DIFFERENCES BETWEEN SELF- AND OTHER-RATING AND THE INFLUENCE ON THE PROBABILITY TO TAKE PERSONAL DEVELOPMENT ACTIONS

[a]MANUEL URBAN

University of Latvia, Aspazijas boulevard , Riga, 1586, Latvia
[a] urbanmanuel@hotmail.com

Abstract: Leadership theory has been studied extensively throughout the last century and has been offered as a solution of most of today’s organizational problems. Many different leadership theories have been developed and researchers have strived to find the one best and most effective leadership style. But to develop individual leaders and effective leadership processes is not enough to only choose the supposing right leadership theory and then train people to apply those theories. It is also the process of leader and leadership development that separates successful from unsuccessful initiatives. Today many scholars agree that 360-degree feedback is a powerful tool in the process of leadership development. The aim of this paper is to develop a model (“Feedback and reaction-model”) that allows the investigation of how differences in the self- and others view are increasing or decreasing the likelihood for participants of leadership development programs to take individual actions to increase their own capabilities following a 360-degree feedback.

Keywords: Leadership Theory, Leadership Development, Feedback

1 Leadership theory as a basis for leadership development

Leadership theory is one of the most studied subject of social science where historically researchers have been trying to find the one best leadership style. Currently research is supporting the theory that there is no single best leadership style but rather a combination of different styles applied appropriately is leading to success (Palestini, 2009). To understand the evolution of leadership theories the starting point for this research will be in the period of World War II. In the 1930s and 1940s trait theory of leadership emphasized on characteristics, stating that successful leaders possess certain personality, social and physical traits (like height or physical appearance) that distinguish them from non-leaders. Due to the limited capability of traits to predict successful leadership the view in the 1950s changed to the behavior of individuals in organizations. Behavioral theories state that the behaviors of effective leaders are different from ineffective leaders and those behaviors can typically be clustered in production-oriented and employee-oriented behavior. Research at the Ohio State University discovered two separate leadership behaviors which were clustered in an initiation (task-oriented) and consideration (people-oriented) structure of leadership. An initiation structure subsumes a leaders’ approach to structuring roles for leaders and group members, initiate actions, schedule work, assign employees to tasks and maintains standards of performance to meet organizational goals. Consideration on the other hand refers to the extent to which a leader exhibits concern for the welfare of group members, respects subordinates’ ideas, builds mutual trust between leaders and subordinates and considers employees’ feelings (Palestini, 2009). Behavior like trait theories are seen as stable properties of leaders not taking into account specific work context or situations (Glynn & DeJordy, 2010).

In the 1960s situational or contingency theories appeared as a reaction to the limitations of trait and behavioral theory of leadership. These theories acknowledged the fact that leadership vary across situations and tried to specify the circumstances and conditions under which certain leadership behaviors will be more or less successful. Situational theories assume that different situations require different characteristics and that no single optimal psychographic profile of a leader exists. Leaders are seen to have a specific collection of attributes which they can apply depending on the specific employee they lead or situation they find themselves in. (Carasco-Saul, Kim, & Kim, 2015).

Barling (2014) conducted extensive research, analyzing leadership theories between 1970 and 2012 to get an insight of the relative frequency that a particular leadership theory has been studied in academic literature. From his findings he concludes, that transformational leadership is currently the most frequently researched leadership theory and therefore so called new-genre leadership theories most likely begin with the transformational leadership theory. It was James McGregor Burns (1978) who in his highly influential work on leadership first distinguished between the two terms of transformational and transactional leadership.

Transactional leadership is based on the assumption that the relationship between leader and follower is based on exchanges or implicit bargains (Den Hartog, Van Muijen, & Koopman, 1997). To get things done, leaders and followers engage in crucial transactions where expectations and targets are set, and recognitions and reward are provided when a task is completed (Barling, 2014). To be effective, leaders make and fulfil promises of recognition, pay increases or advancements for well performing employees and penalize who do not perform well (Bass, 1990). The leader is seen to be responsible for compensating when the job or environment of the follower is failing to provide sufficient motivation, satisfaction or direction (Den Hartog et al., 1997). Transactional leadership includes three different behaviors. Contingent reward involves behaviors like the setting of goals, the promise of rewards for good performance and the recognition of accomplishments. Management by exception behavior can be active or passive. Leaders pursuing an active management by exception watch and search for deviations from rules and standards and their response to lapses are immediate and often seen as embarrassing and intimidation by followers. Passive management by exception behavior emphasizes also on employees’ errors and mistakes but the intervention occurs only if the standard is not met and matters become too serious. The third leadership behavior is the laissez-faire behavior where leaders abdicate responsibility, fail to provide the needed direction and avoid to make decisions (Bass, 1990; Barling, 2014). In many cases such a transactional approach to leadership is expected to lead only to mediocracy (Bass, 1990). Although many of these behaviors are important and necessary they don’t reflect good leadership but rather good management.

The concept of transforming leadership was initially outlined by Burns (1978) as the opposite of transactional leadership. He described transforming leaders as visionary change agents that also morally uplift followers to be leaders themselves and are more concerned with the group interest than with their own self-interest (Goethals et al., 2004). Bass (1985) build on the work of Burns and further expanded and exchanged the term transforming to transformational leadership while identifying behavioral indicators for each of the two constructs of transactional and transformational leadership. It can be said that “transformational leadership involves inspiring followers to commit to a shared vision and goals for an organization or unit, challenging them to be innovative problem solvers, and developing followers’ leadership capacity via coaching, mentoring, and provision of both challenge and support” (Bass & Riggio, 2006, p. 4). Four components, often also called the four I’s of transformational leadership, have been defined. These components are idealized influence, inspirational motivation, intellectual stimulation and individualized consideration (Barling, 2014). The theory of transformational leadership, especially the individualized consideration of transformational leaders emphasizes on the need of individual recognition but also recognizes the fact that followers have different aims, needs and desires.

2 Leadership development programs and multirater instruments

It is through the use of multi-rater instruments and the discrepancies between self- and others-rating that one can get more insights into a leaders’ interpersonal world (Brutus et al., 1999). Literature shows that self-perception can contribute to individual and organizational outcomes. Through the use of ratings generated by multi-rater instruments, the degree of agreement between self-perceptions and the perceptions of others can be employed to test this argument (Fleenor et al., 2010).

The question arising is, whether leaders who are receiving feedback from peers, subordinates or their managers, that deviates from their self-rating, are more likely to see a need to take actions in their development compared to leaders where self- and other-ratings are very much alike. It is also important to understand if high or low others-ratings influence the reaction of the individual receiving the feedback. The proposed model should help to understand leaders' reaction to differences between their own view about themselves and the view of others. This is particularly important because a deeper knowledge about the behavior of employees receiving feedback can help to understand the level of intervention and support employees need when certain feedback outcomes are achieved. Brett and Atwater (2001) state that "a better understanding of the emotional and cognitive reactions is needed" if participants should benefit from the feedback process and organizations want to retrieve their investment (p. 941). Thus, it is the question to what extend the different self-other rating groups influence the perception of feedback usefulness and accuracy as well as the intend of leaders to take their development actions into their own hands.

In one study, Facteau et al. (1998) investigated factors that influence the perception of leaders when receiving 360 degree (i.e. multilevel) feedback. They found that managers' acceptance of subordinate feedback increased with increased favorableness of the feedback. Managers also tended to value the feedback as more useful, the higher their overall score according to their subordinates' ratings was. Brett & Atwater (2001) conducted research on how discrepancies in self-other feedbacks were related to reactions and receptivity to development as well as recipients' perceptions of usefulness and accuracy of the feedback. They found that less favorable ratings were related to beliefs that feedback was less accurate which led also to negative reactions. And because over-estimators (leaders rating themselves higher than others) believe that their level of performance is already high, they may ignore developmental feedback and fail to improve their performance (Fleenor et al., 2010). It is the influence of a leaders' reaction to 360-degree feedback, that is determining whether they take actions to improve their performance or not, determining and showing their willingness to learn. But how reaction on others' feedback is influencing actions is a research field that has been neglected and deserves more research attention (Facteau et al., 1998).

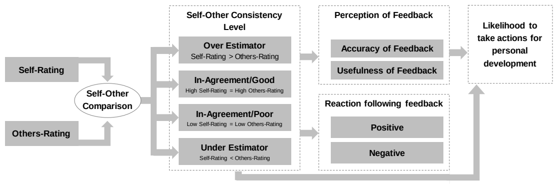
Atwater and Yammarino (1992) introduced the idea to use rating agreement categories to analyze self and others' agreement data. This approach requires computing difference scores between self- and others' ratings and calculating the mean and standard deviation of the difference scores. Individuals are classified into groups based on the extent of their self-others' difference (i.e. the standard deviation from the mean self–others difference). Initially recommending three rating agreement categories Yammarino and Atwater (1997) extended their model to four categories, (a) Over Estimatior (where the self-rating is higher as the others-rating), (b) In-Agreement/Good (with a high self- and others-rating) (c) In-Agreement/Poor (a low self- and others-rating) and (d) Under Estimators (the self-rating is smaller than the others-rating).

3 How differences in self- and other rating can influence the likelihood to take personal leadership development actions – Development of a research model

Can differences in self- and other-ratings that mangers receive through a 360-degree feedback program have an impact on them to an extend that they are more or less likely to change their current behavior and take personal development actions. Fleenor et al. (2010) recommends to use simple indices such as comparisons of self-ratings to the mean ratings across rater groups, when giving 360-degree feedback to leaders and that in these situations, an overall index of rating agreement would be a useful indicator of whether an individual has a general tendency, for example, to under- or overestimate his or her performance.

It has been shown, that while there is an overlap between the acceptance and the perceived usefulness of others-feedback, these variables are not completely redundant and therefore must be treated as separate dependent measures (Facteau et al., 1998). The model has to measure four components, (1) accuracy; (2) usefulness; (3) reaction to the feedback provided to the participants and (4) the likelihood to take development actions because of the feedback.

Figure 1: Differences in self- and others-rating and the influence on perceived usefulness, accuracy and likelihood of development actions



Source: Relation of variables, created by the author

Figure 1 shows the connection between the self-other consistency rating with the perception of feedback and the reaction to feedback. Accuracy measures the level to which managers feel that the received feedback truly reflects their competencies. The aim is to evaluate if recipients of feedback see the feedback as too positive or to negative. Facteau et al. (1998) for example used the term acceptance instead of accuracy to measure the "extent to which leaders believed that the feedback they received was an accurate representation of their performance" (p. 437).

Usefulness as the second component of the model is examining the level to which the managers see the feedback to be useful for their development.

The third area, likelihood to take personal development actions, is measuring the probability that managers that found development possibilities are taking actions to improve. How the managers react after receiving feedback can be evaluated through the selection of a predefined mood. Positive (inspired, encouraged, informed, aware, pleased, motivated, enlightened), and negative (angry, judged, confused, examined, criticized, discouraged) emotions have been previously defined by Brett and Atwater (2001) and will be applied in the questionnaire. Scherer (2005) argued that individuals who have to describe their own feelings often have problems to come up with appropriate labels and that difficulties can arise because of different vocabulary. He further states that participants might want to answer with a term or category that is not provided and therefore have to take the next best alternative or a residual category like "other" and therefore the accuracy of the data suffers (pp. 712). This is taken into account and therefore a questionnaire will have to distinguish between positive and negative feelings but will also provide an open category for the participants where they can add describe other feelings. These feelings are then allocated to the rather positive or rather negative category.

As explained, this model is focusing on receiving insights about participants' perception and reaction on their received feedback. Managers' perception of feedback to be accurate and useful and the likelihood to take individual development action are defined as the dependent variables and the differences in ratings between self- and others are defined as the independent variables. The four components, perceived accuracy of the feedback, perceived usefulness of the feedback, the type of reaction (being positive or negative) and the likelihood to take personal development actions are the dependent variables in the developed model. The difference between rating groups (split in four subgroups) are the independent variable. The self- and others rating are split into four groups, namely (a) Over-Estimators; (b) In-Agreement/Good; (c) In-Agreement/Bad and (d) Under-Estimators as recommended by Yammarino and Atwater (1997). According to their clustering, "over estimators" rate themselves higher as their raters do. Participants that are "In-Agreement/Good" have a high self- and others-rating whereas participants in the group of "In-Agreement/Poor" have a low self- and others-rating. Finally, the "Under-Estimators" are the group where the self-rating is lower than the others-rating. The model tests the likelihood that a participant of the survey will take his own development actions because of the type of feedback (i.e. difference between self- and others-rating) and the relationship between perceived usefulness and accuracy with the likelihood to take individual development steps.

4 Conclusion/Suggestion

After developing the model, it now has to be tested within a group of leaders undergoing a leadership development program and receiving a 360-degree feedback including their self-rating and the rating of others. This can provide further insight on how participants of leadership development programs react on provided feedback and how likely they are to take individual action to improve their capabilities.

Literature:

1. Atwater, L. E., & Yammarino, F. J. *Does self-other agreement on leadership perceptions moderate the validity of leadership and performance predictions?* Personnel Psychology. 1992. 45(1), 141–164. http://doi.org/10.1111/j.1744-6570.1992.tb00848.x
2. Barling, J. *The Science of Leadership: Lessons from Research for Organizational Leaders.* Oxford University Press. Oxford New York: Oxford University Press. 2014.
3.Bass, B. M. *Leadership and Performance Beyond Expectations.* New York: Free Press, 1985.
4. Bass, B. M. *From Transactional to Transformational Leadership: Learning to Share the Vision.* Organizational Dynamics. 1990. 18(3), 19–32 pp. http://doi.org/10.1016/0090-2616(90)90061-S
5. Bass, B. M., & Riggio, R. E. *Transformational leadership (2nd ed.)*. Mahwah, New Jersey: Lawrence Erlbaum Associates. 2006.
6. Brett, J. F., & Atwater, L. E. *360 degree feedback: accuracy, reactions, and perceptions of usefulness.* The Journal of Applied Psychology. 2001. 86(5), 930–942 pp. http://doi.org/10.1037/0021-9010.86.5.930
7. Brutus, S., Fleenor, J., & Tisak, J. *Exploring the link between rating congruence and managerial effectiveness.* Canadian Journal of Administrative Sciences. 1999. 16(4), 308–322 pp. http://doi.org/10.1111/j.1936-4490.1999.tb00691.x
8. Burns, J. M. *Leadership (1st ed.)*. New York, NY: Harper & Row. 1978.
9. Carasco-Saul, M., Kim, W., & Kim, T. *Leadership and Employee Engagement: Proposing Research Agendas Through a Review of Literature.* Human Resource Development Review. 2015. 14(1), 38–63 pp. http://doi.org/10.1177/153448431456040 6
10. Day, D. V., Fleenor, J. W., Atwater, L. E., Sturm, R. E., & McKee, R. a. *Advances in leader and leadership development: A review of 25years of research and theory.* The Leadership Quarterly. 2014. 25(1), 63–82 pp. http://doi.org/10.1016/j.leaqua.2013.11.004
11. Den Hartog, D. N., Van Muijen, J. J., & Koopman, P. L. *Transactional versus transformational leadership : An analysis of the MLQ.* Journal of Occupational and Organizational Psychology, 1997. 70, 19–34pp. http://doi.org/10.1111/j.2044-8325.1997.tb00628.x
12. Facteau, C. L., Facteau, J. D., Schoel, L. C., Russell, J. E. a., & Poteet, M. L. *Reactions of leaders to 360-degree feedback from subordinates and peers.* The Leadership Quarterly. 1998. 9(4), 427–448pp. http://doi.org/10.1016/S1048-9843(98)90010-8
13. Fleenor, J. W., Smither, J. W., Atwater, L. E., Braddy, P. W., & Sturm, R. E. *Self-other rating agreement in leadership: A review.* Leadership Quarterly, 2010. 21(6), 1005–1034 pp. http://doi.org/10.1016/j.leaqua.2010.10.006
14. Glynn, M. A., & DeJordy, R. *Leadership through an organization behavior lens: A look at the last half-century of research.* In N. Nohria & K. Rakesh (Eds.), Handbook of leadership theory and practice: An HBS centennial colloquium on advancing leadership. Boston, MA: Harvard Business Review Press. 2010. 119-157 pp.
15. Goethals, G. R., Sorenson, G. J., & Burns, J. M. (Eds.). *Encyclopedia of Leadership (1st ed.).* Thousand Oaks, CA: SAGE Publications. 2004.
16. Palestini, R. H. *From leadership theory to practice: a game plan for success as a leader.* 2009.
17. Scherer, K. R. *What are emotions? And how can they be measured?* Social Science Information, 2005. 44(4), 695–729 pp. http://doi.org/10.1177/0539018405058216
18. Yammarino, F. J., & Atwater, L. E. *Do managers see themselves as other see them? Implications of self-other rating agreement for human resources management.* Organizational Dynamics. 1997.

Primary Paper Section: A

Secondary Paper Section: BC