

The Leadership Awareness Recipe - Developing Leaders Through Experiential Learning

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Capsim Management Simulations*



WHO IS CAPSIM?

- 1985
- Business Simulation Developers
- Used by 100,000 students last year in over 800 Universities
- **Corporate Training Programs**
 - Leadership Development
 - General Business Acumen
 - Strategy
 - Team Building/Collaboration
 - Sales Enablement
 - Project Management
 - Business Acumen for HR
 - Finance for Non Finance
- **We Believe in:**
 - Learning by Doing
 - Experiential Learning
 - 70/20/10

Capsim Corporate Clients



Leadership Development

Last year almost \$20 Billion was spent on leadership development.

What's out there to guide us?

In 2017:

Amazon Reports-

- Over 1200 books on leadership have been published
- They currently offer more than 60,000 books with the word leadership in the title

Countless studies have been published on leadership

We attend conference after conference to seek new ways to develop leaders



Leadership Development

So why are leadership programs still failing?

The Center for Creative Leadership tells us....

- 1 Problems with interpersonal relationships
- 2 Inability to develop or adapt
- 3 Inability to build & lead a team
- 4 Failure to meet business objectives
- 5 Too functionally or technically oriented

5 Most Important Attributes All Good Leaders Need

Marcel Schwantes /INC. / Oct 19, 2016

1. IMPROVE COLLABORATION.
2. INCREASE OPENNESS AND ACCOUNTABILITY.
3. BUILD TRUST THAT LEADS TO BUSINESS OUTCOMES.
4. INCREASE SELF-AWARENESS TO KNOW AND UNDERSTAND THEMSELVES AND THOSE THEY LEAD.
5. CREATE A CULTURE OF CONTINUOUS LEARNING AND DEVELOPMENT.

Today's Leadership Challenges

- Overwhelmed by information overload
- Cross-Functionality
- Eroding organizational boundaries and clarity
- Technological and product disruption
- Increasing short term expectations
- Quality of decision making

Nick Petrie's research from "Future Trends in Leadership Development"



The leadership skills strataplex: Leadership skill requirements across organizational levels

Table 1

The relationship between the leadership strataplex and previous conceptualizations of leadership skill requirements

Leadership strataplex	Cognitive	Interpersonal	Business	Strategic
Mahoney et al. (1965)	<ul style="list-style-type: none"> • Investigating 	<ul style="list-style-type: none"> • Supervisory • Negotiating 	<ul style="list-style-type: none"> • Coordination • Staffing 	<ul style="list-style-type: none"> • Planning • Evaluating
Mintzberg (1973)	<ul style="list-style-type: none"> • Monitor • Disseminator 	<ul style="list-style-type: none"> • Leader • Negotiator • Disturbance handler 	<ul style="list-style-type: none"> • Resource allocator 	<ul style="list-style-type: none"> • Figurehead • Spokesperson • Liaison
Katz & Kahn (1978)		<ul style="list-style-type: none"> • Human relations 	<ul style="list-style-type: none"> • Technical know-how 	<ul style="list-style-type: none"> • System perspective
Lau & Pavett (1980)	<ul style="list-style-type: none"> • Information gathering and dissemination 	<ul style="list-style-type: none"> • Supervision 	<ul style="list-style-type: none"> • Allocating resources 	<ul style="list-style-type: none"> • Decision making • Problem solving
Kanungo & Misra (1992)		<ul style="list-style-type: none"> • People orientation 		<ul style="list-style-type: none"> • Intellectual competence
Hooijberg, Hunt, & Dodge (1997)		<ul style="list-style-type: none"> • Social complexity 		<ul style="list-style-type: none"> • Cognitive complexity
Connelly et al. (2000)	<ul style="list-style-type: none"> • General cognitive capacities 	<ul style="list-style-type: none"> • Social judgment 		<ul style="list-style-type: none"> • Problem solving skills
Mumford, Marks, et al. (2000)		<ul style="list-style-type: none"> • Social judgment 		<ul style="list-style-type: none"> • Problem solving
Zaccaro (2001)	<ul style="list-style-type: none"> • Basic cognitive capacities 	<ul style="list-style-type: none"> • Social capacities 	<ul style="list-style-type: none"> • Functional expertise 	<ul style="list-style-type: none"> • Higher cognitive capacities

The leadership skills strataplex: Leadership skill requirements across organizational levels

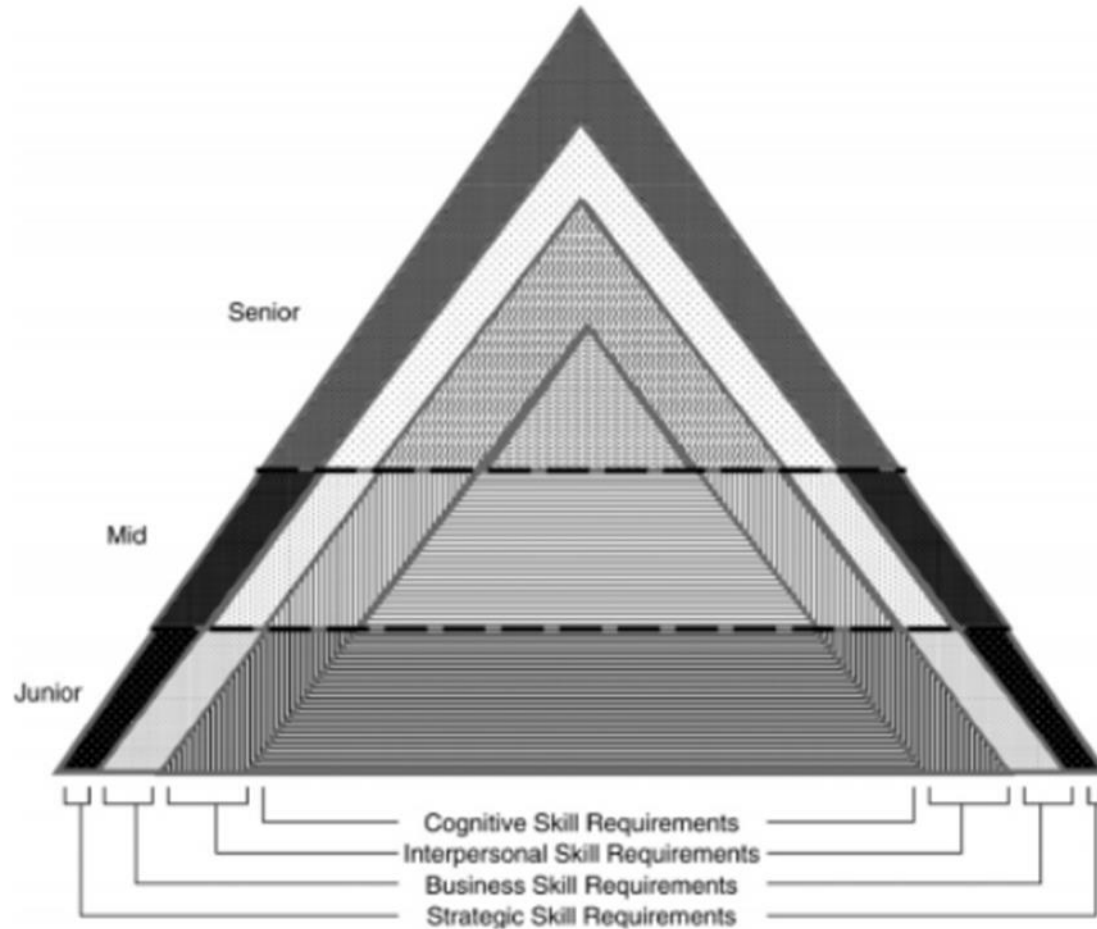


Fig. 1. The leadership skill requirements strataplex.

The Milieu of Managerial Work: An Integrative Framework Linking Work Context to Role Requirements

Table 3
Managerial Work Role Requirements by General Category

Conceptual	Interpersonal	Technical/administrative
<i>Responsibilities</i>		
Managing decision-making processes	Managing human capital	Managing administration and control
Managing strategy and innovation	Managing the task environment	Managing logistics and technology
<i>Knowledge</i>		
Knowledge of media communications and delivery	Knowledge of human behavior and society	Knowledge of general business functions Knowledge of technology, design, and production
<i>Skills</i>		
Strategic and systems skills Cognitive skills	Interpersonal skills	Operations and technical skills
<i>Traits</i>		
Generative thinking	Learning, motivation, and leadership Interpersonal orientation	Conscientiousness

Erich C. Dierdorff and Robert S. Rubin DePaul University Frederick P. Morgeson Michigan State University
Journal of Applied Psychology
2009, Vol. 94, No. 4, 972–988



Today's Leadership Development Challenge

- Historical leadership development programs have focused on competency's....*mostly focused on defining the qualities of leadership.*
- Enhance ownership of development to the individual.
- New and innovative approaches to Leadership Development.

Leadership Development

Why else are leadership programs still failing?

Vast majority of leadership programs are:

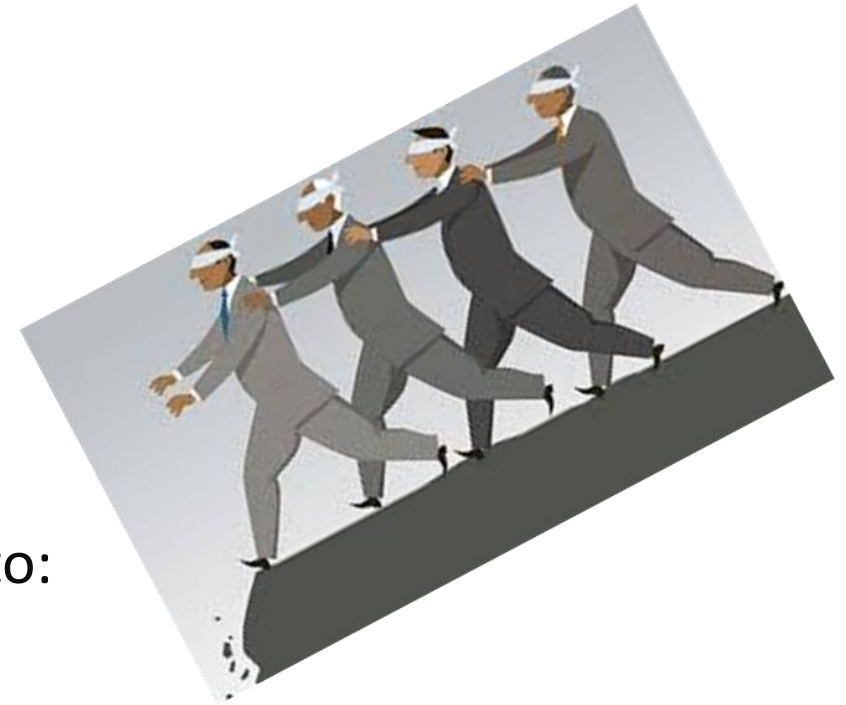
- Set curricula
- Delivered through classroom only
- Individual-focused methods.

Participants are taken out of their day-to-day workplaces to:

- be inspired by expert faculty
- work on case studies
- take away the latest leadership thinking (and badges for their résumés)

Programs are not:

- Not experiential
- Not relevant
- Not inspired



Leadership Development

Other reasons leadership programs are still failing?

Maybe we have been telling them what they have to learn to advance

And how they should learn it

That's Pedagogy!

We need to stop thinking that way.

Aren't we dealing with adults?



Maybe we should change how do Leadership Development?

Think Andragogy when designing.



Maybe there is too much information

Can we simplify it?

Yes!

We need to ask...

What are the main things leaders need?

What do I include in my programs?



Leadership Development is like a recipe

But, which recipe should I follow?

Is there something like a cook book?

Maybe, but cookbooks are so specific as to exactly how you do a recipe. That might not work for my organization?



Leadership Development is like a recipe

- My grandma's recipes
- Never written down
- Always had main ingredients
- Done by taste



The Leadership Awareness Recipe

4 main ingredients for my
Leadership Awareness Recipe:

- Self
- Team
- Organizational
- Business



- Personality
- Behaviors
- Cognitive
- Motivational
- Soft Skills
- Problem Solving Skills
- Emotional Intelligence
- Feedback
- Feed Forward

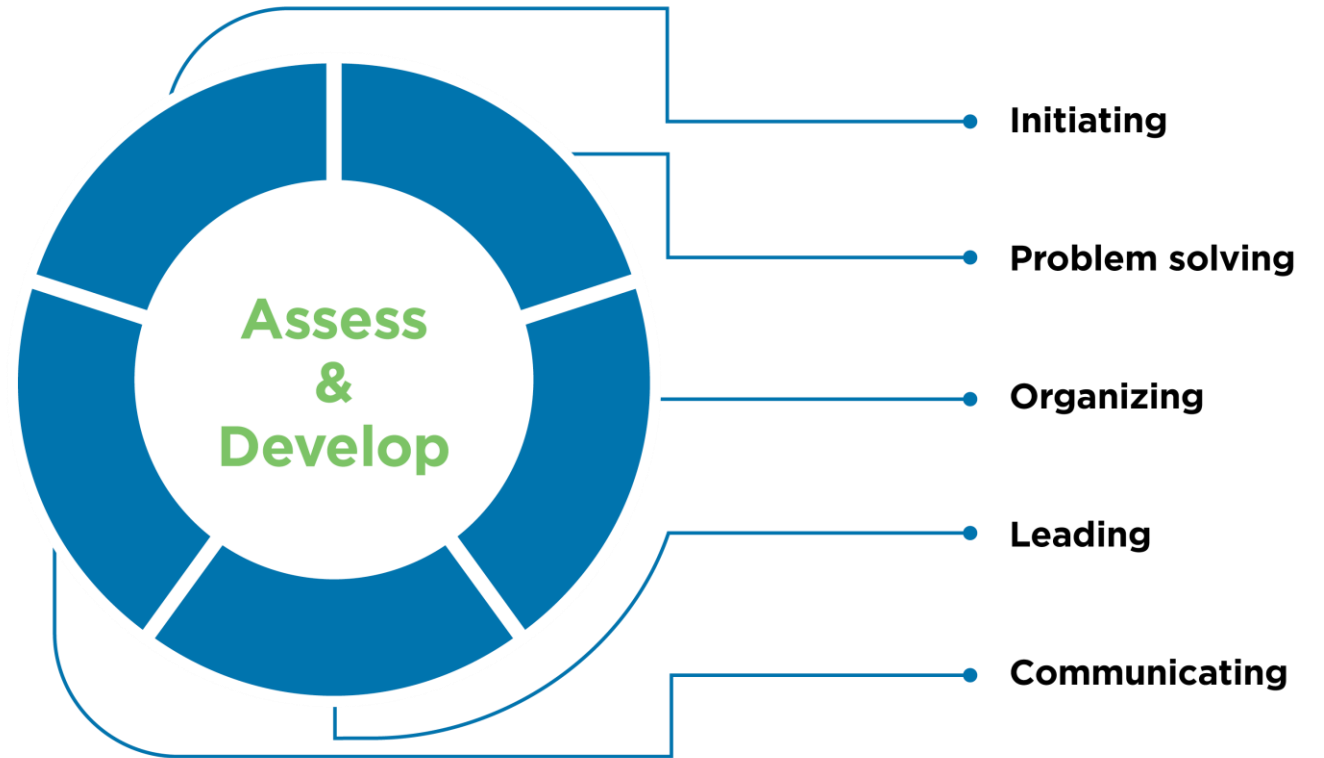


Self-Awareness
Hogan HDS 'DeRailers'

Excitable	moody, easily annoyed, hard to please, and emotionally volatile
Skeptical	distrustful, cynical, sensitive to criticism, and focused on the negative
Cautious	unassertive, resistant to change, risk-averse, and slow to make decisions
Reserved	aloof, indifferent to the feelings of others, and uncommunicative
Leisurely	overtly cooperative, but privately irritable, stubborn, and uncooperative
Bold	overly self-confident, arrogant, with inflated feelings of self-worth
Mischievous	charming, risk-taking, limit-testing and excitement-seeking
Colorful	dramatic, attention-seeking, interruptive, and poor listening skills
Imaginative	creative, but thinking and acting in unusual or eccentric ways
Diligent	meticulous, precise, hard to please, and tends to micromanage
Dutiful	eager to please and reluctant to act independently or against popular opinion

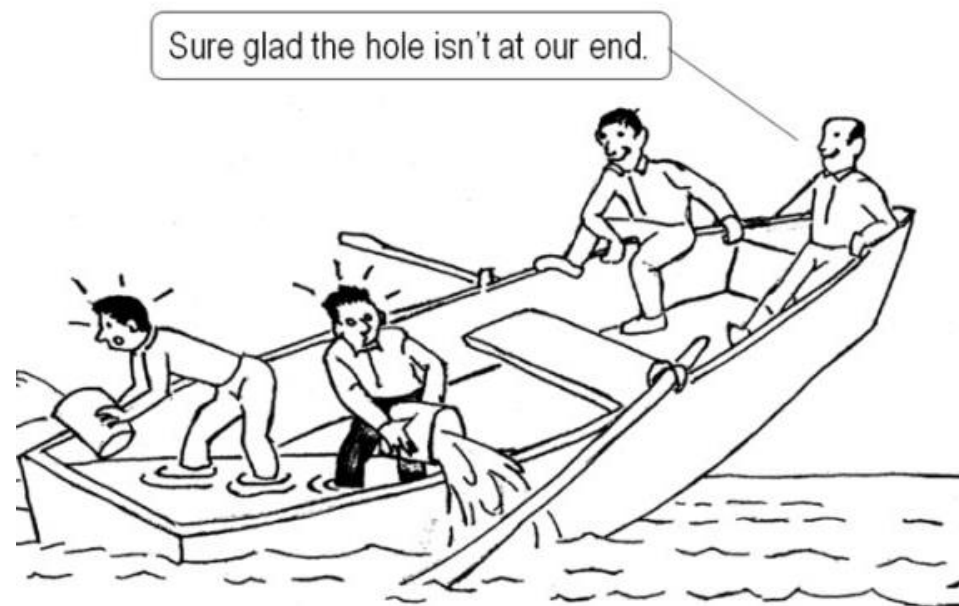
A New version of the Assessment Centers In-Basket exercise

A simulation-based assessment that measures five essential "**soft skills**" required for success in today's organizations, while providing **actionable feedback** that is critical for individual development



Team Awareness

- Perception and understanding of members on your team.
- Knowing potential blind spots within your team.
- Realizing strengths and weaknesses on your team.



Which method is best for teamwork training?

Most effective



Simulations

Teams try out and put into practice teamwork behaviors



Team Reviews

Teams monitor the quality of their teamwork during in-situ reviews



Workshops

Teams take part in various interactive group activities

Least effective



Didactical Education

Teams receive lectures in a classroom-type setting

5 C's Dimensions (Team-level)

Cooperation

Exchanging high-quality information among members

Campion et al. (1993); Dierdorff et al. (2011); Eby & Dobbins (1997); Erez et al. (2002); Kozlowski & Bell (2003); Mathieu et al. (2000); Seers (1989); Seers et al. (1995); Taggar & Brown (2001)

Coordination

Integrating individual efforts toward team goals

Cannon-Bowers et al. (1995); Hinsz et al. (1997); Marks et al. (2001); Rousseau et al. (2006); Salas et al. (2004); Salas et al. (2005); Stewart & Manz (1995); Zaccaro et al. (2001)

Cohesion

Sharing commitment & affinity toward the team

Bandow (2001); Beal et al. (2003); Kirkman et al. (2004); Salas et al. (2005); Spreitzer et al. (1999); Webber (2002)

Confidence

Believing the team has capability to perform

Bandura (1997); DeRue et al. (2010); Dierdorff & Ellington (2012); Gist (1987); Gully et al. (2002); Kirkman et al. (2004); Lindsley et al. (1995); Marks et al. (2001)

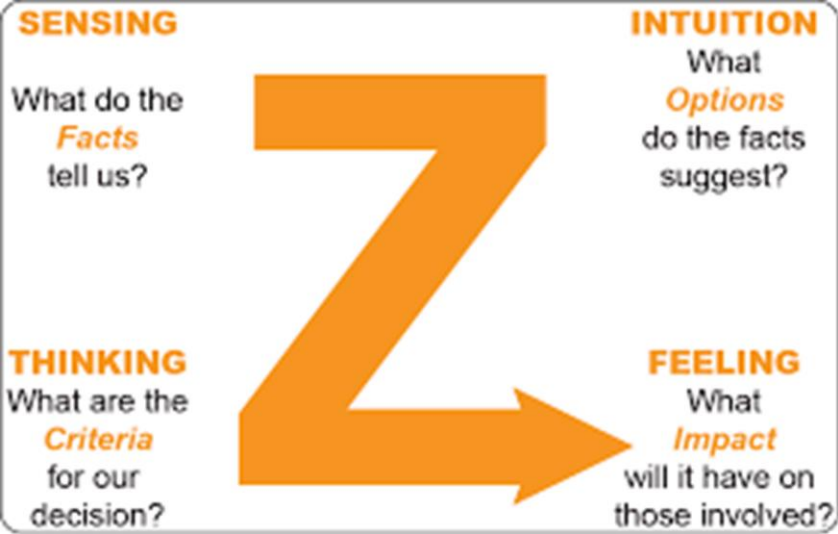
Conflict

Managing disagreement & friction among members

DeDreu & Weingart (2003); Jehn (1997); Marks et al. (2001); Rousseau et al. (2006); Stevens & Campion (1994); Taggar & Brown (2001); Tannenbaum et al. (1992)

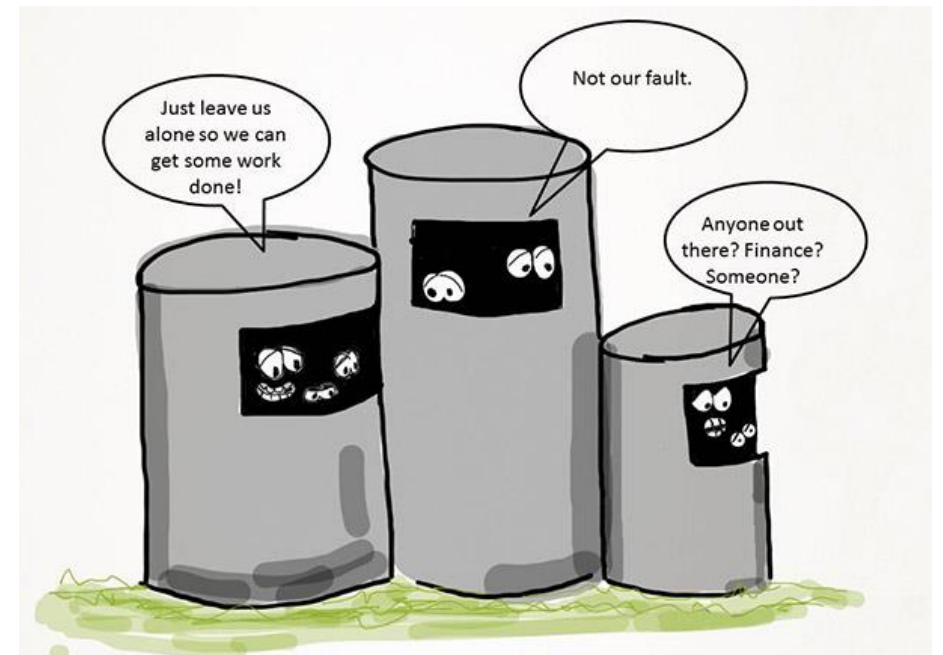
Team Awareness
 MBTI Team Table

ISTJ	ISFJ	INFJ	INTJ	<i>Decisive Introverts</i>
ISTP	ISFP	INFP	INTP	<i>Flexible Introverts</i>
ESTP	ESFP	ENFP	ENTP	<i>Flexible Extraverts</i>
ESTJ	ESFJ	ENFJ	ENTJ	<i>Decisive Extraverts</i>
<i>Bottom line people</i>	<i>Customer Service People</i>	<i>Possibility for People</i>	<i>Possibility for Systems</i>	



Organizational Awareness

- Silos – Functions
- Who does what?
- Who do I go to to get this done?
- How do our functions affect one another?
- Company Culture & Values

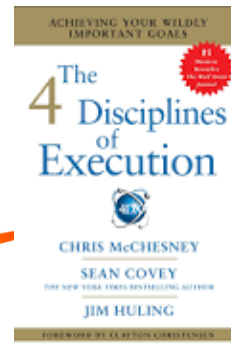
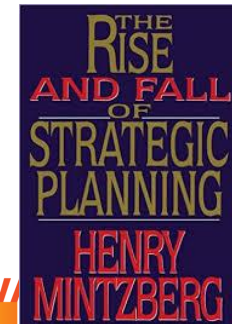
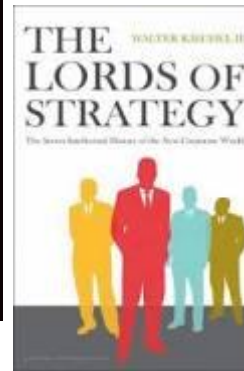
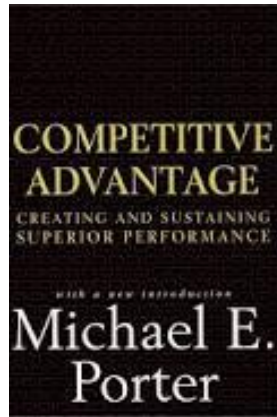
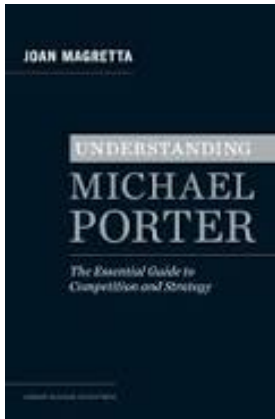


Business Awareness

- Business Acumen
- Strategic Thinking
- Execution
- Data Based Decision Making
- Financial Acumen
- Understanding Key Metrics



"Great plan. Could we get some more details?"



Add a dash of Knowles for spice



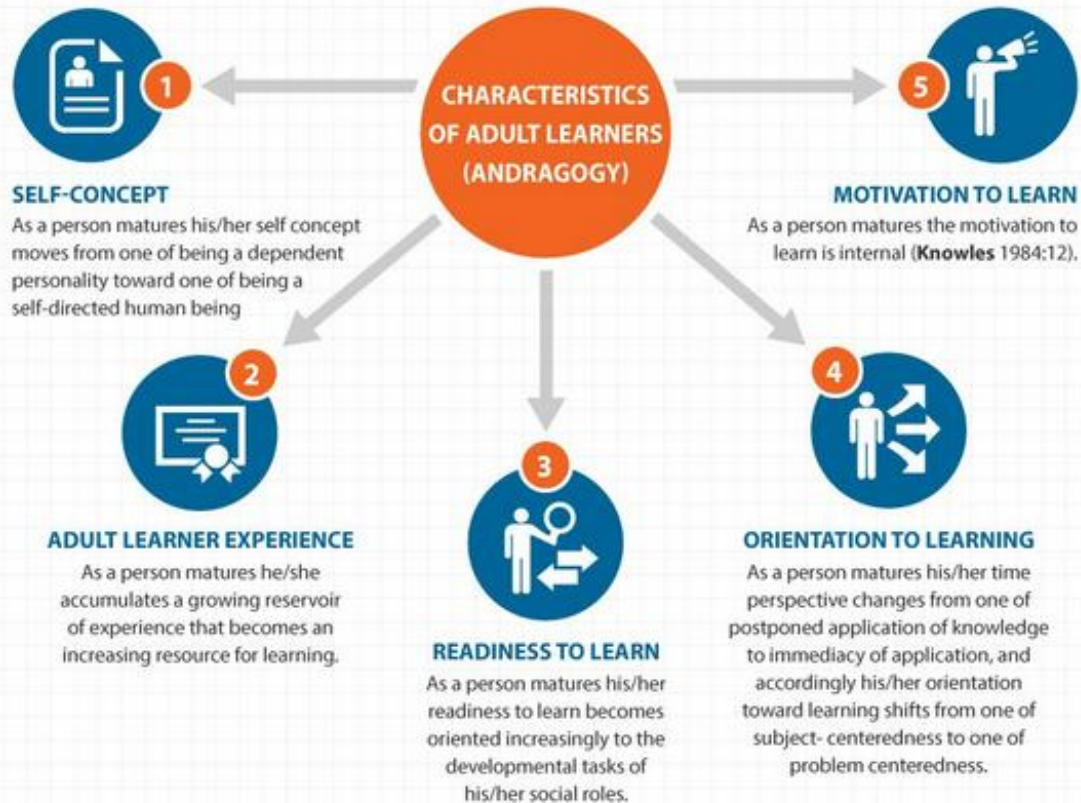
Adult Learning

- Relevancy
- Responsible for their learning
- Experiences
- Readiness to learn what they can apply
- Experiential-task centered/problem centered
- Motivation-climb the ladder or the lattice

KNOWLES'

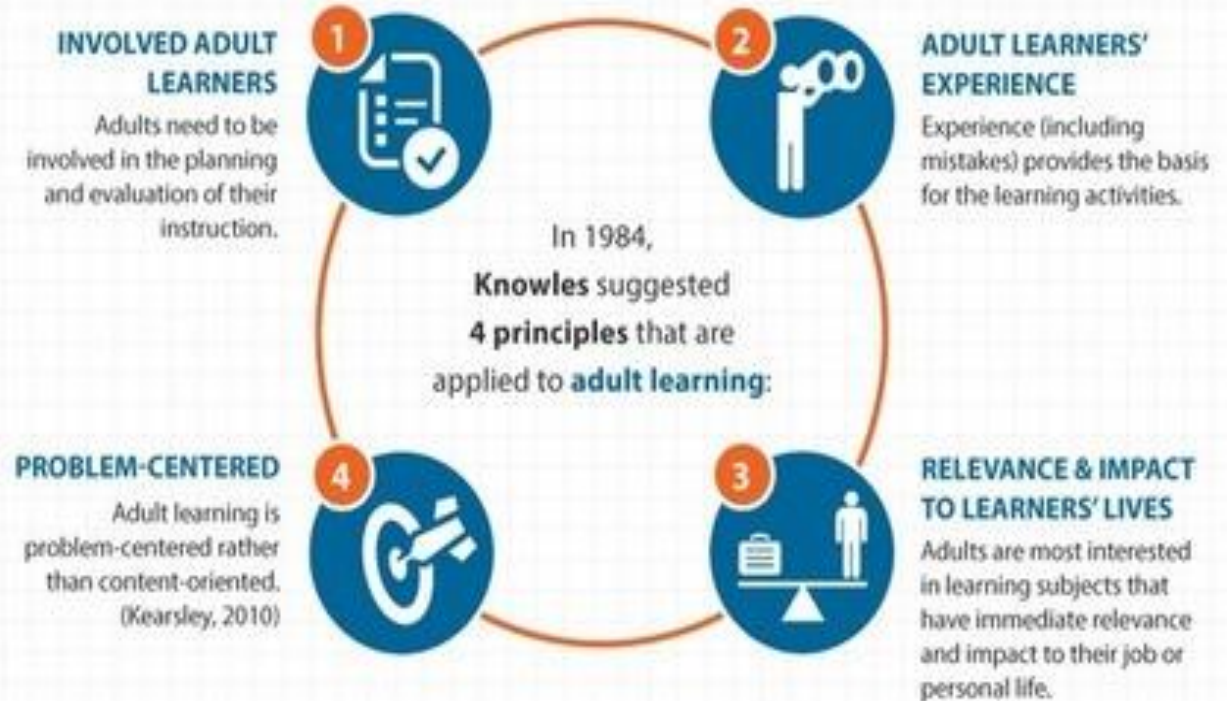
5 ASSUMPTIONS OF ADULT LEARNERS

In 1980, Knowles made 4 assumptions about the characteristics of adult learners (andragogy) that are different from the assumptions about the characteristics of child learners (pedagogy). In 1984, Knowles added the 5th assumption.



KNOWLES'

4 PRINCIPLES OF ANDRAGOGY



Add your own pinches of....

Your own Organization

Cooking by Taste

- Whatever you desire
- Every organization is different
- Make it your own



Now Bake it

- Determine how much of each ingredient goes in your recipe
- It doesn't matter how much of each ingredient you use, as long as you use all four
- How are you going to design for each ingredient?
- What tools and experiences will you choose?

Put a ribbon on the box

- The learning ribbon
- Tie it all together by bringing the last ingredient(s) into the next session





Lets look at how we baked in
Leadership Awareness into one of our
clients programs

Universal Orlando's Objectives

- **Challenging assignments** beyond the scope of your current role, in readiness for a Director level position.
 - **greater awareness** of your personal effectiveness
 - **exposure** to executives and fellow cross divisional high-potential leaders
 - deeper **business acumen**
 - **improved skills** in collaboration, innovation, creative problem solving and influence
 - an opportunity to **showcase your learning** in a program-end “pitch”

Universal Orlando's Objectives

insight		build			contribute	
August	September	October	November	December	Jan/Feb	March
Launch Coaching & IDP Creation	Cohort Formal Kick-off	Innovation Workshop - Challenge Projects assigned	Executive Speakers	Business Simulation Workshop	Cohort project work Executive Speakers	Executive presentation/ Finale

Experience Created for Universal Orlando

– Improve Business Acumen and Strategic execution

- Business Simulation as platform
- Strategy choice to execute
- Correlate manufacturing to Universal Resorts
- Debriefs between rounds on topics
- Decrease decision times to create healthy stress

– Build Leadership Effectiveness & Relationships

- Integrate previously used assessments
 - Hogan for Self Awareness
 - MBTI Team Table for Team Awareness & communication
- Integrate additional assessments and exercises
 - TeamMate Tool for team 360 peer feedback Feed forward exercise
- Debriefs on assessments and reflect on feedback

Income Statement

Revenue	Able	Acre	Adam	Aft	Agape	NA	NA	NA	TOTAL	0.0% ⓘ
Sales ⓘ	\$ 13,864	\$ 32,352	\$ 6,553	\$ 12,773	\$ 7,272	\$ 0	\$ 0	\$ 0	\$ 72,814	100.0%
VARIABLE COSTS										
Direct Labor ⓘ	\$ 4,258	\$ 12,614	\$ 1,696	\$ 3,804	\$ 2,168	\$ 0	\$ 0	\$ 0	\$ 24,541	33.7%
Direct Material ⓘ	\$ 5,134	\$ 10,644	\$ 2,491	\$ 5,639	\$ 2,702	\$ 0	\$ 0	\$ 0	\$ 26,610	36.5%
Inventory Carry ⓘ	\$ 2,445	\$ 474	\$ 681	\$ 149	\$ 655	\$ 0	\$ 0	\$ 0	\$ 4,404	6.0%
Total Variable Costs	\$ 11,837	\$ 23,732	\$ 4,869	\$ 9,592	\$ 5,525	\$ 0	\$ 0	\$ 0	\$ 55,555	76.3%
Contribution Margin ⓘ	\$ 2,027	\$ 8,620	\$ 1,684	\$ 3,181	\$ 1,747	\$ 0	\$ 0	\$ 0	\$ 17,259	23.7%
PERIOD COSTS										
Depreciation ⓘ	\$ 2,640	\$ 2,427	\$ 1,080	\$ 720	\$ 720	\$ 0	\$ 0	\$ 0	\$ 7,587	10.4%
SG&A: R&D ⓘ	\$ 0	\$ 0	\$ 0	\$ 288	\$ 0	\$ 0	\$ 0	\$ 0	\$ 288	0.4%
:Promotion ⓘ	\$ 1,000	\$ 900	\$ 800	\$ 700	\$ 700	\$ 0	\$ 0	\$ 0	\$ 4,100	5.6%
:Sales ⓘ	\$ 936	\$ 858	\$ 780	\$ 663	\$ 663	\$ 0	\$ 0	\$ 0	\$ 3,900	5.4%
:Admin ⓘ	\$ 111	\$ 258	\$ 52	\$ 102	\$ 58	\$ 0	\$ 0	\$ 0	\$ 581	0.8%
Total Period Costs	\$ 4,687	\$ 4,443	\$ 2,712	\$ 2,473	\$ 2,141	\$ 0	\$ 0	\$ 0	\$ 16,456	22.6%
Net Margin ⓘ	(\$ 2,660)	\$ 4,178	(\$ 1,028)	\$ 708	(\$ 394)	\$ 0	\$ 0	\$ 0	\$ 803	1.1%
								Other (Fees, Write Offs, TQM) ⓘ	\$ 0	0.0%
								EBIT ⓘ	\$ 803	1.1%
								Interest ⓘ	\$ 5,421	7.4%
								Taxes ⓘ	(\$ 1,616)	(2.2%)
								Profit Sharing ⓘ	\$ 0	0.0%
								Net Profit ⓘ	(\$ 3,002)	(4.1%)

Day 1

8:30 – 9:15 AM Introduction to Capstone - Strategy & Success Measures

9:15 – 12:00

Day 2

12:00	8:30 – 9:30 AM	Debrief Round 3– TeamMate & MBTI Team Table Discussion
12:00 – 12:30	9:30 – 10:45 AM	Round 4
12:30 – 1:00	10:45 AM	Upload Decisions
1:00 – 2:30	10:45 – 11:15 AM	Break
2:30	11:15 – 12:15 PM	Debrief Round 4 –Hogan & Intro Final Team Presentation
2:30 – 2:45	12:15 – 1:45 PM	Round 5 & Working Lunch
2:45 – 3:00	1:45 PM	Upload Decisions
3:00 – 3:30	1:45 – 2:00 PM	Team Mate Survey #2
3:30 – 5:00	2:00 – 2:15 PM	Break
	2:15 – 3:15 PM	Prepare Final Team Presentations
	3:15 – 3:30 PM	Feed Forward Exercise
	3:30 – 4:15 PM	Final Team Presentations
	4:15 – 4:30 PM	Final Debrief & Wrap-Up
	4:30 PM	End of Capstone Simulation

Outcomes

Evaluating The Success
2 Cohorts Completed

Overall, I would recommend this program to a peer or colleague.

100%

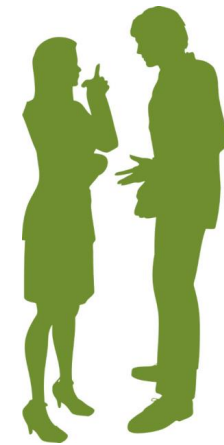


My team's performance and business results will improve as a result of this experience.

96%



“Stretch” alumni from last year raving about their experience last December with you, to the new cohort!



A Few Quotes

“I came in thinking this was just a game, but **all of my stressors showed up.**”

“It was not as bad as I thought it would be.”

“It gave me a real appreciation for the intersection of operations, marketing and finance – I was able to apply it regarding the entire business”

“it really did stretch your mind and out of box thinking””

I couldn't sleep between day one and day two because I was having nightmares of our company running out of cash

Consistent Outcome: Leaders Asking Better Questions

- “What changes should I make to address my **customers needs**?”
- “What is our **competition** doing? How do I respond?”
- “**How much risk** should we take right now?”
- “How will this decision **impact** other parts of the organization?”



Success Case #1: “You own it.”

HDS Scale	Strength	Derailer
Excitable	Great charisma and excitement for projects and people	Moodiness, sensitivity to criticism, and volatile emotional displays
Skeptical	Excellent navigators of organizational politics	Cynical, distrustful, and quick to doubt others' intentions
Cautious	Careful, conscientious corporate citizens	Unwilling to take risks or offer opinions, sometimes paralyzed by fear of failure
Reserved	Strong, independent, and comfortable working alone	Aloof, detached, and disinterested in the feelings of others
Leisurely	Agreeable and pleasant to work with	Passive aggressive, resistant to feedback, and resentful of interruption
Bold	Ambitious and self-confident	Self-absorbed, cocky, and unwilling to admit mistakes
Mischievous	Charming and friendly	Manipulative, impulsive, and taking ill-advised risks
Colorful	Expressive, lively, and fun	Dramatic, distracting, attention-seeking, and disorganized
Imaginative	Creative, outside-the-box thinkers	Eccentric, impractical, and idiosyncratic
Diligent	Careful and meticulous	Perfectionistic, micromanaging, and hyper-critical
Dutiful	Eager to please	Reliant on others for guidance, reluctant to take independent action



Promotions:

50% already promoted to executive positions

71% of Round 1

Projects Implemented:

Career Counselors

Social Media Response Team

Supervisor Development content

Currently Gathering Data on: Results from initiatives



The Chef's Taste Challenge:

Review your Leadership Program

Questions you should ask:

- 1-Does it include the 4 key ingredients
- 2-Are you using Adult Learning Theories in design?
(Andragogy, Experiential, Transformational)
- 3-Do you have a learning ribbon to tie it together?



Leadership Awareness

For more details about the Recipe...

Check out the series of videos from the Capsim Kitchen

Connect with **Joseph LiVigni**

ON **LinkedIn**

Or follow me on 
@LivigniJoe



WATCH & LEARN
webcasts



Want to hear more about Capsim?

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Thank You.
Any Questions?