

**NEED FOR CREATING AUTHENTICITY AT WORK:
RE-VISIONING ORGANIZATIONAL TRANSFORMATION**

Jülide Kesken^{*}, Nazlı Ayşe Ayyıldız^{}**

ABSTRACT

In this study authors mainly emphasize the importance of the question of "Can authentic leaders transform organizations easier or more effectively when compared to other leaders?" As the fire and intensity of self-interest seem to burn all around us, we search, so often in vain, to find leaders we can have "faith" in. We all suspect that we are being duped as a reaction to the turbulent times we live in and a response to the public's widespread disenchantment with politicians and businesspeople (Goffee & Jones, 2005). We are not uncertain about our leaders' talents, but about their trustworthiness. Due to this feeling of uncertainty; the authentic leaders who tend to exhibit confidence, hope, optimism, resiliency and a dedication to developing leadership capabilities in others come on the scene at organizations. Open or transparent about who they are, the authentic leaders are striving to link personal values to actions and individual values to organizational values (Shamir & Eilam, 2005). By this linkage, authentic leaders are expected to "transform" organizations into legitimate arena of moral striving and human fulfillment.

Key Words: *Authenticity, Authentic Leadership, Organizational Transformation, Transformational Leadership, Charismatic Leadership, Spiritual Leadership*

**NEED FOR CREATING AUTHENTICITY AT WORK:
RE-VISIONING ORGANIZATIONAL TRANSFORMATION**

INTRODUCTION

In an emerging economy, traditional ways of competing have reached a level of parity in which businesses can no longer easily distinguish themselves solely on the basis of quality, technology, product or price. The ability of an organization to conceptualize and manage change – to compete from the inside out by increasing its capacity for transformation – has become a competitive advantage in itself (Winston,

* Ege University, Faculty of Economics and Administrative Sciences, Izmir, Turkey, E-mail: julide.kesken@ege.edu.tr

** Ege University, Faculty of Economics and Administrative Sciences, Izmir, Turkey, E-mail: nazliayse.ayyildiz@ege.edu.tr

1996). The call for an injection of values and a concern for ethics and morality into organizational life, especially into the behaviour of managers and leaders, have gained momentum (Duignan & Bhindi, 1997). In numerous research studies over years in a variety of cultures where managers and others were asked to nominate the key characteristics of effective leaders; qualities such as honesty, integrity, credibility, being fair-minded, straightforward and dependable head the list (Duignan & Bhindi, 1997). Given this emphasis on credibility, believability, trustworthiness, ethics and morality in the behaviour of leaders, managers, followers, businesses and leaders are trying to create authenticity at work. In this respect the topic of authenticity and authentic leadership has gained great interest in both practitioner and academic literatures (Avolio, Gardner, Walumbwa, Luthans, & May, 2004; Duignan & Bhindi, 1997; Gardner & Schermerhorn, 2004; Goffee & Jones, 2005; Luthans & Avolio, 2003; May, Chan, Hodges, & Avolio, 2003).

We speculate that the reason of this interest in authentic and other positive forms of leadership is because the influence of authentic leaders extends well beyond bottom-line success. Such leaders have a role to play in the greater society by tackling public policy issues and addressing organizational and societal problems (George, 2003). Besides the organizational forces such as need for organizational transformation, renewal of leadership, the inadequacy of traditional management and the rise of positive organizational behavior has triggered the attention for authenticity.

In the following parts we identify the components of authentic leadership aimed at restoring basic confidence, hope, optimism, trust, resiliency, work ethic and meaningfulness (Avolio et al., 2004) and link these components with the dimensions of organizational transformation. We propose the following hypotheses to enlarge our vision related with this topic and lead to further research.

Our major argument is "Authentic leadership fosters organizational transformation." In the context of this argument, we reach these propositions:

- H1: Self-efficacy will foster the change in mission, vision and purpose.
- H1a: Leader's self efficacy will foster the change in mission, vision and purpose in individual level.
- H1b: Leader's self efficacy will foster the change in mission, vision and purpose in organizational level.
- H2: Hope will lead to positive feelings about work.
- H3: Optimism will lead to positive feelings about work.
- H4: Resiliency will foster organizational transformation.

Wischnevsky (2004) examined the relationship between organizational transformation and failure. In this study, the concept of organizational transformation was operationalized as substantial changes

Need For Creating Authenticity At Work

in strategy, structure, and power distribution. Strategy is the demarcation of the organization's domain—the range of products and services the firm offers and the markets it serves (Levine & White, 1961) so the change in this domain is taken into consideration. As a contribution we expect to take the "change in vision, mission and principles" of the organization as a dimension of organizational transformation. We think that change in mission, vision and principles which are all the elements of strategic intention (Mabitsela, 2005) can be fostered by authentic leadership, as those leaders are aware of the importance of values of the organization. Besides their self-efficacy, hope, optimism and resiliency will help leaders to change the organization at deeper levels. Each of these propositions are explained and discussed in detail in the following parts.

AUTHENTICITY

"We have to dare to be ourselves, no matter how frightening or strange that self may prove to be"
Mary Sarton

The concept of authenticity has its roots in Greek philosophy - "Know thyself" and "To thine own self be true" (Harter, 2002; Avolio et al., 2004). As these phrases suggest, the essence of authenticity is to know, accept, and remain true to one's self. In other words, the more people remain true to their core values, identities, preferences and emotions, the more authentic they become (Erickson, 1994).

Unfortunately the concept of authenticity is often misunderstood. Both leaders and followers assume that authenticity is an innate quality – that a person is either authentic (genuine) or not. In fact it is a quality that others must attribute to you. In this respect no leader can look into a mirror and say "I am authentic". In other words authenticity is largely defined by what other people see in you and, as such, can to a great extent be controlled by you (Goffee & Jones, 2005: 88). Besides, leaders and followers associate authenticity with sincerity, honesty, and integrity. However, one's sincerity is judged by the extent to which the self is represented accurately and honestly to others, rather than "the extent to which one is true to the self" (Erickson, 1995; Gardner, Avolio, & Walumbwa, 2005a: 320). In this context establishing your authenticity as a leader is a two-part challenge. You have to consistently match your words and deeds; otherwise, followers will never accept you as authentic (Gardner, Avolio, Luthans, May, & Walumbwa, 2005b). But it is not enough just to practice what you preach. To get people to follow you, you also have to get them to relate to you. This means presenting different faces to different audiences –a requirement that many people find hard to square with authenticity. Hence we should not overlook the reality that authenticity is not the product of manipulation. It accurately

reflects aspects of the leader's inner self, so it cannot be an act (Goffee & Jones, 2005: 88).

Authenticity has also substantial implications for the meaningfulness of employees' lives, especially in the process of leadership. It influences not only leaders' own well-being, but also their followers' well-being and self-concept (Ilies, Morgeson, & Nahrgang, 2005: 374). In this respect, authenticity seems to operate as the primary catalyst of the transformation process when the leader and the followers choose to act in an authentic manner so as to "foster the growth and development of each other's being" (Dorn, Buckley & Brown, 2005).

Organizational Forces Triggering Authenticity

Need for organizational transformation. We argue that the need for organizational transformation has acted as a catalyst to create authentic enterprises. In parallel with that argument we mainly expect authentic leaders to foster organizational transformation. In this context we find it appropriate to review the concept of change to understand organizational transformation better.

According to Porras and Silvers (1991) there are two general types of change: organizational development and organizational transformation. As the more traditional approach, "Organizational development is relatively well defined and circumscribed in terms of its technologies, theory, and research". It represents the more traditional mechanistic management perspective based on highly rational assumptions. Organizational transformation, however, "is emerging, ill-defined, highly experimental, itself rapidly changing and requires re-evaluation of the organization's core beliefs, values and purpose". Adams (1984) describes organizational transformation in terms of "establishing a vision of what is desired and working to create that vision from the perspective of a clearly articulated set of humanistic values"; and although organizational development does "not reject vision and values either – it's a matter of shifting the emphasis slightly towards a larger, more proactive perspective." He clarifies this subtle distinction by drawing a metaphor from Wilber, who "likens development to moving the furniture around on the floor and transformation to moving the furniture to a new floor" (Dehler & Welsh, 1994). Thus, as a change strategy, organizational transformation transcends the rationality associated with the traditions of scientific management to invoke a new management paradigm that addresses concepts at a "deeper level in the organization than those traditionally targeted for change by organizational development." Change in the organizational transformation framework, then, goes beyond the mechanistic "mindless downsizing and delayering" common to the scientific management paradigm (Dehler & Welsh, 1994), and attends to the emotional, moral and ethical side of the enterprise – in this case, appealing to matters of *authenticity*.

Need For Creating Authenticity At Work

Traditional management and renewal of leadership. In today's world we constantly find ourselves confronted with situations challenging the traditional ways organizations have been managed and require new and unique approaches. Where the mechanistic organization depended on hierarchy, rules to enforce behaviour and conventional leadership paradigm based on self-interest, coercion, manipulation, dominance and patriarchal dependency (Duignan & Bhindi, 1997), today's organizations and leaders have to focus more on morality, ethics, hope, resiliency and confidence which are the components of authentic leadership. Besides; integrity, credibility, honesty, strong work ethics, self awareness, leading with purpose, meaning, and values (Duignan & Bhindi, 1997; Avolio et al., 2004; George, 2003) are the other components that today's leaders should focus on.

We need positive forms of leadership styles that create arenas in which people are not deceived and trust each other. Conger (1991) emphasizes that "era of managing by dictate is ending and is being replaced by an era of managing by morality, ethics and inspiration." Greenleaf (1977) advocates a movement away from "people using" paradigm to "people-building" leadership and in an environment of relentless global competition, the winners will be the organizations best able to harness their ethical, emotional and spiritual energy.

In this respect the new role of leadership is to develop reciprocal loyalty, mutual respect, the allegiance of others not by coercion or manipulation but by building trusting relationships, linking personal values to actions and individual values to organizational values. The leaders focusing on achieving these hallmarks are identifying new potentials, seeking out new avenues of opportunity, and activating the human spirit through authenticity (Winston, 1996; Duignan & Bhindi, 1997).

The rise of positive organizational behavior and positive psychological capital. A new movement called positive psychology that emerged a few years ago redirects focus away from an almost singular emphasis on healing mental illnesses and pathologies, and toward psychology's two forgotten missions: making people's lives more productive and worthwhile, and actualizing human potential (Luthans & Youssef, 2004: 151-152). Led by Seligman and a core group of other well known research-oriented positive psychologists, it aims to shift the emphasis away from what is wrong with people to what is right with people—to focus on strengths (as opposed to weaknesses), to be interested in resilience (as opposed to vulnerability), and to be concerned with enhancing and developing wellness, prosperity and the good life (as opposed to the remediation of pathology) (Luthans, 2002: 697).

Positive psychology has spurred two related movements that applied positivity and strength-based management to the workplace (Luthans & Youssef, 2004: 151-152). The first is the *positive*

organizational scholarship movement emphasizing positive organizational characteristics that can enhance organizational survival and effectiveness in times of crises and adverse conditions. It focuses primarily on constructs such as compassion, virtue, and forgiveness as ends in themselves for today's organizations (Luthans, 2002: 698). The second is positive organizational behavior which applies positively oriented human resource strengths and psychological capacities that can be measured, developed and managed for performance improvement in today's workplace (Luthans & Youssef, 2004: 151-152).

There has been a need for such a positive approach to organizational behavior because Organizational Behavior field needs a proactive, positive approach emphasizing strengths, rather than trying to fix weaknesses. Positive Organizational Behavior is to identify unique, state-like psychological capacities that cannot only be validly measured, but also be open to development and performance management (Luthans, 2002: 698). Similar to traditional forms of capital, positive psychological capital can be assessed as to the return on investment and impact on competitive advantage. These Positive Organizational Behavior capacities include self-efficacy/confidence, hope, optimism, and resiliency, which can collectively be referred as positive psychological capital (Luthans & Youssef, 2004: 152).

We study these capacities extensively as components of authentic leadership in the following pages because both authentic leadership and positive organizational behavior draw from the field of positive psychology, and these capacities help authentic leaders "to clearly frame moral dilemmas, respond to them and thus become ethical role models" (Gardner & Schermerhorn, 2004: 272).

AUTHENTIC LEADERS AND AUTHENTIC LEADERSHIP

We begin with defining the term authentic leader because any concept of authentic leadership has to include an authentic leader as its "core" component.

Authentic Leaders as Core Component of Authentic Leadership

We have usually seen people looking for direction and willing to offer their trust, which has been tragically misplaced due to ethical meltdowns. Thus *genuine* leaders who lead by fostering healthy ethical climates characterized by transparency, trust, integrity, high moral standards and developing sustainable follower accomplishments (Gardner et al., 2005a) are needed. We call such individuals authentic leaders who are not only true to themselves, but lead others by helping them to likewise achieve authenticity.

Although the definitions for the term -authentic leader- are arbitrary, we base our efforts to define on the dictionary meaning of the

Need For Creating Authenticity At Work

term authentic, namely *genuine, original, not a fake*. From this point of view, we conceive authentic leaders as people who have achieved high levels of authenticity in that they know who they are, what they believe and value, and they act upon those values and beliefs while transparently interacting with others. Avolio et al. (2004) defined authentic leaders as “those individuals who are deeply aware of how they think, behave and are perceived by others as being aware of their own and others' values/moral perspective, knowledge, and strengths; aware of the context in which they operate; and who are confident, hopeful, optimistic, resilient, and high on moral character.”

Authentic leaders strive to link personal values to actions and individual values to organizational values (Luthans & Avolio, 2003: 243; Dorn et al., 2005). They desire to serve others and are more interested in empowering the people they lead to make a difference. They are as guided by qualities of the heart, by passion and compassion, as they are by qualities of the mind.

We think that authentic leaders are not born the way we explained. Many people have natural leadership gifts, but they have to develop them fully to become outstanding leaders. Authentic leaders use their natural abilities, but also recognize their shortcomings and work hard to overcome them (George, 2003: 12). They know how to win acceptance in strong corporate and social cultures and how to use elements of those cultures as a basis for radical change (Goffee & Jones, 2005).

Challenges Confronting Authentic Leaders

Granted, some leaders will not need any guidance to become authentic, as evidenced by the multitude of current or historical leaders such as Ghandi and Nelson Mandela who fit the profile of authenticity. However, others may have the potential to become authentic but may need help in realizing their potential (Winston, 1996). Thus, to become or realize the potential of becoming an authentic leader, some challenges that are discussed below in details have to be overwhelmed.

Lack of self-awareness. First and foremost, an authentic leader must achieve authenticity through selfawareness and self-acceptance. Awareness as a component of authenticity refers to one's awareness of, and trust in, one's own personal characteristics, values, motives, feelings, and cognitions. Self-awareness includes knowledge of one's inherent contradictory self-aspects and the role of these contradictions in influencing one's thoughts, feelings, actions and behaviors. It also includes being aware of one's *strengths and weaknesses* as well as understanding one's *emotions and personality* (Ilies et al., 2005: 377).

Conflict between behaving effectively and behaving ethically.

Definitions of leader effectiveness in most competitive situations are tied to achieving within rational means whatever it takes to win or succeed (Price, 2003; Walzer, 1973). To be deemed successful, the natural process of leadership gives special attention to organizational interests, sometimes to the exclusion of serious concern for the interests of outside stakeholders or for the interests of individual in-group members (Bass & Steidlmeier, 1999). Moreover, by focusing primarily on organizational interests the leader also indirectly promotes self-interests, because the success of the organization is directly (i.e. compensation) and indirectly (i.e. reputation) connected to the leader's individual success and well-being. Thus, leaders may feel compelled to exploit in-group (employees, followers) and out-group (investors, governments, or communities) stakeholders to accomplish extra-ordinary organizational goals. Several authors have argued that authentic leaders strive to do what is right and fair for all stakeholders and may willingly sacrifice self-interests for the collective good of their work unit, organization, community, or entire society (Bass & Steidlmeier, 1999; Burns, 1978; Howell & Avolio, 1992; Luthans & Avolio, 2003). Such leaders are said to engage in *self-transcending* behaviors because they are intrinsically motivated to be consistent with high-end, other-regarding values that are developed throughout the leaders' life experiences (Michie & Gooty, 2005: 443).

Schwartz categorized these values on a continuum anchored at one end by self-enhancement-success-centered values and at the other by self-transcendent-system-centered values. This continuum indicates the extent to which a leader is motivated to promote *self-interests* versus the extent to which a leader is motivated to promote the *welfare of others* whether they represent close or distant constituencies. He associated self-enhancement with the values of achievement, power and hedonism (personal gratification). On the other hand, self-transcendence is associated with the values of benevolence (preserving and enhancing the welfare of people with whom the leader is in frequent personal contact through honesty, responsibility, loyalty) and universalism (emphasis on appreciation, tolerance, and protection for the welfare of all people and for the environment) (Schwartz, 1994; Michie & Gooty, 2005: 444).

In order to become an authentic leader, the leaders should solve the priority problem of "*self-transcendent values vs self-enhancement values*". As we recognize that values or their priority may vary from leader to leader based on personality, organizational context, and followers (Michie & Gooty, 2005: 444); we suggest that *authentic* leaders have both self-enhancement and self-transcendent values, but should give a "*higher priority*" to *self-transcendent values* to become authentic truly.

Need For Creating Authenticity At Work

Cynicism about leaders and prevalence of artifice. There is widespread doubt in the community about the credibility of many so-called leaders in our organizations and in public life. Starratt (1993: 102-103) blames this cynicism on widespread distrust by the general public of almost all leaders. There seems to be a number of reasons for this sad state of distrustfulness. It appears that most leaders have insufficient understanding of the dynamics and complexity of organizations and cling to a fixed mindset, viewing them as linear, deterministic, and mechanistic systems. This causes them to adopt views of management that are based on hierarchical structures and "power over" people approaches to relationships leading to corporate cultures that, too frequently, reward naked ambition, manipulation, and emphasize self-serving practices and the saliency of role and structure over ethical and authentic behaviour (Duignan & Bhindi, 1997: 197-198). Besides, in many organizations truth, honesty, and spiritual experiences are the exception. Hodgkinson (1991: 59) suggests that some administrators or leaders are prone to "image manipulation". They wear a mask of authenticity rarely revealing their true selves and quit seeing every challenge as a power struggle where coalitions need to be built and numbers counted.

Thus, the authentic leaders who have the potential to overcome the cynicism and artifice problems have to struggle with unjust, self-serving and dehumanizing relationships and try to build relationships on transparency, morality, ethics, and justice to transform the negative attitudes of employees toward leaders into positive.

Developing followers' self-awareness/regulation. Leadership is widely recognized to be a *social process* that depends on both leaders and followers (Lord, Brown, & Freiberg, 1999: 166). Thus, another challenge facing authentic leaders is shaping the self-awareness and self-regulatory processes of their followers. Through these processes, followers develop greater clarity about their values, identity, and emotions and, in turn, move towards internalized regulatory processes, and authentic behavior. They come to know and accept themselves and self-regulate their behavior to achieve goals that are, in part, derived from and congruent with those of the leader. Hence, we expect an authentic relationship between the leader and followers to emerge which is characterized by open and positive exchanges as they pursue shared and complementary goals that reflect deeply held and overlapping values (Gardner et al., 2005a). As the authentic leaders can cope with the challenges of identifying followers' strengths and build them appropriately, then the leaders can link them to a common purpose, and increase integrity which will finally lead to a shift in performance.

Building long-term, authentic relationship with followers. Trusting and caring relationships are identified in many studies as central to the development of a culture or climate where values relating to

honesty, integrity, fair-mindedness, loyalty, justice, equity, freedom and autonomy are internalized and find expression through everyday practices and procedures (Duignan & Bhindi, 1997: 201). Thus, another challenge facing leaders is striving for achieving openness, truthfulness and strength-based organizational climate by building authentic relationships. As Goldman and Kernis (2002: 19) note, *relational authenticity* involves an active process of self-disclosure and the development of mutual intimacy and trust so that intimates will see one's true self-aspects, both good and bad. To achieve authentic relationships, one must be genuine and not false in one's relationships with close others (Ilies et al., 2005: 381). We also know from Gardner and Avolio's model and attribution theory that judgments about the leader are not simply based on what the leader has done, but also what the follower attributed to the leader and vice versa, making the development of an authentic relationship even more difficult and vexing (Gardner et al., 2005b: 348).

Undervaluing emotions. Results of preliminary studies suggest that *reorganizing approaches* have not achieved the desired levels of performance in terms of either efficiency or effectiveness. One potential explanation for such disappointing results is that these efforts at structural change are necessary but not enough for implementing *real behavioural change*. The missing component is the emotional side of equation. In this context, General Electric's CEO Welch came to believe that "*hearts are every bit as important as minds*", ultimately recognizing how profoundly emotions can influence human thought, behaviour – and entire organizations (Dehler, 1994: 18-19). Change in the "organizational transformation" framework requires change agents to supplement structural reorganization by attending to the *emotional side* of the enterprise – in this case, appealing to matters of spirituality, work ethic and morality. As work ethic and morality are the determinants of authenticity, self awareness becomes essential to the transformation. It involves more than simple awareness of one's thoughts, values and motives, and requires the *understanding of emotions*. As a root construct underlying transformational leadership as well as other positive forms of leadership, we assert that authentic leaders are likewise in touch with their emotions and their effects on themselves and others. Authentic leaders may also factor in their emotions in making value-based decisions (Gardner et al., 2005b: 352).

When the challenges we have mentioned up to now can be overwhelmed, those challenges will transform into benefits of creating authenticity at work.

Need For Creating Authenticity At Work

Authentic Leadership

As a broad field of scientific inquiry, positive organizational scholarship that we have mentioned in previous pages emphasizes positive organizational phenomena leading to enhanced human well-being and, is distinguished from traditional organizational studies in that it seeks to understand what represents and approaches the best of the human condition (Cameron, Dutton, & Quinn, 2003: 4). Within this emergent field, positive features of human functioning, such as the experience of positive emotions, self-confidence, hope, resilience, optimism and goal-fulfillment for psychological and societal well-being (Seligman & Csikszentmihalyi, 2000; Luthans & Youssef, 2004: 152), are taken into consideration. Recent theoretical discussions of the moral and ethical foundations of organizational leadership have converged into an effort aimed at distilling the essence of all these positive approaches to leadership (Luthans & Avolio, 2003; May et al., 2003). The outcome of this concerted effort has been the concept of authentic leadership, which is thought of as a *root construct* for positive leadership approaches - charismatic, transformational and spiritual leadership (Avolio & Gardner, 2005; Ilies et al., 2005: 374). We use the term root construct to mean that it forms the basis for what then constitutes other forms of positive leadership. In the following pages we discuss the differences between authentic leadership and other positive leadership approaches.

Other Components of Authentic Leadership

We have already defined "authentic leader" as the core component of authentic leadership because without an authentic leader it is not possible to develop authentic leadership. Now we focus on basic elements of positive psychological capital -self-efficacy, hope, optimism, and resiliency- which are merely some of the components of authentic leadership. The other components that we take into account as determinants of authentic leadership are authentic decision-making and organizational context.

Positive psychological capital. *Self-efficacy* draws from the extensive theory and research of Albert Bandura (1997), and is defined as "one's conviction (or confidence) about his or her abilities to mobilize the motivation, cognitive resources, and courses of action needed to successfully execute a specific task within a given context" (Stajkovic & Luthans, 1998a: 66). The key to this definition is the task and context specificity. In other words, confidence can be developed in leaders and employees for specific tasks in given situations. Self-efficacy has substantial research backup as to its positive impact in organizational settings. Stajkovic and Luthans' (1998b) meta analytic research and the recent research of Luthans and Youssef (2004: 153) revealed that there

is a relationship between self-efficacy and desirable attitudinal outcomes such as job satisfaction, turnover intentions, organizational commitment and effectiveness.

As a further contribution we expect to find a relationship between self-efficacy and change in core values (mission, vision and principles) of the organization which are the essential elements in organizational transformation. As a change strategy, organizational transformation transcends the rationality associated with the traditions of scientific management to invoke a new management paradigm that addresses concepts at a “deeper level in the organization than those traditionally targeted for change by organizational development” (Dehler & Welsh, 1994: 19). Besides, as one knows about his or her abilities to mobilize the motivation, cognitive resources, and courses of action needed to successfully execute a specific task, then it will be easier to transform the organization when needed. Also one (the leader) can be sure of what to do and when to do individually due to higher levels of motivation and self clarity.

H1: Self-efficacy will foster the change in mission, vision and purpose.

H1a: Leader’s self efficacy will foster the change in mission, vision and purpose in individual level.

H1b: Leader’s self efficacy will foster the change in mission, vision and purpose in organizational level.

Optimism has been researched and applied by Seligman and others in the positive psychology movement. Optimism involves a positive explanatory style that attributes positive events to internal, permanent, and pervasive causes, and negative events to external, temporary, and situation-specific ones. This allows individuals to take credit for favorable events in their lives, boosting their self-esteem and morale. It also allows them to distance themselves from unfavorable life happenstances, shielding them from depression, guilt, self-blame, and despair (Luthans & Youssef, 2004: 153-154). Optimism has been applied not only to clinical applications, but also in organizational settings and acted as a catalyst to create authenticity at work.

As optimism helps to take credit for favorable events in life through self-esteem and morale, and as *change is fundamentally about feelings* (Dehler & Welsh, 1994: 17), we expect optimism to foster the creation of *positive feelings about work*. In this context optimism (as an element of authentic leadership) leads to a fundamental change which is called as organizational transformation. When we review the literature on organizational transformation, feelings in general, and spirituality more specifically, represent core concepts within the organizational transformation framework (Dehler & Welsh, 1994: 21; Wischnevsky, 2004).

H2: Optimism will lead to positive feelings about work.

Need For Creating Authenticity At Work

Hope draws from the work of positive psychologist C. Rick Snyder as being a motivational state that is based on the interaction between three factors: goals, agency and pathways (Harter, 2000). People are driven to accomplish their goals by their sense of agency, which provides them with an internalized determination and will power to invest the energy necessary to achieve their goals. Those with high hope are also motivated by their sense of having the capability to develop ways to get the things they want, which provides them with the ability to generate alternative pathways towards the accomplishment of their goals if the original ones have been blocked. Although research on the positive impact of hope is well established in clinical, educational, and athletic applications, research on the relationship between hope and work outcomes is just emerging. However, results are promising. For example, a recent research has shown that leaders' hope has a significant positive impact on business unit financial performance, employees' job satisfaction, and their retention. (Luthans & Youssef, 2004: 153). In this respect, with the same reasons we mentioned in the previous part we expect authentic leaders with high hope to develop ways to get the things they want, which provides them the ability to generate alternative pathways towards the accomplishment of their goals such as transforming the organizations.

H3: Hope will lead to positive feelings about work.

Resiliency, which has deep roots in clinical work especially child psychopathology like the other positive psychological capacities (Luthans, 2002: 702), is to bounce back from adversity, uncertainty, failure, even positive but seemingly overwhelming changes such as increased responsibility. It allows individual and environmental protective mechanisms to operate through enhancing the assets and/or reducing the risk factors within individuals and/or their environment. Recent analyses by organizational scholars suggest that resilient people can thrive and grow through setbacks and difficulties. They bounce back not only to their original but to even higher levels of performance, find meaning and value in their lives in the process and adapt to significant change (Luthans & Youssef, 2004: 154). As resilient people can adapt to significant change, we expect them to take the responsibility of significant change and be the facilitator of the transformation process.

H4: Resiliency will foster organizational transformation.

Authentic decision-making. The authentic decision-making process involves three crucial steps. Each of these critical processes are discussed below.

Recognizing moral dilemmas. According to May et al. (2003: 251) there are six characteristics that should be considered by leaders to recognize the presence of moral dilemmas in their business environment: (1) Issues vary in the degree to which they have consequences for

others, (2) Issues differ in the probability of whether those consequences will occur, (3) Consequences may happen in the near or distant future, (4) Individuals who are affected vary in their degree of social, cultural, psychological, or physical closeness to the leader, (5) The consequences of a decision may be concentrated on a few individuals or spread out among many stakeholders, and (6) Issues vary in the degree of consensus others have regarding what the leader should do. These characteristics should be considered because they tend to bring forth more information from leaders' past experience and memories that grab their emotional interest and attention. Once leaders frame a situation as a moral dilemma to be resolved, they can draw upon past experience and their relevant knowledge, skills, and abilities to help them fully understand the problem.

As Luthans and Avolio (2003) also assert, authentic leadership and its development encompass an inherent ethical/moral component. In this context authentic leaders see themselves as the "moral standard bearer" for their organizations, demonstrating consistently high standards of ethical conduct. They place themselves in the shoes of others and realize the consequences of their decisions before they act. By this way they can often arrive at win-win solutions that incorporate the diverse interests represented, including their own. This capacity allows them to understand the complexity of issues, which raises the chances of finding a simple and straightforward solution (May et al., 2003).

Transparent evaluation of alternatives. After framing an issue as a moral dilemma, authentic leaders go through a transparent evaluation of the available alternatives to resolve the dilemma. This evaluation process necessarily entails examining the consequences of different solutions in which information related to alternatives are shared with their followers (Gardner et al., 2005a: 317), making the process easily accessible for review by the leaders' associates. Unlike other leaders who typically focus on outcomes, authentic leaders are likely to use reasoning that focuses both on the outcomes and the obligations or duties they have to the stakeholders involved. They are more likely to apply moral principles and virtues to the situation to make sense of what action to take. They are consistently concerned with the rights of the stakeholders impacted by a decision (May et al., 2003).

Thus, we believe that authentic leadership can make a fundamental difference in organizations by promoting transparent relationships and decision making that builds trust and commitment among followers; and by fostering inclusive structures and positive ethical climates.

Intentions to act authentically. The leader's evaluation of alternative solutions to a moral dilemma should result in the establishment of the intention to act in an authentic manner consistent with their evaluations. Authentic leaders generally know what the "right

Need For Creating Authenticity At Work

thing to do” is and intend to act according to that knowledge. Such intentions are among the best predictors of a leader’s subsequent moral actions.

Organizational context. As all leadership interactions occur in a dynamic, turbulent and emerging context, it is important for researchers to incorporate the context into their studies as another component of authentic leadership. Avolio and Gardner (2005: 323) propose that environments, which provide open access to information, resources, support, and equal opportunity for everyone to learn and develop, will enable leaders and their associates to accomplish their work more effectively. This suggests that for leaders and followers to be effective, leaders must promote an inclusive organizational climate that enables themselves and followers to continually learn and grow (Gardner et al., 2005a: 327). A caring ethical climate created by such leadership places emphasis on decision making processes that are just, fair, and impartial in the treatment of employees and other stakeholders. Hence employees can find their voice and make sure organizational leaders are aware of inequities and injustices. In such positive organizational cultures, development efforts for authentic moral leadership have a much greater chance of success. (May et al., 2003: 250-251). To sum up, the role of context in authentic leadership development needs to be addressed by taking the key aspects of context (industry, organization, size, organizational culture, work group cohesion, previous leadership interventions, degree of success/failure) into account. Individual differences and national culture may also affect the development of authentic leadership. Hence, an intervention which may be genuine in America may not be genuine if implemented elsewhere. As interest in authentic leadership grows, culture should be explored as a boundary condition (Cooper, Scandura, & Schriesheim, 2005: 484).

DIFFERENTIATING AUTHENTIC LEADERSHIP FROM OTHER FORMS OF POSITIVE LEADERSHIP

A key differentiation of authentic leadership from currently popular leadership theories is that authentic leadership is more “generic” and represents what we would term a “root construct” (Gardner et al., 2005a: 328). The term root construct is used to mean that it forms the *basis for* what then constitutes other forms of positive leadership. We argue that there are both similarities and differences between authentic leadership and related theories. In this respect, we have taken Avolio and Gardner’s (2005: 323) model into account that was summarizing the key components of authentic leadership and differentiating it from closely related leadership theories.

In this context, we find it reasonable to notify the differences between our perspective and their perspective. The differences of opinion

arise especially within the area of differentiating spiritually-based leadership from authentic leadership.

Differences Between Authentic and Transformational Leadership

Shamir and Eilam (2005: 398) imply that transformational leadership is not synonymous with authentic leadership. Authentic leadership theory includes an in-depth focus on leader and follower self-awareness, positive psychological capital, authentic decision making, self-transcendent values, authentic relationship, emotions and organizational context. Transformational leaders have indeed been described as being optimistic, hopeful, developmentally oriented and of high moral character (Bass, 1999; Gardner et al., 2005a), all of which would also be manifestations of authentic leadership. To be viewed as transformational, both the definitions of Bass and Burns necessitate that a leader should be authentic; however, being an authentic leader does not necessarily mean that the leader is transformational (Gardner et al., 2005a: 329). For instance, authentic leaders may or may not be actively or proactively focused on developing followers into leaders, although they have a positive impact on them via role modeling.

In contrast to transformational leadership in particular, authentic leaders may or may not be charismatic. Authentic leaders build enduring relationships, work hard, lead with purpose, meaning and values, but are not necessarily described as charismatic by others, which has been defined as the core component of transformational leadership (Gardner et al., 2005a).

Gardner and Avolio (2005: 329-330) believe that the key distinction is authentic leaders are anchored by their own deep sense of self; they know where they stand on important issues, values and beliefs. With that base they stay their course and convey to others, oftentimes through actions, not just words, what they represent in terms of principles, values and ethics. Transformational leaders may also have this deep sense of self joining the two views of leadership, or they may be able to transform others and organizations, through a powerful, positive vision, an intellectually stimulating idea, attention to uplifting the needs of followers, and by having a clear sense of purpose. Authentic leaders' confidence, hope and optimism stems from their strong beliefs in themselves (Luthans & Youssef, 2004).

Differentiating Authentic Leadership From Charismatic Leadership

There are several notable differences between the perspective of authentic leadership and prevailing theories of behavioral, social and attributional views of charismatic leadership. For instance, the attention to leader and follower self-awareness/regulation is missing from Conger

Need For Creating Authenticity At Work

and Kanungo's behavioral theory of charismatic leadership. Both perspectives reflect multi-level analyses as they specify the effects of leadership at the individual, group and/or organizational levels (Gardner et al., 2005a: 330). While the self-concept based theory of charismatic leadership devotes considerable attention to explicating the leader behaviors and motivational mechanisms whereby follower self-concepts are transformed as they come to identify with the leader and internalize his or her values, the role of leader self-awareness/regulation in this process is not fully explored. The role of positive psychological capital on veritable and sustainable performance is also not explored.

Distinguishing again between authentic and charismatic leaders, we expect that authentic leaders will influence follower self-awareness of values/moral perspective, based more on their individual character, personal example and dedication, than on inspirational appeals, dramatic presentations, or other forms of impression management (Gardner et al., 2005a: 330). While charismatic leaders employ rhetoric to persuade, influence and mobilize followers, an authentic leader energizes followers by creating meaning, and positively and socially constructing reality for themselves and followers.

Differentiating Authentic Leadership From Spiritual Leadership

Like authentic leadership, the theory of spiritual leadership includes an implicit recognition of the role of leader self-awareness with a focus on vision and leader values and attitudes that are broadly classified as altruistic love and hope/faith (Gardner & Avolio, 2005). Besides, areas of overlap between the authentic and spiritual leadership theories include their focus on integrity, trust, courage, hope, and resilience. In the light of our previous study on spiritually-based organizations, another overlap between authentic and spiritual leadership occurs upon the importance attached to self-transcendent values.

Up to now we agree with Gardner and Avolio's (2005) model. Although co-operation between organizational units and greater interconnectedness are the core components of spiritual leadership, it has not been mentioned not only in authentic leadership theory of Gardner & Avolio but also in the literature. Another difference with respect to Avolio and Gardner's (2005) model is the emphasis on positive psychological capital. According to us, hope, optimism, and resiliency are all focal components of spiritual leadership. In this context it is appropriate to refer to common themes in definitions of spirituality: An animating life force; an inner-intangible experience and inner consciousness; an awareness of connectedness and desire to be the part of a whole; natural desire to help others grow, learn, succeed related with resiliency, inextricably connected with caring, hope, love and optimism and basic desire to find ultimate meaning and purpose in one's life and to live an integrated life (Kesken, Ayyıldız, & Ünnü, 2005: 5). It is

clear regarding to the definitions above that spiritual leadership also includes components of positive psychological capital.

CONCLUSION

With the new century, it has become increasingly clear that organizations are experiencing a fundamental change of business world values, a change of paradigms as radical as the Age of Information. In this age where nearly all information is readily accessible, more and more individuals are involved in the leadership processes of organizations and; therefore, more people have the chance of realizing what is the right and wrong thing to do. Due to this realization process, leaders confront with a challenge –matching their words and deeds; otherwise, they will never be accepted by the followers as authentic.

In this paper, we have offered a number of insights into the organizational forces triggering authenticity and find out that organizational development is not enough to implementing change successfully. Organizational transformation which requires change agents to supplement structural reorganization by attending to the emotional, moral and ethical side of the enterprise – in this case, appealing to matters of “authenticity”- is needed. We feel that there is a need to move away from predominantly negative theories of organizational behavior to positively oriented strength-based organizational behavior and management that focuses on developing human, social and psychological capital to achieve their full potential. We propose that positive psychological capital management in particular can effectively channel people’s talents, strengths and psychological capacities toward achieving worthwhile productive, ethical, sustainable outcomes, and result in competitive advantage, which is the aim of authentic leadership.

We have outlined authentic leaders, positive psychological capital, authentic decision-making and organizational context as components of authentic leadership. We have focused on authentic leaders as they are the core components of authentic leadership and identified the challenges they come across in details. Most important of all we emphasized the importance of the question of “Can authentic leaders transform organizations easier or more effectively when compared to other leaders?” and reach the argument that “Authentic leadership fosters organizational transformation.” We formalized our argument with the hypotheses to add a different perspective for further research.

In addition, we have differentiated authentic leadership from the other forms of positive leadership and concluded that as a root construct this field of leadership and its implications on *fundamental change process* in Turkish institutions should be thoroughly studied from the perspective of different cultures due to the fact that what might be seen as authentic in the U.S. may be seen very differently by Turkish people.

Need For Creating Authenticity At Work

REFERENCES

- Adams, J. D. (Ed.) (1984). *Transforming Work: A Collection of Organizational Transformation Readings*. Alexandria, VA: Miles River Press.
- Avolio, B. J., Gardner, W. L., Walumbwa F. O., Luthans F., & May D. R. (2004). Unlocking the Mask: A Look at the Process by Which Authentic Leaders Impact Follower Attitudes and Behaviors. *Leadership Quarterly*, 15, 801-823.
- Avolio, B. J. & Gardner, W. L. (2005). Authentic Leadership Development: Getting To the Root Of Positive Forms of Leadership. *Leadership Quarterly*, 16, 315-338.
- Bandura, A. (1997). *Self-Efficacy: The Exercise of Control*. New York: Freeman.
- Bass, B. M. & Steidlmeier, P. (1999). Ethics, Character and Authentic Transformational Leadership Behavior. *The Leadership Quarterly*, 10, 181-218.
- Cameron, K. S., Dutton, J. E., & Quinn, R. E. (2003). *Positive organizational scholarship: Foundations of a new discipline*. San Francisco: Berrett-Koehler.
- Conger, J. A. (1991). Inspiring Others: The Language of Leadership. *Academy of Management Executive*, 5, 31-45.
- Cooper, C. D., Scandura T. A., & Schriesheim C. A. (2005). Looking Forward but Learning From Our Past: Potential Challenges To Developing Authentic Leadership Theory and Authentic Leaders. *Leadership Quarterly*, 16, 475-493.
- Dehler, G. E. & Welsh, M. A. (1994). Spirituality and Organizational Transformation: Implications for The New Management Paradigm. *Journal of Managerial Psychology*, 9, 17-26.
- Dorn, F., Buckley, M. R. & Brown, J. A. (2005). Barnard on conflicts of responsibility Implications for today's perspectives on transformational and authentic leadership. *Management Decision*, 43, 1396-1409.
- Duignan, P. A. & Bhindi N. (1997). Authenticity in Leadership: An Emerging Perspective. *Journal of Educational Administration*, 35, 195-209.
- Erickson, R. J. (1994). Our Society, Our Selves: Becoming Authentic In an Inauthentic World. *Advanced Development*, 6, 27-39.
- Erickson, R. J. (1995). The Importance of Authenticity for Self and Society. *Symbolic Interaction*, 18, 121-144.
- Gardner, W. & Schermerhorn, J. (2004). Unleashing Individual Potential: Performance Gains Through Positive Organizational Behavior and Authentic Leadership. *Organizational Dynamics*, 33, 270-81.
- Gardner, W. L., Avolio, B. J., & Walumbwa, F. O. (Eds.). (2005a). *Authentic leadership theory and practice: Origins, effects and*

- development. (Volume 3). (Monographs in Leadership and Management). Boston: Elsevier JAI.
- Gardner, W. L., Avolio, B. J., Luthans, F., May, D. R., & Walumbwa, F. O. (2005b). "Can you see the real me?" A self-based model of authentic leader and follower development. *Leadership Quarterly*, 16, 343-372.
- George, W. (2003). *Authentic Leadership: Rediscovering the Secrets to Creating Lasting Value*. San Francisco: Jossey-Bass.
- Goffee, R. & Jones G. (2005). Managing Authenticity: The Paradox of Great Leadership. *Harvard Business Review*, 83, 86-94.
- Goldman, B. M. & Kernis, M. (2002). The Role of Authenticity in Healthy Psychological Functioning and Subjective Well-Being. *Annals of the American Psychotherapy Association*, 5, 18–20.
- Greenleaf, R. K. (1977). *Servant Leadership: A Journey into the Nature of Legitimate Power and Greatness*. New York: Paulist Press.
- Harter, S. (2002). Authenticity. In C. R. Snyder & S. Lopez (Eds.), *Handbook of Positive Psychology* (pp. 382–394). Oxford: Oxford University Press.
- Howell, J. M. & Avolio, B. J. (1992). The Ethics of Charismatic Leadership: Submission or Liberation? *The Executive*, 6, 43-52.
- Ilies R. T., Morgeson F. P., & Nahrgang Jd. (2005). Authentic Leadership and Eudaemonic Well-Being: Understanding Leader–Follower Outcomes. *Leadership Quarterly*, 16, 373–394.
- Kesken J., Ayyıldız, N. A., & Ünnü G. (2005). *The Emerging New Paradigm in Management: Spiritually-Based Organizations*. Vol. 2: Selected Proceedings of "The First International Conference on Business, Management and Economics".
- Levine, S. & White, P. E. (1961). Exchange as a conceptual framework for the study of interorganizational relationships. *Administrative Science Quarterly*, 5, 583-601.
- Lord, R. G., Brown D. J., & Freiberg S. J. (1999). Understanding the Dynamics of Leadership: Role of Follower Self-Concepts in the Leader/Follower Relationship. *Organizational Behavior & Human Decision Processes*, 78, 167–203.
- Luthans, F. (2002). The Need For and Meaning of Essay Positive Organizational Behavior. *Journal of Organizational Behavior*, 23, 695-706.
- Luthans, F. & Avolio, B. J. (2003). Authentic Leadership: A Positive Development Approach. In K. S. Cameron, J. E. Dutton, & R. Quinn (Eds.), *Positive Organizational Scholarship: Foundations of A New Discipline* (pp. 241–261). San Francisco: B-K.
- Luthans, F. & Youssef C. M. (2004). Human, Social, and Now Positive Psychological Capital Management: Investing in People for Competitive Advantage. *Organizational Dynamics*, 33, 143–160.

Need For Creating Authenticity At Work

- Mabitsela, P. W. (2005). Strategic Intention: Vision, Mission and Principle for the Organization/Business. Proceedings of International Strategic Management Conference, June 23-25, Çanakkale, 1-6.
- May, D. R., Chan, A. Y. L., Hodges T. D., & Avolio B. J. (2003). Developing the Moral Component of Authentic Leadership. *Organizational Dynamics*, 32, 247-260.
- Michie S. & Gooty J. (2005). Values, Emotions, And Authenticity: Will The Real Leader Please Stand Up? *The Leadership Quarterly*, 16, 441-457.
- Price, T. L. (2003). The Ethics of Authentic Transformational Leadership. *The Leadership Quarterly*, 14, 67-81.
- Porras, J. I. & Silvers, R. C. (1991). Organization Development and Transformation. In M. R. Rosenzweig & L. W. Porter (Eds.), *Annual Review of Psychology*, Annual Reviews Inc., Vol. 42 (pp. 51-78). Ca: Palo Alto.
- Schwartz, S. H. (1994). Are There Universal Aspects in The Structure and Contents of Human Values? *Journal of Social Issues*, 50, 19-45.
- Seligman, M. & Csikszentmihalyi, M. (2000). Positive Psychology. *American Psychologist*, 55, 5-14.
- Shamir, B. & Eilam T. G. (2005). What's Your Story? A Life-Stories Approach to Authentic Leadership Development. *Leadership Quarterly*, 16, 395-417.
- Stajkovic, A. D. & Luthans, F. (1998a). Social Cognitive Theory and Self-Efficacy: Going Beyond Traditional Motivational and Behavioral Approaches. *Organizational Dynamics*, 26, 62-74.
- Stajkovic, A. D. & Luthans, F. (1998b). Self-Efficacy and Work-Related Performance: A Meta-Analysis. *Psychological Bulletin*, 124, 240-261.
- Starratt, R. J. (1993). *The Drama of Leadership*. London: Falmer Press.
- Walzer, M. (1973). Political Action: The Problem of Dirty Hands. *Philosophy and Public Affairs*, 2, 160-180.
- Wilber, K. (1983). *A Sociable God*. New York: New Press/Mcgraw-Hill.
- Winston, M. G. (1996). Leadership of Renewal: Leadership for the Twenty-First Century. *Management Development Review*, 9, 15-19.
- Wischnevsky J. D. (2004). Change As the Winds Change: The Impact of Organizational Transformation on Firm Survival in a Shifting Environment. *Organizational Analysis*, 12(4), 361-377.