Discussion:
Examining the effects of leadership humility and employee voice on continual improvement and firm performance: A pilot study
by Stacey Gelsheimer

Discussant:
Oleksandr Zhylyevskyy

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Summary

Standard economic models of the firm do not provide a complete explanation for why firms within a competitive industry can substantially differ in performance and earn different profits.

The author investigates three features of firms that may help explain some of the previously unexplained variation in firm performance:
1) Level of continual improvement
2) Level of employee input ("employee voice")
3) Responsiveness of management to employee input ("humility")

A key finding is that "humility" can impact the firm in several ways:
1) "Humility" facilitates "employee voice"
2) "Humility" increases employee job satisfaction
3) "Humility" facilitates continual improvement
Evaluation

Overall, research idea is interesting and has significant potential

Standard economic models treat the firm as a “black box.” Effectively, the author proposes a particular approach to “open” this “black box” by incorporating aspects of intra-firm “climate” into empirical analysis of firm performance

Potential strength: interdisciplinary perspective—the author draws on research in psychology and management science

Potential strength: empirical analysis is based on carefully tailored primary data, rather than on (less specific) secondary data

Weakness: analysis is not framed in the context of a formal profit maximization model and does not incorporate measures used in industrial organization. I would argue that intra-firm “climate” is one of many inputs firms utilize; it should be analyzed as such
Major Comments

Limited usefulness of convenience sampling:
• Sample may be unrepresentative of populations of firms, employees
• No detail in the paper on how survey participants were recruited

Firm performance measure seems too subjective and vague to me. No way to check if it correlates with objective firm performance, e.g., profits

Responses underlying measures used in the empirical analyses are on Likert scale. Thus, they are qualitative:
• Conversion to numerical scale has little usefulness; use dummies instead
• A simple linear estimation approach (OLS, 2SLS, or 3SLS) is not appropriate

Some of the exclusion restrictions to identify the model seem ad hoc:
• E.g., why is Voice excluded from Eq. (4) [job satisfaction equation]?
• Can the author implement formal specification testing?
Other Comments

Hardly any economics articles are cited. Perhaps expand lit. review and discuss some more the research by Van Reenen and co-authors.

Include citation(s) to support the statement (in the Introduction) about observed substantial and sustained firm performance heterogeneity.

“Leadership style” (e.g., “humility”) is one aspect of a more general notion of “managerial ability.” Perhaps point this out more explicitly.

Provide details on how and where the survey was conducted.

Explain how exactly responses to different questions were combined to construct each measure analyzed (was it by averaging?)

Do not use the term “exogenous variable” when referring to an excluded endogenous variable in a model’s equation.

Add page numbers.