

Review of Research Literature on Authentic Leadership

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1. Introduction

There is growing interest from both researchers and practitioners in a new leadership construct called 'authentic leadership'. The creators of this construct (George, 2003, Luthans & Avolio, 2003; Pearce, 2003; Avolio et al, 2004; Avolio & Gardner, 2005) contend that there is currently an ethical meltdown in leadership and cite major corporate failures such as Worldcom, Enron, and Arthur Andersen. They argue that this decrease in ethical leadership coupled with societal challenges such as terrorism and environmental concerns necessitates the need for leadership that is both authentic and positive.

From the practitioners' perspective, Bill George (2003) has defined authentic leadership as "being yourself; being the person you were created to be" rather than "developing the image or persona of a leader". From a researchers' perspective, Luthans and Avolio (2003) have defined authentic leadership as "a process that draws from both positive psychological capacities and a highly developed organisational context, which results in both greater self awareness and self-regulated positive behaviours on the part of leaders and associates, fostering positive self development".

Whilst the Luthans and Avolio definition draws on the organisational context, the literature review that has informed this research proposal has identified paucity in empirical research addressing this area specifically for the construct of authentic leadership. The research that does exist focuses on specific contexts such as extreme settings as studied by Kolditz and Brazil (2005) rather than organisations within a usual range of peoples' experience. Also, the current literature does not sufficiently address authentic leader development especially with regard to longitudinal field studies. Therefore a question exists as to whether a leader within an organisation is able to develop authenticity in their leadership.

In identifying this question this proposal outlines the type of influence an organisation has on a leader that may encourage inauthentic behaviour, discusses the impact of this behaviour on the leader's well-being, and identifies the impact of authentic and inauthentic behaviour on an organisation's performance. There follows an exploration of the convergence and divergence of researchers' conceptualisations of the components of authentic leadership. From this position the proposal focuses on the research into authentic leader development and identifies possible opportunities for further research.

2. Leaders within the Context of their Organisations

The behaviour of a leader within an organisation is subject to a range of organisational influences. These can be categorised in terms of social, strategic and transformational.

2.1 Social Influence

There is wealth of research into how people are influenced when they join new groups. Social Representation Theory (Moscovici, 1984) states that existing members of the group communicate to new members how the world works and a shared frame of reference is maintained as the group members change. Extreme group socialisation has been described as Deindividuation (Festinger, Pepiton, & Newcomber, 1952) when a person experiences an increased state of anonymity leading to a reduction in self regulation. Recognising the power of socialisation, organisations use techniques such as inductions, buddying, mentoring, etc. to help generate the behaviour required to implement the intended strategy.

2.2 Strategic Influence

A rise in the use of human resource practices designed to enable the organisation to implement its strategy has been observed by a number of researchers (e.g. Schuler and Jackson, 1987; Wright and McMahan, 1992; Lado and Wilson, 1994; Guest 1997). These practices have been termed strategic human resource management (SHRM) and increasingly use competencies as the foundation for selection, performance management, development, promotion and career management. Hooghiemstra (1992) has proposed that competencies can be motives, traits, self-concepts, attitudes, knowledge, or cognitive and behavioural skills. Consequently, there is a great deal of influence on leaders to demonstrate the behaviour associated with the prescribed competencies.

2.3 Transformational Influence

Building on Burns's (1978) distinction between the transactional and transformational leadership, Bass and Avolio (1994) state that transformational leadership occurs when leaders; stimulate others to see new perspectives; articulate the vision of the organisation; develop others to higher levels of ability; and motivate others to put organisational interests before self interests. Therefore, a leader that is within an organisation that is employing the transformational approach will be encouraged to demonstrate their support for the vision and exhibit the behaviours that support the vision.

Through the deployment of these influences organisations attempt to manage the behaviour of their staff so as to create working practices and an organisational culture which best achieves the strategic objectives. The assumption behind this approach is that successful organisations gain a sustainable advantage through aligning key aspects of their operation with the needs of their customers in a more efficient or effective way than their competitors (Chandler 1962). It is argued that the 'uniqueness quality' of organisational culture make it a potentially powerful source of generating sustainable competitive advantage over competitors (Ogbonna and Harris 2000).

Advocates of authentic leadership argue that organisational influences, such as those outlined above, can result in a leader losing their sense of self and their moral compass. As a consequence they are more likely to make unethical or immoral decisions for the short-term gain of the organisation that in the long term may lead to corporate scandal and failure. Literature on Emotional Labour suggests that individuals who define themselves in terms that are discrepant with their role in the organisation are likely to experience their work behaviour as inauthentic resulting in a negative affect on their well-being (Ashforth and Humphrey, 1993).

In arguing for authentic leadership Avolio and Gardner (2005) state that it enables a competitive advantage to be gained through the organisation's ability to achieve persistently high performance and growth over a long period of time. The performance is defined as including financial, human (skills and ability), social (communications and team-working) and psychological (confidence, hope, optimism, and resilience) capital returns.

Clearly there are a number of arguments for and against organisations endeavouring to influence the behaviour of their leaders. Regardless of the relative merits, these influences do exist within organisations and the question remains as to whether it is possible for a leader within an organisational to develop authenticity in their leadership?

3. Components of Authentic Leadership

A review of the available literature has highlighted the components that most researchers and academics cite in discussing authentic leadership. These components are self awareness, self regulation and development, relational transparency, positive psychological capital, and a positive moral perspective. However, there is no consensus of opinion with regard to their nature and inclusion within the construct of authentic leadership.

3.1 Self Awareness

Gardner et.al. (2005) have defined authenticity as involving both *owning* one's personal experiences (values, thoughts, emotions, and beliefs) and *acting* in accordance with one's true self. Sparrowe (2005) argues that authenticity is not achieved by self-awareness of one's inner values or purpose, but instead is emergent from the narrative process in which others play a constituent role in the self. This means that the true self of a leader is malleable and can be developed to enhance positive psychological states (Sparrowe 2005). Ibarra (1999) holds a similar view and identified that leaders experiment with 'provisional selves' as they form their professional identity. Kernis (2003) states that experimenting with different social roles reflects an extension of ones true self and is a catalyst for self-improvement and growth. Shamir and Eilam (2005) advocate that to become authentic, leaders need to develop a high level of self-concept clarity centred on a stable sense of self knowledge and strongly held values and convictions. From this strong self concept they can form self-concordant goals for their own personal and career development to enable them to continually create themselves as improved authentic leaders.

3.2 Self Regulation and Development

In their definition of authentic leadership Shamir and Eilam (2005) state that an authentic leader is characterised by a high degree of person-role merger. Gardner et al (2005) draw on Deci and Ryan's (1995) self-determination theory and state that authenticity within an organisation can only be achieved when the leader has incorporated the value of their externally regulated behaviour into his or her own sense of self. Once the leader has incorporated the requirements of their role, the leader must regulate their behaviour to be consistent with these requirements and their own values in order to be authentic. Kernis (2003) believes that effective self regulation requires an unbiased assessment of relevant information. This enables the leader not to get sidetracked by ego-defence motives such as self-enhancement and self-protection. He also argues that leaders with optimal self-esteem (characterised by qualities associated with genuine, true, stable and congruent high self-esteem) rather than those with low or fragile high self-esteem are best able to demonstrate unbiased processing.

3.3 Relational Transparency

Gardner et al., (2005) argue that authentic leaders are relatively transparent in expressing their true emotions and feelings to followers, while simultaneously regulating such emotions to minimise displays of inappropriate or potentially damaging emotions. Klenke (2005) has described this in terms of emotional intelligence. Hughes (2005) has argued that relational transparency results from the leader's self disclosure of goals/motives, identity, values and emotions.

3.4 Positive Psychological Capital

In their original framework, Luthans and Avolio (2003) identified that authentic leaders have the psychological capacities of confidence, optimism, hope and resiliency. They stated that these capacities heighten the self-awareness and self-regulating behaviours required for authentic leadership. Luthans and Avolio's model assumes that these capacities are antecedents for authentic leadership. However, research by Luthans, Luthans and Luthans (2004) suggests that these capacities are state-like and thus open to development and change. Gardner et al. (2005) suggest that further theory building and empirical research is required to determine if positive

psychological capital is an antecedent, core component and/or consequence of authentic leadership.

3.5 Positive Moral Perspective

Luthans and Avolio (2003), May et al (2003), and Avolio and Gardner (2005) assert that the construct of authentic leadership needs a positive moral/ethical component. They argue that authentic leaders inherently have high moral standards and capacities to judge moral dilemmas. However, other researchers (e.g. Cooper et al, 2005; Shamir and Eilam, 2005; and Sparrowe, 2005) have expressed concern at defining the construct to include a moral component and argue that it dilutes the construct.

4. Leader Development within the Context of Organisations

The review of literature suggests that for a leader to be authentic within an organisation the leader must establish a stable sense of self knowledge, actively identify with their role and organisation, and form self concordant goals for personal and career development. The leader must then have the ability to be unbiased in their assessment of the environment to enable the self regulation of their behaviour and demonstrate the type of leadership that is aligned to their role, own values, and future desired self.

To achieve this level of functioning and authenticity within an organisation it is anticipated that most leaders would require a significant level of development. However, there appears to be insufficient research evidence to support or challenge this view. Research that does begin to address this area has been carried out by Eigel and Kuhnert (2005). Through applying constructive development theory to leadership they have created a framework of Leadership Development Levels (LDL) which represents the level of maturity shaping the moral and mental capacities of the leader. Eigel and Kuhert assert that the highest LDLs are associated with authentic leadership and hence state that the LDL describes the process by which leaders become authentic. However, the descriptions provided for these higher levels do not appear to capture all the components of authentic leadership as conceptualised by other authors. From their research Eigel and Kuhert (2005) found that in the general leadership population the majority of leaders are at LDLs 3 & 4, whilst the leaders in an executive group were at LDLs 4 & 5 (with 5 being the highest level).

Eigel and Kuhert's description of LDL 5 suggests that the leader is able to transcend their ego to enable them to see themselves and the situation at the same time and to be able to adopt others paradigms. This is similar to Collins's (2004) definition of the Level 5 leadership he found in his research of great companies (2001). Collins states that Level 5 leaders channel their ego needs away from themselves into the larger goal of building a great company. Self-transcendence along with self-sacrifice and meaningfulness is also identified by Klenke (2005) as the spiritual components of authentic leadership.

It has been established that the intrapersonal development of the authentic leader is associated with increasing levels of self-knowledge, unbiased processing, self-regulation, emotional intelligence, positive psychological capital, self esteem, changes in perspective, and ego transcendence. In the literature there is no concept that unifies these components. Debashis Chatterjee (1998) describes leadership development in terms of a transformation of consciousness. The concept of consciousness is defined as the meeting point between the subjective and the objective. Whilst the majority of assertions in his book are drawn from eastern philosophical, spiritual and religious traditions rather than empirical research, the term consciousness does tend to capture the components of the intrapersonal development of the authentic leader.

5. Research Questions

The majority of the literature reviewed focuses on theory building. Whilst the authors draw on studies carried out in related areas of leadership there is insufficient literature presenting empirical studies of authentic leadership itself. The empirical evidence that does exist focuses mainly on the process of leading authentically. This presents opportunities for future studies to research how authentic leaders can develop within organisations. This view is supported by the findings Reichard and Avolio's (2005) meta-analysis of 200 leadership intervention studies carried out over the last 100 years. From their conclusions they highlight that there is a need for researchers to conduct high quality field leadership intervention studies.

From this initial literature review this document proposes further research be carried out to address the following questions: -

Are the ethical, moral, strategic and financial arguments for authentic leadership influential within organisations?

What are the antecedents and processes that enable a leader to identify with their role and self regulate their behaviour so as to remain authentic within the organisational context?

Can the intrapersonal antecedents of authentic leadership be unified within a model or framework?

Do the interpersonal antecedents of authentic leadership only develop naturally or can the development be accelerated?

Assuming the development of the interpersonal antecedents can be accelerated, which interventions are appropriate for and have efficacy within organisations?

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