Introduction to LeadershipLAB:
A Competency Based Executive Development Program

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Abstract. This paper aims to introduce Leadership Laboratory (LeadershipLAB) as a new idea to improve current executive development approaches in industries and organizations. LeadershipLAB is a combination of the assessment centre (AC) program and discussion of the assessment results during feedback sessions, which were done repeatedly in a controlled situation to enhance the managerial competencies of the participants. The paper will first explain the course of actions in the LeadershipLAB such as general preview of the related competencies, conducting simulations and interview sessions, delivering general as well as individual feedback sessions, and writing individual progress reports. Then it will be completed by a case study on the 2nd and 3rd managerial level in a local government organization in Indonesia. The top leadership's trust in using the LeadershipLAB was quite high and participants who showed progress in the LeadershipLAB tend to stay in their current position or rise to a higher position.

Keywords: assessment centre, success criteria, competency, key behaviour, simulation (exercise), assessor, and assessee.

Abstrak. Tulisan ini bermaksud memperkenalkan Laboratorium Kepemimpinan (LeadershipLAB) sebagai sebuah gagasan baru untuk memperbaiki berbagai metode pengembangan eksekutif saat ini. LeadershipLAB merupakan kombinasi dari program *Assessment Centre (AC)* dan mengonsultasikan hasilnya dengan partisipan melalui sesi-sesi balikan. Proses ini dilakukan berulang dalam situasi terkontrol untuk meningkatkan kompetensi manajerial mereka. Pertama-tama tulisan ini akan menjelaskan langkah-langkah tindakan di dalam LeadershipLAB seperti pembahasan umum tentang kompetensi yang berkaitan dengan target jabatan, melakukan simulasi dan sesi-sesi wawancara, menyampaikan balikan baik secara umum maupun individual serta menyusun laporan perkembangan partisipan yang dilakukan oleh *assessor* terlatih. Selanjutnya artikel ini akan dilengkapi dengan studi kasus pada eselon 2 dan 3 di salah satu organisasi pemerintahan kabupaten di Indonesia. Keyakinan pimpinan puncak (bupati dan jajarannya) akan hasil LeadershipLAB tergolong cukup tinggi. Partisipan yang menunjukkan perkembangan pada LeadershipLAB cenderung bertahan pada jabatannya atau dipromosikan ke jabatan yang lebih tinggi.

Kata kunci: *assessment centre*, kriteria sukses, kompetensi, perilaku kunci, simulasi, *assessor*, dan partisipan.

Competencies have become the leading construct in many different human resource practices, such as recruitment and selection, career development, performance management, and the management of change (Heinsman, de Hoogh, Koopman, & van Muijen, 2007). For the last 35 years this concept has been used for diagnosing, mapping, and developing various aspects of human resources in companies and organizations. The application of the competency model is very important considering the instability and unpredictability of changes in the business world. Change requires managers, employees, as well as professionals suitable with the competency model; they are required to work faster and significantly contribute to the organization.

The biggest challenge for HRD management is the requirement to be involved in activities which directly contribute to the competitive ability of the company. It requires a competency model instrument that is continuously developed, revised, and renewed. The construction of a competency model

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which is contextually appropriate will help the managers and staff to perform optimally. Competencies and competency models have been helpful in determining and understanding leadership effectiveness. In assessing the competencies of executives, psychologists have to focus on those underlying constructs that lead to positive outcomes such as high job performance, low turnover, job satisfaction and so forth (Hollenbeck, McCall, & Silzer, 2006). The competency model can be used as a framework for the HRD management to assess individual competencies of individuals in the selection process, placement, promotion, as well as rotation for the purpose of staff development. Competency models are also very helpful for individuals and organizations in making a performance improvement and in enhancing productivity.

As long as competency can be communicated effectively, the concept and the operation can be taught, assessed, and monitored. Therefore, a comprehensive program for self development can be designed, especially for executives, based on the competency model. The scheme is aligned with the evolution of assessment centre technology from the early selection centre to the new development centres (Engelbrecht & Fischer, 1995). The Leadership Laboratory (LeadershipLAB) is an example of a competency based executive development program. LeadershipLAB was adopted from several medical examination laboratories that were usually used in physical health determination. The result of this examination was used to give patients preventive and curative suggestions. The author became interested in using this term when discussing the designing of an Executive Development Program in a government organization with a client. Based on the given explanation, the client understood it in terms of training and laboratory. The LeadershipLAB term has been used ever since.

Most research has been done on executive competencies assessment program or assessment centre used for selection purposes but seems to be under-researched for executive development (Thornton & Rupp, 2005). This article hopes to introduce and demonstrate how to apply a competency model through LeadershipLAB as a method that has successfully developed the effectiveness of HRD management. Besides theoretical and procedural justification, the practical application is presented.

Conceptual Framework

Competencies are the key concept of the LeadershipLAB program. During the whole program, competencies are used as "programming language" and the framework for everyone involved in it. The term competency was introduced for the first time by David McClelland, an industrial psychologist, to develop staff as an endeavor to improve performance of the employees. McClelland published his paper entitled: *"Testing for Competency rather than Intelligence"* which revealed the background and the concept of competency in modern psychology (Siswanto, 2003). This concept stimulated research that constructed a competency-based method to develop professional and individual abilities in the work place.

L.M. Spencer and S.M. Spencer (1993, p. 9) defines competency as "*an underlying characteristic of the individual that is causally related to criterion-referenced effective and/or superior performance in a job or situation*". As an underlying characteristic of the individual, competency is a part of individual personality relatively deep and stable which can be observed and measured through individual behaviours in the work setting or other settings. Therefore, competency indicates one's ability to behave consistently in various situations during a certain period of time, and not randomly present. Competency is a predictor and is an empirically proven cause of success.

A competency is a construct that is defined in relation to its significance for performance at work. It is the repertoire of capabilities, activities, processes, and responses available that enable a range of work demands to be met more effectively by some people than by others (Kurz & Bartram, 2002). Unconsciously, one's action or behaviour emerges from intention to do something stimulated and influenced by motive, self concept, character, hereditary factor, and descriptive knowledge of the individual. The intention drives one's action; the action in accordance to the requirements of the position/job or task the individual is handling based on the skill he or she possesses. The skills will lead to performance, the basis for performance evaluation. This model explains that competency is in the level of intention and action that give outcome in the work place. In other words, any intentions and actions which do not give outcomes can not be categorized as competency.

Some examples of competencies listed in Development Dimensions International (DDI) (2004) are: Analytical Thinking, Information Seeking, Communication, and Developing Others. In practical terms, competency is operationally defined as a set of best behaviours which relate to one another and support individual performance in doing his/her job in a certain position. Therefore, to be able to measure and communicate, a competency has to be operationally described. For example:

Developing Others (DO)

Developing Others (DO) is the ability to develop subordinates or others and to use various methods to improve their ability to do their jobs well, both for immediate need and for future responsibilities. DO is also the ability to develop subordinates or others in line with the strengths and weaknesses of the individual.

Key behaviour. Understand the needs of work competency in order to complete the task with good results; analyze and evaluate work competency of staff at a particular time; anticipate work competency of the staff for the future in line with the development of the organization/company; construct Career Development Program; suggest Training Needs Analysis; design Training Programs; suggest the need for Individual Performance Appraisal.

Based on the above description, individual competency is implicative. In order to clearly communicate, the conceptual definitions of competencies must be reduced to operational definitions. Considering that the concept and its operationalization focus on behaviour, competency is trainable. These assumptions have been the foundational thinking of the LeadershipLAB program. The main references of LeadershipLAB are competency standards for target jobs in an organization.

LeadershipLAB is similar but not exactly the same as the previous concepts of Post-Assessment Centre Program or Developmental Assessment Centre (DAC). These concepts all use simulations, behaviour observation, and feedback as main techniques. Boehm (1985) identifies five applications for the DAC technique in management development: the feedback session, the early identification of managerial talent, the identification of managerial strengths and developmental areas, observer training and ex-

perience, and the Assessment Centre (AC). These five applications are all found in LeadershipLAB but there are more detailed and customized methods which are applied, such as using job related simulations as tools to improve competencies, producing progress reports which can be used by the decision maker, and giving behavioural rather than work performance feedback.

LeadershipLAB is a combination of individual examination in AC program and discussion of the result of AC in feedback sessions which are repeated in at least two sessions. Thus the LeadershipLAB program can demonstrate the progress of the competency development of each candidate. AC does not refer to physical location; instead it is a multiple approach, a method, or a technique of assessing individual potential to handle future responsibilities through the use of behavioural simulations that measure an assessor's abilities against criteria of managerial effectiveness (Thornton, 1991). Therefore LeadershipLAB is defined as a collection of workplace significant situations as simulation exercises which provide the individual with relevant managerial practices and the opportunity to have feedback and coaching sessions from behavioural experts on a set of developable competencies found to be critical for their professional success.

The feedback sessions are face to face interactions between trained assessors and individuals to discuss his or her performance during the process of assessment centre; and to relate it with the target job. Feedback sessions apply counselling approach, especially behavioural approach which requires skills and training. The feedback sessions are aimed to provide insight, formulate development strategies, and convert self-diagnosis into performance (Engelbrecht & Fischer, 1995). Feedback is used to plan subsequent development experiences which are given at multiple points within the program and used as a basis for active learning and development as participants work through subsequent sets of exercises. Research showed that more favourable feedbacks were related to higher behavioural engagement (Woo, Sims, Rupp, & Gibsons, 2008).

AC as a method is better than traditional interview, which depends upon the skill and opinion of one or two interviewers as well as the honesty and objectivity of the candidate. Table 1 shows the results of a study conducted by the Development Dimensi-

Table 1
Validity Comparison of the Various Assessment Methods (DDI, 2004)

	Average Validity
A. Assessment Centres	0.54 to 0.76
B. Intelligence Tests	0.38 to 0.54
C. Work Sample Tests	0.41 to 0.54
D. Peer Ratings	0.41 to 0.43
E. Work History	0.24 to 0.38
F. Interviews	0.15 to 0.36
G. Personality Tests	0.15 to 0.26
H. Reference Checks	0.14 to 0.26
I. Training Ratings	0.13 to 0.15
J. Self Ratings	0.10 to 0.15
K. Education/GPA	0.10 to 0.15
L. Interests/Values	0.10 to 0.15
M. Age	0.00 to 0.10

ons International (DDI, 2004) that has been actively providing consultation and contracts in human resource development. The result compares different methods of assessment of individual competency.

In LeadershipLAB, several participants take part in a series of exercises, simulations, and/or tests observed by a number of trained assessors. Simulations and tests are specially designed and constructed to relate to the target job. Performances are assessed based on standard competencies or determined factors (Strudwick, 2002). LeadershipLAB focuses on developing the individual in his or her current and future job so that the output will be a progress report and several feedbacks or counselling sessions which comprehensively relate to the objectives. The progress report can be used by top management to evaluate the executive staff.

Method

Procedure

LeadershipLAB program begins with a process called *Identifying Criteria for Success* (ICS). This process consists of a survey using interview and questionnaires geared towards the significant parties which help decide a competencies list as the success criteria of the individuals for a certain target job. Significant parties are executives or former executives considered successful in handling the target job, superiors, top level management, staff or subordinates in the target job. The intentions of this initial process are to determine a competency profile for the target job, which needs to be confirmed with top level management. An important objective of early identification programs is the acquisition of valid information to guide the use of development resources (Thornton & Byham, 1982).

The goal of the LeadershipLAB is to provide the participants with detailed feedback regarding their strengths and development needs on a predetermined set of competencies or dimensions through the job related simulation (Woo, Sims, Rupp, & Gibsons, 2008). Thus the next step in preparing Leadership LAB is to determine customized simulations and to design materials or problems—also known as designing exercises. The organization is thouroughly analyzed and a survey is conducted at the same level position as the target job. This step does not really require technical skills. Actual problems in the position are used as a *simulator* with various relevant materials and problems. Simulation tools (exercises) which have been designed are re-evaluated by confirming with top level management with regard to its relevance to the constructed exercise. When possible, a trial can be conducted with a former executive considered successful in the target job in order to obtain a description of the *cause of action* (COA). After the validation process, the Leadership LAB program is ready to be implemented.

Several days before the program, the assessors convene to gather information regarding the background of the target position, organization, competency list, materials, and *exercise problems*, as well as the technical issues in conducting the program. For the sake of the quality of the program, six participants will be observed by two to three certified *assessors*. The assessors were trained to observe, to record, to categorize, to evaluate, and to discuss the behaviour of participants which manifest during the LeadershipLAB program (Boehm, 1985). In practice, assessors are introduced to the participants, the objectives, as well as the expectations of the participants.

One of the essences of the LeadershipLAB program is that as the individual participates in exercises, simulations, and tests, the main element of the target job is taken into account. Job simulation and individual observation provide behavioural evidences specific enough to diagnose the strengths and the weaknesses of participants with regard to the target job. Deep job analysis provides different jobs and situations which are common in the target job. Simulations are designed based on the task and situation relevant to the target job, then summarized in a competency profile of the job position. This program takes one to three days depending on the number of *exercises* and the competencies to be measured.

The basic function of simulation in the Leadership LAB is to simulate behaviours which are relevant to the target job. Simulations which do not allow candidates to demonstrate required skills are excluded. Simulations can be exercises which are written by specific organizations, exercises which are adopted from real situations, or a combination of both. They each have unique advantages and disadvantages. Types of simulation which are commonly used in the LeadershipLAB program are:

1. Leaderless Group Discussion (LGD). In LGD, the candidates work together, ideally in a group of four to seven. The simulation is designed to allow the assessor to observe how the candidates behave during a problem solving exercise as well as during interaction.
2. Oral Presentation. The candidate, individually, is asked to give a brief presentation about a particular issue in front of assessors and other candidates. At the end of the presentation, the assessor and other candidates are given time to ask questions.
3. One-on-one Exercises. There are several types of one-on-one exercises, the most common of which are interview simulation, fact finding, and presentation.
4. Written Exercises. The candidates are given descriptive or numerical data pertaining to certain problems or issues. The candidates are to analyze the problem individually, then to present the solution or recommendation in a written deposition or memo. This exercise can be given as problem analysis or In-tray (In-Basket) exercises. The In-tray (In-Basket) exercises are specifically used to stimulate the administrative aspect of the job, such as mailings, memos, notes, or phone messages which are associated with a particular target job level.
5. Scheduling exercise, the candidate is asked to make a schedule of tasks and problem solving exercises for a working unit based on available resources.

In an attempt to complete the observation results of the simulation, LeadershipLAB often uses competency-based interview, personality inventory, and other psychometric tests. The administration and interpretation of psychometric instruments requires psychodiagnostic skills and specialized knowledge. Like simulations, the tests or inventories should be relevant to the successful performance of the target job.

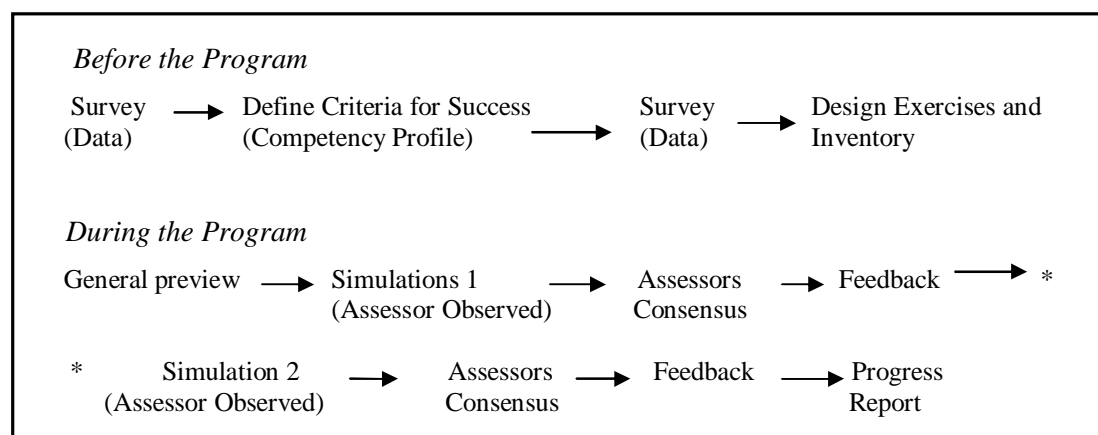Any kind of behaviour exhibited by the participants discussed by the assessors should be referred to the

Figure 1. The complete procedure of the LeadershipLAB program

behavioural indicators in each measured competency. In this session, there will be consensus regarding evaluation of the competency level of the participants. The results of consensus will be conveyed by the assessors to the participants in the *face-to-face* feedback session. In this session, the participants and the assessors will discuss description of strength areas as well as the areas and the steps which need to be further developed. Information generated during the program is used primarily for identifying managerial strengths and weaknesses which can be shown by the candidate's rating and observable behaviour descriptions for each competency or dimension (Engelbrecht & Fischer, 1995). The information is discussed among the assessors and the results will be conveyed to the participant during the feedback sessions (Jansen & Vinkenburg, 2006).

One of the unique characteristics of this program is the simulation and feedback process, which is conducted repeatedly in a series of program activities. The changes in behaviour can be directly observed by the assessors and the candidates since the approach is behavioural. At the end, the permanent changes of behaviour are reported by the assessors in an ad-hoc description of each competency cluster and the behavioural dynamics in an overall *summary*. The complete procedure of the LeadershipLAB program is best described in the figure 1.

Case Study

Civil Employee Affairs (CEA) published Standard Competency Guide for Civil Employees in government organizations. Among them are: integrity, leadership, planning and organizing, cooperation and flexibility, as well as technical competency which is required in specific jobs (Puslitbang BKN, 2003). Based on natural and cultural adjustments, one local government organization in Indonesia implemented *Identifying Criteria for Success* (ICS) for 2nd and 3rd managerial levels and found the list of competencies as follows: *Leadership, Communication, Impact, Sensitivity, Organizational Vision, Decision Making, Analysis, Initiative, Ability to Learn, Delegation, Planning and Organizing, and Control.*

LeadershipLAB was implemented in order to check and develop each competency in 20 persons at the second managerial level and 40 persons at the third

managerial level in this local government organization. This activity began with a general preview about competency and basic managerial behaviour, the AC program with LGD-NA simulation, *In Tray Exercise*, and an interview which was done by a trained assessor. After discussion with other assessors, the result was given to the participants in general or to the individual in *feedback* sessions. The next session was LGD-A simulation, *Scheduling Exercise*, and interview. The results were also given to the participants in a *feedback* session. Program evaluation was written by the assessors in an *Individual Progress Report*. Simulations or *exercises* which were used were customized programs based on the job demands of 2nd and 3rd managerial levels in this local government organization.

Kirkpatrick in 1979 proposed four levels for evaluating development programs, namely reaction, learning, behaviour, and result (Tannenbaum & Yulk, 1992). The first three levels can be seen from the LeadershipLAB process through behavioural observations, feedback sessions, and the progress report. The fourth level was anticipated with the post-program study. After one year, 10 participants (50%) at the 2nd managerial level who showed progress in LeadershipLAB stayed in their positions, 5 persons (25%) at the 2nd managerial echelon who did not show progress also stayed in the same positions, while the other 5 (25%) were replaced by a new manager. Five participants (12,5%) at the 3rd managerial level who showed progress in LeadershipLAB were promoted to the 2nd level position, 7 persons (17,5%) were prepared for the 2nd level position as the result of restructuring, and 12 persons (30%) stayed in the same position. Seven participants (17,5%) at the 3rd managerial level who did not show progress in LeadershipLAB stayed at the 3rd level position, and 9 persons (22,5%) were replaced by new staff.

Summary

Individual development in LeadershipLAB program refers to the successful criteria of a target job that is formulated in a competencies list. Each competency has behavioural indicators which are concrete and operational. The concrete and operational behavioural indicators make it possible for the competency to be assessed, to be communicated, and to be

trained in the LeadershipLAB program. The process of assessment is conducted with the principles of *multiple exercises* through *simulations*, *multiple assessors and assesses*, and *multiple competencies*. The competencies list and behavioural indicators are based on survey results or representation of work behaviour of the *top performer* of the target job. Based on practical experience, it can be concluded that the level of trust of the top management authorized in using the LeadershipLAB is very significant. Participants who made progress in the LeadershipLAB are most likely to stay in their position or to be promoted to a higher position.

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