



Performance Leadership



Executive Summary

A mix of 'transformational' and results-oriented leadership behaviours make a significant contribution to both the organisational commitment and self-rated performance of followers.

Knowledge workers make up an increasing proportion of the workforce. To motivate these workers it is necessary to emphasise coaching for development, values-based leadership and facilitation of the team context of work (examples of 'transformational' leadership).

There is also ongoing demand for productivity and concern as to whether the traditional approaches to performance management (clear expectations, feedback, consequence management) make a difference to the performance of such workers.

In this on-line study our respondents assessed their manager's performance management and their transformational leadership ('performance leadership' in combination). They also reported on their organisational commitment and job performance.

It appears that performance leadership contributes to both of these important outputs. Performance leadership, with an emphasis on developing capability of followers, contributes to high performance and the retention of workers capable of delivering that performance.

Our research

Think of someone you would consider an effective leader. How would you describe them? In terms of their behaviour, their emotional impact on you, or how about their effectiveness in helping you to deliver results?

Ultimately leadership rests on helping followers do better. Followers follow so they can get to a better place. It is surprising that despite a lot of effort devoted to developing leadership competencies there is little evaluation of the impact on the effectiveness and results of those who are led.

Over the last few years a number of people have completed a range of on-line measures at survey.fxc.co telling us (among other things) about their views of their leader, of their effort and performance at work, and their commitment to their organisation.

One advantage of this on line research approach is that participants get immediate feedback of their results. Another advantage is the anonymity and confidentiality it provides. No matter how people rated their leader or themselves – there is no come-back (unless they take their results along to discuss with their manager perhaps!).

We found that a range of leadership behaviours make a difference to individual staff's view of how committed they were to their organisation and how well they performed.

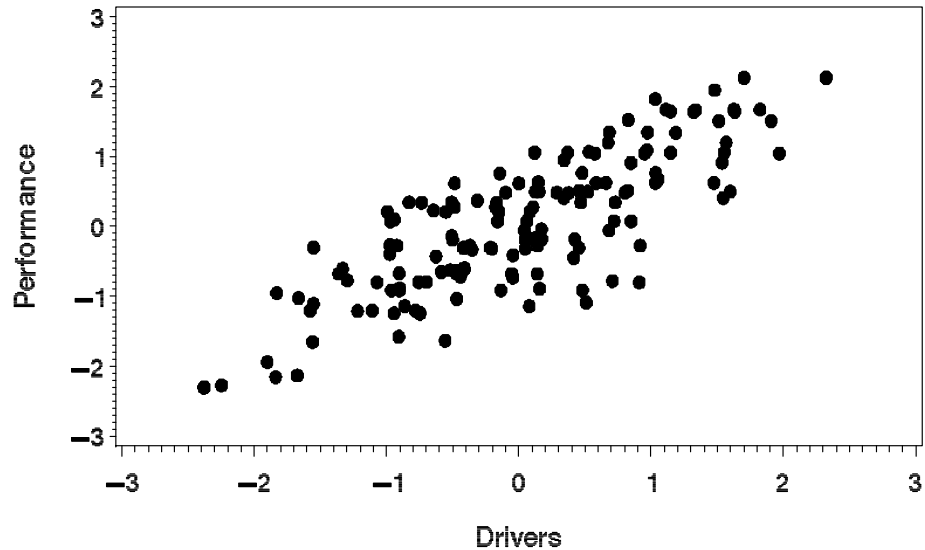
Statistical analysis enabled us to simplify the extensive information provided by on-line participants. We think our analytical method has implications for other initiatives such as evaluating leadership training or validating selection tools.

Such evaluations often have a problem pinning down the performance 'criterion'. Imagine an organisation using a balanced score card. Managers are rated on financial measures, on customer service results, in terms of operational efficiency and perhaps employee measures such as staff satisfaction. Which measure is the important one?

Of course they are all important, and multivariate statistics can help to simplify such information – to identify consistencies in the apparent complexity. For example we used a multivariate correlation procedure to relate the 'inputs' of leadership behaviours, job involvement and both performance expectations and performance consequences to the 'outputs' of organisational commitment and self-assessed job performance.

This technique produced the relationship shown in the Figure (over page) – a strong relationship between those 'inputs' and the 'outputs' – expressed as 'drivers' and 'performance' (the canonical correlation was .83 – see below for interpreting such values).

Canonical (correlation) scores
1st Canonical dimension



Having put this information together we need to unbundle it to check what are 'drivers' and what is 'performance'.

These are expressed in the Table in terms of their correlation with the underlying driver-performance dimension (as with any correlation, this varies between -1 and 1, the closer to 1 the greater the relationship).

Drivers	Performance
I have clear responsibilities and goals .78	My colleagues, boss and organisation would consider my performance is good .54
My manager coaches me for performance improvement .71	I am truly committed to this organisation .80
My manager demonstrates transformational leadership behaviours .79	
Promotions are on the basis of performance .72	
I'm personally involved in my work .57	

We think that the 'performance' outputs are the ones most organisations would want to see more of – high performing people who see their future with their employer.

Are there any surprises in terms of what contributes to such performance outputs? With the benefit of hindsight we may see the performance management basics of clear expectations, coaching and performance consequences (in the shape of potential promotion) as contributing drivers along with transformational leadership (and of course personal engagement in the work).



This might be surprising to those who think that transformational leaders are all that an organisation requires. Our results do indicate the importance of leaders using transformational leadership behaviours. They also indicate that other behavioural and environmental factors make a difference. Role-clarity and clarification of what exactly is expected is obviously significant. So is a perception that performance has meaningful consequences (such as promotion).

Supervisors are also obviously well-advised to focus on their staff's task performance. This is very much a person-oriented focus – making sure that their staff have the skills for effectiveness rather than demanding task-completion.

Changes to survey.fxc.co

We have now updated our on-line survey. We have kept the hard-working scales that seem to be measuring valid dimensions. We have also incorporated a 'talent magnetism' scale – to help us identify what it is that people see as the critical ingredients of an attractive employment proposition.

We continue to provide individual feedback for each person completing the survey – and now that feedback is normed in terms of our sample. Want to know just how transformational your leader is? You can learn on-line. Of course, if you want to know how transformational a leader your people see you as – you can ask them to rate you on-line.

The approach

We had 157 people who completed all of the scales used in this research. Nearly half (42%) were senior executives or partners of their respective organisations. A quarter (25%) were in staff roles such as customer support. The remainder either managed a support function (such as HR) or staffed such a function (17% and 16% respectively). The group was almost evenly divided between those in smaller organisations (< 150 staff; 52%) and those in larger organisations (>150; 48%).

The scales were a mix of existing and well-used measures and those we have developed.

Scale	Number of items, and sample item	Source
Driver or 'input' variables		
TL: Transformational Leadership	7: (The person I report to:) Gives encouragement and recognition to staff	Carless, Wearing and Mann, 2000
PL: Performance Leadership	9: S/he is good at following up with me on my progress	Home-grown
PC: Performance Consequences	3: The best performers here are rewarded better than the others	Home-grown
Jl: Job Involvement	5: The most important things that happen to me involve my work	Kanungo, 1982
PE: Performance	5:	Home-grown



Expectations	My boss makes it clear exactly how s/he will evaluate my performance	
'Performance' or output variables		
OC: Organisational Commitment	9: I am proud to tell others that I am a part of this organisation	Mowday, Steers and Porter, 1979
GP: Good performance	7: Compared to the standards I usually get good results from my work	Roe et al, 2000

The item ratings were evaluated in two steps – basically a reliability or consistency check, and then a validity check.

We first used factor analysis to identify whether the items of each scale 'stuck together'. Some didn't and were removed. This resulted in shorter but more consistent scales (reliability of the final scales as measured by coefficient alpha was between .80 and .95).

Next we used canonical correlation analysis – a technique where 'inputs' and 'outputs' are evaluated for fundamental or 'canonical' dimensions, and these are then correlated. We were interested in which, if any of the input or 'driver' items would contribute to their own canonical dimensions, and to those of the 'performance' outputs. Those that didn't show high correlations were dropped.

We ended up with the same seven scales we had started with – but they were typically shorter. These steps reduced our total number of items (for all the scales) from 45 to 24.

Looking at the range of results – our raters were consistently positive – averages on all the scales were above the mid-point, especially for people's views of their own good performance. We 'transformed' these distributions to make them more 'normal' before we did our analysis. This means that when you complete the revised tests, you are now able to see how you compare with the sample.

References

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