

Leadership Development Process with New Multi-Rater Platform

Critical Literature Review

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Zain Ali

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Dr. Melanie Meyer

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Leadership is one of the most widely researched topics in the world and has the highest share of training and development budgets (Ardichvili, 2008). Leadership training is estimated to be a \$366 billion (USD) global industry with an estimated \$166 billion spent annually on leadership development in the USA annually (Westfall, 2019).

A 360-assessment also known as multi-rater assessment is an instrument that is used by 90% of the Fortune 500 companies as part of the leadership development process (Dai, 2010). The objective of the multi-rater assessment is to collect data on leadership competencies by self as well as a combination of raters such as manager, peers, direct report, and others to identify strengths and weaknesses of the leader. The quantitative and qualitative data collected is typically used by the leader with the help of an executive coach to bring self-awareness on leadership competencies for development.

Multi-rater assessments have generated significant interest from academia since the 1990's as the results have been favorable, but the empirical evidence shows mixed results in the success of leadership development with multi-rater systems (Dai, 2010). Even though multi-rater assessments are one of the fastest growing tools, the results from a meta-analysis demonstrate modest results (Darr, 2008). The use of a multi-rater assessment is restricted to the privileged executive leaders due to the high cost associated with multi-rater-based leadership development which requires the assistance of an executive coach. Current challenges include the absence of an executive coach; or the competencies in the multi-rater assessment are not tied to the objectives of the company

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due to system limitations; or there is no formal plan and accountability to improve on the competencies identified as part of the assessment results.

The objective of this literature review is to identify the key processes and multi-rater platform requirements that will allow multi-rater assessment-based leadership development programs to be more successful in the future.

Multi-Rater Platforms in Leadership Development

The literature review search was conducted by selecting all the databases available in EBSCOhost using the advanced search feature and keywords of multi-rater feedback or 360 feedback or 360-degree feedback and Leadership. This search yielded 1,172 search results for years between 1992 to 2021. Turning the parameters to full-text and English only narrowed the results to 663 results. Narrowing the years range to be between 1998 to 2021 results to 576 by toggling between source type which included academic journals (240), journals (224), magazines (222), trade publications (31) and reports (14) as well as subject areas of 360-feedback (182), leadership (125), executive coaching (51), leadership training (46), employee reviews (30) and psychological feedback (27). Review of abstract with a focus on non-academic leadership development, competencies, success stories and process orientation led to smaller subset of papers for review. Google scholar was then used to identify a few additional research papers to complete the literature review search.

Preliminary review of the literature indicated that the research falls into four main themes which are identified as:

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- (a) Leadership
- (b) Multi-rater deployment process
- (c) Multi-rater deployment challenges
- (d) Successful Multi-rater deployment results

Leadership

In the category of leadership, the review of the literature shows a trend in four areas which are identified as:

- (a) Organizational needs for leadership development
- (b) Leadership competencies
- (c) Leader awareness
- (d) Gender differences in leadership

Progressive organizations have traditionally focused on developing leaders that can manage transactions such as overseeing production, getting things done on time, meeting existing client needs, etc. With the change in global reach and technology, there is need to build new competencies for transformational leadership skills that allows leaders to deal with ambiguity, unpredictably and leading change in a complex world (Alimo-Metcalf, 2018). This has led organizations to significantly invest in leadership development where the popular leadership development model uses a multi-rater assessment along with a personality profile such as Myers-Briggs, DiSC, DDI, Hogan and Lominger that is led by an executive coach. Research varies in numbers in the use of

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360 assessments by organizations, and ranges from 90% of the Fortune 500 and 77% of the representative companies in a survey administrated by i4CP for 610 organizations (Brotherton, 2012).

The second area in leadership is the role of competency, which can be identified as knowledge, skill or ability that is applied to influence other people. Competencies can be classified as skills that the person was born with such as communication, or can be built over time with learning and development. There are several competency models that have evolved over time such as Identity Leadership Inventory (ILI) (Kets de Vries, 2004), Management Leadership Practice Inventory (MLPI) and Global Identity Leadership Life Inventory (GILFI) (Rolf van Dick, 2018). The newer publications also put more emphasis on competency development in the areas of emotional intelligence with a focus on self-awareness and empathy by using the Emotional Competence Inventory (ECI), (Van Oosten, 2019).

Literature review also questions the validation of the multi-rater feedback, and it is a challenge due to the criterion (Darr, 2008) since in all the research reviewed, only one multi-rater platform (checkpoint 360) was mentioned by name. “There is no one clear “model” or “framework” for determining the competencies to use for leadership development” (Gentry, 2007), as they go on to identify 10 competencies most chosen in leadership development.

The top ten leadership development competencies (Gentry, 2007) in rank are listed below in Table 1 as an example of competencies that could be available with definitions for Leadership development.

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Table 1

Rank, Competency and Definition of Competencies Most Chosen in Leadership Development (Gentry, 2007)

Rank	Competency	Definition
1	Leading Employees	Delegates to employees effectively, broadens employee opportunities, acts with fairness towards direct reports and hires talented people for his / her team
2	Building and Mending Relationships	Knows how to build and maintain working relationships with co-workers and external parties; can negotiate and handle work problems without alienating people; understands others and is able to get their cooperation in non-authority relationships.
3	Risk Taking, Innovation	Visionary: Seizes new opportunities and consistently generates new ideas; introduces and creates needed change even in the face of opposition.
4	Change Management	Uses effective strategies to facilitate organizational change initiatives and overcomes resistance to change
5	Influence, Leadership, Power	Good at inspiring and promoting a vision; able to persuade and motivate others; skilled at influencing
6	Communicating Information, Ideas	Effectively communicates organizational goals and able to inspire through presentation of information (articulate, good speaker, good writing skills)
7	Brings out the best in people	Has a special talent with people that is evident in his / her ability to pull people together into a highly effective team.
8	Taking Action, Making Decisions, Following Through	Action oriented and decisive; follows through.
9	Listening	Is a willing patient listener and is open to feedback
10	Openness to Influence; Flexibility	Takes ideas different from own seriously; shares responsibility and collaborates with others; accepts criticism well; does not assume a single best way.

Even though research highlighted competency models such as ILI, MLPI, GILFI, and ECI, all of them led to the same advantages of the 360 assessments which is the self-awareness of the leader on the strengths and weakness of the competencies identified in the multi-rater assessment based on the comparison of data collected between self and rater categories. Harvard Business Review (Zenger, 2015) goes into more details of leader self-awareness with data that was collected on 69,000 managers with feedback provided by 750,000 rater respondents at hundreds of organizations, it was discovered that the leaders view of themselves and how the raters perceive them is very different.

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The study analysis also demonstrated that the most effective leaders underrated themselves while creating more engaged employees.

Finally, gender in leadership roles is also aligned and demonstrate that despite perception that gender plays a role in leadership where males or females are better qualified for certain leadership roles, the data collected from multi-rater feedback does not indicate that gender plays a role in leadership at any level of the organization (Pfaff, 2013).

Multi-rater Deployment Process

Multi-rater deployment process has been discussed in more detail in four of the papers in the literature review (Atwater 2007, Conger 2002, Schoepp 2014, Nowack 2012) while also being mentioned in additional literature. One common trend among the literature review pertains to rater feedback. There are discussions about negative backlash about providing rater feedback to the leader as one of the hardest tasks in the leadership development process which is usually delivered by an executive coach.

Review of the literature suggests that the multi-rater feedback process consists of five major steps in leadership development process which are identified in Table 2 below as planning, data collection, data analysis, goal setting and goal execution. Table 2 references key requirements in each of the five stages of the process from the literature review.

Table 2:

Key requirements in each phase of the multi-rater assessment deployment

Planning	Data Collection	Data Analysis	Goal Setting	Goal Execution
One of the complications for leadership development is choosing the correct competencies since there are numerous theories of leadership development without one clear model or framework for competency selection (Gentry, 2007)	Feedback is constructively phrased to encourage development (Basu, 2019)	Collection of rating is paired with mentoring and follow-up (Basu, 2019)	Organizational support in leadership development and coaching (Atwater, 2007)	Organizations that implement with management support and developmental activities tied to performance management tend to yield behavioral changes (Nowack, 2012)
Multi-rater feedback platform should have capability to collect both quantitative and qualitative feedback (Basu, 2019)	The data is credible with unbiased data collected from multiple raters (Bracken, 2011)	Design the leadership feedback format properly (Atwater, 2007)	Managers that work with a coach are more likely to set and execute goals (Nowack, 2012)	
Communicate purpose and strategy of the leadership development along with assurance of confidentiality, trust, honesty, timing, raters, anonymity (Atwater, 2007)	When the raters providing feedback are credible (Basu, 2019)	Provide a balanced report to the leader with report sent ahead of time (Levine, 2010)		Conduct the multi-rater assessment more than once to measure if the goal setting yielded behavioral changes. (DiNisi, 2000)
Conduct personality profile assessment (Atwater, 2007)				

Multi-rater Deployment Challenges

Multi-rater-based leadership development is popular in organizations, but poorly designed for execution, hence, not yielding the results of leadership development to its complete potential (Conger, 2002). In the planning phase, companies fail to align the competencies to be evaluated to the organizational goals, and they do a poor job of communicating the process to all the constituents in the organization.

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Another challenge identified in literature review focuses on the coaching model, which is termed as reactive, antiquated, and expensive hence restricting companies to use coaching only for a selected few privileged executives in the organizations (Crush, 2009).

Many organizations administrator multi-rater assessments only once making it very difficult for leaders to see behavioral change over time, and another reason cited for low effectiveness is the lack of inclusion of goal setting as part of the multi-rater-evaluation process.

The summary of DiNisi's (2000) findings on the current state of multi-rater assessment implementation is listed in Table 3 below.

Table 3

Feedback characteristics related to multi-rater-degree appraisal systems

	Condition	Status	Multi-rater Appraisal Status	Impact on Feedback effectiveness
1	Use of comparative or normative data	Yes	In most cases, comparing each source with self-rating	Focuses attention on self which makes the feedback effects more problematic and performance decline more likely.
2	Consequences for evaluations	Sometimes	For about half the cases	Increase anxiety which is likely to result in performance decline.
3	Goal setting program included	Sometimes	Only about half of the time	Goal setting with feedback increases the feedback of the assessment.
4	Repeated feedback with information about improvement	No	In most cases these appraisals are done only once	Frequent feedback with messages about improvement increases feedback effectiveness
5	Complex Tasks	Yes	Typically used for managerial jobs	Feedback is more likely to interfere with performance on complex jobs
6	Information about correct solutions	No	Not clear which source of feedback is the correct one	Feedback that provides information about correct solutions is more likely to be effective, although not always.
7	Multiple Sources	Yes	Always present	Potential effects not clear but more likely to focus attention on ought self especially when messages are inconsistent.
8	Coach	Sometimes	Not a formal part of most systems.	Likely to help employees deal effectively with feedback, and especially to help formulate accurate hypothesis on how to improve performance.

Successful Multi-rater Deployment Results:

Case studies published in trade journals highlight successful case studies such as Comcast (Gallagher, 2012) and Suntrust (Slaughter, 2011). In both these case studies, leadership development programs that leveraged a multi-rater assessment tool allowed the organizations to reinvent themselves from inside out.

At Comcast, the case study discusses the leadership development program for 700 middle managers focused on creating professional leaders by allowing the middle managers to become more self-aware of their strengths and weaknesses. They shared their aggregate results with everyone in the organization and the process allowed them to link their leadership behaviors to outcomes. The managers were able to increase their emotional intelligence and see more job and project opportunities (Gallagher, 2012).

Suntrust bank was amid crisis and invested in three different variations of their leadership development program taking 3,500 of their employees through this program starting at the executive level. Suntrust was able to achieve transformational results which yielded 38% increase in mortgages, 48% increase in investment sales and 59% increase in business bankers. The leadership development programs at Suntrust focused on longitudinal duration, multi-rater assessment, coaching, and on the job assignments where leadership capacities were tied to Suntrust's three guiding principles of operating as one team, putting our clients first, and focusing on profitable growth.

The objective of this study is to explore a technology-based multi-rater platform based on newer learning pedagogies of constructivism and connectivism while lowering the dependence on executive coaches and reducing the costs for leadership development.

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The main questions that we would like to address as part of this study are:

1. What should a leadership development process with multi-rater feedback look like in the future?
2. What would be the key interventions from a new generation of multi-rater platform?
3. What would be the user feedback on the effectiveness of key interventions of a new generation of multi-rater platform?

Discussion

The literature review and case studies identify that multi-rater assessments can be an effective tool in the development of leaders by creating self-awareness of the strengths and weaknesses of the leader which will create a positive change in the leader and subsequently the organization. The academic research and case studies support the idea that when the leadership development processes meets the following twelve conditions, multi-rater assessments can play a positive role in the success of the organizational leadership development.

1. The leadership development process is designed and communicated properly to all the constituents in the organization.
2. Leadership competencies are aligned to support company goals and values
3. Questions are complex and pertaining to the role
4. Relevant quantitative and qualitative data is collected to support the leadership competencies
5. Feedback is constructively phrased

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6. Raters are credible
7. Multi-rater assessment is used in conjunction with personality profile assessment
8. Goal setting is done as part of the multi-rater assessment process
9. Leaders have a say in which competency needs to be improved
10. All members of the organization participate in the data collection
11. Collection of data is paired with mentorship
12. There are consequences associated with goal setting objectives

Successful leadership development with multi-rater assessments can be achieved successfully by following a methodical approach of planning, data collection, data analysis, goal setting and execution. Interestingly, none of the literature that was reviewed provides a methodical approach for implementation even though the literature does mention that the leadership development process fails due to poor deployments.

The literature reviewed focuses on traditional pedagogy of leadership development which is highly dependent on the executive coach as the educator of executives. Literature review did not show examples of some of the newer learning pedagogies such as Constructivism and Connectivism which could be explored to be applied in multi-rater leadership development. Literature reviewed did not discuss the technology utilized to collect or perform the data collection or the capabilities of the multi-rater assessment platform.

We would propose a methodical framework for leadership development as identified in Figure 1 below and an evaluation of a new generation of multi-rater system

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that incorporates newer learning pedagogies while meeting the requirements identified in the research on the use of multi-rater assessments for leadership development.

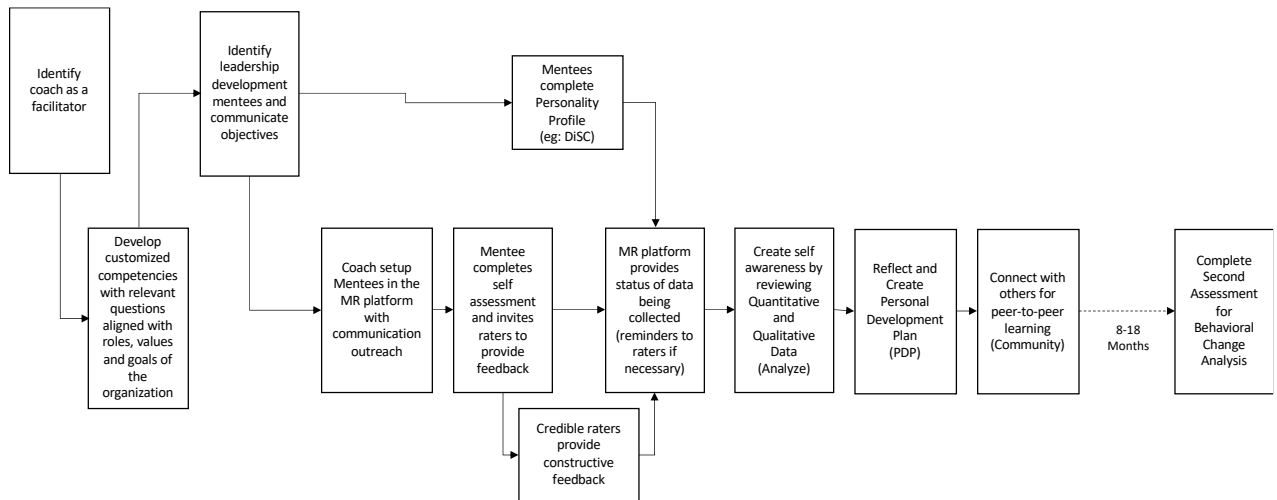


Figure 1: Framework for leadership development process with multi-rater assessment

Conclusion

Leadership development is difficult since there is no easy way to describe leadership, and it is continuously evolving with the needs and pressures of the organization. For this reason, the leadership development needs to be flexible and evolve with the leadership development needs in an organization to serve a \$366B / year industry.

The literature reviewed discusses the benefits of multi-rater assessment leadership development, how organizations have benefited from successful deployments, how the rater and leader feedback is co-related, available leadership competencies, what makes successful implementations, what are the challenges of implementation as well as failed implementations. This body of knowledge creates a solid foundation on the topic of leadership development and multi-rater systems.

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The reviewed literature provides a “rear view” picture of what has happened in the past and how we can learn from it. What the reviewed literature did not discuss is how newer technology solutions learning pedagogies could make it different. The role of an executive coach can evolve from that of an educator to a facilitator by focusing on peer to peer learning and building communities where leaders can connect to learn from each other.

We need to build on the contribution of scholars to define a pragmatic approach for leadership development that is enabled by advancement in technology to provide better results while reducing costs such that we can bring leadership development to all levels in the organization.

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