

THE ASSESSMENT CENTER AS AN AID IN MANAGEMENT DEVELOPMENT

a review of assessment centers their methods, growth and validity studies

Assessment centers can aid an organization in the early identification of management potential and in the diagnosis of individual management development needs so that training and development effort can be invested most efficiently. Centers can also act as a powerful stimulant to management development, providing self-insight into problem areas and identifying possible development actions. In addition, the method can increase the accuracy of initial selection of potential managers or salesmen, which will give the management development practitioner better material with which to work. More than one hundred large and small organizations are presently using this relatively new method, some of these are AT&T, IBM, Standard Oil (Ohio), Sears Roebuck, Olin, Cummins Engine, Department of Agriculture, G E, J C Penney, Ford, Steinberg's, Northern Electric, Kodak and Merrill Lynch, Pierce, Fenner and Smith. Hundreds more are actively implementing applications. Reasons for the increasing interest in the technique are three-fold:

- 1 Accuracy of the technique has been proven in studies conducted by AT&T, IBM, Sears Roebuck and Standard Oil (Ohio). Candidates chosen by the method have been found to be two to three times more likely to be successful at higher management levels than those promoted on the basis of supervisory judgement.

- 2 Time and money are saved by combining assessment and development in the same procedure. Participation in the program is an extremely powerful learning experience for both participants and the higher management assessors who observe and record the participants' behavior.

- 3 Management acceptance is high because the assessment center looks valid and makes sense to management. Management is impressed by the simulations of the challenges an employee will face as he or she moves up in management and by the fact that line managers

usually make the judgment of potential and management development needs.

Assessment centers differ greatly in length, cost, contents, staffing and administration, depending on the objectives of the center, the dimensions to be assessed and the employee population. Basically an assessment center is a formal procedure incorporating group and individual exercises for the identification of dimensions of managerial or sales success identified as important for a particular position or level of management. It differs from other techniques in that a number of individuals are processed at the same time, trained managers who are usually not in a direct supervisory capacity conduct and evaluate the assessment, and multiple exercises are used to evaluate behavior.

TYPICAL CENTER

In a typical center aimed at identifying the potential of first-level managers for middle-level management positions, 12 participants are nominated by their immediate supervisors as having potential 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 and in an individual exercise, and be interviewed. Six 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. See Appendix A for a description of a typical two-day center.

The level of candidate assessment usually dictates the length of the center. Centers for identifying potential in non-

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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

Assessment centers are most popular and seem to be most valid when the position for which the individuals are being considered is quite different from their current positions, for instance, the promotion of salesmen or technicians into management or from direct supervision to middle management where he or she must manage through others. Because the new job requires different skills and abilities than the present job, it is difficult for managers to assess the candidates' managerial aptitude prior to promotion. Thus, many failures result. By simulating in an assessment center the problems and challenges of the level of management for which the individual is being considered, it is possible for management to determine the potential of the individual for the higher level position.

EARLY IDENTIFICATION

Because of the difficulty of determining supervisory skills in most non-management jobs, the greatest use of assessment centers is the identification of potential for first-level supervision. AT&T alone has assessed more than 70,000 candidates for first-level management, and about one-half of the assessment center operations in the United States are aimed at identifying supervisory potential.

Another increasing use of assessment centers is in the early identification of potential. There are many situations in which management potential must be identified at an early stage so various administrative actions can be taken. For example, AT&T has a program of identifying management potential in blacks and women during their second year of employment so various compensatory training and development activities can be planned to speed them toward management. Another example is found in firms with a commission-sales salary

structure which forces them to identify potential early in order to get the salesman on a track into management before high sales income makes movement impossible. Several organizations are using assessment centers for this purpose.

Increasingly, assessment centers are being used at higher levels of management, and it is in these applications that the full potential of centers for management development is achieved. There are numerous middle management assessment centers in operation and a few centers aimed at top management positions.

INDIVIDUAL MANAGEMENT DEVELOPMENT NEEDS

Assessment center summary reports are not usually go — no-go documents. Rather they detail the strengths and weaknesses of participants on the dimensions the organization has previously identified as important to success. Examples of specific behavior at the center are provided as an aid to problem diagnosis and in the later feedback of performance to the participant. Frequently the managers/assessors will make specific developmental recommendations which are also included in the report. An example of such a report is given in Appendix B. This may go directly to management or to staff experts who add additional developmental suggestions based on the needs identified.

Most assessment centers above the bottom level of management have as their primary or strong secondary objective the building of individual development plans. This is not true at bottom-level management because many of those assessed at that level will not reach management, thus, an investment in diagnosing development needs is questionable. While some developmental diagnosis may be possible for those recommended for advancement, it is not generally a prime objective in such programs.

After a number of candidates have been processed, it is possible to use assessment data as an aid in allocating training and development expenditures and in planning new development programs. An extremely useful development needs audit can be obtained by summarizing the needs of a number of assessed participants. Common areas of need can be identified for special priority. Information from multiple assessments can also aid in designing new programs. For instance, Kodak recently developed a new pre-foreman training program based on its early assessment experience. Insights from assessments of candidates for the position of product service center manager by the J.C. Penney Company resulted in the development of a totally new development plan. So few technically-trained candidates were

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found to have the necessary management potential that the company decided to change its whole approach to filling the position and developed a program to give technical training to people of proven managerial competence

STIMULATION OF SELF DEVELOPMENT

Participation in an assessment center is a developmental experience. As can be quickly recognized, many assessment exercises such as the in-basket, management games and leaderless group discussions also are training exercises. Thus, to the extent that performance feedback is provided, participation in an assessment center is a developmental experience. In most centers above the lowest level of management, considerable performance feedback is provided during the assessment program. A good example of the kinds of feedback provided is the assessment center program of the Autolite Division of the Ford Motor Company. Participants take part in professionally led critiques of their performance in group activities, and they watch their performance in groups by means of videotape. After individually taking the in-basket for assessment purposes, they meet in small groups to share their decisions and actions with each other, to evaluate their reasoning and to broaden their repertory of responses.

Even without special feedback opportunities built in, there is a great deal of evidence that most participants gain in self-insight from participating in assessment exercises and that this insight is fairly accurate. The evidence comes from comparing participant responses on self-evaluation questionnaires given after exercises with assessor evaluations. Correlations of .6 and higher based on large samples from several organizations have been found.

While self-insight gained from taking part in assessment center exercises is important, it is secondary to the insights gained from receiving feedback of the

assessor observations. Almost all assessment centers provide feedback to participants. The amount and detail of the feedback vary greatly but are largely related to organizational level. Higher-level participants get much more information than lower-level participants. Career counseling and planning discussions are often combined with assessor feedback for higher-level participants. Most feedback interviewing ends in a written commitment to action on the part of the participant and sometimes the organization.

COMBINED ASSESSMENT AND TRAINING

Still another important way the assessment center can stimulate development is to combine physically an assessment program with a training program. This is sometimes done because of the sheer economics of the combination. Junior Achievement Incorporated was able to put an assessment program into the beginning of an existing two-week training program with little loss in training impact. The Huyck Corporation recently completed a series of centers in which an entire level of upper middle management was assessed. Since it is an international company, this entailed bringing in participants from Australia, South America and Europe in addition to participants from throughout the United States. Rather than have the participants leave after two and a half days as would be normal, they followed the regular center activities with two and a half days of training exercises. The economics of travel and facilities was such that these additional days of training could be added at slight increase in expense.

But most important as an argument for combining or closely associating training and assessment is the "unfreezing" process that occurs with assessment. As indicated above, even without formal feedback from assessors, center participants are greatly sensitized to their own shortcomings and open to development ideas and training. A number of companies have recognized the advantages

of integrating training and assessment because of this unfreezing process. Most have chosen to follow the assessment with training designed to correct common problems such as group efficiency, sensitivity to others, public speaking, management skills and decision making. The ideal situation is for assessor observations to be fed back during the training period to maximize development.

ASSESSOR TRAINING

An assessor in an assessment center benefits more than the participant in terms of direct training. Between assessor training and participation as an assessor in a center, the assessor benefits in the following ways:

- 1 Improvement in interviewing skills
- 2 Broadening of observation skills
- 3 Increased appreciation of group dynamics and leadership styles
- 4 New insights into behavior
- 5 Strengthening of management skills through repeated working with in-basket case problems and other simulations
- 6 Broadening of repertory of responses to problems
- 7 Establishment of normative standards by which to evaluate performance
- 8 Development of a more precise vocabulary with which to describe behavior

While many on-the-job uses can be made of these improved skills, perhaps the greatest impact is in performance-appraisal interviewing. Extensive self-report data from assessors indicate a vast improvement in both accuracy and success of appraisal interviewing. Organizations such as G.E. feel so strongly about the many benefits from assessor training that they have increased the ratio of assessors to participants in their programs in order to expose more assessors to the experience.

Assessor training comes from a formal training program prior to the center, but principally from application of the procedures as an assessor in an assessment

center It is a unique opportunity for managers to focus on observing behavior without the normal interruptions associated with business After observing the behavior, the assessors can compare their observations with those of other assessors and sometimes have the opportunity to repeat the observation via videotape recording The procedures learned in assessor training are put into practice and thus stamped into the assessor's memory

The principal focus of assessor training is usually on interviewing, observing behavior and handling the in-basket All exercises in an assessment center usually call for some combination of these skills In addition, practice on all the exercises to be observed in assessment centers is usually provided Any number of assessors can be trained at once, with assessor training for as many as 25 individuals not uncommon Many organizations starting assessment centers initially train large numbers of managers as assessors to establish a pool from which to draw assessors This plan has a number of other benefits which include providing a large number of management people with a quick orientation to the program so that they can most effectively use the reports generated It also allows the opportunity for a rough screening of the assessors so that the most skilled assessors can be used in the assessment center program

In most centers run by large corporations, assessors serve only once The exception is AT&T centers where assessors work on six-month assignments In smaller companies assessors must, by necessity, be used more often In all situations assessors must be trained, but naturally more training is committed to the person who will serve for 20 weeks than for one week Training for new, short-service assessors usually takes from two to five days, depending upon the complexity of the center, the importance of the assessment decision and the importance management gives to assessor training A few organizations have cut assessor training to the point that it

is more orientation than training, but this is not advisable Training is important both for accurate results and for the assessors themselves

ASSESSOR LEVEL

Assessors are usually line managers two or more levels above the participants nominated by their supervisors for the task Line managers are used because

- 1 They are familiar with the jobs for which the participant is being assessed and can therefore better judge the participant's aptitude
- 2 Participation as an assessor is a developmental experience
- 3 The involvement of line management greatly increases the acceptance of the program by other managers and by the participants themselves
- 4 Exposure as an assessor increases familiarity with the program, assuring most effective use of the results

Providing broad familiarity with an assessment program is an extremely important result Take, for instance, the common situation found in the use of psychological test results by managers Managers usually over-rely or under-rely on test results They have difficulty determining the correct emphasis because they are not familiar with the tests, tester or intent of the program While the same lack of understanding can happen relative to an assessment center report, the involvement of line managers both in the development of the program and as assessors in the program gives a much wider basis of understanding When a manager who has been an assessor gets the assessment report, he knows the basis for the observations and judgments and can more accurately weigh them against data on job performance and other available information.

A few organizations mix line managers and personnel department or other staff people This decision usually results from a difficulty recruiting assessors or as a means of decreasing assessor train-

ing (the trained staff people lead the line managers in completing forms, etc)

Even less frequently are professional psychologists used as assessors AT&T has made occasional use of academic psychologists hired for the summer as assessors in their research centers and in the evaluation of very high levels of management A few other organizations have done similar experimentation with professional psychologists as assessors but have discontinued the process The little research available indicates that professionals do no better than *trained* line managers in performing their tasks While the professional psychologists may have some superior observational skills, this is probably negated by their lack of company knowledge A few organizations use a single professional assessor to do certain kinds of testing and interpreting of results.

VALIDITY AND RELATION TO EEOC GUIDELINES

To insure that they are getting what they have paid for, practitioners have always been concerned with the validity of selection, appraisal and training techniques Since the *Griggs et al vs Duke Power* Supreme Court Case (1971), which affirmed the guidelines on employee selection and promotion promulgated by the Equal Employment Opportunity Commission, organizations must be prepared to prove that their standards for selection and appraisal are job-related This includes assessment centers

Assessment centers can be shown to be job-related through their content To the extent the center's dimensions resulted from an accurate and complete job analysis and to the extent that the exercises and procedures used accurately measured the dimensions, the procedure is valid Center exercises often are forms of job samples just as a typing test is a job sample of a typist's job and thus possess rational validity, they make sense An in-basket exercise obviously

meets most of the criteria for a job sample but so also does an exercise measuring group effectiveness if given to executives who must spend a great deal of their time in meetings. Perhaps because of the reasonableness of the assessment center method to both participants and observers, no known charges of discrimination resulting from applying the assessment center method have been filed anywhere in the United States.

To prove a center job-related through its content, particular care must be taken in establishing the dimensions through a complete job analysis and in choosing the proper exercises and procedures to be sure that the desired dimensions are brought out. Research relating dimension to individual assessment center exercises conducted by Standard Oil

(Ohio)¹ and AT&T² will help in the latter step

The superior way of establishing job-relatedness is through statistically relating job criterion such as performance ratings or advancement in the organization with assessment center ratings. An organization adopting the assessment center method should set up procedures to collect data so such relationships can be investigated. In the meantime there is strong evidence from organizations more experienced with the method that the procedure is, in general, extremely valid. While validity in one organization does not necessarily mean the procedure is valid in another, the existence of these studies would be an important consideration in any court case involving assessment centers.

There are 22 published research studies attempting to evaluate the overall validity of assessment centers applications. Fifteen show positive results, six have such small samples as to show no results, and one study based on a very small sample indicates the assessment center process is not effective. While 15 positive studies may not seem like a massive research finding, it becomes more impressive when the extremely high quality and scientific rigor of many of the studies are considered and when the research is compared with research attempting to establish results of other management selection or development programs. Even given its recent adoption by most organizations as a management development tool, far more is known about the assessment center method than most other procedures with the exception of tests.

PURE RESEARCH STUDIES

Two excellent research studies have been conducted under conditions that meet the most rigorous experimental specifications. Both conducted by AT&T, they involve situations in which employees were processed through centers, the results not used in any way, and later progress and performance followed up. The first study involved 123 new college hires and 144 non-college first-level managers.³ After a period of eight years, 82 per cent of the college assesseees and 75 per cent of the non-college assesseees who reached middle-level management were accurately identified by the center. Equally important, 88 per cent of the college assesseees and 95 per cent of the non-college assesseees who were never promoted out of the first-level management were identified. This the assessment center was found to be valid at choosing both "comers" and "losers." This study differs from all other studies to be discussed in that AT&T used, in the main, professional psychologists as assessors and supplemented the usual assessment exercises with a number of clinical techniques.

The second study rating the title of "pure research" was conducted to vali-

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date AT&T's salesman selection assessment centers⁴ Seventy-eight newly-hired system salesmen were assessed right after being hired, but management had no access to the assessment data. Later on, an experienced field review team having no knowledge of assessment center reports observed the assesses during actual sales calls and rated their performance The validity results were particularly impressive The assessment panel predicted that nearly one-half of the assesseees would not be acceptable, and only 24 per cent of those gave acceptable sales calls compared to 68 per cent of the "acceptable" group and 100 per cent of the "more than acceptable" group The correlation between the assessment panel global rating and the field review rating was .51, a substantial increase in prediction compared to the multiple correlation of .33 between four paper and pencil tests and the criteria Also indicating the importance of the assessment center prediction was the finding that supervisor and trainer ratings were unrelated to job performance

OPERATIONAL STUDIES

Most of the large organizations that have operated centers for any significant length of time have some validity data on their ongoing centers. To various extents, these studies all suffer from methodological flaws caused by the fact that use was made of the data in the organization To the extent that good performance in a center affected the criterion used, e.g., promotion, use of the criterion as a measure of validity is impaired. The extent of this contamination remains mystery, but through various statistical and experimental design methods, most of the reported studies have minimized the effect

Being the first to apply the technique, AT&T has also conducted the most impressive operational validity studies An early study conducted by Michigan Bell compared an assessed group promoted to management with a group promoted before the assessment center

Table I SUMMARY OF THE FINDINGS			
Assessed	% Rated Above Average in Job Performance in First Level Management	% Rated as Having High Management Potential	% Promoted
Acceptable	68	50	11
Questionable	65	40	5
Non-Acceptable	46	31	0

program.⁵ But unfortunately, the groups were not matched Results revealed nearly twice as many high performance and potential men at first-level management in assessed as in non-assessed groups Another study conducted by New England Bell Company compared "acceptable" and "non-acceptable" assessed groups consisting of craftsmen promoted to first-level management and first-level managers promoted to second level The acceptable group was "definitely superior" to the non-acceptable group according to the researchers.⁶ A large follow-up study,⁷ using four other Bell companies, compared three groups (N = 223) of first-level candidates assessed "acceptable," "questionable" and "not acceptable" and subsequently promoted to management to non-assessed groups (N = 283) promoted before and after the assessment program As in the other follow-up studies, this study was also limited to recently promoted managers in the assessed group, but unlike the other studies, by denoting a "not acceptable" assessed group of those promoted, the false negative rate could be determined Moreover, by studying the two non-assessed groups, possible halo bias due to promotion before versus after the assessment center could be determined. An attempt was made to match assessed and non-assessed groups but it was not entirely successful

While use of assessment centers obviously improved selection odds, it was by no means perfect as indicated by the fact that nearly 50 per cent of those thought to be non-acceptable actually succeeded

on the job This research and most other research indicate that assessment centers are better at predicting ratings of management potential and actual advancement than performance at first level This is probably caused by the increasing importance of the management component of jobs as individuals rise in an organization It is this management component that is most commonly and accurately measured in an assessment center

By far the most impressive AT&T study followed up 5,943 assesseees as they advanced in management⁸ The criterion was advancement above first-level management, the level at which the assessment results were used and thus felt to be relatively clear of bias Individuals assessed "more than acceptable" were twice as likely to be promoted two or more times than individuals assessed as "acceptable" and almost 10 times more likely than those rated "not acceptable." In addition it was found that the correlation of .461 was raised only minutely with the use of a mental ability test (r of .463)

Standard Oil (Ohio) validity studies include a managerial progress criterion and additionally includes 12 job performance ratings and a potential rating The findings confirm the earlier AT&T findings of the moderate validity of a center in predicting managerial performance but its high validity coefficients substantially exceed those for performance ratings based upon the interview and projective tests.⁹

IBM STUDIES

IBM has conducted 11 studies of its assessment center programs. All show a positive relationship between center findings and various criteria of success with more than half of the 22 correlations being statistically significant.¹⁰ One study¹¹ involved 94 lower and middle level managers. From job analyses of positions held, a criterion measure of progress (increase in management responsibility) was constructed and correlations of .37 were found between the progress criterion and the global assessment rating from the center. But interestingly it was found that if statistical methods were used in combining the judgments relative to the rating dimension, the correlation climbed to .62.

Another interesting study which was almost assuredly not contaminated involved sales managers demoted after becoming first-line managers.¹² Of 46 individuals assessed as having potential for higher management and subsequently promoted, four per cent were demoted because of job failure. Of 71 individuals promoted in spite of the assessment center finding of low potential, 20 per cent failed.

Extremely thorough and comprehensive research has been conducted by Sears Roebuck into the validity of its assessment centers. Both their center used for the initial selection of management trainees and their centers to assess management potential have been subjected to rigorous study which as shown most components of the center to be statistically related to various criteria of job success.¹³

NEGATIVE STUDIES

These are the principal studies established in the validity of the assessment centers. Other studies have either used such small samples or questionable methodology as not to warrant discussion.¹⁴ The two studies which might be considered negative to assessment centers also suffer from a number of methodological problems. The first is not really a validity study as assessment centers were used as the criterion rather

than job performance. This study¹⁵ seems to indicate that a thorough study of a participant's personnel file and an interview will provide information comparable to the results of an assessment center. If true, such a finding would be a wonderful cost saving to organizations. Methodological and other factors relative to the study make generalizations difficult.

The only study indicating that assessment centers are less valid than normal assessment procedures was based on 37 participants in an assessment center conducted by the Caterpillar Tractor Company.¹⁶ Two groups of recently promoted first-line supervisors were studied, including 37 subjects assessed in an assessment center program and 27 subjects assessed by traditional methods, which included a review of personnel files and personal interviews with each candidate and his first-line supervisor. Using supervisor rating as a criterion, the study found that the assessed group was rated above average in performance slightly more often than the non-assessed group. But both were highly accurate.

A detailed analysis of all known validity studies relative to assessment centers can be found in "Validity of Assessment Centers" by Cohen, Moses and Byham (in press). With the exception of the two "pure" AT&T research projects, all the studies mentioned above are subject to various biases, statistical restrictions in range, etc., which are typical of practical operational programs. Yet, putting them all together, the impact seems clear. The assessment center is a superior method of predicting management potential — compared with methods such as supervisor appraisals and tests.

DIFFERENTIAL VALIDITY

An important consideration is whether, like some paper and pencil tests, assessment centers are biased against minority groups and women. There is no published research on this question, but unpublished studies indicate that the final judgement of a center is equally valid

for whites and blacks. Performance on individual exercises is different, but this seems to be somehow taken into consideration by the assessors. The area is definitely in need of research. In the meantime, a number of organizations have adopted a policy that two or more blacks must be in a center or none at all. They feel that being the only black out of 12 participants might put the black at a disadvantage.

Even less information is available about possible discriminatory effects on women, apparently because center administrators have observed no problems in this area. Some organizations with large work forces of women have segregated centers by sex, but most have mixed the sexes with apparently no problem. Again this is an area much in need of research.

PROBLEMS IN ASSESSMENT CENTERS

Two potential problems in using the assessment center method involve the employee who does not get nominated to the assessment center and the employee who attends and does poorly.

A philosophical weakness of most assessment center programs is the reliance on the supervisor to nominate employees for participation. Some high potential employees may never be nominated because of qualities of aggressiveness, curiosity and intelligence that might make a person successful at higher levels of management are not always appreciated by lower-level supervision. To get around this problem, some companies use self-nomination or put everyone at a particular level of management through a program. Other organizations have experimented with nominations based on personnel department records indicating interest in advancement such as application for educational aid, etc., while IBM has investigated the use of tests to select people for attendance.¹⁷

Perhaps more of a concern to many managers is the attitudinal impact on

those not nominated Again no research evidence is available, but the feeling of "not getting to show what I can do" must be present in many individuals Such feelings are not unique to assessment centers. The same feeling can be generated in those who are not tapped to attend any kind of managerial development program. Obviously anxiety is highest where the development program or assessment center is the stepping stone up in management Self-nomination and other methods around the supervisor roadblock seem to be the only answer, but they can be expensive

Typically the greatest concern of management is the individual who attends an assessment center and does poorly As noted above, he usually recognizes his poor performance whether or not he receives a formal feedback Will he look for another job where his chances are untainted by his poor assessment center performance? Research at three companies says no, while research at one says definitely yes — but maybe it is a way of clearing out the deadwood It appears that organizations that have made a deliberate effort to avoid problems through expert handling of the feedback process and providing alternate methods of advancement (e.g., technical ladders) experience no problem Most organizations go to great lengths to stress that the assessment center is only one portion of the assessment process — a supplement to regular appraisal and other information. They stress that the participant has an opportunity on the job to disprove any negative insights gained from assessment If precautions are not taken, some increase in turnover of lower-rated participants can occur Turnover may not actually be increased — just speeded The assessment center process speeds the realization that promotion is questionable

ANXIETY

Anxiety at an assessment center can also be a problem. There is no doubt that the assessment process is stress-provoking and that the performance of a

few participants is affected by the stress. The fact that the individual's performance may have been affected by stress is usually recognized by the assessors and taken into consideration in the final assessment judgment Stress does not seem to be important problem

"Crown Princesses" or "Golden Boys" can emerge from an assessment center if the organization allows special treatment of successful participants in the program. This can be good or bad It is natural for the outstanding participants in centers to get prime developmental experiences to prepare them for positions management sees in the future This is not making a crown prince, it is just putting the company's money where it will reap the greatest dividends But special treatment is wrong if the individual is given special consideration on his present job A negative effect on the moral of other members in the unit

can result if the individual is seen as being allowed to do less work because he is the "number one boy"

A frequently raised fear is that assessment centers will turn out more and more stereotyped versions of the particular organization's "organization man." The only data on this comes from IBM which found that far from being organization men, successful participants in assessment centers were less conforming and more independent Because the assessment center method brings out a much broader range of data about the individual than is typical from interviews and other conventional means, decision-making is not restricted to the superficial characteristics often associated with an "organization man."

COSTS

Costs vary dramatically among centers depending on the objectives of the

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center, number of participants and assessors, length, location and most of all what is figured in costs. Organizations have come up with cost figures for their programs ranging from \$5 00 a head to \$500. The figure, however, cannot be compared and may be vastly misleading because they include quite different elements. The cost of assessors' time (including training), participants' time, and administrators' time (including preparing for the center and writing reports) depends on the length of the center and the amount of training given assessors. Assessor and administrator commitment can be cut markedly if training is conducted separately from assessment or when the company reaches the situation that assessors are being repeated, thus requiring no additional training.

Costs of meals and facilities can be figured based on the organization's experience conducting training programs. Programs on company premises can cost as little as \$50, while program at a resort can cost as much as \$3,000 for 12 participants, six observers and one administrator.

Exercise costs depend on the length of the program and the nature of the exercises. They generally are between \$100 and \$200 for six participants. There is usually a one-time investment in reusable supplies which will run about \$100. These costs assume all exercises are purchased commercially. In actual fact, many organizations develop at least one unique exercise for their center and some organizations prefer to have all unique exercises.

The remaining cost considerations are start-up costs. These costs depend upon the organization's needs for consulting help. Many organizations take information from articles such as this one, order exercises and start the assessment center. Other organizations send their potential assessment center administrators to workshops on assessor training. Many others use consultants to aid in

planning, assessor training, administration of several pilot programs, the initial writing of assessment center reports and the planning of feedback interviews. Consultants can make their greatest contribution in planning a center and in assessor training.

AID IN REACHING A DECISION

Attendance at an assessment center is the best way to get a real feel for the concept. Many organizations have arranged to have key managers attend a center run by another company as a way of selling the technique. Some organizations are happy to have guests, especially during the assessor discussion portion of the program. If this is not possible, showing videotape recordings of assessment centers in operation can accomplish nearly the same result. These are available from the author. Another effective means of acquainting managers with the methods is to put them through a representative exercise or two. Managers quickly see the potential value of the kinds of behaviors that are brought out.

CONCLUSIONS

Assessment centers are relatively new aids in identifying and developing sales and management potential, but the method shows great promise. Many previous management development techniques and instruments have had great popular success but have waned when the spotlight of empirical research was trained on them. Their effectiveness could not be proved. Assessment centers, on the other hand, came out of a basic research study, AT&T's "Management Progress Study", and research has continued on the method in almost every organization where it has been applied. Much more research is needed both on general validity and on specific exercises and procedures used, but based on the findings to-date, one must conclude that the method works. It also has the advantage of great acceptability to management. But it does not work equally well in all circumstances and should be used selectively. Nevertheless the method should be added to the repertory of tools available to the management development practitioner.

STEPS IN STARTING AN ASSESSMENT CENTER

The following outline represents the principal steps in establishing an assessment center.

- 1 Determine objectives of program
- 2 Define dimensions to be assessed
- 3 Select exercises that will bring out the dimensions
- 4 Design assessor training and assessment center program
- 5 Announce program, inform participants and assessors, handle administrative detail
- 6 Train assessors
- 7 Conduct center
- 8 Write summary reports on participants
- 9 Feedback to participants a summary of performance at center and development actions
- 10 Evaluate center
- 11 Set up procedures to validate center against a criterion of job success

While the task of starting a center may appear large and extremely time-consuming, it need not be. Numerous organizations have started operating centers less than one month after management gave the go ahead. Like most techniques that have considerable rational appeal to management, there usually is great pressure to get the program going after it is approved.

APPENDIX A

A TYPICAL TWO-DAY ASSESSMENT CENTER

DAY 1

Orientation Meeting

Management Game — "Conglomerate" Forming different types of conglomerates is the goal with four-man teams of participants bartering companies to achieve their planned result. Teams set their own acquisition objectives and must plan and organize to meet them.

Background Interview — A 1½ hour interview conducted by an assessor.

Group Discussion—"Management Problems" Four short cases calling for various forms of management judgment are presented to groups of four participants. In one hour the group, acting as consultants, must resolve the cases and submit its recommendation in writing.

Individual Fact-Finding and Decision-Making Exercise—"The Research Budget" The participant is told that he has just taken over a division manager. He is given a brief description of an incident in which his predecessor has recently turned down a request for funds to continue a research project. The research director is appealing for a reversal of the decision. The participant is given 15 minutes to ask questions to dig out the facts in the case. Following this fact-finding period, he must present his decision orally with supporting reasoning and defend it under challenge.

DAY 2

In-Basket Exercise—"Section Manager's In-Basket" The contents of a section manager's in-basket are simulated. The participant is instructed to go through the contents, solving problems, answering questions, delegating, organizing, scheduling and planning, just as he might do if he were promoted suddenly to the position. An assessor reviews the contents of the completed in-basket and conducts a one-hour interview with the participant to gain further information.

Assigned Role Leaderless Group Discussion—"Compensation Committee" The Compensation Committee is meeting to allocate \$8,000 in discretionary salary increases among six supervisory and managerial employees. Each member of the committee (participants) represents a department of the company and is instructed to "do the best he can" for the employee from his department.

Analysis, Presentation and Group Discussion "The Pretzel Factory" This financial analysis problem has the participant role-play a consultant called in to advise Carl Flowers of the C F Pretzel Company on two problems: what to do about a division of the company that has continually lost money, and whether the corporation should expand. Participants are given data on the company and are asked to recommend appropriate courses of action. They make their recommendation in a seven-minute presentation after which they are formed into a group to come up with a single set of recommendations.

Final Announcements

DAYS 3 and 4

Assessors meet to share their observations on each participant and to arrive at summary evaluations relative to each dimension sought and overall potential and training needs.

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APPENDIX B

EXAMPLE OF ASSESSMENT CENTER SUMMARY REPORT

Smith's overall performance in the Management Development Center (MDC) was average or below average on most exercises. He showed strengths in energy and initiative.

Observers see him as having some potential for a middle manager position but as requiring a great deal of development. The odds of his actually being a middle manager were seen as slim.

In the background interview, Smith was extremely open in discussing his problems and hopes in detail. He came across as a loyal, hardworking, highly-motivated person who has a strong desire to do a good job, but he is weak in creativity, initiative, independence, and leadership skills. He appeared to be tenacious and have a high stress tolerance but to be weak in problem analysis. He struck the assessor as being overwhelmed by his job where his efforts are not bearing the fruit he would like. He may well fear for his job given the Division's performance. Delegation seemed weak as was subordinate development. He feels the only way to train is to teach by example. Sensing poor morale, he doesn't know how to improve it.

Smith participated energetically in the exercises and appeared to be intent on doing well. In the group discussion exercises, he showed initiative in starting the group on its task and providing initial organization. His oral communications were somewhat hampered by his use of slang, but in general he spoke in a clear, articulate, fluent manner. His voice was low in volume. On the negative side, he tended to be repetitive in speech and have a great need to summarize and then resummairize. He did not seem overly stressed by MDC.

Unfortunately, Smith's impact on exercise groups was fleeting. Others quickly took control with usually only a minor fight from Smith. Peer and self-ratings indicate he was never recognized as the group leader. His overall contribution was usually in the middle. His principal difficulty in group exercises came from his inability to convince the group. Rather than pursue an argument until he won, he would too quickly give in.

Smith's financial analysis presentation was excellent, but he had several flaws in his analysis. His presentation in the group discussion was weak, and he was unable to convince the group. He was an effective secretary for the group.

Questioning in the "Research Budget" fact-finding exercise was not well-organized but effective. He appeared to find decision-making difficult, but once the decision was made, he stuck to his idea. Slightly nervous, he was not stressed by the resource person.

Writing seemed to be a weak area. Smith's financial presentation was hard to read and disorganized. Similar observations were made about his creative writing assignment, and his in-basket.

In the in-basket exercise, Smith did quite poorly, failing to organize material or set priorities. He did not handle all the material and on several occasions displayed poor judgment.

STRENGTHS

Work Standards Tried hard in every exercise, works very hard on job, does not want to personally settle for less than the best. Was disappointed by own performance as indicated by his self-evaluation.

Intelligence Fast reader, catches on fast.

Corporate Thinking A company man, very loyal.

Integrity Will not compromise convictions, e.g., copy machine discussion.

Energy Active in all exercises.

Stress Tolerance Except for management game, showed little stress.

Interest in Self-Development Welcomes help, worked his way through college, willing to move. (While interest seemed very high, there was some doubt about strength of drive for self-development.)

Level of Aspiration Seems to be unhappy without winning or doing the best possible.

WEAKNESSES

Creativity Not seen in approach to current job or in exercises — nothing shown in creative writing exercise.

Leadership After an initial positive impact, he could not influence group.

Independence In present job, seems to do what his boss wants, same attitude expressed in in-basket where he tended to delegate up and to follow "what boss wants."

Use of Delegation Not effective on job, average in in-basket. He reports he does a lot of "crap" that should be done by subordinates.

Problem Analysis Didn't understand "conglomerate", didn't see many of the major problems in in-basket, background interview indicates a lack of problem definition in job, did not see all facets of Pretzel Company problem.

Financial Analytical Ability Below average on financial problems, e.g., missed opportunity to change product mix.

Range of Interest Seems to be restricted to marketing

Flexibility Seemed to approach every case and every situation the same way (was flexible in accepting ideas of others)

Temper When he did not get his way in compensation committee discussion, he became obstructionist to leader

MIXED FINDINGS

Impact Good first impression — after that would not stand out in a crowd

Oral Communication Skill Fluent, articulate, talks too much, doesn't sell

Oral Presentation Skill Formal presentations good, e.g., financial presentation, informal poor, e.g., group discussion situations. Seems to depend on preparation

Written Communication Skill English ability adequate, very hard to read writing

Salesmanship Except for the formal financial presentation, showed little salesmanship, in the "Compensation Committee" exercise he tried for too much money, didn't convince peers, in group situations could not sell under opposition

Sensitivity Assessors described him variously as sensitive, very sensitive, too sensitive and insensitive during the center. There was a general feeling that he might be soft, e.g., his delay in firing one of his subordinates he admitted should have been fired sooner. He seemed less sensitive to people, problems in in-basket and cases than to needs of individuals in discussion groups where on several occasions he showed good sensitivity and understanding

Tenacity When ego is involved or he feels there is an ethical problem, Smith can be very tenacious, e.g., fighting for doing right by customer regarding the photocopier. On the other hand, he did not follow up on points in group discussions

Management Style Seems to talk a better story than he practices or could be determined from the interview. Expressed concern for "subordinate training" but assessor wondered how effective he is, tends to delegate up—lets people over lead him. Realizes need to be more "tough-minded"

Planning & Organizing Attempted to organize most groups but did not attempt to maintain organization. In-basket organization of work and priorities poor

Management Control Interview indicated some weaknesses in this area. felt Smith would have a tendency to over-control too far down, but in in-basket he did an above average job of controlling, using due dates, etc

Judgment Showed good judgment in marketing-related problems, weak in judgment in other areas

While Smith did poorly in many areas, it was felt that he is definitely trainable. He was seen as needing a lot of support and guidance and a supportive, understanding, fatherly supervisor, but one that would force him to make decisions. It was felt he would develop best in a highly-structured job with slowly increasing planning and organizing responsibility as his skills develop. An assignment at Homewood as a product manager might be good

Some priority development challenges

- management through others
- problem analysis
- organization
- administrative skills

Smith should be easy to communicate with regarding his assessment. He is extremely open and was accurate in his self appraisals. A potential difficulty may be his insecurity causing him to view "help" as a threat

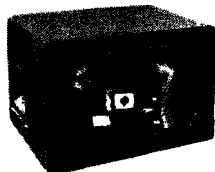
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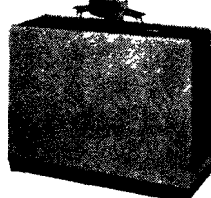


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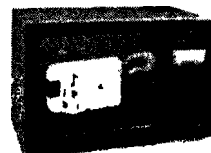
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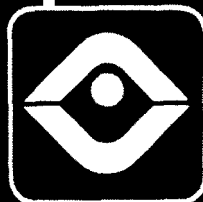
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