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How feedback about leadership potential impacts ambition, organizational commitment, and performance

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ABSTRACT

In the present research we report results from two experimental studies that examine how feedback about leadership potential impacts leadership ambition, organizational commitment, and performance. Study 1 used an experimental vignette methodology that controls for prior performance. Results show that individuals who receive feedback that they have low potential to be a future leader have lower ambition and organizational commitment relative to those who receive feedback that they have high potential to be a future leader. Study 2 provides evidence of the causal behavioral effects of feedback about leadership potential using a real task effort environment. Results show that participants informed to be unlikely future leaders display lower performance in a subsequent task than participants informed to be likely future leaders. The findings from the two studies demonstrate that information about leadership potential affects subsequent ambition to become leaders as well as performance. We discuss the implications of these findings for the importance of followership, talent management, and leadership succession.

Introduction

To survive and thrive in the long-term, organizations are faced with the key task of inspiring followers to become the next generation of leaders and to equip them to move into future leadership roles once incumbents move on or new opportunities arise. For this reason, organizations strongly focus on planning and investing into issues of leader successions and development. For example, in PwC's 20th Annual Global CEO Survey, 77% of CEOs identified developing human talent, including leadership, as a top priority (PwC, 2012). Literature on strategic human resources management defines leadership succession as a set of HR activities that: (1) organizations use to identify talented employees who "show potential to become more than they currently are" (Silzer & Church, 2009, p.4), and (2) provide these potential leaders with guidance and training to become future organizational leaders (Heneman, Judge, & Kammeyer-Mueller, 2015). This literature highlights the positive outcomes of leadership succession planning, since it enables organizations to get "the right person in the right job at the right time" (Cappelli & Keller, 2014, p.306), and invest their scarce resources in those where chances on returns will be the highest (Collings & Mellahi, 2009; Felin & Hesterly, 2007).

Speaking to the above resource-based perspective, prior research has investigated various strategic aspects of leadership succession — primarily at the very top levels of organizations (Garman & Glawe, 2004). For example, research has examined succession as a function of whether the successor (a) originates from within or outside the company (Shen & Cannella, 2002), (b) is similar to, or different from, the previous leader (Ritter & Lord, 2007), (c) is a man or a woman (Ryan & Haslam, 2007), and (d) implements little or significant change (Zhang & Rajagopalan, 2010).

Yet scholars have argued that there is a need to better understand the motivational effects associated with evaluations about leadership potential, especially for individuals at lower organizational levels (Gelens, Dries, Hofmans, & Pepermans, 2013). After all, leadership succession demands the singling out of a chosen few at the expense of the many, since organizations consider only a small proportion (5–20%) of people in a cohort to be eligible for succession programs (Malik & Singh, 2014). Thus, the vast majority of individuals will be excluded...
from leadership successions, but are still expected to remain motivated followers. Accordingly, in this paper we address the question of how feedback about the lack of leadership potential may impact leadership ambition, organizational commitment, and performance. These three outcomes represent defining features of follower motivation (Judge & Kammeyer-Mueller, 2012; Meyer, Stanley, Herscovitch, & Topolnytsky, 2002).

The present two studies contribute to the literatures on the importance of followership. Notably, followers are generally defined (a) with reference to hierarchical organizational structures, that is, followers as subordinates, and (b) as individuals who display behavior that is influenced by leadership (Uhl-Bien, Riggio, Lowe, & Carsten, 2014). This definition underscores the importance of understanding individuals’ motivation to be, and act, as followers. In addition to being an important precursor of the success of followers (Judge & Kammeyer-Mueller, 2012; Leroy, Palanski, & Simons, 2012), the motivation of followers also incorporates their willingness to make an effort for others within the organization including their leaders (Malik & Singh, 2014).

There are at least two sets of theories that may provide insight into the effects of feedback about leadership potential. Theorizing on the importance of follower- and group-centered perspectives argues that leadership and followership are both intertwined and reciprocally related (e.g., Day, Gronn, & Salas, 2006; Morgeson, DeRue, & Karam, 2010; Oe & Bashshur, 2013; Uhl-Bien et al., 2014; Yammarino, Salas, Serban, Shirreffs, & Shuffler, 2012; Zaccaro, Rittman, & Marks, 2002) and that there is no leadership without followership (e.g., Haslam, Reicher, & Platow, 2011; Steffens et al., 2014). Drawing from this perspective, we propose that just as being seen as a likely future leader may motivate individuals, individuals may also be discouraged when they are seen as an unlikely future leader, because such a process sets leaders and followers apart. We further use justice theory as an underlying framework to provide insight into why potential as a future leader may affect individuals. This theory suggests that people develop fairness sentiments based not only on the outcome of resource allocations (as predicted by equity theory; Adams, 1965) but also on basis of the procedure that lead to those outcomes (Cropanzano & Folger, 1989; Greenberg, 1987). Thus, being seen as having potential to be a future leader is likely to be motivating because becoming a leader provides people with valuable resources, such as higher status and higher financial rewards. Just as importantly, not being seen as having leadership potential should be demotivating, because of the associated lack of such resources. Moreover, decisions about leadership potential are typically made behind closed doors by leaders in higher-level positions with little input from those who are to be led (followers), and so, other things being equal, followers who are not seen to have leadership potential are likely to regard the process as unfair.

It is noteworthy that, to date, few scholars have included follower responses in empirical work on leadership successions (for a review, see Hutschenauehreut, Kleindienst, & Gregor, 2012). Two notable exceptions include a cross-sectional study by Björkman, Ehrenrooth, Mäkelä, Smale, and Sumelius (2013) showing that individuals who perceive themselves as being part of their organizational talent pool report greater determination to develop their competencies and lower turnover intentions. Furthermore, they include a cross-sectional study by Gelens, Hofmans, Dries, and Pepermans (2014) finding that individuals not identified as having high potential report lower organizational justice. These findings are insightful because they show that perceptions of being seen to have potential (or not) are associated with the motivational responses of individuals.

Yet the implications we can draw from the above two studies are somewhat limited, in that they do not inform us about at least two important issues that are key for understanding followers’ motivational responses to feedback about leadership potential. First, it remains to be addressed whether the obtained responses relate uniquely to leadership potential. That is, we must distinguish effects of feedback about leadership potential from those of follower performance by examining whether being seen (or not being seen) as having leadership potential affects the motivation of followers whose baseline levels of motivation and performance are similar prior to receiving information about leadership potential (Balzer & Sulsky, 1992; Briscoe & Hall, 1999). Second, it is possible that followers with more motivation are perceived to have higher leadership potential (cf. Dries & Pepermans, 2012). To determine the consequential impact of leadership potential, we need to rule out endogeneity in relationships and establish causality of the effects (Antonakis, Bendahan, Jacquart, & Lalive, 2010, 2014) by examining the extent to which feedback about leadership potential impacts actual behavioral indicators of motivation. We address these issues in the present research. Before we turn to our studies, we will develop our hypotheses in more detail.

The impact of feedback about leadership potential

Even though there is little empirical research on how followers respond to leadership succession, there is abundant evidence demonstrating that formal performance appraisals have an impact on followers’ willingness to work for their organization — both when these appraisals are favorable and when they are unfavorable (e.g., Fletcher, 2001; Pearce & Porter, 1986). In part, this impact may be attributable to the instrumental gains or losses directly attached to formal performance appraisals (e.g., salary increases or decreases and more or less task autonomy). However, studies have shown that performance appraisals also affect followers because they signal to followers how well they do relative to their peers, and hence, how central they are to their organization (Cleveland, Murphy, & Williams, 1989; Levy & Williams, 2004).

Moreover, research on performance appraisals tends to focus on follower responses to evaluations of their objective task outcomes in their current jobs or organizational ranks — not on their responses to estimations of their potential to be a future leader at higher levels of the organization. In this regard too, it is worth noting the conceptual similarities (and differences) between our hypothesized effects of perceived leadership potential on motivation and those described by research on performance expectations and the Pygmalion effect (e.g., Rosenthal & Jacobson, 1968; see also, the self-fulfilling prophecy effect; Eden, 2014; Jussim, Eccles, & Madon, 1996). Both examine how the appraisals of others impact upon a person’s subsequent attitudes and behaviors. At the same time, we identify two key different ways in which the current research goes beyond past research.

First, whereas the Pygmalion effect demonstrates that individual performance is impacted by others’ performance expectations, we suggest that effects due to leadership potential need not be driven by performance expectations, but rather by the potential to be a leader, that is, to occupy a leadership position and be able to influence the people they work with so that they are motivated to contribute to collective goals. After all, followers may receive positive appraisals of their current task performance, but yet still not be seen as possessing leadership potential. Second, based on procedural justice theory (Cropanzano & Folger, 1989), we argue that followers’ responses to feedback about their leadership potential will impact their general work motivation, which includes their primary task efforts, but also their ambition to become a leader and their organizational commitment. In this way, we suggest that individual responses will extend beyond direct task performance to willingness to contribute to shared goals. Accordingly, it needs to be investigated whether, and if so, how, information about leadership potential impacts followers’ over and above effects of appraisals of current performance.

The limited existing literature on the responses of followers to prospective leadership successions remains inconclusive. Several scholars argue that followers who are seen as likely future leaders and are included in leadership programs should demonstrate increased levels of motivation because organizations explicitly value them (Becker, Huselid, Pickus, & Spratt, 1997; Björkman et al., 2013; Collings &
Mellahi, 2009; Malik & Singh, 2014) and accommodate to their intellec-
tual and psychological needs (McClean & Collins, 2011). But
others have warned that when chosen leaders attribute their selection
to their own capabilities, they may not necessarily become more mo-
tivated to work for the organization, but rather become more de-
manding instead (i.e., in terms of further assistance with career pro-
gression; Call, Nyberg, & Thatcher, 2015).

As for those followers who are not seen as future leaders, they might
remain motivated to work for the organization because increased ef-
forts and the setting of more challenging goals may improve their future
prospects and their leadership potential (Malik & Singh, 2014). How-
ever, several scholars have argued that followers regarded to have little
leadership potential are likely to demonstrate a drop in motivation
because (a) they are rejected on the basis of an estimated skill that they
cannot demonstrate in their current job (Björkman et al., 2013;
Marescaux, De Winne, & Sels, 2013) which they may perceive as unfair,
and (b) inclusion in future leadership programs becomes increasingly
difficult for them because they are allocated fewer resources and op-
opportunities than those who are chosen (Dries, Van Acker, & Verbruggen,
2012), leading to a greater divergence in possibilities and opportunities
between the those who are chosen and those who are not. These
arguments are in line with procedural justice theory (Cropanzano &
Folger, 1989; Greenberg, 1987) and findings from group research,
where differential leadership behavior towards followers (Tee, Paasen,
& Ashkanasy, 2013; Zhang, Li, Ullrich, & van Dick, 2013) and the use of
selection procedures that create a competitive environment (Haslam
et al., 1998), can undermine collaboration by emphasizing the distinc-
tion between those who are seen as worth attending to (i.e., po-
tential leaders) and those who are not.

In sum, as argued above, perceptions of followers’ reduced potential
as future leaders may have the unintended negative effect of distancing
followers from their organization. Specifically, being singled out for a
future leadership position may motivate those who are chosen to some
degree. However, to the extent that a given follower is regarded to have
reduced leadership potential, that follower is far more likely to respond
unfavorably to the collective enterprise to which they belong and to
leadership in particular. As such, we predict that evaluations of fol-
lowers’ potential as a future leader will be related to followers’ moti-
vation in terms of both their leadership ambition and their commitment
to the organization. More precisely, we predict:

Followers who receive feedback that they have low, rather than high,
leadership potential will show lower leadership ambition (H1a)
and lower organizational commitment (H1b).

Overview of present research

The present research extends our understanding of the way in which
feedback about followers’ leadership potential are associated with dif-
fferences in follower motivation. We test our hypotheses in two ex-
perimental studies. In Study 1 we present an experimental vignette
study that enables us to establish the isolated effect of feedback about
leadership potential (i.e., the degree to which an individual is regarded
to have potential to be a future leader) on individuals’ leadership am-
bition and organizational commitment in a diverse sample of people
with work experience. In Study 2, to rule out endogeneity-related issues
and to establish the causal effect of feedback about leadership potential
on motivation, we present a behavioral economics experiment in a real
effort task environment (Charness & Kuhn, 2011) in which members of
a team are randomly assigned to a condition of likely or unlikely lea-
ders. In Study 2, we extend findings from Study 1 by examining how
leadership potential affects changes in participants’ (objective) beha-
vioral effect on a team-related performance task.

Study 1

Method

Participants

Two-hundred-and-fifty-six people with work experience partici-
pated in an online experiment for a small reimbursement after being
recruited via MTurk (Buhrmester, Kwang, & Gosling, 2011; Goodman,
Cryder, & Cheema, 2013). Six participants failed to complete an at-
tention check as instructed (This is a control question—please select ‘2’) and
one participant provided incomplete data for the dependent vari-
able leadership ambition, which led to a final sample of 249 partici-
pants (132 female; 115 male; 2 not specified) who we entered into the
analysis.

Participants’ age ranged from 19 to 64 years (M = 34.23; SD = 10.35; 2 not specified) and their work experience ranged from one
to 42 years (M = 13.73; SD = 9.35; 2 not specified). Participants
worked in a wide array of industry sectors, while the vast majority were
white-collar industry workers. Around a third of participants (N = 77; 2
not specified) indicated that they held a management position.
Participants were highly educated with 145 participants (58%; 2 not
specified) having completed a university degree.

Procedure

We received ethical approval for the study through the first author’s
academic institution. We followed Aguinis and Bradley’s (2014) best
practice recommendations for designing, implementing, and analyzing
an experimental vignette methodology (EVM; paper people-type study)
to maximize both internal and external validity. EVM involves pre-
senting realistic stimuli and controlling and manipulating independent
variables. We followed all (nine) recommendations of Aguinis and
Bradley (2014); we only diverted from their general guidelines to use a
within-participant design (using various vignettes) but choose to use a
between-participant design to refrain from introducing additional
variability due to different vignettes and running the risk of commu-
nicating the hypotheses to participants in the research process. Yet, we
followed their advice for the use of EVM involving between-participant
designs by providing sufficient background information so that dif-
ferent vignettes can be tested against each other and by analyzing the
results using ANOVA.

Participants were randomly assigned to one of three experimental
conditions which manipulated feedback about leadership potential: low
versus high versus control group with no information about leadership
potential. Participants were invited to immerse themselves into a
vignette where they were asked to imagine that they were working in a
job and that the position of team leader was to be filled and everyone
was able to apply. In all three conditions, participants were provided
with (a) general information about the change in leadership (making
clear that everyone was able to apply) and (b) positive feedback about
their work (to rule out that any effects are due to differences in posi-
tivity in feedback about current work). Specifically, in all three condi-
tions participants were presented with the following same baseline in-
formation to provide them with identical contextual background
information while controlling for participants’ perceptions of their
performance and their expectations:

“Imagine that you had been working in a job that you have been
enjoying for several years. You work alongside a number of collea-
gues in your team who are in similar positions. On the whole you
believe that you are doing well in your job. Now, you have heard
that your leader has just accepted a higher position at a different
department within your organization. Your leader will leave the
current position in a few months time. Your team leader always
evaluated your work very positively. A few days later, your team
leader announces the change in leadership formally in a team
meeting. Everybody is welcome to apply for the position.”
In addition to this, in the low and the high leadership potential conditions it was indicated that even though everyone can apply, the leader had already approached two candidates the leader believed to be particularly qualified. In the low leadership potential condition, it then said:

“As the leader did not approach you, you realize that you are not one of the candidates. Clearly the leader does not see you as a potential successor for the role. On the whole, you are seen as an unlikely future leader of the team. Your leader believes that you should continue to work in your current position.” (original emphasis).

In contrast, in the high leadership potential condition, it said:

“As the leader had already approached you, you are aware that you are one of the candidates. Clearly the leader sees you as a potential successor for the role. On the whole, you are seen as a likely future leader of the team. Your leader believes that you should potentially rise to a leadership position.” (original emphasis).

In the control condition no information about leadership succession and candidates was provided. Afterwards, participants were invited to reflect on what they would feel or think in response to the situation before completing the dependent measures.

Measures

On 7-point Likert scales ranging from 1 (strongly disagree) to 7 (strongly agree), participants then responded to items assessing leadership ambition (five items from van Vianen, 1999; α = 0.83; “I’d accept a leadership position if it was offered to me”; “I’d want to be in a leadership position in the near future”; “I’d prefer to leave a leadership position to someone else” [reversed]; “I tell my friends that I hope to get promoted to a leadership position”; “I’d like to take on the challenge of acquiring a leadership position”) and affective organizational commitment (four items from Meyer & Allen, 1997; α = 0.95; “I feel emotionally attached to this organization”; “I’d feel that the organization means a lot to me”; “I’d feel at home in the organization”; “I’d feel as if I were part of ‘the family’ of the organization”). Participants then provided demographic data, were reimbursed, and debriefed.

Results

Bivariate correlations between variables are presented in Table 1. To assess H1a and H1b, we conducted two 1 × 3 ANOVAs. Results are presented in Table 2. We also ran additional analyses in which we controlled for participants’ age and gender because these variables might influence leader stereotypes and thus people’s responses to feedback about leadership potential. In both analyses, neither age nor gender had a statistically significant effect, while the size and significance of coefficients of the experimental manipulation were unaltered by the presence of demographic controls: a Wald test (examining whether these are explanatory variables that add value to the model) was non-significant.1 In light of these results, we report the results without controlling for these variables.2

Leadership ambition

Analysis indicated a significant impact of the experimental manipulation of leadership potential on leadership ambition, \( F(2,246) = 9.26, p < .001 \). Supporting H1a, decomposition by means of post hoc Tukey tests revealed that those who were seen as unlikely future leaders showed lower leadership ambition than those who were seen as likely future leaders (MD = −0.78, SE = 0.18, 95% CIs = −1.21, −0.35, p < .001, Cohen’s d = 0.71) and those in the control condition who were provided with no information about leadership potential (MD = −0.45, SE = 0.17, 95% CIs = −0.87, −0.04, p = .027, Cohen’s d = 0.39). At the same time, the difference between those in the likely future leader condition and the control condition was not statistically significant (MD = 0.33, SE = 0.17, 95% CIs = −0.07, 0.73, p = .126, Cohen’s d = 0.30).

Organizational commitment

Analysis revealed a significant impact of the experimental manipulation on organizational commitment, \( F(2,246) = 41.42, p < .001 \). Providing support for H1b, post hoc Tukey tests indicated that those who were seen as unlikely future leaders were less committed to the organization than those who were seen as likely future leaders (MD = −1.76, SE = 0.21, 95% CIs = −2.25, −1.28, p < .001, Cohen’s d = 1.31) and those who were provided with no information about leadership potential (MD = −1.45, SE = 0.20, 95% CIs = −1.92, −0.98, p < .001, Cohen’s d = 1.01). At the same time, the difference between those in the likely future leader condition and those in the control condition was not statistically significant (MD = 0.31, SE = 0.19, 95% CIs = −0.14, 0.76, p = .235, Cohen’s d = 0.29).

Discussion

We designed Study 1 to provide an experimental test of the impact of feedback about leadership potential on leadership ambition and organizational commitment using an experimental vignette methodology. When all else was held constant, findings indicated that participants who assumed the role of an employee seen as an unlikely future leader reported lower subsequent leadership ambition than participants who assumed a role of an employee seen as a likely future leader or an employee in a (control) condition with no information about leadership potential. Furthermore, assuming the role of an employee who was seen as an unlikely future leader (rather than a likely future leader or not being provided with additional information) also related to lower ratings of affective organizational commitment (in line with our expectations). In sum, these experimental findings provide first support for H1a and H1b. The results demonstrate that feedback about leadership potential in a hypothetical leadership succession context has consequences for indications of subsequent leadership ambition and organizational commitment, independent of prior levels of performance, ambition, and commitment.

The present experimental vignette methodology study had the benefit of allowing the isolation of the effect of feedback about leadership potential using randomized allocation to experimental conditions and controlling experimentally for feedback about performance. Nevertheless, Study 1 is not without limitations. Participants did not directly experience the context in which they responded but imagined a somewhat minimal work context (a key characteristic of experimental vignette methods; Aguinis & Bradley, 2014). Although we believe that experimenter demand effects cannot fully account for the findings because participants were not aware of or informed about the experimental hypotheses, nor were they encouraged to behave in a particular manner (participants were not informed about what kind of information was manipulated and it was stressed that there were no right or wrong answers), nevertheless we cannot rule out that part of the variance may be accounted for by experimenter demand effects (Orne, 1962, 2009; Zizzo, 2010). Therefore, even though research suggests
Moreover, this second study allowed us to examine the potential effects of feedback about leadership potential on perceptions of procedural fairness as well as on actual subsequent performance. Stated more formally, Study 2 sought to test the following hypothesis:

Followers who receive feedback that they have low, rather than high, leadership potential will perceive lower procedural fairness (H2a), and show lower subsequent performance (H2b).

### Study 2

**Method**

**Participants**

Two-hundred-and-sixty-four participants (131 male, 133 female) from a volunteer undergraduate participant pool via ORSEE (Greiner, 2015) took part in a computerized experiment programmed in z-Tree (Fischbacher, 2007). Participants’ self-reported age ranged from 17 to 40 (M = 19.68; SD = 1.72); the degree they studied included a broad range of disciplines including physical and natural sciences and humanities and social sciences.

**Procedure**

We received ethical approval for the study through the second author’s academic institution. Upon arrival to the lab, participants were randomly assigned to a booth. Participants were asked not to communicate with one another during the course of the session. All instructions were displayed on the computer screen. The currency in the experiment was the Experimental Currency Unit (ECU) where 12 ECU were worth £1 at the time of conducting the experiment.

The experiment had multiple stages. Participants read the instructions to each stage immediately before each stage started. At the end of each stage, the computer informed participants about their own performance in that stage, but not about the performance of any other participant in the session. Fig. 1 outlines the timeline of the experimental procedure.

In Stage 1, participants were asked to solve as many arithmetic problems as possible in a limited amount of time. In Stage 2, participants were asked to write down their perceptions of procedural fairness, which were measured by a series of Likert-scale items. In Stage 3, participants were asked to write down their perceptions of leader performance, which were measured by a series of Likert-scale items. In Stage 4, participants were asked to write down their perceptions of leader behavior, which were measured by a series of Likert-scale items. In Stage 5, participants were asked to write down their perceptions of leader attitude, which were measured by a series of Likert-scale items. In Stage 6, participants were asked to write down their perceptions of leader satisfaction, which were measured by a series of Likert-scale items.

### Table 1

Study 1: Means, standard deviations, and intercorrelations between variables.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Control dummy</td>
<td>0.39</td>
<td>0.49</td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>2. High potential leader dummy</td>
<td>0.33</td>
<td>0.47</td>
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<tr>
<td>3. Low potential leader dummy</td>
<td>0.29</td>
<td>0.45</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Leadership ambition</td>
<td>5.52</td>
<td>1.16</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>5. Organizational commitment</td>
<td>5.23</td>
<td>1.46</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>6. Gender</td>
<td>1.53</td>
<td>0.50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Age</td>
<td>34.23</td>
<td>10.35</td>
<td></td>
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</tbody>
</table>

Note. *p < .01, **p < .001. The dummy variables (control, high potential leader, and low potential leader) compare the respective dummy against the remaining other two conditions.

### Table 2

Study 1: Means (standard deviations in parenthesis) and effect sizes for leadership ambition and organizational commitment as a function of feedback about leadership potential.

<table>
<thead>
<tr>
<th>Dependent measure</th>
<th>Low potential</th>
<th>Control condition</th>
<th>High potential</th>
<th>F(2,246)</th>
<th>$\eta^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership ambition</td>
<td>5.09 (1.19)</td>
<td>5.54 (1.16)</td>
<td>5.87 (1.00)</td>
<td>9.26**</td>
<td>0.07</td>
</tr>
<tr>
<td>Organizational commitment</td>
<td>4.09 (1.66)</td>
<td>5.54 (1.18)</td>
<td>5.85 (0.91)</td>
<td>41.42**</td>
<td>0.25</td>
</tr>
</tbody>
</table>

Note. *p < .05, **p < .01. Means with different subscript letters are statistically significantly different from each other ($p < .05$, two-tailed).
operations of the form \(x + y - z = ?\) as possible in two minutes (where \(x, y,\) and \(z\) were restricted to be between 0 and 9, and the answer to be non-negative). This task was designed to be easy to complete by any undergraduate participant; although there may be individual differences in ability, the main determinant of performance in this task should be effort.

In Stage 2, participants were split into teams of four; participants then repeated the same task they had performed in Stage 1. Participants’ compensation was 36 ECU if they completed 10 questions or more, and 0 ECU otherwise. In Stage 3, participants had to do a word completion task (Anderson, Carnagey, & Eubanks, 2003), in which they saw a list of incomplete words (with missing letters) and in which they had to identify the missing letters to complete each word. The instructions explained there was more than one correct answer in each case, and that participants would not be compensated for the task. The purpose of this task was to work as a non-deceptive obfuscation (Zizzo, 2010), in that it diverts participants’ attention from performance in Stage 2 as a potential determinant of future events in the experiment.

The experimental manipulation was introduced as part of the instructions to Stage 4. In the leadership potential treatments, where we manipulated high vs. low leadership potential, the instructions informed participants that one member of the team would be selected as the leader. The job of the leader would be to distribute a bonus of 48 ECU between the team members in Stage 5. This was an amount 50% larger than the maximum payoff resulting from Stage 2, which was designed to make the position of leader sufficiently meaningful to work as a strong motivation to become leader. Participants were told that the rule used to determine the leader would be disclosed to them at the end of the experiment. Only two team members could be selected as leaders. The computer then informed participants about their potential to be a future leader (prior to the start of Stage 4). The computer selected participants with high and low leadership potential by randomly allocating a score of either 1000 or \(-1000\) to each participant, such that two participants in a group received a positive score and the other two received a negative score. Those with a positive score were high potential leaders, and those with a negative score were low potential leaders. In the control condition, the instructions informed all four participants that one team member would be selected at random by the computer at the end, and that person would distribute the bonus between team members.

Other than the announcement concerning the potential to be group leader, Stage 4 was identical to Stage 2. In Stage 5, participants had to choose how to distribute the bonus prior to the team leader being announced. Participants could choose between three options: (a) an equal division of the bonus; (b) a division of the bonus that was proportional to the total amount of questions solved in Stages 2 and 4; (c) the leader keeping all 48 ECU. We asked all participants to state their preferences, including those who were not identified as potential leaders.

Next, although the focus of the study was on individual performance, we also included three measures assessing individual attitudes (these variables are not exogenous) as secondary measures. Participants responded on 7-point Likert scales to the same scales as used in the previous study (participants responded to Likert scales ranging from 1 (strongly agree) to 7 (strongly disagree) and so the for the sake of consistency with Study 1, the scales were reversed so that higher scores in an item reflect greater agreement with an item and thus higher scores in a scale reflect higher levels in a respective variable). These scales assessed leadership ambition \((\alpha = 0.71; five \ items \ from \ van \ Vianen, \ 1999; \ e.g., \ “I’ll \ accept \ a \ leadership \ position \ if \ it \ was \ offered \ to \ me”\), and affective commitment \((\alpha = 0.93; five \ items \ from \ Meyer \ & \ Allen, \ 1997; \ e.g., \ “I \ felt \ emotionally \ attached \ to \ my \ group”\). We included these scales for the sake of consistency with Study 1 even though the scales (in particular the leadership ambition scale) may not be particularly meaningful in the context of the experimental set up where people knew at the time of responding that the experiment and the group had ceased to exist. In addition, participants also responded to an exploratory measure assessing procedural fairness in the selection of the leader \((\alpha = 0.87; \ “The \ process \ used \ to \ identify \ the \ leader \ was \ legitimate”, \ plus \ three \ items \ from \ Terry, \ Pelly, \ Lalonde, \ & \ Smith, \ 2006 \ “I \ believe \ the \ right \ people \ were \ approached \ as \ candidates \ for \ the \ leadership \ position”; \ “I \ believe \ the \ opportunity \ for \ promotions \ was \ fair”; \ “I \ believe \ the \ candidates \ for \ the \ team \ leader \ position \ were \ likely \ to \ be \ selected \ for \ good \ reasons”)\) to examine the extent to which leadership potential affects perceptions of procedural fairness. These attitudinal scales were assessed at this stage so that they occurred after the experimental manipulation and final assessment of participants’ performance (solved questions in the final round) but before participants found out who was selected as leader. Participants also self-reported their age, gender, and degree of study.

The computer then debriefed participants about the rule used to select the leader (which consisted of assigning leadership to the participant with the highest total score, which was equal to the random score (+1000 or \(-1000\)) plus the total number of math questions solved in Stages 2 and 4), whether they were selected as leader, the choice made by the leader of their group in Stage 5, and a full breakdown of payoffs for each of the stages of the experiment. Participants were paid in cash and left the lab.

**Measures**

Our outcome variable of interest is the number of correctly solved questions in Stage 4 and Stage 2. We estimate our experimental manipulation using a difference-in-difference model:

\[
Y_{it} = \beta_0 + \beta_1 T1 + \beta_2 \text{Leader} + \beta_3 \text{Leader} \times \text{HP} + \beta_4 T1 \times \text{Leader} + \beta X + u_{it}.
\]

T1 equals one if behavior took place in Stage 2 and zero otherwise; Leader equals one for observations in the leadership potential treatments and zero otherwise; HP equals one if participant \(i\) was identified at the start of Stage 4 as a high potential leader and zero otherwise. \(X\) is a vector of controls including age, gender, nationality (categorized as British), and degree major (in our analysis including the majors Business, Humanities/Social Sciences, and Natural Sciences). As per standard diff-and-diff analysis, \(\beta_2\) captures the effect on output of being announced a high potential leader vis-à-vis low potential leader; \(\beta_2\) and \(\beta_3\) measure the output difference between participants in the low and high potential leaders, respectively and participants in the control condition. The coefficients on \(T1\) and \(T1 \times \text{Leader}\) control for any time trend in behaviour. We do not interact our time dummy with HP since leadership potential was only announced in Stage 4.

As outlined above, the rule we employed to determine who was to be a high potential leader or low potential leader was based on a random draw by the computer, which was independently and identically distributed within the four group members, as well as across groups within a session. Furthermore, we also randomly assigned participants to treatment and control conditions. Therefore, both Leader and HP are exogenous regressors.

**Results**

Bivariate correlations between variables are presented in Table 3, while means as a function of condition are presented in Table 4. Participants were randomly allocated to control and leadership potential conditions, so their performance in Stage 2 should not differ. This is indeed the case: the average number of solved questions in the control condition \((M = 34.58; SD = 8.92)\) was not statistically different from that in the leadership potential conditions \((M = 33.38; SD = 9.15)\); \(t(262) = 0.97, p = .334\).

**Change in performance**

Table 5 outlines the estimates of our diff-and-diff model with clustered standard errors at the participant level (Cameron & Miller, 2015). Regressions (1) and (2) report the results without and with individual-
We now test our key hypothesis relating to participant behavior (H2b), which relates to the change in performance of high potential leaders vis-à-vis low potential leaders. This effect is captured by the coefficient on Leader × HP, which is positive (3.56) and highly significant, F(1, 263) = 8.47, p = .004. Relative to baseline levels of performance, this change accounted for about 10% change in performance.

Having established support for our key hypothesis, we can decompose our main result to investigate whether it is driven by a drop in performance by low potential leaders or by an increase in performance by high potential leaders. To compare low potential leaders to participants in the control condition, we can look at the coefficient for Leader: it is negative (−1.35) but not statistically significant, F(1, 263) = 1.09, p = .297. To test whether high potential leaders outperformed participants in the control condition, we test whether the sum of the coefficient on Leader and Leader × HP are equal to zero. That coefficient is positive (2.22) and marginally significant, F(1, 263) = 2.83, p = .094. In other words, the separation of participants into high potential and low potential leader indicates a small but non-significant drop in performance among the latter and a slightly larger (in absolute levels) but only marginally significant increase in performance among the former (compared to those in the control condition).

**Attitudinal data**

Table 4 summarizes the average participant responses on each of the post-experimental attitudinal measures (organizational commitment, leadership ambition, and procedural fairness). To understand whether our manipulation led to changes in self-reported attitudes, we conducted a series of regressions using a model similar to (1), but without a time dummy or its interactions, as our attitudinal measures were only collected at the end of the experiment. Results from the regressions are available in Table 5. With regards to our organizational commitment and leadership ambition measures, we find no significant difference between high and low potential leaders, F(1,255) = 0.05, p = .83; F(1,255) = 0.02, p = .88, respectively. In the case of our procedural justice measure, we find a positive and significant coefficient on our potential leader dummy, F(1,255) = 7.41, p = .007, indicating that likely future leaders view the appointment process as fairer than unlikely future leaders (supporting H2a).

**Discussion**

Study 2 aimed to extend Study 1 and previous findings by means of an experimental test of the effects of feedback about leadership potential in a real effort task environment in which members of a team are randomly assigned to a condition of likely leaders or unlikely leaders before assessing their performance. The data provide causal evidence that feedback about leadership potential impacts individuals’ behavior...
such that potential leaders show greater change in (objective) perfor-
mance than unlikely future leaders (supporting H2b). The data from the
present study did not reveal differences in commitment to the group or
leadership ambition for future leadership positions (providing no sup-
port for H1; as discussed above these variables were not the focus of the
study but were included for the sake of consistency and these studies
may not have made a lot of sense in the present study given that it was
clear to participants that the experiment ended after the experimental
procedure). Nevertheless, the data provides some indication that even
though likely and unlikely future leaders are exposed to the same
procedure, likely future leaders experience the procedure as being
fairer (supporting H2a).

General discussion

In the present paper we examined the core proposition that feedback
about potential as a leader impacts follower ambition in two ex-
perimental studies with different methodologies — an experimental
vignette study and a behavioral experiment in a real-effort task setting.
Study 1 provided experimental evidence using vignette methodology
showing that even when individuals are asked to imagine that they
perform well in their current job, evaluations of their potential
to be a future leader affects their reported ambition and commitment to
continue to strive in the workplace (supporting H1). Furthermore, results
from Study 2 provide causal evidence of the role of feedback about
leadership potential from an experiment in a real effort task
environment (Charness & Kuhn, 2011) with exogenous assignment of leadership potential, which rules out issues of endogeneity (Zehnder et al., 2017; Zizzo, 2010). The data show that members of a team who are told that they are likely to be leaders display greater performance in a subsequent task (where performance is assessed objectively pre and post the manipulation) and perceive greater procedural fairness than their counterparts who are told that they are unlikely to become leaders (supporting H2).

The data across the studies paint a consistent picture by providing evidence of the differential impact of leadership potential feedback on follower motivation. However, there are some nuances that must be attended to. The comparison with the control group in Study 1 suggests that differential responses between (hypothetical) likely and unlikely future leaders are driven by motivational losses among the followers regarded to have low leadership potential, whereas the comparison with the control group in Study 2 indicates that differential responses can also be driven by increases in performance among those with high leadership potential. A closer look at the nature of the control groups may help to better understand these different patterns. In Study 1, participants in the control group were told that there would be a leadership selection, and thus they may have shown motivational gains anticipating that they may become leader (although they were given no information about their own leadership potential). In contrast, in Study 2 participants in the control group were not informed of a leadership selection but merely told that a person of the team would be randomly selected to complete a task (to distribute a bonus), which may explain why their motivation levels are similar to the levels of the followers who are seen to have little leadership potential. In this regard, it would be useful in future research to investigate by means of different methods the influence of additional factors (as present in our control groups) on motivational gains and losses, an avenue for future work which we discuss in more detail below.

**Implications for theory and practice**

The data from both studies show that, other things being equal, differential feedback about leadership potential has diverging motivational consequences for individuals designated to be likely and unlikely future leaders. These findings have a number of important theoretical implications. First, the present research complements prior work on leadership successions that sheds light on (a) important characteristics of incoming leaders (e.g., their demographics; Chen & Hambrick, 2012; Jalal & Prezas, 2012), as well as (b) the impact of incoming leaders on the organization and stakeholders post successions (i.e., once new leaders take office; Garman & Glawe, 2004; Hutzschenreuter et al., 2012). Results clearly demonstrate that it is crucial to study the effects of successions not only on those who are selected but also on those who are not in the spotlight because they are unlikely (to be seen as or become) leaders. Furthermore, results show that successions affect individuals prior to successions, not just after successions have taken place.

Second, in demonstrating the responses of individuals to information about leadership potential, our findings also extend previous research on the motivational consequences of feedback about leadership potential. Extending the work by Björkman et al. (2013) that shows that having been identified as part of the talent pool in an organization is associated with more positive workplace responses, the present research is the first to show the (causal) impact of differential feedback about leadership potential on the motivation of those likely to be leaders and those unlikely to be leaders. Both studies show that the present effects cannot simply be explained by effects due to performance expectations or self-fulfilling prophecies (cf. Eden, 2014), providing evidence of the unique motivational consequences deriving from feedback about the potential to become a leader. This is also an important issue because in most contexts the number of people who are rejected for leadership positions vastly exceeds the number who are chosen to become leaders. The present findings thus underscore that although we might be tempted to narrow in on the potential enthusiasm and motivational gains that are associated with the advancements promised to individuals in leadership positions, it appears at least as important to understand the potential frustrations and motivational losses associated with individuals who are denied advancements to such positions. Work motivation is a key organizational concern in light of the fact that meta-analytic evidence indicates that this significantly influences individuals’ ultimate functioning — in terms of their task performance and collaborative interaction with others at work (Cooper-Hakim & Viswesvaran, 2005; Meyer et al., 2002; Riketta, 2002).

Third, the present research also bears some relevant practical implications. Our findings suggest that to the extent that talent management programs are seen to communicate to non-selected individuals that they are not part of the elite of organizational members, such programs may have the unintended consequences of dampening members’ motivation and enthusiasm for their work. In this regard, to reduce the likelihood that followers’ ambition will be demolished by issues of succession, organizations might avoid invasive succession processes that have the capacity to undermine the collective by emphasizing the competitive distinctiveness between individuals (Haslam et al., 1998; Raelin, 2011; Tee et al., 2013). These results suggest that even though programs that “fast-track” individuals or identify “rising stars” might aim and be assumed to motivate those chosen few, such selectivity can undermine the commitment of the many who are rejected. Instead, organizations might design inclusive approaches that emphasize the importance of the interests of the entire organization (over personal interests of individual members) and develop leaders by demonstrating commitment to nourish (not to sideline) individuals’ capacity to grow into leaders (Day, 2011; Day, Fleenor, Atwater, Sturm, & McKee, 2014).

Finally, our findings also suggest that organizations may benefit from offering individuals not single but multiple career trajectories. In this way, career progression may not solely be based on perceived leadership potential and attaining leadership positions but offering more than one way in which individuals can be central to the organization. Indeed, it is likely that among at least a portion of the workforce, there may be individuals who perform well in their current jobs, but who have little interest in performing leadership roles. In this regard, future research needs to examine whether those individuals may be less affected from being excluded from a “high potential leadership” pool as well as the impact that access to alternative career paths in their organization has on their motivation (e.g., by offering development programs and practices for people with varying levels of leadership responsibilities as well as for specialists).

**Limitations and future research**

The current research is not without limitations. In the present research, we used two different methods including an experiment informed by behavioral economics to address endogeneity-related issues, a method which to date have been used rarely in leadership research (Garretsen, Stoker, & Weber, 2017; Zehnder et al., 2017). This is a clear strength of the present research, but it is also the case that each method has its limitations and so it would be useful in future work to use other methods (applied to other contexts) to provide a more comprehensive picture of the present relationships. For instance, Study 1 provides suggestive evidence using experimental vignette methodology that feedback about leadership potential was uniquely associated with subsequent ambition and commitment over and above performance appraisals, while Study 2 corroborated the causal impact that leadership potential has on behavior. Nevertheless, we do believe that it is also possible that leaders’ assessments of followers’ leadership potential may flow from followers’ own leadership ambitions and motivation in some contexts (e.g., in organizations where expression of leadership ambition is valued and required for promotion) and that it is possible
that each pathway may inform the other in a mutually reinforcing manner. With this in mind, we encourage future research to examine contexts in which the reversed pathway may occur as well as to track changes in leadership ambition over time by means of longitudinal (cross-lagged) investigations.

Notably, taking a temporal perspective would also enable researchers to shed light on a number of additional important research questions. For example, longitudinal investigations might examine whether individuals who are not seen as potential leaders might subsequently be given fewer opportunities for growth and fewer rewards for their achievements, which, in turn, may hinder their development as leaders (Silzer & Church, 2009). Similarly, they might examine whether those individuals also set themselves less challenging goals and show less persistence in the face of goal attainment. Finally, future work might investigate whether changes in individuals’ direct work environment (e.g., a change in leadership or team) will “reset” their motivational responses to succession planning, or, whether the effects are cumulative and thus less likely to change.

Beyond specific attitudes and behaviors, though, future research should also shed light on the unfolding impact of leadership potential on an individual’s construction of a more profound, enduring sense of self. For instance, it would be worthwhile examining to what extent feedback about reduced leadership potential and associated issues of justice compromises the development of positive and aspirational work-related identities (DeRue & Ashford, 2010; Dutton, Roberts, & Bednar, 2010; Johnson, Selenta, & Lord, 2006; Strauss, Griffin, & Parker, 2012). Similarly, it would also be interesting to examine factors that may moderate the relationship between leadership potential such as individuals’ sense of general inclusion at work (which may buffer against motivational losses), perceptions of their own (comparative) potential and qualifications to be a leader (which may enhance the importance of leader successions), and the way in which feedback about leadership potential is communicated (e.g., in an evaluative manner conveying the status quo or in a formative manner conveying opportunities for learning and development).

Conclusion

Prior research on leadership succession has advanced our understanding of the strategic consequences of successions (i.e., once new leaders, typically at the top of an organization such as CEOs, take office). However, we know little about the motivational effects of feedback about potential (or not) to be a future leader. Therefore, in the present set of studies we provide insight into the motivational consequences of leadership potential. One may be tempted to believe that information about leadership potential is communicated (e.g., in an evaluative manner conveying the status quo or in a formative manner conveying opportunities for learning and development).

Greenberg, J. (1987). Reactions to procedural injustice in payment distributions: Do the...