Organizational Leader Selection: The Impact of Tenure, Job Level Experience, and Being an Insider on Effectiveness

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Abstract
This study builds on the theory that leadership experience impacts leader effectiveness. This study examines tenure, job level, and being an insider in a sample of 229 men’s college basketball coaching changes in the United States. The hypotheses tested that tenure, difference levels of job experience, and being an insider are positively related to leader effectiveness which is defined as the change in the win-loss percentage for the college. Utilizing multiple regression, the findings indicate that tenure and being an insider are not predictors of leader effectiveness. However, the findings did indicate that top leadership experience, primarily at a premier institution, is significant predictors of leadership effectiveness. The findings suggest that organizations involved in leadership selection should prefer leaders with experience at the highest level as well as at a premier organization.

Key Words: Leadership selection, succession, succession planning, leadership effectiveness, leadership experience, tenure

1 Introduction
Selecting the right leader will not only reduce the costs and risks of a new leader failing, but can help the organization become more competitive and effective (Stoddard & Wyckoff, 2009). Stoddard and Wyckoff elaborate that tenure among top leaders is declining significantly, and turnover is increasing significantly. According to them, this failure in leadership selection impacts not only the perceived organizational effectiveness, but also top-line revenues, bottom line profits, and overall market value. Thus, human resource planning in general, and leadership succession in particular, is of utmost importance to an organization achieving its strategic objectives (Davidson, Worrell, & Cheng, 2000).

A vivid illustration of how important leadership selection is to an organization is the leadership change that took place at Nike in 2003. Phil Knight, Nike’s founder and chairman, selected Bill Perez as the new CEO. However, just thirteen months later Knight announced that Perez had resigned due to a lack of alignment between the leader and organization (Stoddard & Wyckoff, 2009). This problem in leadership selection cost them $10.6 million in severance pay besides the ineffectiveness of an organization without the right leader (Kelly, 2007). However, many are still skeptical that a change in leadership will have an impact on the effectiveness of the organization, and therefore Giambatista, Rowe, and Riaz (2005) call for more studies on factors such as the leader’s abilities and prior experience. Furthermore, Giambatista et al. encourage researches to expand the performance window being evaluated as well as most top leaders will be given more than a short-time period to produce results.

2 Purpose of Study
Over the years there have been various studies looking at the impact of leader experience on future performance (Avery, Tonidandel, Griffith, & Quiones, 2003). Avery et al. state that some studies have found experience does matter, while others have found it makes no difference. Avery et al. did find that it matters what type of experience a leader has had in the past by finding that prior relevant experience –particularly experience in the subordinates job - does make a difference in leader effectiveness. However, Avery et al. described the subordinate of NBA head coaches as a player rather than as an assistant coach. They also defined relevant experience as NBA seasons coached versus non-NBA seasons coached; it was unclear if these were only head coaching jobs or any coaching role.
Thus, even though Avery et al. demonstrated that a leader’s prior experience impacts effectiveness, other measures of prior experience as well as other variables need to be considered.

One purpose of this study is to determine if other prior relevant leadership experience makes a difference in leadership effectiveness, and if certain types of prior experience are more important than others. Particularly, does prior work experience in the exact same leadership position make a difference? Also, because Avery et al. state that different types of leader experience may be more predictive than others does the type of organization experience make a difference in effectiveness? Related to organizational experience, does it make sense to promote an insider who already knows the organization and systems? Finally, tenure has been found to positively impact effectiveness (Eitzen & Yetman, 1972), and Avery et al. and Giambatista, Rowe, and Riaz (2005) call for more research on various tenure measures of leadership experience. The purpose of this study is to do just that.

3 Literature Review

Past studies of leadership succession have found mixed results on the successor’s impact on organizational effectiveness (Davidson, Worrell, & Cheng, 1990), and some studies have found that there is no impact at all (Cannella & Rowe, 1995). These findings have led some researchers to conclude that performance causes succession, while others that succession causes performance (Fizel & D’Itri, 1997). As a result three theories of succession and performance emerged and were tested. Grusky (1963) developed the vicious cycle theory that stated a decline preceded a succession event resulting in a disruption to the organization. This disruption would further lower the organization’s performance precipitating a further decline. Gamson and Scotch (1964) countered by developing the ritual scape-goating theory that said that poor performance did indeed precipitate leadership change, however there would be no improvement in performance, thus the leadership change was done so that the stakeholders would be appeased and to publicly demonstrate an awareness that a change needed to occur. The final theory, common sense theory stated that a carefully chosen leader would experience honeymoon effects because of the new leader’s enthusiasm and plans resulting in an improvement in performance (Giambatista, Rowe, & Riaz, 2005).

Leadership succession has been studied in various contexts (Giambatista, Rowe, & Riaz, 2005). Davidson, Worrell, and Cheng (1990) studied the impact of leader succession on stockholder wealth ultimately finding support for the common sense theory as investors tended to respond positively to announcements of key leader changes. Other studies have focused on the board of director’s role in succession, while others have measured manufacturing outputs, firm characteristics, accounting and earnings measures (Giambatista, Rowe, & Riaz).

There have been numerous studies in the area of leadership succession utilizing the sports industry. Giambatista, Rowe, and Riaz (2005) argue that general leadership theory should generalize to multiple industries and it is thus just as appropriate to use the sports industry in academic studies as it is to use other industries. Secondly, they argue that sports are a multi-billion dollar industry thus limiting detractors’ argument that it is not a legitimate industry like manufacturing. Cannella and Rowe (1995) argue that sports teams are an ideal place to study as the objective, to win as many games as possible, is the same for all organizations, and the organizations all play by same rules. Thus, the objectives are highly quantifiable and there is competition not unlike the business environment. They go on to argue that coaches are similar to other organizational leaders as they have to optimize results with resource restraints. Another advantage to using sports teams to study leader succession is the ease of obtaining data that is both easy to interpret and is comparable (Avery et al., 2003), and there is significant turnover among coaches which makes the industry an important arena to study (Audas, Goddard, & Rowe, 2006). Additionally, they are the ones involved in planning, obtaining the resources, and motivating the players. Furthermore, a college coach is involved in hiring the assistants and delegating authority (Soebbinger& Washington, 2011). Finally, a coach much like a CEO has multiple stakeholder relationships (Brown, 1982) that need to be managed, such as the University administration, the athletes, NCAA compliance, the athletic conference, alumni, fan base, media, and others.

There have been studies utilizing professional and college football, professional baseball, professional hockey, and professional and college basketball to study leadership succession. This study will utilize college basketball as the position of a college basketball coach mirrors that of a business manager (Fizel & D’Itri, 1997, 1999). Specifically, the college basketball coach has to make personnel decisions in regard to the assistant coaches, but also must recruit the players, train them, motivate them, and schedule them.
Finally, Fizel and D’Itri recognize that coaches are engaged in strategic planning as well as they come up with offensive and defensive schemes that can be deployed.

3.1 Tenure

Fiedler (1970) argued that the idea that leaders with more experience are more effective was erroneous. However, other studies have found a connection between leader experience and effectiveness (Cannella & Rowe, 1995). Leadership experience can be either the specific experience of the individual, but it can also be measured as the time in leadership, or more commonly called tenure. Bettin and Kennedy (1990) measured tenure in their study using army personnel and found that tenure was less of a predictor of effectiveness than the relevance of the leadership experience.

Eitzen and Yetman (1972) studied the impact that length of tenure of college basketball coaches had on team effectiveness. They found that the longer the coaches remain the more successful they are in terms of winning percentage. However, they found a cut-off point of twelve years where after that point in time effectiveness began to diminish. They conclude that their findings related to tenure in the same role within the same organization.

Fizel and D’Itri (1997) in their study of college basketball programs that determined winning was the key criterion in determining leadership change included tenure as a variable. They defined tenure as years of service in the coaching profession and they do not mention if they discriminated between different levels of coaching. Fizel and D’Itri found that long-tenured coaches were more likely to be dismissed, yet they state that the tenure of the new coaches compared to the tenure of the preceding coach has no impact on effectiveness. They, therefore recommend that this variable be ignored in hiring decisions.

Avery et al. (2000) argue that measures of tenure that do not capture the knowledge, skills, and abilities (KSAs) acquired or not acquired during past experiences are not a predictor of leadership effectiveness. However, Avery et al. contend that tenure of relevant experience does matter. In their study of multiple measures of leadership experience they defined tenure of relevant experience as number of years coaching in the NBA, but excluded years coached outside of the NBA. Avery et al. did find that tenure experience in a similar position was a significant predictor of effectiveness, but that there was no significant relationship for tenure experience in a non-similar position.

Hadley, Poitras, Ruggiero, and Knowles (2000) examined the role of NFL coaches on the performance of NFL teams. The variable, prior years of coaching in the NFL, that they used to measure experience was actually one of tenure. They found that as length of tenure increases performance also increases. However, they also found that this was a variable of diminishing returns such that there was a greater increase in performance up until 16 years of experience at which point performance declined. They claim that this finding is consistent with human capital theory.

3.2 Job Level Experience

Length of experience, tenure, is one way to measure leader experience, but another method is to look at the actual prior experience of the leader. Smith, Carson, and Alexander (1984) studied Methodist ministers and found that those with prior leadership experience were more effective. Furthermore, Pfeffer and Davis-Blake (1986) found that individual with prior coaching experience and good records had a greater positive impact than those with no prior coaching experience or success at winning.

Cannella and Rowe (1995) continued this research by determining if there is a relationship between leader ability, experience and future leader performance. By studying Major League baseball field managers they hypothesized that those that had prior experience would be more likely to improve the performance of an organization than those with no experience. However, they did not find support for this hypothesis in their sample. They argue the reason for this is that succession is so disruptive to an organization, and so many variables impact performance after succession that those variables may override any benefits that may occur from an experienced leader.

Avery et al. (2003) also determined to break down various attributes of leadership experience in subcomponents. Thus, they attempted to study leadership experience relevance, such as experience in the subordinate’s job and also experience in high-stress conditions using National Basketball Association (NBA) head coaches. The researchers defined the subordinate’s job as an NBA player under the rational that a leader would be more sensitive to subordinate’s needs and they would have obtained the knowledge needed for success.
They found that there was a significant relationship between experience in a relevant job, the subordinate’s position and prior NBA coaching experience, and team performance. Thus, Avery et al. did confirm that various attributes of leadership experience need to be considered when selecting leaders.

3.3 Insider/Outsider

Allen, Panian, and Lotz (1979) classified managers as insiders or outsiders based upon their relationship to their team in the previous one season in their study of managerial succession in Major League Baseball. Thus if a manager was an employee of the team in any capacity in the preceding season before the succession the manager was labeled an insider. Other managers were considered outsiders even if at some point previously in their career they had been employed by the organization. They found that teams with inside successors did have a better performance than teams with outside successors in the season of succession.

Davidson, Worrell, and Cheng (1990) also measured whether a leader was an insider or outsider in their study of the stock market reaction to the announcement of appointment of executives. For the purposes of their study they defined an insider as one who had six or more years with an organization, and outsiders of those with less than one year of tenure with the organization. All executives that had between one and six years with an organization were excluded from the analysis so that there was a clear distinction between insiders and outsiders. They hypothesized that appointing an insider would have a positive impact on stock prices. As a result, they found support for their hypothesis that stock prices did increase when an insider was selected, and claim this is so because insider successions are less disruptive and therefore more unlikely to negatively impact performance.

Giambatista, Rowe, and Riaz (2005) argue that more studies investigating multiple variables of leadership experience must be conducted. They specifically call for more studies utilizing investigation of the insider and outsider constructs. They also call for scholars to do a better job defining the construct of an insider.

3.4 Leader Effectiveness

Leadership performance and effectiveness has been measured using various measures from points scored and winning percentage for sports related studies to accounting, financial, or market measures for business organizations (Giambatista, Rowe, & Riaz. 2005). Soebbing and Washington (2011) measured effectiveness as points per game. Audas, Goddard, and Rowe (2006) looked at a relatively short-term measure, a few games after the succession, to determine the impact of a leader. They argue that looking at long-term effects is too difficult to determine that what is happening is a result of the coach or player personnel. However, the coach is the one responsible for the personnel so it would make sense to not try to separate that factor out. Even with this short-term perspective Soebbing and Washington did consider the outcome of games (win-loss-tie) as the measurement to be used for leader effectiveness. Also, Allen, Panian, and Lotz (1979) in their study of Major League Baseball defined performance as winning percentage, which they state is a major component of leader effectiveness. Furthermore, they state that team winning-percentage is a valid quantitative measure of the impact of leader succession.

Fizel and D’Ittri (1997) argue that team performance significantly impacts turnover among various sports coaches. Fizel and D’Ittri (1999) state that the output of basketball is measured in winning percentage. Ultimately they determined that winning is the measuring stick that universities use to decide about keeping or firing a coach, and is therefore a good measure of leader effectiveness. However, Fizel and D’Ittri state that hiring coaches based on having a better winning percentage than a current coach is not relevant because there are too many variables to make an accurate comparison.

Hadley, Poitras, Ruggiero, and Knowles (2000) in their study of the National Football League (NFL) describe the output of team sports as team wins. They argue that the production process in sports is to convert the players’ talents into wins, and thus it becomes a central determinant to the decision-maker regarding succession planning. Hadley et al. did measure short term effects finding that the right coach can add additional wins within one season. Avery et al. (2003) also measured short term effects by defining leader effectiveness as winning percentage over one season.

4. Hypotheses

Avery et al. (2003) states that different types of leadership experience may be more predictive of leadership effectiveness than others.
However, past studies of leadership succession have found mixed results on the successor’s impact on organizational effectiveness (Davidson, Worrell, & Cheng, 1990), and some studies have found that there is no impact at all (Cannella & Rowe, 1995). Therefore a purpose of this study is to determine if other prior relevant leadership experience makes a difference in leadership effectiveness, and if certain types of prior experience are more important than others.

Avery et al. (2003) and Eitzen and Yetman (1972) contend that tenure of relevant experience does matter. Furthermore, Avery et al. did find that tenure experience in a similar position was a significant predictor of effectiveness, but that there was no significant relationship for tenure experience in a non-similar position. Additionally, Hadley et al. (2000) found that as length of tenure increases performance also increases. Finally, Avery et al. and Giambatista, Rowe, and Riaz (2005) call for more research on various tenure measures of leadership experience.

Another way to measure leader experience is to look at the actual prior experience of the leader. Smith, Carson, and Alexander (1984) found that those with prior leadership experience were more effective. Furthermore, Pfeffer and Davis-Blake (1986) found that individual with prior coaching experience and good records had a greater positive impact than those with no prior coaching experience or success at winning. Avery et al. (2003) studied leadership experience relevance, such as experience in the subordinate’s job and found that there was a significant relationship between experience in a relevant job and team performance. Thus, Avery et al. called for even more research on other attributes of leadership experience.

Allen, Panian, and Lotz (1979) classified managers as insiders or outsiders based upon their relationship to their team in the previous one season in their study of managerial succession in Major League Baseball. Thus if a manager was an employee of the team in any capacity in the preceding season before the succession the manager was labeled an insider. Other managers were considered outsiders even if at some point previously in their career they had been employed by the organization. They found that teams with inside successors did have a better performance than teams with outside successors in the season of succession.

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Therefore, this study builds upon the literature and findings to extend the research beyond that of general experience, but to more specific elements of leadership experience, and the following three hypotheses were tested:

**Hypothesis 1.** Tenure of coaching experience will positively impact leader effectiveness.

**Hypothesis 2.** Job level experience will have a positive impact on leader effectiveness.

**Hypothesis 3.** Internal experience will have a positive impact on leader effectiveness.

5 Methods

College coaching basketball changes proceeding the 2004-2005 season through the 2008-2009 season were chosen for analysis. During this time there were 229 college basketball head coaching changes. Two statistics were obtained for each college basketball head coach change: the preceding coaches winning percentage for that particular team, and the new coaches winning percentage for the same team up through the 2011-2012 basketball season, if the individual was still the head coach. The NCAA website was used to gather the archived data for each basketball season. Additional information such as tenure and job level experience was obtained at NCAA.org as well as the individual’s schools sports websites. The length of time for which winning percentages were computed varied similar to Eitzen and Yetman’s (1972) as some coaches stayed longer than others in the new position. Additionally, similar to the study conducted by Soebbing and Washington (2011) no attempt was made to determine or classify the reason for the coaching change. Therefore, all coaching changes were treated equally whether they were voluntary or not as ultimately the goal of fans and those that are hiring is to win or improve winning percentage regardless of the reason for the vacancy.
5.1 Variables

Tenure was measured by the number of years that the individual coached at the college level and above. Coaching at the high school level or community college level was excluded, however coaching at the professional level was counted as part of the years an individual was coach. Tenure also included all experience as an assistant coach, and was not limited to just head coaching experience.

Job Level was measured in multiple ways. First of all, job level was first measured as whether or not the individual had prior experience as a college head coach. Secondly, job level was measured as whether or not the individual had prior coaching experiences at an Automatic Qualifying conference (AQ conference). These conferences are generally referred to as power conferences and it is likely that prior head coaching experience for a power conference school would be of a higher caliber than a non-power conference school. Lastly, job level was measured as whether or not the individual had prior assistant coaching experience at the college level. Unlike Avery et al.’s (2003) definition of a subordinate’s job being a player, this study would consider the assistant coaching position to the subordinate of the head coach. Just like it is unlikely that a rank-and-file employee would move up to the position of Chief Executive Officer it is unlikely that a player would move directly into the position of head coach without first being an assistant coach. All of the job level measures were measured using a dichotomous variable where “1” equals yes and prior experience and “0” equals no prior experience.

Insider versus outsider variable was also measured using a dichotomous variable. An individual was considered an “Insider” if they were an assistant coach immediately preceding becoming the head coach of the institution.

Leader Effectiveness was measured using the difference of the winning percentage of the successive coach at the institution and the winning percentage at the institution of the preceding head coach. Thus whether the individual was employed for one year or 10 years the goal is to win at a pace that is equal or better than the preceding coach. It is highly unlikely that an Athletic Director would hire someone with a goal of having a lower winning percentage than the predecessor. Furthermore, it is highly unlikely that if the new coach has a worse winning percentage than the predecessor that there will not be pressure for a change to be made. Thus, the measure for leader effectiveness according to this study is compiling a better winning percentage at the institution than the proceeding coach.

6. Results

To test the hypotheses multiple regression analysis was performed. The independent variables are tenure, job level experience, and insider/outsider. The dependent variable in each regression equation is incremental win-loss percentage. The use of the statistical software package SPSS was used to perform this regression equation.

Descriptive statistics and correlations for all of the variables analyzed in this study are found in Table 1. Additionally, the correlations between variables are included in Table I. The two things of note are that the correlation between head coach and winning percentage is significant at .05 level, and the correlation between BCS head coach and winning percentage is significant at the .01 level. Tenure Binned is the tenure of the coach broken into five categories of years of experience as can be seen in Table II.

Table I: Means, Standard Deviations, and Correlations between variable

<table>
<thead>
<tr>
<th></th>
<th>M</th>
<th>S.D.</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>N = 229</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Winning % Change</td>
<td>-0.002</td>
<td>0.15</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Insider</td>
<td>0.19</td>
<td>0.40</td>
<td>-0.06</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Head Coach</td>
<td>0.62</td>
<td>0.49</td>
<td>0.16*</td>
<td>-0.10</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>NBA Head Coach</td>
<td>0.04</td>
<td>0.20</td>
<td></td>
<td>-0.10</td>
<td>0.11</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Asst. Coach</td>
<td>0.93</td>
<td>0.26</td>
<td>0.04</td>
<td>0.13*</td>
<td>-0.04</td>
<td>-0.12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Tenure</td>
<td>16.8</td>
<td>7.62</td>
<td>0.06</td>
<td>-0.13*</td>
<td>0.46**</td>
<td>0.17**</td>
<td>0.17**</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Tenure Binned</td>
<td>2.79</td>
<td>1.31</td>
<td>0.03</td>
<td>-0.14*</td>
<td>0.46**</td>
<td>0.19**</td>
<td>0.13</td>
<td>0.96**</td>
</tr>
<tr>
<td>8</td>
<td>BCS Head Coach</td>
<td>0.16</td>
<td>0.37</td>
<td>0.21**</td>
<td>-0.15*</td>
<td>0.34**</td>
<td>0.16*</td>
<td>-0.02</td>
<td>0.34**</td>
</tr>
</tbody>
</table>

Note: * Correlation is significant at .05 level
** Correlation is significant at .01 level
All three hypotheses were tested using a linear regression equation. The linear combination of variables was significantly related to leader effectiveness defined as change in winning percentage, $R^2 = .07$, $F(5,223) = 3.26$, $p < .01$. Hypothesis 1 predicted that tenure of coaching experience would impact leader performance as measured by change in winning percentage. As shown in Table III tenure was not a significant predictor of winning percentage ($\beta = -0.118$, $P = .121$), and therefore Hypothesis 1 is not supported. It is interesting to note that even though it is not statistically significant it has a negative impact on winning percentage.

Table II: Tenure by Experience Classification

<table>
<thead>
<tr>
<th>Years</th>
<th>Number of coaches</th>
<th>Winning % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>M.S.D.</td>
</tr>
<tr>
<td>&lt;=10</td>
<td>45</td>
<td>0.004 0.14</td>
</tr>
<tr>
<td>11-15</td>
<td>56</td>
<td>-0.035 0.13</td>
</tr>
<tr>
<td>16-20</td>
<td>64</td>
<td>0.027 0.15</td>
</tr>
<tr>
<td>21-25</td>
<td>30</td>
<td>-0.026 0.15</td>
</tr>
<tr>
<td>26+</td>
<td>34</td>
<td>0.009 0.18</td>
</tr>
<tr>
<td>Total</td>
<td>229</td>
<td>-0.002 0.15</td>
</tr>
</tbody>
</table>

Hypothesis 2 predicted that job level experience would positively impact leader performance as measured by change in winning percentage. As shown in Table III some aspects of job level performance were significant predictors of winning percentage while others were not. Specifically, having experience as a head coach at a power conference school was a significant predictor of an increase in winning percentage ($\beta = 0.197$, $P = .006$). Additionally, to a lesser extent having experience as a head coach was a significant predictor of an increase in winning percentage ($\beta = 0.148$, $P = .050$). However, having assistant head coaching experience was not a significant predictor ($\beta = 0.075$, $P = .258$). Therefore, Hypothesis 2 is partially supported.

Hypothesis 3 predicted that being an insider would positively impact leader performance as measured by change in winning percentage. As shown in Table III being an insider was not a significant predictor of winning percentage ($\beta = -0.045$, $P = .502$), and therefore Hypothesis 3 is not supported. Again, it is interesting to note that even though it is not statistically significant being an insider has a negative impact on winning percentage.

Table III: Multiple Regression Analysis Predicting Change in winning percentage

<table>
<thead>
<tr>
<th>Variable</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>-.04</td>
<td>.04</td>
</tr>
<tr>
<td>Insider</td>
<td>-.02</td>
<td>.03</td>
</tr>
<tr>
<td>Head Coach</td>
<td>.05</td>
<td>-.15*</td>
</tr>
<tr>
<td>Asst. Coach</td>
<td>.04</td>
<td>.08</td>
</tr>
<tr>
<td>Head Coach BCS</td>
<td>.08</td>
<td>.20**</td>
</tr>
<tr>
<td>Tenure</td>
<td>-.01</td>
<td>-.12</td>
</tr>
<tr>
<td>$R^2 = .07$</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note. $n = 229$

*p < .05; **p < .01

Preliminary analyses were conducted to ensure no violation of the assumptions of normality and multicollinearity. This was done by checking that there is a relationship between the independent variables and the dependent variable. Additionally, it was determined that correlations between the independent variables were not too high. Finally, a normal probability plot was analyzed to determine linearity, while a scatterplot was checked for homoscedasticity, which is that there is equal variance of the population error.

7 Discussion

It is important to select the right leader as it will reduce the costs and risks of a new leader failing, but can also help the organization become more competitive and effective (Stoddard & Wyckoff, 2009). Additionally, research has shown that leader experience impacts future performance (Avery et al., 2003).
However, Avery et al. also state that some studies have found experience does not matter. One purpose of this study is to determine if certain types of prior experience are more important than others.

This study did find that head coaching experience at a super-conference school is the biggest predictor of leader effectiveness over other types of experience tested in this study. The implications of this finding is that leadership experience with a highly visible organization, with potentially more stakeholders tends to predict leader effectiveness at another institution regardless of size. This finding would tend to say that a CEO with experience at a Fortune 500 company would possibly be more effective than an individual who had been a CEO at a lesser company. This is one area of research that is an avenue for further study.

Secondly, this study did find that head coaching experience was a predictor of leader effectiveness though not to the same level as head coaching experience at super-conference school. This would indicate that an organization should select individuals that have had the top spot in an organization over someone that has never served in that capacity. Further studies should be done in various industries and in various sports to confirm this finding.

Thirdly, this study did not find that hiring an insider has a positive impact on leader effectiveness. In fact, even though the findings were not statistically significant, it was found that being an insider had a negative impact on leader effectiveness. This finding is counter intuitive as one would thing that an insider would have a smoother transition with less disruption during the succession transition. Again, more studies should be done in this area to determine the true impact of being an insider has on leader effectiveness.

Finally, for the industry of college basketball the findings of this study seem to indicate that in choosing the next coach there are certain things that are important. First of all, do not promote the assistant coach. Secondly, the individual being considered should have head coaching experience at the college level. Thirdly, head coaching experience at a super-conference school is preferred. Finally, there is a correlation between leader effectiveness and coaches with between 16 to 20 years of total college coaching experience. Again, this should be studied in other areas such as college football or women’s college basketball to determine if these findings hold true outside of men’s college basketball.

Based on the findings of this research, organizations may be able to eliminate the costs of poor leader selection. This study has contributed by finding that certain aspects of leadership experience are more important than others in contributing to leader effectiveness. It is hopeful that this information will allow organizations to potentially become more effective at achieving their mission in the highly competitive and global environment of the early 21st century.
References


