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What are the Best Practices to Assess Leadership Effectiveness?

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Abstract

[Excerpt] Great leadership makes employees devote more energy to their job and yield good performances. Since leadership is vital to managing an organization, all organizations always need to assess how well leaders exercise that leadership over their subordinates. However, assessing leadership effectiveness is often a difficult exercise for many organizations, because of potential backlash from giving negative feedback to leaders. In addition, most assessment procedures are not based on standards and the items on which a leader is assessed are undefined or poorly defined. There is no perfect instrument for assessment. So, we will focus on how best to assess leadership effectiveness by using current assessment instruments wisely.

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EXECUTIVE SUMMARY

Research Question

What are the best practices to assess leadership effectiveness? Benchmarking for HR leaders?

Introduction

Great leadership makes employees devote more energy to their job and yield good performances. Since leadership is vital to managing an organization, all organizations always need to assess how well leaders exercise that leadership over their subordinates. However, assessing leadership effectiveness is often a difficult exercise for many organizations, because of potential backlash from giving negative feedback to leaders. In addition, most assessment procedures are not based on standards and the items on which a leader is assessed are undefined or poorly defined.[5] There is no perfect instrument for assessment. So, we will focus on how best to assess leadership effectiveness by using current assessment instruments wisely.

Recommendations for how best to assess leadership effectiveness

1) Use assessment tools synthetically

Leadership effectiveness can be assessed in many different ways and at various levels depending on what an organization wants to highlight. As leadership effectiveness is assessed in accordance with its purpose, the overall level of leadership effectiveness of the organization is difficult to pin down comprehensively. Since human behaviors are so complicated and dynamic, holistic assessment should necessarily be conducted to capture various aspects of leadership. This may include questionnaires, 360 degree evaluation[a], FIRO-B[b], interviews, references, and so on. Holistic assessment also can help to develop a leadership program. For example, the combination of MBTI[c] and CLI[d] may be a powerful tool to use in identifying steps that can be taken to improve leadership effectiveness. As a result, using various assessment tools such as diverse tests and methodologies synthetically may help us get to a comprehensive understanding of overall leadership effectiveness of the organization. [1, 3, 6]

2) Use various leadership simulations

Traditional assessment centers evaluate leadership competencies by observing the leader in multiple simulation exercises. This method has physical locations, with multiple leaders and multiple assessors present for periods ranging from one to four days. Admittedly, this method is costly and cumbersome. We recommend three alternatives to the traditional assessment center that incorporate all of the elements that make traditional assessment centers valid and behaviorally

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[a] 360 degree evaluation is feedback that comes from members of an employee's immediate work circle. Most often, 360-degree feedback will include direct feedback from an employee's subordinates, peers (colleagues), and supervisor(s), as well as a self-evaluation.

[b] FIRO (Fundamental Interpersonal Relations Orientation) is a theory of interpersonal relations, introduced by William Schutz in 1958. This theory mainly explains the interpersonal underworld of a small group. Schutz developed a measuring instrument that contains six scales of nine-item questions that he called FIRO-B.

[c] The MBTI (Myers–Briggs Type Indicator) assessment is a psychometric questionnaire designed to measure psychological preferences in how people perceive the world and make decisions.

[d] CLI (Campbell Leadership Index) provides feedback to an individual about personal characteristics that are directly related to the nature and demands of leadership. The survey quantifies the perceptions of the individual leader and selected observers, such as direct reports, peers and managers.

rich. These alternatives use technology to make assessments flexible, simple, and significantly less costly. The first is the Telephone Assessment Program (TAP) which is a live simulation of the tasks performed for a specific target position. The second alternative is LEADeR[e] as the frontier of virtual assessment. This is a realistic, high-fidelity, and web-based simulation. The last alternative is a Video-based assessment center that uses video cameras to capture the leader's performance during the simulation exercise. These assessment instruments will be very helpful for organizations because it has advantages in minimizing bias, quality assurance, and scheduling & reporting. [4]

3) Develop questionnaire by employees' participation

Except for conducting a real-time assessment through direct observation, conducting surveys of employees is the best way to judge leadership effectiveness. Through surveys, organizations can develop questionnaires that reflect the characteristics of the organization well by means of employees' participation. That is, in the process of developing questionnaires, it needs to select a few employees who have good records in both business performance and relations with colleagues. Their responses should be summarized, coded, and analyzed for frequency. This process can produce essential behavioral items which reflect leadership effectiveness well. These items and their accompanying definitions are used to construct the scale of essential characteristics for leadership effectiveness. The higher the value obtained on an item, the greater the essentiality of the item for leadership effectiveness. In order to investigate which items are legitimate and valid for essentiality, some statistical analysis should be necessarily conducted.[5] This organization-specific questionnaire by employees' participation can show the overall leadership effectiveness of the organization by investigating all of the essential items. Assessment instruments for measuring leadership effectiveness should have a high degree of consensus between employees. So, this process for designing questionnaire can make both leaders and employees accept the result of leadership effectiveness because there are bottom-up inputs in designing the assessment instrument.

Case study

Johnson & Johnson developed and assessed its leadership effectiveness. The Standards of Leadership reflect what is and will be expected of those who aspire to leadership positions within Johnson & Johnson. A task force of line leaders developed the Johnson & Johnson Standards of Leadership. In addressing its challenge, the working group focused on six key objectives (Exhibit 1). The task force utilized the following process (Exhibit 2) in developing the Leadership model for Johnson & Johnson. For the development of leadership intervention, they use two methodologies, 360 degree feedback and action learning (Executive Conference III, Exhibit 3)
As a result, from more than 2,500 respondents who provided feedback on the mini-survey to the Executive Conference III participants, clear trends became apparent in both the overall effectiveness ratings and the selected areas for improvement (Exhibit 4).[9]

Conclusion

Information gotten through leadership assessment can be critical in managing organizations by giving a diagnostic feedback to leaders or coaching them to create a specific individual development plan. Most of assessment tools are well designed and show exact results what they try to measure. Issues are how well an organization combines various leadership assessment tools.[2, 8]

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[e] LEADeR, which developed by Kirk Rogg, PhD. Sadly, Dr. Rogg, takes the assessment center approach to evaluating leadership potential into the virtual world. It puts participants in situations that permit assessors to observe and evaluate participants' behaviors that are indicative of success in managerial positions.

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Exhibit 1. Six key objectives:

1) Build on Johnson & Johnson core strengths

Central to the success of Johnson & Johnson has been its value system. It would beessential that the leadership model be aligned with the beliefs contained within theCredo.

2) Make it globally applicable

The company's business and markets are global. Sales outside of the United States account for 47% of the Johnson & Johnson business. Many of its businesses arestructured as global franchises. If the leadership model was to have impact, it had toreflect concepts that could be embraced by the worldwide organization.

3) Make it situationally adaptable

Effective leadership is a dynamic process that adapts to the critical needs of themoment. Likewise the leadership model is a framework for operating and not ageneric prescription for success.

4) Make it simple but not simplistic

A key challenge was to develop a leadership model that captured sufficient details toachieve shared understanding while at the same time not present itself as anoppressive maze of definitions or descriptions.

5) Focus on positively changing the behavior of current and future leaders

The charter of the task force was to develop a projective model of leadership, whichwould define behaviors that would drive success in the marketplaces of today and tomorrow.

6) Make it central to Johnson & Johnson leadership development process

Once defined, the Standards of Leadership would become a base from which individuals and organizations could assess their current levels of effectiveness andthen put in place actions plans for improvement.
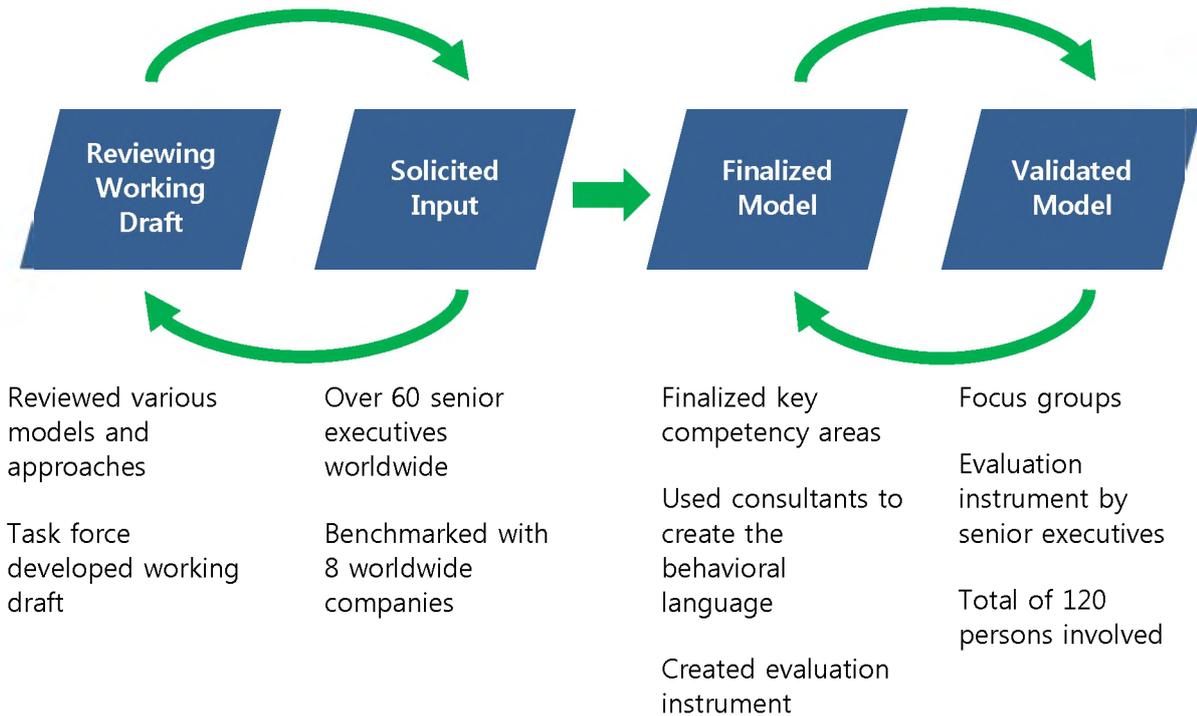
Exhibit 2. Assessment & Development Process

Reviewing Working Draft	Solicited Input	Finalized Model	Validated Model
Reviewed various models and approaches Task force developed working draft	Over 60 senior executives worldwide Benchmarked with 8 worldwide companies	Finalized key competency areas Used consultants to create the behavioral language Created evaluation instrument	Focus groups Evaluation instrument by senior executives Total of 120 persons involved

Exhibit 3. Executive Conference III Overall Flow

4 Months prior to In-Region session

Pre-Session

- **Overall Commitment**
  - Teams and continuing work
  - Leadership and 360-degree feedback
- **Business Project Issues**

Pre-work

5 days in the Region

Core Session

- **Leadership**
- **Top Management**
- **Business Project Issue**
  - Implementation plan

90-Days To Achieve Initial Impact

Continuing work by the teams on implementation of planned changes

1 day in the Region

Follow-Up Event

- **All Teams Report results**
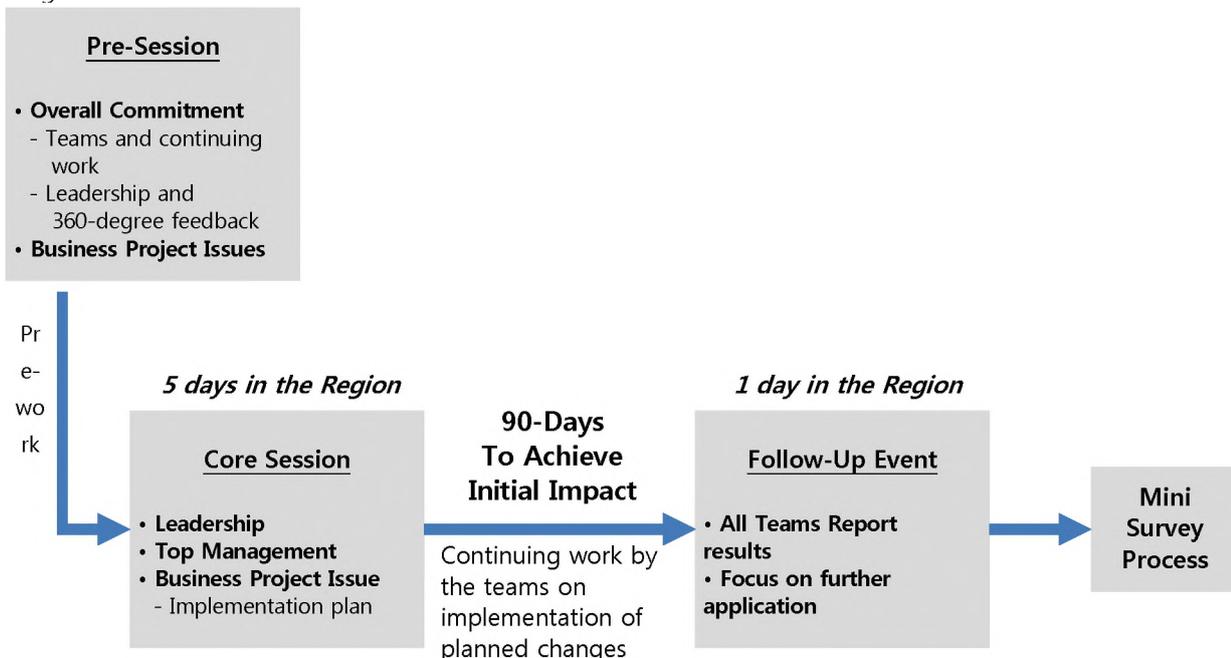- **Focus on further application**

Mini Survey Process

Exhibit 4. Changes in Overall Leadership Effectiveness

Less effective   More effective