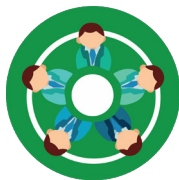# Real

LEADERS

The Impact of Real® Leaders on Constituents

Developed by
Peter Cheng Ph.D. & Lily Cheng Ph.D.

THE NEED FOR AUTHENTIC LEADERSHIP

Since the turn of the century, the business world has been faced with numerous challenges—some of which were caused by the economy and many others by derailed leaders. On top of its volatile, competitive, and rapidly changing nature, the business world has been tainted by countless corporate frauds over the last few decades, including the infamous Enron and Lehman Brothers case that triggered global financial meltdown. More recently, the world was again saw large-scale scandals that shook the business and sports world alike, including the VW Emissions Scandal, FIFA Corruption Scandal, and Toshiba Accounting Scandal among several others.

With the prevalence of corporate frauds and scandals worldwide, stakeholders have become more cautious and demanding of business leaders, expecting higher levels transparency and accountability. Amongst others, constituents (followers) within the organisation now continually evaluate their leaders and only fully commit when they deem their leaders worthy of following.

As a result, traditional leadership practices and competencies are insufficient to meet today's expectations of leaders.

pace
Being *Real* Matters.
Advancing the Impact of OD

REAL®
LEADERS

Dedicated to advance organisations and build leaders through research-based OD solutions amidst the rising corporate frauds and scandals, Dr. Lily Cheng and Dr. Peter Cheng set out to uncover the essence of Real® Leaders—leaders who are able to engage and inspire their constituents to attain higher levels of excellence for the organisation's success.

With empirical data from more than 30 years of practitioner experience in developing leaders across over 14 countries, they identified and discussed eight key Essentials of Real® Leadership in their 2012 book titled Real® Leaders: Championing Culture, Sustaining Performance Excellence. They postulated that the "What-ness" (Competence, Creating an Inclusive Environment, and Compassion) and "Who-ness" (Character, Conviction with Courage, and Credibility) of leaders are instrumental to being a Real® Leader who engages and inspires constituents. They also noted that Real® Leaders have the resolve to Shape Culture within the team and organisation as well as Drive Performance to attain organisational excellence.
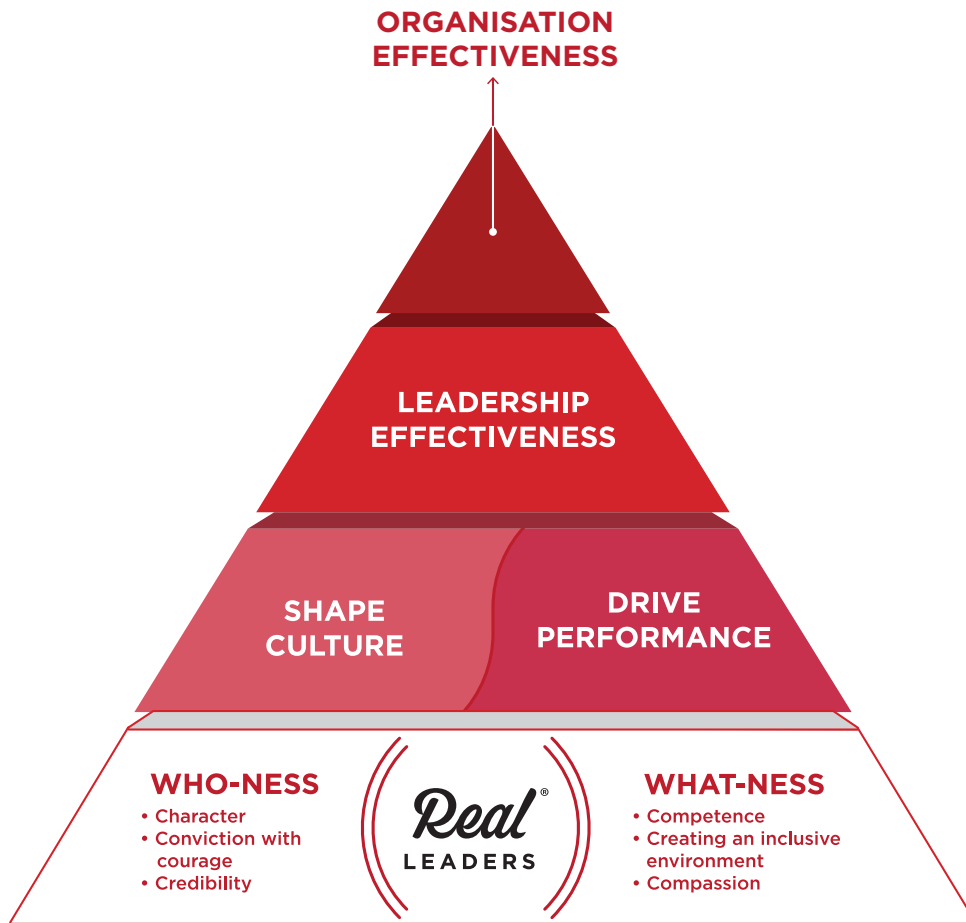
Figure 1. The Real® Leaders Framework®

Real® Leaders are characterised by the 6Cs of "What-ness" and "Who-ness" (Competence, Creating An Inclusive Environment, Compassion, Character, Conviction with Courage, and Credibility) and are committed to Shape Culture and Drive Performance.

Through semi-structured, face-to-face interviews with 21 CEOs of various organisations, Dr. Lily Cheng and Dr. Peter Cheng validated a set of leadership behaviours they have seen demonstrated by Real® Leaders in their three decades of practitioner experience. Their qualitative research findings in 2013 resulted in the refinement of Real® Leadership behavioural statements, which were later translated into an online assessment tool (the Real® Leaders 360° Feedback Assessment System) to complement their skills-equipping Real® Leaders Workshop.

RESEARCH OBJECTIVES

Building on Dr. Lily Cheng and Dr. Peter Cheng's previous findings, this latest addition to the Real® Leaders Research series aimed to validate the internal reliability of Real® Leaders 360° Feedback Assessment System's statements as well as test the hypothesised impact of Real® Leaders' behaviours on their constituents.

VALIDATING THE REAL® LEADERS 360° FEEDBACK ASSESSMENT SYSTEM

The Real® Leaders 360° Feedback Assessment System was developed as an assessment tool to help leaders devise development plans. It provides leaders with a holistic feedback regarding the frequency to which they demonstrate the 8 Essentials of Real® Leaders: Competence, Creating An Inclusive Environment, Compassion, Character, Conviction with Courage, Credibility, Shape Culture, and Drive Performance.

Designed to capture both qualitative comments and quantitative scores on a leader's 8 Essentials, the system contains a total of 56 behavioural statements rated on a 7-point Likert scale ranging from Strongly Disagree to Strongly Agree. These 56 statements are categorised into eight sets, each containing seven statements aimed to a leader's score on one particular Essential. In this study, we evaluated the internal consistency amongst the seven behavioural statements within each of the eight sets of statements designed to measure a leader's scores on the 8 Essentials.

TESTING HYPOTHESISED IMPACT OF REAL® LEADERS ON THEIR CONSTITUENTS

From the 56 behavioural statements, Dr. Lily Cheng and Dr. Peter Cheng hypothesised 27 positiveoutcomes of Real® Leadership. In this study, we explored if the 8 Essentials of Real® Leaders are predictive ofthe postulated outcomes and which of the Essentials are more strongly predictive of which particular outcomes.

RESEARCH METHODOLOGY

To further validate the Real® Leaders 360° Feedback Assessment System and test the hypothesised impact of Real® Leaders, we designed a three-part survey study that took approximately 10-15 minutes to complete:

1 In Part 1, participants rated their leader (on a scale of 1 to 7) the extent to which the leader displays the 8 Essentials. The statements used in this section were taken directly from the Real® Leaders 360° Feedback Assessment System.

2 Keeping the same leader in mind, participants then rated (on a scale of 1 to 7) the extent to which the leader has impact on their attitude, knowledge, or skills. These statements were phrased to capture the 27 hypothesised outcomes.
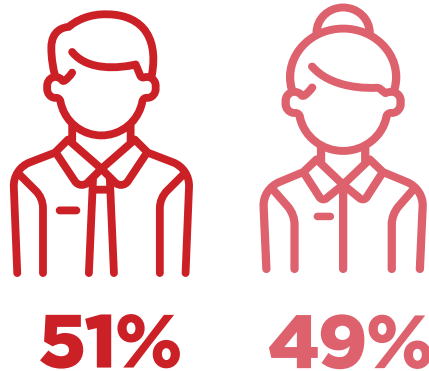
3 The last section of the study consisted of 14 demographic questions that captured details on the organisation, the participant, and the participant's leader.

Given the scope of the Organisation Development field, we targeted individuals who were representative of the general workplace: working adults with a direct leader in the workplace (i.e. a direct manager/supervisor). To maintain a 95% confidence level and limit margin of error to 5%, we collected a total of 407 responses either via email (in the form of an online survey) or face-to-face (in the form of printed hard copies).

pace
Being *Real* Matters.
Advancing the Impact of OD

RESEARCH METHODOLOGY

Participants' Gender

51% 49%

Duration Participants have been working with their Leader

1%
16 to 20 years

1%
21 to 25 years

5%
11 to 15 years

1%
26 years and above

12%
6 to 10 years

25%
Below 1 year

55%
1 to 5 years
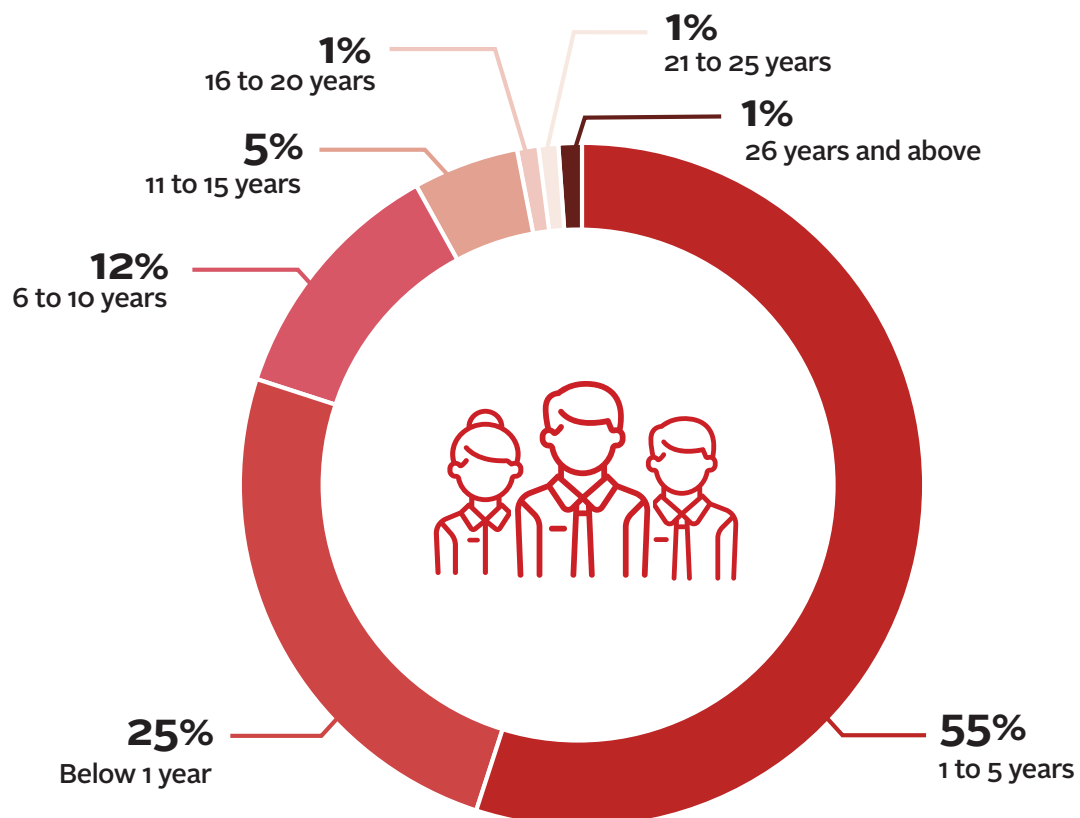
FINDINGS

1   Real® Leaders 360° Feedback Is Highly Reliable

Results suggested that all eight sets of behavioural statements featured in the Real® Leaders360° Feedback Assessment System are highly reliable. This confirms that the seven statements within each set designed to capture a leader's score on one particular Essential are measuring the same thing. For example, the seven statements within the Competence set (i.e. the seven statements that were designed to capture feedback on the leader's Competence) were indeed capturing the same idea.

In our continual effort to validate and refine the Real® Leaders 360° Feedback, we noted that five out of the 56 items in the assessment could be further improved upon to increase the reliability of certain sets of statements. In particular, we plan to look into the rephrasing of Statement 3 of the Conviction with Courage set; Statement 1, Statement 6, and Statement 7 of the Credibility set; and Statement 5 of the Shape Culture set.

Notwithstanding the minor rephrasing in consideration, however, statistical evidence supports the conclusion that the statements within each of the eight set are highly consistent with one another.

2   The 8 Essentials Of Real® Leaders Are Predictive Of The 27 Outcomes, Independent Of Demographics

Findings indicated that demographics alone is not predictive of the hypothesised outcome. The 8 Essentials, on the other hand, are significantly predictive of the 27 hypothesised outcomes, independent of the demographics.

In other words, a leader's scores on the 8 Essentials are able to predict his or her impact on the constituents' attitude, knowledge, or skills regardless of industry, organisation size, participant's gender, participant's age, participants, region of origin, participant's duration with the organisation, participant's function in the organisation, participant's role in the team, participant's highest education qualification, leader's gender, leader's age, leader's region of origin, leader's duration with the organisation, and duration the participant has been working with the leader.

3

Character

**Is Especially Predictive
Of Six Particular Outcomes**

4

Conviction With Courage

**Is Especially Predictive Of
Three Particular Outcomes**

Analyses of the broken-down effects of the 8 Essentials showed that Character is especially linked to constituents':

1 **Feeling challenged to be their best**

2 **Understanding of high standards of conduct**

3 **Sense of direction in work**

4 **Understanding of how to stand up for righteousness**

5 **Self-reported ability to see opportunities in crisis**

6 **Understanding of how to uphold their values when challenged**

Examination of the detailed breakdown of the effects of the 8 Essentials suggested that Conviction with Courage is especially predictive of constituents':

1 **Feeling adequately helped**

2 **Feeling guided to achieve breakthroughs**

3 **Feeling accountable for living out the organisation's shared values**

5

Credibility

Is Especially Predictive Of 18 Particular Outcomes

A breakdown of the effects of the 8 Essentials showed that Credibility is especially related to constituents':

1 Confidence in their leader

2 Self-reported ability to solve problems

3 Self-reported competence

4 Feeling of ease to provide feedback to their leaders

5 Feeling respected

6 Feeling they are given opportunities to share thoughts

7 Feeling a sense of collaboration

8 Feeling cared for

9 Feeling adequately helped

10 Feeling understood

11 Positive feelings towards themselves

12 Understanding of high standards of conduct

13 Understanding of humility

14 Understanding of how to stand up for righteousness

15 Self-reported ability to see opportunities in crisis

16 Understanding of how to uphold their values when challenged

17 Understanding of how to live out the organisation's shared values

18 Belief in their leaders to deliver promises

pace
Being *Real* Matters.
Advancing the Impact of OD

6

Shape Culture

Is Especially Predictive Of Seven Particular Outcomes

Detailed analyses of the effects of the 8 Essentials showed that Shape Culture is particularly predictive of constituents':

1 **Understanding of high standards of conduct**

2 **Understanding of humility**

3 **Understanding of how to stand up for righteousness**

4 **Understanding of how to live out the organisation's shared values**

5 **Awareness of the organisation's shared values**

6 **Feeling accountable for living out the organisation's shared values**

**7** **Feeling affirmed for living out the organisation's shared values**

7

Competence

Is Especially Predictive Of Four Particular Outcomes

Detailed analyses of the effects of the 8 Essentials suggested that Competence is especially predictive of constituents':

1 **Confidence in their leader**

2 **Understanding of humility**

3 **Feeling guided to achieve breakthroughs**

4 **Feeling of receiving adequate developmental support**
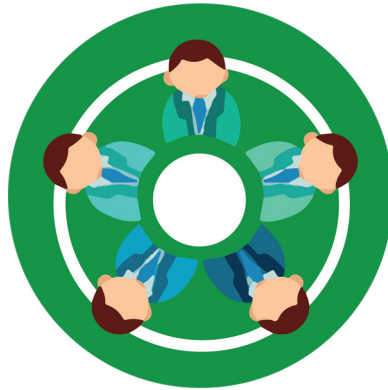
8

Creating An Inclusive Environment

Is Especially Predictive Of Five Particular Outcomes

A look at the broken-down effects of the 8 Essentials revealed that Creating an Inclusive Environment is particularly linked to constituents':

1 **Feeling of ease to provide feedback to their leaders**

2 **Feeling they are given opportunities to share thoughts**

3 **Feeling a sense of collaboration**

4 **Feeling cared for**

5 **Feeling understood**

9

Compassion

Is Especially Predictive Of 14 Particular Outcomes

A breakdown of the effects of the 8 Essentials showed that Compassion is especially related to constituents':

1 Self-reported ability to solve problems

2 Feeling of ease to provide feedback to their leaders

3 Feeling respected

4 Feeling they are given opportunities to share thoughts

5 Feeling a sense of collaboration

6 Feeling cared for

7 Feeling adequately helped

8 Feeling understood

9 Positive feelings towards themselves

10 Understanding of humility

11 Belief in their leaders to deliver promises

12 Feeling helped by their leaders' feedback

13 Feeling of receiving adequate developmental support

14 Feeling encouraged and recognised for his or her work

10

Drive Performance

Is Especially Predictive
Of 26 Particular Outcomes

A breakdown of the effects of the 8 Essentials showed that Drive Performance is especially related to constituents':

1   **Confidence in their leader**

2   **Self-reported ability to solve problems**

3   **Self-reported competence**

4   **Feeling of ease to provide feedback to their leaders**

5   **Feeling respected**

6   **Feeling they are given opportunities to share thoughts**

7   **Feeling a sense of collaboration**

8   **Feeling cared for**

9   **Feeling adequately helped**

10   **Feeling understood**

11 Positive feelings towards themselves

12 Feeling challenged to be their best

13 Understanding of high standards of conduct

14 Understanding of humility

15 Sense of direction in work

16 Understanding of how to stand up for righteousness

17 Feeling guided to achieve breakthroughs

18 Self-reported ability to see opportunities in crisis

19 Understanding of how to uphold their values when challenged

20 Understanding of how to live out the organisation's shared values

21 Belief in their leaders to deliver promises

22 Feeling accountable for living out the organisation's shared values

23 Feeling affirmed for living out the organisation's shared values

24 Feeling helped by their leaders' feedback

25 Feeling of receiving adequate developmental support

26 Feeling encouraged and recognised for his or her work

pace
Being *Real* Matters.
Advancing the Impact of OD

CONCLUSION

Through this study, we validated the reliability of Real® Leaders 360° Feedback Assessment System's statement. We also found that the 8 Essentials of Real® Leaders are predictive of the 27 hypothesised outcomes amongst constituents.

While discussed certain Essentials as more predictive of specific outcomes, it is important to note that the Essentials work in conjunction with one another to produce the predictive regression models discussed in this study. Thus, leaders should keep in mind that a holistic development of all 8 Essentials, and not the development of certain Essentials in silos, is crucial to achieving the desired outcomes.

As summarised in Table 1, each of the hypothesised outcomes can be predicted by a combination of Essentials instead of an individual Essential. For example, a participant's confidence in his or her leader can be predicted by the leader's Competence, Credibility, and Drive Performance scores, such that if a leader demonstrates competence and credibility and drives performance, his or her constituents are more likely to have confidence in him or her.

Interestingly, we found some negative relationships between three of the 8 Essentials (Competence, Conviction with Courage, and Shape Culture) and certain outcomes. Moving forward, we aim to investigate further and conduct studies to uncover possible explanation for the findings. It is noteworthy, however, that these three Essentials are positively correlated with many other outcomes. In fact, their positive predictive power of the other outcomes are much larger than their negative relationships. In other words, their positive influence seems to be greater than their negative ones. Nonetheless, these negative relationships warrant further investigation in our future research.

SUMMARY OF FINDINGS

Hypothesised Outcome	CHARACTER	CONVICTION WITH COURAGE	CREDIBILITY	SHAPE CULTURE	COMPETENCE	CREATING AN INCLUSIVE ENVIRONMENT	COMPASSION	DRIVE PERFORMANCE
1. Confidence in their leader			✓		✓			✓
2. Self-reported ability to solve problems			✓				✓	✓
3. Self-reported competence			✓					✓
4. Feeling of ease to provide feedback to their leaders			✓			✓	✓	✓
5. Feeling respected			✓				✓	✓
6. Feeling they are given opportunities to share thoughts			✓			✓	✓	✓
7. Feeling a sense of collaboration			✓			✓	✓	✓
8. Feeling cared for			✓			✓	✓	✓
9. Feeling adequately helped		✓	✓			✓		✓
10. Feeling understood			✓			✓	✓	✓
11. Positive feelings towards themselves			✓				✓	✓
12. Feeling challenged to be their best	✓							✓
13. Understanding of high standards of conduct	✓		✓	✓				✓

pace
Being Real Matters.
Advancing the Impact of OD

SUMMARY OF FINDINGS

Hypothesised Outcome	CHARACTER	CONVICTION WITH COURAGE	CREDIBILITY	SHAPE CULTURE	COMPETENCE	CREATING AN INCLUSIVE ENVIRONMENT	COMPASSION	DRIVE PERFORMANCE
14. Understanding of humility			✓	✓	✓		✓	✓
15. Sense of direction in work	✓							✓
16. Understanding of how to stand up for righteousness	✓		✓	✓				✓
17. Feeling guided to achieve breakthroughs		✓			✓			✓
18. Self-reported ability to see opportunities in crisis	✓		✓					✓
19. Understanding of how to uphold their values when challenged	✓		✓					✓
20. Understanding of how to live out the organisation's shared values			✓	✓				✓
21. Belief in their leaders to deliver promises			✓				✓	✓
22. Awareness of the organisation's shared values				✓				
23. Feeling accountable for living out the organisation's shared values		✓		✓				✓
24. Feeling affirmed for living out the organisation's shared values				✓				✓
25. Feeling helped by their leaders' feedback							✓	✓
26. Feeling of receiving adequate developmental support					✓		✓	✓
27. Feeling encouraged and recognised for his or her work							✓	✓

pace
Being Real Matters.
Advancing the Impact of OD

FUTURE RESEARCH

With most of our participants being from Asia (95.6%), one area of investigation for future researches could be replicating the study with a more geographically diverse pool of participants. Similarly, since most of the leaders reported were also from Asia (91.4%), another area for further investigation could be looking into a more geographically diverse pool of leaders and how they might differ in terms of the 8 Essentials.

Interestingly, while the gender distribution of our participants was almost equal between men (51.1%) and women (48.9%), we noticed that the gender distribution amongst the leaders was relatively unequal (62.4% male and 37.6% female). One area of interest for future analyses could be to investigate how leaders of different genders are perceived differently on their demonstration of the 8 Essentials.

Lastly, as discussed above, one major area to investigate in the future would be the negative relationships found. While small in effect size, these negative correlations could yield interesting insights to be used to further refine the Real® Leaders 360° Feedback Assessment and Real® Leaders Workshop.

ABOUT THE AUTHORS

Dr. Peter Cheng

Co-Founder of PACE O.D. Consulting, Dr. Peter Cheng is the driving force behind PACE OD research and development efforts. He is also the founder of subsidiary, PACE OD International. As an OD consultant, executive coach and a master facilitator, he engages his learning partners in appreciative inquiry and helping people think together. Peter's interpretive, process-driven approach facilitates the achievements in personal and organisational breakthroughs.

He often speaks at public forums and is a well received thought leader in OD domain. As a certified master of The Leadership Challenge, Peter presented at The Leadership Challenge Forum 2015 in San Francisco. He also lectured on leadership at Tsing Hua University's International MBA program.

To help service professionals be equipped with cutting edge service skills, Peter authored Real® Service (2014), a book which has been instructionally designed into four 1-2 days workshops.He also co-authored The Language of Organisation Development (2013) and Real® Leaders (2013).

Peter also conceptualised and developed the PACE360° Feedback Assessment System after extensive doctoral research into credible and meaningful feedback constructs that will improve the behaviours and competencies of people managers and organisation managers.

ABOUT THE AUTHORS

Dr. Lily Cheng

Founder of PACE O.D. Consulting, Dr. Lily Cheng is a visionary and thought leader in the field of Organisation Development (OD) in Singapore. As an OD consultant, executive coach, and a master facilitator, Lily's personal mission is to help leaders succeed.

Together with Dr. Peter Cheng, Lily has developed, designed and delivered world-class OD solutions to multinational corporations and government bodies in 14 countries across the U.S., Europe and Asia. PACE has achieved laudable success on a global scale despite its humble beginnings as a local startup, largely due to Lily's dedicated efforts throughout the past decade.

As a certified master, Lily presented at The Leadership Challenge Forum 2015, San Francisco, and her doctoral research paper was published in the Journal on Business Review (GBR), being previously selected for presentation at 2011 AODN Summit, China. She was also awarded the Student Research Colloquium Showcase (SRC) by the OD Network in the 2011 Annual Conference in Baltimore, U.S. Lily was also a visiting leadership lecturer for Tsing-Hua University's International MBA program.

A Real® Leader with a heart for knowledge sharing, Lily has authored and co-authored books such as Leading Lights (2007), The Language of Organisation Development (2013), Real® Leaders (2013) and Real® Help (2016).

ABOUT PACE O.D. CONSULTING

Founded in 1998 by Dr. Lily Cheng and Dr. Peter Cheng, PACE is committed to help organisations perform above challenging business environments.

As pioneers in the Organisational Development (OD) domain, we partner like-minded individuals and organisations to attain and sustain organisational effectiveness. We serve our learning partners with OD interventions in Leadership Development, People Excellence, Performance Management and Strategy Development & Implementation.

With key strengths in diagnosis, development and delivery of innovative, world-class OD solutions, PACE is privileged to associate and partner with internationally-renowned thought leaders and meet the needs of multinational clientele.

For more information, please visit www.pace-od.com or email connect@pace-od.com.