

# *The Value of In-Basket Exercises in Talent Situational Assessment from an Application Perspective*

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**Abstract:** In-basket exercises, as a critical tool for talent situational assessment, enable organizations to evaluate mid- and senior-level managers' competencies through simulated work scenarios. This paper explores the application principles, value in talent selection and development, and challenges of in-basket exercises. By analyzing real-world cases from multinational corporations (e.g., General Electric) and domestic enterprises (e.g., Huawei), the study highlights its effectiveness in improving selection accuracy, reducing recruitment costs, and diagnosing competency gaps. The integration of emerging technologies such as artificial intelligence and virtual reality is proposed to enhance its future applicability.

## 1. Introduction

### 1.1. Definition of In-Basket Exercises

In-basket exercises, also known as "document processing simulation tests," are designed to assess candidates' planning, organizing, and decision-making abilities through simulated management tasks [1]. As a crucial tool for talent situational assessment, they are particularly suitable for evaluating the capabilities of mid- and senior-level managers. In this test, the candidates are placed in a simulated work environment and required to handle a series of documents sourced from real management scenarios. By observing their performance in dealing with specific tasks, key competencies such as planning, organizing, and decision-making can be evaluated, providing references for enterprises in talent selection, assessment, and training.

### 1.2. Origin and Development of In-Basket Exercises

Originating in the U.S. military during the 1920s–1930s, in-basket exercises were later adopted by corporations like General Electric and Huawei for managerial assessments [2]. At that time, with the continuous expansion of enterprise scales, the demand for mid- and senior-level management talents increased, and traditional selection methods could no longer meet the needs. Thus, in-basket exercises emerged. Initially, they were mainly applied in the military field for selecting officers. Over time, they were gradually adopted by the business community. Abroad, it has become an

important assessment tool for evaluating mid- and senior-level managers. 95% of assessment centers use this technique, and more than 1,000 well-known enterprises in the United States also regard it as an important means of selecting and assessing managers. In China, in recent years, in-basket exercises have been increasingly used in the recruitment and selection of leading cadres and managers.

## **2. Application Principles of In-Basket Exercises in Talent Assessment**

### **2.1. Design of Simulated Work Situations**

In-basket exercises comprehensively examine candidates' abilities by carefully designing scenarios that mimic real work environments. In terms of document types, they cover various management-related documents such as reports, requests, notifications, and memorandums. Documents such as reports and memorandums are tailored to mimic real-world challenges, ensuring alignment with job responsibilities [3]. These documents simulate a wide range of situations that may be encountered in daily work, including business issues, personnel arrangements, and project planning. The situational settings are closely based on the actual working environment and responsibilities of the target position, specifying particular time, place, and task requirements, making candidates feel as if they are in a real work scenario. For example, an urgent project may be set to be completed within a short time, and candidates need to handle relevant documents and make decisions. In terms of design principles, it is necessary to ensure the authenticity, typicality, and challenge of the situation to accurately reflect candidates' capabilities in actual work.

### **2.2. Determination of Competency Elements to be Assessed**

In-basket exercises mainly assess multiple competency elements. In terms of planning ability, it is evaluated by observing how candidates arrange tasks and plan time in the documents, to see if they can allocate resources reasonably and develop feasible work plans. Organizational ability is reflected in the allocation and coordination of personnel and materials involved in the documents, assessing whether they can effectively organize a team to complete tasks. Decision-making ability is one of the key elements. Observers look at candidates' choices and judgments when facing complex problems and multiple options, to see if they can weigh the pros and cons and make wise decisions. Communication ability can be reflected in candidates' responses and handling methods of the documents, including the accuracy, logic, and appropriateness of language expression. In addition, problem-solving ability is also examined to see if candidates can analyze the problems in the documents and propose effective solutions.

### **2.3. Development of Scoring Criteria**

The scoring criteria for in-basket exercises are usually developed using the behaviorally anchored rating scale (BARS) method. Scoring relies on behaviorally anchored rating scales (BARS), which differentiate effective and ineffective behaviors [1]. First, the rating scale levels are determined, and commonly used scales include 5-point, 7-point, 9-point, and 10-point scales. Taking the 10-point scale as an example, behaviors are usually divided into three levels: good (1 - 3 points), medium (4 - 7 points), and poor (8 - 10 points), and specific descriptions of the behavioral performances at each level are provided. Then, examiners make detailed evaluations within these three levels based on the specific performances of candidates. The development basis mainly includes the connotations of assessment elements and the requirements of the target position. Scoring criteria vary for different positions. For example, for technical management positions, more

emphasis may be placed on technical problem-solving ability and the application of professional knowledge, while for administrative management positions, organizational coordination and communication skills are more highly valued.

### **3. The Value of In-Basket Exercises in Talent Selection**

#### **3.1. Comprehensive Assessment of Candidates' Qualities**

In-basket exercises can comprehensively assess candidates' knowledge, skills, and abilities. At the knowledge level, candidates need to apply professional and management knowledge to deal with various problems in the documents, such as financial statement analysis and market trend judgment, demonstrating the breadth and depth of their knowledge. In terms of skills, by handling tasks in the documents, candidates' writing skills, data analysis skills, communication skills, etc., can be examined. For example, report writing reflects writing ability, data analysis reflects data analysis ability, and document responses reflect communication ability. In terms of abilities, planning, organizing, and decision-making abilities are fully demonstrated during the process of handling documents. Candidates need to prioritize tasks, organize resources to complete work, and make reasonable decisions when facing complex problems. Compared with other selection methods, in-basket exercises are closer to real work scenarios and can more truthfully reflect candidates' comprehensive qualities, avoiding the theorization of pure written tests and the subjectivity of interviews.

#### **3.2. Improvement of Selection Accuracy and Effectiveness**

For example, GE's use of in-basket exercises identified candidates with strong market insight and organizational skills [2]. When selecting department managers, this enterprise adopted in-basket exercises. In the documents, multiple practical scenario problems such as market competition, team management, and project promotion were set. Candidates were required to handle these documents and propose solutions within a specified time. Through the analysis of the handling results, the enterprise found that one candidate could not only accurately analyze the strategies of competitors when facing market competition problems but also proposed innovative countermeasures, demonstrating strong market insight and decision-making ability. Another candidate could reasonably allocate tasks and motivate employees when handling team management documents, reflecting good organizational and coordination abilities. Ultimately, the enterprise selected suitable talents based on the results of the in-basket exercises. These talents quickly adapted to their jobs after joining the company and brought significant performance improvements. By simulating real work situations, in-basket exercises allow candidates to showcase their abilities in real scenarios, improving the accuracy and effectiveness of selection and enabling enterprises to select talents who truly meet the job requirements.

#### **3.3. Reduction of Selection Costs**

In-basket exercises have significant advantages in reducing selection costs. In terms of time cost, they can be administered to multiple candidates simultaneously, greatly shortening the selection cycle. Compared with traditional one-on-one interviews or on-site inspections, a large amount of time is saved. In terms of economic cost, in-basket exercises do not require complex venue arrangements or equipment investments. Only document materials and examiners need to be prepared. Moreover, because it can select talents more accurately, it reduces the costs of talent loss and re-recruitment caused by selection mistakes. Specific cost-saving methods include reducing the

number of interviews and lowering recruitment advertising costs. Through in-basket exercises, enterprises can effectively reduce selection costs while ensuring the quality of selection.

## **4. The Value of In-Basket Exercises in Talent Training and Development**

### **4.1. Diagnosis of Employees' Competency Shortcomings**

In-basket exercises are effective tools for diagnosing employees' competency shortcomings. In the simulated work situation, employees' performances in handling various documents can clearly reflect their ability status. If an employee cannot reasonably prioritize tasks when handling documents related to time planning, resulting in delays in important tasks, it may indicate insufficient planning ability. If an employee cannot propose effective solutions when facing documents with complex problems, it shows that their problem-solving ability needs to be improved. The diagnosis method usually involves professional examiners evaluating employees' document-handling results based on the scoring criteria and analyzing their scores for each competency element. The process includes collecting employees' document-handling results first, then conducting detailed scoring and analysis, and finally forming a competency shortcoming diagnosis report.

### **4.2. Development of Personalized Training Programs**

Based on the diagnosis results of in-basket exercises, personalized training programs can be developed for employees. For employees with insufficient planning ability, project management courses can be arranged to teach scientific planning methods and time management skills. If communication ability is a weakness, communication skills training can be carried out, including written and oral communication training. The development of training programs should be combined with employees' job requirements and career development plans to ensure the pertinence and practicality of the training content. During the implementation process, an online and offline combination method can be adopted to improve the flexibility and effectiveness of training. At the same time, the training effect should be evaluated regularly, and the training program should be adjusted according to the evaluation results.

### **4.3. Promotion of Employees' Ability Improvement**

In-basket exercises significantly contribute to the improvement of employees' abilities. By participating in in-basket exercises, employees can continuously practice and exercise various abilities in the simulated work scenarios. In the process of handling documents, they need to apply their knowledge and skills, analyze problems, and make decisions, thereby improving their planning, organizing, decision-making, and other abilities. Moreover, the feedback mechanism of in-basket exercises allows employees to clearly understand their strengths and weaknesses and make targeted improvements. The improvement of employees' abilities is also of great significance to enterprises, as it can improve the overall operational efficiency and competitiveness of the enterprise and promote the sustainable development of the enterprise.

## **5. Case Analyses of In-Basket Exercise Applications**

### **5.1. Case of a Foreign Enterprise Application**

GE's success stems from rigorous job analysis and scenario design [2]. GE widely uses in-basket

exercises in the selection of mid- and senior-level managers. During the application process, GE designs simulated work scenarios according to the characteristics of different positions. The document types cover various aspects such as strategic planning, market competition, and team management. Candidates are required to handle the documents within a specified time to showcase their abilities. After the assessment, a professional team conducts evaluations based on detailed scoring criteria. Through this method, GE can comprehensively assess candidates' comprehensive qualities. The results are remarkable. The selected talents can quickly adapt to job requirements and bring good performance growth to the company. Its experience lies in accurate job analysis and scientific assessment design, which is worthy of reference for other enterprises.

## **5.2. Case of a Domestic Enterprise Application**

Huawei addresses scoring subjectivity through examiner training and dynamic document updates[3] Huawei sets specific in-basket tests for different business departments. During the application process, the document content is closely related to actual work problems such as technology research and development, market expansion, and customer service. After candidates handle the documents, Huawei evaluates them through a multi-dimensional scoring system. The application effect is good, and the selected talents have strong practical work abilities. However, Huawei also faces some problems, such as the subjectivity of scoring and the difficulty of completely simulating dynamic situational changes. To address these issues, Huawei strengthens examiner training and regularly updates the document content.

## **6. Challenges and Countermeasures in the Application of In-Basket Exercises**

### **6.1. Challenges in the Application Process**

In-basket exercises face many challenges during the application process. Difficulties in scoring are a major problem. Due to differences in examiners' understanding and application of scoring criteria, scoring results may be subjective and inconsistent. Moreover, candidates' handling methods are diverse, making it difficult to measure with a unified standard. In terms of situational authenticity, although efforts are made to simulate real work scenarios, it is still difficult to fully reproduce the complex and changeable real situations, which may lead to deviations between assessment results and actual abilities. In addition, the cost of in-basket exercises is relatively high, including expenses for document design and examiner training. These challenges can affect the accuracy and reliability of assessment results and reduce the application value of in-basket exercises.

### **6.2. Countermeasures and Suggestions**

A series of practical and effective countermeasures can be taken to address the above challenges. Regarding scoring difficulties, strengthening examiner training is crucial. Through systematic training, examiners can accurately understand and master scoring criteria, reducing scoring errors. At the same time, a scoring review mechanism should be established to re-evaluate controversial scores. To improve situational authenticity, actual work cases should be collected regularly, and the document content should be updated to ensure that the simulated scenarios keep up with real work changes. Other assessment methods, such as interviews and on-site inspections, can also be combined to comprehensively evaluate candidates' abilities. In terms of cost control, the document design process should be optimized, and the document reuse rate should be increased to reduce design costs. Through these strategies, the application effect of in-basket exercises can be

effectively improved.

## 7. Conclusion

### 7.1. Summary of the Application Value of In-Basket Exercises

As an important tool for talent situational assessment, in-basket exercises have significant application value. They can comprehensively assess candidates' knowledge, skills, and abilities, improve the accuracy and effectiveness of selection, and reduce selection costs. In terms of talent training and development, they can accurately diagnose employees' competency shortcomings, develop personalized training programs, and promote employees' ability improvement. For enterprises, it helps to select and cultivate outstanding talents, improve overall operational efficiency and competitiveness. For talent development, it can help individuals discover their own deficiencies, achieve self-improvement, and grow better in their careers.

### 7.2. Prospects for Future Development Trends

In the future, in-basket exercises are expected to be deeply integrated with new technologies. For example, artificial intelligence can be used to achieve automated scoring, improving the objectivity and efficiency of scoring. Virtual reality technology can be used to create more realistic simulated work scenarios, enhancing the authenticity of the situation. It may also be combined with big data analysis to extract more valuable assessment information. These development trends will make in-basket exercises more scientific and accurate, promoting the talent assessment field to develop in the direction of intelligence and diversification and helping enterprises and society select outstanding talents that better meet their needs.

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