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Review of Practical Implications in Authentic Leadership Studies

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Abstract

Having good leader(s) is a real asset for organizations to sustain a competitive advantage and so be one step further from their competitors. Therefore, contemporary leadership studies are hot topic for academicians as well as practitioners. Emphasizing strategic importance of human resources, this study tries to analyze recent leadership studies in terms of leaders' behavior in particular authentic leaders' behavior. Authors aim to evaluate effects of authentic leaders' behavior on employees' and organizations' performance as well as relationship between leaders and followers. In this respect, authors investigate leadership studies in five high ranking organizational behavior journals and categorize these studies according to their subjects. Accordingly, the practical implications of studies that are related with authentic leadership are investigated in order to excerpt a common idea.

1. Introduction

Today's leaders face more complex challenges when compared to that of their antecessors and it seems that they are luckier with respect to their successors in terms of the degree of complexity that they cope with in practice. Business environment is rapidly changing in particular with globalization that neither political nor business world could anticipate its effects holistically and adapt their selves accordingly. While the industry leaders of more than half of the companies that survive from mid-1950's to 1990, more than two-thirds of 1990's industry leaders does not exist anymore (Menkes, 2011; Fidler, 2014). This is because various factors today's leaders need to deal with -beyond their organizations' operations- such as weak global economy, intense global competition, environmental challenges such as climate change, communities' dissatisfaction which they operate in, etc. Difficulties for external adaptation i.e. building a strong brand loyalty in the eyes of customers and an environment friendly image in the sights of the community, and concerns for internal integration i.e. building a strong organizational culture and fair working conditions in the perceptions of the employees are important challenges today's leaders face (Bekiroğlu, et al., 2011; Eren, et al., 2003). Companies are forced to be much more risk taking, proactive and innovative (Ergün et al, 2004) but without sacrificing their quality, cost efficiency and flexibility in order to survive in the highly dynamic and competitive markets (Alpkan, et al., 2003). As a consequence of this chaotic atmosphere, in early 2000s the corporate scandals, mismanagement issues along with public awareness and sensibility required the development of ethical

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approaches. Accordingly, positive organizational behavior concepts (Avolio and Luthans, 2006) emerged as necessities in response to gaps in accountability in organizations (Walumbwa et al., 2008).

While organizations need leaders with purpose who lead with integrity and values, they also need leaders who can motivate their employees in order to provide and sustain organizational effectiveness with the aim of creating long-term value for all stakeholders. Therefore both ethically and effectiveness of leaders are very critical for positive attitudes and behaviors of the employees (Elçi, et al. 2012). Likewise, leaders are expected to attract, awaken, develop, and retain the potential of their followers within the organization (Bulut et al., 2006).

This study argues that authentic leadership may be an appropriate answer for managing the chaotic order as well as promoting ethical approaches in organizations, which are critical for any company in today's business environment.

Scholars like Menkes (2011) argue that the need for authentic leaders is vital for organizational sustainability even through the most chaotic of circumstances via realistic optimism, subservience to purpose and finding order in chaos. Authentic leaders have some basic inclinations as confidence, optimism, and morality and they try to develop new leaders. The common idea of the studies on authentic leadership reveals that self-awareness and acting in accordance with self-reference are the most significant notions for a leader to be perceived as authentic by the followers (Ladkin and Taylor, 2010).

Consequently, we made a literature review in order to identify the studies with practical implications for authentic leadership. First, authentic leadership studies in five high-ranking organizational behavior journals from 2010 to 2014 are reviewed. Second, categorizations from the ones that have practical implications are selected for further examination. As a result, the papers are categorized according to their subjects and the practical implications are analyzed in order to excerpt a common idea. Since authentic leadership is relatively new concept in the literature and studies are limited in the field this study aims to give insights to scholars for further investigation of various aspects of authentic leadership and its effect on groups' and organization's performance.

2. The theoretical origins of authentic leadership

In early 2000s, positive organizational behavior concepts (Avolio and Luthans, 2006) emerged as response to corporate scandals and accountability problems in organizations (Walumbwa et al., 2008). As the research on authentic leadership evolves, the scholars realized that the concepts should go well beyond "being true to oneself" (Walumbwa et al., 2008). The importance of the theoretical development of the authentic leadership is still in the early stages of construct evolution. Ten years ago, scholars agreed upon that there was no integrated definition for authentic leadership (Cooper et al., 2005). As the academic research on the subject is in the progressive stage, the studies are generally designated as empirical when compared to early productions of conceptual definitions (Deci and Ryan, 2000; Kernis, 2003). Hence this development stage signifies the emergence of the concept to be evaluated (Gardner et al., 2011).

The authentic leadership is directly and positively linked with personal growth and self-development and by Luthans and Avolio (2003) authentic leaders are defined as confident, optimistic, and moral people who give emphasis to develop new leaders. More specifically, authenticity represents living one's life through specific values and be present in the society and in the social environment with these values (Ilies et al., 2005). Moreover, these internal values, rather than external conditions, become the most noteworthy bases in managing a leader's acts and attitudes (Ryan and Deci, 2003).

Self-awareness and self-regulated behaviors, along with trust in personal characteristics, emotional and intellectual stance, becomes the core dimension of authentic leadership (Luthans and Avolio, 2003). Self-esteem plays an important role in self-awareness where acceptance and consciousness are essential in realizing strengths and weaknesses with the help of self-esteem (Kernis, 2003). Human relations are based on some essential forms of behavioral cognitional foundations. An important part of these foundations consists of forming open and mature relationships with others and this originates from self-awareness accompanied by self-esteem (Walumbwa et al., 2008). All of these basics are vital in developing collective goals and aims, encouraging and motivating teams and employees, appraising their work, sustaining organizational trust and cooperation among individuals. Authentic leaders have a strong inclination to promote diversity in thoughts and perspectives among their followers so that they can be perceived as authentic (Avolio et al., 2004). Moreover, the common idea of the studies on authentic leadership reveals that self-awareness and acting in accordance with self-reference are the most significant notions for a leader to be perceived as authentic by the followers (Ladkin and Taylor, 2010).