

# Authentic Leadership in Groups: Effects on Trust, Psychological Capital, Organizational Citizenship Behavior and Job Performance

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# Historical Background

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- Advent work on AL came as a result of writings on transformational leadership, in which Bass and Steidlmeier (1999) suggested that there are *pseudo versus authentic transformational* leaders.
- Recent scandals involving high profile organizational leaders.
  - ✓ “Given prominent ethical scandals in virtually every type of organization, the importance of an ethical dimension of leadership seems obvious (Brown & Treviño, 2006: 596).
- Earlier theoretical piece by Luthans and Avolio (2003) and practitioner-oriented work by George (2003)
  - ✓ Several theoretical pieces followed (e.g., Leadership Quarterly Special Issue, 2005, etc.).

# Authentic Leadership

(Avolio et al., 2004; Gardner et al., 2005; Walumbwa et al., 2008)

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- The extent to which an individual exhibits a pattern of openness and clarity in his/her behavior toward others by sharing the information needed to make decisions, accepting others' inputs, and disclosing his/her personal values, motives, and sentiments in a manner that enables followers to more accurately assess the competence and morality of the leader's actions.

# Construct Validity: Walumbwa et al. (2008)

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- Item development and validation
  - ✓ 35 theoretically derived items
  - ✓ 22 least ambiguous and most behavioral retained
  - ✓ 16 retained following content validity assessment by content area experts (assignment to a priori category 80%+)
  
- Underlying dimensions
  - ✓ *Self-awareness (4 items)*: “Seeks feedback to improve interactions with others.”
  - ✓ *Internalized moral perspective (4 items)*: “Makes decisions based on his/her core beliefs.”
  - ✓ *Balanced processing (3 items)*: “Solicits views that challenge his or her deeply held positions.”
  - ✓ *Relational transparency (5 items)*: “Says exactly what he or she means.”

# How (and Why) AL Positive Effects Realized?

Brown et al. (2005); Ilies et al. (2005)

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- Social learning
  - ✓ Credibility and attractiveness
  - ✓ Role modeling through learning and observation leading to Personal identification
- Social exchange (we define ourselves in part by ...)
  - ✓ *Whom* we interact with
  - ✓ *How* we interact with them
  - ✓ When individuals are in a “social exchange relationship,” they go beyond formal duty leading to a sense of obligation and reciprocation.

# A Social Information Processing Perspective

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- While both social learning and social exchange theories are valuable, they are not enough to explain the effect of AL on important group-level outcomes.
- Social information processing (e.g., Salancik & Pfeffer, 1978), suggests that one important source of information is one's immediate work environment (including leadership).
- AL are honest, open and transparent, disclosure of personal values.
- These characteristics provides cues that group members' use to construct and interpret events, and guide their behavior.

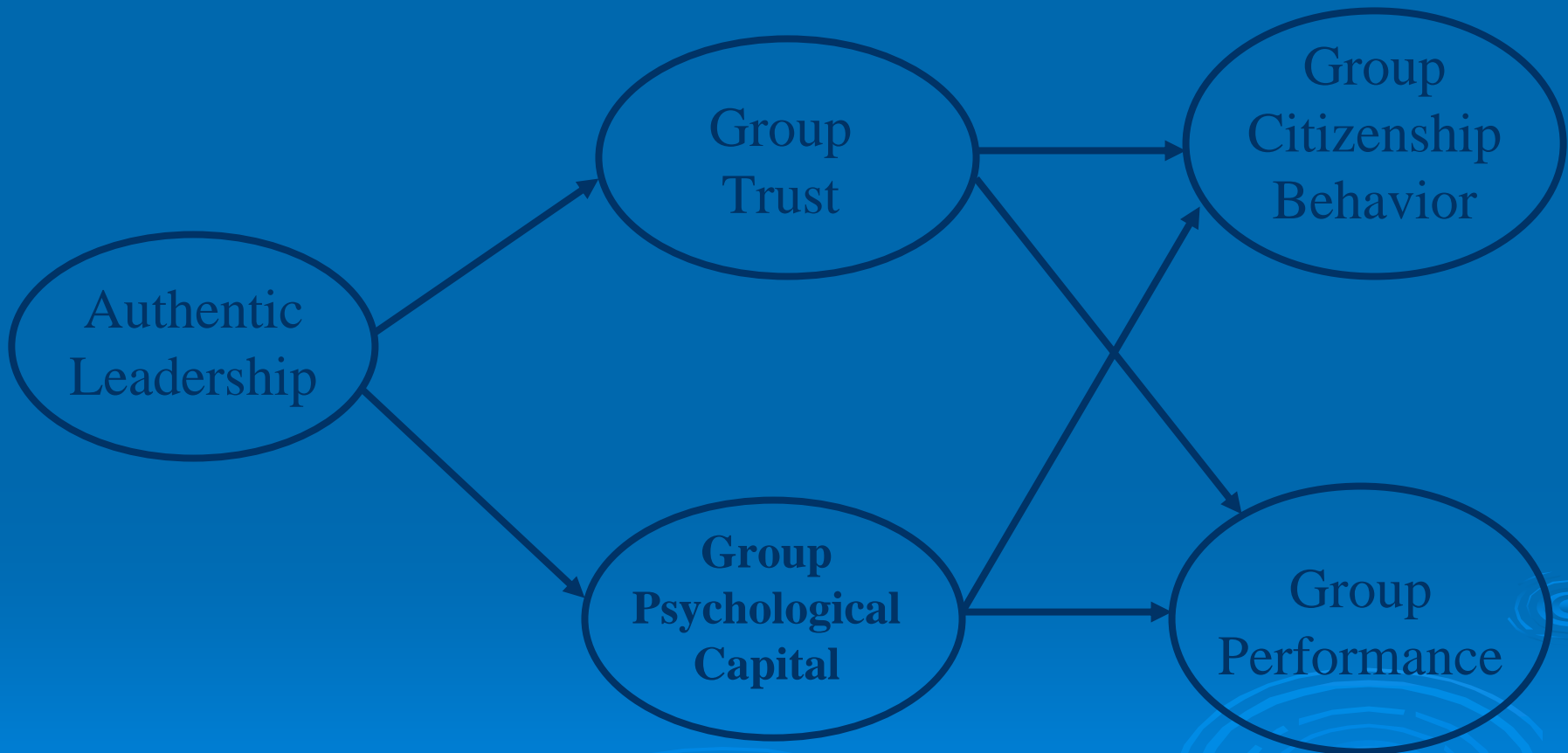
# The Current Study

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- The purpose of this study is to provide beginning research evidence to better understand the linking mechanisms between authentic leadership and group outcomes
- Drawing on social learning, social exchange, and social information processing perspective, we suggest that authentic leaders build followers' trust and psychological resources (e.g., efficacy, hope, optimism, and resilience).
- Both followers' trust and psychological resources subsequently translates into OCB and job performance.
  - ✓ Avolio et al., 2004; Gardner et al. 2005; Ilies et al., 2005

# A Proposed Model

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# Method

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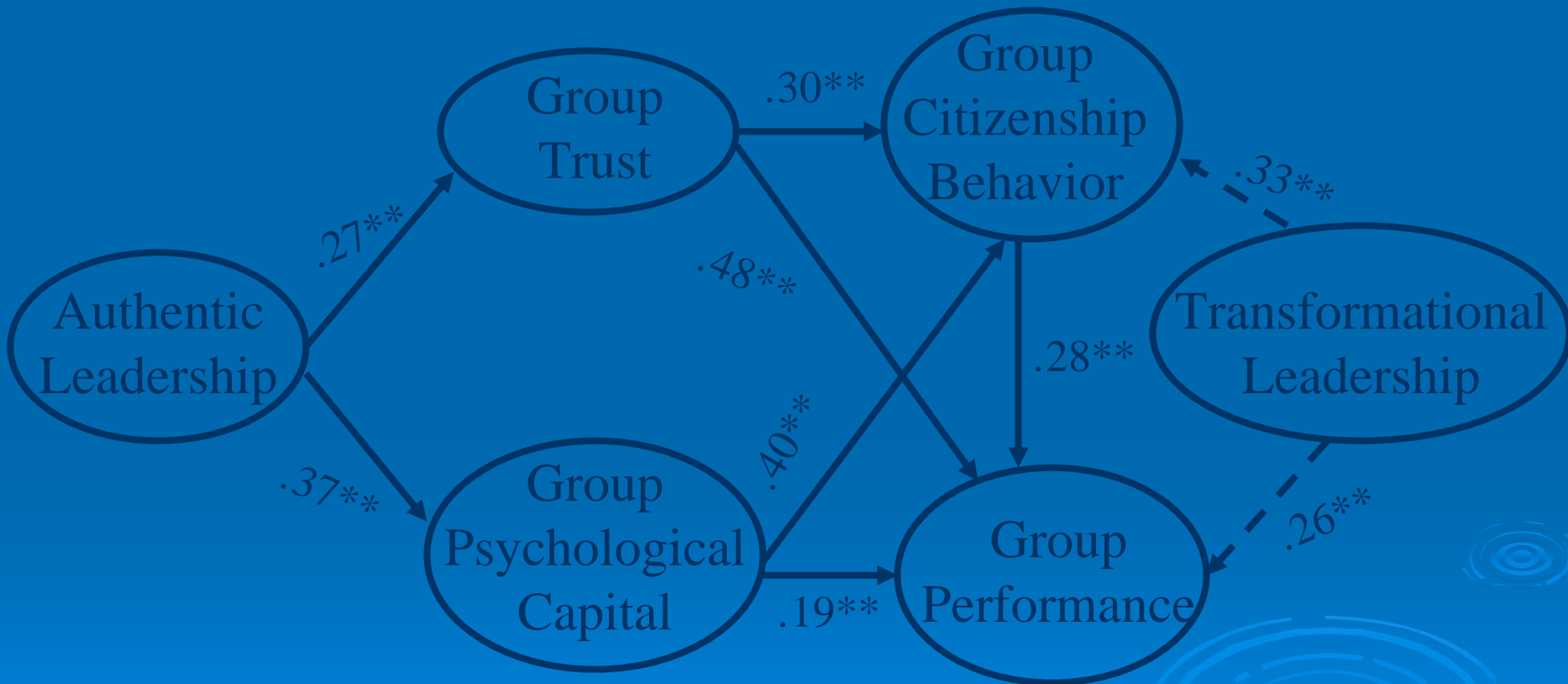
## ➤ Sample

- ✓ 146 groups (526 employees and their immediate supervisors) of a large southwest financial institution.
- ✓ 61% females; 38% white, 33% Hispanics, 29% others

## ➤ Data collection procedure


- ✓ T1: AL (Walumbwa et al., 2008) and TFL (Bass & Avolio, 2004).
- ✓ T2: Psychological capital (Luthans et al., 2007) and Trust (Campion et al., 1993).
- ✓ T3: Supervisory-rated OCB-O (Lee & Allen, 2002) and task performance (Bono & Judge, 2003)

# SEM Results



# Mediating Hypothesis

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- Group psychological capital and group trust mediate the relationship between authentic leadership and group outcomes of citizenship behavior and performance.
  - Model comparison and results supported complete mediation.
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# Discussion and Conclusions

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- Provide beginning evidence on how (*and why*) authentic leaders achieve positive outcomes.
- Leaders exhibiting authentic behaviors may be instrumental in developing trusting relationships and psychological resources, and in turn, positive outcomes.

# Future Research Directions

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## ➤ Expand Nomological Net

### ➤ Related leadership variables

- ✓ Servant leadership
- ✓ Spiritual leadership
- ✓ LMX

### ➤ Work outcomes

- ✓ Workplace safety
- ✓ Employee engagement
- ✓ Well-being
- ✓ Withdrawal behaviors

## ➤ Expand Research Designs

### ➤ Qualitative

- ✓ Interviews
- ✓ Observation
- ✓ Life stories

### ➤ Experimental

- ✓ Laboratory
- ✓ Field experiments

### ➤ Conditions

- ✓ Under what conditions is authentic leadership more (or less) effective?