“Similarities and differences in Managerial Judgement around the world: developing an international SJT.”

Alan Howard, Max Choi and Nina Krig


Howard and Choi (2000) described an application of a Situational Judgement Test (SJT) to assess UK managers’ decision making abilities. Currently, there is keen interest in SJTs e.g. at the BPS’s Occupational Psychology Conference 2011, there were fourteen papers on SJTs.

However, to date there have been few published studies that look at using SJTs to measure decision making in managers within an international context. To what extent do managers around the world make similar judgements? Are there enough similarities to develop a reliable and valid SJT for managers that can be applied internationally? Such a tool would support leadership selection and development across countries. For example, how would one compare UK, Indian, Egyptian and Australian managers applying to join a global organisation’s managerial talent programme?

Cultural differences within the workplace are widely documented e.g. the influential research of Hofstede (1991). In relation to SJTs, Lievens (2006) outlined a number of challenges in transferring SJTs developed in one country to other countries. This includes the relevance of the test’s content, language issues and the potential for cultural differences to produce different correct answers. Research studies on whether SJTs predict job performance across countries remains very limited, although one study by Such and Schmidt (2004) found validity evidence for the use of an SJT in the UK and Australia but not in Mexico.

On the other hand, research into cultural similarities is continuing to emerge. Van Emmerik et al (2010) examined leadership behaviour in over 12,000 participants in 32 countries. Three predictors of leadership behaviour were used: individual, organisational and societal differences. Depending on the aspect of leadership behaviour being predicted, the percentage of variance explained was: individual differences 79-93%, organisational differences 5-11%, and country differences 2-10%. So it seems that across countries there may be more similarities than differences.

Research Objectives

1. To what extent do managers around the world make similar judgements to UK-based managers?

2. Are there enough similarities in judgement around the world to develop a reliable and valid international situational judgement test (SJT)?
Methodology
Managerial Judgement was assessed using Scenarios Management Edition (Howard and Choi, 1998), a generic SJT developed in the UK. The SJT has 100 items, 84 of which are scored. Items are scored against correct answers derived from UK-based experts. 8150 participants from approximately 70 countries completed the SJT. To produce a workable number of samples of sufficient size, participants were grouped into 8 world regions (Middle East, Australasia, Europe, Far East, US, Africa, Indian Subcontinent and UK).

Results
Question 1: To what extent do managers around the world make similar judgements to UK-based managers?

When participants from the eight world regions had their answers scored against UK experts’ correct answers, large differences in mean performance between the UK sample and several world regions emerged. The biggest mean difference was between the UK and the Indian Subcontinent region (1.32 UK standard deviations lower for the Indian Subcontinent). The Middle East region was not far behind (1.16 UK standard deviations lower). An examination of the 84 items in the test revealed that these mean differences were largely due to response differences on just 30 of the 84 items. It was not clear at this point whether these differences were due to cultural differences, language issues (the test was completed in English), or real managerial judgement differences. For the remaining 54 items in the test, there was a higher level of correspondence, and for many items various world regions actually outperformed UK respondents.

So, do managers around the world make similar judgements to UK-based managers? On this SJT, it seems that they do, but only about two thirds of the time. Recall that Van Emmerik et al (2010) found that country and organisation differences combined accounted for only 21% variation in leadership behaviour at most.

Question 2: Are there enough similarities in judgement around the world to develop a reliable and valid international SJT?

Why were there differences from the UK on some judgement items, in particular for the Indian Subcontinent and Middle East participants? This was examined via telephone interviews with 40 managers from India and the Middle East. They completed 18 of the items that had shown the biggest mean performance differences relative to UK respondents. The managers’ replies were analysed utilising an adapted version of the Leeds Attributional Coding System (LACS; Munton et al, 1999) to understand whether these differences were due to language issues, cultural differences, or Managerial Judgement itself. It was found that in a third of cases, significant language issues and/or cultural differences existed. In a further third of cases, some minor language issues arose which needed clarifying verbally with participants. For the remaining third of cases, the items worked as expected, and the mean performance differences observed for particular world regions are presumed to be real managerial judgement differences.

Building an SJT around items that were responded to similarly by different world regions produced a reliable test (alphas between 0.77 and 0.83 for the 8 world regions). Performances for the 8 world regions on the original UK-derived SJT, and the new international SJT are shown in Table 1.
Table 1: World Region performances on UK and International versions of an SJT

<table>
<thead>
<tr>
<th>World Region</th>
<th>UK Version (84 items)</th>
<th>International Version (67 items)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>UK SDs difference</td>
</tr>
<tr>
<td>UK</td>
<td>91</td>
<td>-0.05</td>
</tr>
<tr>
<td>Australasia</td>
<td>90</td>
<td>0.21</td>
</tr>
<tr>
<td>Europe</td>
<td>101</td>
<td>0.32</td>
</tr>
<tr>
<td>US</td>
<td>103</td>
<td>0.63</td>
</tr>
<tr>
<td>Africa</td>
<td>106</td>
<td>0.79</td>
</tr>
<tr>
<td>Middle East</td>
<td>113</td>
<td>1.16</td>
</tr>
<tr>
<td>Indian Subcontinent</td>
<td>116</td>
<td>1.32</td>
</tr>
<tr>
<td>International (all 8 regions)</td>
<td>103</td>
<td>0.63</td>
</tr>
</tbody>
</table>

NB smaller Means represent better performance

It can be seen that the international SJT reduces the differences in mean performance across the 8 world regions, but does not eliminate them. To investigate whether any systematic bias remained, a differential item functioning (DIF) analysis was carried out on all 67 items following the procedures outlined by Zumbo (1999). It was found that where any DIF existed, DIF items tended to cancel each other out – some favoured the UK, some another world region. The only exception to this was in India where 4 items showed DIF in favour of the UK. This is being tackled via re-wording of the items. We presume therefore that the differences in mean performance reflect differences in underlying managerial judgement, for example because of differing levels of access to management development and training around the world. However we can’t rule out that further language issues and cultural differences are partial causes.

Some initial validation data for the world regions showing the greatest differences in mean performance has been collected. The international SJT produced positive correlations (significant at the 0.01% level) against organisation level (employee, supervisor, manager, senior manager) in the Middle East, Africa and Indian Subcontinent regions. In other words, more experienced and senior managers tend to score better on the Managerial Judgement SJT in these world regions, as well as in the UK.
Conclusions

Based on the SJT researched here, there do appear to be differences in some aspects of Managerial Judgement around the world. Managers from different countries do not always agree on the correct response in some situations. However, for many situations there ARE similarities in how managers from different countries respond, and by carefully selecting these SJT items, it is possible to develop a reliable and valid international SJT measuring Managerial Judgement around the world.

References


The authors

Alan Howard is a director at Quest Assessments Ltd and Principal Consultant at the Keil Centre; Max Choi is a director at Quest Partnership Ltd; Nina Krig is a psychologist at SHL Group Ltd.