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REDESIGN OF A TOOL TO MEASURE LEADERSHIP IN AN AUTOMOTIVE INDUSTRY

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ABSTRACT

Leadership is one of the most critical factors that drive employees to achieve the goals in an organization, for this reason, it is important to measure it accurately and be able to develop and drive it for the benefit of employees and the organization. The automotive industry, in which the redesign will take place, currently has an annual evaluation of the leadership style of managers and coordinators. However, two main areas of opportunity have been detected. On one hand, the dimensions evaluated in the current tool are not related to the leadership model of the consortium. On the other hand, it is necessary to implement a process of monitoring the results obtained, which allows the leader to be held accountable and committed when the results are below expectations, in order to continuously improve the work climate. Therefore, through the methodology of Focus Groups is intended to compile the central perceptions of the areas of opportunity of the current tool, to make a proposal for the redesign of the instrument of Leadership Practices and be able to implement it at the automotive industry from 2019.

INTRODUCTION

The automotive industry that will be discussed in this article has more than 14,000 employees, which makes it one of the largest automotive complexes in Mexico and the second most abundant plant in the world of the consortium outside Germany. [1]

During October 2018, a headcount of 6743 employees was reported, of which 851 currently occupy a leadership position in the organization, 338 as coordinators and 513 with managerial position or direction, representing a total of 12.62 %. The role of the leader as a driver and generator of value for the company is unquestionable, so it is essential that the organization has the necessary tools and instruments to ensure that the style of each leader is conducive to a positive and motivating work environment for the achievement of the objectives of each of the employees.

In the automotive industry group of the regarding company, there is an instrument used worldwide in all the plants of the consortium, it is a diagnostic instrument to offer positive feedback; and identify areas of opportunity related to quality, productivity, information, leadership style and collaboration in each area and the organization.

One of the questions of this instrument is related to leadership, being the following: "My boss's leadership style is convincing and a model to follow." The results of this question for three consecutive years have topped bottom 5 with the lowest results in the automotive industry. The result for 2015 was 79.8, the result for 2016 was 79.4 and 2017 dropped to 76.6 on a scale of 100.

On the other hand, the results of Leadership Practices tool, a survey dedicated exclusively to measure leadership style, have been the following: in 2018 it obtained a global result of 88.6, in 2017 of 87 and 2016 of 86, is 86 considered a yellow result. [2]

The Great Place to Work survey is another indicator that measures leadership issues. In the 2015 and 2016 surveys, the result of the critical driver indicators obtained by the Automotive Company was the following: Leadership index 70 (2015) and 69 (2016) and management skills 74 (2015) and 71 (2016). In the analysis of the key drivers, i.e. the areas of opportunity in human capital processes and Cultural Practices of the leaders in 2017, the following was obtained, and it is shown in the next table.

*Table 1. Key Impeller Results 2017- Automotive industry*

Key Impeller	Impact on a low result	Company Perspective
Commitment	Reduced collaboration Induces greater rotation Reduces productivity	84 %
Collaboration	Lack of teamwork Decreases efficiency and effectiveness Lower productivity	72%
Strategic alignment of personnel	Lack of inspiration Lack of defined purpose Decreases sense of permanence	77%
Cultural Competencies and Practices of Leaders	Low Recognition Little humane treatment Remoteness De-motivation	69%
Leaders' management skills	Poor handling of equipment Poor assignment and coordination of work teams Less chance of achieving the objectives	71%
Human capital processes aligned with the GPTW culture	Poor handling of personnel Impact on the work environment Feelings of inequality, favoritism	69%
Level of Credibility, Respect, and Impartiality	Less level of satisfaction De-motivation Low loyalty	70%

As mentioned previously, leadership is a crucial factor that drives the achievement of an organization's objectives.

When employees generate a strong emotional bond with the leader and are motivated by a shared vision accompanied by an increase in their self-esteem and personal security, they respond positively to the leader's requirements for a more considerable and better effort to achieve collective objectives, which explains why strong leadership can achieve high employee performance.

Several investigations have shown that the favorable impact of leadership on the emotional and psychological reactions of employees simultaneously produces improvements in the performance of individuals and the group. [3-6]

Therefore, the interest of the authors for this article is to know if the current Leadership Practices survey used in the automotive industry serves to identify the meaningful areas of opportunity for the leadership style. If not, propose an update of the survey related to the current consortium leadership model.



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On the other hand, it has been identified a lack of monitoring of results below the average, so it is planned to propose a concrete strategy for monitoring the results obtained from this survey, to promote and achieve continuous improvement in the behaviors that shape the leadership style, including a correction plan. [7-10]

MATERIALS AND METHODS

Hypothesis

The Leadership Practices survey does not contribute to the improvement of the work climate.

General objective

Propose a new leadership measurement model for all managers and coordinators at the automotive industry.

Justification of the investigation

The importance of leadership in organizations has been mentioned above, as it is undoubtedly one of the essential qualities in an organization's teamwork. Leaders should be the people who drive and motivate their collaborators to achieve specific objectives, empowering and orienting their qualities. However, the leadership style of some leaders is not always ideal for motivating and inspiring their collaborators.

On the other hand, the evaluation of Leadership Practices is carried out only at the company in question; however, some areas of opportunity of the survey are identified, since it is speculated that it no longer fulfills the primary objective of improving the result of the work climate of the area.

Also, it was mentioned earlier that there is a lack of follow-up to results below the goal of leadership practices, causing that after having obtained a bad result, the leader does not commit to improve those areas of opportunity. It could cause demotivation in the work team since after obtaining low results, the situation remains as it was before. With this, the survey could lose reliability and transparency.

It is important not to lose sight of the fact that the exercise of good leadership was translated into employees, a feeling of trust towards leaders and a higher level of commitment to the organization, providing as a result of improved follower performance.

Methodological framework

Type of study and design:

Focus group

Subjects:

Eighty-one attendees to the focus groups divided into four groups.

Of the total number of attendees, 35 held managerial and coordination positions and 46 specialist collaborators.

Instruments:

The guided focus group, through which the main contributions on the topic were collected.

Procedure:

The focus groups were carried out according to the following scheme:

Table 2. Focus Group scheme

Subject	Activities	Resources	Duration
1.- Welcome	Presentation of the objective Context	Laptop, cannon, presentation	00:10



2.- Dynamic	For each question,- 5 minutes to write down; each idea will go on a card. The time should be taken, and at the end, they should place each of their answers on the corresponding side of the question. To conclude, they will be invited to observe everyone's answers and ask for general comments.	Colored sheets, question titles, flipcharts, pens, glue	00:30
3.- Presentation of the redesigned proposal of the Leadership Practices tool and the results monitoring model.	Information is presented	Laptop, cannon, presentation	00:15
4.- SWOT elaboration	They will be asked to identify the strengths, weaknesses, opportunities, and threats of the proposed residency.	Flipchart sheets, pens	00:50
5.- End	Conclusions	NA	00:05

RESULTS AND DISCUSSION

From the first activity of the Focus Group, these were the most common answers regarding the analysis of the current Leadership Practices Tool:

Table 3: Analysis Results

Employees: 46	Managers 35
Benefits of the current tool	
1.- What do you consider to be the benefits of the current instrument of leadership practices?	1.- What do you consider to be the benefits of the current instrument of leadership practices?
Measurement through indicators	Direct feedback
It is a tool that gives feedback to the leader	Specific indicators to improve leadership style
Closed and open-ended questions	
It's anonymous	
Opportunity Areas of the current tool	
2.- What do you consider to be the opportunity areas of the current leadership practice instrument?	2.- What do you consider to be the opportunity areas of the current leadership practice instrument?
Repetitive, confusing and unclear questions	Subjective evaluation
Low transparency of results	The results don't impact anything
The survey has not been updated in years	Low transparency of results
Misuse of the tool	The survey has not been updated in years
Lack of usefulness of the results, being only informative	Misuse of the tool



Bad leaders continue in their positions regardless of their low results	
Follow-up to results	
3.- How do you see the current follow-up to the survey results?	3.- How do you see the current follow-up to the survey results?
There is a need for greater transparency in the communication of results	It is important to share the results with the team
It is important to know what happens with bad results	More transparency in communicating information, especially bad results
The information about the results is hidden	Generate greater commitment to corrective actions for low outcomes
The survey is useless	Leaders with low results should be removed from their position
Nothing is done with the results because they don't impact anything	
It should be evaluated if managers with very low results should remain in their position	

For the second activity of the Focus Group, it was presented as well the proposal of the redesign of the leadership questionnaire:

Teamwork

1. My boss motivates me to think and act in an interdisciplinary, different way, to get out of the box.
2. My boss promotes working together with colleagues and counterparts, in a constructive way, leaving aside the divided/individualistic/ silos mentality.

Efficiency

3. My boss agrees with me demanding but achievable goals.
4. My boss provides me the support, advice, and tools necessary to achieve the established goals.
5. My boss promotes a culture of efficiency, results, always excited to achieve success.
6. My boss demands and encourages responsibility for me.
7. My boss delegates tasks according to the strengths of each employee to support the continuous development of competencies.

Justice

8. My boss promotes open exchange points of views.
9. The decisions my boss makes are courageous and fair.
10. My boss is responsible for the tasks assigned to us as an area.

Honesty, congruence

11. My boss treats me with respect and sincerity.
12. My boss promotes a favorable climate, where mistakes are commented in a prompt and open manner.
13. My boss can learn from mistakes by identifying the root cause for correction in the future.
14. My boss promotes an environment of equality, avoiding showing favoritism by any of his collaborators.
15. The economic remuneration (increases, bonuses) goes according to the competences and experience of each collaborator and not to affinities.
16. My boss conducts himself in an integral way in his decisions and actions.
17. My boss gives me feedback in a constructive and private way.



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Customer-oriented

- 18. My boss seeks through his actions to keep a customer satisfied with our service.
- 19. My boss's customer orientation is based on efficient economic thinking.

Diversity

- 20. My boss uses and promotes the diversity of points of views, experiences, and skills of our employees in a respectful environment.
- 21. My boss is genuinely committed to the development of his employees.
- 22. My boss promotes mutual trust, which grows through daily experiences and open feedback.

Communication & Clarity

- 23. My boss communicates the information that impacts our work team.
- 24. My boss ensures that there is clarity in each of the assigned tasks, functions or projects.
- 25. My boss communicates to us the alienation of our performance goals with the ones of the organization.

Open questions

- 26. Please mention at least 3 strengths of your boss's leadership style that are helpful in your performance.
- 27. Please mention at least 3 opportunity areas of your boss's leadership style.
- 28. If you have any other comment regarding your boss's leadership style, please mention.

In addition to the presentation of the redesign of the questionnaire, was also presented the proposal of the system of consequences to results below expected:

Consequences System Proposal	
First year with Overall Result in Red	1st warning HR Document Register
Second year with Overall Result in Red	2 nd warning HR Document Register
	6 months probationary period. After 6 months: Leadership Practices Extemporaneous Evaluation. <ul style="list-style-type: none"> • If the overall result continues in red, the person will be removed from the manager/coordinator position and will be assigned to a specialist position.

KPI:



The Leadership Practices Result will be included as one of the targets of the annual evaluation.



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After presenting the new scheme mentioned above (new questionnaire + consequences system), there was a SWOT analysis, whose results were:

Table 4 SWOT Results:

Strengths	Weaknesses
Instrument updated to consortium leadership principles	Giving 2 years warning is too much when the results are too low
More focused questions to detect specific problems	
More impartiality to the process	
Consequences for Leaders with Progressive Low Results	
More commitment to the corrective actions of the results	
Improvement of the working climate	
Opportunities	Threats
Recognize in a standard way the leaders with excellent performance	Revenge of the collaborators
Close monitoring by human resources of leaders with low results	Loss of objectivity of the process
	Ignorance of key job objectives

The result of the focus group gave satisfactory results that support and sustain the implementation of the survey update and the proposed consequences scheme.

The main advantages observed from the proposal were the ability to increase the commitment of the leader to improve his leadership style in benefit of the organizational climate of his department. Also to have an instrument whose questions allow evaluating the current requirement at consortium level of the leaders in the automotive industry.

Leaders generally have a positive self-concept and are interested in knowing the expectations of their collaborators about their behavior in order to validate their positive self-image. [4] Consistency between himself and the expectations of others allows him to respond appropriately to his collaborators. Thus, if the leader detects discrepancies between what he does and what his collaborators expect him to do, he will feel motivated to develop leadership behaviors that respond to the expectations of the group and the circumstances of the context.

With the implementation of the new scheme, it is intended to have a process to measure leadership and follow up results much more robust, objective and consolidated, trying to reduce areas of opportunity, retake and reinforce the strengths observed from the previous tool.

CONCLUSION

After the analysis carried out, the following was proposed:

- Update of the Leadership Practices Evaluation with questions related to the current leadership principles of the Consortium
- The system of consequences for results below expectations
- Include as an annual KPI (key performance indicator) the result of the Leadership Practices Evaluation

Those proposals were presented randomly in different focus groups, which were highly accepted and positive feedback was obtained.

These proposals were presented to the executive board of the automotive industry and authorized from 2019.

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