

LEADERSHIP MODELS AND MEASURES

We help organizations create powerful content to drive their talent-management systems. We specialize in:

- designing leadership models that capture the attention of senior line managers and focus the organization on what matters most
- developing *beyond*-state-of-the-art assessment tools for taking stock of where your talent is and getting it to where it needs to be

We can build on the tools we use in our own practice—by adopting or adapting our patent-pending Leadership Versatility Index[®] 360° and the framework it is based upon. Or, in collaboration with your senior leaders, we can build a custom solution tailored to suit the unique needs of your organization.

OUR STRATEGY

Whether rolling out a company-wide leadership model and assessment tools for the first time or looking to improve on a system that isn't cutting it, we can help. Our strategy is to work with you every step of the way by drawing on our world-class technical expertise, facilitation skills, and experience working with CEOs and top teams. We help you articulate the kind of leadership your organization needs and create tools to assess and develop your leaders by those standards.

This isn't an off-the-shelf product. Of course, the end product is built upon the latest knowledge and best practice techniques and we do import innovations from our own pioneering R&D. But it's not simply a repackaging of what everyone else has. The result is a hand-crafted solution carefully designed to fuel your strategic leadership needs.

Read about the model and measure we helped **Motorola Inc.** develop for transforming the leadership of its top 1,000 execs around the globe (see last page).

OUR APPROACH

We've been in the leadership business for some time. We've seen things come and go and come back again. And we've learned from our own experience what works and what doesn't. It's no surprise that we've reached some conclusions about designing leadership models and measures that are relevant, have an impact, and build the kind of leadership needed to execute corporate strategy.

Our philosophy is that a leadership model and attendant performance measures are tools for reinforcing and/or changing a company's leadership culture. A model and measure help to build a shared understanding about what leaders need to be and do to realize the organization's mission and purpose.

For this to work, we believe:

- ***Senior leaders must be champions.*** Without support from the top, the effort is doomed from the get go. We encourage the CEO and the top team to have a hand in defining the model and then to act as role models by using it religiously.
- ***It takes a true partnership.*** To get it right and to make it work, the key players must work together. This includes senior leadership, the HR/OE team that will drive it, and the line managers it will serve. We invest heavily in these interfaces and in a strong relational foundation for doing the work.
- ***Models should be defined with great care.*** We take a rigorous, data-based approach using a variety of methods and sources. Senior leadership is always involved. So is information on strategy, culture, and recent internal surveys and studies. We analyze existing measures of leadership and business results. And we use an iterative process of trying out the model with key constituents (legal, HR, line managers). Due diligence on the front end yields huge ROI.
- ***Models should flow from strategy.*** Depending on your strategy, certain leadership behaviors are more or less central. With a growth imperative, innovation and customer focus are paramount. In a mature industry, trimming costs to squeeze profits from thin margins may be key. Effective models cut through the clutter and put the strategic needs into sharp relief.
- ***Models should be tightly focused.*** They don't have to be all things to all people. This is the Achilles heel of most competency models: They amount to laundry lists—long, often unremarkable lists of everything but the kitchen sink. A clear, compact model draws attention to what matters most.
- ***Models should reflect what we know about leadership.*** For instance, we all know that leaders regularly get into trouble by going overboard. But most models and assessment tools assume that more is better—they don't capture overkill. And we all know the tensions and trade-offs that make the job of management a balancing act. Models should identify these paradoxes, like growing the business while cutting costs or taking charge and delegating.
- ***Assessment tools should be concise.*** As any line manager can attest, most 360s are too long. They're being surveyed to death. A balance must be struck between brevity and content coverage. Ideally, it should take no more than 10-15 minutes to complete the ratings on a 360° survey.
- ***Instruments should exceed psychometric standards.*** We go to great lengths to ensure that our tools hold up statistically—that is, that they measure what they are intended to measure and do so extremely well. We use the scientific standards and methods that scholarly researchers do as a baseline and aim to exceed that target. After all, if the tool will inform decisions that affect real managers and real organizations, shouldn't it be held to a higher standard?

OUR CAPABILITY

Our team brings a deep understanding of the realities of senior leadership and experience working with CEOs and top teams along with world-class technical expertise to a partnership with you and your organization.

Just as important: We're highly professional, constructive, and rewarding to work with.

Deep understanding of real leadership. Our firm has been consulting to top-of-the-house executives—CEOs and their teams—since its founding in 1992. Prior to that, our key consultants were working with executives and senior managers at the Center for Creative Leadership and as senior HR leaders in industry. We know what life in the executive suite is like.

World-class experts at performance measurement. We've developed well-known and widely-respected commercial instruments and are actively involved in contributing to the science of performance measurement. For instance:

Bob Kaplan is the author of *SKILLScope*[®], one of the first and best-selling 360° instruments of all time. And his *Leadership Versatility Index*[®] 360°, coauthored with Rob Kaiser, was recognized as a major contribution by MIT Sloan Management Review.

We were the architects of the leadership model and assessment tool Motorola has used to manage the performance of their top 1,000 executives around the world since 2000.

Our R&D staff has a concentrated research agenda dedicated to expanding the science of assessment. They regularly give professional talks and publish in top-tier journals on the science of performance measurement. Recent examples include:

Kaiser, R.B., & Craig, S.B. (in press). Building a better mousetrap: Item characteristics associated with rating discrepancies in 360° feedback. *Consulting Psychology Journal: Research and Practice*.

Craig, S.B. (2004, April). *360, the Next Generation: Innovations in Multisource Performance Assessment*. Symposium presented at the 19th Annual Conference of the Society for Industrial and Organizational Psychology, Chicago, IL.

Kaiser, R.B. & Kaplan, R.E. (2004, April). *Overlooking Overkill: On the Folly of Linear Rating Scales for a Nonlinear World*. Paper presented at the 19th Annual Conference of the Society for Industrial and Organizational Psychology, Chicago, IL.

Lindberg, J.T. & Kaiser, R.B. (2004, April). *Assessing the Behavioral Flexibility of Managers: A Comparison of Methods*. Paper presented at the 19th Annual Conference of the Society for Industrial and Organizational Psychology, Chicago, IL.

Craig, S.B. & Kaiser, R.B. (2003). Applying item response theory to multisource performance ratings: What are the consequences of violating the independent observations assumption? *Organizational Research Methods*, 6, 41-58.

Kaplan, R.E. & Kaiser, R.B. (2003). Rethinking a classic distinction in leadership: Implications for the assessment and development of executives. *Consulting Psychology Journal: Research and Practice*, 55, 15-25.

LeBreton, J.M., Burgess, J.R.D., Kaiser, R.B., Atchley, E.K., & James, L.R. (2003). The restriction of variance hypothesis and interrater reliability and agreement: Are ratings from multiple sources really dissimilar? *Organizational Research Methods*, 6, 78-126.

Kaiser, R.B., Craig, S.B., Kaplan, R.E., & McArthur (2002, April). *Practical Science and the Development of Motorola's Leadership Standards*. Paper presented at the 17th annual Conference of the Society for Industrial and Organizational Psychology, Toronto, Ontario.

Facteau, J.D., & Craig, S.B. (2001). Are performance appraisal ratings obtained from different rating sources comparable? *Journal of Applied Psychology*, 86, 215-227.

Craig, S.B. & Gustafson, S.B. (1998). Perceived leader integrity scale: An instrument for assessing employee perceptions of leader integrity. *The Leadership Quarterly*, 9, 127-145.

OUR PROCESS

Although no two situations are identical, the leadership models and measures work we do generally consists of four stages. At every stage we prefer to work with you and your organization as partners, empowering you to own the final product.

- ***Assessing your organization's needs.*** We bring our research expertise and organizational savvy to bear on the question of what your organization needs in terms of leadership. Using systematic, data-driven techniques, we work with you and your senior leaders to identify what is right with how things are and what needs to change—what the organization needs to do to succeed. For example, one organization might need to become faster at bringing new products to market; another might suffer from low morale or trust among its employees. We hone in on the strategic needs most central now and out into the foreseeable future.
- ***Developing the leadership model.*** After assessing your organization's needs, we work with you to articulate the kind of leadership needed to address those challenges. This involves translating current strategic challenges into the competencies and skills that leaders need to address them. For example, leadership may need to become more decisive or tolerant of risks in order to bring new products to market more quickly.
- ***Developing the assessment system.*** Knowing the right leadership model for the organization, we then apply our expertise in performance measurement to the task of creating a system for regularly assessing how well leaders are performing on the key skills and providing feedback for their continuing development. Often, the assessment system will take the form of a 360° instrument, though other methods are also available.
- ***Validation & follow-up.*** Our work isn't finished when the system is up and running. We rigorously validate the system to ensure that it has a sound and defensible measurement base and achieves the goals set at the beginning of the partnership. We form close relationships with our clients and stay involved. In the spirit of continuous improvement, we usually tweak the system from year to year. In some cases, as when the business environment changes or the organization itself changes, the model and measure need to be updated to reflect the change in strategic direction.
- ***Data mining to learn about your leaders.*** We can also analyze the data generated by your assessment tools to study and learn about your cadre of leadership talent. For instance, studying strategic questions like tracking change in performance over time. Or the relationship between leadership and promotions and compensation—are you rewarding your best leaders appropriately? Or to study the link between leadership and business-unit results—financial performance, turnover, customer loyalty, and so on.

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Leadership Models and Measures as an Organizational Intervention

Organizations regularly adopt leadership models to reinforce or change their leadership culture. If such a model is to send a message, it must be compact and clear, which the oft-used long lists of competencies — however worthy — are not. A list ought to be short enough to be remembered, and the desired leadership qualities should be significant enough to make an impression on managers. It also helps if the list is integrated. The unifying principle that we favor is versatility, the capacity to strike balances between opposite types of leadership. This has the added advantage of reflecting the real tensions and trade-offs that make the job of management a balancing act. What organization doesn't, for example, need to strike a balance between strategic leadership and operational leadership — between positioning the organization for the future and executing its short-term objectives? How many organizations are trying to be more customer-oriented and less internally oriented?

In any of these or similarly paired objectives, imbalance, by definition, is doing too much of one of them. Competency models, which are predicated on

the idea of leveraging strengths but have no way of assessing *overleveraging*, simply cannot detect when a leadership strength is being corrupted through indiscriminate application. Yet organizations and individuals regularly fall prey to this problem. To determine how balanced (or out of balance) individual managers or an organization's management team may be requires a measure that can capture and express *overdoing*.

Motorola Inc. has adopted such a model and measure, which we helped to develop.¹ The model consists of five leadership requirements: envision, energize, edge, execute, and ethics and character. The first four requirements, which we had no hand in choosing, amount to the two dominant dualities we have identified in our research. "Envision" and "execute" are synonymous with *strategic leadership* and *operational leadership*, respectively. "Edge" is the equivalent of *forceful leadership* and "energize" has properties of *enabling leadership*. The fifth requirement, *ethics and character*, refers to the individual's core values and is the base on which the other four requirements rest. The per-

formance measure that we developed for Motorola employs two rating scales designed to detect imbalance. Using the two scales, subordinates and superiors rate a target manager on 33 specific behaviors. On the first scale, raters are asked to evaluate the manager's effectiveness on each behavior from 1 (ineffective) to 5 (extraordinarily effective). On the second scale they rate how the manager should change his behavior to become more effective — that is, from "do a lot less" (a rating of -3) to "do a lot more" (a rating of +3).

A leadership model of this sort, organized around basic dualities germane to an organization, equips that organization to better analyze job requirements, assess individuals, make staffing decisions, plot development plans and reward people — in other words, it helps form the basis of a talent-management system designed to build the desired leadership culture.

i. R.B. Kaiser, S.B. Craig, R.E. Kaplan and C. McArthur, "Practical Science and the Development of Motorola's Leadership Standards and Assessment Instrument" (presentation at the 17th Annual Conference of the Society for Industrial and Organizational Psychology, Toronto, Ontario, April 12-15, 2002).

own competence, for instance, are liable to put pressure on themselves to demonstrate their value at every opportunity, depriving their staff of the chance to answer their own questions or solve their own problems. Others who believe they are not well liked may ignore subordinates' performance problems. Indeed, many of the excesses in managerial behavior are compensatory.

The tendency to do too much is often linked to a concern about doing too little. Driven people, for example, lack objectivity about what is reasonable to expect of themselves and others. The literature on perfectionism is replete with insights into this phenomenon.¹⁶ Managers who take too much responsibility are privately afraid that they will not take enough. Those who take too much power may harbor a mistaken sense of themselves as relatively powerless. Individuals who intimidate others intellectually are surprised to hear that said about themselves, because they actually feel intellectually inadequate.

Senior managers who take too much credit or are arrogant are actually among the least sure of themselves.

The Tendency To Polarize Human beings' inherent tendency to see choices as either/or scenarios feeds into the psychology of overdoing and underdoing. When presented with a pair of opposing virtues, most people tend to choose one over the other, though in fact they may not even realize they are making a choice. For whatever personal, historical or organizational reason, they adopt a principle, a truth about leadership and do not realize they are forsaking its complementary truth.

Take the case of an executive who excels at treating people well. She listens attentively and creates an atmosphere in which people feel comfortable speaking up in meetings. She empowers people and supports them when they need help. She is soft-spoken and nonthreatening. She believes in this way of leading and strongly identifies with it. The problem is that she has turned