Effect of developmental efficacy on leadership development

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ABSTRACT

The study investigates the effect of developmental efficacy (one of the elements of leader developmental readiness) on leadership development. The study was conducted among MBA students within private universities in Kenya. Data was collected through a validated instrument and correlation, one-way ANOVA, and regression analyses were performed. The results revealed that developmental efficacy significantly affects leadership development, F(1,286) = 79.803, p < 0.001, also developmental potency accounts for 21.8 percent of the variations in leadership development. The study implies that leadership developers ought to help leadership learners to gain higher developmental efficacy before or during the developmental program, for them to benefit fully from the leadership developmental interventions.

Introduction

A lot of effort and resources are invested in leadership development in organizations around the world. The problem is that the more resources are deployed towards leadership development, the more complaints about the outcomes of leadership development programs grow louder. The demand for well-developed leaders is fueled by the critical role that leaders play in running of companies. Organizations fail or succeed due to the weaknesses or the strength of organizational leadership respectively. Leadership development is central in improving the quality and the number of leaders. Development Dimensions International [DDI] (2015) argues that the average quality of leadership goes up by 20 percent for organizations that get their leadership development right. At the same time, organizations can fill 26 percent of their critical positions immediately. In addition, organizations with effective leadership development mechanism outperform those who do not have effective leadership development mechanism by 2.3 times on the financial metrics. The challenge is that the current leadership development is not yielding desired results.

Studies on the length of leadership development programs, the theoretical framework for leadership development, the content and effective delivery of leadership development programs have been conducted and the results have been implemented. Notwithstanding the research and its implementation, the quality of leadership development is still in question. The widespread search for effective leaders coupled with constant complaints about the quality of leaders who have undergone leadership development is a clear indicator that there is a missing element in leadership development. Recent developments in the field of leadership, and particularly leadership development point to the observation that effective development of leaders encompasses: leader developmental readiness, developmental interventions and reflection, but leader developmental readiness is largely ignored by both leadership researchers and practitioners. One of the key elements of leader developmental readiness is developmental efficacy, hence this study establishes the effect of developmental efficacy on leadership development. The study was conducted among MBA students within private
Literature Review

Leadership development

Despite the huge demand for effective leaders and the recognition that leadership development can supply the number of effective leaders needed, leadership development largely remains ineffective. Many industry reports and academic researches show that many leaders who have invested in leadership development are dissatisfied with the results of leadership development interventions (Ardichvili, Dag & Manderscheid, 2016). While 85 percent of the organizations surveyed by University of North Carolina [UNC] (2014), acknowledge the urgent need to accelerate leadership development, only 40% of the senior leaders surveyed believe that the leaders in their pipelines are likely to be prepared for future business needs. Another study by Development Dimensions International [DDI] (2015) revealed that only 15% of 2,031 organizations studied in 48 countries are confident of their leadership bench, while only 25% of 1,528 HR professionals are confident with the quality of leaders in their organization. Finally only 37% of 13,124 leaders surveyed graded their organization’s leadership development initiatives as effective. There is huge demand for effective leaders globally. Deloitte Consulting LLP and Bersin [Deloitte] (2014) observed that shortage of leaders is one of the critical challenges to growth for companies around the world. Kenya is one of the countries with a huge demand for effective leaders, for example, Kenya’s education sector which has experienced unprecedented growth does not have well-prepared leaders, ready to fill the positions that have been created by the expansion (Mathooko & Ogutu, 2015). Asuga, Eacott & Scevak (2015) call for an urgent development of effective leaders to serve the education sector and other sectors within the expanding Kenyan economy.

The dire leadership development situation needs a fresh look, Snook, Nohria and Khurana (2012) assert that leadership development does not only comprise of developmental interventions, but it also involves reflection and leader developmental readiness. The latter has been largely ignored both in research and practice (Nah & Wan, 2010; Hannah & Avolio, 2010; Reichard & Walker, 2016). This study rectifies the gap in literature and hopefully influences the practice of leadership development for better. The present study examines the effect of developmental efficacy (one of the five key elements of leader developmental readiness) on leadership development.

Developmental efficacy

Avolio and Hannah (2009) postulates that developmental efficacy affects leadership development, since it is the “leader’s judgment regarding whether he or she can develop a specific ability or skill to employ in a certain leadership context” (p.285). If the judgement of one’s ability to acquire leadership knowledge and skills is positive, the individual will be highly motivated to and confident that he/she will learn leadership, the judgment will prompt learning related behaviour. “How one views self predicts the subsequent growth and development” (Bong & Skaalvik, 2003). According to Murphy and Johnson (2016), as we as Reichard, Walker, Putter, Middleton & Johnson (2016), efficacy is one’s beliefs or confidence in one’s own capabilities to learn skills or gain knowledge. Avolio and Hannah (2008) contend that developmental efficacy is the segment of self-efficacy that is responsible for learning, however, the terms are used interchangeably, including in this study. Self-efficacy is the beliefs in one’s abilities to organize and implement a course of actions in order to obtain the desired goals or one’s convictions and expectation of what they can do about a specific task.

One’s judgement of their capabilities determines the choices they make, including the choice to take up leadership development; it sustains one during the action period (Beverborg, Sleeegers, Enderdijk & Veen, 2017). Also, self-efficacy and academic performance are significantly related (Dunbar, Dingel, Dame, Winchip & Petzold, 2016). Furthermore, developmental efficacy forecasts one’s motivation and performance (Jacobsen & Andersen, 2017). People with high self-efficacy persist and thrive in challenging situations (Goerzen & Whitaker, 2015). Individuals with high developmental efficacy invest more effort in developmental activities (Reichard et al., 2016). Bandura (1982) argues that people with greater self-efficacy are motivated by obstacles and channel their energies to win, while people with low self-efficacy become too concerned with their failures and mishaps instead of seeking to win next time. People with high self-efficacy actively search for effective schemes to accomplish the task at hand, in this research the task at hand is leadership development. This study tested the hypothesis: developmental readiness does not affect leadership development.

Research and Methodology

The population (N = 1,721) of study was MBA students within private universities in Kenya. The sample size of n = 314 was determined scientifically by Aiken (1997) formula. The study espoused stratified random sampling method. The developmental efficacy data was collected using a validated tool developed by Schwarz and Jerusalem (1995). On the other hand, leadership development and demographic data was collected by tools developed through extensive review of relevant literature and validated through pilot study by the first researcher. In order to compare low and high score of developmental efficacy, the scores of developmental efficacy were divided into two groups by use of median. The analyses that were performed in this study included: correlation analysis, One-Way ANOVA and linear regression analysis.
Result and Discussion

Results

A response rate of 92 percent (288) was obtained. The respondents aged 21-30 years were 53.47 percent (154), while 31-40 years were 34.72 percent (100) and 41-50 years were 11.81 percent (34). Male respondents were 51.39 percent (148), while female respondents were 48.61 percent (140). The results also revealed that 79.17 percent (228) of the respondents were employed/self-employed at the time of data collection, while 15.28 percent (44) were employed/self-employed before but not at the time of data collection and only 5.56 percent (16) had never been employed/self-employed. The results showed that 62.5 percent (180) of the respondents were in managerial/leadership positions at the time of data collection, while only 37.5 percent (108) were not. Moreover, the respondents belonged to the following industries non-governmental organizations were 17.01 percent (49), government were 15.97 percent (46), corporate were 61.46 percent (177), while those who were not affiliated to any industry were 5.56 percent (16). Finally, 5.56 percent (16) of the respondents had never worked, 72.92 percent (210) had worked between 1 - 10 years, and 18.01 percent (52) had worked between 11 - 20 years, while 3.47 percent (10) had worked for 21 years and above.

The results revealed that developmental efficacy is significantly correlated with leadership development, $r(288) = .467$, $p < .001$ as shown in table 1.

**Table 1: Correlation between developmental efficacy and leadership development**

<table>
<thead>
<tr>
<th></th>
<th>Developmental Efficacy (DE)</th>
<th>Leadership Development (LD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DE</td>
<td>Pearson Correlation 1</td>
<td>.423**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>288</td>
</tr>
<tr>
<td></td>
<td>LD Pearson Correlation .467**</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>288</td>
</tr>
</tbody>
</table>

Source: Authors

While the outcome of One-Way ANOVA showed that respondents with low and high developmental efficacy had significantly different mean scores in leadership development, where $F(1,286) = 41.390$, $p < .001$, as shown in table 2.

**Table 2: ANOVA of Leadership development with respect to developmental efficacy**

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>31.882</td>
<td>1</td>
<td>31.882</td>
<td>41.390</td>
<td>.000</td>
</tr>
<tr>
<td>Within Groups</td>
<td>220.304</td>
<td>286</td>
<td>.770</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>252.186</td>
<td>287</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Authors

With regard to demographic factors, the results of One-Way ANOVA revealed that the difference between groups’ means of developmental efficacy with respect to employment status, position, industry, years of experience are statistically significant, $F(2,285) = 3.454$, $p = .033$, $F(4,283) = 2.567$, $p = .038$, $F(3,284) = 2.913$, $p = .035$, $F(6,281) = 2.313$, $p = .038$ respectively. On the other hand, developmental efficacy group means with respect to age and gender are statistically insignificant. The results of linear regression revealed a significant model $F(1,286) = 79.803$, $p < .001$, as shown in table 3 and developmental efficacy accounts for 21.8 percent of the variations in leadership development, as depicted in table 4.

**Table 3: ANOVA for regression of LD against DE**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>55.017</td>
<td>1</td>
<td>55.017</td>
<td>79.803</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>197.169</td>
<td>286</td>
<td>.689</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>252.186</td>
<td>287</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: LD
b. Predictors: (Constant), DE

Source: Authors
Furthermore, developmental efficacy is a significant predictor of leadership development, ($\beta = .449, t(286) = 8.933, p < .001$), as shown in Table 5. The significance level of the study was $p < .05$, since the results revealed a $p < .001$, then the null hypothesis was rejected, while the alternative hypothesis was accepted, that is, developmental efficacy significantly affect leadership development.

### Table 4: ANOVA for Regression of LD against DE

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.467a</td>
<td>.218</td>
<td>.215</td>
<td>.83030</td>
<td>1.905</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), DE  
  b. Dependent Variable: LD  

**Source:** Authors

### Table 5: Coefficient for Regression of LD against DE

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>1.523</td>
<td>.178</td>
<td>8.565</td>
<td>.000</td>
</tr>
<tr>
<td>DE</td>
<td>.449</td>
<td>.050</td>
<td>.467</td>
<td>8.933</td>
</tr>
</tbody>
</table>

Dependent Variable: LD  
**Source:** Authors

### Discussion

The present study sought to establish whether developmental efficacy had effect on leadership development. Correlation analysis, One-Way analysis of variances and regression analysis were conducted in furtherance of that objective. The correlation analysis revealed that developmental efficacy and leadership development were positively and significantly correlated, $r(288) = .467, p < .001$. The findings are akin to Wigelsworth, Qualter & Humphrey (2017) finding, who established that self-efficacy is related to academic attainment. The results imply that as the scores of developmental efficacy increase, the scores of leadership development also increase.

The One-Way ANOVA results revealed that respondents with low and those with high developmental efficacy had significantly different scores in leadership development, $F(1,286) = 41.390, p < .001$. The results indicate that respondents with low developmental efficacy scores also have low leadership development scores and vice versa. Further, the results reveal the significance of developmental efficacy in boosting leadership capacity (Petridou, Nicolaidou and Karagiorgi, 2017).

Regression analysis reveals that developmental efficacy significantly affect leadership development, $F(1,286) = 79.803, p < .001$, and in addition, developmental efficacy accounts for 21.8% of the variations in leadership development. The study indicates that developmental efficacy scores forecasts the scores for leadership development ($\beta = .449, t(286) = 8.933, p < .001$). Similar findings were revealed in Wigelsworth et al.'s (2017) study, also comparable studies have yielded similar results, Petridou et al. (2017) established that self-efficacy was a significant predictor of performance, while Glowacki-Dudka, Murray, Gray and Johnson (2016) argued that self-efficacy greatly impacts one’s development. Moreover, Phan (2012) revealed that self-efficacy significantly affects academic achievement. The results indicate that leadership development programs are more likely to benefit participants if they include developmental efficacy boosting content (Holmberg, Larsson & Bäckström, 2016).

Given that the present study has established that developmental efficacy is both related and a predictor of leadership development, hence is important to establish whether different demographic groups differ in their scores of developmental efficacy. This knowledge is critical in endeavors to boost the developmental efficacy of leadership development participants. One-Way ANOVA revealed that the different age groups do not have significantly different mean scores in developmental efficacy, $F(3,284) = .868, p = .938$. The result indicate that age may not be a critical factor in designing and delivering developmental initiatives that is aimed at boosting potential leader’s development efficacy.

The results also revealed that developmental efficacy mean scores of men and women are not significantly different, $F(1,286) = .006$, $p = .938$. The findings are in agreement with Kavussanu, Boardley, Jutkiewicz, Vincent and Ring’s (2008) findings. Leadership developers, aiming to improve participants’ developmental efficacy may not be required to deploy different tactics for different genders, as long as they are working with populations that have similar characteristics as the population in this study. However, the findings in different fields may differ with the findings in the present study, for example a study of the military in Canada revealed a significant difference between the self-efficacy of men and women (Wood & Charbonneau, 2017).
Furthermore, the results of One-Way ANOVA showed that respondents of different employment status had significantly different scores in developmental efficacy, F(2,285) = 3.454, p = .033. Respondents, who were employed at the time of the study, registered higher mean scores in developmental efficacy than their counterparts who were not employed. Employment offers people opportunities to exercise their confidence, this could be in form of solutions that employees may offer to solve a problem at work. When the suggested solution solves the intended problem, the employees’ confidence in self grows further (Springer, 2016). Work also offer people opportunities to fail, which may also immunize the employees against the negative effects of failure and build their ability to recover quickly from such failure. The exposure to more challenging tasks at work may help in boosting the employees’ ability to withstand challenges in life, including the challenges posed by leadership development. The results indicate that when it comes to developing leaders, the developer may vary the developmental initiatives, for those who are new in employment or have not been employed before may require remedies to boost their developmental efficacy before embarking full in leadership development. Additionally, the results of One-Way ANOVA revealed that respondents in different positions had significantly different scores in developmental efficacy, F(4,283) = 2.567, p = .038. The respondents with higher positions also scored high in developmental efficacy and vice versa, the findings are similar to Dunbar et al.’s (2016) findings. Leadership demands confidence in one’s ability, as one’s managerial position increases, the more confidence is demanded from him or her. This may explain why rising in leadership position corresponds with higher developmental efficacy. Leaders in higher positions are likely to face many situations that may force them to learn how to recover quickly from failures and other difficulties they may face. Those situations increases leaders’ developmental efficacy. Besides, the results of One-Way ANOVA revealed that respondents in different industries had significantly different developmental efficacy mean scores, F(3,284) = 2.913, p = .035. The respondents who did not belong to any industry had the lowest mean score, followed by respondents in NGO, government and corporate, in that order. The results indicate that leadership development professionals should approach the improving of the learners’ developmental efficacy with knowledge that learners from different industries may have different levels of developmental efficacy, hence they may require different developmental activities to boost learners’ developmental efficacy.

Finally, One-Way ANOVA revealed that developmental efficacy mean scores are significantly different for respondents with different years of experience, F(5,282) = 2.396, p = .038; the findings confirm Springer’s (2016) conclusions that people’s experience boosts their developmental efficacy. Work experience, like employment status or position, offers employees the opportunities to develop and demonstrate confidence in their abilities. It also offers people opportunities to fail and recover, hence build their resilience and at the same time, work may demand that employees withstand the many challenges that they face in the line of duty. These demands on the employees may explain why the longer the period they work the higher the developmental efficacy scores.

Conclusions

The results of the study revealed that developmental efficacy significantly affects leadership development. The study indicates that respondents who scored high in developmental efficacy also scored high in leadership development. The high scores in leadership development obtained by individuals with high learning goal orientation may be explained by the qualities that individuals with high developmental efficacy possess. They persist in the face of challenges, meaning that whatever demands that leadership development places on them, they are able to shoulder its weights. They exude confidence in their ability to learn leadership. They are resilient in the face of adversities and they believe that failure is a stepping stone not a hindrance. The study revealed that in improving/boosting leaders’ developmental efficacy, one should take in consideration the participants’ employment status, position, industry and years of experience, while age and gender of the participants may not matter. The study recommends that leadership development participants should be exposed to activities that boost their developmental efficacy alongside leadership development interventions, because developmental efficacy helps leadership learners to gain more from leadership development. The study further recommends a global study to examine the effect of developmental efficacy on leadership development, such a study will determine the universal applicability of the study findings.

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