

Study Examining Impact of Authentic Leadership on Team Members Work Engagement

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Abstract: In today's dynamic business environment, the need for leaders to be authentic and followers to be engaged to increase trust amongst stakeholders is crucial. In this context, present study has examined impact of authentic leadership on team members work engagement. Study collected data from full time working employees across financial sector in Mumbai. Researcher collected data from 118 Team Leaders and 547 team members using two separate questionnaires. Findings revealed authentic leadership has significant positive impact on work engagement. The findings of the study has managerial implications and has been discussed in the study.

Key Word: Authentic leadership, Work engagement, SEM, Authenticity

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I. Introduction

Authentic leadership (AL) is identified as a process drawing from positive psychological capacities and a highly developed organisational context that results in greater self-awareness and self-regulated positive behaviour on the part of leaders and associates, thus leading to the positive development of behaviour (Luthans and Avolio, 2003). Increased ethical misconduct based on corporate and government malfeasance calls for genuine value-based authentic leadership (George, 2003; 2008). From the extant literature, follower level outcome variables posited having a positive association with AL theory include esprit (Henderson & Hoy, 1983), organisational commitment (Walumbwa et al., 2008).

In the current context, unique challenges call for a renewed focus on leadership across the world (Avolio & Gardner, 2005). Sometimes wrong leaders are idolised by associating and confusing the stock price with corporate value (George, 2008). Various business scandals like large scale scams were unearthed at Punjab National Bank, Saradha Group, IL&FS leading to tremendous consequences at the organisational level ("After PNB, IL&FS imbroglio", 2018), for its financial position and credibility (Hanumantu, Worlikar & Narayanaswami, 2019; Manda & Rao, 2019). This has led to enhanced attention concerning about positive leadership emphasizing integrity, transparency genuineness, and morality (Hoch, Bommer, Dulebohn & Wu, 2018). Ethical leadership and authentic leadership identify leaders as the individual with high integrity, honesty, openness and a desire to do the right things (Gardner, Avolio, Luthans, May, & Walumbwa, 2005). However, researchers have also argued that "ethical leadership focusses on moral management in a transactional way using reward and punishment" (Treviño, Brown, & Hartman, 2003, p.18). Besides, to emerge as an authentic leader, ethical behaviour is the necessary condition, but not a lone condition, the leader has to develop other qualities like relational transparency, self-awareness, and self-regulation (Walumbwa, Avolio, Gardner, Wernsing & Peterson, 2008). Likewise, George (2008) conveys authentic leaders demonstrate a deep sense of purpose and are highly committed to building highly enduring organisations.

Authentic leadership has been studied across various sectors like for example Pharmaceutical sector (Luu, 2020; Lyu et al, 2015), Petroleum sector (Singh et al., 2016), Automobile (Chaudhary & Panda, 2018), Hospitality (Megeirhi et al., 2018), Manufacturing (Onorato & Zhu, 2015), Nursing and health care (Stander, de Beer & Stander, 2015) as well as an educational sector (Ngunjiri, Walumbura, Kathy-Ann, 2017), Banking sector (Iqbal et al. 2018). The review indicates most of the studies are examined in the Nursing and health care sector.

The engagement has been a focal research topic among organisational researchers for the last decade. Kahn (1992), who first conceptualised engagement, defined it as "harnessing of organisation members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performance" (p. 693). Organisational researchers have investigated the potential associations among employee engagement, organisational improvement, and financial performance (e.g. Salanova et al., 2005). Despite the growing interest of employee engagement influencing employees at work, few research efforts have. been put toward the systematic investigation of employee engagement (Christian et al., 2011).

Work engagement represents the simultaneous work-focused investment of cognitive, affective, and physical energies into job performance (Kahn 1990). Drawing from self-determination theory, the present study examines the impact of authentic leadership on follower's work engagement.

II. Theoretical Framework and Hypothesis

Work Engagement (WE) is conceptualised and defined by Schaufeli, Bakker & Salanova, (2006) as a "positive, fulfilling, work-related state of mind that is characterised by vigour, dedication, and absorption" (p.702). Engaged employees are described to be attentive, committed, focused, and integrated towards their work (Kahn, 1990). Engaged employees can bind themselves through personal energy flow enabling them to be more attentive and not merely physically present but psychologically present themselves (Rich et al. 2010). Schaufeli et al. (2006) state engagement are not "momentary but a persistent and pervasive affective cognitive state" (p.702).

Previous research indicates antecedents like (leadership style, personality (Big Five), job control) have been examined in relation to employee engagement. Lather and Jain (2015) conducted a study to examine the relationship between leadership and work engagement across the tourism industry in India, they found male followers feel more engaged when leaders are democratic whereas female followers feel more engaged when leaders also show interest in career progression. Likewise, a study by Ciftci, & Erkanli, (2020) indicated a positive impact on work engagement when mediated by psychological capital. Further, the study by Hamid and Shah (2017) revealed openness to experience, conscientiousness, and extraversion have a significant positive correlation with work engagement. Also, studies by the various researcher (e.g. Schaufeli et al., 2006; Hakanen, Schaufeli, & Ahola, 2008) reveal work engagement has positive relations with (customer satisfaction, job performance, productivity, low turnover).

Previous studies examining the role of authentic leadership on work engagement are meager. Some of the notable studies examined in this context are (e.g. Ciftci, & Erkanli, 2020; Hassan & Ahmed, 2011; Oh et al. 2018; Maximo, 2019). Furthermore Oh et al. (2018) examined the impact of authentic leadership on work engagement through the mediating effect of practicing core values across South Korean employees. Results indicted authentic leadership have a positive impact on work engagement through partial mediation of practicing core values. Additionally, Alok and Israel (2012) also examined similar relations across Indian employees and found the indirect impact of authentic leadership on work engagement through the mediating effect of organisation based promotive psychological ownership. Likewise, Hassan & Ahmed, (2011) found the indirect impact of authentic leadership on work engagement through trust in leadership. Similarly, a study by Maximo (2019) found the indirect impact of authentic leadership on work engagement through psychological safety and trust in supervisors. The above studies imply the positive impact of authentic leadership on work engagements through varying mediating mechanisms. Thus, the present study hypothesises that-

***Hypothesis 1:** Authentic leadership will be positively related to follower's work engagement.*

III Methods

Data collection and sample

A total of 32 organisations across financial institutions in Mumbai have participated in the study. The sample comprised of 118 team leaders and 547 team members nested within their workgroups. Team leaders who were traveling during the data collection phase were not considered. Likewise, team members of selected team leaders were approached and briefed separately about the research project. Profile of the sample respondents includes the sample size, response rate, nature of the sample, type of subjects, method of data collection, and type of research. Table 1 presents the demographics profile of team leaders and team members who participated in the study. Team leader – participants comprised of 54% males and 46% females. The average age of the team leaders was 37.5 years ($SD=\pm 6.6$), the average organisation tenure 7.6 years ($SD=\pm 5.1$). 70% of the team leader - participants were married, and 30% % were single. In all, amongst team leaders, 45% of participants were from senior levels, 52% from middle level and 3% from supervisor levels. Among team members, 41% were females, and 59% were males. The average age of the team members was 32 years ($SD=\pm 8.3$), the average organisation tenure was 4.28 years ($SD=\pm 2.8$). 58% of the participants were married, and 42% were single. With regard to education qualification, 76% of team members were graduates, and 24% were postgraduate.

Measures

Authentic leadership. Walumbwa and colleagues (2008) developed and validated the 16-item Authentic Leadership Questionnaire (ALQ) Scale to measure authentic leadership. The instrument measures authentic leadership across four first-order factors: relational transparency, self-awareness, balanced processing, and internalised moral perspective. Team members rated their respective team leader's authentic leadership

across each a 5-point Likert Scale using anchors ranging from (0=not at all; to 4= frequently, if not always). The scale's Cronbach alpha reliability was .93 and composite was .94.

Work engagement. Utrecht Work Engagement Scale (UWES) short-version scale developed by Schaufeli, et al.(2006), having nine items were used to measure work engagement. The scale measured work engagement across three factors- vigour, dedication, and absorptions. The sample from the scale includes “When I get up in the morning, I feel like going to work”. Responses were conducted on a Likert-7 scale ranging from 0 (almost never) to 6 (always). The scale's Cronbach alpha reliability was .88 and composite reliability was .91.

Data Analysis

The study first examined the descriptive statistics of the study variables. Table 1 presents mean, standard deviation, correlations amongst study variables. The study examined proposed relationships with a sample of 118 team leaders and 547 team members nested within their workgroups. the study examined the correlation between authentic leadership and work engagement. Results indicated a significant positive correlation between the two study variables, authentic leadership, and work engagement. The findings provided initial support for the proposed hypothesis.

Multicollinearity occurs when two or more independent variables are highly correlated. The presence of multicollinearity can cause computational and interpretational problems. For that reason, it is recommended that the absence of multicollinearity be investigated before regression is interpreted. If two independent variables are correlated 0.70 or higher, they may suffer from multicollinearity. Findings indicate the absence of multicollinearity. Further, correlation results indicate preliminary support for the relationships depicted in the hypothesized model.

Table 1 Descriptive statistics, mean, SD, correlation of study variables

	Mean	SD	Work Engagement
Authentic leadership	3.01	.72	.416**
Work Engagement	4.31	.95	1

Note: (N1=Team Leaders=118) (N2=Team members 547), p**<.01

The researcher applied structural equation modeling analysis to test the direct hypothesis using SPSS version 21. Results of SEM supported the Hypothesis 1. Results indicated Authentic leadership has a positive significant impact on Work Engagement ($\beta = .416, p < .001$).

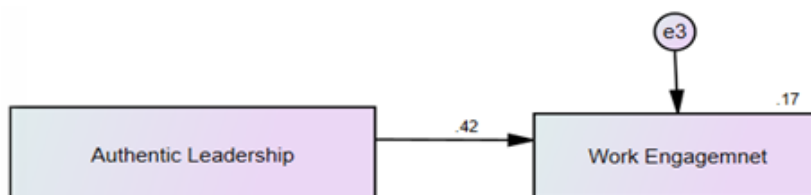


Figure1: SEM diagram of the effects of authentic leadership on team members work-engagement.

IV Discussions

Drawing from self-determination theory, the present study explained the impact of authentic leadership behaviour on follower's outcomes. Corroborating extant literature and our hypothesis, our results revealed authentic leadership is positively and significantly related to work engagement which is consistent with the results from previous studies (e.g., Hassan & Ahmed, 2011). Findings of our study are supported by the research work of Penger and Cerne (2014), they found a positive and significant impact of authentic leadership on work engagement mediating through perceived supervisor trust across R&D teams in the manufacturing sector. Also, Maximo, Stander, and Coxen (2019), substantiated that authentic leadership plays an important role in fostering a positive work environment, which leads to a more engaged workforce. Findings of the study, indicate at the workplace, to enhance work engagement, management should consider leadership behaviour demonstrating transparency, clarity, genuineness of the leader. One of the key aspects, management, desires at the time of uncertainty is high work engagement. Thus, the findings of the study have vital managerial implications.

V. Conclusion

The key objective of the present study was to examine the impact of authentic leadership on team members' work engagement. The study examined the research objective by collecting data from team leaders and team members separately. The findings of the study indicate authentic leadership leads to an increase in team members' work engagement. Previous studies indicate engaged employees are attentive, committed,

focused, and integrated towards their work leading to enhanced productivity and sustainable business performance. In the present scenario, when organisational stakeholders are questioning the genuineness and authenticity of the leaders, the findings of the study make significant contributions.

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