CHAPTER 5
LEADERSHIP COMPETENCIES AND ASSESSMENT

1. INTRODUCTION

The research in this study was conducted by means of a 360° Leadership Assessment Questionnaire referred to as the LAQ as part of the Holistic Model for Leadership Development.

Prior to the development of the LAQ, a benchmarking process was followed to determine the leadership competencies that will be relevant for the organization to be successful within a competitive environment. After extensive benchmarking, the top management team of the organization where the research was conducted decided to base the leadership model of the company on the High Performance Transformational Leadership Competencies as described by Schroder (1997), since these competencies were scientifically well researched and validated. These competencies supported the transformational strategy and business model of the organization.

 The Leadership Assessment Questionnaire (LAQ) used in this research has been developed and validated based on a customised version of the High Performance Transformational Leadership Competencies as described by Schroder (1997).

The Leadership Assessment Questionnaires were distributed electronically to 3000 managers in the organization once a year over a period of three years. Managers were given the option to participate on a voluntary basis. The managers who chose to participate, were rated by their subordinates, their peers, as well as their supervisors. The assessment results of the managers who participated were analysed for the purposes of this study.

In the first part of this Chapter, the background to the High Performance Transformational Leadership Competencies measured by the LAQ will be discussed. Thereafter the development and implementation of the LAQ will be discussed.

2. BACKGROUND TO THE HIGH PERFORMANCE TRANSFORMATIONAL LEADERSHIP COMPETENCIES

According to Senge (1990b) hierarchically structured organizations cannot perform effectively in a changing environment. Leadership behaviours which are effective in stable environments become ineffective in dynamic environments. To perform effectively in a fast paced changing environment, the development of flatter more flexible structures is critical and these types of structures demand a different kind of leadership behaviour.

The term "dynamic" and "changing" in relation to the environment will be used interchangeably in this Chapter. Global competition as well as changes in technology, knowledge, availability of information, demographics of customers and the workforce as well as changes in consumer demand are all characteristics of a dynamic environment. These forces make the transformation of all organizations unavoidable and require leaders to fulfil a different role. To obtain and sustain a competitive advantage in an environment becoming more complex and dynamic, organizations are constantly challenged to develop new and improved processes, services and products as well as new channels of delivery (Senge, 1990b).

The role of managers changed from directive to facilitative, and the focus shifted from inward looking vertically integrated organizations to outward looking laterally integrated organizations. In order to be adaptable and innovative in complex fast changing environments, flatter, more flexible structures are required for superior performance. Effective leadership behaviour involves the ability to create a climate where change and innovation are considered to be routine and teamwork and learning occur through systems level thinking across boundaries and across all levels of the organization. Performance is no longer judged by how well a manager monitors standards, follows rules and regulations, or how well a manager manoeuvres to the top of an organization but rather on how well a manager is doing in terms of adding new or improved customer/user benefits (Senge, 1990b).

Few studies have established reliable evidence linking leadership behaviour and unit or organizational performance. Research by Boyatzis (1982), Streufert and Swezey (1986), Schroder (1989), Schroder (1975) and Cockerill, Schroder and Hunt (1993) indicates that each of the sets of leadership behaviour called High Performance Leadership Competencies (HPLCs) is positively and significantly associated with superior organizational performance. The identification of the leadership dimensions will now be reviewed to show the link between these capabilities and business performance.

3. DEVELOPMENT OF THE HIGH PERFORMANCE LEADERSHIP COMPETENCIES (HPLCs)

The development of the competencies and their validation took place over a period of forty years. The High Performance Leadership Competencies are generic in the sense that each competency is consistently related to superior performance across different industries and in different countries where the business environment is changing constantly.

The early work by Professor Schroder at Princeton University was based on the extensive literature on cognition as well as on the Ohio State (Hemphill, 1950), Michigan (Likert, 1961) and Harvard (McClelland, 1961), studies of leadership behaviour.

3.1 The cognitive (or thinking) competencies

Professor Schroder (1975) based seven of the eleven HPLCs on the cognitive complexity studies conducted at the Princeton University and University of Southern Illinois.

Schroder and his colleagues conducted research at Princeton University, between 1960 and 1973. Their research focused on the impact of leadership capabilities and the environment on performance in complex dynamic business environments.

Professor Schroder translated the research findings from the laboratory simulations in these studies (Complexity Theory Studies) into measures of managerial capabilities and

then explored the relationship between the seven High Performance Leadership Competencies and performance. The seven High Performance Leadership Competencies and the leadership behaviour associated with these competencies can be described as follows:

- **Information search**

Information search is measured by the scope and abstractness of the search for information. Integrated, conceptual thinking leads to a very broad understanding of the internal and external forces impacting the organization. Information search is associated with broad, but relevant data gathering across many categories of information (Schreuder, 1989).

- **Concept formation**

At lower levels of concept formation, ideas, e.g. ideas for improvement, are implemented in response to a problem. These single ideas have little impact when implemented because they have not been integrated with other ideas and are directed at a symptom and not the real problem. For example, American manufacturers tried to improve competitiveness by increasing controls in departments such as inventory, production and distribution, for many years. The Japanese were the first to use higher levels of thinking; thinking across the departments. When representatives from different departments such as procurement, production, inventory and delivery worked together, they realised that the problems in each department were only symptoms of a more general systems problem between departments, such as delays. By the reduction of delays, the problems were overcome in all the departments and their effectiveness was improved (Schreuder, 1989).

- **Conceptual complexity**

Conceptual complexity can be described as the "how" of strategy formation. The same ideas are used to generate at least two equally commendable but different strategies. The positive and negative aspects of the alternative scenarios are identified, studied and used to develop the final strategy.

Conceptual flexibility, as Schroder (1989) calls it, is a process of learning about the future,

which is of critical importance in dynamic environments. One of the best ways to learn about the future is to compare the possible consequences for the organization of two or more different strategies.

- **Understanding others**

In his earlier work, Schroder (1989) referred to this competency as "Interpersonal Search" and later changed it to "Interpersonal Learning".

This competency enables leaders to understand how other people think and feel. Leaders with this competency validate their own understanding of other people's thoughts and feelings by asking questions such as: "Let me see if I understand, are you saying …?" In this way the leader ensures that he/she has a clear understanding of the others' viewpoint and the reasons behind them. This kind of behaviour facilitates meaningful dialogue and the development of systems level ideas (Schreuder, 1989).

- **Group interaction**

Schroder and Harvey (1963), Schroder, Streufert and Weeden, D.C. (1964), Tuckman, B.W. (1965) and Stager D.P. (1967) investigated the impact of this competency on team performance. In these studies, team interaction that involved open dialogue between members as a means of making decisions, was associated with superior team performance in dynamic environments.

The understanding of the ways in which team interaction influences performance was greatly enhanced by a two-year study at the University of Southern Illinois (Schroder, 1975). This study confirmed the earlier work indicating that teams develop through a fixed sequence of stages (Tuckman, 1965). Each stage results from the development of a new competence in interaction behaviour and are associated with significantly higher levels of performance.

During the first stage team members act on their own behalf, gathering as much information from the team as they could for their own agenda. There is competition for control of what the team does. Learning focuses on external criteria, looking to the

instructor to tell them what they need to know.   Given appropriate developmental conditions, some teams develop to stage two.   They learn a new set of interaction behaviours associated with taking risks, challenging authority and an interest in understanding the ideas of others.   During stage two, interaction is about understanding the thoughts and feelings of others in order to meet one's own goals. During stages three and four some teams progress to interaction about the relationship between the ideas of different team members and the development of system-level team ideas, as well as the use of alternative strategies in order to optimise their own and the teams performance.

The performance of teams who developed to stage four, as well as individual students in these teams, was significantly higher than the performance of students in teams which did not develop beyond stage one or two.   Schroder first named this competency "Managing Interaction" in 1983 and in 1997 he changed the name of this competency to "Cross boundary Learning".

- **Concept development**

In the Illinois study, Schroder (1975) compared the impact of a Concept Developing Environment (C.D.E.) with those of the traditional Concept Acquisition Environment (C.A.E.) in academic performance.   In the Concept Developing Environment, the leader creates an environment which challenges followers to gather information, form their own concepts and use them to take calculated risks.   This environment is almost the opposite of the Concept Acquisition Environment in which the leader exercises top-down control and demands conformity to given ideas.   During this study, students in the Concept Developing Environment significantly outperformed students in the traditional Concept Acquisition Environment.

The results of these studies led to the identification of the competency called "Developmental Orientation" (Schroder, 1983).

- **Optimal challenge**

The results of the research done on this topic consistently demonstrated that performance was higher in a complex and challenging environment (Streufert and Swezey, 1986). Too

little or too much complexity such as too little or too much information decreases the integrating capability of an individual to integrate information. In all the studies there was an optimal level of challenge or complexity during which an individual performed at his/her highest level of cognitive capacity.

One of the competencies which leaders must develop is the ability to create a work environment which provides enough information, challenge or stimulation required to produce the highest level of thinking. Schroder (1989) called this competency "Achievement Orientation" and included it as a component of "Building Purpose" (Schroder, 1997).

In summary, seven of the High Performance Leadership Competencies (HPLCs) were directly or indirectly identified, based on the Conceptual Complexity Theory Studies conducted by Schroder and his colleagues between 1960 and 1973 (Schroder, Harvey & Hunt, 1961; Schroder 1975).

3.2   Summary of Schroder's High Performance Leadership Competencies

Schroder (1983) analysed the behavioural indicators for each of the competencies found to be significantly related to unit performance in studies by Boyatzis (1982) and other researchers, such as Bray and Campbell (1974), Levinson (1980), Kotter (1979, 1982) and Stogdill (1974).

A brief description of Schroder's High Performance Leadership Competencies is provided in the Table 5.1.

Table 5.1: The High Performance Leadership Competencies (Schroder, 1997)

Information Competency (IC)

Gathers information from a broad range of categories and sources as well as contextually more abstract information about forces within and outside the organization.

Concept Competency (CC)

Links different kinds of information and ideas to form diagnostic and system-level integrating concepts about a desired future.

Cross-boundary Learning Competency (CLC)

Initiates dialogue to facilitate the development of integrating system-level group concepts, which are subordinate to and explain the concepts/causes of individual members.

Developing Mental Competency (DC)

Provides development resources and sets challenging tasks and competency feedback to enhance one's role as model or coach.

Purpose Building Competency (PBC)

Builds commitment to a shared purpose which is owned and used by team members to initiate new thinking and ideas.

Confidence Building Competency (CBC)

States and justifies own position on issues and builds high expectations of the success of unit or organizational programs.

Proactive Competency (PC)

Takes action; reduces organizational constraints on members so that they can take broader responsibility and use discretion in the implementation of ideas.

Achievement Competency (AC)

Setting progressive measures to monitor the meeting of challenging objectives so that members can use performance feedback to learn and continuously improve performance.

Conceptual Flexibility (CF)

Designing alternative routes to support learning about change and how to reach the desired future.

Achievement Competency (AC)

Facilitates the development of measurable objectives so that members can use performance feedback to continuously improve.

3.3   Validity of the High Performance Leadership Competencies (HPLCs)

The HPLCs have been identified through a long history of research. A number of studies by researchers such as Boyatzis (1992), Bray and Campbell (1974), Levinson (1980), Kotter (1979, 1982) and Stogdill (1974) clearly demonstrate the validity of each of the High Performance Leadership Competencies. Each competency is significantly related to superior unit performance in dynamic environments. The correlation between the competencies of unit leaders and their unit's performance is .42, suggesting that the competence of a unit leader alone explains over 15% of unit performance (Schroder, Cockeril & Hunt, 1995).

The significance of the above finding is magnified when considering the context of an earlier study by Tuckman. Tuckman (1965) found that the greater the number of team members with a high level of conceptual ability, the higher the performance of that team. This means that the greater the number of competent leaders and other team members in a unit, the higher the performance of the unit.

Given this research result, it would appear that the HPLCs are generic competencies required for effective leadership in dynamic environments.

3.4   The High Performance Leadership Competencies in the South African context

In 1996 Professor Tobie DeConing, from the University of Stellenbosch, organised a study group facilitated by H.M. Schroder to identify competencies needed to produce high performance in organizations operating in dynamic competitive environments in the South African context. The study group comprised of representatives of various South African organizations and the university. After considerable study the group decided the following:

- To adopt the generic HPLCs as the basic leadership behaviours associated with superior performance because of their validity across different organizations in the USA and UK in dynamic environments and their similarity to the competencies which the study group members identified on the basis of their own experience;

- To introduce an additional competency which they called "Contextual Sensitivity";

- To modify the behavioural indicators for each of the ten HPLCs to fit the context of South African organizations. The South African behavioural indicators are based on the positive indicators found to underlie the HPLCs described in the book *Managerial Competence* (Schroder, 1989). Preliminary behavioural indicators for each of the South African HPLCs were developed (DeConing, 1996);
- The South African HPLCs could be used as a basis for organizations to build their competency models and measurement instruments.

4. APPLICATION OF THE HIGH PERFORMANCE LEADERSHIP COMPETENCIES IN THE ORGANIZATION WHERE THE RESEARCH WAS CONDUCTED

4.1 Introduction

In the organization where the research was conducted, the belief that the environment will become more dynamic in the future and the implications that this will have for the roles and competencies of leaders, led to a benchmarking exercise in 2000 to identify leadership behaviour which should result in outstanding organizational performance under these circumstances.

4.2 Customization of the High Performance Leadership Competencies

A thorough review of the literature on leadership competencies and of leadership development practices across the world revealed that very little work had been undertaken to prepare leaders for more dynamic business environments. However, one initiative did appear to be more progressive than the rest, namely the one led by Harry Schroder former professor of psychology at Princeton and later professor of management at the University of South Florida. He has drawn on several areas of research to identify and test the validity of ten high-performance leadership competencies. Subsequent research in NatWest to test his findings indicates that high levels of performance are achieved in changing circumstances when leaders use these competencies (Cockerill, 1989).

In the organization where the research was conducted, interviews were conducted with the entire top management team to obtain their inputs on the leadership competencies required to ensure the future success of the organization in a competitive environment.

The top management team also had a one-day workshop to discuss these competencies and to determine whether these were the leadership competencies that would enable the organization to be successful in a competitive environment. They customised the High Performance Leadership Competencies and added five other leadership competencies required by the organization. The customised set of competencies is the following:

- Integrity

    To communicate and act consistently with integrity at all times, within the organization's values and code of business conduct:
    - Ensure and maintain confidentiality where required;
    - Keep promises and avoid lip service;
    - Lead by example;
    - Instil trust;
    - Show consistency in words and actions;
    - Portray the stated standards of ethical behaviour.

- Adaptability

    To respond positively and effectively to the organization's fast changing environment and to understand the complexities of a competitive business environment:
    - Respond positively to a changing environment;
    - Be open to new ideas and ways of doing things;
    - Help others to cope with or adapt to change in the team;
    - Explain the need and reasons for changes in the team;
    - Create an environment that motivates team members in changing circumstances.

- Self-responsibility

    To accept responsibility and take ownership of one's own behaviour and accept accountability for the performance and behaviour of one's own functional team:
    - Take responsibility for performing the tasks required in the job;
    - Take ownership for problems without passing the buck;

- Demonstrate determination, loyalty, and commitment to achieve goals;
- Take ownership and accountability to learn from mistakes;
- Demonstrate personal commitment to tasks that have to be done.

- **Leadership communication**

  To influence team members to enhance their performance by facilitating understanding and creating a shared vision of where the organization is heading and how the individual and group performance contribute to realising organizational objectives and strategies:
  - Communicate clearly to individuals and teams what is expected of them, how they are doing and where they fit into the bigger picture;
  - Take full ownership and responsibility for one's own communication role;
  - Adapt one's communication such that it is appropriate to the requirements of specific persons or situations;
  - Value two-way communication and listening;
  - Understand and be able to effectively use interpersonal and group communication skills in different situations.

- **Purpose building**

  Build commitment in the team by clearly communicating the team's role and purpose and how it fits in with the vision and strategic direction of the organization:
  - Ensure that the organization's vision, purpose and values are internalised by the team;
  - Communicate the advantages of the vision, purpose and direction in order to gain the support of team members;
  - Ensure that strategies and plans are linked with those of other teams in order to ensure alignment;
  - Build alliances with internal and external customers in order to create a shared purpose;
  - Identify and establish external alliances required to meet the strategies, goals and objectives.

- Motivational capacity

  To build confidence within the team to reach goals, to improve motivation and gain commitment by celebrating the team's success:

  – Boost the self-confidence of team members;

  – Recognise and reward individual team members for their successes;

  – Create a culture in which team members have the confidence in each other to explore change, seek challenges and take risks;

  – Clearly state own stand on issues or proposals of others in a persuasive and inspiring manner;

  – Create an environment where the team is motivated to perform.

- Information capacity

  To gather current and future strategic information form a wide spectrum of internal and external sources and share this with team members:

  – Improve organizational competence by utilizing networking opportunities and survey information;

  – Regularly gather information about the company and its operations (e.g. customers, competitors, markets, costs, sales, etc.);

  – Gather information about the future (e.g. the changing organizational environment, new customer benefits, new products, future competition, changing technology);

  – Evaluate and verify information gathered to ensure accuracy and quality;

  – Create processes and opportunities to exchange relevant information (finger on the pulse).

- Conceptual ability

  To link different kinds of information in order to form ideas (e.g. strategies) for the future:

  – Understand how own tasks logically relate to other disciplines and functions;

  – Identify links between problems in different divisions to establish the root causes of such problems;

- Integrate strategic, tactical, and practical information to solve problems and form solutions to problems;
- Demonstrate the capacity to conceptualise by identifying themes, trends and interrelationships as well as recognise the connections between them;
- Form integrated solutions which will solve more than one existing problem.

- **Visionary thinking**

  Have a clear vision, which allows for the development of alternative ways of reaching future goals within a changing environment:
  - Develop more than one alternative route to bring about desired change or achieve future strategic goals and objectives (futuristic);
  - Encourage learning by exploring the relationships between alternative strategies;
  - Compare the consequences (pro and cons) of pursuing alternative strategies to gain a deeper understanding of each strategy;
  - Build a culture in which decision-making through analyses of alternative plans is actively encouraged in meeting the demands of a dynamic environment.

- **Business acumen**

  To understand and apply business principles in order to optimise service delivery and profit:
  - Demonstrate a basic understanding of the environment in which the company operates;
  - Demonstrate an understanding of the company's current and potential markets, competitors and strategy;
  - Calculate the bottom-line implications of decisions and actions;
  - Understand the industry and business environment in which the organization operates as well as the related market forces;
  - Know how to meet the challenges of different business situations;
  - Utilise business acumen in the interest of creating, recognising, and anticipating new business opportunities for the company.

- Diversity learning

  To share ideas in a non-evaluative setting in an effort to understand and learn from diverse individuals:

  - Assist diverse team members to participate in a multi-national and multi-cultural team and organization;

  - Check and clarify own understanding of team members' diverse views, feelings, and cultures;

  - Create opportunities for diverse team members to learn about, as well as from, each other;

  - Treat others with respect and dignity by attempting to understand their ideas, views and feelings;

  - Understand the impact of diversity on the business and use it as a learning opportunity.

- Cross-functional teamwork

  To facilitate ideas and solutions across functional teams to enhance company performance and mutual understanding:

  - Encourage good inter-personal relationships, co-operation and participation between team members and other teams;

  - Provide opportunities for the team members to interact and work across functional boundaries;

  - Facilitate team dialogue to share ideas and to reach consensus on performance improvement and service delivery;

  - Facilitate discussions to develop solutions based on two or more different ideas that will solve more than one problem;

  - Integrate initiatives across functional teams to create a high level of understanding of various roles, responsibilities and activities.

- People development

  To create and foster a climate for personal development by providing challenging development opportunities and continuous coaching:

- Identify and address development areas and needs of subordinates;

- Provide on-the-job support and opportunities for training and development;

- Assist team members to make their jobs more meaningful and challenging;

- Develop subordinates to become multi-skilled;

- Provide feedback, coaching and mentoring to facilitate the personal development of team members.

- Performance achievement

  To continually communicate within the team what is expected of them as well as to guide them in developing and improving their performance through feedback:

  - Assist team members to relate their performance objectives with team and organizational strategies;

  - Regularly review performance of the team against strategies, goals and objectives and provide feedback;

  - Set measurable targets and objectives which will facilitate the improvement of performance;

  - Include meaningful, value-adding and challenging objectives and goals in the performance plan of the team;

  - Support the development of new, improved measures of company, team and individual performance.

- Empowerment

  To grant team members broad responsibility to take action as well as the freedom to move beyond the existing boundaries of their work in order to improve performance and service delivery:

  - Redesign work processes and restructure the organization in order to empower team members to accept more responsibility and work across organizational boundaries;

  - Be tolerant of mistakes and encourage calculated risk-taking;

  - Overcome constraints, challenges and barriers;

  - Reduce bureaucratic rules, procedures and actively stimulate action, teamwork, learning and initiative;

– Actively encourage innovation and creative problem solving.

In the following table a comparison is made between the High Performance Leadership Competencies and the customised High Performance Leadership Competencies used in the company where the research was conducted.

Table 5.2: Comparison between the High Performance Leadership Competencies and the customised High Performance Leadership Competencies adopted by the research organization where the research was conducted.

High Performance Leadership Competencies	Organization Leadership Competencies
Information Competency (IC) The spectrum of current and future information gathered and exchanged with regard to issues.	**Information Capacity** To gather and share current and future strategic information from a wide spectrum of internal and external sources.
Conceptual Competency (CC) Linking different kinds of information and ideas to form diagnostic and system–level concepts about a desired future.	**Conceptual Ability** To link different kinds of information to form ideas (about strategies) for the future.
Conceptual Flexibility (CF) Designing alterative routes to support learning about change and how to reach desired futures.	**Visionary Thinking** To have a clear vision and develop alternative strategies for reaching future goals while taking the dynamic environment into account.
Developmental Competency (DC) Providing challenging job opportunities and facilitating the generation of developmental feedback for leadership and competence development.	**People Development** To create and foster a climate for personal development by providing challenging development opportunities and continuous coaching
Interpersonal Learning Competency (ILC) Sharing ideas in a non-evaluative setting to gain an understanding of the "other's" ideas from their viewpoint.	**Diversity Learning** Share ideas in a non-evaluative setting in an effort to gain understanding from other diverse individuals and learn from their ideas.
Cross-boundary Learning Competency (CLC) Facilitating dialogue on shared ideas to form higher-level explanatory team ideas about change.	**Cross-functional Teamwork** To facilitate ideas and solutions across functional teams in order to enhance company performance and mutual understanding.

Purpose Building Competency (PBC) Building commitment to shared purposes, which are owned and used by members to initiate new thinking and ideas.	**Purpose Building** To build commitment in the team by clearly communicating the team's role and purpose and how they are aligned with the vision and strategic direction of the organization.
Confidence Building Competency (CBC) Building unit/organization in which members value the reactions of others to their ideas, feel confident that they will succeed and celebrate the successes they achieve.	**Motivational Capacity** To build confidence within the team to reach goals and to celebrate the successes which the team achieves to improve motivation and commitment.
Proactive Competency (PC) Reduces organizational constraints and controls on members so that they can take broader responsibility and use discretion in implementing ideas about direction/change.	**Empowerment** To grant team members broad responsibility to take action, as well as the freedom to go beyond the existing boundaries of their work in order to improve performance and service delivery.
Achievement Competency (AC) Setting progressive measures of challenging objectives so that members can use performance feedback to learn and continuously improve performance.	**Performance Achievement** To continually communicate within the team that which is expected of them and guide them in terms of development and improving performance outputs through performance feedback.
	Integrity To communicate and act consistently with integrity within the organization's values and code of business conduct.
	Adaptability To respond positively and effectively to the organization's changing and challenging environment and to understand the complexities of a competitive business environment.
	Self-responsibility To accept responsibility and take ownership of one's behaviour and accept accountability for the performance and behaviour of one's team.
	Leadership Communication To influence team members to enhance performance by creating understanding and shared vision of where the organization is going as well as how individual and group performance relates to organization objectives and strategies.
	Business Acumen To understand and apply business principles in order to optimise service and profit.

The identified leadership competencies for the organization where the research was conducted were graphically represented in the form of the following Leadership Model and communicated throughout the organization.

Figure 5.1: Leadership Model
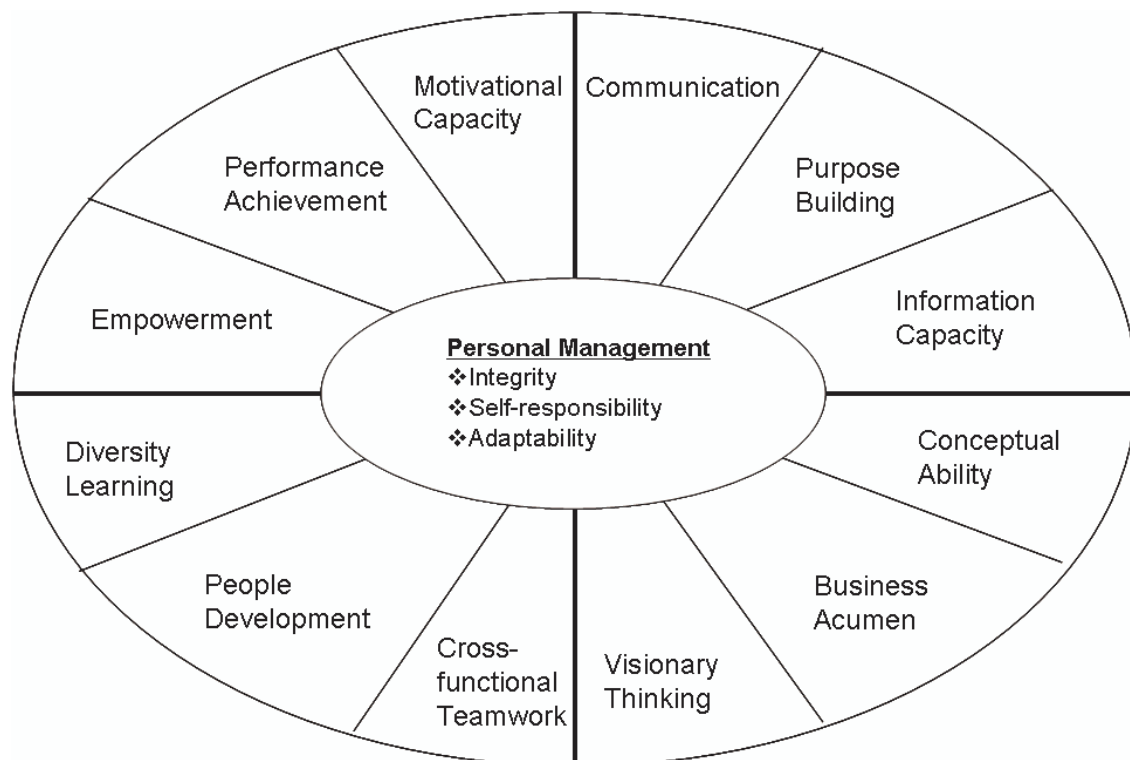
5. LINK BETWEEN THE LEADERSHIP COMPETENCIES AND THE TRANSFORMATIONAL AND SERVANT LEADERSHIP THEORIES

During the benchmarking that was conducted to determine if the leadership competencies identified by the organization where the research was conducted was in line with other leadership theories and models, similarities were identified with the Transformational and Servant Leadership theories. According to Cockerill, Schroder and Hunt (1998) the High Performance Leadership Competencies are transformation leadership competencies in the true sense of the word.

The similarities between the leadership competencies measured by the research instrument and the Transformational and Servant-Leadership Theories are reflected in table 4.3**.**

Table 5.3 **Similarities between the Leadership Competencies measured in this research and the Transformational and Servant Leadership Theories.**	
Leadership Competencies measured by the Leadership Assessment Questionnaire (LAQ)	Transformational and Servant-Leadership Theories
Information Capacity	Transformational Leadership: • Intellectual stimulation
Conceptual Ability	Transformational Leadership: • Strong cognitive skills
Visionary Thinking	Transformational Leadership: • Developing a vision
People Development	Transformational Leadership: • Individualized consideration • Facilitating organizational learning
Diversity Learning	Servant-leadership: • Building a network
Cross-functional Teamwork	Servant-leadership: • Strong teamwork orientation
Purpose Building	Transformational Leadership: • Idealized Influence
Motivational Capacity	Transformational Leadership: • Inspirational motivation • Developing commitment and trust
Empowerment	Servant-leadership: • Decentralized decision-making and power
Performance Achievement	Transformational Leadership: • Inspirational Motivation
Integrity	Servant-leadership: • Awareness Transformational Leadership: • Clear set of core values
Adaptability	Transformational Leadership: • Flexibility

Self-responsibility	Servant-leadership:
	• Self-awareness
Leadership Communication	Servant-leadership:
	• Listening
Business Acumen	Servant-leadership:
	• Foresight
	Transformational Leadership:
	• Risk-taking

6. DEVELOPMENT OF THE LEADERSHIP ASSESSMENT QUESTIONNAIRE (LAQ)

6.1 INTRODUCTION

In order to measure the current leadership behaviour and determine the development areas of the company leaders in terms of the identified leadership competencies, it was decided to make use of a 360° questionnaire. The Leadership Assessment Questionnaire (LAQ) was developed, based on the fifteen leadership competencies as reflected in the leadership model (see Figure 5.1).

6.2 PROCESS FOLLOWED IN THE DEVELOPMENT OF THE LEADERSHIP ASSESSMENT QUESTIONNAIRE (LAQ)

Phase 1

Each of the fifteen leadership competencies was defined and behavioural indicators were developed. Based on the definitions and behavioural indicators one hundred and five questions were developed. During the development of the questions, it was noted that some of the dimensions overlapped to a large extent and that no clear distinction could be made between them.

Phase 2

The one hundred and five item questionnaire was distributed within the organization amongst the relevant employees who were required to match each of the items with the correct dimensions. A total of thirty-seven questionnaires was returned by the respondents. A frequency analysis was performed in order to determine the extent to which the items were related to the correct dimensions. Those items which were

duplicated on different dimensions were either rewritten or excluded in the second draft which was distributed for assessment. This resulted in an eighty-one item questionnaire.

Phase 3

The eighty-one item questionnaire was again distributed and a total of thirty-three managers participated. The sample consisted of 40.63% females and 59.37% males. In terms of ethnic distribution, the sample consisted of 59.37% Whites and 40.63% Blacks. The definition of Blacks in this report is consistent with the definition outlined in the Employment Equity act of 1998.

The raters who completed in the questionnaire are set out in Table 3.3.

TABLE 5.4	
DISTRIBUTION OF RATERS	
RATER	**N**
Supervisor	33
Subordinate	65
Peer	96
Self	33
Total	227

The data was analysed for the total group as well as per rater. The descriptive statistics of the data in the form of frequencies, percentages and means were calculated.

Correlation coefficients were performed amongst the items of the questionnaire and Cronbach's measures of internal consistency, alpha, were calculated for each dimension.

The coefficient alphas for the eighty-one item questionnaire ranged from 0.57 to 0.92. The optimum alpha coefficients should lie in the range of 0.60 to 0.80, i.e. neither too high nor too low. If the coefficient is too low it suggests that the scale has mixed or ambiguous items; whereas too high a coefficient implies a very narrow factor, with items that repeat

essentially the same idea.

The inter-correlations between the items of the LAQ were also very high – 0.20 to 0.72. Based on the coefficient alpha and inter-correlations, it can be concluded that there is no clear discrimination between the different dimensions of the LAQ. This is a result of the high overlap between the definitions of the dimensions. Since the dimensions of the LAQ are set, the final sixty items had to be selected in such a way that it provided broader scope to each dimension.

It was therefore decided that those items which had a correlation of higher than 0.60 with any other item, as well as with the total score, should be evaluated qualitatively in order to decide whether it should be excluded. The result was a fifty-eight item questionnaire (see Appendix A).

Phase 4:

The results of the final questionnaire are presented below and entail descriptive statistics, correlation coefficients between the questionnaire items, as well as reliability scores.

6.3 DESCRIPTIVE STATISTICS OF THE LAQ

The means and standard deviations of the total group as well as per rater are presented in Tables 3.4 and 3.5.

Table 3.4: Means and standard deviations of the LAQ for the total group (n=227).

Table 3.5: Means and standard deviations of the LAQ by rater.

The mean scores compare well between the raters, as they differ less than one standard deviation from another.

The inter-correlations between the different items fall in the range of 0.30 – 0.50.

The coefficient alphas for each dimension are reflected in Table 4.6.

The coefficient alphas range from 0.58 to 0.92. The lower coefficients are found with the self and the supervisor. This may be ascribed to the small sample sizes (33) in those rater groups and would be higher if the sample sizes were increased. The final questionnaire consists of 58 items (see Addendum A) and is supported by strong reliabilities (Joubert & Kriek, 2000).

In Tables 3.4 and 3.5, the means and standard deviations of the total group as well as per rater are presented.

TABLE 5.5 MEANS AND STANDARD DEVIATIONS OF THE LAQ FOR THE TOTAL GROUP AS WELL AS PER RATER ARE PRESENTED		
Dimension	**Mean**	**SD**
Integrity	15.53	2.17
Adaptability	14.54	2.16
Self-responsibility	15.04	2.21
Leadership Communication	14.40	2.45
Purpose Building	14.35	2.38
Motivational Capacity	13.86	2.69
Information Capacity	14.24	2.40
Conceptual Ability	14.78	2.38
Visionary Thinking	13.85	2.50
Business Acumen	11.08	1.82
Diversity Learning	15.16	2.15
Cross-functional Teamwork	13.97	2.32
People Development	10.38	2.01
Performance achievement	14.30	2.58
Empowerment	14.22	2.23

TABLE 5.6							
MEANS AND STANDARD DEVIATIONS OF THE LAQ BY RATER							
Dimension	**Self (N=33)**		**Peer (N=96)**		**Subordinate (N=65)**		**Supervisor (N=33)**	
	Mean	**SD**	**Mean**	**SD**	**Mean**	**SD**	**Mean**	**SD**
Integrity	15.88	2.06	15.46	2.00	15.32	2.56	15.79	1.90
Adaptability	14.97	2.07	14.54	2.12	14.38	2.45	14.42	1.71
Self-Responsibility	15.70	1.85	14.99	1.97	14.72	2.76	15.15	1.92
Leadership Communication	14.70	2.39	14.50	2.32	13.88	2.91	14.82	1.69
Purpose building	14.58	1.95	14.21	2.42	14.25	2.64	14.76	2.15
Motivational Capacity	14.24	2.26	13.86	2.32	13.18	3.50	14.82	1.89
Information Capacity	14.09	1.93	14.30	2.29	14.12	2.80	14.45	2.37
Conceptual Ability	15.09	1.99	14.86	2.39	14.42	2.63	14.97	2.21
Visionary Thinking	13.88	1.95	13.94	2.41	13.52	2.91	14.21	2.43
Business Acumen	11.21	1.63	10.96	1.77	11.35	1.96	10.76	1.87
Diversity Learning	15.33	1.90	15.13	1.94	14.89	2.68	15.64	1.78
Cross-functional	13.64	1.82	14.03	2.39	13.75	2.60	14.55	1.92

Teamwork								
People Development	10.82	1.61	10.39	1.73	9.92	2.55	10.82	1.79
Performance Achievement	14.58	2.35	14.39	2.45	13.97	3.03	14.45	2.20
Empowerment	14.64	1.93	13.93	2.10	14.54	2.56	14.06	2.15

The mean scores compare well between the raters as they differ less than one standard deviation from each other.

The inter-correlations between the different items are presented in the technical document. With few exceptions, most of the correlations fall within the range of 0.30 - 0.50.

Table 3.6 contains the coefficient alphas for each dimension.

TABLE 5.7					
COEFFICIENT ALPHAS FOR EACH DIMENSION of the LAQ					
Dimension	Total (N=227)	Self (N=96)	Peer (N=96	Subordinate (N=65)	Supervisor (N=33)
	Mean	Mean	Mean	Mean	Mean
Integrity	0.80	0.83	0.78	0.82	0.77
Adaptability	0.81	0.75	0.83	0.86	0.65
Self-responsibility	0.77	0.74	0.71	0.84	0.71
Leadership Communication	0.84	0.86	0.83	0.87	0.68
Purpose building	0.86	0.80	0.84	0.89	0.88
Motivational Capacity	0.87	0.81	0.85	0.92	0.77
Information Capacity	0.83	0.78	0.80	0.87	0.86
Conceptual Ability	0.85	0.79	0.84	0.87	0.89

Visionary Thinking	0.86	0.83	0.84	0.89	0.85
Business Acumen	0.76	0.68	0.75	0.82	0.76
Diversity Learning	0.78	0.70	0.74	0.86	0.69
Cross-functional Teamwork	0.83	0.67	0.86	0.86	0.75
People Development	0.83	0.75	0.79	0.89	0.74
Performance Achievement	0.83	0.78	0.83	0.87	0.80
Empowerment	0.72	0.58	0.72	0.80	0.66

7.   REASONS FOR SELECTING A 360° LEADERSHIP ASSESSMENT QUESTIONNAIRE AS A RESEARCH INSTRUMENT

The use of multiple perspectives is clearly the strength of 360° assessment. London and Smither (1995) state that "*in the socially constructed world in which employees work, others' judgements about them, no matter how biased they may be constitute an important reality*" (p. 809).

According to Bernardin (1986), the different raters that form part of the 360° assessment process, such as peers and subordinates, introduce different perspectives to the rating process. This type of assessment therefore enhances self-awareness by encouraging better alignment of self-perception with the views of others. The manager is encouraged to rethink his or her behaviour and its impact on others and, as a consequence, attempt to behave differently.

Multi-rater or 360° assessment of managers is an assessment and development tool which has excellent potential and which deserves the same critical consideration which is given to highly publicized methods such as assessment centers, psychological testing as well as management development programs (Bernardin, 1986).

There are three main reasons for choosing a 360° leadership assessment questionnaire as a research instrument for this study. Firstly, subordinates and peers are valid sources

of information regarding the behaviour of their managers since they are often in a better observational position to evaluate certain managerial dimensions than is any other source of assessment. Secondly, since appraisals can be obtained from several subordinates and peers, the multiple assessments have potential for greater validity than that which is typically found in ratings by a single rater. Thirdly, a formal system of subordinate appraisal of managers fits very well into the employee engagement models which are adopted by most organizations (Walton, 1985).

Multirater or 360° assessment provides a valuable s ource of information on the extent to which managers are behaving in accordance with the new "employee engagement" philosophy of the organization. According to Walton,

> *The commitment model requires first-line supervisors to facilitate rather than direct the work force, to impart rather than merely practice their technical and administrative expertise, and to help workers develop the ability to manage themselves* (Walton, 1985, p. 82).

The changing demographics of the workplace also supports the use of 360° assessment. Workers today are more educated and have greater expectations about participating in critical organizational decisions. There is also the prediction that a higher percentage of jobs in the future will be more knowledge-based and service-oriented. These trends reflect a need for greater employee input in critical organizational practices including leadership. (Walton, 1985).

Many academics have long recognised the value of multirater evaluations of managers and supervisors. According to Stogdill (1963), one of the most widely used and studied questionnaires on leadership style is the Leader Behaviour Description Questionnaire (LBDQ). The LBDQ requires subordinates to indicate the frequency with which the leader "lets group members know what is expected of them," "is friendly and approachable," "does little things to make it pleasant to be a member of the group," "looks out for personal welfare of the group," "maintains definite standards of performance" and ninety-five other behavioural items. These responses have yielded significant correlations with traditional

measures of managerial effectiveness such as supervisor ratings and productivity output measures for example, turnover, absenteeism and number of grievances (Schriesheim and Kerr, 1977).

Likert's "Profile of Organization Characteristics" includes several key questions regarding subordinates' attitudes toward their managers (Likert, 1961). For example, subordinates are asked to indicate the extent to which managers "behave so that subordinates feel free to discuss important things about their jobs," "try to get subordinates' ideas and opinions and make constructive use of them," "willingly share information," "provide opportunities to influence goals, methods, and activity of their units," "know and understand problems faced by subordinates." Several studies have found positive correlations between these responses and hard criteria of organizational effectiveness (Campbell, Bownas, Peterson & Dunette 1974).

8. THE USE OF THE LEADERSHIP ASSESSMENT QUESTIONNAIRE (LAQ) AS PART OF THIS STUDY

In this study copies of the LAQ have been electronically distributed annually to 3 000 managers who participated voluntarily. Subsequent to the 360° assessment questionnaires' completion, the participants who participated received a feedback report indicating their areas of strength as well as the areas which require development (see Appendix B).

After having received a feedback report, each participant has been requested to compile a personal development plan for the next year based on the results of the questionnaire.
The questionnaire has been used only in a development context in order to determine development areas in terms of leadership behaviour.
The same questionnaires have been distributed to the same participants for completion every year for a period of three years.

9.   SUMMARY AND CONCLUSION

Schroder's High Performance Leadership Competencies (1997) were customised by the organization where the research was conducted and the following competencies were included in the Leadership Competency Model of the organization;

- Information Capacity
- Conceptual Ability
- Visionary Thinking
- People Development
- Diversity Learning
- Cross-functional Teamwork
- Purpose Building
- Motivational Capacity
- Empowerment
- Performance Achievement

The following competencies were also included in the Leadership Competency Model of the organization where the research was conducted because they reflected the values of the organization and the type of culture the organization is striving to develop:

- Integrity
- Adaptability
- Self-responsibility
- Leadership Communication
- Business Acumen

A 360° Leadership Assessment Questionnaire (LAQ) was developed and validated to measure the leadership behaviour associated with the leadership competencies as listed above.

The leadership competencies based on Schroder's High Performance Leadership Competencies show a high level of similarity to transformational leadership behaviour as

described by Bass (see Chapter 4). The leadership competencies that were added to reflect the values of the organization where the research was conducted seem to be closely related to Greenleaf's servant leadership behaviour as discussed in Chapters 1 and 4.

It can therefore be concluded that the leadership competencies measured by the 360° Leadership Assessment Questionnaire which was used to conduct this research are closely related to the Transformational Leadership Theory as well as the Servant-Leadership Theory.

Vermeulen (2004) summarises the reason why the organization where the research was conducted decided on a customised leadership model rather than a generic model very well when he states:

Although a multitude of leadership models exist in literature it is clear that no single generic model can be implemented in an organisation to guarantee success. Leadership models should be moulded to suit not only the organisation, but also the industry in which it functions (p.22)