Impact of Managerial Self-efficacy, Improvement-oriented Employees' Voice Fearing External Threat on Performance

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ABSTRACT

Managers’ self-efficacy, being an active area of research, is important as it encourages employees’ performance. The feedback of highly self-efficacious managers in making better decisions is important to meet the global challenges that world is facing. This study explores literature on the relationship between managerial self-efficacy and employees’ performance. We further empirically tested the hypothesis in the banking sector in Pakistan and the results supported the theoretical implications. The study can serve as a basis for further studies and is practically useful for managers for improving employee performance.

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1. Introduction

Adopting manager’s positive perspective, the study explores that managerial self-efficacy impacts their employees’ performance. First, the phenomenon that due to managers’ efficacy beliefs and their abilities they can achieve high levels of performance, because they think they can obtain results that are important for them and having belief that they can do most of the tasks relative to others. Indeed, self-efficacy can increase performance and individuals activate their suitable task-related effort by perceiving themselves as highly self-efficacious and stay longer on task against difficulties. This self-regulatory behavior can increase the possibilities of successful results (Tims, Bakker, & Derks, 2014).

Self-efficacy refers to an individual’s perception that in a specific task situation how effectively one can perform (Blomquist, Farashah, & Thomas, 2016). In a number of analyses, the impact of self-efficacy has been examined on organizational settings. Very few studies checked its overall impact directly on employees’ performance (Cherian & Jacob, 2013).

High self-efficacious individual remains committed to their certain practices and when they face barriers or setbacks in goal achievement they keep on going (Latham, Seijts, & Slocum, 2016). Individuals with strong sense of self-efficacy set higher goals and they have solid dedication with the aim of achieving
This article builds various theoretical contributions towards literature on managerial self-efficacy and employee’s performance. This study, therefore, contributes in line with previous research to check the effect of high managerial self-efficacy on employee’s performance.

This article explores that all the researches that have investigated, self-efficacy has no direct effect that look on work performance. There exist various intervening, moderating and mediating variables in the relationship of self-efficacy/work performance (Iroegbu, 2015). This study would check the direct effect of self-efficacy on employees’ performance. Therefore, this study’s contributions serve to the understanding of managerial self-efficacy and the performance of employees from different perspectives. The findings of this study have also practical implications for knowing that how managerial self-efficacy impact employees’ performance. Taken simultaneously, we proclaim that when employees assess high managerial self-efficacy or manager’s positive affect about their sense of self-efficacy, the employees, in turn, are more likely to experience greater performance, because manager’s positive affect evokes employees to perform better.

2. Theory and hypothesis

2.1 Managerial self-efficacy

Managerial self-efficacy refers to the recognized ability of a manager within the organization domain to be successful and influential (Fast et al., 2014); subjective idea that one can successfully accomplish the behavior required to gain a desired outcome (Bandura, 1997); an individual’s confidence that he or she is able to performing a task and confidence in his/her ability to succeed in a task (Mensah & Lebbaeus, 2013). The employees who have perceptions about their beliefs of high efficacy are more inclined to be self-assured and optimistic for the achievement of their goals. The efficacy of employees increases when their goals are achieved and there are chances that they perform again the behaviors that contribute to success (Nansubuga, 2017).

The person with high self-efficacy can naturally astonish the processes and results in the give and take relationship between the employee/manager and the organization. It means that he/she is giving his/her best to their accessible tasks, spending plenty of high efforts because of having his/her strong beliefs for what he/she is able to achieve. It doesn’t matter how the organizational environment appears in front of them. Moreover they have discernment about their own capabilities, and they unavoidably would be progressing judgments about performance incentives, organizational rewards, the process by which those results are achieved, and in the manner the organizational players play their roles for those interchange (Çelik, Yeloğlu, & Yıldırım, 2016). Self-efficacy may play a major part in motivation (choice, effort, and persistence), learnedness, self-regulation and achievement (Schunk & DiBenedetto, 2016). According to the social cognitive theory, high effort and persistence are parts of individual’s inspirational behaviors that they have link with self-efficacy (Chaudhary, Rangnekar, & Barua, 2012).

High managerial self-efficacy is distinct from low managerial self-efficacy, one form of threatening feeling in which managers turn to voice averse (Fast et al., 2014). A main difference between these two types of self-efficacy is the belief of managers in their abilities. Additionally, high managerial self-efficacy focuses on manager’s positive behavior towards employee’s improvement-oriented voice because of their high self-beliefs in challenging situations.

This article focuses on high managerial self-efficacy for two theoretical reasons. First, managers can actively influence the voice, through inviting the feedback of employees directly on a range of problems. When voice is invited or solicited by managers, they build a climate on the whole to encourage the voice of employees and allow improvement-oriented ideas. Very few studies checked motivations of manager’s to show behavior that appreciate and prevent employees’ voice from managerial angle, or their true response to employees’ voice when it is provided.
2.2 Managerial self-efficacy and employees performance: From manager’s positive perspective

The convincing evidence encourages the view that managers occupy the roles that have formal control on juniors, practice a powerful requirement at work to show higher personal competence. In the perspective of manager’s roles, however the limit in which perceptions of managers are considered efficacious by themselves should impact in what way they access their work and their interaction with others in particular ways. Growing on such fundamental ideas, the research presents and checks the view that in the managerial role the self-perceived competence refers to as managerial self-efficacy (Fast et al., 2014). Self-efficacy defines self-confidence of someone who does liveliness in a certain environment (Kocaeksi & Gazioğlub, 2014). The current study is going to investigate manager’s positive influence such as how manager’s self-efficacy beliefs influence employee’s voice and in turn, their performance. Self-efficacy is known as the main component to determine the expertise and ability of leader (Mayer, Davis, & Schoorman, 1995).

An individual belief about his ability of achieving a valuable result is associated to his working and style. Over the 30 years, self-efficacy belief’s measures have appeared to be a better predictor of performance of person in many areas (Blomquist et al., 2016). Thus, a deficiency of self-efficacy does inhibit the task fulfillment, and a great level of self-efficacy promotes it (Beeftink, Van Eerde, Rutte, & Bertrand, 2012).

Thus, from manager’s positive perspective, research suggests that manager’s self perceptions provide a strong close up in which they build awareness of and acquire step in their climate of work. Critically, in what way managers recognize their character and in presenting that character or role together with their sense of efficacy, then there is a possibility to affect how threatened they feel when employees speak up (Fast et al., 2014). When managers show positive response towards employee’s opinion, the employees are more prone to perform better. For example, self-efficacy is a form of self-referent thinking with which people judge and manages their own mental picture, experiences and way of acting (Bandura, 1977; van Dinther, Dochy, & Segers, 2011; Zimmerman, Bandura, & Martinez-Pons, 1992). It suggests that people spend their efforts on tasks according to their self-beliefs. For example, recent studies argued that high self-efficacious persons in a particular discipline (i.e. task and job specific) can depreciate the difficulty of the challenges of the job and they can tackle challenges of the job with their overrating ability (Cheema & Skultety, 2017).

Extrapolating it to the domain of performance, self-efficacy has appeared to be a well founded predictor of both motivation and task performance, and effect personal goal setting (Iroegbu, 2015). An appreciable effect of self-efficacy on Jordanian academics performance is associated to their high self-efficacy level (Haddad & Taleb, 2016). The empirical studies generally support the positive relationship between self-efficacy and job performance and the study expected positive relationship of task/job specific self-efficacy has with job performance (Chen, 2017). The study explains that the provision of the construct of project management self-efficacy as a quality measure of hopeful performance as any other studies of management have performed prior to their study (Blomquist et al., 2016). From manager’s positive perspective, then, certain positive responses must be present from managers to encourage employee’s responses to suggestions, and it helps employees to increase their performance.

**Hypothesis 1.** There is a positive relationship between managerial self-efficacy and employees’ performance.

3. Overview of study

Time lagged cross sectional primary data is collected from employees of randomly selected sample branches of National Bank of Pakistan, Al-Falah Bank and Al-Baraka Bank. Faisalabad.
4. Method
4.1 Sample and procedure
The population of this research is (625) and through random sampling technique 238 employees National Bank of Pakistan, Al-Falah Bank and Al-Baraka Bank are selected for the purpose of data collection.

These three organizations have familiar characteristics that are especially related for testing hypothesis regarding managerial self-efficacy and employees’ performance. Preliminary interviews disclosed that managerial self efficacy has a contributing role in employee performance.

The research survey is self administered at each organization: Staff employees of banks selected through random sampling technique provided ratings of the independent and dependent variable. We collected data in a clear and cost effective way by means of the questionnaires. The same survey is used at each place, with simply minor changes in wording (e.g., “achieve results” versus “obtain outcomes” or “construct the organization or group improved” versus “make the organization or group better”).

The response rates of the three organizations show that at National Bank of Pakistan, 124 of 142 employees (87% response rate) complete the survey; at Al-Falah Bank 74 of 84 employees (88% response rate) complete the survey; and at Al-Baraka Bank 10 of 12 employees (83% response rate) complete it. In total, surveys were distributed to 238 employees with 208 responses (87% overall employee survey response rate). Six respondents did not show their working experience, monthly income and marital status, so we excluded their participation from the analysis, resulting in a sample of (202) participants relative to a final response rate of (84%) percent. We generated separate random number for rest of the 36 employees. After merging these three organization’s data, the final sample comprised of 238 employees (77.3% male). There were 54 females in this sample who rated a percentage of (22.7%) employees.

4.2 Measures
4.2.1 Managerial self-efficacy
Managerial self-efficacy is measured using eight items measured developed by Chen, Gully, and Eden (2001), in which it was assessed the perception that one can capably perform tasks and achieve the objectives. In managerial role, in order to ensure the realization of capability assessed by the measure, we particularly asked respondents to respond the questions as they associated it to their own work and job field. The sample items of the study were: “When facing difficult tasks, I am certain that I will accomplish them”; “I will be able to successfully overcome many challenges”; “I am confident that I can perform effectively on many different tasks”; and “Compare to other people I can do most tasks very well,” \( \alpha = 0.86 \). Participants rated the items on a 5-point scale ranging from 1 (Strongly disagree) to 5 (Strongly agree).

Pilot Testing of Items
These items are pre-tested to demonstrate internal reliability. The pre-test consisted of 25 full-time employed individuals from three banks. Participants rated the eight items for managerial self-efficacy. The eight items for managerial self-efficacy demonstrated internal reliability in this sample, \( \alpha = 0.70 \). A test result of internal reliability is low here because of low sample size.

4.2.3 Employees performance
To assess employees’ performance we used the 21 items measure developed by Williams and Anderson (1991). We used all items in our research. These items were used to measure IRBs and OCBs in sample. Employees rated the items on a 5-point scale (1 = strongly disagree and 5 = strongly agree). Out of the 21 items, 7 items sample measured directed IRBs (e.g., “I meet formal performance requirements of the job”), 7 items measured interpersonally aimed OCBs (OCBIs; e.g., “I help others who have been absent”), and the other 7 items measured OCBs (OCBOs; e.g., “I conserve and protect organizational property”). The estimated reliability was \( \alpha = 0.80 \).
4.3 Analytical strategy
Since staff employees were nested within three organizations, we used random sampling technique for the collection of data. As explained that having a complete list of sample units or participants and by using a table of random numbers individuals were selected (Martinez-Mesa, González-Chica, Duquía, Bonamigo, & Bastos, 2016). The variables were theorized and examined at the individual level (i.e., level 1 variables).

4.4 Results
Before testing the hypothesis, we evaluated the study variables through checking the correlation. Table 1 indicates a strong relationship between managerial self-efficacy, and employees’ performance \( r = .611 \) at significant level.

Descriptive statistics are given in Table 2. In the table the independent variable managerial self-efficacy has mean value 4.07, SD = .57. In the same way the values for employees performance are mean = 3.83 and SD = .42. The values for demographic variables of this study like gender, age, qualifications, marital status, monthly income, work experience at current institution and work experience in previous institution are mean 1.22, 1.21, 2.46, 1.49, 1.56, 2.09, 2.37 respectively. The SD values are .41, .48, .71, .50, .81, .1.14, .1.42 respectively.

The results of Table 3 present the regression analysis. Linear regression (LR) was used to test the hypothesis. Hypothesis 1 predicted that there would be significant positive relationship between managerial self-efficacy and employees’ performance (\( \beta .611, t = 11.857, p < 0.05 \)). As illustrated in Fig. 1 our values of mean and standard deviation are within range. This helped for making a decision for further analysis.

**Table 1**
Result of correlations.

<table>
<thead>
<tr>
<th>Correlations</th>
<th>Managerial Self-efficacy</th>
<th>Employees Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees Performance</td>
<td>.611**</td>
<td>1</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
Note. N = 238.
** p < 0.01.
*p < 0.05.

**Table 2**
Mean and standard deviation.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Gender</td>
<td>1.00</td>
<td>2.00</td>
<td>1.22</td>
<td>.41</td>
</tr>
<tr>
<td>2 Age</td>
<td>1.00</td>
<td>3.00</td>
<td>1.21</td>
<td>.48</td>
</tr>
<tr>
<td>3 Qualifications</td>
<td>1.00</td>
<td>3.00</td>
<td>2.46</td>
<td>.71</td>
</tr>
<tr>
<td>4 Marital Status</td>
<td>1.00</td>
<td>2.00</td>
<td>1.49</td>
<td>.50</td>
</tr>
<tr>
<td>5 Monthly Income</td>
<td>1.00</td>
<td>4.00</td>
<td>1.56</td>
<td>.81</td>
</tr>
<tr>
<td>6 Work Experience at Current</td>
<td>1.00</td>
<td>4.00</td>
<td>2.09</td>
<td>1.14</td>
</tr>
</tbody>
</table>
### Table 3

<table>
<thead>
<tr>
<th>Variables</th>
<th>DV: Employees performance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Main effects</td>
<td></td>
</tr>
<tr>
<td>Managerial self-efficacy</td>
<td>.611</td>
</tr>
<tr>
<td>Employees’ performance</td>
<td>.373</td>
</tr>
<tr>
<td>R square</td>
<td>.373</td>
</tr>
<tr>
<td>F value</td>
<td>140.587</td>
</tr>
</tbody>
</table>

![Mean and standard deviation of managerial self-efficacy and employees’ performance.](image)

#### Fig. 1. Mean and standard deviation of managerial self-efficacy and employees’ performance.

#### 4.5 Discussion

This study discloses that managerial self-efficacy is positively related to employees’ performance. In regression analysis, there is significant positive relationship between variables of the study. Almost every organization is facing different kind of external threats. The role of employees regarding their performance is very important and they are very much concerned with their organization.

Being highly identified employees of the organization they point out problems and giving their solutions to management in order to protect their organization. The manager’s role is important regarding the voice of the employees, if they have high self-efficacy then they are more likely to welcome the employees.
improvement-oriented ideas and due to effect of their high self-efficacy the employees perform better.

This study shows direct effect of managerial self-efficacy on employees’ performance positively. This research extends further than this line of analysis and exposes the effect of high managerial self-efficacy on employees’ performance. Our results show that high self-efficacious managers encourage the employees’ improvement-oriented voice fearing external threat.

Lebel (2016) study found that when employees feel that their supervisor is open to their input then their fear of external threat associates positively to voice. The results of this study are inline that managers being highly self-efficacious take the employees improvement-oriented voice because they have strong self beliefs. Therefore, the overall findings of this study indicate a significant positive relationship between managerial self-efficacy and employees’ performance.

4.6 Theoretical contributions
This article’s main contribution exists in theoretically and empirically discovering that the employees’ performance increases experiencing high managerial self-efficacy. Previous research has concentrated on how low managerial self-efficacy effect improvement-oriented voice, one can logically expect that persons having low managerial self-efficacy would seek rigidly to benefit on other’s recommendations and ideas (Fast et al., 2014). Mostly in organizations managers are considered as a sign of fear, this fear lead employees to silence. However, fear’s sources not always impact voice in equally. A relevant contribution lies in extending previous voice research by suggesting that employees represent the whole organization and the organizations that do not give voice opportunities to employees, to share their views and ideas, cannot make progress in a world of competition. Doing so follows calls for research exploring how employees identification with their organization encourage their effort or action in which they protect their larger organization, by proposing the solutions of the problems (Lebel, 2016). Self-efficacious managers take improvement-oriented voice positively rather negatively because they have higher self beliefs in challenging situations. Thus, this study emphasizes that sound assessment of these variables in context of human resource management is important to understand and predict behavior patterns and performance of employees, suggesting that by understanding these variables we can address problems relating to employee’s performance.

Similarly the contributions of this article lie by recognizing a contingent relationship between managerial self-efficacy and employees’ performance. The relationship between managerial self-efficacy promotes the notion that gives important implications for managerial practices, that leader’s positive affect boost up employee voice by means of psychological safety. The study also gives advice to organizations that managers affect should be positive to subordinates while they are contacting with them (Liu et al., 2017). In such a case, the perception of employees regarding their supervisor’s accessibility to information is considered a vital contextual motive that may glint voice fearing external threat (Lebel, 2016).

Thus, this article’s results encourage conceptualizations of high managerial self-efficacy as effecting employees’ performance at multiple levels in the causal chain. The contribution of this article is also towards identifying why managerial self-efficacy facilitates or increases employees’ performance. There is also a psychological mechanism that explains manager’s perceptions to appreciate the voice of employees, which in turn, increases their performance. Additionally, managers who are open to employees’ ideas help transform improvement-oriented employees’ voice fearing external threat into their performance, indicating to employees that their effective and active attempts on organization’s behalf will be encounter positively to the overall organization success.

This study also constructs on past work by Cherian and Jacob (2013), and Lai and Chen (2012) study findings show that self-efficacy cannot become the determinant of performance lonely, there are other factors like locus, tasks complexity and effort that can affect positively their performance, which is to
some extent dissimilar to what the researcher of this study concluded, that managerial self-efficacy shows
direct positive effect on employees performance.

Additionally, this study’s results describe the positive relationship between managerial self-efficacy and
employees’ performance similar to the study of Iroegbu (2015) which has found the significant positive
correlation between job specific self-efficacy and work performance.

4.7 Limitations, strengths, and future directions
The results of this study facilitate us to delve into the relationship between managerial self-efficacy and
employees’ performance. This study’s results should be accomplished in view of its limitations, many of
which proposed possible path and offer various opportunities for future research. This study was a cross-
sectional field study of three organizations. Specifically, this research employed cross-sectional data from
a range of bank branches to better construct the relationship between variables. Additionally, multisource
data in this study was shown to partially equalize possible common method bias.

Furthermore, data for independent and dependent variables were collected at the same time. Therefore,
research in future could perform experimental designs to investigate causality in a more accurate way. An
ecological validity challenge may exist by doing this, creating manipulations like in a lab setting
managerial self-efficacy effects participants in the similar way as employees confronting managerial self-
efficacy in organizational settings. Moreover, in a lab setting manipulation in high levels of managerial
self-efficacy, such as building a scenario through which employees understand they can undergo real
consequences (e.g., don’t give value to employee’s opinion and strict behavior of instructors in class) may
cause psychological and moral problems. In spite of these dilemmas, we argue besides other voice
scholars (Milliken et al., 2015), expressed that employees are given the reason that it is easy to speak
about the issues and problems being faced at work place might seem as a straightway thing to do. Such
styles are found to be effective on individual’s job performance and assigned tasks and duties.

Additionally, there can be other possible fears or threats apart from economic threat, fear of layoffs and
loss of revenue with improvement-oriented employees voice that direct managerial self-efficacy towards
employees’ performance. According to this aspect, organization’s welfare depends upon privilege of
objection because it is as necessary for organization’s welfare as it is for the defense of human rights
(Redding, 1985).

While beyond the view of this article, other potential proactive voice behaviors should be discovered in
future research following managerial self-efficacy. For example, voice up proactively in favor of
organizational strategy and policies (Maynes & Podsakoff, 2014). There may be reasons because of
employee’s familiarity to existing policies and they don’t want to do any change, so by perceiving
manager’s positive effect regarding their self-efficacy they voice up.

This study is conducted on banking sector of Faisalabad Pakistan. The main limitation of this study is that
it is conducted on only three banks with their branches which are not representing the whole banking
sector of Pakistan. Future researches can be conducted on other sectors like multinational companies to
find out if study variables may effect in a different way in line with the sector in which the people work
in. Future researches could explore the effect of the study variables with low levels of managerial self-
efficacy.

4.9 Practical contributions and conclusion
This study gives practical implications for managers and employees in organizations. The study results
suggest that managerial self-efficacy is important during times of uncertainty when employees raise their
improvement-oriented voice. Specifically, managers can encourage employees during times of uncertainty
by taking their ideas and suggestions. Managers can take measures to solicit employees to voice their
ideas and suggestions in spite of fear by becoming more receptive towards them. Therefore, in the time
span of economic uncertainty, managers’ role must be supportive towards improvement-oriented ideas. Such attempts from managers may facilitate the organizations to improve internally by taking the advantages of voice.

This study discerning the notion of Lebel (2016, 2017) that managers and leaders have a powerful influence on employee’s behaviors. For example, the researchers believe that when they are open to employees input because of their high self-efficacy then employees fears will be positively related to speaking up at work while fearing external threats. Our results indicate that managerial self-efficacy appears to have a significant positive relationship with employees’ performance.

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