

Playing Games with Leadership:

How Business Simulations and Games Are Growing Tomorrow's Leaders



Executive Summary

Surveying today's business environment reveals several key facts:

- **Leadership Is Lifeblood.** Great companies are driven by great leadership from the boardroom down to the front lines of the organization. General Electric's success owes a lot to great leaders like Jack Welch, but significantly more of that success has to do with the GE leadership development engine.
- **Demographic Chasm Presents Great Risks.** Businesses are facing a demographic time bomb—the retiring of baby boomers—that is beginning to affect the ranks of senior management at global corporations. New generations of leaders must be cultivated to replace retiring baby boomers.
- **Traditional Training Has Many Shortcomings.** Many leadership development efforts fail. While there are myriad reasons for this, the format of the training that participants receive is most culpable. A recent study¹ revealed that management learning programs that use simulations provide significantly improved leadership competencies compared to those that use traditional learning methods.

This white paper will speak to how organizations can better use advances in simulation technology as part of their leadership development efforts.

New Approaches

Leadership training is in vogue at seminars and company meetings around the world. Consultants, authors, and celebrities collect ever-increasing fees for speeches about leadership. According to a survey in Training Magazine, 21 percent of training expenditures was allocated to management training or executive development.² And corporations are eager to pay because, with a shrinking talent pool, they are in a bind to figure out how to turn the current generation of managers into leaders.

Yet traditional leadership training is falling short in providing an environment in which people can truly change behaviors. Too often, participants leave training programs with no insight into their leadership style, their strengths and weaknesses, or concrete ways to apply what they have learned in their daily lives.

Seasoned HR managers can describe many such initiatives: thought leaders or motivational speakers whose speeches lack context and fail to reach the audience; academic programs that provide frameworks but no actionable advice; and trust-building activities that offer fun but lend little insight to change behavior.

Yet all of us know that we have changed our behavior at certain points in our professional careers and personal lives. Pivotal moments—a difficult performance review, for example, or an unpopular decision that turned out to be the right call—have shaped how we think and act and have made us better leaders and managers. If these experiences are so powerful, couldn't they be used to allow us to learn—in a visceral sense—how to act, think, and make better decisions as leaders?

Computer-based Leadership Simulations

Computer-based leadership simulations are now trying to replicate those kinds of experiences and have seen an increase in popularity in recent years. Advances in game design and more readily available access to technology have made leadership simulations more desirable training tools. Earlier simulations played in business schools and corporate training rooms were often primitive affairs with poker chips and index cards. These tools were generally better at teaching high-level concepts than nuance. In contrast, newer computer-based simulations can teach the subtleties of leadership through carefully engineered events, decision points, and conflicts.

¹ <http://sbaweb.wayne.edu/~absel/bkl/.%5Cvol32%5C32bb.pdf>

² Training Magazine, November/December 2007

Takeaways:

- Traditional leadership training is falling short in providing an environment in which people can truly change behaviors
- Computer-based leadership simulations replicate pivotal experiences
- Feedback and reflection on key experiences and moments—and the ability to try again after failed attempts—can lead to true improvements in behavior

The new simulations mix elements from strategy board games, video games, and even reality TV (think of competitive shows like “The Apprentice”). They allow participants to go through immersive, rich, and relevant experiences in ways that have not been possible before. Sometimes spanning multiple days, the new simulations throw learners into unexpected territory—facing problems that can range from benefits decisions to terrorist threats— and allow them to practice their leadership skills in difficult real-world situations.

Even more important, unlike traditional simulations, computer-based simulations are able to record choices that participants have made, allowing for facilitators and leadership coaches to give meaningful after-action debriefings and personalized feedback.

Computer-based simulations succeed where lectures and discussions struggle—in changing patterns of behavior. For example, managers who are non-confrontational can be immersed in a situation that requires them to practice assertiveness. An inexperienced manager sends out conflicting or unclear messages to the team—and learns through feedback how his or her behavior contributed to the team’s failure to perform. Participants can analyze which words have resonated with their teams and which have led to confusion. Feedback and reflection on key experiences and moments—and the ability to try again after failed attempts—can lead to true improvements in behavior.

Awareness and Courage: The Mark of a True Leader

In order for this type of innovative leadership training to work, however, four essential components must be present:

1. Leadership itself needs to be clearly defined in the context of the organization. What are the current competencies of leaders at different levels of the organization, and what do they need to be?
2. Appropriate tools for self-awareness and insight need to precede the training. Just throwing someone into a simulation (unless the goal of the simulation is to create self-awareness) is not going to help a learner improve.
3. The simulation experiences need to be carefully engineered so that sequences of events immerse participants in complex, meaningful, real-life situations.
4. The experience needs to be cemented with adequate follow-up and coaching.

A Clear Definition

Each organization needs to apply frameworks to their specific organizational needs: a leader at the US Army does not need to behave the same way as a leader at Google. Too often, however, organizations lack a clear definition of effective leadership within the context of their culture and mission. Without such a definition, training programs are a shot in the dark, and as a result, leadership tends to be defined by innate dispositions—optimism, integrity, charisma—rather than concrete behavior that can be practiced.

There are many relevant leadership frameworks that can help define leadership for an organization. For example, MIT uses a framework called the Distributed Leadership Model¹ that divides leadership into four components: sense-making, visioning, relating,

¹ <http://sloanleadership.mit.edu/r-dlm.php>

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and inventing. The model then explains how those components need to be distributed throughout an organization. Applying appropriate frameworks to an organizational culture and structure is the first step to a successful simulation training program. By doing so, you provide participants and facilitators with a common framework to understand and talk about competencies.

Self-awareness and Assessment

Self-knowledge is often cited as the single most important factor in effective leadership. Becoming more acutely aware of one's strengths and weaknesses allows one to better communicate, delegate, and lead. But this is more easily said than done.

In the real world, individuals rarely have the opportunity to receive extensive feedback or fully understand how others perceive them. Successful leadership programs give people honest, productive assessments and feedback. They allow participants to learn from each other and become more aware of their areas of strength and development needs.

Leadership programs need to provide learners with the time, tools, and environment to help them gain a comprehensive, accurate view of themselves, set personal development goals, and begin working toward them.

Meaningful Simulations

Self-assessments, however, can only go so far in changing behavior. In order for learners to apply new insights in their daily lives, they need to be placed in situations where that application is practiced. Effective simulations allow participants to practice new behavior and test their boundaries in environments that replicate real-world challenges without real-world consequences.

Simulations need to be carefully engineered to enable effective learning. A leadership simulation in which only a handful of people can make tough leadership decisions while others wait is not a meaningful experience for all participants. Only when a fun, challenging, and meaningful environment for all participants is established and decision points are carefully scripted and debriefed will learning occur.

Effective simulation design can lead to successful experiential learning and creative exploration that inspires learners, revitalizes them, and equips them to change patterns of behavior.

Follow-up and Actionable Items

Even the most insightful assessments and simulation experiences will be quickly forgotten if they are not followed up with action plans, coaching, mentoring, communities of practice, and other programs that reach into the daily lives of participants.

Lack of follow-through, coaching, and mentoring is often cited as one of the most significant problems of current leadership programs. Even the most powerful learning experience will lose impact without a careful plan to reinforce the lessons learned in the training environment over a designated period of weeks and months after the training intervention.

Five Tips for Building a Business Simulation into Your Leadership Programs

1. Choose a Simulation that Is Built to Your Learning Needs. There are a number of popular business simulations; good ones focus on specific learning outcomes. For instance, a general marketing strategy simulation might not be a good fit for teaching finance or leadership. For specific learning objectives, look for a simulation that can be "tailored" to different learning topics.

2. Don't Expect the Simulation to Facilitate Itself. Simulations can be powerful experiences in and of themselves, but they also can turbocharge a classroom-based learning experience. Key to this is strong facilitation. A good facilitator is able to draw lessons out of participant interactions and connect simulation performance to business strategy. Even if you plan to use professional facilitators, try to get an executive or other senior company leader involved in the experience.

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3. Choose a Solution for the Right Level of Leadership. Participants' simulation experience should be tailored to their career development. New managers might need a simulation that delves into basic skills like reading a financial statement and delegation. Senior executives, however, have different learning objectives and therefore need different simulation learning experiences.

4. Make Sure that Everyone Is Engaged in the Simulation. Many simulations that are "team-based" put a group of 4 to 6 players around a single computer. During early stages of the simulation, everyone is engaged. What often happens, however, is that by the end of the experience, one person is making all of the decisions, one person is entering them into the computer, and everyone else is actively disengaged. Choose a simulation that encourages—or even requires—complete team engagement.

5. Create a Compelling Backstory. At times, simulations require participants to step outside their safety zones and enter a space where they learn by making mistakes. This can result in participants resisting the experience. A great way to prevent resistance and foster participant excitement is to create a compelling backstory for the simulation and market it aggressively to participants. Give participants a convincing motivation for leading the simulated business, create a sense of urgency, and help them jump right into the competition.

Toward the Future

More and more businesses are choosing innovative methods for training, particularly computer-based training simulations, to close the talent gap that is undermining global competitiveness and to excite a generation of new leaders. Companies are beginning to understand that leadership training needs to go beyond motivational speeches and lectures and move toward meaningful experiential learning. Starting with a clear definition of leadership within their organization, employers are now developing focused programs that include relevant assessments, activities, reflection, and coaching, and—most importantly—immersive simulation experiences that allow participants to go through pivotal experiences that change behavior.

About Abilitie

Abilitie develops award-winning corporate leadership development and mini-MBA programs for rising leaders and executives around the world. With 40+ Fortune 500 clients, including Marriott, Coca-Cola, GE, and Southwest Airlines, and programs delivered in over 30 countries, Abilitie is a rapidly growing leader in the leadership development and executive education market.

Using competitive game-play and experienced facilitators, Abilitie engages your high-potential front-line managers, leaders, and executives to address their leadership development needs. The simulations and programs are built to allow focus on a range of managerial competencies such as effective team management, cross-functional collaboration, and financial acumen for non-financial managers.

For more information about our programs and simulations,
email us at hello@abilitie.com or visit www.abilitie.com!