



# DEVELOPING LEADERS IN BUSINESS SCHOOLS

## A CASE REPORT ON FIRST YEAR STUDENT LEADERS

IVAN BUTAR, PETER GAHAN, RAYMOND HARBRIDGE, JESSE OLSEN, AND BRIGID VAN  
WANROOY

CENTRE FOR WORKPLACE LEADERSHIP

Publication Date: 04 February 2016

Level 6, 198 Berkeley Street  
The University of Melbourne  
Victoria 3010 Australia  
ABN: 84 002 705 224

+61 3 9035 5559  
[info@workplaceleadership.com.au](mailto:info@workplaceleadership.com.au)

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# EXECUTIVE SUMMARY

Developing leadership capabilities in young people comes with the territory of being in a business school. The Faculty of Business and Economics at The University of Melbourne offers a First Year Leaders Forum on a voluntary basis to all students. Centre for Workplace Leadership researchers surveyed two groups of first year students – those who took part in the Forum, and those that chose not to. The survey was administered immediately before the Forum and repeated six months later. Testing for four leadership competencies and two leadership attributes, they established that the intervention in the form of the Forum, improved first year students motivation to lead. Further they found that those who joined student groups or associations, volunteered or had served internships demonstrated higher levels of motivation to lead. The study showed that even small interventions can develop leadership attributes and as a result increase the levels of motivation to lead.



# DEVELOPING LEADERS IN BUSINESS SCHOOLS

The Centre for Workplace Leadership (CWL) was established in June 2013, to help improve management and leadership practices, and contribute to building more productive, competitive, and innovative workplaces in Australia.

One of the Centre's priority themes, **workplace leadership for the future**, focuses on investing in the next generation of workplace leaders. This theme acknowledges the need to develop the leadership capabilities of young people before and immediately after they enter the workforce. Initiatives to be undertaken as part of this priority theme will include developing a greater understanding of the values, leadership expectations, work attitudes and learning styles of young people, and what the most effective training and development methods are for them.

This case report presents the key findings of a study on the leadership competencies and attributes of first year business students at The University of Melbourne. We review whether participating in a leadership forum builds individual leadership competencies which increase self-efficacy and improve the motivation to lead – both considered key leadership requirements.

Our starting premise is that leaders are not born – they are made. In our publication *Workplace Leadership: A Review of Prior Research* we rehearsed the question: Are leaders born or made? We stated (p27):

The question of whether leadership skills and qualities are born or made has occupied a considerable degree of attention among leadership scholars. While this work indicates that hereditary acquisition of certain traits explains some leadership capability, there is widespread agreement that the emergence of leaders is largely influenced by environmental factors rather than one's genetic make-up.

An important study was conducted by Avolio (2005) to investigate whether one's leadership role and effectiveness is heritable or developed. He used identical twins in Sweden and extensive longitudinal study. It is important to note that identical twins as a sample are important given that they relatively share 100% genetic endowments. In the study, it was found that heredity (or the 'genetic' side) contributes approximately one-third to leadership effectiveness, while two-thirds of this is contributed by the 'developed' side. The significance of environmental factors rather than heritability in determining one's emergence and performance as a leader has also been supported by subsequent research (e.g., Arvey et al., 2006; Arvey et al., 2007). These recent studies support the conclusion that leadership roles and effectiveness are influenced by life experience as well as deliberate interventions such as training programs, education, or behavioural modelling.

Van Wart (2003) has argued that given that this debate has been generally resolved, the real question should now be: 'how are leaders made?' That is to say, the consensus among researchers indicates that leadership can be learned and developed mainly through experiences. He concluded that research must therefore focus on the inter-relationship between innate abilities, experience, and formal training as the driver of leadership development.

Given the consensus that leaders are largely made, the objective of identifying more effective ways to develop both leaders and leadership cultures is part of the job of education and research institutions. Business schools play key role in transforming students into leaders (DeRue & Ashford, 2010; Ibarra & Barbulescu, 2010). To achieve this goal, Klimoski and Amos (2012) suggested that business schools should make a clear commitment to better prepare students as leaders. Empirical research has demonstrated that business schools have not yet achieved the 'right' teaching curriculum on key matters important to organisations, such as ethical practice and decision-making (Bazerman & Moore, 2009; Ghoshal, 2005). This is also the case for leader and leadership development (Klimoski & Amos, 2012). While most business schools claim they are producing leaders who make a significant difference, there is limited evidence that they actually fulfil what they promise (Pfeffer, 2009). In particular, while many business school faculty members are up to date with current research in leader and leadership development, there is an insufficient supply of relevant programs that strengthen students in this area (Mintzberg & Gosling, 2002).

Globally, business schools have established a variety of leadership programs to produce graduates who are not only skilled but who will be future leaders. The importance of preparing students not only as skilful graduates but also as future leaders has led a number of business schools to establish leadership development programs. For instance, Harvard Business School requests their new students to attend a foundation program that provides leadership and teamwork skills. Stanford University Graduate School of Business has launched the Centre for Leadership Development and Research that runs leadership labs. Some other business schools offer leadership sessions, leadership assessment, and other experiential activities. Here at The University of Melbourne, first year students undertaking the Bachelor of Commerce are offered the opportunity to take part in a one day intensive workshop *First Year Leadership Forum*.



Pfeffer (2009) argued that effective leadership programs should cover two key themes: (a) leadership competencies and (b) leadership self-efficacy. He also added that while educational institutions have tried to run leadership development programs, there has still been scant effort directed at evaluating which interventions, programs, or formats work best, and which are less effective. The lack of evaluation clearly impedes assessments of the efficacy of leadership development programs. Our case study both measures the factors that contribute to leadership competencies and attributes and evaluates the effect of the *First Year Leadership Forum*.

## THE RESEARCH MODEL

Performance is a critical aspect of organisational success. Leadership competence is positively associated with performance (van der Zee and van Oudenhoven, 2001). Leadership competence has been broken into four distinct elements (Mayo et al, 2012).

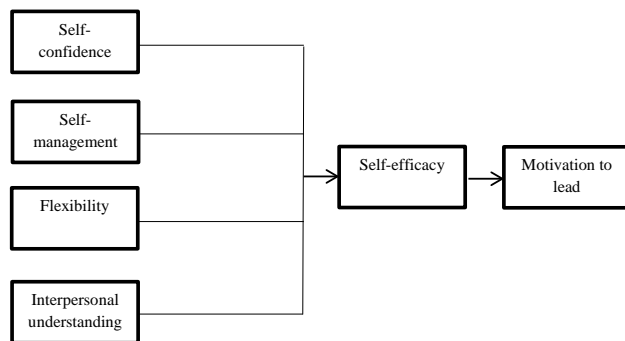
- ▶ *Self-confidence*, which reflects an individuals' perception on their ability to succeed on particular task and make a judgment on their effectiveness once it is done (McCarty, 1986);
- ▶ *Self-management*, which refers to individuals' ability to control their behaviour and independently manage their own work (Manz & Sims, 1980);
- ▶ *Flexibility*, which refers to an individuals' ability to adapt into different circumstance, and effectively react to that new situation (Van der Zee & Vand der Oudenhoven, 2001); and
- ▶ *Interpersonal understanding*, which can be defined as individuals' ability to display empathy and multiple perspectives, and view things from other people's perspective (Goleman, 1998).

Leadership attributes in this study consist of individual self-efficacy and motivation to lead.

- ▶ *Self-efficacy* is defined as "one's capabilities to organise and execute the courses of action required to produce given attainments" (Bandura, 1997: 3).
- ▶ *Motivation to lead* refers to a tendency to take leadership role and individual's conviction that he/she has leadership qualities (Chan & Drasgow, 2001).

Figure 1 depicts our research model. This model indicates that four leadership competencies influence an individual sense of self-efficacy. In turn self-efficacy is expected to influence the extent to which an individual has motivation to lead.

Figure 1: The Leadership Development Model



## THE INTERVENTION

The Faculty of Business and Economics at The University of Melbourne offers an annual First Year Leadership Forum for students undertaking the Bachelor of Commerce degree. This program forms part of the Student Experience Program at The University of Melbourne. Around 1800 students are accepted in the degree program each year. Around 120 of these attended the First Year Leadership Forum held in May 2014. The First Year Leadership Forum is an intensive one day leadership program with three main elements. It comprises a team building exercise “The Tower of Team Play”, an expert panel of “Leaders on Leadership” drawn from corporate, community and government sectors, and an ongoing reflection exercise “Leadership Cubed”. The general themes running through the Forum, are around understanding leadership and engaging with others in order to build skills and develop leadership attributes.

During the Forum participants work with an initially blank cube. The cube is populated with the student’s name and picture, their present experiences on leadership (including examples of leadership, and the characteristics – behaviours, values, personal qualities and skills - that make leaders effective), their past experiences of leadership (including examples of the challenges, achievements, learnings they have gained while being a leader) and insights they have gained from the day’s activities. On the bottom of the cube, students note how they will develop their own leadership skills (by identifying activities in the faculty and their courses and by setting a rough date by which this is to be achieved) and on the top of the cube they produce a team sculpture of leadership.

Students self-nominate to attend the forum, which is marketed as a unique opportunity to prepare for their 2nd year compulsory Organisational Behaviour course, as it provides exposure to group work. The First Year Leaders Forum provided a valuable avenue for the Centre for Workplace Leadership to understand what motivates young people to develop their leadership competencies, and the impact of early access to leadership development opportunities.

## THE SAMPLE

The sample for the study was first year students enrolled in the Bachelor of Commerce program at The University of Melbourne. Participation in the study was voluntary. All First Year Leadership Forum attendees were invited to take part in the survey. Most chose to be included (the participants). To these were added an equivalent number of randomly selected students who chose not to undertake the First Year Leadership Forum (the non-participants). The cohort was surveyed twice, immediately before the Forum (T1) and six months later (T2). 212 participated in the first survey and 108 in the second. The data for the 108 who completed both surveys is reported. The cohort was 56 percent female, averaged 19.1 years of age, 42 percent were born in Australia and 61 percent lived with their family.



# THE INSTRUMENT

The survey instrument examined leadership competencies (self-confidence, self-management, behavioural flexibility, and interpersonal understanding); self-efficacy; and motivation to lead. Demographic questions and information about group membership, participation in voluntary work, internships and career support were sought. Standard statistically reliable blocks of established survey questions were used.

## RESULTS

The results for the mean scores for each leadership attribute and competency for participants and non-participants measured during the intervention and six months later are presented in Table 1. The data enable an examination of the differences between participants and non-participants during intervention and after elapsed time. The Time 1 series show that with the exception of “interpersonal understanding” there were no statistical differences between those who chose to take part in the Forum and those who did not. In other words, the characteristics of those attending were no different from those who chose not to attend. Attendees were not therefore more pre-disposed to leadership than non-participants.

Time series 2 shows a different picture. As would be expected all students showed increased levels of most leadership attributes. This is simply because they have had greater experience of the University environment (and had no doubt learnt from that experience). What is interesting is that for the leadership attributes and competencies “motivation to lead”, “self-confidence” and “interpersonal understanding” the differences between the participants and non-participants were statistically significant, giving us confidence that the intervention had been successful in developing leadership in participants.

Table 1: Mean score and analyses of variance (ANOVAs) for participants and non-participants over time.

	Participants	Non-Participants	ANOVAs
<b>Time 1</b>			
Self-efficacy	3.88	3.69	
Motivation to lead	3.37	3.24	
Self-confident	3.84	3.58	
Self-management	3.65	3.55	
Flexibility	3.54	3.25	
Interpersonal understanding	4.28	4.01	*
	Participants	Non-Participants	ANOVA
<b>Time 2</b>			
Self-efficacy	3.99	3.81	
Motivation to lead	3.56	3.25	**
Self-confident	4.08	3.74	*
Self-management	3.69	3.53	
Flexibility	3.85	3.17	**
Interpersonal understanding	4.28	4.10	

The data in Table 2 presents the same information as in Table 1 but only for those students who had participated in the *Forum*. Further analysis of variance (ANOVA) has been conducted and the results are presented. The data show that all leadership attributes and competencies had remained at the same levels or had increased during the period since the intervention. The leadership attributes and competencies “motivation to lead”, “self-confident” and “flexibility” all showed statistically significant increases over time – and again this gives us confidence that the intervention was successful.

Table 2: Mean scores and analyses of variances (ANOVAs) for participants only over time.

	Time 1	Time 2	ANOVAs
Self-efficacy	3.88	3.99	
Motivation to lead	3.37	3.56	*
Self-confident	3.84	4.08	*
Self-management	3.65	3.69	
Flexibility	3.54	3.85	*
Interpersonal understanding	4.28	4.28	

We reviewed other aspects of the students’ backgrounds and experiences. We found that gender had little effect on leadership attributes and competencies. We have established that being prepared to take part in the *First Year Leadership Forum* had no bearing on leadership attributes and competencies. We found that student activities (such as being a member of a student group or association), having been a volunteer in the previous 12 months, or having undertaken an internship all indicated higher levels of leadership attributes and competencies.

Finally, we undertook a correlation analysis of the four leadership competencies and found they were all statistically significantly related to the leadership attribute of self-efficacy. Further, we established that self-efficacy itself is statistically significantly related to the leadership attribute motivation to lead. This supports our model as being correct, and further indicated that we selected the right attributes to review.

## WHAT IT ALL MEANS

Our small survey has some important findings:

First, we have shown that if we can develop and improve the attributes of self-confidence, self-management, flexibility and interpersonal understanding in first year students, then they will develop greater self-efficacy which will itself lead to greater motivation to lead. This could be the way to “make” leaders in business schools.

Second, we have established that a clever, albeit short, program aimed at developing leadership attributes will have an impact and will lead to greater motivation to lead.

Third, we have established that first year students that belong to student groups or associations, have been volunteers, or who have served internships, will have stronger leadership attributes and will have a stronger motivation to lead.

Employers take note:

- ▶ When looking for the next generation of leaders, select graduates who have undertaken a leadership development program within their degree.
- ▶ Further, review graduate CVs with an eye for those who have been active in student activities, been volunteers or who have been interns. They are more likely to be your next crop of leaders.
- ▶ Finally, heed the message that a short sharp well-designed intervention can boost leadership attributes and ultimately the motivation to lead. The Centre for Workplace Leadership offers such interventions, and they work. Talk to us.



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**Author/s:**

OLSEN, J; Butar, I; Gahan, P; Harbridge, R; Van Woonroy, B

**Title:**

Developing Leaders in Business Schools: A Case Report on First Year Student Leaders

**Date:**

2016

**Citation:**

OLSEN, J., Butar, I., Gahan, P., Harbridge, R. & Van Woonroy, B. (2016). Developing Leaders in Business Schools: A Case Report on First Year Student Leaders. Centre for Workplace Leadership, The University of Melbourne.

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