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The Assessment of Leadership: The Importance of Getting it Right



Content of Presentation

- Recent developments in leadership research
- Why we embarked on a 3-year study of leadership
- Our findings
- Linking leadership to Culture & Team Effectiveness
- Implications for Leadership Assessment

The Increasing Importance of Leadership

- Organisations Need to Achieve **More Challenging Agenda**
- **Increasing Complexity, Uncertainty & Competitiveness**

Against a Background of...

- “War for Talent”
- Talent Management & Succession Planning ineffective
- Need to Create Cultures with High “Readiness for Change”

Challenging Agenda for Leaders

- Achieve ever-more *challenging performance targets*
- Sustain *high quality performance and motivation and well-being*
- *Attract & Retain* good staff
- ..when resources are limited

Leadership: the Myths

#1: it's rare

#2: it's found mainly at the top

#3 : it's about being super-human

What do we know about Leadership?

- 60s & early 70s: Situational & Contingency Models – now *‘old paradigm’*
- 1980s: emergence of the *‘new paradigm’*

(‘old paradigm’ now regarded as *management*, or *transactional leadership*)

Dominant 'new paradigm' Models

- **Visionary** (Sashkin, 1988)
- **Charismatic** (Conger, 1989; House, 1977)
- **Transformational** (Bass, 1985; Tichy & Devanna, 1986)

Leadership is Changing Direction...

Now, 'heroic' models are
under attack!

- Tosi (2004)
- Collins (2001)

What Does 'Post Heroic' Leadership Look Like?

The crucial importance of
'engagement'

Engagement Is.....

“a measure of the extent to which employees put discretionary effort into their work”

=

Aligning Organisational & Individual Aspirations

‘Engagement’ : The Business Case

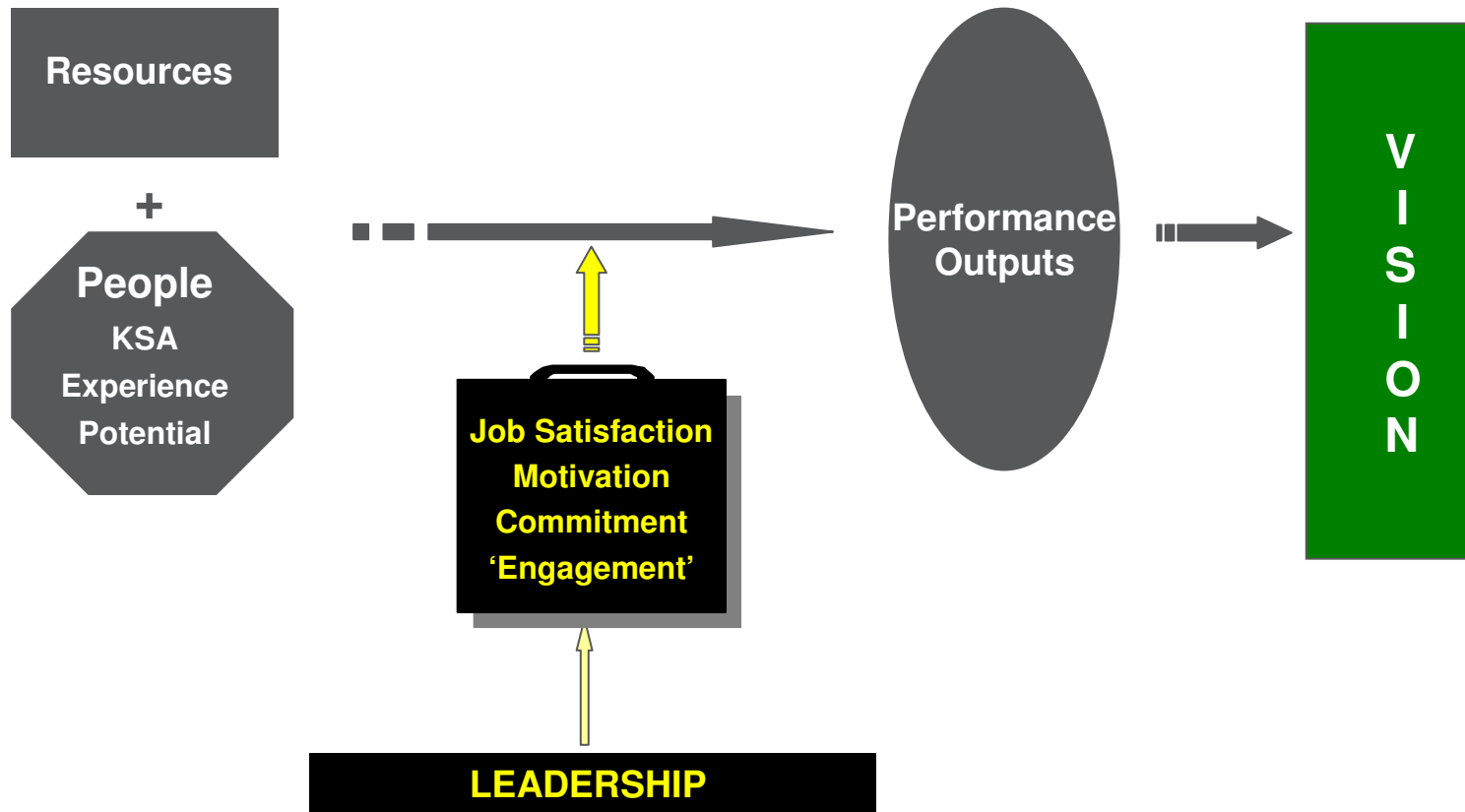
- Research by Towers Perrin (2004) found that orgs with engagement levels above their industry sector’s average, **outperformed their peer group** , on aggregate, by 17% in terms of *operating margin*
- Strong link between quality of communication, engagement & higher **organisational financial performance & lower turnover** than peers (Watson Wyatt, 2006)
- Research in Mental Health: teams with an engaging leader, were rated higher by clients on **‘quality of life’** and **satisfaction with team’s support** (Corrigan, 2000)

Why We Conducted Research Into Leadership?

Received wisdom is:

- *Based on **US studies***
- *Based on '**distant**' Leadership*
- *Some studies based on **self-reports** of managers*
- *Based almost exclusively on **white males***
- ***20 years old! The world has changed. We're all interdependent***

What Predicts Your Organisation's Performance?



Our Investigation into 'nearby' Leadership

- Adopted a Grounded Theory approach
- Rep Grid Interviews (Middle to Top managers) + Focus Groups + review of literature
- 210 Male & Female Managers & Professionals in Local Government & NHS (12% BME)
- 2000+ Constructs elicited

Item Development for Pilot TLQ™

- **Independently Grouped** (48 Groupings Emerged)
- **Independently Translated Into Items**
- **Pilot TLQ™ Comprised 171 Items Measuring Leadership Behaviour**

Alimo-Metcalfe, B. & Alban-Metcalfe, R.J. (2001). The development of a new transformational leadership questionnaire. *The Journal of Occupational & Organizational Psychology*, 74, 1-27.

Item Development for Pilot TLQ™

PLUS 5 Criterion Variables Relating to Effect of Leadership Style on Direct Reports'....

- Perception of Stress in the Job
- Motivation
- Motivation to Achieve More Than They Expected
- Job Satisfaction
- Satisfaction With Leadership Style

Requested Distribution to Managers in Random Stratified Sample of Organisations

- Chief Executive x 1
- Directors x 3 – 5
- Senior Managers x 10 - 15
- Middle Managers x 25 - 30

Usable Responses

3,500 Responses Received

(Local Government & NHS)

Scales Emerging From the Factor Analysis

- **Factor 1 Showing Genuine Concern**
(17 items; $\alpha = .97$)
- **Factor 2 Political Sensitivity & Skills**
(6 items; $\alpha = .93$)
- **Factor 3 Being Decisive, Determined, Self-Confident**
(8 items; $\alpha = .90$)

Alimo-Metcalfe, B. & Alban-Metcalfe, J. (2001). The development of a new transformational leadership questionnaire. *The Journal of Occupational & Organizational Psychology*, 74, 1-27.

Scales Emerging From the Factor Analysis

- **Factor 4 Acting with Integrity**
(9 items; $\alpha = .93$)
- **Factor 5 Enabling**
(8 items; $\alpha = .91$)
- **Factor 6 Networking, Promoting**
(10 items; $\alpha = .93$)

Alimo-Metcalfe, B. & Alban-Metcalfe, J. (2001). (*op.cit.*)

Scales Emerging From the Factor Analysis

- **Factor 7 Being Accessible, Approachable**
(6 items; $\alpha = .85$)
- **Factor 8 Focussing Team Effort**
(7 items; $\alpha = .89$)
- **Factor 9 Encouraging Critical, Strategic Thinking**
(7 items; $\alpha = .89$)

Alimo-Metcalfe, B. & Alban-Metcalfe, J. (2001). *(op.cit.)*

The Private Sector Study

- **Rep Grid Interviews with Managers at Middle to Board Level in 3 FTSE 100 companies**
(23 female and 24 male)
- **1,200+ Constructs Elicited** (v similar to Public sector)
- **Independently Grouped, Items Developed**
- **Pilot Instrument Placed on SHL Website**
- **600+ Responses Gathered** (400 From UK)
- **Cluster Analysis**

Differences in Methodology Adopted for MLQ™ & TLQ™ Design

MLQ

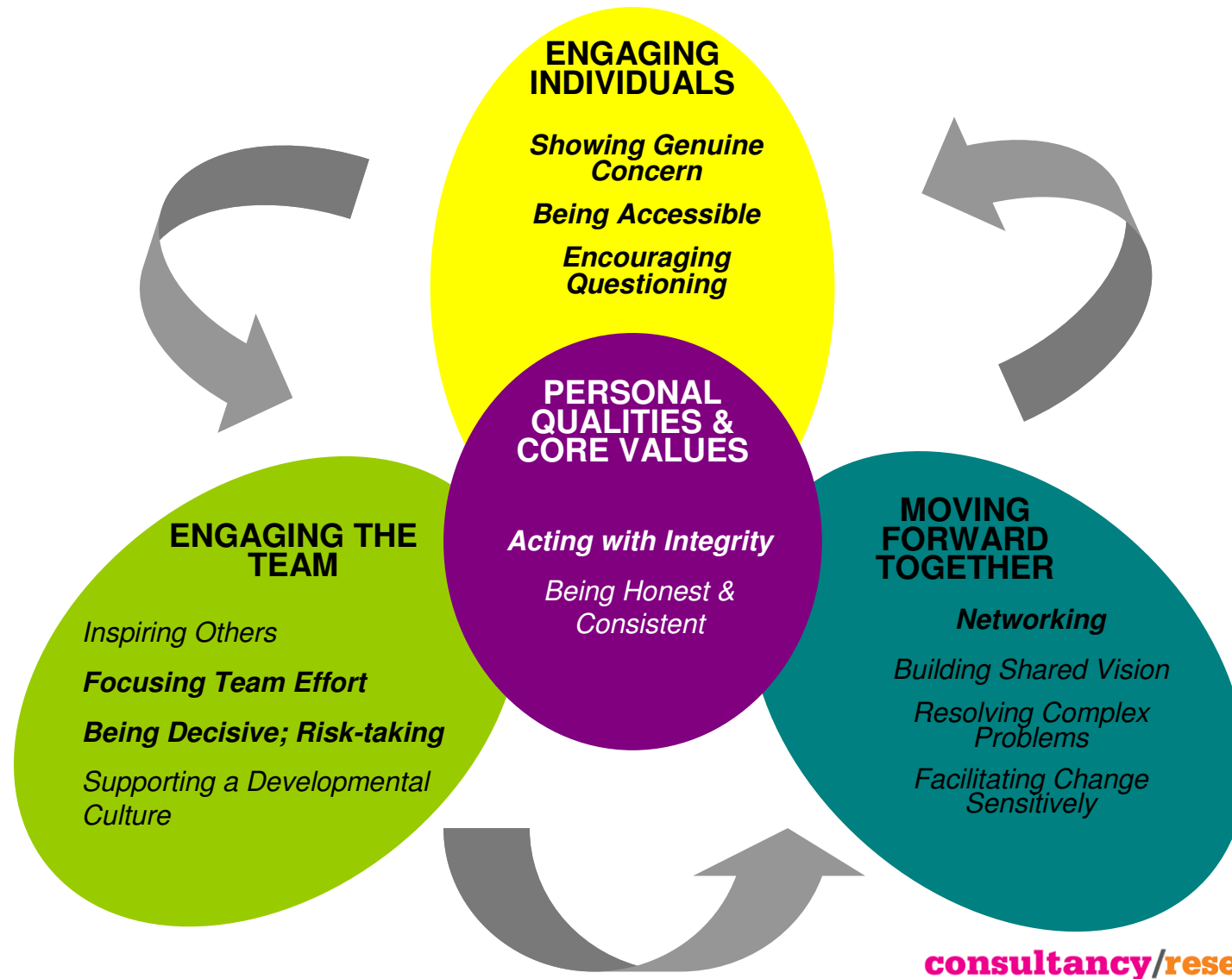
- Burn's Notions of Transformational & Transactional Leadership
- Qualitative & Quantitative Methodology
- Predominantly Male Sample Adopted
- Tested on (N = 172) US Army Colonel's Views of Their Superior (98% Male sample)

TLQ

- No Pre-Conceived Model (Grounded Theory Approach)
- Qualitative & Quantitative Methodology
- Gender - (& BME) - Inclusive Sample
- Piloted on (3,500) UK Public & (N=600+) Private Sector Managers (61% male; 38% female)

A New *Inclusive* Model of
‘Engaging’
Transformational Leadership

The Engaging Leadership Model



Comparison - US 'Heroic' & UK 'Post-Heroic' Models of Engaging Leadership

'Heroic': 1st factor: Leader as '*saviour*'

Post-Heroic: Leader as *servant* and *partner*

Post-Heroic: stresses *openness* and *humility* of the leader

Post-Heroic: stresses *connectedness* and *inclusiveness*

Discriminant Analysis of TLQ™ Scales in Relation to Criterion Variables: Wilk's Lambda Coefficients, for Whole Sample (For Entry F, $p < .05$ in Each Case)

FACTOR/ CRITERION VARIABLE	Stress (negative)	Motivation	Achievement	Job satisfaction	Satisfying leadership style
Showing Genuine Concern	.53	.35	.38	.32	.32
Being Decisiveness, determined, self-confident	.42	.27	.33	-	.27
Acting with Integrity	.44	-	-	.26	.28
Enabling	-	.27	.34	.26	.27
Networking, Promoting	-	.27	-	-	-
Being Accessible	-	-	.33	.25	.27
Focusing Team Effort	-	-	-	-	-
Encouraging Questioning & Strategic Thinking	-	.27	.34	.25	-

Alban-Metcalfe, R. J. & Alimo-Metcalfe, B. (2000). An analysis of the convergent and discriminant validity of the Transformational Leadership Questionnaire. *International Journal of Selection & Assessment*, 8, 3, 158-175.

Discriminant Analysis of TLQ™ Scales in Relation to Criterion Variables: Wilk's Lambda Coefficients, for Levels 1 & 2 (combined) and Levels 3 & 4 (combined)
(For Entry F, $p < .05$ in Each Case)

FACTOR/CRITERION VARIABLE	Stress (negative)		Motivation		Achievement		Job Satisfaction		Satisfying Leadership	
	1 & 2	3 & 4	1 & 2	3 & 4	1 & 2	3 & 4	1 & 2	3 & 4	1 & 2	3 & 4
Showing Genuine Concern	.49	.53	.35	.36	.40	.41	.34	.40	.33	.35
Being Decisiveness, determined, self-confident	-	-	.26	.28	-	-	-	-	.28	.28
Acting with Integrity	.43	.43	-	-	-	-	.26	.28	.28	.28
Enabling	-	-	.27	.28	.35	.36	.26	-	.27	.28
Networking, Promoting	-	-	.26	.28	-	-	-	-	-	-
Being Accessible	-	-	-	-	-	-	-	-	-	-
Focusing Team Effort	.40	.42	-	-	-	-	-	-	.27	-
Encouraging Questioning & Strategic Thinking	-	-	.27	.28	.34	.35	.26	.28	.	-

Alban-Metcalfe, R. J. & Alimo-Metcalfe, B. (2000). (*op. cit.*)

Discriminant Analysis of TLQ™ Scales in Relation to Criterion Variables: Wilk's Lambda Coefficients, for Male managers (M) and for Female Managers (F) (For Entry F, p<.05 in Each Case)

FACTOR/CRITERION VARIABLE	Stress (negative)		Motivation		Achievement		Job Satisfaction		Satisfying Leadership	
	M	F	M	F	M	F	M	F	M	F
Showing Genuine Concern	.63	.48	.32	.36	.45	.36	.36	.32	.43	.30
Being Decisiveness, determined, self-confident	-	.37	.25	-	.36	-	-	-	.31	.24
Acting with Integrity	.49	.40	.25	-	-	.31	.25	.26	.32	.24
Enabling	-	-	.25	.28	-	.33	-	.27	-	.25
Networking, Promoting	-	-	--	.27	-	-			-	-
Being Accessible	-	-	-	-	-	-	-	.26	-	-
Focusing Team Effort			-	--					-	-
Encouraging Questioning & Strategic Thinking	-	-	.25	.28	.37	.31	.25	-	-	-

Alban-Metcalfe, R. J. & Alimo-Metcalfe, B. (2000). (op. cit.)

Discriminant Analysis of TLQ™ Scales in Relation to Criterion Variables: Wilk's Lambda Coefficients, for Male & Female Managers at Levels 1 & 2 (combined), and Levels 3 & 4 (combined) (For Entry F, p<.05 in Each Case)

FACTOR/CRITERION VARIABLE		Stress (negative)		Motivation		Achievement		Job Satisfaction		Satisfying Leadership	
		1 & 2	3 & 4	1 & 2	3 & 4	1 & 2	3 & 4	1 & 2	3 & 4	1 & 2	3 & 4
Showing Genuine Concern	M	.53	.65	.48	.40	.40	.47	.30	.55	.45	.49
	F	-	.56	.35	.45	.51	.44	.53	.41	.23	.36
Being Decisiveness, determined, self-confident	M	-	-	-	-	-	-	-	-	-	-
	F	-	-	-	-	.29	-	.24	-	-	.27
Acting with Integrity	M	.50	-	.32	-	-	-	.24	-	.36	.34
	F	.48	.41	-	-	-	-	-	-	.21	-
Enabling	M	-	-	-	-	.37	-	-	-	-	-
	F	-	-	-	.33	-	.38	.24	.50	-	.27
Networking, Promoting	M	-	-	-	-	-	-	-	-	-	-
	F	-	-	-	-	-	-	-	-	-	-
Being Accessible	M	-	-	-	-	.31	-	-	-	-	-
	F	.40	-	-	-	-	-	-	-	-	-
Focusing Team Effort	M	-	-	-	-	-	-	-	-	-	-
	F	-	-	-	-	-	-	-	-	-	-
Encouraging Questioning & Strategic Thinking	M	-	-	-	.27	-	.37	-	-	-	-
	F	-	-	.24	-	-	-	-	-	.20	-

Validation Research

- **Local Government, NHS, Education, Police, & Fire & Rescue Service in UK**
- **Private Sector in UK**
(Alimo-Metcalfe, 2002; Kelly, Robertson & Gill, 2006)
- **USA study using the *TLQ*TM** (Miller, 2005)

The Competency Debate

What's wrong with competencies? (1)

- The competency movement has questionable assumptions and has hindered more than helped the advancement of leadership development
- Worse than this, the most dangerous impact has been that it has stopped the search for more useful alternatives
- They are in no way enemies of 'competence'
- But they see such pre-occupation with competencies, as a passing fad

Hollenbeck, G.P., McCall, M. W, & Silzer, R.F. (2006). 'Leadership competency models'. *Leadership Quarterly*, 17, 4, 398-413.

What's wrong with competencies? (2)

There are 4 basic and problematic underlying assumptions of such models:

1. a single set of characteristics adequately describes effective leaders, and these characteristics predict behaviour which in turn predict effectiveness
2. each of these characteristics is independent of others and of the context, therefore, having more of these characteristics makes a person a better leader (that is, they are additive, and the effective leaders are simply the sum of their parts)

Hollenbeck, G.P., McCall, M. W, & Silzer, R.F. (2006).

What's wrong with competencies? (3)

There are 4 basic and problematic underlying assumptions of such models (contd.):

- 3 Because senior managers give their backing to them, and are usually involved in their generation, they are the most effective way to think of leader behaviour
- 4 When HR systems are based on competencies, these systems work effectively

Hollenbeck, G.P., McCall, M. W, & Silzer, R.F. (2006).

What's wrong with competencies? (4)

Assumption No. 1: a single set of characteristics adequately describes effective leaders, and these characteristics predict behaviour which in turn predict effectiveness

- Resembles the 'great man' theory
- There is one set of traits, abilities & behaviours that make up the great leader
- No one set includes all the potentially useful competencies
- No one person has them all
- More than one leadership strategy might be required in one situation

Hollenbeck, G.P., McCall, M. W, & Silzer, R.F. (2006).

What's wrong with competencies? (5)

Assumption No. 2: each of these characteristics is independent of others and of the context, therefore, having more of these characteristics makes a person a better leader

- Effective leaders are more than a set of competencies
- Derailment research demonstrates all too well that strengths can become weaknesses
- What matters is not a person's sum score on a set of competencies, but how well they use the talent they have to get the job done

Hollenbeck, G.P., McCall, M. W, & Silzer, R.F. (2006).

What's wrong with competencies? (6)

Assumption No. 3: “Because senior managers give their backing to them, and are usually involved in their generation, they are the most effective way to think of leader behaviour”

- “The fact that senior management accepts and even supports competency models brings about a circular logic...”They accept the model so it is correct; the model is correct, thus they accept it”.
- Plus...self-report is highly unreliable
- Reinforces ‘clones’

Hollenbeck, G.P., McCall, M. W, & Silzer, R.F. (2006).

What's wrong with competencies? (7)

Assumption No. 4: “When HR systems are based on competencies, these systems work effectively”

- They look ‘scientific’, and can be useful as a basis for selection and training of lower-level jobs where there is a tight coupling between worker characteristics and behaviours, and between these behaviours and subsequent results. However, linkage between the traits-behaviours-results breaks down the higher the level
- After so many years of competency-based HR approaches, we see little evidence that these systems are producing better leaders in organisations. “We are facing an epidemic of leadership failure”

Hollenbeck, G.P., McCall, M. W, & Silzer, R.F. (2006).

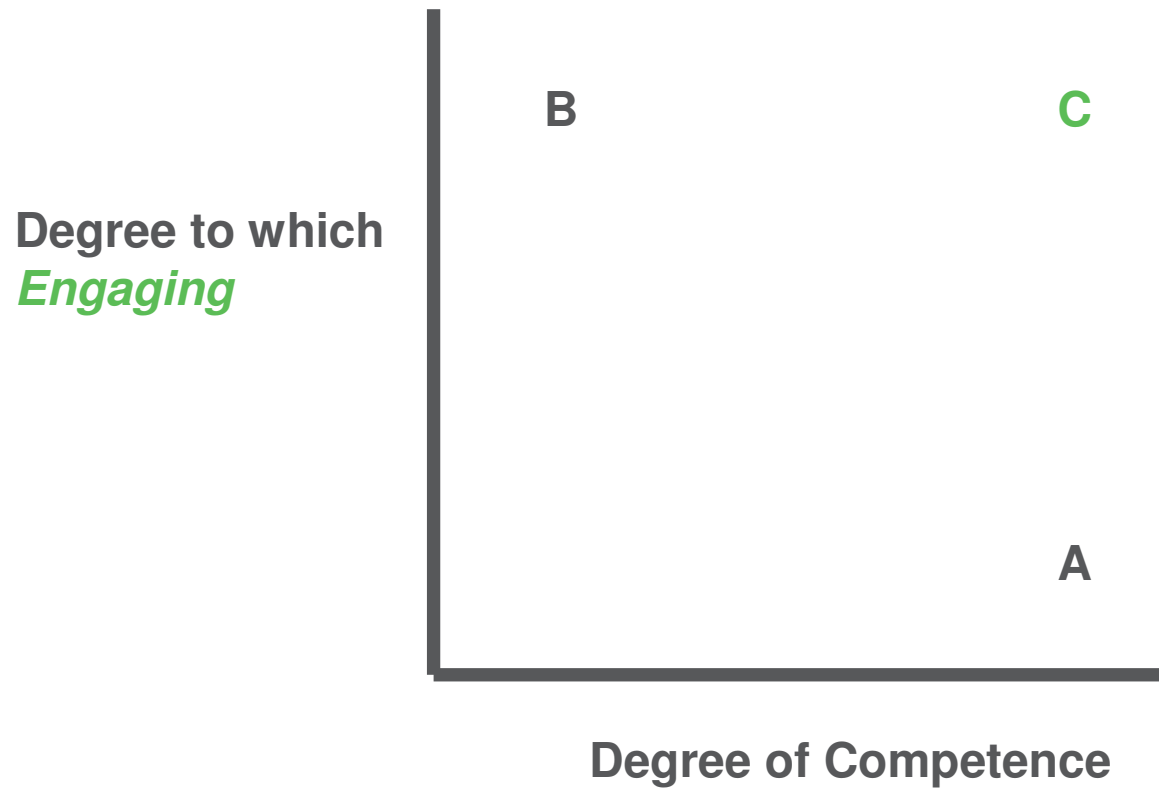
What's wrong with competencies? (8)

Other reasons:

- They de-skill the complexity of many posts/roles, which require a complex mix of competencies, timing, sensitivity to the situation (including interpersonal variables), intuition, and creative adaptation
- We do not judge effectiveness on separate dimensions, but in combinations of behaviours in particular tasks/situations
- There is a growing move towards leadership as a shared/collective process

Competencies *are* crucial...
..but they *aren't* enough!

Relationship Between Competencies & Leadership



Leadership Is About...

*Performing the competencies of
one's job...*

*...in a
transformational/engaging
way!*

Remember...

C./A.

consultancy/research/diagnostics



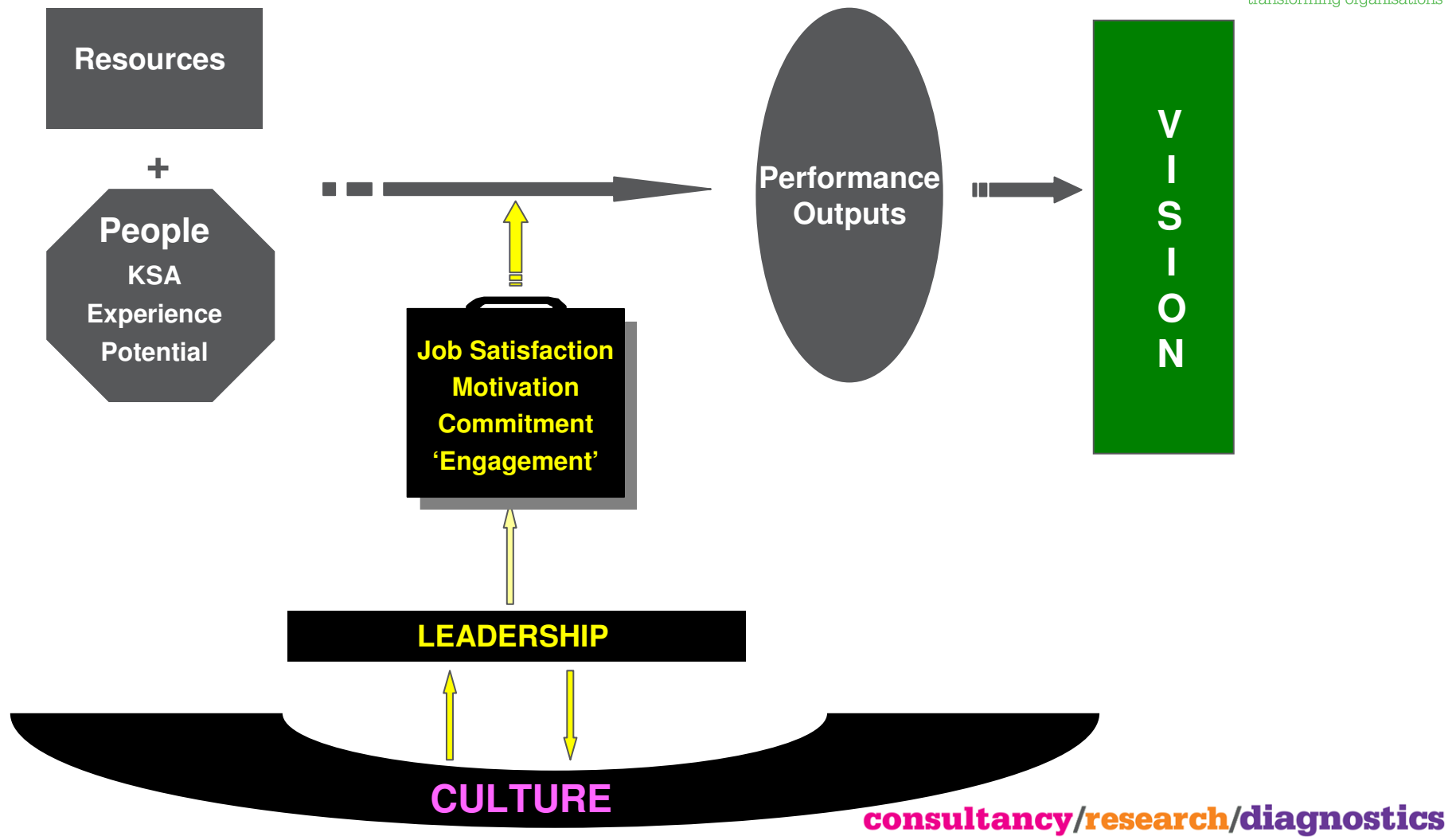
Leadership & Organisational Culture

...the *inextricable* link

consultancy/research/diagnostics



What Predicts and Sustains Organisational Performance?



Impact of Culture on Morale, Wellbeing, & Effectiveness of CRTs (1)

- **Aim:** to understand what leadership factors are associated with a reduction in in-patient admissions
- **Measures include:**
 - admissions to hospital & length of stay
 - team well-being & morale

Department of Health (2007): Real World Group & Sainsbury Centre for Mental Health, Kings College

Impact of Culture on Morale, Wellbeing, & Effectiveness of CRTs (2)

Sample: 80 CRTs (n=743)

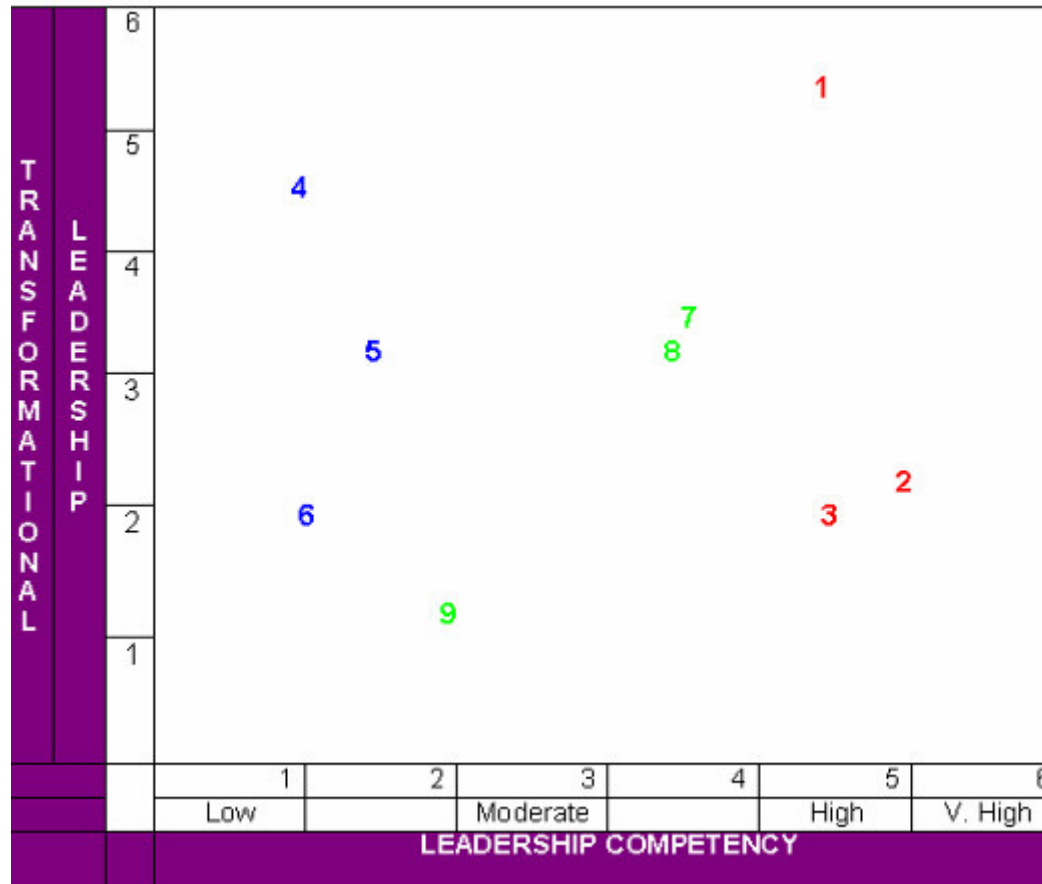
**Instrument: Leadership Culture & Change Inventory
(LCCI)**

**Scales relating to: (1) *engaging leadership*, &
(2) *capabilities***

Department of Health (2007). Real World Group & Sainsbury Centre for Mental Health,
Kings College

consultancy/research/diagnostics

The Leadership Culture & Change Inventory (LCCI)



consultancy/research/diagnostics

Impact of Culture on Morale, Wellbeing, & Effectiveness of CRTs (3)

Findings

3 Scales Emerged:

High Concern & Engagement of Staff (16 items; $\alpha = .95$)

Shared Visionary Leadership (7 items; $\alpha = .90$)

Team Leadership Capabilities (14 items; $\alpha = .94$)

6 Impact Clusters:

Motivation & Self-efficacy

Achievement Motivation

Organisational Commitment

Self-fulfilment & Satisfaction

Stress

Emotional Exhaustion

Alban-Metcalf, J. & Alimo-Metcalf, B. (2006). 'Leadership Culture and its Impact on Job Satisfaction, Motivation, Commitment and Well-being at Work'. Paper presented at the British Academy of Management, September 12th – 14th, Belfast.

Does Culture Relate to Team Effectiveness?

Findings:

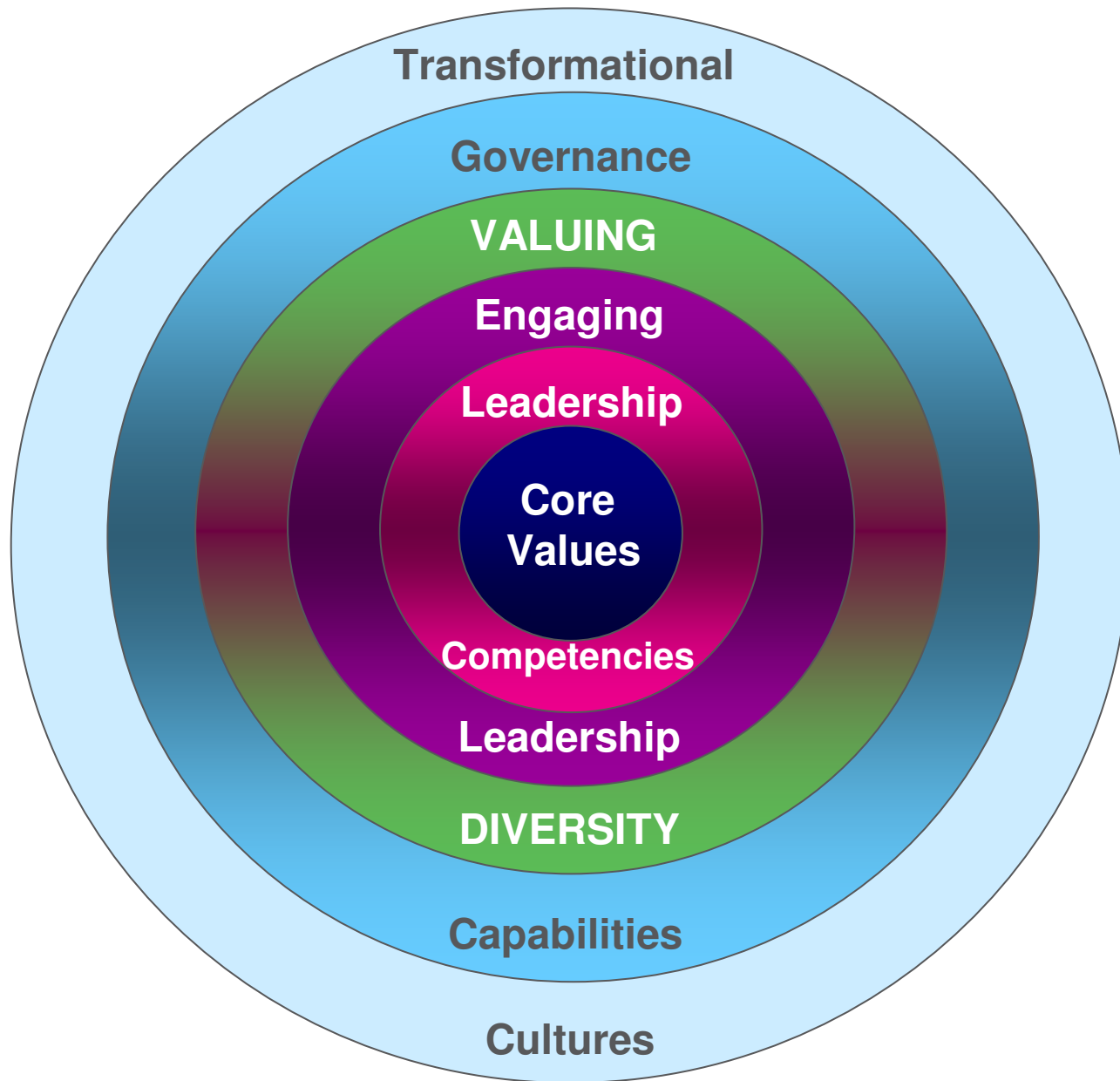
Perceived culture of the teams significantly predicted:

- *Morale*
- *Motivation*
- *Levels of stress & emotional exhaustion*
- *And Team Effectiveness*

Do Organisations Know What They're Doing?

Are they Developing:

- Human Capital alone?
- Social Capital?
- Both?



Our Research into Gender & Ethnicity in 360 ratings

Alban-Metcalfe, Juliette. (2004). *'Progress - Diversity & the Career Progression of Local Government Managers'*. London: Improvement & Development Agency (IDeA)/Real World Group

Alban-Metcalfe, Juliette. (2004). *'Perceptions - 360 Degree Feedback: An Analysis of its Differential Effect on Black and Minority Ethnic & White, Male & Female Managers in Local Government'*. London: IDeA/Real World Group

The 'Disengaged' – What are we doing?

Watson Wyatt (2006) found:

- 15% highly engaged
- 20% disengaged
- ***65% low-mod & ready to swing either way!***

Concerns Re Leadership Assessment

- Whether leadership is being adequately assessed in ACs
- The preoccupation with competencies of leadership
- Can we really describe leadership in one competency dimension?
- Potential Measurement Deficiency
- Prevalence of 'Toxic Leadership'
- Cultural impact of this
- Sample from whom Leadership criteria are derived
- Do we include Direct reports, Peers, other Stakeholders?

And really *really* finally...

“Cynicism concerning people in power.. seems to ..be at comparatively high levels..

The emerging era of terrorist threats may rekindle interest in leadership, targeted toward the promotion of inclusion, unity, and allegiance, and less toward the emphasis of division and separateness”

Vecchio, R. P. (2002). 'Leadership and gender advantage'. *Leadership Quarterly*, 13, 643-664.

consultancy/research/diagnostics

LRDL

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