

Predictive Assessments: Targeted Development for New Managers

A White Paper by National Seminars Training





Predictive Assessments

Predictive assessments are used worldwide for selection, promotion, retention, leadership development, communication, team building, succession planning, performance management, and increasing productivity and employee satisfaction.

They are designed to help individuals and decision makers understand how a variety of personal attributes (e.g., interests, values, preferences, motivations, aptitudes, and skills) impact potential success and satisfaction with different career options and work environments.

Predictive Assessments: Targeted Development for New Managers

An organization's ability to successfully transition new management talent has never been more important. With the ongoing exodus of retired baby boomers from the work force, the constant demands in a difficult economic climate, and the ever-changing nature of technology and information, getting new managers up to speed quickly and efficiently can be the difference between success and failure.

This is a problem that forward-thinking businesses are trying to solve right now. In 2012 alone, American companies invested over \$156 billion in training and development, with one-eighth of that amount dedicated to managerial and supervisory skill development.¹ And yet, despite this massive investment, an estimated 50 percent of all first-time managers fail!

Why is that? And what can you do as a training director to prevent that failure rate in your organization?

The answer lies in a new way to prepare and develop new managers based on personalized training using **Predictive Assessments**. By utilizing these new predictive assessment tools, organizations are now able to identify specific potential challenges for a new manager. Using that data to craft an individualized development plan, organizations can realize:

- ✓ Lower training costs for new managers
- ✓ Accelerated time frame to prepare new managers
- ✓ Higher new manager success rates
- ✓ Better anticipation of performance challenges
- ✓ More relevant performance reviews and future development conversations

Perhaps never before has an organization's ability to bring new management talent on line quickly been as important. By using predictive testing, you can help ensure that your organization has the management talent it needs to execute both today and tomorrow. **Furthermore, you can do so in a way that fits your training budget, even if you are in a smaller organization.**

This white paper will show you how.

¹ *State of the Industry: 2012*. American Society for Training & Development. 2012.

Every year American businesses spend billions of dollars training new managers. **Yet despite this huge investment, an estimated 50 percent of manager promotions fail.**

Why is this? More importantly, what can you as a training director do about it?

This high failure rate results from inadequate and poorly targeted preparation efforts.

The good news is that **predictive assessments** can help you anticipate where first-time managers are most likely to struggle so you can target training efforts at these potential fail points. Additionally, you can do so **in a way that is affordable to almost any training budget.**

The **benefits to your organization are:**

- ✓ Lowered training cost
- ✓ Accelerated time frame to prepare new managers
- ✓ Higher new-manager success rates
- ✓ Better anticipation of performance challenges
- ✓ More relevant performance reviews

New-Leader Development: A Growing Challenge

On any given day, an estimated 10,000 Baby Boomers exit the work force², vacating management positions that organizations need to fill. Adding to this challenge, the Baby Boomer generation is over 60 percent larger than Generation X³, meaning that U.S. organizations will be looking to Millennials to assume management responsibilities at much earlier stages in their careers than was the case for prior generations.

As the need for new managers continues to rise, so too do the demands on these new managers. Work environments and objectives are fluid and always changing. The shelf life of knowledge continues to shorten, and expectations are higher than ever, whether from customers, superiors, or the employees they manage.



It is useful to remember the extensive cost to a business when a manager fails.

First, there's the replacement cost of the manager, which can be up to 150 percent of the salary.⁴

Second, there is the risk that the new manager's direct reports might be motivated to leave the organization, either during the manager's tenure or in the tumult following the manager's departure.

Third, there is the potential disruption of any strategic initiatives within the work group. A key project could be derailed. Customers could be negatively impacted. In certain work settings, safety could even become compromised.

Finally, even if the manager makes it over the speed bumps in this stage of his or her career, the manager may be left feeling unsupported by the organization during this transition. This, in turn, may leave the manager vulnerable to recruitment efforts from competing organizations.

² Pew Research Center

³ U.S. Census Bureau

⁴ Kurt Krause. "Essential Tools for Success." *T+D*. March 2013.

Don't Confuse Eligibility With Competence

Perhaps the key criterion when determining eligibility for a management promotion is strong performance in a non-management role. However, just because an employee's performance makes him or her eligible to become a manager does not make that employee competent to be a manager. In other words:

ELIGIBILITY ≠ COMPETENCE

By equating eligibility with competence, organizations mistakenly assume that the employee will handle the transition to manager just as adeptly as he or she handled the prior responsibilities. In fact, individuals who can smoothly transition to a first-time manager position without prior preparation and continuing support are extremely rare.

Despite strong prior performance, most new managers will struggle, and the absence of key competencies or the presence of derailing characteristics often doesn't become apparent until these work situations are encountered. Then, in the blink of an eye, this high-potential employee can go from champ to chump.

Today's Typical Preparation for a First-Time Manager

Training industry data, as well as our experience working with hundreds of organizations of various sizes, suggest that organizational approaches to new-manager development tend to one of two extremes.

On one extreme, organizations may promote a high-performing employee into a management position with minimal preparation. In fact, according to a 2011 CareerBuilder survey of 3,910 managers, 58 percent stated that they hadn't received any formal preparation prior to taking on their management responsibilities.⁵

This lack of preparation may come from the assumption that if an individual performed well in the prior position, then he or she will also perform well in the new management role. In other cases, the organization's leaders would like to better prepare the new manager, but don't feel they can spare the resources to properly train him or her.

On the other end of the spectrum, organizations may employ extensive open enrollment (OE) management training programs. These programs often serve as management boot camps where managers across an organization are trained together in a series of standardized classes, workshops, or retreats. Managers may often be taught "all of everything."

These elaborate OE programs are often the domain of larger organizations with extensive training and development resources. It's rare to see smaller organizations that have the training budgets to develop new managers with these types of extensive programs.

The result is that first-time manager development usually takes a dumbbell shape, with minimal or no preparation on one side and the "all of everything" OE approach on the other side.



⁵ <http://www.careerbuilder.com/share/aboutus/pressreleasesdetail.aspx?sd=3%2F28%2F2011&id=pr626&ed=12%2F31%2F2011>

A Dirty Little Secret About Management Training Programs

Many large organizations are rightfully proud of their extensive management development programs and the vast investment they have made in terms of training personnel, curriculum, and facilities.

Here's the catch – participation in these all-encompassing development programs is often limited to individuals from the most high-profile departments in the company. Individuals from lower-profile departments may often be simply overlooked. This unequal distribution of training resources is sadly a fact of life in many organizations.

The good news is that these overlooked departments can enjoy equivalent and even superior development outcomes, and do so at a fraction of the cost and time away from the office.

To learn more about how to do this, read on!

Research dating back to the 1970s has demonstrated that the Universally Effective Manager does not exist. Yet this fallacy continues to drive many open enrollment programs.

The Downside of Trying to Teach It All

Simply throwing first-time managers into the line of fire with no preparation will result in a continuation of high failure rates. What's less obvious is that the more expensive and time-consuming "all of everything" approach also leaves first-time managers vulnerable. Here are a few main reasons why:

Rite of Passage Mentality

Many new managers view their involvement in an open enrollment program as a rite of passage instead of a critical period of preparation. A parallel can be drawn to drivers education – 16-year-olds may view drivers ed as a necessary hurdle to getting behind the wheel, but not to be taken too seriously. New managers with this outlook may be tempted to coast through the program and tune out during the learning modules.

Information Overload

Secondly, in OE "boot camps" the rate of new information presented often exceeds the learner's ability to absorb and assimilate those ideas, causing the learner to shut out the new information being presented or only learn it on a superficial level.

Confirmation Bias

When everybody is taught "all of everything," they will inevitably be exposed to a great deal of information they already know. Research shows that when information and ideas that are already familiar are presented alongside novel ideas and information, the familiar has a strong tendency to drown out that which is novel⁶ and perhaps more critical to the new manager's success.

Vain Pursuit for the "Universally Effective Manager"

Many OE programs overlook the fact that the keys to success (and conversely the keys to not failing) can differ greatly between different individuals in different contexts. This is referred to as the Universally Effective Manager fallacy. Research dating back to the 1970s has demonstrated that the Universally Effective Manager does not exist.⁷ Yet this fallacy continues to drive many OE programs.

Lack of Context

Another reason that OE "boot camps" fail is because the information presented is not sufficiently contextualized in a manner that facilitates its application in the line of fire. Participants may grasp the concepts presented but will often lack a clear understanding of when those concepts should be applied.

⁶ Margit E. Oswald and Stefan Grosjean. "Confirmation Bias." *Cognitive Illusions: A Handbook on Fallacies and Biases in Thinking, Judgement and Memory*. Hove, UK: Psychology Press, 2004.

⁷ Valerie Stewart and Andrew Stewart. *Managing the Manager's Growth*. Gower Press, 1978.

Repeat After Me: “New Managers in My Organization Will Stumble – My Job Is to Make Sure They Don’t Fall”

It’s tempting to believe that we can fully prepare a new manager to shine right out of the gate.

The fact is that much of what new managers need to know can only be learned on the job through trial and error. The key is to make sure the errors made don’t derail the promotion.

Go ahead and admit up front that your new managers will stumble. Your job is to anticipate where they are most likely to falter and make sure they have the preparation and ongoing support so they don’t fall.

Predictive Assessments: Taking the Right Approach

The ideal approach to training first-time managers needs to address each of these shortcomings. It should also do so in a way that is cost- and time-effective. Most importantly, it should anticipate the most probable fail points for the new manager and target development efforts accordingly.

This is a good point to distinguish between promoting a high level of management performance vs. preventing management failure. In a recent thought-provoking column, learning strategist Bob Mosher encouraged training professionals to “lead with survival first and sustainment second.”⁸ In other words, shift the focus from creating management all-stars and instead make sure that new managers avoid the key pitfalls that can lead to failure during this critical transition period.

With that concept in mind, the best strategy to developing new managers would anticipate what management situations are most likely to derail the promotion. In essence, it would be a crystal ball approach to look into the future, see where the new manager will likely stumble, and develop a plan to prevent that breakdown. Then, over time the new manager will be able to develop additional competencies to thrive in his or her new position.

The Magic of Predictive Testing

Here’s the good news – predictive testing can act as a highly reliable crystal ball to identify the specific work situations that will likely create the biggest hang-ups given the individual’s profile and the position he or she is going to assume in the organization.

Armed with this information, you are in position to assign training and create a performance support structure targeted at those specific fail points. You can also monitor the new manager’s performance around these potential fail points. Finally, you can do all of this in a cost-effective manner since you’re only assigning training focused on these key deficiencies.

For the record, “becoming an effective manager” does not count as a specific, achievable goal.

Research shows that creating an individualized action plan around specific, achievable goals is critical to developing successful managers.⁹ For the record, “becoming an effective manager” does not count as a specific, achievable goal. Goals need to target specific competencies.

⁸ Bob Mosher. “Teach Swimming or Prevent Drowning.” *Chief Learning Officer*, March 2013.

⁹ Stefanie K. Johnson, Lauren L. Garrison, Gina Hernez-Broome, John W. Fleenor and Judith L. Steed. “Go for the Goal(s): Relationship Between Goal Setting and Transfer of Training Following Leadership Development.” *Academy of Management Learning & Education*, 2012.

Additionally, new managers receive the targeted training most critical to helping them make it through this key career transition. This helps prevent the “rite of passage” mentality since they know that the training is customized to help them survive the challenging career transition they are undergoing and not just a formality.

The result is high confidence in the new manager’s success in the new position and at an affordable price tag. The adjacent chart outlines the advantages of this approach vs. the traditional undifferentiated open enrollment model.

A recent survey showed that only one-quarter of firms that administer assessments use that data to drive employee development efforts.

	Open Enrollment Approach	Targeted Approach Using Predictive Assessment
Manages “Rite of Passage” Mentality	NO	YES
Prevents Information Overload	NO	YES
Manages Confirmation Bias	NO	YES
Contextualizes Learning	NO	YES
Provides Framework for Future Support and Follow-Up	NO	YES
Is Affordable to All Organizations and Departments	NO	YES
Can Be Implemented in Compressed Time Frame	NO	YES
Anticipates Problems Where They Are Most Likely to Occur	NO	YES

An Overview of Individual Assessments

Large organizations who can afford the cost and the time will often use multiple methods to assess new managers, including the Myers-Briggs, DSC, and 360/Multi-Rater tools. In addition, some organizations may even invest in multiday simulations observed by organizational psychologists.

If this sounds expensive and time-consuming, that’s because it is. Smaller organizations and lower-profile departments simply lack the resources to match this depth of assessment.

Interpreting the data and creating an actionable development plan for the new manager takes more time and money. Yet, without creating an actionable development plan, the insights gained, while interesting, are essentially useless in preparing the new manager for success. Nevertheless, a recent survey showed that only one-quarter of firms that administer assessments use that data to drive employee development efforts.¹⁰

¹⁰ Jazmine Boatman and Scott Erker. *Know More. Guess Less. Global Selection Forecast 2012*. Development Dimensions International, Inc., 2012.

Work-Style Preference Assessments: The Faster, Cheaper Option

Fortunately, new assessment tools can generate equally useful data at a fraction of the cost and time investment. Moreover, the data generated by these assessments is easy to interpret and readily actionable.

A work-style preference assessment asks the client to stack rank his or her preference of various types of work assignments in comparison with other work assignments. As this stack ranking is repeated, a clear picture crystallizes of what particular types of operating environments and job functions the individual feels most comfortable in. Conversely, a clear picture emerges of what work situations that individual will have a strong aversion toward.

The resulting data can then be compared to the preference profiles of established managers to see what types of work situations will likely be the most challenging for your first-time manager. Specific situations might include (but not be limited to) the following:



While people are limited in the ability to objectively judge what they know or can do, they are highly accurate when it comes to assessing what they like to do and don't like to do.

- ✓ Dealing with conflict
- ✓ Managing stress
- ✓ Coping with uncertainty
- ✓ Making important decisions
- ✓ Communicating with appropriate candor
- ✓ Communicating with diplomacy
- ✓ Asking for help or additional resources
- ✓ Delivering bad news or having difficult conversations
- ✓ Delegating

Using this data, you and the new manager can go in eyes wide open with a targeted plan in pocket for any training as well as for follow-up support and monitoring. Moreover, the new manager can be assessed at future points to see both where he or she has grown and what new opportunities for growth should be pursued.

Why Work-Style Preference Works

Much research has been published calling into question the validity of data from self-assessment instruments in which the individual gives him- or herself an absolute score in terms of knowledge or competency.

However, by asking individuals to rank various work situations relative to one another, work-style preference tests can generate a more accurate picture of the individual than other absolute score self-assessments. The reason is that while people are limited in their ability to objectively judge what they know or can do, they are generally highly accurate when it comes to assessing what they like to do and don't like to do.

Why does it matter what they like to do relative to other activities? Put short and sweet – people tend to like doing things they (1) know how to do, (2) tend to do well, and (3) have a measure of confidence in. The converse is also true. How strong is this tendency? Research shows that work-style preference tests can have up to an 80 to 95 percent accuracy rate when predicting actual future work performance.¹¹

Two Birds With One Stone: From Preparation to Performance Evaluation

Beyond the benefits related to preparing a new manager, an additional advantage of using a predictive assessment to build a development plan is that it builds in clear criteria for future performance evaluations. Since development milestones are expressly laid out, the groundwork is already laid for a productive performance review conversation.

An Illustration: Heather's Story

Let's look at an example. Heather is a first-time manager in your organization. Her work-style preference assessment shows a strong aversion for managing conflict and a high preference for activities that involve serving or pleasing others.

That data suggests that Heather is apt to struggle when it comes to having unpleasant conversations, establishing rules, disciplining, and so on. This, in turn, could cause a variety of problems, such as allowing discipline problems to continue unchecked, lowered productivity, and low morale in the work group. Left unchecked, these situations could eventually derail her promotion.

Armed with this data, you now have many options at your disposal to target these potential derailers and prevent them from becoming fail points. You can provide training, coaching, and practice opportunities and arrange for additional support in specific higher-risk work situations. You will also be in a position to monitor Heather in these challenging work situations.

Does all this mean that Heather's aversion to conflict will completely vanish? Not necessarily, but if you can keep Heather from drowning, over time she can learn how to swim. Additionally, the support your organization shows Heather in this transition will positively demonstrate its commitment to her success.

That being said, you can't do anything if you don't know about the problem – this makes these assessment tools so invaluable.

¹¹ "Getting Value from Psychometric Testing: The Harrison Assessment, Leadership Skills and Emotional Intelligence." *The Business & Financial Times*. October 5, 2011.

The Bottom Line

While a first-time manager's success is never a sure thing, you can mitigate uncertainty by using work-style preference assessments to anticipate where performance challenges are most likely to occur. This way, resources can be focused on the right problems instead of spread too thin. You can also realize the additional benefits:

A Word on Common Sense ...

No assessment is perfect, and while accuracy rates are high, there still is a margin of error. This is where common sense comes in. It is incumbent to examine the results and see if they do, in fact, make sense.

Also, it's a great best practice to look at the culture in addition to the individual. W. Edwards Deming once said, "Put a good person in a bad system and the bad system wins, no contest."

Does the organization expect perfection? Will the culture support the new manager's growth through trial and error? Does the culture support bringing out mistakes into the open without focusing on blame?

By making sure that culture is aligned with the individual's development efforts, you can help the new manager fall forward and not flunk out.

- ✓ Lower training costs for new managers
- ✓ Accelerated time frame to prepare new managers
- ✓ Higher new-manager success rates
- ✓ Better anticipation of performance challenges
- ✓ More relevant performance reviews and future development conversations

The coming decade will be a fight for talent. Winning organizations will be the ones that can attract, retain, and develop it. Your ability to help train crucially needed new managers will pay big dividends for the managers and organization you serve and for your own career. While this white paper has explored a lot of questions, only you can answer this last question – when are you going to get started?

Appendix A: The Complete Learning Center Model

While an effective training program will be anchored with a dynamic IDP system, it can't end there. The training director needs to take a big-picture view, recognize the other tools in the toolbox, and analyze how to best apply each tool for optimal training program results. That's where the *Complete Learning Center* model comes in.

Whether it's declining revenues, increasing complexity, or changes in work-force demographics, organizations face unprecedented challenges in work-force development. Powerful new technology promises solutions, but how do you pick the right approach, and can you even afford it? On top of it all, attention from the executive suite is higher than ever.

It's easy to fall into "flavor of the month" thinking either in terms of a specific challenge or a solution. But in doing so, you lose sight of the big picture and risk committing to a strategy that may be ineffective, narrowly focused, or inflexible, thereby costing your organization time, money, and the frustration of unmet expectations.

This also leaves you vulnerable. By focusing in a reactive manner on putting out the most pressing fire, you can't respond to the challenge that may be coming in from the side, nor plan how to deal with ones that are coming in the future.

Consider this quote from CLO Jeffrey Vargas: "In this business you have to be both focused and flexible. There are no absolutes in the learning world; at any time, funding profiles can change or mission priorities may be enhanced, so your success is based, in part, on your ability to adapt to change."¹²

This necessity of adapting to change is what drives the need for a new model for keeping your training program in proper balance so that you anticipate changes, respond to them, and deliver the needed training results for your organization. The *Complete Learning Center* model was developed in order to help you find and maintain that critical balance in your training strategy.

The model incorporates best practices of training program managers as observed by organizational research, industry journals, proprietary surveys, and our nearly 30 years of experience in working with clients across all industries.

By employing a new model for training and development, the *Complete Learning Center*, you can position your organization to generate opportunity out of the current challenges you face and be well-positioned to respond to future shifts in demographics, technology, and municipal initiatives. Furthermore, the *Complete Learning Center* model can help you identify multiple areas for improvement and enhancement in your training program, allowing you to harvest low-hanging fruit while planting seeds for tomorrow.

The Complete Learning Center Model



For more information on the Complete Learning Center Model – please visit NationalSeminarsTraining.com/completelearningcenter.

¹² T+D, February 2012.

About Us

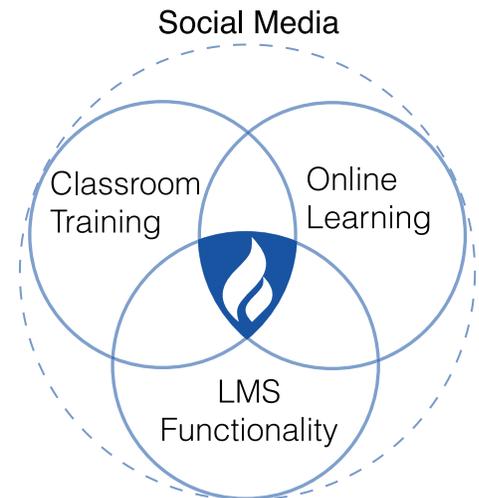
For almost 30 years, National Seminars Training has been one of the nation’s leading providers of employee training and development solutions to companies and organizations across North America. Our focus is on providing interactive, skill-building learning solutions for businesses, nonprofit organizations, and government agencies to close knowledge gaps and address specific performance challenges – for performance improvement that lasts.

The experience and versatility of our staff enables us to help clients in a variety of industry sectors including:

- Corporate administration
- Manufacturing
- Federal, state, and local government
- Insurance
- Construction
- Financial services and banking
- Higher education
- Health care
- Retail
- Not-for-profit

Our mission is to provide the results-producing training you need, when and where you need it, that is cost-effective to you and your organization. In the past year alone, we’ve provided more than 6,000 seminars ... 300 webinars ... more than 2,500 on-site training days ... and more than 75,000 All-Access Training Passes.

Our offering of Classroom Training, Online Learning, LMS Functionality, and Social Media solutions allows us to provide *Complete Learning Center* solutions for our partners, including the following:



For more information on the Complete Learning Center Model – please visit NationalSeminarsTraining.com/completelearningcenter.

To speak to one of our training consultants about how you can build a *Complete Learning Center* for your organization, please call **1-800-344-4613**, or visit **www.NationalSeminarsTraining.com**.