy and context.
3. Use a variety of valid, objective assessment techniques.
4. Integrate assessments across talent management practices, with competencies as the common denominator.
5. Aim to make assessments realistic and engaging.
6. Ensure assessment processes are practical and sustainable.

**Leveraging Technology**

The Aon Hewitt Top Companies for Leaders® research identifies companies that demonstrate exceptional proficiency in developing a strong leadership pipeline. Many top companies use sophisticated assessment methods and tools, which often rely on the use of technology.

For example, American Express created an assessment process when it recognized that it did not have the in-house capability to lead through change. The process was designed to be efficient in administration, flexible in delivery, and positively perceived by employees. In a six-month period, American Express developed an assessment to evaluate leaders’ capability for leading through change. In addition, a sustainable, on-demand “Change Readiness” program was implemented that included a “Change Management Playbook” and learning modules using an interactive board game with multimedia channels (video, virtual facilitator, facilitation guide for leaders). This program was the first 100% deployable, scalable learning experience at American Express.

Because of its accessibility and usefulness, technology now plays a vital role in assessment practices. Currently, most organizations employ technology for some portion of their assessment process, ranging from assessment delivery to data tracking and scoring. As technology becomes even more commonplace, it is vital to consider how it affects the way in which we approach and execute assessment. Aon Hewitt’s LEADeR® Assessment Suite is a prime example of an assessment toolkit that makes extensive use of today’s sophisticated and advanced technology. Below, we highlight LEADeR in our discussion of how the incorporation of technology in assessments affects the Guiding Principles outlined earlier.
What Is LEADeR®?

The LEADeR Assessment Suite is a virtual assessment center composed of valid, cutting-edge assessment measures. The LEADeR Assessment Suite offers an array of state-of-the-art tools, including options such as computer adaptive reasoning and personality tests, multi-rater surveys, interviews, and role plays, which can be tailored specifically to each leadership level. Aon Hewitt’s innovative and progressive web-based simulation is central to LEADeR; it encompasses different versions designed for various organizational levels, and reflects the realities of leadership today across a range of industries.

Within the virtual environment of the LEADeR Assessment Suite, the LEADeR simulation captures the behavioral portion of a traditional assessment center. Participants are engaged in leadership challenges as they navigate their way through a web-based “day-in-the-life” of a leader at a fictional organization. Participants are able to do pre-work that mirrors what someone might do prior to starting a new job—such as reviewing an organization’s website, organizational charts, and press releases.

LEADeR’s Realistic Web-Based Simulation

During the simulation, participants engage in a variety of “challenges” in which they perform an array of activities (e.g., respond to emails, make promotion recommendations, integrate two work units) as they complete their leadership duties. Challenges can also include role plays embedded within the simulation context, in which participants interact face to face or via telephone with trained assessors. These assessors evaluate participants on relevant dimensions previously defined as important to future leadership effectiveness. Through these challenges, participants actively display their leadership capabilities. Data is automatically gathered in real time as participants strive to fulfill these true-to-life challenges.

The realism of the LEADeR simulation is engrossing for participants, and they tend to become enthusiastically absorbed in the leadership tasks and duties. Additionally, as the challenges and general experience so closely resemble an actual leadership role in an organization, the simulation acts as a realistic preview to a leadership position. Participants are provided with a genuine feel for what a future leadership role with that organization might look like.
How Technology Supports Assessment Best Practices

Guiding Principle #1: Assess potential to “make the curve” at each leadership level

As leaders generally need to possess distinctive competencies at each stage in the leadership pipeline, identifying the competencies needed to “make the curve” at each leadership level is recognized as a core component of leadership assessment (e.g., Charan, Drotter, and Noel, 2001). Tools and measures must be geared toward those specific competencies in order to understand which leaders are ready for the next level and which skill sets must be developed to facilitate their readiness.

Organizations can efficiently assess each level of leadership using the LEADeR Assessment Suite. Through the sophisticated technology built into LEADeR, it is possible to design unique configurations appropriate for assessing leaders at various stages in the leadership pipeline. The modularity of the technological system allows organizations to choose from an array of assessment methods and simulation challenges expressly developed to evaluate the leadership capabilities needed at various turns in the leadership pipeline. For example, a simulation challenge in which the participant is required to develop strategy may be more relevant to an executive-level role than a front-line manager role. Additionally, a project management challenge that focuses on evaluating timelines, budgets, and billing rates may be better suited for a front-line versus an executive-level position. The ability to assemble the assessment challenges and tools that are most critical for specific leadership levels allows organizations to assess potential for movement into upper leadership roles.

Guiding Principle #2: Align assessment practices with organizational strategy and context

It is evident that an organization’s context and strategy influence its assessment needs. An understanding of the types of real leadership challenges an organization faces and how these relate to the broader business informs key assessment decisions. A discussion of these topics helps ensure alignment between assessment and organizational context and strategy. The discussion of business strategies and challenges helps clarify which competencies are most important. For example, an organization aspiring to design and implement a corporate social responsibility strategy will likely focus on leadership competencies that revolve around ethics, accountability, respectfulness, and communication.

Technological assessment tools such as LEADeR better equip organizations to meet varying leadership assessment needs. Organizations can use the requisite leadership competencies identified on the basis of their strategy and context to subsequently guide the selection of LEADeR simulation challenges that are well matched with the organization’s actual challenges (and leadership levels). Moreover, organizations can then obtain an accurate appraisal of how well current and future leaders are equipped to deal with the types of real-life challenges they face, but in a risk-free environment. Leadership behaviors that a leader may not have the opportunity to demonstrate in his or her current role can be observed.
Guiding Principle #3: Use a variety of valid, objective assessment techniques

Utilizing several tools when conducting assessments is highly recommended from both scientific and practical perspectives. This approach enables companies to most effectively measure different leadership abilities, obtain multiple data points on each particular ability, and enhance the overall reliability and validity of the assessment approach. The LEADeR technology platform allows for smooth administration and integration of multiple valid assessment methods such as computer adaptive reasoning and personality tests, multi-rater surveys, and the LEADeR simulation.

The LEADeR Suite Includes a Diverse Range of Assessment Tools

- **Cognitive Tests** (AP Reasoning)
- **Personality, Interest, and Biodata Tests**
- **Multi-Rater** (360, 180) **Surveys or Interviews**
- **Interviews** (Structured Behavioral)
- **Assessor Delivered Role Plays**
- **Simulations**

The use of technology dramatically improves the efficiency of data scoring, tracking, and integration. It reduces the immense labor burden traditionally demanded by these steps in the assessment process, and allows for more rich and detailed feedback. Based on scores across all the assessment tools, participants receive a technologically generated, integrated, in-depth feedback report that presents a coherent assessment of their performance on defined competencies. In addition, the use of technology helps ensure consistency and standardization in the assessment process.

The use of technology also facilitates data collection and scoring that was previously onerous or impossible. For example, a simulation may ask participants to respond to emails. These written responses can easily be broken down and coded through high-tech computer software, and be used as additional measures of leadership competencies. Furthermore, technology in the context of a simulation can be used to track how long it takes participants to complete certain tasks, or the order in which they prioritize their work. These behavioral measures can provide crucial insight into participants’ skills and capabilities.

Guiding Principle #4: Integrate assessments across talent practices, with competencies as the common denominator

Leadership competency models support organizational communication by clearly expressing the competencies the organization views as most important and providing a common language in which to discuss and hone its leadership platform. In line with best practices, the assessments within the LEADeR Assessment Suite are fundamentally **competency-driven**. Each assessment tool within the LEADeR Suite is linked to discrete behavioral facets called “leadership enablers.” These leadership enablers can be seamlessly mapped to an organization’s competencies. Once competencies have been defined, the tools that best measure those competencies can be selected from within the LEADeR integrated toolkit.
For the LEADeR simulation, Aon Hewitt offers a library of challenges so organizations can choose those that best underlie their competency model and best match their organizational context. Technological sophistication greatly expedites the ease of tailoring tools and configuring assessment centers to evaluate organization-specific competencies.

Feedback reporting that is both flexible and based on a common set of leadership competencies is essential to the integration of assessment with other talent practices. Leveraging technology makes it possible to easily produce various types of reports to meet different talent management needs. For example, a brief summary report may be appropriate for selection purposes, while a more detailed report including developmental recommendations may be more suitable as the foundation for coaching. Reports comparing individuals may be required for talent reviews or succession planning. (See an excerpt from the LEADeR report to the right.)

The wide range of reporting options offered through the LEADeR Assessment Suite facilitates individual development, as well as other areas of strategic talent management such as succession planning. This supports the growing need for alignment between assessment center practices and broader organizational and talent strategies concerning promotion, development, and succession planning (Lievens and Thornton, 2005).
Guiding Principle #5: Aim to make assessments realistic and engaging

One of the most notable advantages of the technological simulation context is that it creates an **engaging, realistic environment** in which the challenges presented have higher fidelity than exercises typically administered in brick and mortar assessment centers (Boyce, Corbet, and Adler, 2013). The vividness of the organizational settings and challenges leads to higher levels of face validity and improves the credibility of the assessment technique.

Participant reactions to the assessment process are important. Unfavorable perceptions can negatively influence participants’ efforts and satisfaction with the process (Truxillo and Bauer, 2011). In contrast, positive perceptions can lead participants to put forth greater effort, become more engaged, and ultimately feel more satisfied with the process and outcome. Participants tend to report favorably on assessments they view as more job-related and likely to predict job performance, such as assessment centers and work samples (Gilliland, 1993; Anderson, Born, and Cunningham-Snell, 2001). Multimedia assessments in particular can lead to the most positive reactions (Bryant and Malsey, 2012; Richman-Hirsch et al., 2000). Multimedia assessments can lead to participant experiences that are more satisfying and enjoyable overall. Participants further believe that these types of assessments are accurately measuring important capabilities (e.g., Bruk-Lee, Drew, and Hawkes, 2013).

For example, students assessed through gamification versus a more conventional approach displayed increased motivation to learn and improved reactions (Landers and Callan, 2011). These students reported that they found the experience to be entertaining, and also felt that they gained knowledge through their participation. Because technology-based assessments are often more interesting for participants and can lead them to feel that the assessment tool is truly measuring key capabilities, participants ultimately are encouraged to become more fully involved in the assessment, more committed to and satisfied with the organization, and more likely to promote the organization to others.

Overall, reactions to the LEADeR simulation have been overwhelmingly positive. Participants report that the simulation is realistic, challenging, and engrossing. Beyond the simulation itself, participants believe that the feedback they receive is helpful in their leadership growth. Over 90% of participants responded that they perceived their assessment feedback as valuable and beneficial to them in striving to improve their leadership capabilities (Gowing et al., 2008).

**Participant Reactions to the LEADeR Simulation**
- “What a challenge!”
- “It really does stretch you.”
- “Felt real-world with how the information comes in.”
- “I felt they [the two phone calls] were legitimate and that I was actually speaking to people within the organization…”
- “Fast and furious.”
- “Platform was very easy to navigate and super-intuitive.”
- “Interesting. Fast-paced, flowed well.”
- “I was really impressed with the virtual environment that Aon Hewitt was able to create.”
- “I would recommend everyone do it.”
- “LOVED it.”
Guiding Principle #6: Ensure assessment processes are practical and sustainable

The flexibility, efficiency, and scalability of the LEADeR Assessment Suite is unmatched, providing sustainable and practical assessment procedures. The technology base of the LEADeR Suite allows remarkable flexibility and practicality with regard to features as varied as competency customization, assessment components utilized, delivery and administration mode, price points, and reporting options. Aon Hewitt eliminates much of the administrative load by utilizing a hub screen through which participants can independently and securely schedule and complete their assessments online. This is both convenient for participants and creates efficient assessment delivery for larger groups of leaders.

The LEADeR Hub Screen—A One-Stop Shop for Assessment Participants

Once a LEADeR assessment center has been developed, the labor and travel costs required to implement and administer the assessment procedures are significantly less than those of a traditional assessment center. According to Gowing et al. (2008), a telecommunications company saved over 50% in administrative expenses when it switched from a traditional assessment center approach to the virtual LEADeR Assessment Suite.

Rather than traveling to a physical location, which is often disruptive and time-consuming for participants and costly to organizations, participants can complete the measures in the virtual assessment center remotely. The ability to complete the assessment tools from any geographic location considerably benefits those who have a tight schedule, cannot spend much time away from work, or are geographically distant. Considering the global nature of the current business landscape, LEADeR’s technological platform enables organizations to efficiently administer assessments, collect data, and deliver feedback.
worldwide. The technological ability to **effectively reach across geographical boundaries** and assess individuals in their native languages represents a significant development in the assessment domain.

**Technology in Assessment: Challenges and Unanswered Questions**

In summary, incorporating technology into assessment procedures can create both a more effective and more streamlined assessment approach. The use of technology simplifies the administrative and delivery aspects of assessment, and can lead to more reliable and accurate assessment procedures, consistent with the Guiding Principles. The LEADeR Assessment Suite is an example of an assessment solution that parallels the assessment center methodology and utilizes technology to improve upon that proven process.

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<tr>
<th>Guiding Principles</th>
<th>Advantages of LEADeR Technology</th>
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<td>Assess potential to “make the curve” at each leadership level</td>
<td>Allows easy configuration of the appropriate challenges and assessment tools to best evaluate the competencies needed to “make the curve” for various leadership levels</td>
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<tr>
<td>Align assessment practices with organizational strategy and context</td>
<td>The assessment challenges that most effectively capture relevant business challenges and context can be selected</td>
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<tr>
<td>Use a variety of valid, objective assessment techniques</td>
<td>Eases administration of multiple assessment methods including computer adaptive tests, cognitive ability and personality tests, interviews, multi-rater surveys, and simulations</td>
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<td>Allows for efficient data tracking and integration of information across assessment tools</td>
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<td>Integrate assessments across talent practices, with competencies as the common denominator</td>
<td>Assessments can be mapped to an organization’s competency model</td>
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<td>Feedback reports can be easily generated in the organization’s unique competency language</td>
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<td>Multiple versions of results can be generated to support selection, development, and other talent management needs</td>
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<td>Aim to make assessments realistic and engaging</td>
<td>Technology allows simulations to better mirror the realities of today’s work environment, resulting in high face validity and credibility</td>
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<td>Participants’ reactions are overwhelmingly positive and indicate that the technology-enabled experience is challenging, immersive, and valuable</td>
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<td>Ensure assessment processes are practical and sustainable</td>
<td>The time, cost, and effort required to administer assessments and develop reports are dramatically reduced</td>
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<td>Flexible administration, delivery, scoring, and feedback allow for scalable administration of assessments across diverse geographic locations</td>
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Many of the central challenges posed when the use of technology in assessments initially became popular have been resolved. For example, a chief concern originally cited was employees’ comfort and familiarity with technology. However, computers and smartphones have become entrenched in today’s societal norms. In fact, over 80% of U.S. households own computers, and it is estimated that over 60% of the U.S. population will own smartphones by 2016. It is expected that anxiety or discomfort with technology is no longer the issue it once was, regardless of age, gender, ethnicity, or socioeconomic status.

Some of the earlier challenges identified do still apply today. The importance of data security and integrity remains paramount. Any assessment that employs technology must have systems in place to protect the confidentiality of the data being collected. Moreover, the need to stay abreast of technological changes is essential. A computer simulation that was cutting-edge in 2005 appears outdated and clunky by 2015, if not sooner. The simulation must keep up with changes in email, messaging, and telephone standards in order to come across as fresh, realistic, and applicable to participants.

Evaluating the accuracy, validity, and effectiveness of technological assessments remains a continuous challenge. As with all assessment measures, technologically oriented assessment tools must strictly uphold psychological standards and legal guidelines, and be developed based on rigorous theoretical and empirical scientific research. While some evidence has been accumulated that demonstrates the strong validity of various technological simulations, further work in this area is warranted.

In the past, savvy organizational inclusion of technology was considered to be a benefit that made the organization more attractive to stakeholders (Braddy, Meade, and Kroustalis, 2006). Today, the use of technology is considered standard in that internal and external stakeholders expect leading organizations to efficiently employ technology when relevant. Organizations can still differentiate themselves from the rest by applying technology in novel and unique ways. The use of cutting-edge technology in assessment tools and processes is one way for organizations to be progressive and stay on the front lines of innovation.

Conclusion

In today’s fast-paced corporate environment, the use of technology in our everyday work lives is a given. In recent years it has become clear that technology has resulted in dramatic improvements in leadership assessment, particularly when used to enhance best practices established based on reliable scientific evidence and widespread consulting experience. However, we must continue to remain mindful of the temptations that technology also presents. It is critical to keep in mind that simply because technology allows us to accomplish a task or obtain more information faster does not mean that we can rely solely on technology in making critical assessment decisions. Going forward, it is essential to continue to critically examine the role that technology plays in the service of best-practice leadership assessment. As Jim Collins said, “ Mediocrity results first and foremost from management failure, not technological failure.”
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