

A Leadership Self-Efficacy Taxonomy and its Relation to Effective Leadership

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In *Leadership Quarterly*, Elsevier Inc., 19 (2008) 595-608

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D.W. Anderson et al. seek to build a framework for assessing the relationship between leaders' beliefs about their own abilities (Leadership Self-Efficacy or LSE) and their on-the-job performance. Businesses subject potential leaders to a bevy of personality and intelligence tests, but "self-efficacy measurement is not currently a common practice in the selection of leaders."¹ Anderson and his colleagues recognize the need for further understanding of the degree to which corporate managers' conceptions of their own skills affect their work, and the authors address this need in their article "A leadership self-efficacy taxonomy and its relation to effective leadership."

The article's empirical application of the self-efficacy construct to the leadership domain is largely original. While no previous studies really define LSE or use it to explain leaders' accomplishments, Anderson et al. identify and remedy the shortcomings of earlier research in the same general area. The authors point out that Paglis & Green's (2002) work employs incomplete definitions of leadership traits, non-empirically based taxonomies, and a narrow concept of professional effectiveness. To improve upon earlier attempts, Anderson et al. state three objectives for their study: to create tools to measure both LSE and workplace performance, to develop a structure to classify types of LSE and achievement, and to analyze the relationship between LSE and leadership success. The scholars first extensively review existing leadership literature and interview 44 managers of a global financial services company. They use the knowledge gained from these efforts to create an exhaustive list of 88 leadership attributes. Second, Anderson et al. survey 251 managers of the same company to ask whether these executives believe that they would be able to perform the 88 behaviors under difficult circumstances. To estimate professional effectiveness, the team surveys 2,070 colleagues (an average of 8.2 subordinates, equals, or superiors per manager) of the 251 executives.

The data from the LSE survey reveal 18 traits that stand out as core leadership strengths into which several of the original 88 beliefs can be grouped. For example, "Change LSE" is inferred by seven of the 88 terms and refers to leaders who can "operationalize their ideas" about the future of the organization.² These 18 kinds of LSE comprise the taxonomy of the self-perception portion of the study. Anderson et al. carries out a similar process with the larger collection of performance surveys to arrive at nine areas of

¹ Anderson, D.W., et al., A leadership self-efficacy taxonomy and its relation to effective leadership, *The Leadership Quarterly* 19 (2008). p.607.

² Ibid, 599.

workplace competency. This second taxonomy includes components such as relational leadership, impartial leadership, and technical leadership.³ In this manner, the authors develop two separate classifications for types of LSE and actual effectiveness that can be compared to reveal trends between the 18 and 9 respective subcategories. As opposed to earlier studies, Anderson et al. consider broad definitions of leadership beliefs and execution and construct the two taxonomies empirically from survey data. Thus, the paper produces a more robust model for quantitatively comparing business leaders' conceptions about their own capabilities with feedback from colleagues.

The conclusions of Anderson et al.'s study demonstrate the model's predictive power in estimating how a leader will perform at work given his responses to interview questions concerning his perception of his own skills. Comparing correlations between the LSE and efficacy taxonomies demonstrates associations between specific opinions that managers hold about themselves and the manifestation of these opinions in the office. The authors state the conclusion that "managers' self-evaluations of perceived competence" are strongly connected to "raters' descriptions of their effectiveness in a variety of areas."⁴ In one such relationship, executives who believe they have high emotional maturity and integrity correspond to the impartial leadership style observed by their peers.

Interestingly, the trends between LSE and performance are not all positive. Rather, certain favorable evaluations given by managers of their own abilities correlate negatively with their leadership results. In other words, executives who display confidence in some areas actually perform worse in those areas than managers who rate themselves critically. In one such case, leaders who have "less belief in their ability to engage and involve others" are shown to "invest more physical and mental energy on the job."⁵ Therefore, firms searching for leaders ought to be wary of candidates who are overconfident about their interpersonal skills. More generally, a manager who rates himself "uniformly high on all LSE domains would therefore not be uniformly good at all aspects of leadership performance."⁶ A more balanced survey response hints at optimal workplace performance.

The tools of classification created by Anderson et al. present a new and valuable technique for companies to identify and evaluate managers based on the executives' responses to the LSE survey. In addition, the test can be utilized to form teams of managers with complementary leadership capabilities for joint initiatives. The study can be generalized to other kinds of companies besides financial institutions because the leadership criteria developed by the team are broad in scope and applicable to any industry.

³ Ibid, 601.

⁴ Ibid, 604.

⁵ Ibid, 605.

⁶ Ibid, 606.