Effective leadership is not about making speeches or being liked; leadership is defined by results not attributes.

- Peter F. Drucker
Your Definition

Leadership

Your Definition

Leadership
Effectiveness
Espoused Theory

Theory in Use


How do you assess...

Leadership Effectiveness
LEADERSHIP AND THE FATE OF ORGANIZATIONS

Robert B. Kaiser
KAPLAN DEVRIES INC.

Robert Hogan
HOGAN
ASSESSMENT SYSTEMS

S. Bartholomew Craig
NC STATE UNIVERSITY

American Psychologist
Vol. 63(2), 2008

How we define effectiveness

How we measure effectiveness
"Leadership effectiveness"

- Define terms
- Describe a taxonomy
- Review literature viz. taxonomy
- Make a case: we have put more focus on the fate of careers than the fate of organizations

Defining terms

- Leadership
  
  a solution to the problem of collective effort

  collective goals require a team effort

  influencing individuals to transcend short-term self-interest and contribute to long-term group performance

  leadership is about building a team and guiding it to outperform the competition

Hogan, Curphy, & Hogan, 1994; Hogan & Kaiser, 2005; Van Vugt, Hogan & Kaiser, 2008 (see also Avolio et al., 2003; Bass, 1990; House & Aditya, 1997; Yukl, 1989)
Leadership effectiveness is most properly concerned with group performance.

**Toward a taxonomy**

<table>
<thead>
<tr>
<th>Leadership perceptions</th>
<th>Leadership effectiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>leadership emergence</td>
<td>team morale/satisfaction</td>
</tr>
<tr>
<td>ratings of the leader</td>
<td>team performance</td>
</tr>
<tr>
<td>peer ratings of status</td>
<td>objective results</td>
</tr>
<tr>
<td>boss ratings of effectiveness</td>
<td>ratings of group effectiveness</td>
</tr>
</tbody>
</table>

Lord, Alliger, & DeVader (1986); Hogan, Curphy, & Hogan (1994)
Unit of Analysis

Individual Leader

Team or Group

leadership emergence
ratings of the leader
peer ratings of status
boss ratings of effectiveness

team morale/satisfaction
performance of team
objective results
ratings of group effectiveness

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rkaiser@kaplandevries.com
### Individual Leaders

- Standing out: **emergence**
  - Peer nominations
  - Leader/non-leader ratings of potential promotion

- Approval: ratings of leader
  - Overall effect. ratings
  - Overall ratings of perf.
  - Aggregate ratings
  - Satisfaction w/leader
derailment

- Process: how we played
  - Individual employee attitudes
  - Behavior
  - Team dynamics
  - Climate/culture

- Outcomes: win/lose?
  - Business unit results
  - Productivity
  - Financials
  - Customers
  - Human resources

---

### Team or Group

- Being selected for a leadership role
- Others’ evaluations of you in that role
- Proximal effects of leader on people
- Distal effects of leader on org.

---

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---

The fate of careers

The fate of organizations
A meta-meta review

- How often do we operationally define leadership as the fate of careers vs firms?
- Count measures reported in meta-analyses

Meta-analyses in review

<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Year</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burke, Stagl, Klein, Goodwin, Salas, &amp; Halpin</td>
<td>2006</td>
<td>Team Performance</td>
</tr>
<tr>
<td>Judge &amp; Piccolo</td>
<td>2004</td>
<td>Transformational &amp; Transactional</td>
</tr>
<tr>
<td>Judge, Ilies, &amp; Colbert</td>
<td>2004</td>
<td>Intelligence</td>
</tr>
<tr>
<td>Judge, Piccolo, &amp; Ilies</td>
<td>2004</td>
<td>Consideration &amp; Initiating Structure</td>
</tr>
<tr>
<td>Dirks &amp; Ferrin</td>
<td>2002</td>
<td>Trust</td>
</tr>
<tr>
<td>Judge, Bono, Ilies, &amp; Gerhardt</td>
<td>2002</td>
<td>Personality</td>
</tr>
<tr>
<td>Gerstener &amp; Day</td>
<td>1997</td>
<td>Leader-Member Exchange</td>
</tr>
<tr>
<td>Eagly, Karau, &amp; Makhijani</td>
<td>1995</td>
<td>Gender &amp; Effectiveness</td>
</tr>
<tr>
<td>Eagly &amp; Karau</td>
<td>1991</td>
<td>Gender &amp; Emergence</td>
</tr>
<tr>
<td>Mullen, Salas, &amp; Driskell</td>
<td>1989</td>
<td>Emergence</td>
</tr>
</tbody>
</table>
10 meta-analyses

- ~285,000 leaders
- 1,124 samples
- 1,695 statistical tests

How often was each type of effectiveness measure used to compute a validity coefficient?

<table>
<thead>
<tr>
<th>Individual Leader</th>
<th>Team</th>
<th>N</th>
<th>% of all</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standing out</td>
<td>Process</td>
<td>Outcomes</td>
<td></td>
</tr>
<tr>
<td>Approval</td>
<td>Int.</td>
<td>309</td>
<td>18%</td>
</tr>
<tr>
<td>Team Perform.</td>
<td>Trans.</td>
<td>600</td>
<td>35%</td>
</tr>
<tr>
<td>LMX</td>
<td>95</td>
<td>127</td>
<td>76</td>
</tr>
<tr>
<td>Personality</td>
<td>95</td>
<td>127</td>
<td>76</td>
</tr>
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<td>95</td>
<td>127</td>
<td>76</td>
</tr>
<tr>
<td>Sex/Emergence</td>
<td>14</td>
<td>27</td>
<td>171</td>
</tr>
<tr>
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<td>14</td>
<td>27</td>
<td>171</td>
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<tr>
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What is the right proportion?

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<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standing out</td>
<td>Approval</td>
</tr>
<tr>
<td>10%</td>
<td>54%</td>
</tr>
<tr>
<td>Process</td>
<td>Outcome</td>
</tr>
<tr>
<td>30%</td>
<td>46%</td>
</tr>
</tbody>
</table>

The fate of careers: 54%
The fate of organizations: 46%

Depends on what you want to know...

How do leaders get ahead in their careers? How do leaders build enduring social institutions?

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How do you assess...

Leadership Effectiveness

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<td>promotion</td>
<td>aggregate ratings</td>
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<td>evaluations of you</td>
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<tr>
<td>role</td>
<td>in that role</td>
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<td></td>
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</tbody>
</table>
How do leaders affect organizational performance?

Leadership Value Chain

- Leader Characteristics
- Leadership Style
- Unit Process
- Unit Results
- Organizational Effectiveness

Decisions
- Strategy
- Structure
- Shifting

Behaviors
- Initiation
- Consideration
- Transformational

Employee
- Attitudes
- Behaviors

Team
- Dynamics
- Climate/Culture

Org.
- Goals
- Systems
- Resources

HR
- Turnover
- Development

Productivity
- Quantity
- Quality

Financial
- Revenues
- Costs

Customer
- Satisfaction
- Retention

HR
- Engagement
- Talent level

Purpose
- Mission
- Culture
- Social contributions

Human Capital
- Personality
- Mental Ability

Intellectual Capital
- Job Knowledge
- Skills

Social Capital
- Networks
- Connections

Context for Performance

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What’s a management psychologist to do?
Improving our practice

- Start with the business challenge
- Make unit performance a focal point
- Expand your assessment battery
- Tie behavior to results

Start with the business challenge

- In contracting
  - With sponsor/boss
  - With client/manager
- Ask for
  - PMP or Perf Appraisals
  - Balanced scorecards for unit
  - Current unit performance goals/expectations
Expand your assessment battery

- Interview questions about business unit performance and contribution
- Existing rating scales focused on unit processes
- Be creative about assessing unit results

Tie behavior to results

- Clarify the link in feedback
- Reinforce the link in coaching
- Assess both in follow-up
  - About a 3 month lag on process
  - 6- to 12 month lag on KPIs
What will you do differently in your practice?

Executive Assessment and the Bottom Line
Thinking Clearly about Leadership Effectiveness

Robert B. Kaiser
KAPLAN DeVRIES INC.