

Institute for High  
Performance Business

# Achieving High Performance through Leadership Simulation

Robert J. Thomas

**Robert J. Thomas** is the executive director of the Accenture Institute for High Performance Business. He is currently collaborating with the Accenture Human Performance service line to build a human capital development framework for measuring and improving worker performance. He also is the co-author, with Warren Bennis, of the best-selling book *Geeks & Geezers: How Era, Values and Defining Moments Shape Leaders*. He may be contacted at [institute@accenture.com](mailto:institute@accenture.com).

How do leading companies become masters of managing and developing their human capital? According to new Accenture cross-industry research on the characteristics of high-performance businesses, they target and exploit critical human performance capabilities such as organizational adaptiveness and stakeholder engagement (See Figure 1). However, developing leadership depth—one of these six key capabilities—continues to perplex many organizations that are looking for approaches that are both practical and innovative.

Developing leadership depth is often hampered by two fundamental challenges. First, learning takes time and discretionary time is in short supply. Indeed, managers often are so consumed by everyday problem solving that it takes a serious breakdown to signal the need for new behavior. Second, most conventional leadership training has a short half-life, significantly diminishing the impact of such human capital investments on business performance. Lessons gained from off-site

seminars, rock-climbing exercises and the like often dissolve when students are thrust back into the structures and reward systems that inhibited learning in the first place.

To combat these obstacles, a growing number of organizations are experimenting with innovative approaches to leadership development that either take less time or are better integrated with work.

## Figure 1: Human Performance Mastery Capabilities

### Human Performance Mastery Capabilities

There are six key human performance capabilities which have the greatest bearing on an organization's ability to achieve and sustain a high-performance culture.

- Leadership Depth
- Stakeholder engagement
- Adaptive Organization
- Ability to Change
- Human Capital Return on Investment (ROI)
- Workforce Performance

According to Accenture research on human capital development, the most pioneering of these approaches are characterized by the use of formal technological systems to identify, train, and track leadership depth. Boeing's underwater transportation simulation, or BoeingSim, is a case in point (See Figure 2). Like the simulators used by airline companies and nuclear power plants, Boeing's virtual practice field is designed to help mission-critical—but time-starved—professionals hone their skills and experiment under non-lethal conditions. However, what is different is that Boeing's simulator creates white-knuckle leadership situations: As a marketing executive, what do you do when the union threatens a walk-out on the eve of a major product demonstration? Or, as CEO, how do you initiate a hostile takeover in a change-weary organization?

Much more sophisticated than the first generation of game-like business simulations, BoeingSim offers a richly-detailed, data-intensive learning laboratory that challenges even the most experienced executives. Originally an outgrowth of Boeing's desire to integrate two major acquisitions, Rockwell and McDonald-Douglas, the simulation centers on AquaTek and two other fictional competitors in the infant underwater transportation industry. Participants in the simulation are allocated to all of the major functional roles one might find in a small, growing business, and are given realistic budgets and constraints. "It's hard to simulate business, but the simulation has all the moving parts, from HR problems to production problems, to facility problems to finance and cash flow. It gets people out of their comfort zone... and stirs people up to learn about everybody else's business," said Ron Marcotte, deputy general manager of Air Force Systems for Boeing, and a recent graduate of the leadership program. Performance is measured in terms of total return to shareholders. Moreover, as Marcotte hastened to add, "On the last day you end up presenting to the real CEO, and nerves go to a fevered pitch."

Pride based on teaming, clear links to larger enterprise objectives and integration into long-term individual leadership development prevent BoeingSim from devolving into a managerial arcade game. Though not a market Boeing currently competes in, underwater transportation represents the kind of high-tech, pioneering environment the company sees itself entering in the future and, thus, a perfect place in which to blend the skill sets of leaders and managers from its array of current businesses. According to Jan Wilmott, head of Boeing's Executive Development Program, the simulation has proven successful at giving participants a "solid grounding in all the issues that surround running a complex business" and ample opportunity for individuals to "assess their own strengths and weaknesses as leaders."

Participants draft learning contracts based on their experiences during the simulation and these, in turn, become vital guides for the coaches on Wilmott's staff responsible for follow-through. Even during the simulation, coaches review the experience with participants individually and as teams. Coaches are empowered to call "time out" and ask participants how they might have worked more effectively with a particular interpersonal problem. During long and often highly-competitive work days leading up to the meeting with the CEO, facilitators keep things realistic, discouraging participants from trying to win by gaming the simulation, a classic problem with learning simulations. As often as not, however, class members police themselves. Marcotte, a recent participant, recalled his own amazement at how peer pressure kept the focus on learning: "[T]here were some individuals who were trying to game. People would try to pull them back into the middle.... People see value in the exercise rather than in just winning." Thus, rather than being carried out in isolation from the marketplace and divorced from the realities of differences in individual learning needs, simulations like Boeing's keep leaders tethered closely to the core of the business.

## Figure 2: Leadership Depth

### Leadership Identification and Development on Accenture Human Performance Service Line Mastery Scale

Basic	Progressive	Pioneering
<ul style="list-style-type: none"> <li>Leadership candidates are identified, when needed, to fill open positions</li> </ul>	<ul style="list-style-type: none"> <li>A pool of leadership candidates, identified by their managers as they progress in the organization, is used to fill open positions</li> <li>Leadership training and development is provided for leadership candidates, prior to promotion, at the discretion of their managers.</li> <li>Mentoring of candidates is encouraged.</li> </ul>	<p><b>Boeing's approach to leadership development, especially BoeingSim</b></p> <ul style="list-style-type: none"> <li>A formal, technological system for identifying and tracking leadership candidates at all levels of the organization (through formal performance appraisal systems and training performance, etc.) is utilized.</li> <li>Candidates participate in formal mentoring and leadership development programs.</li> <li>Individual candidate development plans and progress are evaluated on a regular basis.</li> </ul>

Like many intense learning experiences, BoeingSim has the added benefit of providing a meeting ground for the company's far-flung leadership and, as such, a valuable foundation for the networking that has become essential to the functioning of complex enterprises. The added benefit of the underwater business experience, however, is that it provides peers with the opportunity to witness each other's business strengths directly, not obliquely—as so often is the case in teambuilding via whitewater rafting or egg-drop exercises.

Ultimately, we believe the test of any simulation—whether for pilots or for future chief executives—is the result it helps create and the learning it instills. Whether graduates of BoeingSim will go on to create new industries and drive existing businesses to new levels of performance remains to be seen. However, it is clear that Boeing takes leadership developing to a pioneering level of mastery, one where the goal is not just to generate lessons learned, but to accelerate the process of learning.

### **About Accenture**

Accenture is a global management consulting, technology services and outsourcing company. Committed to delivering innovation, Accenture collaborates with its clients to help them become high-performance businesses and governments. With deep industry and business process expertise, broad global resources and a proven track record, Accenture can mobilize the right people, skills, and technologies to help clients improve their performance. With approximately 90,000 people in 48 countries, the company generated net revenues of US\$11.8 billion for the fiscal year ended Aug. 31, 2003. Its home page is [www.accenture.com](http://www.accenture.com).

### **About Accenture Institute for High Performance Business**

The Accenture Institute for High Performance Business creates strategic insights into key management issues through original research and analysis. Its management researchers combine world-class reputations with Accenture's extensive consulting, technology and outsourcing experience to conduct innovative research and analysis into how organizations become and remain high-performance businesses.