Executive leadership capability: The role of strategic leadership

Presented by the APS Coaching Psychology Interest Group
Coaching Psychology: the science of achieving your goals
EXECUTIVE LEADERSHIP CAPABILITY: THE ROLE OF STRATEGIC LEADERSHIP

"A MODEL FOR EVIDENCE BASED EXECUTIVE COACHING"

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Agenda

• Strategic Leadership?
• Executive Potential.. What is it?
• Evidence based coaching
• The Study
• Key issues for Coaching Psychology
• Case Studies
Strategic Leadership

“The field of leadership has done surprisingly little to focus its energies on what contributes to or detracts from genuine leadership development”

Avolio, Walumbwa and Weber (2009)
Strategic Leadership

“Strategic leaders define the vision and moral purpose (of an organisation), translating it into action”

(Davies & Davies, 2010)
Strategic Leadership

“Involves encouraging individual initiative, creating a working environment where quality relationships are valued, fostering trust as well as promoting the capacity to learn, change and adapt in high-velocity environments”

(Carmeli, Gelbard, Gefen (2010))
Strategic vision and execution

- Strategic leaders are strategic thinkers
- Strategic leaders are strategic learners
- Strategic leaders are values driven

- They shake things up and get things done.
Leadership roles
(planning strategy is for execs, the doing is for managers)

Org Culture

Process of integrated decisions

Execution challenges

Align incentives, internal controls, org structures and desired outcomes

Doing things right and learning by mistakes (rather than doing things fast)

Strategy ownership involves unified and disciplined team work
History of Executive Capabilities

• Developed in response to client need

• Initially: Assessment of Partner’s and Principals in major accounting firm

• Then broadened to different Organisations in Mining, Manufacturing, Retail, Health, Police etc.
The Link to Executive Potential

• Performance Vs Potential

• Predicting Leadership/Executive Potential
  ○ Personality as a predictor of leadership effectiveness (Nelson & Hogan 2009)

• Developing Executive Capabilities
  ○ Using evidence and job requirements to Coach and develop Leaders
Evidence Based Coaching

• Growing research - cross sectional studies rather than experimental.

• Some limited studies have suggested that coaching does make a difference to performance

• Various techniques underpinned by a range of psychological theories

BUT

Why does it work? How does it work best?
Understanding existing Coaching Evidence-base

- A range of competency-base frameworks exist but no clear articulation of shared knowledge (Standards Australia, 2011).

- A large part of the best available evidence comes from other human fields (e.g. business, psychology, philosophy)

- Acknowledge that only evidence-based provides necessary foundations upon which to establish a profession.
The current approach – the strength of 3 sources

1. **Evidence-based practice** ....systematic and rigorous testing of assumptions, knowledge

2. **Practice-based evidence** ...practitioners gain knowledge and experience over time

3. **Belief-based practice** ...subjective, often inconsistent belief on what works

“The ability to draw from multiple knowledge bases is a strength of Coaching”

(Cavanagh & Grant, 2006; Standards Australia, 2011)
Opic’s coaching philosophy

- Coaching is based on the identification of gaps & capabilities
- Coaching is a subset of L&D, targeted towards sustainable performance
- Look at current & future aspirations
- We seek to develop capabilities that are transferable (across industry & over lifetime)
The Original ECM

- Business Development
- Broad Based Influencing
- Strategic Orientation
- People Management
- Results Orientation
- Personal Stability
The Study

Aims

• Explore underlying dimensions of ECM
• Validate scale outcomes against personality scales
• Provide evidence base for those capabilities requiring development during transitions into executive leadership

Participants

• 39 leaders’ ratings and their 360 degree ratings (N=465) were included in the study.
The Study

Method

- Principal components factor analysis conducted on 360 degree ratings (N=465) to uncover the factor structure underpinning the ECM items.

- Five factors were extracted which were then used to calculate five scales.

- Scale scores of managers only were then used to investigate relationship with personality scales.
Results

Principal components factor analysis extracted 5 oblique factors that explained 73% of variation across items:

- People Leadership
- Driving Results
- Business Development
- Strategic Commercial Orientation
- Strategic Influencing
Factor 1: People Leadership

8 items that were from original scales of People Leadership, 3 from original Stability scale

- Displays high personality stability
- Supports, motivates and coaches others
- Effectively communicates their vision through clear goals and targets
- Deals with conflict and stress
- High reliability $\alpha = 0.95$
Factor 2: Driving Results

2 items from the original Results Orientation scale, 2 original Strategic Orientation items, and 1 from Business Development

- Drives improvement and change
- Invests in planning and uses an evidence base
- Clearly communicates new initiatives
- Balances strategic opportunities with daily responsibilities.
- Good reliability $\alpha = 0.87$
Factor 3: Business Development

2 items that were from original scales of business development along with 2 original Results items, 1 from Stability, 1 from People Management, and 1 from Strategic Orientation

- Highly driven to succeed, competitive, strives to achieve targets
- Identifies new business opportunities via client management
- Interest beyond their area
- Represents the business effectively
- High reliability $\alpha = 0.91$
Factor 4: Strategic Commercial Orientation

2 items that were from original scales of business development along with 3 original Broadbased Influencing items, 3 from Strategic Orientation, and 1 from Results

- Applies sound commercial sense, is able to translate complex market information
- Identifies strategic market opportunities
- Leads and influences meetings
- Develops partnerships with the long term in mind
- Understands the big picture, and can link staff goals
- High reliability $\alpha = 0.93$
Factor 5: Strategic Influencing

7 influence items, 2 Business Development, 2 Results items, 1 Strategic Orientation

- Involves others and builds relationships to achieve aims of the business.
- They encourage input from others in decision making processes, and balance drive for influence with the need to facilitate outcomes.
- Involve a range of stakeholders.

- High reliability $\alpha = 0.94$
Concurrent Validity

CORRELATIONS WITH KNOWN PERSONALITY INVENTORIES
Factor 1: People Leadership

Concurrent validity:

- Significantly and positively correlated to the OPQ scale Behavioural and Innovative and negatively correlated with Detail Conscious and Conscientious.

- Significantly and positively correlated to CPI scales: Social Presence (Sp), Tolerance (To), Achievement via Independence (Ai) and Flexibility (Fx).
Factor 2 : Driving Results

Concurrent validity:

- Significantly and negatively correlated to the OPQ scale Adaptable.

- Positive correlations with CPI Scales: Flexibility (Fx), Social Presence (Sp), Sociability (Sy), Self Acceptance (Sa), Socialbility (So), Self Control (Sc).

- Negative correlations with CPI Scales: Achievement via Conformance (Ac), Dominance (Do)
Factor 3 : Business Development

Concurrent validity:

- Significantly and positively correlated to the OPQ scale Innovative and Achieving. Negatively correlated to Modest, Detailed Conscious and Emotionally controlled.

- Significantly and negatively correlated to CPI scale Dominance (Do), Good impression (Gi), Responsibility (Re), and Femininity / Masculinity (FM).
Factor 4: Strategic Commercial

Concurrent validity:

- Significantly and negatively correlated to the following OPQ scales: Adaptable, Worrying. And Toughminded Positively correlated with Persuasion.

- Significantly and negatively correlated to CPI scales Dominance (Do) and Achievement via conformity (Ac). Positive correlations with Femininity (FM).
Factor 5: Strategic Influencing

Concurrent validity:

- Significantly and negatively correlated to the following OPQ scales: Detail Conscious, Worrying, Emotionally Controlled, and positively correlated with Behavioural and Innovative.

- Significantly and positively correlated to CPI scales Empathy (Em), Achievement via Independence (Ai), Capacity for Status (Cs), Social Presence (Sp), Tolerance (To) and Flexibility (Fx).
Findings

- New ECM scales exhibit good reliability and validity
- They are related to personality dimensions we know are related to leadership potential/effectiveness
Implications

- The Executive Capabilities framework was close but needed refinement.
- The new ECM broadens our understanding of what is required.
- Understanding what factors lead to certain outcomes.
Findings - implications

- Skills - can be learned.
- Capabilities - have to be “developed” through experiential learning (coaching, mentoring, secondments)
- Requires Coaching and other interventions
Implications (cont)

- Gets employers thinking about **Capabilities** not personal likes
- Identifying the future development needs of High Potential candidates
- Training and developing future Coaches
- Dealing with broader development not just relationship issues
Future Research

• Main challenge now is to link this to performance longitudinally

• Determine the universality of it:
  - Across industries
  - Across cultures
  - Across Disciplines

• Others factors such as the relationship between Coach and Coachee need to be included
Coaching Psychology is the single biggest opportunity existing in Organisational Psychology today.

Concerns exist in that we are more closely aligned to specialisation than psychology more broadly.

Psychology doesn’t currently own the Coaching Space.

We need to be accurate when coaching individuals. Does Evidence-based coaching actually work?

**WHAT APPROACH SHOULD WE TAKE??**

“Coaching ... is especially vulnerable to these problems because of the commercial and money-making possibilities it presents.”

Ken Sheldon, 2007
Peter Zarris

DISCUSSANT: IMPLICATIONS FOR COACHING PRACTICE
Case Study 1
Case Study 2