

Study on Impact of Self Efficacy on Leadership Effectiveness in IT Companies

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Abstract

Leadership is a crucial desire for all kinds of organizations. If the answer to the question, “what is meant leadership to the people in corporate?” is explored the answer will be in variety and will give various perspectives of leadership. This is because leadership is something unique in every different unique situation. There are leaders in various organizations but all of them lead in their own different ways and styles and many times they are successful too. The reason for having different answers on leadership is that every superior lead in different way and every subordinate experiences different style and pattern of leadership and in many times also witnesses the success of the organization. Some define leader as who influences other and encourages them to work, others feel good leader is one who guides others, and some think leader is the one who empowers his/her subordinates. Leadership has continuously evolved because of situational changes like changes in external environment and/ or changes in internal settings of organization.

Keyword: *Leadership, IT Companies*



A. INTRODUCTION

The foremost thing is that a leader should understand his role; he should be clear what he has to lead, what are his purposes and what goals he wants to achieve? Every employee comes in organization with a set of expectations and every individual employee has unique set of sentiments and values. Leader is the one who channelizes these sentiments and values with the objectives and values of the organization, as organization is an artificial person with its own sentiments, values objectives and goals. Integrating sentiments, values and goals of organization with employees takes time. It is not possible that, with some sudden strategic actions, integration of sentiments and values and understanding of the organization can be achieved, but it could rather be developed through regular practice on day to day basis, which employees will undertake in course of their work. Rightly, integrated and understood employees will collaborate with the sentiments, values, objectives and goals of the organization and will surely be

committed to achieve them. Another style of leader is to make sure that whenever change is to be brought in an organization, it is though decided and planned by top level executives, but the implementation of that decision takes place in every level of organization by involving employees and, therefore, developing their willingness and acceptance for change is very important. Change in an organization must come from within and employees must feel that it is the need of the time and also it is right and better for the organization to implement the change (Whitehead 1936). Further the research observes that for implementation of change, need of innovative entrepreneurs generates in an organization. It has observed that for technical changes and for changes in methodology, it is important to understand its need and how the new methodology and techniques will bring higher returns to the organization and therefore the innovative entrepreneurial skills are needed in a leader to make change successful (Brozen 1954).

The studies of Ogbonna and Harris (2000) indicate that there are leaders in all the levels of organization and leading the teams is in their hands, but defining the structure and pattern of task is not entirely decided by the leader as per the division of authority. Therefore already set structure, policy and values, determined as culture of organization, as well as the leader's influence, play important role in resulting positive or negative performance. Thus, the culture works as an agent between leadership style and performance by the employees. The leadership style does not directly influence the performance but has indirect involvement. Consequently, the effective performance is the result of culture and leadership style suited for the culture of organization; else it would be a disaster in other way. Further the effectiveness is something directly affected by performance and many research confuse with managerial effectiveness and leadership effectiveness. The study done by (Bolman and Deal 1991) helps in clarifying the dilemma between leadership effectiveness and managerial effectiveness. The study suggests that managerial effectiveness strongly depends on the structural support towards task performance by organization. The leadership effectiveness is strongly associated with culture of organization and connection of people with symbols and political (people) scenario of the organization. When the political scenario is positive the effectiveness is there in performance and such scenario are well controlled and influenced by the leader only. Employees of organization can affect the political scenario but turning that scenario towards positive for people and organization is termed as leadership effectiveness.

Another research conducted when the contingency approach to leadership was popular, has identified that leader's high competency to perform and handle the jobs is directly proportionate to the subordinates' high response and belief on leader. To get effective performance, the subordinates' influence is very important and task competency of leader impacts it a lot to get work done through people. Effectiveness of leader is possible through task competency of leader perceived by the subordinates (Justin R.T 1975). The research by (Spreitzer et al, 2005) opens some vistas on leadership effectiveness, which suggests that the style of leadership matters a lot to bring performance but what is equally important is the fitness of structure with the style of leadership implemented. In case the leadership pattern does not fit into the structure of the organization, then may be the pattern of leadership is apt but, it will be difficult to get the required performance from people. Many a times it is observed that some people prefer structural processes most to give better results and some do not. The leadership effectiveness is the tact of understanding such requirements of people and applying vivid patterns of leadership. Leadership effectiveness also matters on the structure of organization.

Based on the researches it is inevitable that leadership is most valuable for all type of organizations because it may help organizations to succeed or it may also bring problems and difficult situations in the organization. The most important is the different styles of leadership used in an organization and their fitness with the organization culture. Either a leader should implement the style fitting to the culture or a leader should change the culture of the organization. Generally a transformational leader is one who can bring bigger changes like change in culture of organization. Simultaneously in some organizations, though the leaders may be effective but their styles are unfit to the organizations' demands, requirements or culture, one cannot imagine of possibility of getting effective results in the organizations. Thus there will infinite responses for leadership and they all are correct because various successful organizations will define leadership in their way which is experienced by them. Therefore, leadership is a concept which will keep on evolving in different environment, different situations and different organizations.

B. LITERATUR REVIEW

This is always being a question to probe- what makes a leader effective and how the effectiveness of a leader is being measured by the organizations. The answer of these queries is very complex and complicated, as different organization has different experiences and incidences which make a leader effective for the

organization. There are various factors of leadership effectiveness and it is for the organization and situation which will conclude that which factors are more needed in which kind of organization and situation to make it effective. Therefore, different viewpoints are determined and considered for leadership effectiveness. Yukl (2002) describe leadership effectiveness as the process of interaction with other to influence them and agree about what require to be performed and in what manner that can be performed effectively. During this the role of leader as facilitator to his followers and how well the leader could apply the collective efforts to achieve the shared goals. Another comprehensive definition by Cooper and Nirenberg (2004) defines leadership effectiveness as accomplishing shared objectives by influencing one or many individuals who are willing and convinced to work for the objectives. This definition makes us understand that the accomplishment of goal in organization is not possible unless the individuals who are part of it are not involved and willing towards its implementation and success. Bass and Stogdill (1990) have worked on more than thousand definitions of leadership effectiveness and have resolute that effectiveness of leadership largely focuses on measurability of productivity and achievement of shared goals. Bruno & Lay, 2006; Hur, Van den Berg & Wilderom (2011) define leadership style as the most significant factor of leadership effectiveness. To determine factors of leadership effectiveness, we might ask corporate people why certain individuals emerge as leader or why particular individual is best fitted in this organization than others? To explore the answer of this brings us to the personality of the people. It is the personality of that individual which impacts most. The experimental studies have found that emotional intelligence, leader intelligence, (dominance) are factors considered for leadership effectiveness (Hambleton and Gumpert; Fiedler and Leister; Lord, De Vander & Alliger; Rosete. and Ciarrochi). Furthermore, relationship of leaders' with the supportive staff has been considered as an important factor for leadership effectiveness. Good quality leader-follower relationship generates the mindset of leader and group efficacy which consequently bring the collective effectiveness of the group. On the other side, poor relationship between leader and followers has a negative impact (Chemers; Frone; Harris and Hogan).

According to Schunk (1995), self-efficacy alone cannot improve the performance, if appropriate knowledge and skill sets are not there in an individual; improvement of performance is not possible without these qualities. But individual with high self-efficacy is always motivated to learn for better outcomes which build the competencies in a person required to perform a task with high competencies

leading to success. Chopin et al (2013), examined the relationship between mentoring, leadership self-efficacy and political skills and result shown was that individuals having mentor are more in political skills rather than the one who do not have mentor, whereas participant having mentor resulted equivalent level of leadership self-efficacy as one who did not have mentor. Role of leaders affected by mentor but leadership self-efficacy is not affected by mentor. According to Stevens and Gist (1997), training to people has impact on performance and it was seen, in actual performance, people who were trained and attended high self-efficacy level after training, performed much well than the people who were not trained and consequently have low self-efficacy. The above research facts direct that self-efficacy is an important factor for leadership effectiveness. From years' continuous research has proved that leader effectiveness has direct relationship with self-efficacy and vice versa.

The research done by (Keyworth and Leidner 2001), identified the characteristics of an effective virtual team leaders. It gave outcome which was different from earlier studies. Past research shows that effective leadership is about strong relationship between leader and subordinates and team members. The relationship between leader and followers has to be good. Apart from this a leader who is good in task performance and its technicality, is effective. Keyworth and Leindner say the study on virtual team leader suggests that leadership effectiveness is characterized as showcasing the different styles of leader to handle the complexity and contradiction of the team. They further say that having high degree of understanding with the team members and simultaneously exhibiting the authority perceived by the team members as genuine and flexible. They have also emphasized on prompt, regular and thorough communication by the leader with team members before tasks have to be designed and implemented for better clarity of each member of the team. This brings effectiveness in work and so to the leadership. (Kuo 2004) has found that degree of informal relationship, frequency of communication and trust among team member does not lead to effectiveness of that team. He also found that the degree of diverse people in team also has a moderate impact on the effectiveness of that team. Finally he found that it is the style of leadership which plays a vital role in determining leadership and team effectiveness. The study has incorporated three styles of leadership that is transactional, paternalistic and transformational style. The study suggests that all the three styles have positive impact on team effectiveness, and transformational style is most effective among all. Propst and Koesler (1998), worked on outdoor leadership program and the most important aspect which leads to improvement of leadership development. The study

found that self-efficacy is one of the factors which resulted for immediate and long term impact on leadership development. Guerrero (2009) explored the outcome of self-efficacy on female entrepreneurs.

It is been observed that building and developing self-efficacy tend to reduce uncertainty and build confidence in female emerging entrepreneurs. It was also determined that developing self-efficacy builds confidence in entrepreneur which resulted in improving business outcomes. According to Gong, Huang and Farh (2009), transformational leadership is one of the styles of leadership which takes organization to a great success. To implement such leadership, leader develops and expects creativity from the followers. This study has found that self-efficacy is one of the important factors to develop creativity in people and bring effective results to the organization. Schyns (2001) recommended that for effective transformational leadership, self-efficacy is an important factor. The researcher found strong positive link between self-efficacy and transformational leadership. Shamir et al (1993) point out that when self-efficacy is involved a leader is able to channelize positive thought process, outstanding performance and authorization of remarkable achievements of goals and objectives. Chen et al (2006) determines that faith in self to plan, organize and perform a plan requires having high level of self-efficacy which is needed by leader.

It is common with every organization that they struggle to get used to changes occurring in internal and external atmosphere of the organization. Such scenarios demand effective leadership. To meet such scenario being updated is not alone sufficient. A leader should be able to predict the unknown and determine the path to guide the people in the organization. Hannah, Avolio, Harms and Luthans (2008), recommend that certain scenario can bring positive results when the leaders posses and generate high level of self-efficacy in his subordinates. Earley (1994) have found the relationship between self-efficacy and people who produce results individually or in group. It is being observed that self-efficacy helps in getting better performance from the members of staff who are comfortable to work in group or in collectives, whereas self-efficacy does not have that much of impact on performance of individualistic kind of people.

C. METHOD

Sampling frame: The leaders in IT Company having minimum 10 subordinates under them are the respondents Sample size: Total 58 questionnaires were collected, out of which 50 were appropriate and have been considered for analysis. Analysis tool: Correlation coefficient is used to understand the impact of one factor on

another. The purpose of study is to determine the impact of self-efficacy on leadership effectiveness in IT Companies. In the study the leaders are the one who have at least 10 people working under them in IT Company. It was being identified that the variables of self efficacy does not have impact on leadership effectiveness. The correlation value determined is .031(Figure 1) which shows a weak co-relation between the self-efficacy and leadership effectiveness. Further it has being identified that total absence of self-efficacy is also not recommended to the leaders. In certain scenario, the self-efficacy impacts the relationship between leader and follower but it does not have direct impact as determinant of leadership effectiveness. The study suggests that the leaders should generate self-efficacy in their subordinates to have better result. In Information Technology sector, things grow and change very fast and many times subordinates hesitate to share their ideas and creativity because they lack self-efficacy. In certain scenario, it is recommended to the IT leaders to enhance and build relationship with the subordinates and self-efficacy significantly is resourceful for such leader behavior (Galoji and Jibrin)

D. CONCLUSION

Globally organizations have realized the support of positive psychology to the leaders of the organization in tumultuous situations, although traditional ways are equally required for effectiveness of organization (Friedman 2005). The purpose of the study was to identify the impact of self-efficacy and leadership effectiveness. It was identified that Transformational leaders should consider self-efficacy because when changes are introduced in organization self-efficacy increase the spirit to work towards change. Self-efficacy prepares the employees to be ready for change and adapt it. Therefore to prepare the employees for change self-efficacy is needed. During the process of self-efficacy development it is essential that the employee have faith on his leader if faith is low then self-efficacy cannot be developed in employees. Therefore for transformational leaders self-efficacy is a strong factor (Schyns 2004).

This study concentrates on employees of the IT companies where transactional leaders are more common, who manage the task and resources and keep balance between organization and employee requirements because of which self-efficacy does not have significant impact on leadership effectiveness. But absolute negligence of self-efficacy is also unsafe, because it is needed to build relationship among team and leader. Moderate self-efficacy is helpful for the organization. Continuous feedback of performance to the subordinate will help in maintaining the moderate

level of self-efficacy (Mesterova et.al 2015). Thus it can be concluded that self-efficacy has an indirect connection to leadership effectiveness but have more direct relation in building leader-subordinate relationship.

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