



Saville
assessment



Technical Summary

Wave® Leadership Risk

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Wave Leadership Risk Technical Summary

1.0 Introduction to the Leadership Risk model

At Saville Assessment, we think of leadership risk as the unintended negative consequences which can result from the behavior of a leader. A leader is not necessarily trying to create negative consequences as most are well meaning, but good intentions do not always come to fruition. As a result, such risks are not something that leaders are totally aware of. This makes these risks more dangerous, so it is important that leaders are made aware and can learn to manage them effectively. Saville Assessment have created a new perspective of misguided strengths from Wave Styles in order to assess leadership risk.

The approach takes account of existing literature and perspectives on leadership risk, including derailment, overplayed strengths and approaches to align to personality disorders, e.g. the Dark Side (Hogan & Hogan, 2007), Why CEOs Fail (Dotlich & Cairo, 2003), executive derailment (Lombardo & Eichinger, 1988; McCall & Lombardo, 1983). The Leadership Risk model is based on data and is related to the Saville Assessment Leadership Impact model.

The nine Leadership Risk areas sit under the three Ps of leadership - Professional, People and Pioneering. The model is displayed below.

Professional Risk



Perfectionist

- Places emphasis on the finer details and tries to ensure all work meets high standards.
- A tendency to expend effort on perfecting details could be inefficient and may result in missing critical elements of the bigger picture.



Procedural

- Takes a considered approach to leadership and prefers to follow established procedures.
- A preference for rigorously following the rules and being cautious about taking decisions could result in opportunities being missed.



Critical

- Takes an analytical approach to work and looks to spot potential pitfalls or problems.
- A focus on problems may be perceived as negative and could discourage important contributions.

People Risk



Obliging

- Favours an accommodating approach to leadership and is likely to seek the approval of others for decisions.
- A focus on accommodating the wishes of others could result in agreeing to actions which are not in the best interests of the organization.



Autonomomous

- Works more individually and is likely to do things without feeling a regular need to consult or involve others.
- A preference for less interaction with others while working could lead to actions which take little account of other parts of the organization.



Expressive

- Prefers to interact regularly with others and is likely to be more dominant in social situations.
- A tendency to be socially dominant can result in others' views being overshadowed.

Pioneering Risk



Disruptive

- Comes up with alternative ideas and approaches, and seeks to do things differently.
- A focus on ideas and unconventional approaches could disrupt ongoing work and waste time on unproductive activities.



Unpredictable

- Takes action to effect change and prefers not to feel constrained by set timescales.
- A preference for action and change could lead to a reactive work environment which is in a constant state of flux.



Daring

- Seeks challenging new opportunities for the organization and is willing to take some risks.
- A preference for the pursuit of new opportunities and a willingness to push the boundaries could lead to unnecessary risk.

The table below displays the mapping of the Wave Styles dimensions from the Professional Styles questionnaire to the nine Leadership Risk areas. Five dimensions are mapped to each area, with two to three of these dimensions negatively loaded. Where an individual has a high score on a Risk area, this is likely to reflect both a high preference for the positively-loaded dimensions and a low preference for the negatively-loaded dimensions.

Risk Area	Positive Loading	Negative Loading
Perfectionist	Meticulous	Change Oriented
	Organized	Strategic
	Reliable	
Procedural	Conforming	Enterprising
	Principled	Directing
		Purposeful
Critical	Rational	Positive
	Analytical	Accepting
	Challenging	
Obliging	Engaging	Purposeful
	Positive	Challenging
	Attentive	
Autonomous	Enterprising	Empowering
	Activity Oriented	Involving
		Interactive
Expressive	Articulate	Receptive
	Interactive	Attentive
	Self-Promoting	
Disruptive	Inventive	Conforming
	Abstract	Organized
	Challenging	
Unpredictable	Change Oriented	Composed
	Dynamic	Reliable
		Receptive
Daring	Enterprising	Principled
	Striving	Conforming
		Attentive

The nine Risk areas demonstrate good construct separation, as the strongest positive relationship is .48 between Disruptive and Daring. There are some strong negative relationships but this is to be expected given the nature of the Risk areas. Obliging and Critical are correlated at -.72, as one represents the risk of being overly concerned with other people's thoughts and feelings, while the other represents a lower concern for others' feelings. Similarly, Procedural and Daring are correlated at -.82, as these Risk areas partly represent opposing behaviors related to the avoidance of or preparedness to take risks and grasp new opportunities.

2.0 Reporting

The Leadership Risk report presents an individual's scores across the nine Risk areas. These scores are presented in a wheel and rank ordered (see Figure 1). The Leadership Risk report enables an understanding of the likely effect of a leader's primary and secondary potential risks on the culture, organization and the individual leader themselves, and underlines possible actions that could be taken to manage these potential risks (see Figure 2).

Potential risks and advice relating to an individual's primary and secondary Risk areas are presented under the following categories:

Potential Influence on Culture: Provides insight into how a leader's Risk area is likely to influence the overall culture of the organization.

Potential Risk to the Organization: Provides insight into how a leader's Risk area may impact on the organization and the people they work with.

Potential Risk to the Individual: Provides insight into how a leader's Risk area may impact on themselves and their career.

Managing the Risk: Provides suggestions for how the potential Risks can be mitigated. These are aimed at both the organization and the leader.

Additional information is provided on managing risks associated with their third and fourth highest Risk areas (see Figure 3).

Figure 1. Leadership Risk Overview

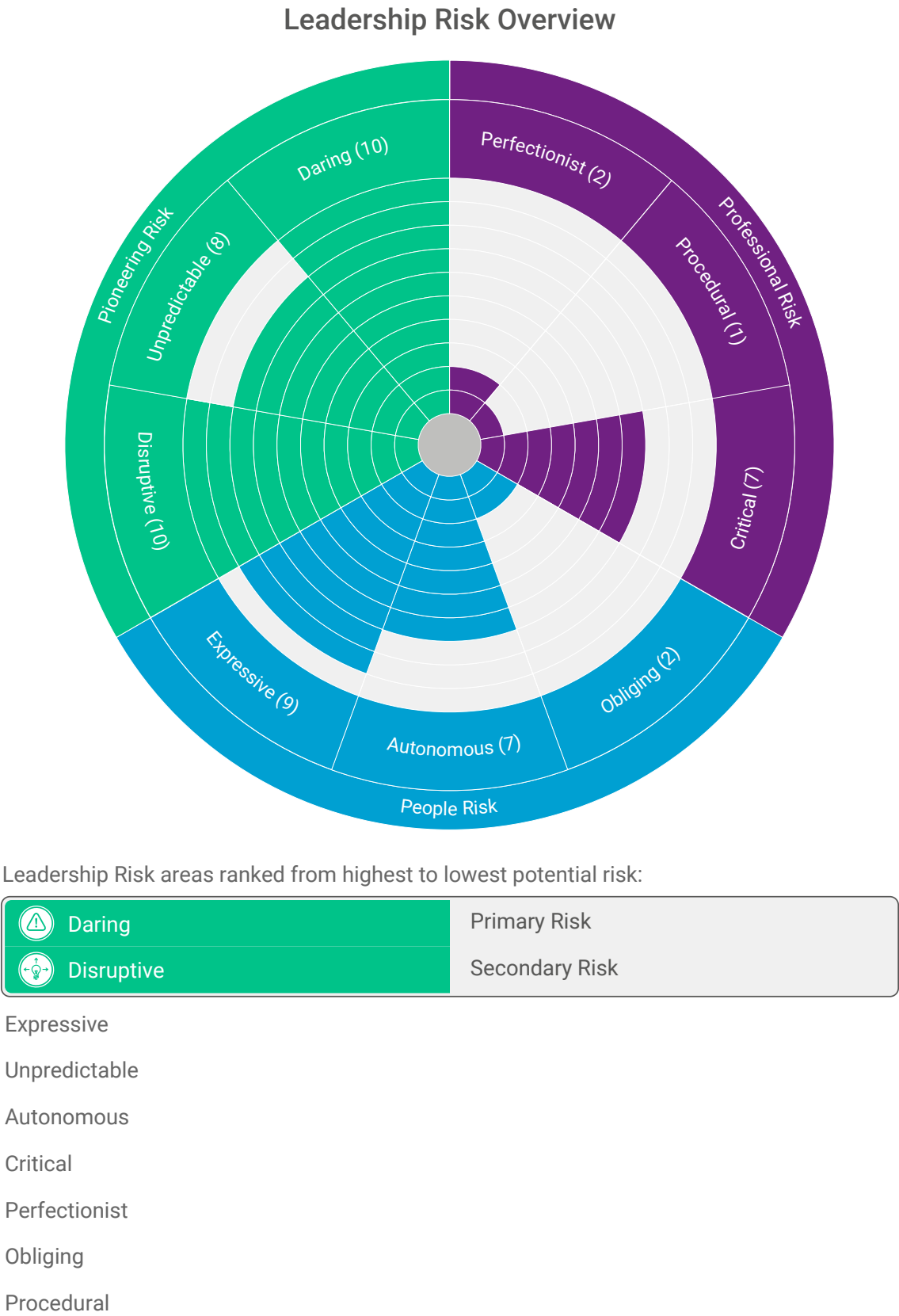


Figure 2. Primary Risk Area

Primary Risk Area



Daring

Seeks challenging new opportunities for the organisation and is willing to take some risks.

Potential Influence on Culture

- Where a leader is regularly searching for the next big opportunity, they may inadvertently encourage staff to place too great a focus on future possibilities rather than immediate priorities.
- Where a leader has a clear focus on pursuing new opportunities and outperforming others, this may lead to a highly-competitive environment which places less emphasis on staff wellbeing.
- A results focus with little emphasis on the behaviour, ethics and attitudes of colleagues may lead to a culture where questionable work practices are not sufficiently challenged.

Potential Risk to the Organisation

- Pursuing only bigger opportunities may bring benefits but may also expose the organisation to greater financial risk if these opportunities are not realised.
- A more daring leader may at times push staff hard to deliver. This can lead to staff feeling overworked, resulting in dissatisfaction if this continues and fails to be recognised.
- The reputation of the organisation may be adversely affected if staff are not strongly discouraged from using questionable work practices.

Potential Risk to the Individual

- A leader who is willing to take some personal risk in the pursuit of a new opportunity may be more prepared to push the limits of acceptable behaviour.
- A leader working on a number of ambitious projects with high potential rewards, but no absolute guarantee of success, carries a risk that at some point they could become personally associated with a notable failure.
- The pursuit of individual goals may lead to conflict with others in the organisation. At the extreme, this could compromise an important work relationship and impact on future collaboration.

Managing the Risk

- Focusing on areas where taking risks is a necessity and ensuring that the organisation is not avoiding risk without good reason should help the organisation to maintain a competitive edge.
- Ensuring that there is focus on realising smaller opportunities as well as targeting larger prospects should help prevent an overreliance on bigger developments, which may or may not be realised.
- Sense checking with senior colleagues when the boundaries of conventional business practice are being pushed will help to ensure that risk taking is properly evaluated.
- Regularly checking on staff morale and workload can help to ensure that a drive for success is not having a detrimental effect on particular individuals.

Figure 3. Managing Other Potential Risks

Managing Other Potential Risks

This page provides additional suggestions on how to manage potential risks associated with Chris Park's third and fourth highest risk areas.

Expressive - Third Highest Risk

- Helping staff to raise their profile across the organisation can lead to better recognition for talented individuals.
- Scheduling regular one-to-one meetings with staff to focus on any potential barriers to achieving their objectives can ensure that a leader is able to act on the concerns of others.
- Structuring meetings so that all staff have an opportunity to contribute can help to ensure a fuller understanding of different viewpoints and give staff a greater feeling of involvement.
- Setting clear controls over the amount of time a leader is in meetings and forums to present their agenda will help to ensure that colleagues and staff do not feel that the leader's agenda is more important than others'.

Unpredictable - Fourth Highest Risk

- Focusing on parts of the organisation where change and action are required will bring benefits; however, avoid change for change's sake.
- Supporting change initiatives with detailed and extensive internal communications about the reasoning and implications can help staff to adjust.
- Agreeing processes to assess and guide the implementation of any change initiatives can help to make sure that changes are not implemented without proper evaluation.
- Consistent monitoring of core activities can help ensure that change is not interfering with the delivery of day-to-day work.

3.0 Reliability

This section provides two different forms of reliability evidence for the Leadership Risk model. Alternate form reliability is where two equivalent (parallel) versions of a questionnaire are completed by the same sample of individuals. Test-retest reliability is where the same sample of individuals complete the same questionnaire twice, with a time delay between the two completions. In both types of analysis, the two sets of scores are correlated and this provides a useful indication of the consistency of the measure of a questionnaire. A development aim of the Leadership Risk model was that these forms of reliability should be as high as possible.

3.1 Alternate Form Reliability

Table 1 shows alternate form reliability figures for the nine Leadership Risk areas. This is based on a sample of 1,153 participants who completed both the invited access and the supervised access versions of Wave Professional Styles. Leadership Risk scores were derived from these data using pre-specified equations. The nine Leadership Risk areas demonstrate high alternate form reliabilities with coefficients ranging from .84 (Unpredictable) to .95 (Procedural).

Table 1. Alternate Form Reliability - Invited Access (IA) vs. Supervised Access (SA) - nine Leadership Risk Area scales
(N=1,153)

Risk Area	(IA) Mean	(IA) SD	(SA) Mean	(SA) SD	SEm (Sten)	r_t	Other Highest Correlation	Other Risk Area
Perfectionist	280.49	39.73	284.98	39.62	.52	.93	.47	Procedural
Procedural	264.68	41.29	270.58	41.77	.47	.95	.47	Perfectionist
Critical	242.56	34.60	239.17	33.80	.59	.91	.42	Disruptive
Obliging	296.47	30.88	294.88	30.70	.64	.90	.39	Procedural
Autonomous	245.85	27.27	248.62	27.18	.67	.89	.36	Critical
Expressive	235.52	31.52	234.32	30.79	.58	.92	.49	Daring
Disruptive	248.01	41.12	242.45	42.52	.48	.94	.53	Daring
Unpredictable	247.03	23.80	247.79	23.36	.80	.84	.47	Disruptive
Daring	230.31	36.92	228.62	37.22	.51	.94	.53	Disruptive
Mean	254.55	34.13	254.60	34.11	.58	.91	.46	
Median	247.03	34.60	247.79	33.80	.58	.92	.47	
Min	230.31	23.80	228.62	23.36	.47	.84	.36	
Max	296.47	41.29	294.88	42.52	.80	.95	.53	

3.2 Test-Retest Reliability

Table 2 shows test-retest reliability figures for the nine Leadership Risk areas. This is based on a sample of 100 participants who completed Wave Professional Styles twice with an average period of 18 months between the two completions. Leadership Risk scores were derived from these data using pre-specified equations. The nine Leadership Risk areas demonstrate high test-retest reliabilities with coefficients ranging from .71 (Unpredictable) to .83 (Daring) and a median reliability of .79.

Table 2. Test-Retest Reliability – nine Leadership Risk Area scales (N=100)

Risk Area	Mean _{t1}	SD _{t1}	Mean _{t2}	SD _{t2}	SEm (Sten)	r _t
Perfectionist	288.60	35.20	288.99	34.22	.88	.81
Procedural	272.41	41.59	269.82	43.17	.93	.78
Critical	241.75	34.50	247.53	35.76	.87	.81
Obliging	294.93	35.92	288.98	36.25	.91	.79
Autonomous	246.44	31.40	245.86	32.29	.93	.79
Expressive	236.65	29.16	236.97	30.49	.86	.82
Disruptive	243.61	40.80	243.20	39.24	.95	.78
Unpredictable	244.84	23.48	247.87	24.48	1.08	.71
Daring	227.35	37.71	227.66	37.61	.83	.83
Mean	255.17	34.42	255.21	34.84	.91	.79
Median	244.84	35.20	247.53	35.76	.91	.79
Min	227.35	23.48	227.66	24.48	.83	.71
Max	294.93	41.59	288.99	43.17	1.08	.83

Note: There was an average of 18 months between the first and second assessments.

Overall, the alternate form and test-retest reliabilities provide clear evidence for the reliability of the consistency and construct separation of the Leadership Risk scales.

Further information about reliability can be found in the Wave Professional Styles Handbook (Second Edition).

4.0 Validity

This section provides criterion-related validity evidence for the Leadership Risk model.

Criterion-related validity is often regarded as the single most important property of an assessment. It involves correlating assessment scores with independently evaluated criterion outcomes of job performance. The type of criterion-related validity evidence presented here is concurrent, where no time lag exists between when the assessment was completed and when the job performance criterion was measured.

4.1 Criterion-Related Validity

Criterion-related validity shows the relationship between scores in the Leadership Risk model and the relevant measure of leadership performance at work. The Leadership Risk areas have been designed in a way that the combination of behaviors is likely to lead to negative impacts when scores are higher. Therefore, rather than looking for strong, positive relationships with criterion measures, validating these Risk areas will involve negative or reduced positive relationships.

Demonstrating Reduced Overall Effectiveness from Leadership Risk

The Leadership Impact and Leadership Risk areas have been correlated with ratings on global performance criteria – Applying Specialist Expertise, Accomplishing Objectives and Demonstrating Potential, which combine to form a measure of Overall Performance. Table 3 displays how the correlations of the Leadership Risk with Overall Performance compare with the equivalent areas of the Leadership Impact model. Correlations have been adjusted for criterion unreliability using an inter-rater reliability correction figure based on the reliability of the criteria (based on 263 pairs of criterion ratings). For Perfectionist, the decline was .17 to -.03, for Procedural it was .00 to -.37, for Critical it was .40 to .01, for Obliging it was .15 to -.06, for Autonomous it was .25 to .10, for Expressive it was .36 to .14, for Disruptive it was .15 to .04, for Unpredictable it was .48 to .07 and for Daring it was .43 to .33.

Across all of the Risk areas, the correlations with the global independent criteria were lower than for the related Impact area. For Perfectionist, Procedural, Critical and Unpredictable, all of the reductions in correlations were significant. This means that each of those Risk areas was significantly less, or more negatively, related to the global effectiveness scales than the related Impact area was. Obliging and Daring had a significant reduction on all except Applying Specialist Expertise, while Expressive had for all except Demonstrating Potential. Disruptive had a significant reduction in Demonstrating Potential and Total Performance, while Autonomous had a significant reduction in Accomplishing Objectives.

Table 3. Significant reductions in Overall Effectiveness for Risk Areas (compared to equivalent Impact Areas) (N=369)

Leadership Risk Area	Significant Decline in Overall Performance for Risk Area?
Perfectionist	✓
Procedural	✓
Critical	✓
Obliging	✓
Autonomous	✗*
Expressive	✓
Disruptive	✓
Unpredictable	✓
Daring	✓

*Significant decline in Accomplishing Objectives

Note: Significance calculated using Lee and Preacher (2013) method, by comparing the correlations of Risk and Impact with Overall Effectiveness while taking the correlation between the Risk and Impact areas into account.

Negative Pattern of Effectiveness

In addition to reduced effectiveness in global measures of performance, it was also hypothesized that specific areas of performance would be detrimentally affected by the Risk areas. These relationships can be seen in Table 4, along with additional areas of effectiveness which the Risk areas were found to significantly negatively forecast. As well as the negative relationships, it is worth noting that there is still a pattern of some positive prediction, as would be expected with Risk areas which come from misguided strengths. For example, Daring is significantly positively related to effectiveness in Creating Innovation, Communicating Information and Driving Success, in addition to the negative relationships displayed in Table 4.

Table 4. Significant negative correlations between Professional Styles Leadership Risk Areas and Wave Skills Potential Sections (external ratings of work performance) (N=369)

Risk Area	Significantly Negatively Correlated with Effectiveness in the Following Areas			
Perfectionist	Creating Innovation*	Communicating Information		
Procedural	Creating Innovation	Communicating Information	Providing Leadership*	Driving Success*
Critical	Investigating Issues	Building Relationships	Adjusting to Change	Giving Support*
Obliging	Creating Innovation*	Communicating Information*	Driving Success	
Autonomous	Building Relationships*	Giving Support*		
Expressive	Processing Details*	Structuring Tasks*		
Disruptive	Adjusting to Change	Giving Support*	Processing Details*	Structuring Tasks*
Unpredictable	Giving Support	Processing Details	Structuring Tasks*	
Daring	Giving Support	Processing Details*		

*A priori hypothesized negative relationships

Overall, the criterion-related validity evidence clearly supports a decline in the relationships between the Leadership Risk areas and overall measures of effectiveness at work, as well as a pattern of negative relationships with effectiveness in specific areas, while measuring risks.

Further information about reliability can be found in the *Wave Professional Styles Handbook (Second Edition)*.

5.0 Fairness

This section introduces information about group differences in scores achieved on the Leadership Risk model. It includes a comparison of the Risk areas in different groups created according to the following criteria:

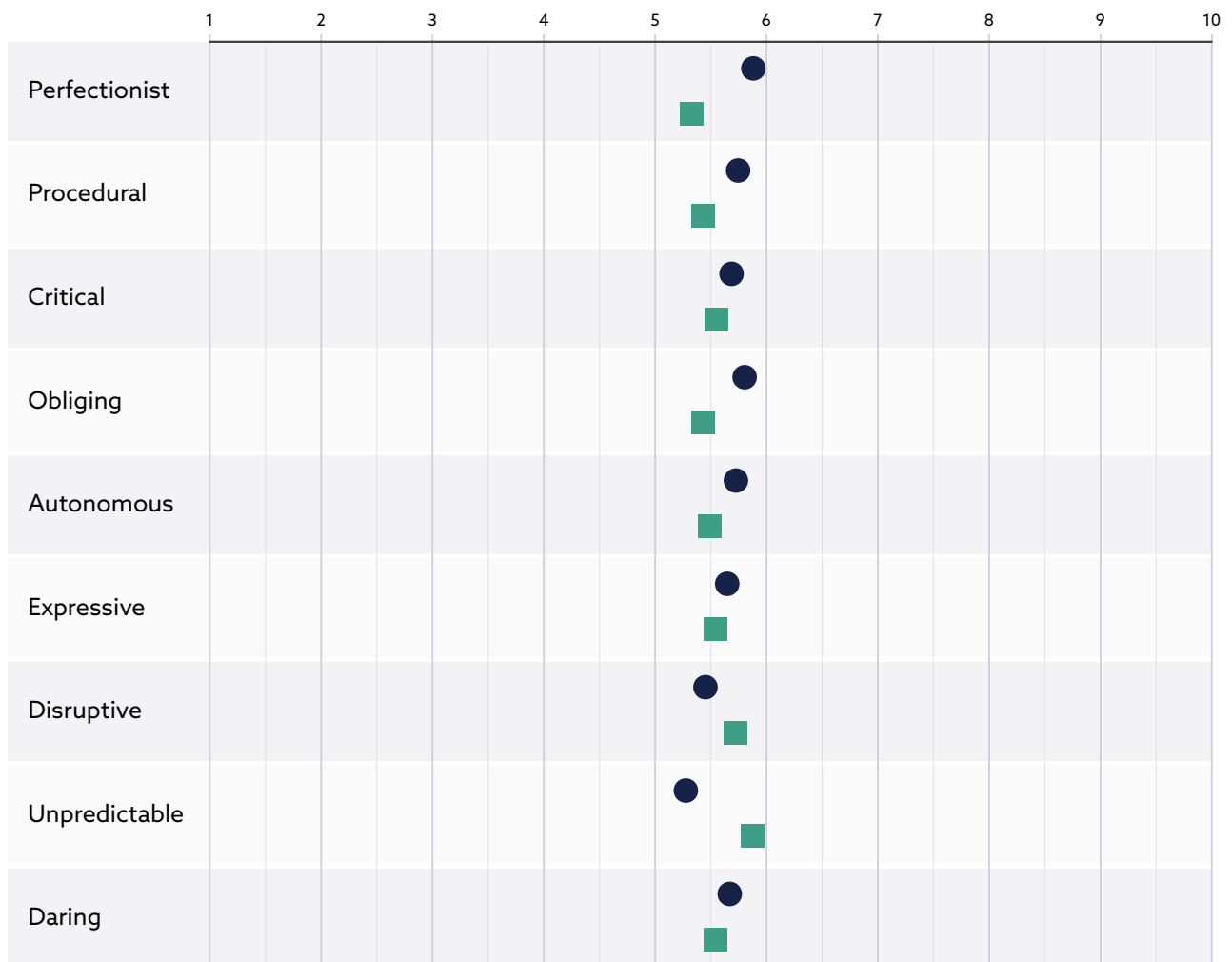
- Age
- Gender
- Cultural Background

Age Trends International – Sten Profile

Under 40 (N=6,671) Over 40 (N=6,975)

RISK AREAS

COMBINED STEN SCORE



People under the age of 40 (N=6,671) were compared to people over 40 (N=6,975). Differences ranged from non-existent to small; no moderate or large differences were found.

Gender Trends International - Sten Profile



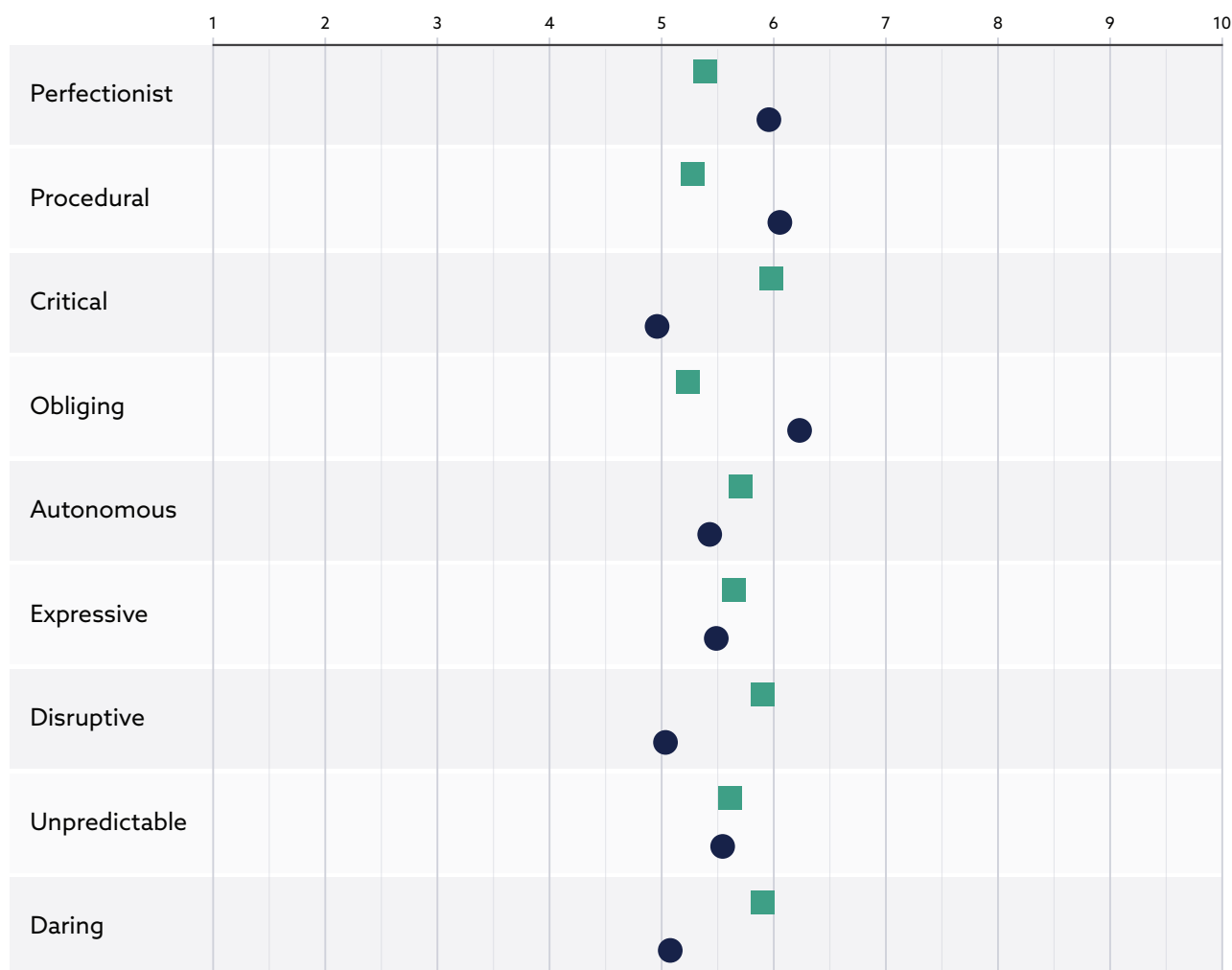
Male (N=8,482)



Female (N=5,164)

RISK AREAS

COMBINED STEN SCORE



Mean scores for male individuals (N=8,482) were compared to mean scores for female individuals (N=5,164). Seven of the nine Risk areas showed no appreciable mean differences between men and women. Males rated themselves moderately higher than females on Critical (1.06 of a Sten higher) and females rated themselves moderately higher than males on Obliging (1.05 of a Sten higher). No large differences were found.

Ethnicity Trends International - Sten Profile



The White group (N=9,247) was compared to the Black (N=590) and Asian (N=2,964) groups in terms of their mean scores. Differences ranged from non-existent to small. The largest difference was on Unpredictable where the White group were, on average, .82 of a Sten higher than the Black group, with all other differences less than .61 of a Sten. No moderate or large differences were found.

The data presented on the differences between the means for different groups generally show no or small differences between groups. The differences between age, gender and ethnicity are not such that we advise that they should impact on profile interpretation.

6.0 References

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