Copyright is owned by the Author of the thesis. Permission is given for a copy to be downloaded by an individual for the purpose of research and private study only. The thesis may not be reproduced elsewhere without the permission of the Author.
Authentic leadership: Organisational outcomes and leader and follower development

A thesis presented in partial fulfilment of the requirements for the degree of
Master of Arts in Psychology

Massey University, Albany
New Zealand.

Patricia Louise Tapara

2011
Abstract

Authentic leadership is an emerging concept in the field of leadership which draws on positive psychology and focuses on leaders’ values and beliefs. It places development at the forefront of the theory and strives to develop sustainable, socially responsible organizations where the paramount concern is the wellbeing of the employees, the organization and their communities. The aim of the present research was to examine the relationship between authentic leadership and the outcomes of job satisfaction, team performance and follower authentic leadership. Participants in the study were 40 employees of two mid-sized New Zealand companies. The respondents rated their own levels of authentic leadership (follower) and their leader’s levels of authentic leadership using the Authentic Leadership Questionnaire (ALQ). Other measures surveyed respondents levels of job satisfaction, their perception of team performance and the development opportunities provided by their leader. The results showed leaders’ authentic leadership was related to followers’ authentic leadership and to development opportunities. There was no significant relationship between leaders’ authentic leadership and the outcomes of follower job satisfaction and team performance. However job satisfaction and leaders’ authentic leadership together increased levels of team performance; followers’ authentic leadership and leaders’ authentic leadership interacted to show increased levels of job satisfaction; and leaders’ authentic leadership and development opportunities interacted to increase levels of followers’ authentic leadership. The study makes an important contribution to the research on authentic leadership by making the link between leaders’ authentic leadership and followers’ authentic leadership; a major premise of the theory. This research has drawn attention to the complexities of the leader-follower process and the process of authentic leadership development. The research establishes that development opportunities are not the mechanism through which followers become authentic leaders. Further research to explore the outcomes that authentic leadership is associated with and the mechanisms that are involved in authentic leadership development is recommended.
I am very grateful to a number of people for their support, without which this research would not have been possible.

Dr. Dianne Gardner, sincere thanks for your optimism, support, and guidance during this project.

Thank you to Sandra Newnham for distributing the survey and special thanks to Mark McSherry and Craig Jenson who distributed the survey and also provided moral support and encouragement for my study.

A special thank you to my family and friends, especially Steve for his support and belief that I would achieve this; Edreen for her constant encouragement and eye for detail in proofing my drafts and Annette for always being available on the phone to inspire and encourage me.

A huge thank you to everyone who helped and supported me to achieve this project. It was bigger than I ever imagined and represents a huge achievement for me. I hope my work can be of practical use to people in organisations and communities.

Approval for the research has been obtained from the Massey University Human Ethics Committee Northern for the research described in the thesis.
Contents

Abstract ii

Acknowledgements .................................................................................. iii

List of Tables .......................................................................................... 4

List of Figures .......................................................................................... 5

1 Chapter One – Introduction .................................................................. 6

1.1 Leadership theory ........................................................................... 9

1.2 Leadership outcomes ..................................................................... 10

1.3 Leadership development ................................................................. 14

1.4 Leadership and the organisational context .................................... 16

2 Chapter Two - Authentic leadership: Key Concepts ....................... 18

2.1 Positive psychology ....................................................................... 18

2.1.1 Positive approaches to leadership ........................................... 19

2.2 Authenticity .................................................................................. 21

2.2.1 Authenticity and leadership .................................................... 24

3 Chapter Three – Authentic leadership: Key concepts ................. 27

3.1 Defining authentic leadership ......................................................... 27

3.2 The moral component of authentic leadership ............................. 29

3.3 Authentic leadership: The current perspective ............................ 31

3.4 Psychological capabilities .............................................................. 32

3.5 Self-awareness and self-regulating processes ............................... 34

3.6 The four constructs ....................................................................... 35

3.7 Internalized moral perspective ....................................................... 35

3.8 Relational transparency ................................................................. 36

3.9 Balanced processing ..................................................................... 37

3.10 Self-awareness ............................................................................ 38

3.10.1 Self-awareness and leadership .............................................. 39

3.11 Authentic leadership outcomes .................................................... 41

3.12 Measurement .............................................................................. 43

3.13 The organisational context .......................................................... 47

4 Chapter Four - The importance of authentic leadership ............ 48

4.1 The Organisation .......................................................................... 48

4.2 The individual ............................................................................... 49

4.3 The community ............................................................................ 50
Chapter Five - Authentic leadership: Followership and development ............51

5.1 Followership ..................................................................................51
5.2 Follower development ..................................................................53
5.3 Authentic leader development ......................................................56
5.3.1 Personal history and trigger events ...........................................57
5.3.2 Interventions to develop authentic leadership .........................58
5.4 Summary ......................................................................................63

Chapter Six – Method ..................................................................64

6.1 Participants and procedures .........................................................64
6.2 Measures ......................................................................................66
  6.2.1 Leader’s authentic leadership (ALQ.) .......................................66
  6.2.2 Followers’ authentic leadership .................................................66
  6.2.3 Job satisfaction ........................................................................67
  6.2.4 Team performance ....................................................................67
  6.2.5 Development opportunities .....................................................68
6.3 Data analysis ................................................................................68

Chapter Seven – Results .................................................................70

7.1 Demographic categories ...............................................................70
7.2 Factor structure of the ALQ. .........................................................70
  7.2.1 Leaders’ ALQ ........................................................................70
  7.2.2 Followers’ ALQ .......................................................................70
7.3 Independent sample t tests .............................................................71
7.4 Job satisfaction and team performance ........................................71
7.5 Followers’ authentic leadership ....................................................76
7.6 Development Opportunities ........................................................81

Chapter Eight – Discussion ..............................................................85

8.1 Factor Structure of the ALQ. ............................................................85
  8.1.1 Leaders’ ALQ .........................................................................85
  8.1.2 Followers’ ALQ .......................................................................86
8.2 Demographic categories - gender ................................................87
8.3 Job satisfaction and team performance ........................................87
8.4 Followers’ authentic leadership ....................................................91
8.5 Development opportunities ........................................................91
8.6 Implications for research ..............................................................91
8.7 Limitations ....................................................................................93

Conclusion .......................................................................................96
List of Tables

Table 1 - Strategies for increasing authentic leadership ........................................59
Table 2 - Demographic Characteristics of Sample.................................................65
Table 3 - Means, Standard Deviations, Reliabilities, and Correlations among Study Variables........................................................................................................73
Table 4 - Summary of Linear Regression of Team performance on Leaders’ Authentic Leadership and Job Satisfaction (N = 38) .................................................74
Table 5 - Summary of Linear Regression of Followers’ Authentic Leadership on Leaders’ Authentic Leadership and Job Satisfaction (N = 38) .........................77
Table 6 - Summary of Linear Regression of Team performance on Followers’ Authentic Leadership and Job Satisfaction (N = 38) ..............................................78
Table 7 - Summary of Linear Regression of Job Satisfaction on Leaders’ Authentic Leadership and Followers’ Authentic Leadership (N = 38) .........................79
Table 8 - Summary of Linear Regression of Team performance on Leaders’ Authentic Leadership and Followers’ Authentic Leadership (N = 38) .........................80
Table 9 - Summary of Linear Regression of Follower Authentic Leadership on Leaders’ Authentic Leadership and Development Opportunities (N = 39) ........82
Table 10 - Summary of Linear Regression of Job Satisfaction on Leaders’ Authentic Leadership and Development Opportunities (N = 39) ........................84
List of Figures

Figure 1. Change in team performance as a function of high or low authentic leadership as well as high or low job satisfaction.................................75

Figure 2. Relationships among authentic leadership and outcome variables ...76

Figure 3. Change in job satisfaction as a function of high or low leaders’ authentic leadership as well as high or low followers’ authentic leadership ......79

Figure 4. Change in follower authentic leadership as a function of high or low authentic leadership as well as high or low development opportunities ............83
Chapter One – Introduction

Leadership as a topic generates immense interest, with huge volumes of literature extolling the characteristics of heroic leaders, offering formulae for individuals to become better leaders or providing prescriptions for organisations to develop better leadership. The immense interest in the topic is underpinned by the recognition of the impact leaders have on individuals, communities, organisations and society as a whole (Hrivnak, Reichard, & Riggio, 2009).

Leadership is a complex phenomenon operating in a dynamic and changing world. Leadership theory has evolved to enhance our understanding and to find the approach or approaches that best meet the challenges this presents. The theory and research on leadership has been to a large extent motivated by a need to identify the approach that is going to lead to outcomes that matter for individuals and organisations and by the desire to produce more effective leaders. This has resulted in a wide range of studies to determine the relationship between leadership and the outcomes that impact on performance; along with a focus on development and the organisational context that fosters effective leadership.

Leadership theory has evolved to incorporate new elements including followership and positive approaches to leadership with a focus on positive measures, development, and the organisational context. As world events change the environment within which leaders operate there is a need for theory to continue developing to meet these challenges. The current environmental context includes fast changing political dynamics, a shift in power from the United States and Europe to the Asian region, and a world economy impacted by recession and questionable or unethical corporate practices.

The collapse of previously solid and reputable organisations has been a spur to develop a theory of leadership based around authenticity. To a large extent the failure of these organisations has been blamed on leaders who acted unethically and who relied on impression management so people continued to invest and support them even as the organisations' finances were in disarray.
Authentic leadership (Sanders & Hambrick, 2007). The suggestion is that by incorporating authenticity into a theory of leadership these events will be less likely to happen in the future. Authentic leadership theory has evolved out of this climate.

Authentic leadership builds on previous leadership theories and fits firmly within the framework of positive approaches to leadership. It takes the concepts of morality and ethics, concepts that many previous leadership theories only touch on (Conger, 1990), and makes them central components. It provides a new perspective on self-awareness as the precursor to leadership, stating that self-awareness is an essential element for the development of authentic leaders. The premise that authentic leaders develop authentic followers and future authentic leaders is at the forefront of the theory, along with a primary concern for the well-being of followers, leaders and the organisations of which they are part (Luthans & Avolio, 2003; Walumbwa, Avolio, Gardner, Wernsing, & Peterson, 2008).

Authentic leadership in this context is defined as

a pattern of leader behavior that draws upon and promotes both positive psychological capacities and a positive ethical climate, to foster greater self-awareness, an internalized moral perspective, balanced processing of information, and relational transparency on the part of leaders working with followers, fostering positive self-development (Walumbwa, et al., 2008, p. 94).

The aim of this research is to explore the concept of authentic leadership and to test some of the claims made in relation to authentic leadership theory; such as a possible relationship to organisational outcomes such as job satisfaction and team performance. Authentic leadership theory has a strong focus on development and proposes that authentic leaders develop their followers to become authentic leaders themselves. It is recognised that leaders can play a role in facilitating the leadership development of their followers by providing development opportunities (Mazutis & Slawinski, 2008). The relationships between authentic leadership, the provision of development opportunities and follower authentic leadership are explored. Authentic leadership needs to be placed within the context of general leadership theory and aspects important to
Authentic leadership such as the outcomes that are associated with leadership, the role of development and the organisational context. These topics will be the focus of the next chapter. Subsequent chapters will discuss the concept of authentic leadership providing an overview of the theoretical underpinnings of authentic leadership, the key concepts, the current perspective, and the importance of authentic leadership. Followership and authentic leadership development will be examined and following a summary of the literature review there will be chapters on the method, results and conclusions of the current research.
1.1 Leadership theory

There are many definitions of leadership, most of which share common elements such as reference to the influence on others, and the aim of achieving a shared goal. According to Chemers (1997, p.1), "leadership is a process of social influence in which one person is able to enlist the aid and support of others in accomplishment of a common task" (Chemers, 1997).

Leadership theory and research has progressed a long way from the individually focused trait theories of the 1900s and developments in behavioural and contingency theories. Each new theory has laid a foundation for future developments and added another dimension to our understanding of leadership.

A paradigm shift has occurred with recent leadership theories encompassing the role of the follower to a much greater extent than previously. These theories claim that the leader cannot be a leader without followers (Dvir & Shamir, 2003). This new approach also takes into account the positive emotions of the leader and how these influence and impact the follower and the organisation.

Processes that explain how leaders influence followers and affect followers’ identities and attitudes are seen as particularly relevant to more recent leadership theories that place an emphasis on the relationship between the leader and follower. These processes include personal and social identification. Personal identification is where one’s beliefs about a person (leader) become self-defining and self-referential. Social identification refers to the process through which individuals come to identify with a group, take pride in belonging and see group membership as part of their identity (Shamir, House, & Arthur, 1993; Shamir & Kark, 2004).

These more recent leadership theories, for example charismatic and transformational leadership theories, have focused on inspirational styles of leadership which appeal to emotion rather than reason. This emotional focus is reflected in the five components that make up transformational leadership. Leaders model commitment to underlying values and principles (idealised influence); they inspire and motivate by creating meaningful challenges (inspirational motivation); they challenge followers to look at situations in new
Authentic leadership ways (intellectual stimulation), and look after the individuals’ needs for achievement (individualised consideration). Attributed charisma is included as one of the components of transformational leadership but overlaps significantly with the concepts that are part of charismatic leadership (Bass, 1990). Charisma is attributed to the leader by the follower in that “charismatic leaders differ from other leaders by their ability to formulate and articulate a vision and by behaviours and actions that foster an impression that they and their mission are extraordinary” (Conger & Kanungo, 1997, p. 291)

Charismatic and transformational leadership theories have been described as ‘positive leadership approaches’. Positive leadership approaches are defined by their focus on positive capabilities that can be measured developed and can lead to performance improvement; and by the inclusion of the positive organisational context that leaders foster (Luthans & Church, 2002)

However as these theories have evolved questions have been asked about whether these charismatic and transformational leaders are also ethical leaders. Researchers have started to distinguish charismatic leaders as personalised or socialised and transformational leaders as authentic or inauthentic (Bass & Steidlmeier, 1999; Conger, 1990; Howell & Avolio, 1992). This development suggests researchers are aware that existing theories are not sufficient to explain effective leadership in a dynamic, changing world environment.

1.2 Leadership outcomes

There are many positive outcomes linked to effective leadership. These include job satisfaction (Lok & Crawford, 2004), team performance (Burke, et al., 2006), extra effort (Brown, Trevino, & Harrison, 2005), work engagement (Giallonardo, Wong, & Iwasiw, 2010), organisational commitment (Judge & Piccolo, 2004), and employee well-being (Fisher, 2010) to name a few.

Measures used to assess leadership effectiveness can be direct measures of performance, such as productivity data, or can be indirect measures where the impact of the leader on the attitudes of staff is seen to result in improved performance.
Authentic leadership

Examples of indirect measures, which are frequently associated with leadership, include concepts such as trust in the leader and job satisfaction. Trust is seen as important to leadership as it indicates that the follower has attributed positive characteristics to the leader such as honesty, integrity and fairness which impact on their work attitudes and behaviours. Trust is defined by Rousseau, Sitkin, Burt, and Camerer (1998, p.395), as a "psychological state comprising the intention to accept vulnerability based upon the positive expectations of the intentions or behavior of another" (Rousseau, Sitkin, Burt, & Camerer, 1998).

Trust per se is not necessarily a performance measure but is an outcome that has been linked to other positive organisational outcomes such as organisational citizenship behaviours (OCB), team performance, or job satisfaction and so is seen as an important measure of leadership effectiveness (Dirks & Ferrin, 2002).

Job satisfaction has been used as a measure of the effectiveness of many different styles of leadership for instance it has been linked to transformational, charismatic and ethical leadership (Bono & Judge, 2003; Brown, et al., 2005).

Job satisfaction is a measure of peoples' attitudes and refers to the extent to which people like their jobs and is defined as “a pleasurable or positive emotional state resulting from an appraisal of one’s job or job experiences” (Locke as cited in Fisher, 2010). It is seen as an important outcome in the organisational environment because job satisfaction can lead to relevant performance outcomes such as productivity and reduced absenteeism and turnover (Chiva & Alegre, 2009; Dormann & Zapf, 2001; Fisher, 2010).

The leaders’ impact on job satisfaction can be linked to processes leaders facilitate such as providing task clarity or to behaviours such as participative decision making and enabling others (Chiva & Alegre, 2009). Leader play a key role in followers’ job satisfaction because they have the authority to manage work processes, dispense rewards, provide resources and evaluate performance and provide development opportunities. Job satisfaction has been associated with a wide range of different variables many of which are related to subjective factors such as a feeling of belonging or team relationships. Leaders
Authentic leadership play a role in facilitating less tangible factors that impact on job satisfaction such as fostering a climate of co-operation and respect for each other (Chiva & Alegre, 2009; Lok & Crawford, 2004).

Team performance has been used as a measure that links job satisfaction to productivity in the workplace (Dormann & Zapf, 2001). Team performance is seen as a valid and effective way to evaluate leaders’ effectiveness, with some, for example Hogan and Hogan (2001) claiming that team performance provides a more direct link to performance outcomes than other commonly used measures such as work engagement and job satisfaction (Hogan & Hogan, 2001).

Team performance has become an increasingly important measure for organisations where the complex nature of work requires teams to work together to produce results. The dynamics of teams are impacted by leaders especially in relation to the social processes that contribute to the team working interdependently. Leader can facilitate a positive group experience so the team achieves a sense of purpose and overall well-being.

Measures of team effectiveness often include measures of the team social processes and group experience; along with actual results specific to the team such as project completion or client satisfaction. The latter is more effectively measured by using external feedback from those using the service rather than by self-report measures (Wageman, Hackman, & Lehman, 2005).

Leadership theorists have attempted to link their particular theory or style of leadership to outcomes that are relevant for organisations. For example transformational leadership and ethical leadership have been related to higher levels of organisational commitment, follower satisfaction with supervisor, and OCB (Brown, et al., 2005; Judge & Piccolo, 2004; Lowe, Kroeck, & Sivasubramaniam, 1996; Piccolo, Greenbaum, den Hartog, & Folger, 2010). Charismatic leadership has been linked to a number of outcomes including reverence for leader and group task performance (Conger, Kanungo, & Menon, 2000).
Authentic leadership

In recent years there has been an increasing focus on positive organisational outcomes. Measures of absenteeism and withdrawal behaviours have been supplemented with measures such as work engagement, OCB, and employee and organisational well-being. The shift to positive measures indicates an increasing awareness that a large and complex range of factors impact on business results and that the organisations themselves play a role in the well-being of their employees, their community and society as a whole (Seligman, 2002).

The shift to positive measures has created a surge in interest in the links between effective leadership and factors that contribute more to the general well-being of employees rather than simply organisational performance and commitment measures. These measures include employee happiness and well-being (Fisher, 2010). Well-being, also described as subjective well-being, has been defined as “a person’s cognitive and affective evaluations of his or her life…subjective well-being includes experiencing pleasant emotions, low levels of negative moods, and high life satisfaction” (Diener, Lucas, & Oishe, 2002, p. 63).

The increasing interest in subjective well-being and the achievement of meaning through work is the focus for researchers such as Karakas (2010) and Turner, Barling and Zacharatos (2002) as well as for people in general. When work is such a big part of peoples’ lives, researchers and organisations alike need to take note of the importance of well-being as a work-related outcome and specifically the impact that leaders have on people’s well-being.

As stated earlier, much of the research on leadership has been generated by an interest in the outcomes of effective leadership. This in turn has led to interest in developing effective leaders, and leadership theory has encompassed leadership development as a critical aspect of theory development.

While there may still be some debate about whether leaders are born or made, the evidence supports that it takes both to make successful leaders (Arvey, Rotundo, Johnson, Zhang, & McGue, 2006; Avolio, Rotundo, & Walumbwa, 2009; Dvir, Eden, Avolio, & Shamir, 2002; Popper & Mayseless, 2007). The large organisational investment in leadership development is driven by a belief
that ‘leaders can be made’ and investment in development will result in more effective leaders and outcomes important to organisations.

1.3 Leadership development

The research suggests the investment in leadership development pays off. For example one meta-analytic study of 200 interventions showed a 66 percent chance of positive outcomes across affective, behavioural, or cognitive dimensions for task performance, self-efficacy, follower job satisfaction and extra effort (Avolio, Reichard, Hannah, Walumbwa, & Chan, 2009). Leaders benefit from the investment in their development and the organisation benefits through impacts such as increased organisational commitment; while being able to use development as a strategy to attract new talent and for succession management (Blau, Merriman, Tatum, & Rudmann, 2001; Conger & Fulmer, 2003; Ready & Conger, 2007).

A large amount of the investment in development has been in the individual leader (Riggio, 2008). However in recognition of the complex interaction between leaders, followers and the context within which they operate, a number of researchers, including Day (2000), and Hannah & Lester, (2009) make the distinction between leader development and leadership development (Day, 2000; Hannah & Lester, 2009).

The leader development approach focuses on the individual and the knowledge, skills and abilities associated with formal leadership roles. Leader development initiatives tend to involve working with individuals to build their capacity and potential, focusing on developing competence in aspects such as self-awareness, self-regulation, and self-motivation (Day, 2000).

Leadership development is about the collective leadership capacity of the organisation. It involves leadership processes and how leaders interact across the organisation. It focuses on leaders’ social awareness and social skills for networking and building relationships so as to enhance co-operation and encourage the sharing of resources (Avolio, Sosik, Jung, & Berson, 2003; Day, 2000; Riggio, 2008).
Authentic leadership

The complexities of the current day organisational environment mean an integration of the two approaches is more likely to achieve results than if development focuses solely on the individual (Day, 2000; Riggio, 2008).

The methods available for leadership development range from those less integrated into the work environment, such as 360° feedback and classroom training, to the tools that are part of the everyday work environment. The latter includes work assignments and action learning where real work projects are complemented by team review and evaluation processes including self-reflection for learning and growth.

A strength based approach to leadership development is a feature of positive approaches to leadership with leadership development moving away from attempts to fix the leaders’ weaknesses and instead focusing on the strengths of leaders. The aim is to create a shift in performance from ‘good to great’ (Cameron, Dutton, & Quinn, 2003; Collins, 2001). The strength based approach also looks at dualities where leaders may “overdo” a particular behaviour and “under do” a related behaviour and encourages leaders to level out this imbalance (Kaplan & Kaiser, 2003).

While research may focus on what is the best intervention method or what style of leadership needs to be developed, Day, (2000) suggests that leadership development is less about the tools that are used and more about consistent and intentional implementation. He and others in the field, for example Riggio (2008), recommend leadership development be linked across organisational levels and linked by an overall developmental purpose that aligns with the company’s mission and strategic goals (Day, 2000; Riggio, 2008).

Working strategically across organisational levels to provide leadership development requires the organisational environment to be supportive, to foster a learning culture and to involve leaders in the process of developing leaders (Crossan, Lane, & White, 1999; Mazutis & Slawinski, 2008).

While the individual may have the capability and the motivation to lead, they also need to be supported by their organisation through the provision of development opportunities, facilitating experiences and exposure to role models.
Authentic leadership
(Popper & Mayseless, 2007). The organisation plays a critical role in facilitating, fostering and supporting leadership development.

1.4 Leadership and the organisational context

The organisational context provides the setting for organisational performance. The culture of the organisation is a significant part of this context and has been implicated as a moderator of performance. This has created a focus on how a positive climate can enhance organisational outcomes.

Leadership research suggests that there is a reciprocal effect between culture and leadership, even to the extent that organisations are seen by some as a reflections of their top managers' knowledge, experience, values and preferences (Mazutis & Slawinski, 2008). Leaders are an integral part of the system. They shape it and are shaped by it (Avolio & Gardner, 2005).

The power of leaders to influence culture comes from a range of factors including the authority granted to the leaders’ role and the processes through which leaders model the behaviours that then become part of the culture of the organisation. Different types of organisations with have different structures, symbols and perspectives on the role of the leader and the authority the role is given (Bass, 1990).

The interactive dynamic role the context plays requires that it is incorporated into research on leadership and leadership development. On one hand the context can sustain a particular style of leadership; it can support leadership development and play a major role in building the collective leadership capability. On the other hand leaders play a key role in whether the context is positive, inclusive, and ethical and fosters the development of leaders (Vera & Crossan, 2004).

In essence leadership theory has integrated the organisational context into different perspectives on leadership while at the same time focusing on the practical perspective that leadership needs to be linked to relevant organisational outcomes. This has led to a strong interest in leadership development and from a financial perspective a large investment in
Authentic leadership development interventions. Meanwhile, at a time when organisations and leadership researchers are challenged to respond to the volatile and dynamic environment within which leadership resides, new theories of leadership have emerged. The next chapter introduces authentic leadership and will start by exploring the theoretical underpinnings of the theory; positive psychology and authenticity and move on to look at authenticity and leadership.
2 Chapter Two - Authentic leadership: Key Concepts

Significant corporate scandals and the positive psychology movement provided the background and impetus for Luthans and Avolio (2003) to develop their theory of authentic leadership. The scandals have taken down large corporate entities which were previously seen as solid and reliable, such as Enron, Freddie Mac and Fannie Mae, Peter Lehman Brothers, and have resulted in an unprecedented financial melt-down impacting the world’s economies.

The proponents of authentic leadership theory propose that positive leadership is needed to provide the direction and the optimism to overcome negative world events. They suggest the field of positive psychology and positive organisational behaviour (POB) in particular, provide a theoretical basis for their process model of authentic leadership development in organisations (Luthans & Avolio, 2003).

2.1 Positive psychology

The field of positive psychology and the related field of POB have pioneered a shift from ‘pathology to the positive’ and, without replacing previous bodies of research, have engineered a new paradigm and a growing body of research based on science and empirical enquiry (Luthans & Youssef, 2007; Seligman, 2002; Seligman & Csikszentmihalyi, 2000).

Positive psychology requires a different perspective than the pathology model and poses different questions; it moves the focus to understanding and building on human strengths; what makes people grow and flourish rather than focusing on attempts to fix weaknesses (Avolio, Gardner, Walumbwa, Luthans, & May, 2004; Seligman, 2002).

From this perspective psychology explores concepts that contribute to growth and happiness and includes concepts such as well-being, meaningfulness and satisfaction; and characteristics and talents such as optimism, hope, faith, resilience, self-esteem and morality (Cameron, et al., 2003; Seligman, 2002).

Drawing from positive psychology, the study of POB creates a new look at peoples’ behaviour in organisations with a focus on capabilities that can be
Authentic leadership developed and measured based on outcomes such as well-being and satisfaction (Cameron, et al., 2003; Luthans & Avolio, 2009). The field overlaps and studies many of the same concepts as positive psychology and is defined as

the study and application of positively oriented human resource strengths and psychological capabilities that can be measured, developed and effectively managed for performance improvement in today’s workplace (Luthans & Church, 2002, p. 59).

2.1.1 Positive approaches to leadership

Leadership theory has now drawn on positive psychology and encompassed the POB criteria into new theory development. Many of the concepts explored in positive psychology and/or POB have been identified as having links to effective leadership and individual and organisational outcomes. For instance concepts such as self-esteem, self-efficacy, hope, resilience, and optimism have been identified as characteristics of effective leaders.

Charismatic, transformational and ethical leadership are acknowledged as positive leadership approaches. However, Luthans and Avolio (2003) claim that positive leadership is not well understood and the developmental processes of positive leadership are under-researched in both the leadership and positive psychology fields. They attempt to address this by providing their framework of authentic leadership development.

Luthans and Avolio’s (2003) model of authentic leadership development moves away from the negative connotations of traditional psychology. It looks at the positive emotions and positive ethical climate, provides a focus on the moral perspective of leadership and is grounded in leadership development and the leader follower relationship.

The view taken by authors, such as Luthans, Avolio and Gardner, is that authentic leadership goes beyond other positive approaches to leadership. They propose the concept of authenticity needs to be a root construct to leadership theories that come under the umbrella of positive approaches to leadership (Avolio & Gardner, 2005; Luthans & Avolio, 2003).
One example of authenticity being used as a root construct to another theory is where the transformational leader is also described as an ‘authentic transformational leader’ (Bass & Steidlmeier, 1999). Essentially, the need to qualify positive leadership theories such as transformational or charismatic theories by including ‘authenticity’ indicates that their current conceptualisations may not be a sufficient explanation of the positive approach to leadership.

One view provided by Walumbwa, et al. (2008) is that without defining positive forms of leadership as also authentic, there is the potential for the leader to be manipulative and not work in the best interests of others (Walumbwa, et al., 2008). Leaders acting in their own self-interest have resulted in organisations losing credibility with negative financial implications for stakeholders as well as personal costs to people’s well-being.

Authentic leadership is described as more generic than other theories. While leaders need to demonstrate the essential components of authentic leadership, they can take on other positive leadership styles such as transformational, charismatic, servant or spiritual (Avolio & Gardner, 2005).

Authentic leaders are not differentiated by a particular style of leadership but by a genuine desire to serve others, and focus on actions that reflect their personal values. These characteristics are claimed to underlie any style they may take on and what makes authentic leadership essentially different from other theories. Authentic leaders are not necessarily focused on change as is the transformational leader; whereas charismatic leaders are focused on words authentic leaders is focused on actions (Avolio & Gardner, 2005).

Authors in the field of authentic leadership, such as Luthans, Avolio, Gardner and Ilies, state that the stressors facing organisations requires a renewed focus on genuine authentic leadership. Their claim is that leadership that includes authenticity will help people to find new meaning through work and to develop their trust and commitment to organisations; commitment to organisations where leaders have worked to foster positive emotions and provide a positive organisational climate (Avolio, et al., 2004; Ilies, Morgeson, & Nahrgang, 2005; Luthans & Avolio, 2003; May, Chan, Hodges, & Avolio, 2003).
Before the review moves on to explore these claims in more depth in later chapters, it is important to examine the concept of authenticity which underpins authentic leadership theory.

2.2 Authenticity

Authenticity is an ancient idea. The Greek philosopher, Socrates (469 - 399 B.C.) called on us to “know thyself” and in Shakespeare’s Hamlet the admonishment by Polonius to his son Laertes “to thine own self be true” is perhaps one of the most famous references to authenticity.

Essentially these phrases capture the spirit of authenticity, which is defined as “owning one’s personal experiences, be they thoughts, emotions, needs, preferences or beliefs…expressing oneself in ways that are consistent with inner thoughts and feelings” (Harter, 2002, p. 382).

While the notion of authenticity has an impressive and lengthy history up to this point there had not been a single coherent body of literature or research on the concept. Historically the concept of authenticity has evolved from the time of the Greek philosophers to reflect many of the issues that were current for their time. From the 16th century, with increasing social pressures, there were concerns about deceit and pretence compromising the true self. The theme of self-deception spanned the Puritan period of the 17th century and the 19th century repressive Victorian era, where living up to the standards was hard. Later, Freudian psychology made people aware of unconscious thought and that the true self may be inaccessible even to the person themselves. In the 20th Century views changed to the idea that people are able to access their true self through rational thought. The focus was on how cultural constraints and socialisation might create barriers to authenticity, and how people became alienated from their true self by constructing images of themselves to gain the approval of others (Harter, 2002).

The multiple roles that the modern person must play makes it difficult to feel confident about one’s true identity and be true to the self, raising questions about whether authenticity is indeed possible (Harter, 2002). However it is proposed that a coherent and authentic self can be pulled together by creating a
self-narrative, or life-story that connects events and creates meaning for the person (Harter, 2002; Shamir & Eilam, 2005; Sparrowe, 2005).

Common understandings about authenticity are evident through language usage. From a positive perspective individuals can describe authenticity with expressions such as “saying what you really think”, “telling someone your true feelings”, and “being honest with yourself.” The positive psychologists describe authenticity with words such as genuine, reliable, trustworthy, real and veritable. As a psychological construct, authenticity is more likely to be defined by the lack of authenticity and focus on deceit, secrecy, self-monitoring and self-deception (Harter, 2002). People can describe the feelings of dissonance experienced when they are being inauthentic; so self-reports are seen as an effective way of measuring authenticity (Harter, 2002).

More recent developments come from the field of psychology where studies have been carried out by a number of psychologists including Deci and Ryan (2000); and Kernis (2003) who defines authenticity as “the unobstructed operation of one’s true, or core self in one’s daily enterprise” (Kernis, 2003, p. 13).

Theoretical perspectives on self-determination and research on self-esteem represent important developments. A key aspect of self-determination theory or ‘autonomous self-regulation’ is the self-regulating process is internally driven rather than based on the needs and demands of others. The theory suggests that authentic individuals are guided by internal values and will behave in line with these rather than simply adhering to external social expectations which might be ethical but not necessarily authentic (Deci & Ryan, 2000).

The self-referential nature of authenticity is in contrast to the external focus of self-monitoring theory. Self-monitoring and impression management are often described in relation to authenticity in the sense that high self-monitors can be seen as inauthentic. High self-monitors (HSMs) pick up cues from the environment and behave to impress others (Gangestad & Snyder, 2000). Low self-monitors (LSMs) use contextual cues but do not use them to adjust their behaviour or develop their awareness. Authentic persons or leaders use
Authentic leadership

external cues, but in contrast to self-monitors use these to reflect on themselves and to draw on the range of behaviours that are appropriate for them. This means they can be true to themselves in the particular role that is required or activated (Chan, Hannah, & Gardner, 2005).

The way the authentic person uses external cues is important to understanding authenticity. The self-referential nature of authenticity does not necessarily require authentic persons to always act the same way or to ignore social cues or act undiplomatically. Rather they act appropriately for the situation based on their values and beliefs.

Leadership literature refers to the attempts to impress others and the relationship between leadership and impression management, which at times is seen as necessary for leadership (Bass & Steidlmeier, 1999). Those in close contact with leaders, such as direct reports are less likely to be taken in and rate their leaders accordingly; the literature suggests that over time people will be revealed as inauthentic (Bedeian & Day, 2004; Day, Shleicher, Unckless, & Hiller, 2002).

Psychology researchers make a strong link between authenticity and self-awareness, self-concept clarity, and self-certainty each of which is seen as a pre-requisite to authenticity and show positive relationships with high self-esteem, extraversion and positive affect (Goldman & Kernis, 2002; Kernis, 2003).

Extensive research identifies that authenticity is linked to physical and psychological wellbeing and Kernis’ (2003) developmental model of authenticity links ‘optimal’ rather than fragile levels of self-esteem with authenticity. The research also suggests that authentic individuals are more able to form transparent, open and close relationships with others (Deci & Ryan, 2000; Goldman & Kernis, 2002; Kernis, 2003).

The psychological perspective put forward by Kernis (2003) is described as a developmental model with a focus on developing the self-awareness of individuals. The process of developing authenticity is seen as ongoing and that
a person is neither totally authentic, nor totally inauthentic but achieves ‘relative’ levels of authenticity (Chan, et al., 2005; Harter, 2002).

The research that links authenticity and optimal self-esteem identifies the four components that make up authenticity as awareness, unbiased processing, authentic behaviour, and authentic relational orientation. These four components provide a solid basis for research and measurement (Goldman & Kernis, 2002; Kernis, 2003).

Goldman and Kernis (2003) propose that the concept of authenticity requires a moral component to ensure the person or leader works in the best interests of others (Goldman & Kernis, 2002; Kernis, 2003). In contrast there are other perspectives on authenticity such as those by Sparrowe (2005) and Shamir and Eilam (2005) that do not incorporate the moral component. Instead they consider morality is not derived directly from the concept of authenticity, and they suggest that being authentic is ethically neutral and simply about being true to the self. This perspective questions whether it is a good thing to be authentic when the person has a dysfunctional personality (Shamir & Eilam, 2005; Sparrowe, 2005).

Gardner, Avolio and Walumbwa (2005) agree with Goldman and Kernis in arguing that a low level of moral development is inconsistent with the dimensions of self-awareness and self-acceptance and the capacity for self-reflection that are required for a true understanding of the self, and that these are all elements of being authentic (Gardner, Avolio, & Walumbwa, 2005a).

### 2.2.1 Authenticity and leadership

The transition from authentic person to authentic leader is explained by processes whereby the person begins to integrate the leader role into their identity. The idea of the working self-concept proposes that specific individuals integrate the leadership role into their identity. The working self-concept, or identity, involves a complex interaction of the self-system where the person stores information and categorises self-concepts, including information about different roles significant to them, such as the role of leader (Lord & Brown, 2004). It is proposed the authentic leader has an increased capacity to activate
Authentic leadership

and implement their working self-concept through self-reflection and self-regulation processes that are fundamental to authenticity (Chan, et al., 2005).

Four key characteristics are said to distinguish authentic from inauthentic leaders. The characteristics are: the salience of the leadership role to their self-concept; the level of self-concept clarity which is centred on strongly held values and convictions; goals that are consistent with the self-concept; and consistency between the leader’s behaviour and their self-concept. Authentic leaders internalise their convictions and develop their own viewpoint through personal experience. Shamir & Eilam (2005, p.397) assert that “authentic leaders are originals not copies” (Shamir & Eilam, 2005).

Authenticity is important to leadership because it contributes to the leader’s self-esteem and sense of well-being and to the self-esteem and sense of well-being of those associated with the leader (Ilies, et al., 2005).

Authentic leadership theory presents the view that incorporating authenticity into a theory of leadership will lead to these and other positive outcomes and will protect organisations from unethical behaviour that has impacted negatively in the past. Leaders who are also authentic would form transparent, open relationships, and act in line with their internal values and beliefs that are based on high moral standards (Luthans & Avolio, 2003). There is no certain remedy but authentic leadership is a tantalizing prospect that warrants further investigation.

By drawing on sound theoretical understandings of authenticity provided by the psychological research, authentic leadership is developing its own theoretical basis and grounding for measuring and validating the concept.

The recent psychological conceptualisations of authenticity that include the four components of: self-awareness; unbiased processing; authentic behaviour; and authentic relational orientation; have been used to define and measure the concept of authentic leadership. However the links between authentic leadership and the concept of authenticity extend beyond these four key components. Each of the other aspects of authenticity is incorporated into the
concept of authentic leadership. These are: a moral perspective; a development focus; and open transparent relationships.

In summary, the theory of authentic leadership has been based on authenticity, a researched and validated concept; and has drawn on POB with its fundamental philosophy of research, measurement and performance outcomes. Given the claims for significant benefits to organisations and to individuals, the theory of authentic leadership needs to demonstrate that it has a strong theoretical basis grounded in established theoretical concepts and empirical studies. This requires evidence that authentic leadership can produce outcomes that matter to organisations. It requires that authentic leadership can be defined and measured, that it can be differentiated from other leadership theories and can show that authentic leaders can be developed within an organisational context (Cooper, Scandura, & Schriesheim, 2005).

The next chapter will examine the key concepts of the theory, including some aspects that have caused some debate.. Outcomes that are linked to authentic leadership will be examined along with a review of the development and the testing of a measure of authentic leadership. The part the organisational context plays in authentic leadership will be reviewed. Later chapters will consider the literature on followership and authentic leadership development.
Chapter Three – Authentic leadership: Key concepts

3.1 Defining authentic leadership

The definition of authentic leadership (refer to the introduction in Chapter one) recognises the key aspects that make up authentic leadership theory: its basis in positive psychology; the emphasis on the leader follower relationship; the focus on both the leader and follower development; and importantly the definition maintains the moral component as a critical aspect of authentic leadership.

The four constructs of authenticity are placed at the centre of the definition. These four constructs that make up authentic leadership were originally identified by Ilies et al. (2005) as self-awareness, unbiased processing, authentic behaviour/acting and authentic relational orientation. Based on developments in the theory the constructs were modified to five distinct components of self-awareness, relational transparency, balanced processing of information, internalized\(^1\) regulation (i.e. authentic behaviour) and positive moral perspective (Avolio & Gardner, 2005; Gardner, Avolio, Luthans, May, & Walumbwa, 2005; Gardner, Avolio, & Walumbwa, 2005b; Walumbwa, et al., 2008).

The concepts of “internalized regulation” and “positive moral perspective” were later integrated to become “internalized moral perspective” to reflect the overlap between the two constructs. The overlap was identified as part of the process of item development for the measure of authentic leadership where people were unable to distinguish between the two constructs (Walumbwa, et al., 2008). The concept of unbiased processing was also renamed to become balanced processing to reflect the research from cognitive psychology that humans are biased processors of information. Authentic relational orientation was renamed relational transparency as it was seen to better reflect the meaning of the term; the open and transparent sharing of information between authentic leaders, followers and others close to them (Avolio & Gardner, 2005).

\(^1\) use US spelling in line with name of construct
Authentic leadership

The core tenets of authentic leadership as originally proposed by Luthans and Avolio (2003) were that authentic leadership is based on positive leadership and a positive organisational climate. Authentic leadership involves self-awareness and self-regulated behaviours; it involves a leader follower relationship; and it has a strong focus on the development of both the leader and the follower. The authentic leader demonstrates characteristics or psychological capabilities identified as confidence, hope, optimism and resilience, while at the same time the leader is transparent, moral and focused on the future (Luthans & Avolio, 2003).

As the theory evolved there was debate over several aspects of Luthans and Avolio’s (2003) view of authentic leadership, firstly in relation to the inclusion of psychological capabilities as part of the definition of authentic leadership, and secondly in relation to the moral component. For instance Cooper et al.’s (2005) criticism states that the definition covers “traits, states, behaviours, contexts and attributions. Moreover, the observers or perspectives involved vary from the leader, to followers … to possibly additional observers” (Cooper, et al., 2005, p. 478).

The definition was seen as too broad, could lead to multiple conceptualisations of the same construct and would pose serious measurement problems (Cooper, et al., 2005).

Other researchers such as Ilies et al. (2005), Shamir and Eilam (2005) and Sparrowe (2005) were more concerned that the Luthans and Avolio’s (2003) definition diluted the authenticity component of authentic leadership so they moved to use the theoretical concept of authenticity as the basis on which to build the theory of authentic leadership. The shift from the positive psychological capabilities to the theoretical concept of authenticity was seen as necessary to address the issue of a theory of authentic leadership that did not incorporate the core components of authenticity (Ilies, et al., 2005; Shamir & Eilam, 2005; Sparrowe, 2005).

Supporting Ilies et al.’s view Walumbwa et al.(2008) confirm the four components of authenticity (with the revisions noted above) as central to authentic leadership, making them the core of their definition and the
measurement of authentic leadership (Ilies, et al., 2005; Walumbwa, et al., 2008).

Walumbwa et al. (2008) state that positive psychological capabilities are both antecedents and outcomes of authentic leadership but not inherent in authentic leadership, but they do not incorporate them into their measure of authentic leadership (Walumbwa, et al., 2008).

Reviewing the various perspectives, it appears that although psychological capabilities may play a part in developing the moral component of leaders they do not add to the understanding of authentic leadership or appear to be essential components of the theory. Incorporating psychological capabilities into the definition and measurement of authentic leadership leads to the misunderstandings and measurement difficulties as cited by Cooper et al. (2005) where there are multiple conceptualisations of the same construct.

3.2 The moral component of authentic leadership

The second area of debate is the inclusion of the moral component to authentic leadership. The ‘life-stories’ and ‘narrative’ approaches put forward by Shamir and Eilam (2005) and Sparrowe (2005) do not incorporate a moral element into their perspectives on authentic leadership. Shamir and Eilam (2005) state that they do not include anything about the leader’s values or convictions or stipulate that leaders need to attain a high level of moral development as they consider morality is not derived directly from the concept of authenticity (Shamir & Eilam, 2005; Sparrowe, 2005).

Shamir and Eilam’s (2005) and Sparrowe’s (2005) views are not shared by other theorists particularly Walumbwa et al. (2008) and Avolio and Gardner (2005) who reinforce the moral component of authentic leadership by rejecting perspectives that do not include a moral component in their conceptualisations of authentic leadership. They stress that the authentic leader must be of high moral character (Walumbwa, et al., 2008).

The fear is that by not including a moral element, leaders with psychological dysfunctions could be “true to the self” (Gardner, Avolio, et al., 2005b, p. 395); while acting in their own self-interests rather than in the interests of others. To
Authentic leadership ensure this does not happen, Gardner, Avolio et al. (2005a) use Burns
description of transformational leaders in reference to authentic leaders as
"leaders leading based on their 'end values' of justice and liberty, [and this]
disqualifies all narcissistic leaders throughout history as satisfying our definition
of authentic leadership" (Burns as cited in Gardner, Avolio, et al., 2005a, p.
396).

The theorists do not want leaders such as Hitler, Pol Pot or Idi Amin included as
authentic leaders. These leaders may have been acting on their deeply held
beliefs and convictions, no matter how distorted these were, but definitely not by
the values of justice and liberty or in the best interests of others.

Most current conceptualisations of authentic leadership place the moral
component firmly at the centre of the theory, although the inclusion of morality
into a leadership theory is not unique to authentic leadership. For instance there
are references to the transformational leader being of high moral character;
however morality was not part of the original theory.

The need to qualify the transformational leader as either authentic or inauthentic
suggests there is a difference in emphasis in comparison to authentic
leadership where morality plays a central role. The perspective that “even the
authentic transformational leader may need to be manipulative at times for what
they judge to be the common good” (Bass & Steidlmeier, 1999, p. 186)
suggests that high moral/ethical intention is not considered as essential to
transformational leadership.

Ethical leadership potentially is more aligned to authentic leadership but on
closer examination there are differences. As might be expected ethics and
morals form the core of for the theory of ethical leadership the theory which
identifies two key components; the moral person and the moral manager.
Ethical leadership is defined as “the demonstration of normatively appropriate
conduct through personal actions and interpersonal relationships, and the
promotion of such conduct to followers through two-way communication,
reinforcement, and decision-making” (Brown, et al., 2005, p. 120).
Authentic leadership

In contrast to authentic leadership, ethical leadership takes a transactional focus that involves using rewards and discipline to encourage followers’ ethical conduct. Authentic leadership includes ethical behaviour but also includes critical elements of self-awareness, not included in ethical leadership. Authentic leadership theory is based on authenticity which requires a self-referential component rather than the reference to external social cues which are a part of ethical behaviour (Brown, et al., 2005; Walumbwa, et al., 2008).

3.3 Authentic leadership: The current perspective

As with any relatively new theory there have been divergent views and debate on the components that make up authentic leadership. However as the theory has evolved the thinking on authentic leadership has been consolidated and the definition revised (Walumbwa, et al., 2008).

The concepts that make up the current perspective are now in place and require some further explanation. These concepts are outlined in the following sections of this chapter and cover how the psychological capabilities fit the theory, the key aspects of self-awareness and self-regulation, and the four constructs of internalized moral perspective, relational transparency, balanced processing, and self-awareness. Outcomes, measures and the organisational context will be examined in the latter half of the chapter.

Walumbwa et al. (2008) summarise the four key propositions that encapsulate the current view of authentic leadership as

- positive psychological capacities foster the development of authentic leaders but are not inherent components of authentic leadership
- self-awareness and the self-regulatory processes reflected in an internalized moral perspective, balanced processing and relational transparency are seen as core components of authentic leadership
- authentic leadership reflects an interactive authentic relationship that develops between the leader and follower
• the theory and definition recognise the importance of leader and follower development to authentic leadership (Walumbwa, et al., 2008, p. 95).

3.4 Psychological capabilities

The psychological capabilities and the ability to develop the psychological capabilities is a principal aspect of the original framework that Luthans and Avolio (2003) propose for authentic leadership development in organisations. The framework suggests that the psychological capabilities are important antecedents to self-awareness and self-regulation. They provide the leader with a positive perspective that enables them to transform critical life events into positive growth opportunities.

The theory has evolved so the psychological capabilities are still seen to be a component of authentic leadership but rather than being central to it and part of what defines authentic leadership they play a role in fostering authentic leaders’ positive perspective on life events and supporting leaders to sustain authentic and moral actions (Gardner, Avolio, Luthans, et al., 2005).

The early literature on authentic leadership by Luthans and Avolio (2003) refers to specific research that suggests the core attributes of confidence (efficacy), hope, optimism and resiliency, are all able to be developed. These psychological capabilities have been linked together and measured under the latent construct psychological capital (Luthans, Avolio, Avey, & Norman, 2007).

Each of the psychological capabilities has previously been defined and measured within positive psychology or under the umbrella of POB with evidence that each contributes to leader effectiveness and work related performance (Bandura, 2001; Coutu, 2002; C. Peterson, 2000; S. J. Peterson & Luthans, 2003).

The ability to develop the psychological capabilities is important to authentic leadership theory as one of the aims is to develop more leaders with a positive leadership approach. Each of the capabilities is described below as they do play a role in the theory albeit a more minor one than was originally proposed.
Confidence, better known from social cognitive theory as self-efficacy has built up an extensive empirical base. The basic premise of self-efficacy, as described by Bandura (2001), is that the person’s belief in what they can do, will determine what challenges they undertake, how much effort they will put in, and how long they will persist when coming across obstacles. Social cognitive theory suggests that individuals actively shape their environment and that cognitive capabilities facilitate the accomplishment of goals through symbolizing, forethought, observation, self-reflection, and self-regulation (Bandura, 2001; Maddux, 2002).

Optimists are people who look on the bright side, who expect good things to happen. An optimistic person is more likely to believe they had a part to play when the outcome is successful, but when the results are disappointing will tend to blame outside circumstances. Optimists have positive expectations so are motivated to strive toward their goals, and cope with adversity (Carver & Scheier, 2002).

Resilience is about being able to modify responses, or adapt positively to situational demands, especially when facing stressful challenges and adversity. Resilience implies that the person will hang in there and continue to try different alternatives despite adverse circumstances. The resilient person can rebound from adversity to be more capable and resourceful than they were before the event (Masten & Reed, 2002; S. J. Peterson, Walumbwa, Kristin, & Jason, 2009).

Hope involves two key components that are interactive, pathways and agency. A person with hope has the ability to come up with a plan (pathway) to achieve their goal and will be motivated (agency) to put the plan in place. A definition of hope includes the two components of pathways and motivation, “hopeful thought reflects the belief that one can find pathways to desired goals and become motivated to use those pathways (Snyder, Rand, & Sigmon, 2002, p. 257).
3.5 Self-awareness and self-regulating processes

The key focus on leader and follower development is taken up by Gardner et al. (2005) who explain the ‘self-based’ model of authentic leader and follower development drawing on the literature on the self and identity. The (self-based) model examines the role that self-awareness and self-regulating processes, and positive modelling play in achieving authenticity in both the leader and followers and in turn how these contribute to the well-being of both the leader and follower (Gardner, Avolio, Luthans, et al., 2005).

Self-reflection is seen as part of the process of achieving greater self-awareness and facilitates leaders becoming clear on their values, identity, emotions and motives or goals. Self-awareness as originally defined represents an attention state where individuals direct their conscious attention to some aspect of the self; the self-perception can be accurate or inaccurate (Duval & Silvia, 2002).

The process of self-reflection and self-regulation is the essence of growth and development as it suggests that the person not only reflects on their values and beliefs but acts on the discrepancies to regulate his or her way of thinking and behaving (Luthans & Avolio, 2003).

According to Gardner et al. (2005) it is through becoming more self-aware the leader becomes more authentic

by learning who they are and what they value authentic leaders build understanding and a sense of self that provides a firm anchor for their decisions and actions and ......a more authentic self (Gardner, Avolio, Luthans, et al., 2005, p. 347).

The knowledge of self provides a basis for consistent and authentic behaviour. The description of the authentic self is based on the theoretical conceptualisations of authenticity identified as internalized regulation, balanced processing of information that informs self-development, relational transparency and authentic behaviour.

A significant proposition of authentic leadership is that self-regulation is internally driven rather than being based on external forces or expectations and
leads to adjustments in behaviour to align with internal standards and values. This supports the basic assumptions of authenticity and the basis in self-determination theory that the person is not swayed by others expectations (Gardner, Avolio, Luthans, et al., 2005).

3.6 The four constructs

The four constructs that make up authentic leadership were originally derived from the concept of authenticity and have been slightly revised based on later theory developments. Each of the constructs is described in greater detail below.

3.7 Internalized moral perspective

*Internalized Moral Perspective* is described as being unique to each individual and a guide to regulate behaviour so the behaviour aligns with the person’s moral standards. An important aspect of internalized moral perspective is that the individual uses their values and beliefs to guide their behaviour even when challenged and placed under stress by external pressures.

The concept of an internalized moral perspective is seen by key researchers as central to authentic leadership (Chan, et al., 2005; Gardner, Avolio, Luthans, et al., 2005; Ilies, et al., 2005; Luthans & Avolio, 2003; May, et al., 2003; Walumbwa, et al., 2008). It was a key driver for developing the theory on authentic leadership with numerous references to the seeming absence of these qualities in leaders who had oversight of the corporations rocked by corporate scandals and financial collapses (Luthans & Avolio, 2003).

Without a moral and ethical perspective the theory is less distinguishable from other theories on leadership. The risk with the perspective provided by Sparrowe (2005), and by Shamir and Eilam (2005), is that the leader will act in their own interests, be a charismatic personality who has a self-serving bias, rather than act in the best interests of others (May, et al., 2003). For this reason authentic leadership theory includes the provision that authentic leaders act in the best interests of other, according to May (2003, p.253) “authentic leaders have a highly developed sense of how their roles as a leader carry a
responsibility to act morally and in the best interests of others (May, et al., 2003).

By stipulating that authentic leaders act in the best interests of others authentic leadership excludes the personalized style of charismatic leadership that has been described as ego-based and having a self-interested orientation with the potential for negative effects (Conger, 1990).

3.8 Relational transparency

Relational Transparency refers to the person's ability to reveal their true feelings and beliefs to others. The authentic leader conveys their values, aspirations and weaknesses in an open and transparent way. What they say is what they really mean, and there is no attempt to create an image just to impress others. Trusting relationships are built on the basis of the authentic leader's self-disclosure and expressing true feelings.

It is through the relationships and interactions with others that leaders' authenticity is observed by followers, making it an essential element in the process of building credibility and trust. The link between relational transparency and trust is in consistent (repeated) interactions that earn the confidence of followers and also by building the assumption that the leader and followers have shared values (Ilies, et al., 2005; May, et al., 2003; Walumbwa, et al., 2008). This involves the authentic leader “openly sharing information and expressions of one’s true thoughts and feelings while trying to minimize displays of inappropriate emotions” (Walumbwa, et al., 2008, p. 95).

The descriptions of relational transparency indicate there are three key aspects to the construct. Firstly, accepting May et al's (2003) description, relational transparency is used to describe decision making processes where authentic leaders openly share information and their reasoning. Secondly, relational transparency is described in relation to authentic leaders sharing information about themselves and inviting feedback. Thirdly, relational transparency is used to describe the way authentic leaders interacts with others, that is, being open and prepared to disclose their feelings.
Authentic leadership

Relational transparency stands in contrast to the notions of high self-monitoring or the concept of impression management where the person uses social cues to determine how they can manipulate their behaviour to impress others. Both transformational and charismatic leaders are said to use inspirational appeals, dramatic presentations and other forms of impression management in their role to transform or to inspire others to follow a cause. This is a distinguishing aspect of the theory where authentic leaders are said to be more likely to use processes that are based on their character, personal example and dedication and to convey what they represent through actions, not just words (Gardner & Avolio, 1998).

Although authentic leaders build enduring relationships and lead with purpose, meaning and value, they may not be described as charismatic or inspirational by others...the process by which followers internalize their beliefs may be based less on inspirational appeals dramatic presentations, symbolism or other forms of impression management (Walumbwa, et al., 2008, p. 104).

3.9 Balanced processing

*Balanced processing* is essentially about taking on board everyone’s viewpoints and analysing these views before coming to a decision. Others viewpoints may challenge a person’s ingrained and deep-rooted position, but by asking for others views this provides a different perspective that can help with decision-making (Walumbwa, et al., 2008). Balanced processing has also been described as the process of collecting and interpreting information about ourselves, both positive and negative, and this informs personal development (Gardner, Avolio, Luthans, et al., 2005).

The less authentic person with low or fragile high self-esteem may find it difficult to acknowledge personal shortcomings and can engage in ego defence mechanisms (Gardner, Avolio, Luthans, et al., 2005; Kernis, 2003) whereas the authentic leader “does not distort, exaggerate or ignore externally based evaluations of the self nor internal experiences and private knowledge that might inform self-development” (Gardner, Avolio, Luthans, et al., 2005, p. 347).
Balanced processing is the least developed construct in that the definition by Garner et al (2005) focuses on the receipt and use of information about the self while the definition by Walumbwa (2008) is more ambiguous in referring to the unbiased collection and analysis of data for decision making. While Walumbwa et al. (2008) also state that leaders solicit information that might challenge their deeply held positions, they do not state if this refers to information on the self or information relating to the authentic leader’s viewpoint on decisions (Gardner, Avolio, Luthans, et al., 2005; Walumbwa, et al., 2008). This disparity needs to be clarified to ensure a clear understanding of the construct.

### 3.10 Self-awareness

Authentic leadership theory states self-awareness means a person being aware of their strengths and weaknesses. Individuals come to know their values, motives, feelings and thoughts by reflecting on how people respond to them, and by becoming aware of their impact on others (Walumbwa, et al., 2008).

Self-awareness is not an end in itself but a process whereby one comes to reflect on one’s unique values, identity, emotions, goals, knowledge, talents and/or capabilities, oftentimes triggered by external events (Gardner, Avolio, Luthans, et al., 2005, p. 349).

Authentic leadership theory consistently identifies self-awareness as playing a critical role in the development of the authentic leader (Gardner, Avolio, Luthans, et al., 2005; Luthans & Avolio, 2003; Walumbwa, et al., 2008) with some researchers stating that self-awareness is a starting point for interpreting what constitutes authentic leader development. In essence, being aware of one’s motives, feelings, desires and thoughts about who they are provides an essential basis for the leader to act authentically and also to reflect on new information and so to change, develop and grow (Luthans & Avolio, 2003).

The leader’s self-awareness plays a key role in their ability to be transparent with the people they interact with and those they lead; and in their ability to maintain their high moral standards.

Authentic leaders are anchored in their own deep sense of self (self-awareness)…With that base they display internalized moral perspective
and self-regulation by staying their course through difficult challenges and convey to others, oftentimes through actions and words, what they represent in terms of principles, values and ethics (Walumbwa, et al., 2008, p. 104).

This suggests that self-awareness provides a strong foundation so the person is more likely to act consistently and ethically even in situations where they may be challenged or when they face value conflicts based on their own or others values.

Important questions have been raised about the necessity to develop a new construct of leadership in order to understand whether self-awareness is critical to leadership (Cooper, et al., 2005).

3.10.1 Self-awareness and leadership

Cooper et al.’s (2005) comment makes the assumption that self-awareness is recognised by other theories as critical to leadership however while self-awareness is acknowledged as an important aspect of leadership, (Church, 1997; Fletcher, 1997), it is not often measured or singled out as a key construct in most theories on leadership.

A number of studies have supported the link between self-awareness and leadership performance and the potential for promotion to leadership roles (Bass & Yammarino, 1991; Church, 1997; Fletcher, 1997); job satisfaction and performance indicators. In one study, the lack of self-awareness is linked to managerial derailment (Gentry, Hannum, Ekelund, & de Jong, 2007). In the study by Church (1997) managerial self awareness (MSA) was shown to be related to high performing managers, identified as those selected to high potential development programmes, recipients of meritorious awards or independently identified by external consultants as having high potential. Church suggested that the concept of heightened self-awareness is important to leadership, regardless of the theoretical approach (Church, 1997).

Authentic leadership incorporates self-awareness as a construct in the theory and as a factor in the measure of authentic leadership, specifically identifying items to assess levels of self-awareness. When assessing self-awareness in
Authentic leadership

relation to other leadership theories many studies use the difference between self and other ratings through use of multi-source (360°) feedback (Atwater, Ostroff, Yammarino, & W, 1998).

Leadership theories such as transformational and charismatic leadership have used multi-source feedback to link their theory to levels of self-awareness and to other outcomes (Berson & Sosik, 2007; Sosik & Megerian, 1999). In general these and other leadership theories do not include self-awareness as a core construct. References to self-awareness either languish on the periphery or tend to insinuate its importance rather than being placed firmly within as a construct of the theory.

The exception is the recognition of emotional self-awareness in the work on the emotional intelligence (EI). Salovey, Mayer and Caruso (2004) define EI in terms of four branches of ability: to perceive emotions; to use emotions to facilitate thinking; to understand emotions; and to manage emotions in self and others. The ability to perceive emotions aligns to the concept of self-awareness but relates specifically to emotions and not to the wider understanding of self that includes awareness of strengths and weaknesses (Mayer, Salovey, & Caruso, 2004).

. Authentic leadership distinguishes itself from other leadership theories by the fact that each of the critical aspects of the theory make up a unique mix that is not apparent in other theories while transformational and ethical leadership may focus on the moral component they do not incorporate self-awareness into their theories(Bass & Steidlmeier, 1999; Brown, et al., 2005; Walumbwa, et al., 2008); and EI includes self-awareness but not a focus on morals or ethics (Fisher & Ashkanasy, 2000; Goleman, Boyatzis, & McKee, 2002; Muchinsky, 2000). Meanwhile charismatic leadership is more focused on inspiring followers to follow a vision; and self-awareness and a moral focus are only mentioned when the charismatic leader is also described as socialised (Bass & Steidlmeier, 1999).
3.11 Authentic leadership outcomes

Authentic leadership is credited with generating numerous positive outcomes, both organisational and individual. Some of these outcomes are: supervisor-rated performance; organisational citizenship behaviour; organisational commitment; and follower satisfaction with supervisor (Walumbwa, et al., 2008); job satisfaction: empowerment and task engagement (Avolio, et al., 2004); heightened levels of follower trust in the leader; engagement; the development of authentic followers; and workplace and individual well-being (Gardner, Avolio, Luthans, et al., 2005; Ilies, et al., 2005).

Many of these outcomes are common measures for a number of leadership theories with links between managerial performance ratings and charismatic leadership and also EI and transformational leadership (House & Shamir, 1993; Mayer, et al., 2004; Sosik, 2001; Sosik & Megerian, 1999). Organisational commitment has been associated with EI in the leader and transformational leadership (Judge & Piccolo, 2004; Mayer, et al., 2004). Other examples of the outcomes that are associated with authentic leadership and also other theories are higher levels of follower satisfaction with supervisor, and organisational citizenship behaviour which are linked to transformational leadership (refer section 1.2) (Lowe, et al., 1996; Piccolo, et al., 2010).

In line with the recent focus on happiness and general well-being as measures of leadership effectiveness Ilies et al. (2005) make the case that the authenticity of the leader has substantial implications for the meaningfulness of employee’s lives and followers’ eudaemonic well-being (Fisher, 2010; Ilies, et al., 2005).

Eudaemonic well-being is about the worthiness of human life and is a more holistic view of happiness than hedonic well-being which is about approaching pleasure and avoiding pain. Eudaemonic well-being is described as engagement in life challenges and "occurs when one is fully engaged in an activity and existing as one’s true self " (Ilies, et al., 2005, p. 375)

A conceptual framework of eudaemonic well-being proposes that it is made up of six distinct aspects of wellness: purpose in life; personal growth; autonomy;
environmental mastery; self-acceptance; and positive relations with others (Ryff, Keyes, & Hughes, 2003).

The notion that eudaemonic well-being requires the person to reflect on their values and choose activities that allow the values to be expressed fits with the concept of authenticity and the idea that the authentic leader encourages their followers to be authentic. However apart from making a number of propositions and linking authenticity to well-being Ilies et al. (2005) do not provide empirical evidence of this link.

Outcomes that are considered significant measures of leadership effectiveness, for example trust and job satisfaction, are also seen as associated with authentic leadership.

[Authentic leaders] act in accordance with deep personal values and convictions, to build credibility and win the respect and trust of followers by encouraging diverse viewpoints ...and thereby lead in a manner that followers recognize as authentic (Avolio, et al., 2004, p. 806).

The theory claims that the foundations for trust are built on authentic leaders being transparent about their values, aspirations and their weaknesses to their followers. These insights can reveal the similarities between the leader’s and the follower’s values and so deepen the level of trust (Avolio, et al., 2004). The authentic leader develops a relationship with their followers based on trust which in turn has positive implications for performance (Dirks & Ferrin, 2002).

Authentic leadership theory suggests that job satisfaction would be expected to be linked to authentic leadership because job satisfaction is linked to behaviours associated with authentic leadership such as self-determination, high quality relationships (Deci & Ryan, 2000; Ilies, et al., 2005) and ethical behaviour (Brown, et al., 2005).

Importantly job satisfaction is seen as a subset of individual well-being which is consistently linked to authentic leadership in the literature (Fisher, 2010; Judge & Watanabe, 1993; Turner, Barling, & Zacharatos, 2002).
Authentic leadership

Team performance is another measure that is expected to be linked to authentic leadership either directly or indirectly through factors such as job satisfaction and trust (Ilies, et al., 2005). The social identification process where the person comes to identify with the group and feel a sense of pride in belonging to the group is said to be activated by the authentic leader. This process in turn leads to shared values across the group and impacts on the group experience and positive behaviours linked to performance (Avolio, et al., 2004).

Given that authentic leadership is linked to outcomes of follower job satisfaction and team performance the following hypotheses are proposed.

\[ H1: \text{Leaders authentic leadership will be positively correlated with followers' levels of job satisfaction.} \]

\[ H2: \text{Leaders' authentic leadership will be positively correlated with team performance.} \]

Potentially job satisfaction works in conjunction with authentic leadership to impact on team performance or is the mechanism through which the authentic leader impacts on team performance therefore the following hypotheses are proposed.

\[ H3: \text{The relationship between leaders’ authentic leadership and team performance will be moderated by job satisfaction; such that at higher levels of job satisfaction the relationship between leaders’ authentic leadership and team performance will be stronger.} \]

\[ H4: \text{Job satisfaction will mediate the relationship between leaders’ authentic leadership and team performance.} \]

3.12 Measurement

To this point there has been little research to support the contentions made by the various authors and to verify the outcomes credited to authentic leadership; authors such as Luthans, Avolio, Gardner, and Ilies, have explored the literature and put forward propositions at times without testing them, and without providing empirical evidence to support the propositions. For instance, Ilies et al. (2005) use the research on authenticity to substantiate the link between
Authentic leadership and outcomes such as self-esteem or psychological well-being (Goldman & Kernis, 2002; Ilies, et al., 2005; Kernis, 2003).

One experimental study links participants' positive affective responses and leaders' authentic behaviours. The participants (137 undergraduate students at an American university) either experienced sincere or manipulative behaviour on the part of the leader, and their positive or negative affective responses and intentions to comply were coded into four different affective response quadrants. The study had a number of limitations in terms of whether the leader’s behaviour could be termed authentic or inauthentic; measurement issues in relation to uneven numbers in the four quadrants, and the application of an experimental study to a real work environment (Dasborough & Ashkanasy, 2005).

Walumbwa et al. (2008) have attempted to address the gap in empirical evidence by developing a measure of authentic leadership, the Authentic Leader Questionnaire (ALQ); and testing its discriminant and predictive validity. The differentiation of authentic leadership theory from other leadership theories is an important part of theory building and to build a case for construct validation (Walumbwa, et al., 2008).

The four component model of authenticity was used as a basis for Walumbwa et al.’s (2008) measure of authentic leadership. The item development and validation processes involved faculty and graduate students in focus group discussion and generated five domains which were consistent with doctoral students’ descriptions of authentic leaders. *Internalized regulation* and *positive moral perspective* were combined as the two categories could not be differentiated. This resulted in four dimensions: self-awareness, balanced processing, relational transparency and internalized moral perspective, as a basis for the researchers to generate a final pool of 16 items for the ALQ.

The ALQ uses direct report ratings of the leader as the perceptions of the follower are considered as the most appropriate measure of authentic leadership. Direct report ratings are generally considered more objective than leader self-reports which are likely to provide inflated ratings (Hogan & Hogan,
Three studies conducted in diverse cultural settings were used to test the validity of the ALQ.

Study one used confirmatory factor analysis and found that the four dimensions of the ALQ were correlated and formed a higher order factor of authentic leadership. The study used two samples; 224 full-time employees from the United States and 212 full-time employees from China. The second higher order factor model showed the best fit ($\chi^2$=234.70, CFI =.97, RMSEA =.05). Results cited are from the US sample; similar results were found for the two samples.

Study two tested the psychometric properties of the ALQ and the ability of the questionnaire to show convergent, discriminant and predictive validity with other measures of similar constructs (transformational and ethical leadership).

Data was collected from two independent samples from a U.S. university. Sample one were 178 evening students involved in full-time employment who over a three week period completed the ALQ focusing on their immediate supervisor, a survey of ethical leadership, and measures of OCB, organizational commitment and satisfaction with their supervisor. Identification numbers enabled responses to be matches across time and assured confidentiality. Sample two were 236 adult evening students with full-time jobs who completed the surveys, but completed a survey on transformational rather than ethical leadership.

The study established the discriminant validity of the ALQ for both transformational and ethical leadership with a significantly lower $\chi^2$ value for the unconstrained model (298) = 629.77 compared to the constrained model ($\chi^2$ value (299) = 685.46; $\chi^2 =55.69, p < .01$).

The higher order ALQ accounted for additional unique variance in OCB, organisational commitment, and satisfaction with supervisor beyond that explained by transformational or ethical leadership and the ALQ predicted work related behaviours (Walumbwa, et al., 2008).

In study three a sample of 478 adults working for US companies operating in Kenya rated their supervisor using the ALQ and later completed a job satisfaction measure, the short form of the Index of Job Satisfaction (Brayfield &
Authentic leadership

Rothe, 1951). Supervisor ratings of the participant's job performance were matched to their responses. The study found statistically significant and positive relationships between authentic leadership and follower job satisfaction ($\beta=.19$, $p < .05$) and job performance ($\beta=.44$, $p < .01$) while controlling for organisational climate.

Further tests of the validity of the factor structure of the ALQ confirmed a good fit to the data in both study two and study three.

Several studies have used the ALQ to assess levels of authentic leadership and to link authentic leadership to organisational outcomes. A study of the authentic leadership of preceptors (coaches) as rated by graduate nurses ($n=170$) linked authentic leadership to job satisfaction and work engagement ($\beta=0.22$, $t =3.02$, $p<0.01$) (Giallonardo, et al., 2010).

Of particular interest is a study by Levy and Bentley (2007) because the study is conducted in the New Zealand work environment. The research surveyed 965 participants in mid-sized (up to 500 employees) NZ work organisations to assess the levels of authenticity of leaders. The study also assessed levels of psychological capacities of hope, resilience, optimism and confidence and how levels of authentic leadership and psychological capabilities impact leadership outcomes in the New Zealand workplace. The leadership outcomes were described as leadership impact using a scale to measure purpose, trust, excitement, significance and sustainability; factors. The Levy and Bentley study reported a significant difference in the mean scores for the subscales of self-awareness and balanced processing ($F = 8.902$, $F = 12.184$ $p >05$, respectively). Neither the Levy and Bentley (2007) study or the preceptor study reported using factor analysis to confirm the factor structure of the ALQ (Levy & Bentley, 2007).

The measurement of authentic leadership is still a contentious issue. Despite the claims that the ALQ has been validated, limited evidence is available to support the ALQ and its four factor structure.
3.13 The organisational context

Organisational context plays a prominent role in authentic leadership theory, with positive organisational context featuring in both early (Luthans & Avolio, 2003) and later definitions of authentic leadership (Walumbwa, et al., 2008).

The organisational context is located as a moderating link between authentic leadership and performance. An inclusive, ethical and positively-oriented strength-based culture is said to both enable the authentic leader and must be promoted by the leader, in order to achieve more effective work outcomes and to promote the growth and development of both the leader and followers (Gardner, Avolio, Luthans, et al., 2005).

Four dimensions named as important to the inclusive, ethical climate include open access to information, open access to resources and support, along with equal opportunity for everyone to learn and develop. Authentic leaders and followers are said contribute to sustaining the positive organisational climate and to making it more authentic (Avolio, et al., 2004).

In the first instance, this is said to occur through authentic leaders action based on deeply held values and convictions and open and honest dialogue. As followers are impacted by the positive climate they too model authentic behaviours creating a cascade effect. Cascading is explained as a process that works across organisational levels where, through mechanisms like role modelling, the leadership style used by senior leaders is also represented at lower levels of the organisation (Avolio & Hannah, 2008).

A focus on the long-term rather than the short-term is what differentiates authentic leadership from other leadership theories such as charismatic leadership; providing a perspective on the organisation that encompasses sustainability and (Conger, 1990).
4 Chapter Four - The importance of authentic leadership

Authentic leadership builds on earlier leadership work within the framework of positive psychology, and builds on human strengths in order to develop organisations that are healthy for all stakeholders, not simply shareholders.

The literature on authentic leadership steers the researcher to use measures of authentic leadership outcomes that are based on positive psychology with a focus on the well-being of the individual and on unique organisational performance outcomes such as veritable sustained performance. The community is encompassed within the view of what makes effective performance; with authentic leadership building a positive organisational climate and making social responsibility a prime concern.

4.1 The Organisation

Veritable sustained performance is described as future focused; it is about long term performance. The recent financial crisis showed that measures such as short-term share-market performance have the potential to fuel risky investments and disjointed business strategy, at the expense of the organisation and the community.

Authentic leadership views sustained performance as the ability to achieve persistently high performance and growth over a long period of time. The term “veritable sustained performance” as used by Avolio and Gardner (2005, p.328) refers to using genuine and ethical values to attain sustained performance and growth, even at the sacrifice of more immediate performance or financial gains (Avolio & Gardner, 2005).

The authentic leadership writings refer to management theory to develop their concept of veritable sustained performance (Luthans & Avolio, 2003). The strategic management literature refers to companies having a sustainable competitive advantage when they are at the forefront of implementing unique value creating strategies, which other companies are unable to duplicate; thus making it sustainable (Roberts & Dowling, 2002).
Authentic leadership

Avolio and Gardner (2005) suggest that creating veritable sustained performance involves non-financial intangibles and tacit knowledge, including building human, social and psychological capital, and considering how the organisation is fundamentally run (Avolio & Gardner, 2005).

Sustainability can be viewed from the perspective of maintaining the authenticity of the organisational climate as well as from the perspective of organisational performance. Through modelling authentic behaviours, leaders impact positively on followers who in turn take on the leader’s values and authentic behaviours. As the behaviours are modelled across the organisation this results in sustaining the authenticity of the organisation (Avolio & Gardner, 2005; Ilies, et al., 2005).

Development is recognized as a source of competitive advantage, an important driver of performance and a mechanism for attracting talent as well as for increasing the job satisfaction and engagement of existing employees (Avolio, Reichard, et al., 2009). The emphasis authentic leadership places on the development of the leader and the follower is not only critical to sustaining authentic leadership it is important to organisational performance.

Authentic leaders’ focus on development is said to generate across the organisation helping to build a learning culture where mistakes are recognized as learning opportunities and open and honest (authentic) dialogue is encouraged (Mazutis & Slawinski, 2008).

4.2 The individual

Authentic leaders recognize the potential of their followers and work to understand their strengths and areas for development so as leaders they can facilitate the followers development and improve their performance (Ilies, et al., 2005; Luthans & Avolio, 2003).

The outcomes already tested to establish their relationship to authentic leadership such as job satisfaction job involvement and organisational commitment are identified as a sub-set of work-related well-being. Placing the well-being of the individual at the forefront of the outcomes that authentic leadership aims to achieve places the theory at the vanguard of the movement.
Authentic leadership to make measures like well-being and happiness recognised as relevant not just to individuals but to organisations and their communities. These outcomes translate into other positive mental health outcomes and indirectly affect employee’s life satisfaction (Judge & Watanabe, 1993; Kelloway & Barling, 1991).

4.3 The community

Authenticity coupled with a moral component are aspects of a leadership approach more likely to foster an organisational climate that values social responsibility and contributes to the local and wider community within which it operates (Crossan, et al., 1999; Mazutis & Slawinski, 2008).

In line with more recent organisational trends toward social responsibility the outcomes that are seen as relevant to authentic leadership consider the well-being of the employee, groups within the organisation and communities. The literature that suggests that outcomes such as eudaemonic well-being can be achieved through authentic leadership proposes that people can express their values through work and gain a sense of purpose, environmental mastery and positive relationships with others which also impacts on their life out of work (Ryff, et al., 2003).

Authenticity has beneficial outcomes to the individual in the form of enhanced self-esteem and psychological well-being and increased levels of self-efficacy (Kernis, 2003). Each of these is a relevant organisational outcome and facilitates effective leadership and performance in organisations; at the same time these outcomes foster strengths in individuals who contribute to their organisations and their communities.

The unique and unusual outcome ‘veritable sustained performance’ distinguishes authentic leadership from other leadership theories in that it identifies authentic leadership as taking a holistic and sustainable view of performance. This long term view incorporates the individual, and builds socially responsible organisations that are located strongly within their communities.
5 Chapter Five - Authentic leadership: Followership and development

5.1 Followership

Followership has evolved as a critical concept within the leadership literature with some saying that the leader cannot be a leader without followers (Dvir & Shamir, 2003). Authentic leadership also takes this view and emphasizes the importance of the leader-follower relationship and also the role leaders play in developing followers. The status of followership, as essential to authentic leadership, is confirmed by Walumbwa et al. (2008) when they incorporate followers into the definition and observe that they see authentic leadership as reflecting an interactive and authentic relationship that develops between leaders and followers.

Authentic leadership refers to the influence processes that are discussed in the general leadership literature particularly personal and social identification (refer section 1.1). The process of emotional contagion is also introduced as an influence process used by authentic leaders (Avolio, et al., 2004; Ilies, et al., 2005; Shamir, et al., 1993).

Positive modelling is recognized as a mechanism whereby authentic leaders influence and develop their followers. Authentic leaders model components of authenticity, displaying characteristics of authenticity such as personal integrity, transparency, openness and trust creating a leader follower relationship characterized by trust and high levels of respect. Positive modelling influences followers to become more aware of their own values, identity and emotions (Avolio, Walumbwa, & Weber, 2009; Shamir & Eilam, 2005). In turn this leads to an alignment of values between leaders and followers with followers behaving in a way consistent with the leader’s values as is reflected in the statement by Avolio and Gardner (2005, p.327). “As the follower leader relationship develops the follower and the leader pursue shared and complementary goals that reflect deeply held and overlapping values” (Avolio & Gardner, 2005).

While leaders and followers may come to share values the literature emphasises that this does not necessarily require followers to transform their
values. In contrast, for charismatic or transformational leaders the principle driver is transformation (Avolio, et al., 2004; Bass, 1990).

Processes used to influence the follower include social exchange where leaders engage in high quality relationships which followers reciprocate through a sense of obligation. Through social exchange and the processes of personal and social identification followers come to identity with leaders. Each of these processes is said to foster positive attitudes in followers such as increased commitment, satisfaction, engagement, meaningfulness and well-being which lead to improved relationships and in turn to job performance, extra effort and reduced withdrawal behaviours (Avolio, et al., 2004; Gardner, Avolio, Luthans, et al., 2005; Ilies, et al., 2005).

There is limited empirical evidence to link these outcomes directly to authentic leadership. Instead the claims are based on research that links authenticity, leader influence processes, and the relationship of trust that develops between the leader and follower to outcomes of enhanced trust, self-esteem, self-efficacy and improved performance to name a few. As each of these concepts is important to the process of authenticity, it is claimed the outcomes they generate will also relate to authentic leadership (Avolio, et al., 2004; Ilies, et al., 2005).

A unique contribution to authentic leadership theory development is the introduction of the process of emotional contagion to the authentic follower-leader relationship. Emotional contagion is based on the assertion that authentic leadership fosters positive affective states in leaders and these will spread through social contagion processes to foster the emotional and cognitive development of organisational members (Avolio, et al., 2004; Ilies, et al., 2005).

In both transformational and charismatic leadership theories, the relationship between leaders and followers and the processes by which leaders influence followers are core aspects of the theory. The leaders’ role is said to be about empowering followers. However it is suggested that followers of charismatic leaders identify so strongly with their leader that they can become dependent and give away their personal power (Kark, Shamir, & Chen, 2003).
In contrast followers of authentic leaders are encouraged to develop their own independent self-concept. Leaders act as role models and provide support for followers to develop self-awareness and self-determination and so build their ability to self-regulate their own behaviour (Avolio, et al., 2004).

**5.2 Follower development**

The development of followers, to the point where they become authentic themselves and potentially become authentic leaders, is a central tenet of the theory.

The self-based model put forward by Gardner et al. (2005) suggests that authentic leaders act as a positive role model to increase followers’ self-awareness and self-regulation leading to followers’ development. The model suggests that through exhibiting authentic behaviour leaders positively foster the development of associates until they become leaders themselves (Gardner, Avolio, Luthans, et al., 2005).

The focus on developing followers into leaders is not clear cut. Some authors state that the development focus of authentic leaders is on the authenticity of followers and does not necessarily involve followers taking on a leadership role (Walumbwa, et al., 2008). However with leaders acting as role models and modelling behaviour consistent with their core beliefs followers are likely to also become leaders. This view is supported by Avolio and Gardner (2005, p.327), who state “the leader may not actively set out to transform the follower into a leader, but may do so by simply being a role model for followers” (Avolio & Gardner, 2005).

Given the potential relationship between authentic leaders and their followers becoming authentic leaders, the following hypothesis is proposed.

\[ H5: \text{Leaders' authentic leadership will be positively correlated with followers' authentic leadership.} \]

At the same time being authentic is said to contribute to leaders’ well-being, and as one of a number of factors making up well-being, also contributes to job satisfaction (Diener, et al., 2002; Fisher & Ashkanasy, 2000). Based on the idea
of positive contagion, these positive feelings and attitudes are said to be part of the process of influence that fosters the leader follower relationship (Ilies, et al., 2005). Followers’ well-being and job satisfaction are enhanced through the relationship with their leader and also through their own role as an authentic leader. Therefore the following hypotheses are proposed.

\( H_6 \): **Followers’ authentic leadership will be positively related to job satisfaction.**

\( H_7 \): **The relationship between leader’s authentic leadership and followers’ authentic leadership will be moderated by job satisfaction; such that at higher levels of follower job satisfaction the relationship between leaders’ authentic leadership and followers’ authentic leadership will be stronger.**

The literature suggests that authentic leadership is associated with team performance. Team performance can be enhanced by the leader’s actions or by the followers own authentic actions and positive attitudes. (Gardner, Avolio, Luthans, et al., 2005). Team performance is often used as a direct measure of performance and can be linked to leadership behaviours through indirect measures such as job satisfaction (Dorman & Zapf, 2001) Given the link between authentic leadership and job satisfaction is already established it is expected that team performance would also be associated with followers’ authentic leadership (Walumbwa, et al., 2008); the following hypotheses are proposed.

**H 8:** **Followers’ authentic leadership will be positively related to team performance.**

**H9:** **The relationship between followers’ authentic leadership and team performance will be moderated by job satisfaction such that; at higher levels of job satisfaction the relationship between followers’ authentic leadership and team performance will be stronger.**

**H10:** **The relationship between follower’s authentic leadership and team performance will be mediated by job satisfaction.**

**H11:** **The relationship between leaders’ authentic leadership and job satisfaction will be moderated by followers’ authentic leadership such that;**
at higher levels of followers’ authentic leadership the relationship between leaders’ authentic leadership and job satisfaction will be stronger. 

**H12**: The relationship between leaders’ authentic leadership and job satisfaction will be mediated by followers’ authentic leadership.

**H13**: The relationship between leaders’ authentic leadership and team performance will be moderated by followers’ authentic leadership such that; at higher levels of followers’ authentic leadership the relationship between leaders’ authentic leadership and team performance will be stronger.

**H14**: The relationship between leaders’ authentic leadership and team performance will be mediated by followers’ authentic leadership.

Incorporated within the core values of authentic leaders is the drive to do what is right for their followers and the wider community (May, et al., 2003). These values assume an underlying belief in followers having something positive to contribute to their group (Luthans & Avolio, 2003).

Leaders go beyond the passive role of modelling authentic behaviours and also influence followers by providing opportunities for skill development and autonomy. Authentic leaders face the challenge of identifying the followers’ strengths and helping to direct and build them appropriately (Luthans & Avolio, 2003).

Key aspects of leaders supporting the development of followers involve fostering the followers’ sense of self-determination by providing support for autonomy, non-controlling positive feedback and acknowledging followers’ perspectives (Ilies, et al., 2005).

Followers’ needs for competence and autonomy can be met by helping them discover their talents, develop them into strengths, and empowering them to do the tasks for which they have the capacity to excel (Gardner, Avolio, Luthans, et al., 2005, p. 364).

Given authentic leaders are said to be actively engaged in the development of followers the following hypotheses are proposed
Authentic leadership

H15: Leaders’ authentic leadership will be positively correlated with providing development opportunities for followers.

The literature suggests that by facilitating the development of followers and providing opportunities for followers to build their capability the follower leader relationship is enhanced and followers are likely to become leaders themselves (Crossan, et al., 1999; Mazutis & Slawinski, 2008). The following hypothesis is proposed.

H16: The relationship between leaders’ authentic leadership and followers’ authentic leadership will be moderated by development opportunities such that; at higher levels of development opportunities the relationship between leaders’ authentic leadership and followers’ authentic leadership will be stronger.

H17: The relationship between leaders’ authentic leadership and followers’ authentic leadership will be mediated by development opportunities.

The general leadership development literature proposes an association between providing development opportunities and positive outcomes such as job satisfaction (Avolio, Reichard, et al., 2009). Based on this reasoning the following hypothesis proposed.

H18: The relationship between leaders’ authentic leadership and follower job satisfaction will be moderated by development opportunities such that; at higher levels of development opportunities the relationship between leaders’ authentic leadership and follower job satisfaction will be stronger.

5.3 Authentic leadership development

In line with the drive for more positive leaders who can help people to cope in the stressful organisational environment, the model of authentic leadership has made leadership development a critical focus of theory development. A range of models for development have been proposed. Placing development at the forefront of the theory is a different approach from many theories of leadership, where leadership development often comes as an after-thought.
The framework for authentic leadership presents a coherent picture of authentic leadership development which is recognized in the literature as an ongoing process with models such as the 'self-based' model for leader and follower development (Gardner, Avolio, Luthans, et al., 2005), and the 'life-stories' (Shamir & Eilam, 2005) and ‘narrative’ approaches (Sparrowe, 2005). The importance of personal history and trigger events is recognised throughout the theory.

The frameworks and models identify processes to support the development of the authentic leader’s self-knowledge and self-concept clarity. (Avolio, et al., 2003; Luthans & Avolio, 2003). Life experiences and defining events act as a trigger for developing self-awareness and for growth. Through the process of self-reflection the person becomes more self-aware and constructs a coherent identity which also incorporates the role of leader (Gardner, Avolio, Luthans, et al., 2005; May, et al., 2003; Shamir & Eilam, 2005; Sparrowe, 2005; Walumbwa, et al., 2008).

The ‘life-stories’ model states that life experiences and specific life events are linked together by the person experiencing them to form a coherent life story. The unique feature of the authentic leader’s life-story is that the authentic leader chooses the experiences from which to extract meaning and uses these to create new definitions of the self. This means that the events and experiences are less important than the meaning that the leader ascribes to those experiences (Shamir & Eilam, 2005).

The ‘narrative’ approach presents a similar model to the ‘life-stories’ model in that it involves individuals pulling together often unrelated life events to construct a unifying life story for themselves. Through their life story or narrative the leaders come to ‘know’ themselves and to decide what motivates them.

### 5.3.1 Personal history and trigger events

Personal history and trigger events are consistently recognized across authentic leadership literature as critical to development. Personal history and trigger events are seen as the antecedents to heightened self-awareness and serve to
activate the leader to change behaviour resulting in growth and development (Gardner, Avolio, Luthans, et al., 2005).

Personal history is described as the leader’s family influences, role models, early life challenges and educational and work experiences that shape the person’s identity. Trigger events involve dramatic or subtle changes in the individual’s circumstances that trigger self reflection and result in positive growth and development. Trigger events are not necessarily negative, they can be positive; for example an inspirational role-model, a significant job assignment, or a cultural experience that causes the person to reflect upon and re-evaluate their values and beliefs (Avolio, 2005; Avolio & Hannah, 2008; Avolio, Walumbwa, et al., 2009; Gardner, Avolio, Luthans, et al., 2005; Luthans & Avolio, 2003; Shamir & Eilam, 2005).

5.3.2 Interventions to develop authentic leadership

According to Luthans and Avolio (2003) in life’s leadership development plan, the process whereby trigger events stimulate self-reflection and result in change and growth does not happen often enough to create a sufficient number of authentic leaders. They suggest a proactive, interventionist strategy to develop greater authentic leadership capacity (Luthans & Avolio, 2003).

Development of the authentic leader is highly personal and needs to be a natural process of learning. For example the life-stories approach suggests authentic leadership development is different from most leadership development programmes which tend to focus on the acquisition of concepts, skills, and behaviours either in courses or workshops or through on the job experiences, mentoring and coaching (Cooper, et al., 2005; Day, 2000).

Shamir and Eilam (2005, p.410) admit that authentic leadership development does not fit the mould of standardized training programmes.

One of the major ways to assist people to develop their potential to become authentic leaders is through a guided reflection process.... The process involves returning to the experience (replaying it in the mind and/or recounting it to others), attending to the feelings accompanying
the experience, re-evaluating the experience and drawing lessons from it (Shamir & Eilam, 2005).

The idea that authentic leadership development requires specific development techniques is supported by some authors who describe the methods for development. For instance, Ilies et al. (2005) name six intervention approaches for development and explain how the interventions support the development of each of the four authentic leadership components as outlined in Table 1.

### Table 1 - Strategies for increasing authentic leadership

<table>
<thead>
<tr>
<th>Authentic leadership component</th>
<th>Selection criteria</th>
<th>Development interventions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-awareness</td>
<td>Positive self-concept</td>
<td>Multisource feedback</td>
</tr>
<tr>
<td></td>
<td>Emotional Intelligence</td>
<td></td>
</tr>
<tr>
<td>Unbiased processing</td>
<td>Integrity</td>
<td>Assessment centres</td>
</tr>
<tr>
<td>[Balanced processing]*</td>
<td>Learning goal orientation</td>
<td></td>
</tr>
<tr>
<td>Authentic behavior/acting</td>
<td>Self-monitoring (low other directedness)</td>
<td>Coaching / mentoring</td>
</tr>
<tr>
<td>[Internalized moral perspective]*</td>
<td>Self-esteem</td>
<td>Behavioral role modeling</td>
</tr>
<tr>
<td>Relational authenticity</td>
<td>Past positive relationships</td>
<td>Upward feedback</td>
</tr>
<tr>
<td>[Relational transparency]*</td>
<td>Past behavior interview</td>
<td>Leader-member exchange training</td>
</tr>
</tbody>
</table>

* Revised descriptions of the components of authentic leadership (Ilies, et al., 2005, p. 389).

While the proposed methods may be used as development techniques by other leadership approaches; in relation to authentic leadership each of the methods
is used to facilitate self-awareness. Self-awareness prompted by the intervention acts as an antecedent to the other authentic leadership behaviours. For example by role playing situations such as decision making in an assessment centre environment leaders receive objective feedback, are able to see how they use information, and evaluate how they responded. Leaders can then ensure that in future situations they take into account others viewpoints and are able to be challenged on their own viewpoints.

The authentic leadership intervention initiatives identified by Ilies et al. (2005) are in line with other active and ongoing developmental approaches for leaders such as action learning or ‘leadership in practice’ where leaders are seen as both expert and student involved in a continuous process of learning based on feedback and self-reflection (see section 1.3). Action learning and ‘reflective practice’ support the key role that concepts such as self-awareness, self-reflection and factors such as role-modeling play in the ongoing development of the authentic leader (Ilies, et al., 2005; Mazutis & Slawinski, 2008; Riggio, 2008).

There are a number of examples of interventions that use the techniques described by Ilies et al. (2005) to develop authentic leadership and these have been analysed to assess outcomes and the impact on participants. The results provide support for the processes with enhancements in levels of self-awareness, however they confirm that it requires strong commitment from participants to complete the programmes (Branson, 2007; Eriksen, 2009).

The interventions proposed for authentic leadership take an integrated approach to development as discussed in section 1.3. The interventions focus on individuals (leader development) and also involve leaders in experiences that enable them to interact with others in the organisation and develop skills for networking and creating relationships. This approach facilitates the sharing of information and builds the leadership capability of the organisation (leadership development) (Day, 2000).

With numerous interventions focused on developing authentic leaders a number of researchers and commentators argue that the theory has leaned too far in the direction of development even before there was a solid conceptual basis
and empirical support for defining and measuring authentic leadership. This lack of an empirical base, they argue, makes it difficult to determine what is being developed and difficult to evaluate outcomes of interventions (Cooper, et al., 2005; Garger, 2008; Shamir & Eilam, 2005).

Cooper et al.’s (2005) critique hints at the difficulty that may be encountered when attempting to develop authentic leaders in an organisational setting and raises questions about whether trigger events can be replicated and whether ethical decision-making can be taught (Cooper, et al., 2005).

Garger, (2008) questions how authentic leaders can be developed if there is not a defined set of leader behaviours like other leadership theories. This leads to further questions about what is covered in a programme to develop authentic leaders and also how to determine if the development programme is effective (Garger, 2008). The perspective that authentic leadership is generic and a root construct allowing authentic leaders to take on the style of any of the other positive approaches to leadership (refer section 2.1.1), means that the behaviours associated with authentic leadership are less readily defined than is the case when the leadership theory advocates a particular style and clearly delineates the behaviours of the leader.

As a counter to Cooper et al.’s (2005) argument Avolio and Hannah (2008) claim that development experiences can replicate or revisit trigger events. They propose that high-impact leader development experiences can create a point of disequilibrium and heightened self-awareness that can lead the individual to challenge his or her basic beliefs and assumptions. Leadership development experiences can be used as an opportunity for processing and interpreting the event to stimulate a re-evaluation that can lead to growth and development (Avolio & Hannah, 2008).

Ethical decision making was the focus of early authentic leadership theory development which revolved around a model for developing the moral component of authentic leadership (May, et al., 2003). The key factors in the authentic decision-making process were identified as recognizing moral dilemmas, transparency and intention to act authentically. The development process was said to involve developing the self-awareness, moral capacity,
Authentic leadership

moral courage, moral efficacy and moral resiliency of the leader using strategies such as discussion and self-reflection, exposure to role models, scenario development and coaching. A supportive ethical climate and structured mastery experiences were critical to build self-efficacy and for these strategies to be successful.

One case study is not sufficient to validate the model but May et al., (2003) do provide an example of the model in practice by using a case study in a real organisational setting. The situation faced was a dilemma about how best to deal with accounting malpractice and the possible implications with a successful ethical resolution that created minimal disruption to the business (May, et al., 2003).

A principle proponent of leadership development; Day (2000) states that the models used to develop leadership are less important than the organisational context. Authentic leadership advocates a very specific view of development that would suggest some models or approaches to development would not fit with the underlying philosophies (Day, 2000). Some of the approaches to authentic leadership development already encompass key aspects of the frameworks suggested by Day with development advocated across organisational levels. At the same time it is important to refer to the frameworks that support effective leadership development.

Cooper et al. (2005) do identify the necessary elements of any development initiative aimed at authentic leader development. These are listed below.

- the intervention and facilitators model authenticity
- the participants be screened based on levels of self-concept clarity and developmental readiness to ensure they are appropriate candidates for the development intervention and
- the intervention needs to occur as an ongoing process rather than a static, one-off intervention (Cooper, et al., 2005).

As already indicated, developing authentic leaders does not appear to be a straightforward proposition.
5.4 Summary

The previous chapters have looked at researchers’ claims that they have identified the constructs that make up authentic leadership, and to have developed a definition and a valid measure based on solid theoretical concepts of positive psychology and authenticity. Researchers view authentic leadership development as the very core of the theory, and examined how they leapt into the task of creating development interventions at the very beginning of the discovery and research stage of authentic leadership. This pre-emptive approach led to questions being asked about the effectiveness of the interventions and how their impact could be assessed without the ability to provide pre and post intervention measures of authentic leadership. There are still questions about the process of authentic leadership development with the acknowledgement that development does not follow the mould of standardized training programmes and incorporates novel practices such as guided reflection. Authentic leadership development does not appear to be a straightforward process.

The present study will test the relationship between authentic leadership, job satisfaction and team performance. Secondly, it will look more closely at the claims about authentic leadership and follower development, by testing the claim that followers of authentic leaders are more likely to become authentic leaders themselves. Thirdly, the study will test whether leaders with higher levels of authenticity are more likely to provide development opportunities for their followers. Job satisfaction, development opportunities and followers’ authentic leadership will be explored as potential moderators or mediators for the relationships between leaders’ authentic leadership and team performance; leaders’ authentic leadership and job satisfaction; and leaders’ authentic leadership and followers’ authentic leadership.
Chapter Six – Method

6.1 Participants and procedures
Data was collected from two independent samples from two medium sized New Zealand organisations. One of the organisations was a public sector organisation (Organisation A). The other organisation was a private sector international company with a major presence in Australia and New Zealand (Organisation B). Each organisation identified managers/leaders for participation in the study, based on their participation in leadership development activities. A total of 40 managers/leaders from an invited sample of 150 completed surveys that rated the authentic leadership of the leaders they reported and development opportunities provided by leaders, as well as self-ratings on their own authentic leadership, job satisfaction, team performance.

An online survey was distributed via an email link to leaders in the organisations using a distribution list established by the Human Resources departments in each of the companies. The survey was able to be completed during work time over a two week period. A follow up email was sent after two weeks to encourage further participants to complete the surveys if they had not already done so. Completion of the survey was entirely voluntary and there was no form of identification on the survey so participants were assured of anonymity. A summary of overall results from the study will be provided to the participating organisations. The study was scrutinized and approved by the Massey University Ethics committee (MUAHECN 09/054; see Appendix A). Approval had been granted from the distributors of the ALQ. to include the questionnaire in the survey (Mindgarden Inc., n.d). Conditions of use included to use the ALQ for research purposes only and to reproduce five sample items only in the thesis (see Appendix B). Data was gathered on the respondents’ gender, length of tenure, time reporting to the leader/manager their responses related to, and their leader/manager’s level as senior, middle manager, or team leader/supervisor.

Of the 150 participants invited to participate there was a total of 40 completed surveys which represented a 26.6% response rate. There were 31 surveys
completed from Organisation A and nine surveys completed from Organisation B. Because of the small number of surveys from Organisation B the study the responses for the two organisations were combined.

Complete demographic characteristics are presented in Table 2. The majority of the respondents were male (60%). Tenure rates were high with 62.5% of respondents having worked in their current organisation for over 10 years. Eighty percent of the respondents had reported to their managers for between one and five years. The leaders whom the respondents reported to held positions ranging from senior level managers (37.5%), and middle managers (50%) to team leader supervisors (12.5%).

Table 2 - Demographic Characteristics of Sample

<table>
<thead>
<tr>
<th>Demographic</th>
<th>Frequency (n)</th>
<th>Percent %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>24</td>
<td>60.0</td>
</tr>
<tr>
<td>Female</td>
<td>16</td>
<td>40.0</td>
</tr>
<tr>
<td>Duration Reporting to Manager</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;3 months</td>
<td>1</td>
<td>2.5</td>
</tr>
<tr>
<td>&gt;3 months to 1 year</td>
<td>5</td>
<td>12.5</td>
</tr>
<tr>
<td>&gt;1 to 5 years</td>
<td>32</td>
<td>80.0</td>
</tr>
<tr>
<td>&gt;5 to 10 years</td>
<td>2</td>
<td>5.0</td>
</tr>
<tr>
<td>Tenure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3mths to 1 year</td>
<td>1</td>
<td>2.5</td>
</tr>
<tr>
<td>&gt;1 to 5 years</td>
<td>11</td>
<td>27.5</td>
</tr>
<tr>
<td>&gt;5 to 10 years</td>
<td>3</td>
<td>7.5</td>
</tr>
<tr>
<td>&gt;10 years</td>
<td>25</td>
<td>62.5</td>
</tr>
<tr>
<td>Reporting Manager Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Manager</td>
<td>15</td>
<td>37.5</td>
</tr>
<tr>
<td>Middle Manager</td>
<td>20</td>
<td>50.0</td>
</tr>
<tr>
<td>Team</td>
<td>5</td>
<td>12.5</td>
</tr>
<tr>
<td>Leader/Supervisor</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
6.2 Measures

6.2.1 Leader's authentic leadership (ALQ.)
The Authentic Leadership Questionnaire (ALQ) was used to measure respondents’ perceptions of their leader’s authentic leadership. The ALQ is a 16 item survey of authentic leadership developed and tested by Walumbwa and associates (Walumbwa, et al., 2008). The ALQ is divided into four subscales: self-awareness, relational transparency, balanced processing and internalized moral perspective.

Indicative sample items from the questionnaire are included in Appendix C.

The items on the ALQ are rated on a 5 point Likert response scale from 0 (not at all) to 4 (frequently if not always). Higher scores are representative of higher levels of authentic leadership. See Table 2 for alphas obtained in the current study.

The ALQ is a relatively recent development so has not been used extensively outside the validation studies conducted by Walumbwa et al. (2008). Because of this principal component analysis with oblique rotation was undertaken and the results are reported in the Results section (see XX).

6.2.2 Followers’ authentic leadership
The ALQ (Walumbwa, et al., 2008) was also used to measure followers’ perceptions of their own levels of authentic leadership. The scale comprised the same 16 items as for leader ALQ with a slight modification to the wording of each of the 16 items so that respondents were asked to rate each of the behavioural items in relation to themselves “as a leader”. The items on the Follower ALQ were rated on a 5 point Likert scale from 0 (not at all) to 4 (frequently if not always). Higher scores are representative of higher levels of followers’ authentic leadership. This is in line with previous use of the ALQ as a measure of self-rated authentic leadership in 360° performance reviews (Mindgarden Inc., n.d)
6.2.3 Job satisfaction

Job satisfaction was measured using five items from the Index of Job Satisfaction (Brayfield & Rothe, 1951). The five items are “I feel fairly satisfied with my present job,” “I find real enjoyment in my work,” “Most days I am enthusiastic about my work,” “Each day at work seems like it will never end,” and “I consider my job rather unpleasant.” The last two items are reverse scored. The measure uses a 5-point response scale from 1 (strongly disagree) to 5 (strongly agree).

6.2.4 Team performance

Team performance was measured using a seven-item scale used by Edmonson (1999) a shortened version of the Hackman’s Team Performance Scale (Hackman, 1990).

The seven item scale was selected for use because it provides a short but internally consistent and valid measure of team performance. The construct validity of the scale was tested by Edmondson using factor analysis and correlations with criterion measures (Edmondson, 1999). The items focus specifically on a number of the dimensions related to important team outcomes such as customer outputs and measures considered important to team effectiveness such as whether a team member feels that their team is performing well or not, and whether the team are learning as a unit (Hackman, 1990).

Example items are “My team meets or exceeds customers’ expectations”, “Those who receive or use the work my team does often have complaints about our work,” (reverse scored).” “The quality of work provided by the team is improving over time,” “Recently my team seems to be “slipping” a bit in the level of performance and accomplishments (reverse scored).

The measure uses a 6 point response scale from 1 (very inaccurate) to 6 (very accurate).

Participants were asked to respond based on their perceptions of how their team was performing. Responses were not aggregated or matched to a team or to a leader.
6.2.5 Development opportunities

The measure of development opportunities was designed specifically for the study to ensure the scale covered elements important to follower and authentic leadership development. Items were based on the career development indicators in the 33 item scale developed by Chen, Chang and Yeh (2003) to assess the gap between the provision of career development programmes and career development needs at different career stages (Chen, Chang, & Yeh, 2003).

The Development Opportunities Scale for the present study asked participants to answer whether their leader/manager provided each of seven development opportunities, e.g. “My leader/manager “Provides opportunities for me to do assignments or tasks which develop my skills”. The measure uses a 5-point response scale from 1 (strongly disagree) to 5 (strongly agree).

6.3 Data analysis

Statistical analyses were conducted using the Statistical Package for Social Sciences (SPSS) version 17.0 (SPSS, 2007). Review of the cases revealed one case with substantial missing data, so this case was deleted. All other cases with missing data were reviewed and as they had only 5 per cent or less missing data these cases were retained.

Prior to analysis, the data for each scale was analysed for outliers and for assumptions of normality. The distributions of data were within normal ranges. Pearson’s correlations and linear regression analyses were used to test the study hypotheses.

The demographic data was examined using independent sample t tests to identify any relationship between demographic characteristics of gender, tenure, duration reporting to manager and reporting leader level.

Previous research has identified a four factor structure of the ALQ. The four factors were self-awareness, internalized moral perspective, relational transparency and balanced processing. However as the ALQ is a relatively recent instrument and validation work is still required the items were subjected to principal component analysis with oblique rotation. Oblique (oblimin) rotation
was chosen over orthogonal (varimax) rotation because correlations were assumed among the factors. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy is required to have a value of .5 or greater for the factor structure to be considered acceptable. The variance in a factor is indicated by the eigenvalue which needs to be greater than 1 and a factor needs to explain at least 10% of the variance. Correlation coefficients of .4 and greater were used to indicate an item loaded to that factor.

Principal components analysis was also conducted on the Follower ALQ.

To test proposed moderator effects linear regression analysis was conducted on the moderator variables. Before testing for interaction effects, the scores on the independent variable and moderator variable were centred by subtracting their respective sample means from all individuals’ scores, thus producing revised sample means of zero. This procedure suggested by Aiken and West (1991) was used to reduce the possible effects of multicollinearity between the main independent variables and the interaction term (Aiken & West, 1991).

According to Baron and Kenny (1986) the following conditions must be met to establish mediation.

1. The independent and mediating variables must be significantly related.
2. The independent variable and the dependent variable must be significantly related.
3. The mediator variable and the dependent variable must be significantly related.
4. When the relationships between the independent variable and the mediator and the mediator and the dependent variable are controlled a previously significant relationship between the independent variable and the dependent variable is no longer significant (Baron & Kenny, 1986).

Each of these conditions was used as criteria in the current study to establish if mediation could be demonstrated.
Chapter Seven – Results

7.1 Demographic categories
Descriptive analysis was first performed on demographic data to identify numbers of respondents in each category as displayed in Table 2. Where the numbers of respondents in demographic categories were not evenly distributed the data was merged for analysis. For example for the category of “reporting leader level” team/leader supervisors (5) data was merged with the data for the middle manager level (20). Similarly tenure data was merged from five categories to become two categories, one being < 5 years tenure and the other > 5 years tenure. The five year tenure point was chosen because this gave balanced numbers and created relevant groupings.

7.2 Factor structure of the ALQ.

7.2.1 Leaders’ ALQ
For the ALQ exploratory factor analysis indicated a KMO of .801, and Bartlett’s test of sphericity was significant ($X^2 = 295, df = 120, p < .001$) indicating that factor analysis was appropriate for the data. The principal components analysis produced four factors with eigenvalues greater than 1 accounting for 75.07% of the variance. On closer analysis the first factor had eight items loading to it, contributing 51.31% of the variance while the remaining factors each contributed less than 10% additional variance. On this basis these items were excluded and a single factor structure was considered more likely. A single component was identified made up of the eight items. Communalities were acceptable ranging from .536 to .910. The eight item one factor structure covered items indicative of consultative or open to input from others. The items were comprised from across the four original subscales of the ALQ, therefore the one factor structure was still considered to be representative of authentic leadership. The Cronbach’s alpha coefficient on the new scale was .93.

7.2.2 Followers’ ALQ
For the Follower ALQ the KMO measure was a low .516. As .5 is the minimum acceptable level of sampling adequacy this result was considered borderline. The results showed seven of the items with double loadings across factors and
Authentic leadership

the difference between loadings was less than .20. These items were removed and a further factor analysis was conducted. The KMO measure improved slightly to .568, but was still considered low. The Bartlett’s test of sphericity was significant ($X^2 = 84.376$ df = 36, $p < .001$). The second analysis produced a clear three factor structure with each factor with eigenvalues greater than 1 accounting for 65.89% of the variance. The variance accounted for by each factor ranged from 29.02% to 14.24% with eigenvalues ranging from 2.61 to 1.28. Each scale contained 3 items which is considered an acceptable number of items for each subscale. Based on these results the three factor solution was accepted. The three items loading to factor one were indicative of open to feedback ($\alpha = .691$), factor two comprised of three items indicating integrity in decision making ($\alpha = .535$); factor three comprised three items indicating knowledge of self ($\alpha = .680$). The inter-correlations among the variables, their reliabilities, means and standard deviations are shown in Table 3.

### 7.3 Independent sample t tests

As each of the categorical variables of reporting manager level and tenure had been merged to make only two groups in each of the categories independent sample t tests were run on the study variables. No significant differences ($p > .05$) in mean scores between groups for the categories (merged into two groups) of reporting manager level or for tenure. There was a significant difference by gender; with the ratings given by female respondents for leaders’ authentic leadership significantly higher ($M = 3.25$ SD = .433) than for male respondents ($M = 2.75$, SD = 1.028): $t$ (df 37) = 2.127 $p > .05$ (two tailed, unequal variances assumed).

### 7.4 Job satisfaction and team performance

The Job Satisfaction Scale was tested for reliability with an acceptable Cronbach’s alpha of 0.740. The Cronbach’s alpha for the team performance scale was .811.

Job satisfaction and team performance were not significantly correlated with leaders’ authentic leadership, thus Hypotheses 1 and 2 were not supported.
Authentic leadership

Further analysis revealed a significant and positive relationship between job satisfaction and team performance and between job satisfaction and development opportunities.
### Table 3 - Means, Standard Deviations, Reliabilities, and Correlations among Study Variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>S.D</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>5a</th>
<th>5b</th>
<th>5c</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Leaders’ Authentic Leadership</td>
<td>2.94</td>
<td>0.878</td>
<td>.93</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Job satisfaction</td>
<td>4.14</td>
<td>0.558</td>
<td>.056</td>
<td>.740</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Team performance</td>
<td>4.68</td>
<td>0.694</td>
<td>.265</td>
<td>.314</td>
<td>.811</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Development Opportunities</td>
<td>3.71</td>
<td>0.727</td>
<td>.690</td>
<td>.367</td>
<td>.076</td>
<td>.876</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Followers’ Authentic Leadership</td>
<td>3.18</td>
<td>0.386</td>
<td>.323</td>
<td>-.022</td>
<td>.351</td>
<td>.197</td>
<td>.863</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5a) Open to Feedback</td>
<td>2.99</td>
<td>0.660</td>
<td>.290</td>
<td></td>
<td>.017</td>
<td>.236</td>
<td>.238</td>
<td>.786</td>
<td>.691</td>
<td></td>
</tr>
<tr>
<td>5b) Integrity in Decision Making</td>
<td>3.43</td>
<td>0.490</td>
<td>.167</td>
<td></td>
<td>-.066</td>
<td>.288</td>
<td>-.040</td>
<td>.546</td>
<td>.108</td>
<td>.535</td>
</tr>
<tr>
<td>5c) Knowledge of Self</td>
<td>3.12</td>
<td>0.495</td>
<td>.206</td>
<td></td>
<td>-.028</td>
<td>.216</td>
<td>.181</td>
<td>.152</td>
<td>.387</td>
<td>.152</td>
</tr>
</tbody>
</table>

Scale reliabilities are on the diagonal in boldface

** p< 0.01

* p < 0.05
Authentic leadership

For the Follower ALQ the significant correlations included; integrity in decision making factor with the subscale positively correlated with team performance and open to feedback with the subscale positively correlated to leaders’ authentic leadership. There was a significant positive relationship between the subscales knowledge of self and open to feedback.

Hypothesis 3 proposed that job satisfaction would moderate the relationship between leaders’ authentic leadership and team performance. Table 4 presents the regression analysis for the main and interaction terms on team performance. There was a significant main effect for job satisfaction and team performance. When the interaction term was introduced each of the independent variables; leaders’ authentic leadership, and job satisfaction; and the interaction term were significant. The interaction term explained 38% of the variance in team performance, an increase over the main effects alone where 13.2% of the variance was explained.

Table 4 - Summary of Linear Regression of Team performance on Leaders’ Authentic Leadership and Job Satisfaction (N = 38)

<table>
<thead>
<tr>
<th>Variable</th>
<th>B</th>
<th>SE B</th>
<th>B</th>
<th>Adjusted R²</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Step 1 Main Effects</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leaders’ Authentic leadership</td>
<td>.186</td>
<td>.115</td>
<td>.247</td>
<td></td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>.386</td>
<td>.179</td>
<td>.331*</td>
<td>.132</td>
</tr>
<tr>
<td><strong>Step 2 Interaction effects</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leaders’ Authentic leadership</td>
<td>.218</td>
<td>.098</td>
<td>.290*</td>
<td></td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>.519</td>
<td>.155</td>
<td>.444**</td>
<td></td>
</tr>
<tr>
<td>Leaders’ Authentic Leadership X Job Satisfaction</td>
<td>.451</td>
<td>.116</td>
<td>.517**</td>
<td>.381</td>
</tr>
</tbody>
</table>

* p < .05  
** p < .01

Figure 1 shows that, at low levels of leaders’ authentic leadership, team performance was the same regardless of job satisfaction. However at high levels of leaders’ authentic leadership, high levels of job satisfaction were associated with higher levels of team performance than was the case when followers’ rated their job satisfaction as low.
The study proposed that job satisfaction would mediate the relationship between authentic leadership and team performance (Hypothesis 4). The first step in testing mediation as discussed by Baron and Kenny (1986) is to demonstrate that the independent variable and the mediating variable are significantly related (Baron & Kenny, 1986). The correlation coefficient noted in Figure 2 shows there is no significant relationship between leaders' authentic leadership and job satisfaction. Condition 1 for mediation could not be met so no further analysis was conducted. Hypothesis 4 was not supported.
7.5 **Followers’ authentic leadership**

In support of Hypothesis 5 leaders’ authentic leadership was found to be positively related to followers’ authentic leadership (see Table 3). The expected positive relationship between followers’ authentic leadership and job satisfaction was not significant therefore Hypothesis 6 was not supported.

Hypothesis 7 proposed that job satisfaction would moderate the relationship between authentic leadership and follower authentic leadership. Table 5 shows that there are no main effects for either authentic leadership or job satisfaction. When the interaction term is introduced the relationship between leaders’ authentic leadership and followers’ authentic leadership is significant. The relationship between followers’ authentic leadership and the interaction variable leaders’ authentic leadership x job satisfaction is not significant. Hypothesis 7 is not supported.
Table 5 - Summary of Linear Regression of Followers’ Authentic Leadership on Leaders’ Authentic Leadership and Job Satisfaction (N = 38)

<table>
<thead>
<tr>
<th>Variable</th>
<th>B</th>
<th>SE B</th>
<th>( \beta )</th>
<th>Adjusted R²</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Step 1</strong> Main Effects</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leaders’ Authentic Leadership</td>
<td>.145</td>
<td>.070</td>
<td>.325</td>
<td></td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>-.030</td>
<td>.109</td>
<td>-.043</td>
<td>.056</td>
</tr>
<tr>
<td><strong>Step 2</strong> Interaction effects</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leaders’ Authentic Leadership</td>
<td>.154</td>
<td>.069</td>
<td>.346*</td>
<td></td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>.008</td>
<td>.110</td>
<td>.012</td>
<td></td>
</tr>
<tr>
<td>Leaders’ Authentic Leadership X Job Satisfaction</td>
<td>.129</td>
<td>.082</td>
<td>.249</td>
<td>.093</td>
</tr>
</tbody>
</table>

* \( p < .05 \)

Supporting Hypothesis 8, a positive and significant relationship was found between followers’ authentic leadership and team performance (refer Table 3).

Hypothesis 9, which proposed that job satisfaction would moderate the relationship between followers’ authentic leadership and team performance, was not supported. Table 6 shows that neither followers’ authentic leadership or job satisfaction were significantly related to team performance. When the interaction term was introduced both followers’ authentic leadership and job satisfaction were significantly related to team performance. However there was no significant relationship between the interaction term and team performance therefore Hypothesis 9 was not supported.
Table 6 - Summary of Linear Regression of Team performance on Followers’ Authentic Leadership and Job Satisfaction (N = 38)

<table>
<thead>
<tr>
<th>Step 1 Main Effects</th>
<th>Variable</th>
<th>B</th>
<th>SE B</th>
<th>B</th>
<th>Adjusted R²</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Followers’ Authentic</td>
<td>.638</td>
<td>.262</td>
<td>.358</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Leadership</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Job Satisfaction</td>
<td>.394</td>
<td>.180</td>
<td>.321</td>
<td>.183</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Step 2 Interaction effects</th>
<th>Variable</th>
<th>B</th>
<th>SE B</th>
<th>B</th>
<th>Adjusted R²</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Followers’ Authentic</td>
<td>.629</td>
<td>.267</td>
<td>.352*</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Leadership</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Job Satisfaction</td>
<td>.412</td>
<td>.191</td>
<td>.335*</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Follower s’ Authentic</td>
<td>-.161</td>
<td>.524</td>
<td>-.048</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Leadership X Job</td>
<td></td>
<td></td>
<td></td>
<td>.162</td>
</tr>
</tbody>
</table>

* p < .05

The study proposed that job satisfaction would mediate the relationship between followers’ authentic leadership and team performance (Hypothesis 10). The correlation coefficient noted in Figure 2 shows there is no significant relationship between followers’ authentic leadership and job satisfaction therefore condition 1 for mediation stating there must be a significant relationship between the independent and mediating variables could not be met. Hypothesis 10 was not supported.

Hypothesis 11 stated that followers’ authentic leadership would moderate the relationship between leaders’ authentic leadership and job satisfaction. This was supported. Table 7 shows that when the interaction term was introduced there was a significant relationship between the interaction term and job satisfaction therefore Hypothesis 11 was supported.
Table 7 - Summary of Linear Regression of Job Satisfaction on Leaders' Authentic Leadership and Followers' Authentic Leadership (N = 38)

<table>
<thead>
<tr>
<th>Variable</th>
<th>B</th>
<th>SE B</th>
<th>β</th>
<th>Adjusted R²</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Step 1</strong> Main Effects</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leaders' authentic leadership</td>
<td>.046</td>
<td>.113</td>
<td>.071</td>
<td></td>
</tr>
<tr>
<td>Followers' authentic leadership</td>
<td>-.069</td>
<td>.254</td>
<td>-.048</td>
<td>-.050</td>
</tr>
<tr>
<td><strong>Step 2</strong> Interaction effects</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leaders' authentic leadership</td>
<td>.073</td>
<td>.107</td>
<td>.114</td>
<td></td>
</tr>
<tr>
<td>Followers' authentic leadership</td>
<td>-.110</td>
<td>.241</td>
<td>-.076</td>
<td></td>
</tr>
<tr>
<td>Leaders' authentic leadership X Followers' authentic leadership</td>
<td>.660</td>
<td>.284</td>
<td>.367*</td>
<td>.064</td>
</tr>
</tbody>
</table>

* p < .05

Figure 3 shows that, at low levels of followers’ authentic leadership, job satisfaction was higher when leaders’ authentic leadership was low than when leaders’ authentic leadership was high. However at high levels of followers’ authentic leadership, high levels of leaders’ authentic leadership were associated with higher levels of job satisfaction than was the case at low levels of leaders’ authentic leadership.

![Figure 3. Change in job satisfaction as a function of high or low leaders' authentic leadership as well as high or low followers' authentic leadership](image-url)
The study proposed that followers’ authentic leadership would mediate the relationship between leaders’ authentic leadership and job satisfaction (Hypothesis 12). The correlation coefficient noted in Figure 2 shows there is not a significant relationship between followers’ authentic leadership and job satisfaction, therefore condition 1 for mediation stating there must be a significant relationship between the independent and mediating variables was not met. No further analysis was conducted; Hypothesis 12 was not supported.

Hypothesis 13 stated that followers’ authentic leadership would moderate the relationship between leaders’ authentic leadership and team performance. This was not supported. Table 8 shows that followers’ authentic leadership was significantly related to team performance. When the interaction term was introduced there was still a significant relationship between followers’ authentic leadership and team performance. However there was no significant relationship between the interaction and team performance therefore Hypothesis 13 was not supported.

**Table 8 - Summary of Linear Regression of Team performance on Leaders’ Authentic Leadership and Followers’ Authentic Leadership (N = 38)**

<table>
<thead>
<tr>
<th>Step 1</th>
<th>Variable</th>
<th>B</th>
<th>SE B</th>
<th>B</th>
<th>Adjusted R²</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Main Effects</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Leaders’ authentic leadership</td>
<td>.112</td>
<td>.122</td>
<td>.149</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Followers’ authentic leadership</td>
<td>.590</td>
<td>.277</td>
<td>.346*</td>
<td>.130</td>
</tr>
<tr>
<td>Step 2</td>
<td>Interaction effects</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Leaders’ authentic leadership</td>
<td>.103</td>
<td>.124</td>
<td>.136</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Followers’ authentic leadership</td>
<td>.603</td>
<td>.279</td>
<td>.354*</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Followers’ authentic leadership X</td>
<td>-.256</td>
<td>.328</td>
<td>-.121</td>
<td>.120</td>
</tr>
</tbody>
</table>

* p < .05

The study proposed that followers’ authentic leadership would mediate the relationship between authentic leadership and team performance (Hypothesis 14). The correlation coefficient noted in Figure 2 shows there is a significant relationship between followers’ authentic leadership and team performance,
therefore condition 1 for mediation stating there must be a significant relationship between the independent and mediating variables was met. Condition 2 states that there must be a significant relationship between the independent variable and the dependent variable. As leaders’ authentic leadership and team performance were not significantly related condition 2 was not met in this study. No further analysis was conducted; Hypothesis 14 was not supported.

7.6 Development Opportunities

The Cronbach’s alpha for the Development Opportunities Scale was 0.876. Exploratory factor analysis revealed a one factor structure which explained 64.55% of the variance.

Hypothesis 15 proposed that leaders’ authentic leadership would be positively correlated with development opportunities. Table 3 shows leaders’ authentic leadership and development opportunities are significantly related thus Hypothesis 15 was supported.

Development opportunities were proposed as a moderator of the relationship between leaders’ authentic leadership and followers’ authentic leadership (Hypothesis 16). Table 9 shows that there were no main effects, but when the interaction term was introduced the relationship between leaders’ authentic leadership and followers’ authentic leadership became significant. The interaction term was significant and explained 18.5% of the variance in followers’ authentic leadership. Hypothesis 16 was supported.
<table>
<thead>
<tr>
<th>Variable</th>
<th>B</th>
<th>SE B</th>
<th>B</th>
<th>Adjusted R²</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Step 1</strong> Main Effects</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leaders’ Authentic leadership</td>
<td>.162</td>
<td>.097</td>
<td>.365</td>
<td></td>
</tr>
<tr>
<td>Development opportunities</td>
<td>-.032</td>
<td>.116</td>
<td>-.061</td>
<td>.056</td>
</tr>
<tr>
<td><strong>Step 2</strong> Interaction effects</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leaders’ Authentic leadership</td>
<td>.235</td>
<td>.094</td>
<td>.528*</td>
<td></td>
</tr>
<tr>
<td>Development opportunities</td>
<td>.079</td>
<td>.116</td>
<td>.148</td>
<td></td>
</tr>
<tr>
<td>Leaders’ Authentic leadership X Development Opportunities</td>
<td>.167</td>
<td>.065</td>
<td>.510*</td>
<td>.185</td>
</tr>
</tbody>
</table>

* p < .05

Figure 4 shows that, at low levels of leaders’ authentic leadership, followers’ authentic leadership was the same regardless of development opportunities. However at high levels of leader authentic leadership, high levels of development opportunities were associated with higher levels of follower authentic leadership than low levels of development opportunities. The introduction of the interaction variable increased the explained variance from 5.6% to 18.5%.
Hypothesis 17, that development opportunities would mediate the relationship between leaders' authentic leadership and followers' authentic leadership, was not supported. Figure 2 shows the inter-correlations between the variables. Condition 1 for mediation was met with the independent variable, leader’s authentic leadership, and the mediator, development opportunities, significantly related. Condition 2 was met with the independent variable leaders’ authentic leadership and the dependent variable followers’ authentic leadership significantly related. However the mediating variable, development opportunities, and dependent variable, followers’ authentic leadership were not significantly related so the conditions for mediation were not met.

Hypothesis 18 that proposed that development opportunities would moderate the relationship between authentic leadership and job satisfaction was not supported. Table 10 shows that there is a main effect for development opportunities but not for authentic leadership. There was no significant relationship between the interaction variable and job satisfaction therefore Hypothesis 18 was not supported.
Table 10 - Summary of Linear Regression of Job Satisfaction on Leaders’ Authentic Leadership and Development Opportunities (N = 39)

<table>
<thead>
<tr>
<th>Step</th>
<th>Variable</th>
<th>B</th>
<th>SE B</th>
<th>β</th>
<th>Adjusted R²</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Main Effects</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 1</td>
<td>Leaders’ Authentic Leadership</td>
<td>-.241</td>
<td>.132</td>
<td>-.375</td>
<td></td>
</tr>
<tr>
<td>Step 1</td>
<td>Development Opportunities</td>
<td>.481</td>
<td>.158</td>
<td>.624**</td>
<td>.163</td>
</tr>
<tr>
<td><strong>Interaction effects</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 2</td>
<td>Leaders’ Authentic Leadership</td>
<td>-.274</td>
<td>.139</td>
<td>-.426</td>
<td></td>
</tr>
<tr>
<td>Step 2</td>
<td>Development Opportunities</td>
<td>.43</td>
<td>.171</td>
<td>.559*</td>
<td></td>
</tr>
<tr>
<td>Step 2</td>
<td>Leaders’ Authentic Leadership X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 2</td>
<td>Development Opportunities</td>
<td>-.076</td>
<td>.095</td>
<td>-.16</td>
<td>.154</td>
</tr>
</tbody>
</table>

* p < .05
** p < .01
8 Chapter Eight – Discussion

To date there has been little empirical research to test the validity of the ALQ or to support the claims made in relation to authentic leadership. Firstly, the study tested the proposed four factor structure of the ALQ; and secondly, the relationships between leaders’ authentic leadership; followers’ authentic leadership; and the outcomes of job satisfaction and team performance was investigated.

8.1 Factor Structure of the ALQ

Unlike the findings from the studies conducted by Walumbwa et al. (2008) (refer section 3.12), the current study revealed the ALQ to have a uni-dimensional structure for leaders’ authentic leadership rather than a four factor structure. However, when using the ALQ to measure followers’ authentic leadership, the study found a three factor structure.

8.1.1 Leaders’ ALQ

On first analysis the current study did identify a four factor structure for the Leader ALQ however three of the factors did not add enough variance (over 10%) to be retained and a one factor structure was accepted. The original factor structure for the ALQ, as found by Walumbwa et al. (2008), was shown to have a number of issues, the principle issue was that the ALQ had high correlations among the four factors with the average correlation among the four measures being .67. This may have contributed to the items loading across several factors; or making the factors less discernible in the present study.

A further reason for the failure to replicate the four factor structure is that the construct descriptions and definitions as used in the literature on authentic leadership lack clarity. For example the descriptions of balanced processing in the literature relate either to leaders addressing challenges to their own viewpoint (Gardner, Avolio, Luthans, et al., 2005); or to leaders’ ways of analyzing different information for decision-making (Walumbwa, et al., 2008). The items for balanced processing reflect both the challenges to the leader’s viewpoint (one item) and the decision-making (two items) description. This suggests that there is further work required to establish clear definitions and to
ensure the items for each of the factors that make up the ALQ reflect these definitions.

### 8.1.2 Followers’ ALQ

The difference this study found in factor structure between the Leader ALQ and the Follower ALQ appears to indicate that followers view their own authentic leadership as a different construct than their leader’s authentic leadership. This different perspective might be explained by differing expectations or the concept of prototypes. These may vary by leader level. The literature suggests that the interpretation of a leader’s effectiveness can be impacted by expectations or the prototype people have of a leader (Nye, 2002). For example a person’s expectations of a senior leader may be different from their expectations of a middle level manager. From a slightly different perspective when managers provide ratings of the leader (direct report) they tend to refer to technical competence whereas the direct reports of the leader refer to aspects of leadership capability and the performance of the team (Hogan & Hogan, 2001; Shipper & Dillard, 2000). The respondents’ ratings for the Leader ALQ related to the leader/manager they reported to, thus these ratings were for a relatively more senior manager than the self-ratings on the Follower ALQ. Therefore the relative importance given to items may differ across the two questionnaires. This implies the correlations between the factors would be impacted resulting in a different factor structure for each of the separate follower or leader authentic leadership scales.

Using the ALQ to measure to measure Follower ALQ highlights the issues that can arise if using a measure in a different way than it was originally intended. It is unusual for followers to rate self as well as their leader; in most cases multisource feedback is used by followers to rate their leader, but followers are not asked to rate themselves using the same rating scale.

Despite these issues the items that were identified as part of the one factor structure of the Leader ALQ and the three factor structure of the Follower ALQ appear to adequately reflect authentic leadership, in that they cover aspects such as openness to feedback and having a consultative approach.
The ALQ has not been used extensively for research. The most significant studies have been the three studies by Walumbwa et al. (2008) who acknowledge the need for further testing of the ALQ (Walumbwa, et al., 2008). The failure of the current study to replicate the factor structure needs to be considered cautiously as the sample size was small. Further testing of the ALQ is needed to examine and validate the ALQ and the factor structure preferably with samples from work organisations.

8.2 Demographic categories - gender
There is some research that provides support for the proposition that subordinate ratings of leaders will vary by gender with female subordinates building closer relationships to leaders and evaluating more positively. Where leaders are the opposite sex to their followers this can be reflected in ratings. This proposition was not able to be tested in the current study as data on the gender of leaders respondents reported was not collected. (Reisman, 1990; Wohlers & London, 1989).

However the study found a significant difference by in relation to leaders’ authentic leadership with a higher mean score for female respondents than for male respondents. There are a number of studies that report a gender difference with females generally rating their leaders more highly than males. When providing self-ratings of their leadership females tend to rate themselves similar to or lower than the ratings provided by others while males tend to inflate their self-ratings(Patiar & Mia, 2008). However, the difference in self-rating by gender is not relevant to this study as gender differences would have impacted on self-ratings of followers’ authentic leadership rating and this was not the case.

8.3 Job satisfaction and team performance
Previous studies have shown that authentic leadership and job satisfaction are positively related (Giallonardo, et al., 2010; Walumbwa, et al., 2008) however this relationship was not supported in the current study.

Past research has shown that a wide range of variables are associated with job satisfaction. For example, organisational climate is commonly associated with job satisfaction but organisational climate was not explored in the current study.
Authentic leadership (Fisher, 2010; Lok & Crawford, 2004). The study did find a positive relationship between providing development opportunities and job satisfaction, confirming that variables other than authentic leadership may be more appropriately related to job satisfaction.

Team performance is an important and relevant indicator of leadership performance, so it is concerning that the relationship between leaders’ authentic leadership and team performance was not confirmed (Hogan & Hogan, 2001). Interestingly followers’ authentic leadership and team performance did show a significant positive relationship.

The measure of team performance in the current study was limited to individual self-rated perceptions; a team perspective on performance was not examined raising issues about the potential for bias in self-ratings (Hogan & Hogan, 2001; Shipper & Dillard, 2000).

There may be further reasons for the failure to find a relationship between leader’s authentic leadership and team performance. Firstly; the respondents who are also leaders possibly view their own leadership and performance as more important to team performance than their leader’s levels of authenticity and their ratings reflected this possibility showing a significant relationship between followers’ authentic leadership and team performance. The literature proposes that followers with higher levels of authentic leadership are likely to have higher self-esteem, self-determination and self-efficacy (Avolio, et al., 2004; Ilies, et al., 2005). Given that these factors suggest the person takes personal responsibility and feels confident in their own ability, the followers’ perception of a direct rather than indirect relationship to team performance through their leader is not surprising (Ilies, et al., 2005; Maddux, 2002; Politis, 2006). The authentic leadership literature comments that followers of authentic leaders are encouraged to develop their own independent self-concept and the ability to self-regulate their own behaviour (Avolio, et al., 2004). This would explain the followers’ confidence in their ability to impact team performance.

Secondly, the respondents may have rated the team that reports to them rather than the team that reports to their manager meaning there would be no relationship between how the respondents rated their leader and how they rated
team performance. However this latter explanation is less likely as the questionnaire did state to rate the team ‘who work with you…and who also report to your manager’.

The study shows complex relationships with a number of interaction effects where

a.) job satisfaction interacts with leaders’ authentic leadership and team performance;

b.) job satisfaction did not interact with followers’ authentic leadership and team performance;

c.) and followers’ authentic leadership interacting with leaders’ authentic leadership and job satisfaction.

a.) The role that job satisfaction plays in moderating the relationship between leaders’ authentic leadership and team performance may have impacted on the studies inability to find a relationship between leaders’ authentic leadership and team performance. This implies that followers’ with low levels of job satisfaction will rate team performance low regardless of leader’s authentic leadership.

Research shows levels of job satisfaction are related to factors such as perceptions of others; work motivation or the desire to put in extra effort. These factors are shown to impact on ratings of leaders’ effectiveness (Yammarino & Atwater, 1997); and also feelings about team performance (Fisher, 2010). Conversely, the results indicate that the multiplier effect of both high job satisfaction and having a leader with higher levels of authentic leadership is likely to impact positively on motivation and work effort and in turn impact positively on team performance.

b.) Whereas job satisfaction interacted with leaders’ authentic leadership and team performance to strengthen this relationship, this was not the case for followers’ authentic leadership. The failure to find a similar relationship supports the proposition that followers’ perceive their own authentic leadership is related to team performance, and this is regardless of whether they are satisfied with their job. Again this points to the many factors that influence job satisfaction, some of which the follower may feel are outside their control, for example
c.) The relationship between authentic leadership and job satisfaction becomes even more complex when looking at the results where followers’ authentic leadership interacted with leaders’ authentic leadership as it related to job satisfaction. It appears that where both the leader and follower have higher levels of authentic leadership a synergistic effect occurs, with them both being in tune and working well together. This proposition is supported by the literature that suggests synergy can occur between leaders and team members who share understandings (Mazutis & Slawinski, 2008; Vera & Crossan, 2004). Similar approaches to leadership would be expected as both leaders and followers are authentic leaders. This implies a relationship of trust and the consequent outcome of job satisfaction as these factors have been linked by research (Dirks & Ferrin, 2002). These synergies are also supported by the literature on authentic leadership which claims that influence processes such as personal or group identification, positive contagion and social exchange will occur between the leader and follower and these relate to personal well-being outcomes (Avolio & Gardner, 2005; Ilies, et al., 2005); a concept closely related to job satisfaction (Fisher, 2010; Judge & Watanabe, 1993).

The leader x follower interaction was not found for the outcome of team performance, implying that the potential positive affective response that comes from this relationship does not translate into team performance outcomes.

The findings in relation to both leaders’ and followers’ authentic leadership and the outcomes, job satisfaction and team performance, point to the need for further research with a larger and more specifically selected sample.

Despite somewhat conflicting results possibly generated by the relatively small sample size or created by the necessary mixing of data from two different organisations, the study makes an important contribution to the research on authentic leadership.
8.4 Followers’ authentic leadership
Firstly, the study provides support for the proposition that leaders’ authentic leadership is positively related to followers’ authentic leadership. The link between followers’ authentic leadership and team performance provides a sound business imperative for pursuing the development of followers and leaders to enhance their levels of authentic leadership.

The authentic leadership literature suggests that the impact of the authentic leader on follower levels of authentic leadership is important as it creates a process that cascades down or across organisational levels (Mazutis & Slawinski, 2008); contributes to the well-being of individuals in the organisation and to the establishment of an organisational climate that values ethical behaviour and is based on open and transparent relationships (Avolio & Gardner, 2005). These factors are said to contribute to building trust between leaders and employees and also to creating a more socially responsible organisation (Gardner, Avolio, Luthans, et al., 2005; Ilies, et al., 2005). These outcomes are relevant and important to organisations and are claimed to be linked to authentic leadership but are yet to be substantiated by the research.

8.5 Development opportunities
Secondly, the study makes the link between leaders’ authentic leadership and leaders providing development opportunities for their followers. The role that development opportunities play in enhancing followers’ job satisfaction suggests that this is an important role for leaders and that it has important consequences for organisational outcomes (Blau, et al., 2001; Chiva & Alegre, 2009).

8.6 Implications for research
While propositions linking authentic leadership to job satisfaction, job performance and important organisational outcomes such as organisational citizenship behaviour have been tested previously, this study has not identified any studies that link authentic leadership and follower levels of authentic leadership. This preliminary but important link strongly suggests the imperative for further research with larger sample sizes to confirm the findings in the current study.
The findings from the study point to the need for more research to better understand the mechanism by which the leader develops their followers to become authentic leaders. While it might be expected that providing development opportunities is this mechanism, the findings from the current study suggest this is not the case. Development opportunities moderated the relationship between authentic leadership and follower authentic leadership, thus making it stronger, however did not mediate the relationship. This indicates that there are other mechanisms which are working to create the positive relationship between leaders’ authentic leadership and followers’ authentic leadership. The literature proposes these mechanisms to be positive modelling by the authentic leader, personal and social identification and/or reflective practice (Ilies, et al., 2005). These propositions were not tested in the current study.

The Development Opportunities Scale, the measure used in the current study to assess the provision of development opportunities, does include items such as coaching and upward feedback that are referred to by Ilies et al (2005) as strategies for reflective practice (Ilies, et al., 2005). By using the Development Opportunities Scale it could be said that the concept of reflective practice has already been tested in the current study and did not act as a mediator for the leaders’ authentic leadership and followers’ authentic leadership relationship.

The method of reflective practice that is proposed in the literature requires an approach to coaching and to feedback that includes a focus on how learning impacts on people’s beliefs and values and how they integrate that learning into their self-concept (Ilies, et al., 2005). Current workplace practices of coaching and providing feedback are described as targeting skills and performance and as less likely to include discussion and reflection on values and beliefs (Day, 2000).

The descriptions of ‘coaching’ and ‘upward feedback’ used as items in the measure of development opportunities refer to the workplace practice approach and so cannot be considered aspects of reflective practice. The proposition that reflective practice is a mechanism for the development of follower authentic leadership still needs to be tested. This would be an interesting focus for future
studies and may shed some light on the mechanisms for developing follower authentic leadership.

Future studies with larger and possibly more clearly identified samples are needed to test the relationship between authentic leadership and outcomes such as a positive organisational climate, trust, ethical behaviour and socially responsible organisations to provide further empirical support that developing authentic leadership will provide benefits to individuals and organisations. The organisational context needs to be explored to test the role it plays as a moderator and, given that the literature proposes that authentic leadership contributes to the authenticity of the organisation, to assess the ‘authenticity’ levels of the organisation (Avolio & Gardner, 2005).

8.7 Limitations

This study has some limitations and so the results need to be interpreted with caution. The most obvious limitation is sample size. The ability to obtain a larger sample was hampered by the unwillingness of organisations to subject their employees to ‘another survey’. The small sample size may have impacted on the ability to identify significant relationships between variables. More importantly, perhaps, was the need this generated to merge the data from two different types of organisations, with the potential that there are differences between the organisations in the leadership styles and employee motivations (refer section 1.4) (Vera & Crossan, 2004). The findings from this study may reflect the impact of treating the two organisations as one.

Demographic details were not collected for the leaders the respondents reported to. This limited the ability to examine the impact of variables, such as gender, that may have impacted on outcomes of the study; for example differential ratings when leader and follower are of different gender.

There was no known measure of follower authentic leadership, so the use of the ALQ with slight revisions served this purpose although it had previously only been used to measure leaders’ levels of authenticity. The results of the current study indicate that follower authentic leadership may be a different construct than leader authentic leadership; this proposition needs to be investigated to establish a measure of follower authentic leadership.
Authentic leadership

The use of self-ratings on a measurement scale has the potential for respondents to rate themselves more favourably than others would rate them. To avoid inflated ratings many measurement tools include instructions to answer honestly or as spontaneously as possible or add items to assess social desirability (Ter Laak, Van Leuven, & Brugman, 2000).

Self-report measures of follower authentic leadership can be problematic because of the potential for inflated scores however the authenticity literature does state that self-reports are an effective way to measure authenticity (Harter, 2002). The content of the items on the Follower ALQ may be particularly susceptible to social desirability. The respondents were assured of confidentiality and the outcome of the respondents’ scores had no work related impact, so this may have mitigated the impacts of self-reported scores. A more valid approach would have been to have leaders rated on their authentic leadership by their direct reports.

The inability to confirm the factor structure of the ALQ meant the study was unable to test the relationship between the four factors that are said to make up authentic leadership and the outcome variables. This also prevented comparison of the original ALQ subscales using responses to the Leader ALQ and the Follower ALQ. This was unfortunate given that other studies have found that several of the factors (balanced processing and self-awareness) are significantly different from the other factors; and that self-awareness was the lowest rating factor (Giallonardo, et al., 2010; Levy & Bentley, 2007). Self-awareness has been claimed as an antecedent to authentic leadership and critical to ongoing development and growth so it is an important variable for any study of authentic leadership (Gardner, Avolio, Luthans, et al., 2005). Further studies are needed to investigate the role that self-awareness plays in the development of the authentic leader and the association with leader effectiveness.

Team performance is considered to be an important measure of leadership effectiveness (Hogan & Hogan, 2001). The present study was unable to measure team performance from the perspective of those receiving the team’s services (e.g. customers) or to measure team performance at a group level. The
Authentic leadership analysis of group results and how these differ between the teams in the sample could provide a valuable insight into organisational interactions and processes (Avolio, Walumbwa, et al., 2009; Bono & Judge, 2003; Yukl, 1999).

In relation to the study of authentic leadership, Cooper et al. (2005) reiterate the importance of researchers stating the level of analysis and also suggest that studies that provide perspectives at different levels of analysis are important to ongoing research in and understanding of the concept of authentic leadership (Cooper, et al., 2005). Research that analyses the relationship of authentic leadership to variables measured at group and organisational level would add to the understanding of authentic leadership.

While one of the organisations had recently completed a work engagement survey, this information was not able to be used in the study and the respondents were not asked to report on their perceptions of organisational climate. A number of the results from the current study may have been able to be interpreted with more certainty if information on organisational climate was available. The importance of organisational climate to the theory of authentic leadership makes it an important variable to include in any study of authentic leadership.

The authentic leadership literature links authentic leadership to numerous outcomes, most consistently to employee well-being. Accordingly well-being would have been a particularly relevant measure of authentic leadership outcomes. While the present study did test job satisfaction this is considered only a subset of well-being (Judge & Watanabe, 1993; Turner, et al., 2002). Future studies that test the outcomes of authentic leadership need to include employee well-being as a measure, along with other important variables linked to authentic leadership such as ‘veritable sustained performance’ (Avolio & Gardner, 2005).
9 Conclusion

Despite limitations, the study provides some initial results that have important implications for the study of authentic leadership and for organisational outcomes.

The link between authentic leadership and follower authentic leadership has not previously been established and this study provides support for this relationship. The present study also establishes that the mechanism for the authentic leader and follower authentic leader relationship is apparently not directly related to the provision of development opportunities. This finding suggests that leadership development and authentic leadership development in particular is a complex process and some of the commonly used development strategies may require re-evaluating. This opens up the possibility that the mechanisms proposed in the authentic leadership literature of positive modelling, personal and social identification and/or reflective practice act to mediate the relationship between authentic leadership and follower authentic leadership. Further studies are needed to examine these relationships and to provide some information on the specific mechanisms that support the development of authentic leadership. This, along with studies with externally valid and larger sample sizes that test and validate the ALQ, are important for the future of authentic leadership.

The present study was unable to provide support for the link between authentic leadership and job satisfaction and team performance, except for moderated relationships. The challenge is to examine not only some of the more commonly used measures of leadership effectiveness but also to explore the interesting possibility that employee well-being and performance are linked to authentic leadership (Ilies, et al., 2005).

Research is still needed to substantiate the claims of the authentic leadership literature, including claims that authenticity in leadership will make leaders and organisations ethical and socially responsible; create leaders who work in the best interests of all not just the shareholder; and create leaders who care about the well-being of the employee, the organisation and the communities within which they operate.
Authentic leadership
References


Authentic leadership


Authentic leadership


Authentic leadership


Authentic leadership


Authentic leadership

Appendices
Appendix A
Massey Ethics Committee – Information Sheets
Appendix B

Authentic Leadership Questionnaire – Agreement to use the ALQ.
Appendix C

Authentic Leadership

ALQ – Sample Items
**Authentic leadership questionnaire (ALQ) – Sample Questions**

*Self-awareness*, “Seeks feedback to improve interaction with others”, “Accurately describes how others view his or her capabilities”;

*Relational Transparency*, “Says exactly what he or she means”;

*Internalized Moral Perspective*, “Demonstrates beliefs that are consistent with actions”;

*Balanced Processing*, “Listens carefully to different points of view before coming to conclusions”.

(Mindgarden Inc., n.d)
Authentic leadership

Index

H1: Leaders authentic leadership will be positively correlated with followers’ levels of job satisfaction.............................................................................................................. 43

H2: Leaders’ authentic leadership will be positively correlated with team performance........43

H3: The relationship between leaders’ authentic leadership and team performance will be moderated by job satisfaction; such that at higher levels of job satisfaction the relationship between leaders’ authentic leadership and team performance will be stronger. .................................................................................................................. 43

H4: Job satisfaction will mediate the relationship between leaders’ authentic leadership and team performance...................................................................................... 43

H6: Followers’ authentic leadership will be positively related to job satisfaction.54

H7: The relationship between leader’s authentic leadership and followers’ authentic leadership will be moderated by job satisfaction such that at higher levels of follower job satisfaction the relationship between leaders’ authentic leadership and followers’ authentic leadership will be stronger.............................................................................................................. 54

H8: Followers’ authentic leadership will be positively related to team performance. ........54

H9: The relationship between followers’ authentic leadership and team performance will be moderated by job satisfaction such that; at higher levels of job satisfaction the relationship between followers’ authentic leadership and team performance will be stronger.54

H10: The relationship between follower’s authentic leadership and team performance will be mediated by job satisfaction. ................................................................. 54

H11: The relationship between leaders’ authentic leadership and job satisfaction will be moderated by followers’ authentic leadership such that; at higher levels of followers’ authentic leadership the relationship between leaders’ authentic leadership and job satisfaction will be stronger.............................................................................................................. 54

H12: The relationship between leaders’ authentic leadership and job satisfaction will be mediated by followers’ authentic leadership. ................................................................. 55

H13: The relationship between leaders’ authentic leadership and team performance will be moderated by followers’ authentic leadership such that; at higher levels of followers’
Authentic leadership:

The relationship between leaders’ authentic leadership and team performance will be stronger. ................................................................. 55

H14: The relationship between leaders’ authentic leadership and team performance will be mediated by followers’ authentic leadership. ........................................ 55

H15: Leaders’ authentic leadership is positively correlated with providing development opportunities for followers................................................................. 56

H16: The relationship between leaders’ authentic leadership and followers’ authentic leadership will be moderated by development opportunities such that at higher levels of development opportunities the relationship between leaders’ authentic leadership and followers’ authentic leadership will be stronger.................................................. 56

H17: The relationship between leaders’ authentic leadership and followers’ authentic leadership will be mediated by development opportunities........................................ 56

H18: The relationship between leaders’ authentic leadership and follower job satisfaction will be moderated by development opportunities such that at higher levels of development opportunities the relationship between leaders’ authentic leadership and follower job satisfaction will be stronger................................................................. 56