

AUTHENTIC LEADERSHIP: THE DEVELOPMENT AND  
INITIAL VALIDATION OF A MEASURE

by

ERIC GERBER

(Under the Direction of Karl Kuhnert)

ABSTRACT

The significant and very public ethical failures of leaders in business over the past few years point to the need for a new approach to leadership to respond to the crisis. The existing leadership literature is reviewed shown to offer some helpful guidance, but ultimately lacking in a consideration of “leadership towards what ends” (Hollander & Offerman, 1990, p. 187). The purpose of this research was to propose a new approach to leadership called Authentic Leadership that accounts for “leadership towards what ends” and would have application in a business setting. The construct of Authentic Leadership and its proposed dimension are described in detail and a strong rational development approach was employed to create a new measure of the construct. Results of this initial attempt to establish the validity of the construct found minimal support for the model as proposed. Potential reasons the scale development effort was not successful are discussed and suggestions for future research are provided.

INDEX WORDS: Authentic leadership, ethics, executives, leadership, leadership effectiveness, scale development

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ERIC GERBER

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ERIC GERBER

Major Professor: Karl Kuhnert

Committee: Gary Lautenschlager  
Kecia Thomas

Electronic Version Approved:

Maureen Grasso  
Dean of the Graduate School  
The University of Georgia  
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CHAPTER 1  
INTRODUCTION

The year was 1990 and Hollander and Offermann had this to say about leadership and power in organizations:

Future research must also address the issue of *leadership toward what ends* (Hollander, 1985). Just as the issue of power in organizations raises questions of moral right to participation, leadership processes cannot escape questions about ultimate goals and outcomes. Although power over others is inevitable in organizational life, it always carries with it the specter of abuse. In the wake of scandals about insider trading and corporate violations, courses in business ethics are on the rise (Eyde & Quaintance, 1988). The role of leaders as transmitters and upholders of organizational values is increasingly being stressed (e.g., Kouzes & Posner, 1987). Whether all this activity results in more ethical, responsive, and humane leadership remains to be seen. [Emphasis original] (p. 187)

Over fifteen years have passed and today's business world seems no better off than when Hollander and Offerman (1990) offered these thoughts. News headlines over the past few years have been filled with tales of corporate scandals and malfeasance involving leaders at the highest level. The Chief Executive Officers and senior corporate officials of companies such as Enron, Worldcom, Martha Stewart, Global Crossing, Qwest and Tyco have been implicated in illegal acts such as accounting fraud, income tax evasion and misuse of corporate funds. Amazingly, some of Corporate America's most successful business leaders now find themselves engaged in plea bargaining while others have been seen on the evening news being led away in handcuffs for their alleged transgressions. Clearly, not enough was learned from the corporate scandals of

the 1980's and at least some of those business ethics courses failed to have a lasting impact. Hollander & Offerman's wonder about whether "more ethical, responsive and humane leadership" would be seen in today's organizations has to be answered with a "not yet!"

The consequences of these leadership failures run deep and wide. According to one estimate, the alleged bad acts of the heads of just the five companies mentioned above have resulted in the loss of \$320 billion in stock market value since the end of 1999 (Mannes, 2002). The largest bankruptcies in the history of America were filed in 2002. Thousands upon thousands of jobs have been lost. The retirement savings of legions of workers have been either severely compromised or destroyed entirely. Employees find it harder to believe the spoken word of their leaders when so many have been exposed as being motivated by self-interest. The fallout has been a crisis of confidence, a feeling of betrayal, and a lack of trust for many leaders.

It seems prudent to ask what the current body of knowledge on organizational leadership has to offer in helping us out of this morass. One thing is true: trustworthy leadership has never been at more of a premium. More than ever, employees, investors, communities and citizens want leaders they can believe in and trust to do the right thing. In this paper, the organizational leadership literature is reviewed to discern what extant knowledge is available to inform the current leadership crisis. Although several helpful insights can be gleaned, most theories of leadership are found to be lacking in consideration of what Hollander and Offermann (1990) identified as "the issue of leadership toward what ends" (p. 187).

There is reason for optimism, however. One lesser-known approach to leadership called Authentic Leadership (Bhindi & Duignan, 1997; Duignan & Bhindi, 1997; Henderson, 1995; Henderson & Hoy, 1983) does address the issue of "leadership toward what ends" (Hollander & Offermann, 1990, p. 187). Although Authentic Leadership has been conceptualized somewhat

differently by theorists, all of the conceptions share a common belief that in order for effective leadership to occur, the leader has to have the best interests of followers in mind and be reflected in his/her actions. In addition, most conceptions of Authentic Leadership argue for serving broader interests rather than pursuing personal gain. At its core, Authentic Leadership is about making good decisions when it comes to the interests of constituents.

What if the leaders of Enron had been more interested in finding ways to recover from Enron's energy trading losses rather than hiding them as has been alleged? Might the firm's bankruptcy have been avoided? There is no way to know for sure, but these leaders seem to have made decisions that benefited themselves rather than serving the interests of their employees and shareholders. Even more reprehensible is the revelation that in hiding the firm's trading losses, several top executives participated in inappropriate off balance-sheet partnerships that allowed them to personally gain millions of dollars. Clearly, these and many other executives fail the test of Authentic Leadership.

Authentic Leadership provides a useful basis to examine where today's leaders are vulnerable to these failures and offers guidance on improving the current leadership crisis. A brief discussion of the existing research on Authentic Leadership will be provided following the aforementioned review of the major theories of leadership. Building on what has already been done and drawing on the author's experience in leadership development, an expanded model of Authentic Leadership will then be proposed. Highlighting the need for proper measurement, the purpose of this dissertation is to develop a measure of Authentic Leadership based upon this new model. Furthermore, an initial validation attempt of the new measure is reported.

Discussion now turns to a review of the major organizational leadership theories and what each theory has to offer in terms of understanding the current leadership crisis.

### *A Review of the Major Leadership Theories*

To explain organizational leadership, a large number of theories have been advanced in the literature over the past 100-plus years. These theories can be best understood in terms of broad approaches that each include a number of related theories. Borrowing from a typology introduced by Yukl & Van Fleet (1992), these approaches are the Trait Approach, the Behavioral Approach, the Power and Influence Approach, the Situational Approach, and the Transformational and Charismatic Approach. After a brief introduction to the main findings of each approach, insights helpful for moving past the current organizational leadership crisis will be discussed.

*The Trait Approach.* The Trait Approach emphasizes the personal characteristics of leaders that make them leaders. According to Hollander and Offermann (1990), these characteristics are viewed as “fixed, largely inborn, and applicable across situations” (p. 179). Early trait research was largely an outgrowth of the “Great Man” theory espoused by Galton (1869) and examined the differences in traits between leaders and non-leaders. While prolific, this research was mostly disappointing. Many studies produced inconsistent findings and when significant results were obtained, the relations were often weak. Additionally, the small number of robust findings revealed more about the type of people most likely to occupy leadership positions rather than the traits necessary for effective leadership (Yukl & Van Fleet, 1992). On the other hand, later trait research was more fruitful.

Examining this later research, reviews by Bass (1990), Kirkpatrick and Locke (1991) and Yukl and Van Fleet (1992) concluded that the personality traits of high energy level, stress tolerance, emotional maturity, integrity and self-confidence are related to managerial effectiveness and advancement. Of these findings, emotional maturity, integrity and self-

confidence are most relevant to the current discussion. Yukl and Van Fleet (1992) define emotional maturity as

a leader [who] is less self-centered (has concern for other people), has more self-control (less impulsive, able to delay gratification and resist hedonistic temptations), has more stable emotions (not prone to extreme mood swings or outbursts of anger), and is less defensive (more receptive to criticism, and more willing to learn from mistakes). (p. 151)

Although it would be irresponsible to conclude that a leader lacks emotional maturity without direct evidence, there are several examples that at least seem worthy of consideration. One case in point is Dennis Kozlowski's exorbitant spending of corporate funds to decorate his apartment in New York when he was the Chief Executive Officer of Tyco (TheStreet.com, 2002). Outside observers are left to wonder if a leader who is emotionally mature would decide that the purchase of a \$445 pincushion, a \$1,650 notebook, and a \$15,00 umbrella stand is in the best interest of the company and its shareholders.

The alleged financial fraud of the former CEO and a few other executives of Adelphia Communications is another example. These corporate executives have been charged with diverting over \$600 million of company funds for personal use including \$13 million to build a golf course on land owned by the former CEO and his family (Hess, 2002). With no direct evidence available it would again be premature to draw a definite conclusion, but the question of the emotional maturity of these leaders is open to debate.

Leaders with more emotional maturity can be expected to focus on matters external to them and keep the interests of their stakeholders at the forefront. One lesson learned that must be learned from the current leadership crisis is that leaders who cannot be counted on to refrain



from self-dealing will lose the support of their followers. Similarly, leaders must act with integrity to maintain effective relationships with their followers.

Integrity means “that a person’s behavior is consistent with espoused values and that the person is honest and trustworthy” (Yukl & Van Fleet, 1992, p. 151). One of the chief reasons that it has become difficult to trust the corporate leaders of today is that too many have been shown to be disingenuous. Promises made and not kept, fiduciary oaths taken but later broken, and multiple accounts of deceit have all led to this decline in trust. In order to regain this trust, leaders will need to show that they can be counted on to carry out their responsibilities with integrity. Rather than engaging in creative accounting, shareholders and employees yearn for leaders who can get in front of difficult business realities and communicate the issues in an honest and straightforward manner. On another level, leaders can also re-build trust by demonstrating integrity in their daily interactions with followers.

All leaders would need to recognize that stakeholders have become increasingly sensitive to matters of integrity. Stakeholders are less willing to extend to leaders the benefit of the doubt as they once were. Minor transgressions that may have been dismissed or easily forgiven in the past now put the integrity of corporate executives into question.

Witness the recent “Resume-gate,” in which information on the resumes of several top corporate officials has been found to be erroneous (Greenberg, 2002). The misstatements have mostly consisted of claiming the attainment of a degree such as an MBA, when in fact, the individual does not hold the degree. One offender has chosen to resign while others have remained in their positions but forfeited significant bonuses and in one case, the title of Chairman of the Board. The more important implication, however, is that the acts of these leaders have called into question their own integrity and by extension, the truthfulness with

which they have represented other information about their respective companies. Minor breaches of integrity in today's climate can have significant consequences and leaders are best advised to heed this warning going forward.

The trait of self-confidence presents an opportunity to demonstrate another important contribution of the Trait Approach. As we have seen, this approach holds that leaders need certain traits to be effective. In some cases, though, the amount of trait exhibited by the leader determines the level of effectiveness. As an example, self-confidence is important for leaders in that it helps them persist in difficult situations and makes them more likely to be successful in influencing others (Yukl & Van Fleet, 1992). Too much self-confidence, however, can be detrimental to leadership effectiveness. If leaders come to rely too heavily on their own opinions, they run the risk of ignoring contrary views and becoming insular. At the extreme, leaders with excessive self-confidence become arrogant and manifest an overly inflated sense of self-worth. Ultimately, the Trait Approach teaches that balance is the key; leaders need not only have the proper traits to be effective, but also the proper amount of each trait.

Could it be that the previous success enjoyed by many of the leaders discussed thus far resulted in excessive self-confidence or even arrogance? As these executives gained notoriety for their success and the success of their companies, this may have bolstered their self-image. Eventually they may have come to rely too much on their own judgement, ignoring the normal checks and balances as well as dissenting opinions even from trusted sources. At present there is no way to know for sure, but the possibility is there. Given this, the lesson for leaders going forward is that humility in the face of success may be prudent. Absent humility, leaders risk over-stepping their bounds and losing the support of their followers.

While the Trait Approach has offered a number of key insights about personality traits that may be useful in guiding leaders out of the current leadership crisis, another line of research under the Trait Approach has examined the skills that are necessary for leaders to effectively carry out their responsibilities. Yukl & Van Fleet (1992) identified analytical ability, persuasiveness, speaking ability, memory for details, empathy, and tact as skills that are “probably useful for all leaders” (p. 152). Whereas these skills may be necessary for leadership effectiveness and perhaps required curriculum for leadership development programs, they do not meet the criteria of “leadership toward what ends.” Therefore, with one exception, these skills will not be discussed.

One skill that is relevant to the current discussion is empathy. Empathy is the ability to identify with and understand another's situation, feelings, and motives. As was recently discussed, many of the recent leadership failures appear to have been the result of leaders acting out of self-interest to the detriment of others. One is left to speculate if these leaders may have lacked empathy – did they fully consider the consequences of their actions on their employees and shareholders? Perhaps Andrew Fastow did not believe the creation of improper off-balance sheet partnerships at Enron would eventually contribute to firm’s eventual bankruptcy. It is difficult to believe, though, that Fastow did not envision the potential to do harm with these partnerships. While Enron’s demise is a complicated situation, the available evidence is rather condemning.

In summary, the Trait Approach has focused predominantly on the personality traits and skills that leaders need to be effective. Albeit helpful in understanding leadership effectiveness, a good portion of this research does not address the key question of “leadership toward what ends.” Helpful insights were gleaned, however, by extracting a few key themes from this

approach; leaders who possess emotional maturity, integrity, empathy and a moderate amount of self-confidence are those that followers will most likely support going forward.

There is a lot of additional leadership literature to examine that may help inform the current leadership crisis. Discussion now shifts from the Trait approach that focuses on the qualities associated with leaders who are effective to the Behavioral Approach which details the behaviors that are typical of effective leaders.

*The Behavioral Approach.* Leadership requires action and naturally, organizational leadership researchers have attempted to understand what behaviors lead to leadership effectiveness. Most of the research under this approach has attempted to identify taxonomies of leader behavior that lead to effectiveness. The largest of these efforts, the Ohio State Leadership Studies, produced a simple taxonomy based on two factors; initiating structure and consideration (Bass, 1990). Initiating structure refers to task-oriented leadership behaviors (e.g., checking with subordinates on the progress of a project) whereas consideration refers to people-oriented behaviors (e.g., providing positive feedback to a team). This taxonomy occupied researcher's attention for the better part of three decades but failed to appreciably add to our understanding of leadership effectiveness.

Yukl and Van Fleet (1992) attribute this failure to two reasons. The first reason is that the two-factor model assumes that leadership behaviors can be neatly divided up into two independent categories. Other researchers have shown that both task and people-oriented behaviors are necessary for leaders to be effective (Larson, Hunt, & Osborn, 1976; Nystrom, 1978). In a similar vein, the two-factor model ignores the situational demands placed on a leader. To be effective, a leader must respond in a manner appropriate to the given situation. Simply exhibiting person-oriented behaviors is not sufficient; the behaviors the leader chooses to

express must be suited to the task, the organizational context and the subordinates who will perform the task (Yukl & Van Fleet, 1992).

For the same reasons that the two-factor model fails to help build a better understanding of leadership effectiveness, this model offers little insight into understanding recent organizational leadership failures. However, additional research under the Behavioral Approach is more helpful. As researchers and theorists learned from the failings of the two-factor model, additional taxonomies with more specific leader behaviors were developed. In 1989, Yukl examined these new taxonomies and noticed a number of common behavior elements. This finding led Yukl to propose a new taxonomy comprised of 14 behaviors believed to be related to leadership effectiveness (Yukl & Van Fleet, 1992). Appendix A contains a full listing and definitions of these behaviors.

Despite this increased level of specificity, the majority of these behaviors still do not prove to be very instructive. Planning and organizing, problem solving and monitoring may all be important behaviors for leaders to manifest, but are more focused on accomplishing work and clearly have little to offer in terms of “leadership toward what ends.” Followers are looking for something more from their leaders and long for behaviors that inspire trust. One way that leaders can foster this trust is by showing a concern for others. According to Yukl’s taxonomy (Yukl & Van Fleet, 1992), three behaviors that consider the welfare of others are consulting, supporting, and development and mentoring.

Leaders consult by soliciting and including the thoughts, ideas and preferences of others in their decision-making process. By consistently doing so, followers come to learn that even if they do not agree with every decision; they at least have a voice in outcomes that affect them. Additionally, leaders earn trust by acting in the interest of others whenever possible. The second

behavior, supporting, refers to helping and giving encouragement to employees, peers, and customers. Organizational leaders who support others demonstrate that they value the human side of business. This behavior enhances the leader's credibility and thus, followers are more likely to extend trust to that leader. Leaders who mentor use their talents, skills and experience to help others grow and eventually, advance their careers. This behavior demonstrates the leader's commitment to the success of those mentored and will likely engender loyalty from these employees. Moreover, followers are more likely to trust leaders that they believe are interested in more than just their own success.

In sum, the behavioral approach is an attempt to understand the actions of leaders. Even as many of the behaviors studied under this approach are important to the understanding leadership effectiveness, there is not much to be learned from the behavioral approach in regard to the current leadership crisis. One key learning of the behavioral approach, however, is that leaders can foster trust by demonstrating a concern for others. To demonstrate this concern, leaders must consult others when making decisions, demonstrate their support of subordinates as well as peers and mentor and develop whenever possible.

*The Power and Influence Approach.* The Power and Influence approach to studying leadership generally examines how leaders use power and influence to achieve desired outcomes. Broadly defined, there are two categories of power; personal power and positional power (Bass, 1990). Personal power derives from the leader's personal attributes whereas position power refers to status conferred by the leader's place in the hierarchy within the organization. More specifically, the bases of personal power are legitimate authority, reward and coercive power, and control over information (Yukl & Falbe, 1991). Position power includes the components of expert power, referent power, and persuasiveness (Yukl & Falbe, 1991). Each base of power has

been used to study how leaders gain and lose power as well as how the different types and amount of power relate to leader effectiveness. Yet, as noted by Yukl and Van Fleet (1992), there is still much to learn regarding the use of power by leaders, particularly the role of situational factors (i.e., the nature of the organization, task and subordinates).

There are individual findings from the study of power and organizational leadership that are relevant to the current discussion. When used judiciously, reward and coercive power have the potential to increase subordinate motivation and satisfaction (Podsakoff, Todor, & Skov, 1982). Subordinates are most positively influenced when “rewards are made contingent on subordinate performance and are perceived to be legitimate and equitable” (Yukl & Van Fleet, 1992, p. 163). Even coercive power (in the form of punishment) can have a positive effect on subordinates when used to deal effectively with employees who attempt to undermine the objectives of the organization. In all cases, the most important consideration is that fairness is evident in the actions of the leader when wielding reward or coercive power. Favoritism, self-dealing or haphazard decisions will undermine the leader’s credibility and surely diminish the goodwill of followers.

Yukl (1981) provides additional guidance for ensuring the appropriate use of power by organizational leaders. Yukl suggests that when leaders have significant position power (e.g., CEOs, CFOs), it is advisable to implement structural constraints on the use of this power. Among his suggestions are policies that prohibit specific abuses of power by managers, the formation of independent review boards to hear appeals by subordinates, and organizational decision-making processes that prevent individuals from wielding their position power without the input of others. A key aspect of these suggestions is the role of independent others. By

preventing leaders with broad authority from operating fully autonomously, the hope is that potential abuses will be curtailed.

Yukl's (1981) suggestions also underscore the need for good corporate governance with a truly independent Board of Directors. In one study, Adelphia Communications, WorldCom and Enron all score below average on a measure of corporate governance (Abramson, 2002). Interestingly, these same organizations all have senior leaders who have been accused of misusing their expansive positional power for their own gain. Could more robust Boards and stronger corporate governance rules have prevented the scandals that occurred at these companies? The answer is open to debate. At the least, today's organizational leaders should consider these issues as they ask followers to trust them.

No matter what the base of a leader's power, leaders must also influence others in order to achieve desired organizational objectives. Whether focusing on leadership at the executive level or within a small team, a multitude of tactics are employed by leaders to influence others. As an example, some of these tactics include (a) rational persuasion, (b) inspirational appeals, (c) exchange, and (d) pressure (Yukl & Van Fleet, 1992) [see Appendix B for a listing of the most common tactics]. Rational persuasion refers to using logical arguments and factual evidence to win support. Inspirational appeals rely on a call to the emotions, values and beliefs of followers. Exchange tactics are based on offering some type of reward in return for a desired action. The fourth example, pressure, uses demands, threats, or constant supervision to influence followers.

A key challenge for organizational leaders is to build commitment for the organization's objectives on the part of peers and subordinates. Early research examining which influence tactics are best suited to this leadership challenge was inconsistent (Mowday, 1978; Schilit & Locke, 1982). Fortunately, later studies produced more conclusive results that are helpful for



leaders in today's difficult environment. Yukl and colleagues (Falbe & Yukl, 1992; Yukl, Kim & Falbe, 1996; Yukl & Tracey, 1992) have found that consultation, inspirational appeals and strong forms of rational persuasion are the most effective influence tactics for gaining commitment. Interestingly, Yukl, Kim and Falbe (1996) also found that leaders were most effective when they refrained from using pressure tactics to influence. Leaders of organizations would be wise to consider these findings going forward; followers appear to open to influence tactics that appeal to their needs, intellect, and values, but resistance is likely to be encountered if the leader attempts to impose his/her will on followers.

To summarize the Power and Influence Approach, a return to the quote that began this chapter is in order. While useful for understanding how leaders engage others to achieve desired objectives, these theories do little to address the overarching concern of "leadership toward what ends." In fact, many of the leaders involved in the scandals under discussion appear to have used expert and positional power as well as influence tactics to great success. Yet, in the end, the actions of these leaders had disastrous consequences for the employees and shareholders of their firms (e.g., Enron). Ultimately lacking a consideration of the ends to which power and influence are used, the Power and Influence Approach is limited in its ability to offer useful guidance for organizational leaders. Useful insights such as the recommendation to maintain organizational safeguards against the unilateral use of power by leaders remain helpful, however.

Much of the research examined thus far has focused on the characteristics and behaviors of leaders. Noticeably absent from this review has been a consideration of the situational factors that affect leadership effectiveness. The next section will discuss the Situational Approach, which addresses the relation of contextual factors to leadership effectiveness.

*The Situational Approach.* A broad array of theories has been advanced under the Situational Approach. All of these theories share a common focus on how differing situations call for differing patterns of behaviors and/or traits for leaders to be effective. The main contribution of this approach is that leadership effectiveness is not necessarily a static phenomenon – unique situations often call for unique responses. Unfortunately, most of the situational theories lack strong empirical support and are somewhat difficult to apply to everyday leadership challenges. In addition, because these theories are predominately concerned with the interaction of the leader with situational effects, the question of “leadership toward what ends” is essentially ignored. Despite these limitations, there is still one useful insight to be garnered from the Situational Approach. The relevant theory is presented briefly and then discussion turns to the final approach, the Transformational and Charismatic Approach.

Path-goal theory is a leadership theory that attempts to explain how leaders motivate followers to achieve desired goals. Derived from a more general motivational theory called expectancy theory, path-goal theory proposes that employees are motivated if “they think they are capable of performing their work, if they believe their efforts will result in a certain outcome, and if they believe that the payoff for doing their work are worthwhile” (Northouse, 2001, p. 89). According to this theory, leaders achieve effectiveness by choosing a leadership style that most appeals to the motivational needs of followers.

While complexity limits its direct application, path-goal theory does have one important contribution. By focusing leaders on the motivational needs of followers, it reminds leaders that one of the key functions of leadership is to guide and coach followers to achieve desired organizational goals (Northouse, 2001). In this sense, current organizational leaders would be well-served to heed the reminder that engaging followers and adopting a service mentality will

likely increase their chances of success. Finding ways to increase one's own personal wealth at the expense of shareholders is clearly not in line with this suggestion.

*The Transformational and Charismatic Approach.* The purpose of this review has been to examine what the extant leadership literature has to offer in terms of understanding and moving past the current leadership crisis. To that end, the Transformational and Charismatic approach is perhaps the most informative of all the approaches discussed thus far. The relevant theories and findings of this approach will be presented next, along with a consideration of whether these individual contributions sufficiently address Hollander and Offerman's (1990) concern of "leadership toward what ends." First, the Charismatic portion of the approach is discussed.

Theories of charismatic leadership (Bass, 1985; Conger & Kanungo, 1987; House, 1977) typically view charismatic leadership as an attribute of the leader; a charismatic leader possesses exceptional qualities that make him/her larger than life and worthy of high esteem. Followers believe in the superiority of the leader's view, accept the leader without much scrutiny and willingly obey the wishes of the leader. In addition, followers typically revere and worship the charismatic leader not unlike religious idols. With these conditions in place, charismatic leaders are able to achieve significant objectives often under difficult circumstances. For example, Bass (1985) notes that charismatic leaders are more likely to be effective in situations where formal authority has failed and novel approaches are desired.

The leadership situation in many of today's organizations seems ripe for charismatic leaders to step up and restore faith in the leadership process. In particular, charismatic leaders are especially adept at reinvigorating previously disenchanted followers. Witness what Lee Iacocca was able to accomplish at the failing Chrysler Corporation during the 1980s. However,

before declaring charismatic leadership the solution to today's leadership challenges, there are additional aspects of this approach to consider. Of particular concern is that while effective in achieving significant objectives, charismatic leadership also has the potential to be used for immoral means. Similar to the question of "leadership toward what ends," Evans (1998) has raised the question of what or whose objectives should be endorsed? For example, what if the leader decides to use charismatic influence to pursue self-interests?

To their credit, charismatic leadership theorists have not remained silent on this issue. House (House, 1991; House & Howell, 1992) distinguishes between two types of charismatic leaders – socialized and personalized charismatic leaders. According to Klein and House (1998), socialized charismatic leaders serve collective interest while personalized charismatic leaders pursue self-interests. Especially troubling is the characterization that personalized charismatic leaders are "...self-aggrandizing, exploitative of followers and others, and typically narcissistic, impetuous, and impulsively aggressive. Often abusive of their followers, personalized charismatic leaders are typically immoral." (Klein & House, 1998, p. 46).

Although this distinction is helpful, the difference between personalized and socialized charismatic leadership remains largely descriptive. The theories fail to clearly specify the mechanisms through which the moral application of charisma can be ensured. In fact, Klein and House (1998) believe that the majority of their propositions apply equally to both personalized and socialized charismatic leaders (p. 46). Absent this clarification, the most useful application of charismatic leadership theory seems to be increased awareness and the potential identification of personalized charismatic leaders who pursue their own interests at the expense of the organization.

As an example of how this might be applied, former Enron CEO Jeffrey Skilling has been widely characterized as being charismatic (Khurana, 2003; Useem, 2002). In addition, many decisions made by the former CEO went against the interests of the shareholders, employees and consumers. Skilling seems to have used his charisma to pursue goals that were self-serving in the end (i.e., promoting a grandiose vision that inflated the company's stock price and thus his own wealth). Although many factors are responsible for the downfall of Enron, the key learning here is that personalized charismatic leadership on the part of a CEO and/or other significant executives pose a significant threat to the organizations they lead.

With the discussion of Charismatic leadership now complete, the final section of the current literature review will focus on Transformational leadership. Building on the Charismatic theories, most Transformational theories include a component of charisma. Transformational leadership theories, however, include a broader range of leadership characteristics.

Transformational leadership first achieved prominence with the work of James MacGregor Burns (1978). Burns envisioned transformational leaders as morally uplifting individuals who seek to satisfy the higher needs of followers. By leading in this manner, transformational leaders are able to motivate followers to achieve significant goals that might not be possible under other conceptions of leadership. In addition, Burns believed that the process of transformational leadership creates a mutually beneficial exchange where the morality of the leader is elevated as well; as followers are transformed, so is the leader.

In addition to transformational leadership, Burns (1978) also described a second type of leadership called transactional leadership. Transactional leaders motivate their followers by offering something tangible (i.e., financial rewards, status) in exchange for their effort. Key here

is the exchange as transactional leaders appeal to the self-interest of their followers to achieve desired goals and objectives (Yukl & Van Fleet, 1992).

Bass and colleagues (Bass, 1985, 1990; Bass & Avolio, 1993, 1994) expanded the work of Burns (1978) by introducing the Full Range of Leadership model. Under the Full Range of Leadership Model, Transactional and Transformational leadership are viewed as being on a single continuum rather than as separate leadership styles. All leaders display some of each style but the Transformational style delivers superior results, most notably in unstable environments (Bass, 1998).

According to Bass, Transformational leadership has four components; (a) Charisma or Idealized Influence, (b) Inspirational Motivation, (c) Intellectual Stimulation, and (d) Individualized Consideration. Bass (1998) describes these four components here:

Leadership is charismatic such that the follower seeks to identify with the leaders and emulate them. The leadership inspires the follower with challenge and persuasion providing a meaning and understanding. The leadership is intellectually stimulating, expanding on the follower's use of their abilities. Finally, the leadership is individually considerate, providing the follower with support, mentoring, and coaching. (p. 5)

In contrast, Transactional leadership has two components; (a) Contingent Reward, and (b) Management-by-Exception. Transactional leadership “occurs when the leader rewards or disciplines the follower depending on the adequacy of the follower's performance” (Bass, 1998, p. 6). Transactional leadership does not attend to the individual needs of followers and may leverage either positive or negative consequence to achieve desired outcomes. The basis for effectiveness of Transactional leadership is that the leader creates conditions where it is in the best interest of followers to do what the leader wants (Kuhnert & Lewis, 1987).

A large body of evidence exists to support Bass' conception of Transformational and Transactional leadership (Avolio, Bass, Jung & Berson, 2003; Bass, 1985; Bycio, Hackett & Allen, 1995; Howell & Avolio, 1993). Moreover, a significant portion of the leadership research conducted over the past 5-7 years has supported the effectiveness of Transformational leadership (Bass, 1998). Therefore, the natural conclusion is that the solution to today's leadership crisis is to select and develop leaders to be more transformational. After all, Burns (1978) believed that Transformational leaders are morally uplifting.

Unfortunately, the answer is not so straightforward. Although intended to be morally uplifting, the potential for abuse still exists with Transformational leadership. What if an organizational leader engages in Transformational leadership to serve an evil or destructive agenda? As a not so extreme example, terrorists such as Osama Bin Laden may fit this profile. Yet, neither Bass' (1985, 1998) nor Burns' (1978) conceptions of Transformational leadership attend to the ultimate agenda of the leader. In fact, when Bass (1985) originally introduced the theory, he believed that Transformational leadership could be either harmful or beneficial depending upon the values of the leader.

This shortcoming of Transformational leadership has not gone unrecognized. Later entries in the literature show that Bass (Bass, 1998; Bass & Steidlmeier, 1999) has come to agree with Burns (1978) – in order for leadership to be transforming, the actions of the leader must be morally uplifting. Further, Bass and Steidlmeier have argued eloquently that a distinction must be made between Transformational and pseudo-transformational leadership. Transformational leadership is based on a “moral foundation of legitimate values” whereas pseudo-transformational leaders “consciously or unconsciously act in bad faith” (p. 183). The type of

leader needed today is clearly the former and definitely not the latter. However, there is still another weakness to explore.

As Transformational leadership theory currently exists, it does not reflect the distinction between Transformational and pseudo-transformational leadership. While helpful and much needed, contrasting Transformational and pseudo-transformational leadership amounts to not much more than post hoc philosophizing. Regrettably, a pseudo-transformational leader can appear to be Transformational according to the theory but still cause significant harm. Therefore, the benevolent application of Transformational leadership remains an ideal but is far from assured

On the other hand, Northouse (2001) warns that that Transformational leadership “puts a burden on individuals and organizations to be aware of how they are being influenced and in what directions they are being asked to go” (p. 148). Similar to personalized versus socialized Charismatic leadership, the potential benefit of Bass’ distinction lies in its application – increased awareness that Transformational leadership can be used for immoral means is likely to decrease the incidence of pseudo-transformational leaders operating without impunity. Although still not a guarantee, closer monitoring of the motives of all leaders going forward seems both prudent and necessary.

To summarize, the theories under the Charismatic and Transformational approach are enlightening and do provide some helpful thoughts for helping the business world out of the morass. The key learning from the Charismatic and Transformational leadership theories is that all must be vigilant in examining the motives of leaders to guard against the unwanted consequences of personalized Charismatic or pseudo-transformational leadership. Ultimately, though, the theories under this approach come up short in guiding leaders to new and better



leadership. While Charismatic and/or Transformational leaders are very often able to lead their organizations benevolently and to great success, there still remains a risk that these approaches can be used for less honorable purposes. This limitation simply leaves too much to chance, and as the leadership failures over the last few years have demonstrated, more than good luck will be needed to ensure that these failures are not repeated.

*Conclusion.* The purpose of this literature review has been to discern what leadership knowledge is available to inform the current leadership crisis. As the literature was reviewed, helpful insights were highlighted and a critical analysis of whether the existing theories effectively address Hollander and Offerman's (1990) concern of *leadership toward what ends* was presented. Although these insights do offer a modicum of hope, the review reveals that none of the existing leadership theories address the ultimate goals of the leader. Absent this consideration, existing leadership theory does not stand ready to effectively deal with the current leadership crisis.

### *Moving Forward*

In order to move forward effectively, leadership theorists must consider an important question: what is missing from existing leadership theory that would lead to a better understanding of the current situation? One answer is that across all of the theories reviewed, the role of values in leadership is noticeably absent. As discussed, some theorists have attempted to insert a discussion of values beyond the main tenets of their theories. In order to restore faith in organizational leadership, new approaches that directly address the values of the leader are needed. This researcher contends that leadership is not a value-free phenomenon and the role of values in leadership has been ignored for far too long. Further, if leaders are not characterized and measured on their values going forward, organizations are destined to repeat the leadership

failures of the 80s and late 90s. With trust in organizational leadership so tenuous right now, we cannot afford to head down the primrose path yet one more time.

Fortunately, there is significant cause for optimism. As mentioned earlier in this chapter, Authentic Leadership deals directly with the values and motives of the leader. By focusing on these components, Authentic Leadership is able to respond to the void in current leadership theory and speaks directly to Hollander and Offerman's (1990) concern of "leadership towards what ends." Authentic Leadership can help recalibrate both the study and practice of leadership to focus on additional aspects of leadership not previously considered. Paramount is the need to ensure that leadership is used to serve the greater good rather than self-interest. Only by focusing on the values and motives of the leader can this desired state be achieved. Authentic Leadership does this.

#### *Authentic Leadership*

Compared to the theories reviewed earlier, Authentic Leadership has not received much attention in the leadership literature. A few books (c.f., Cashman, 1998, George, 2003; Terry, 1993) as well as several articles have appeared in the popular press, but only a small number of papers (Bhindi & Duignan, 1997; Duignan & Bhindi, 1997; Henderson, 1995; Henderson & Brookhart, 1996; Henderson & Hoy, 1983, Hoy & Kupersmith, 1984) on Authentic Leadership have been published in peer-reviewed journals thus far. In addition, the bulk of scholarly research on Authentic Leadership has come from the field of Educational Leadership. Since Educational leadership research is typically carried out in schools, generalizability of these studies to other organizations is less known at this point. However, many aspects of this work have helped shape the current thinking on Authentic Leadership and will be reviewed.

In their first attempt to define and measure Authentic Leadership, Henderson and Hoy (1983) developed what they called a Leader Authenticity Scale (LAS). Leader Authenticity was defined as “the extent to which subordinates perceive their leader to demonstrate the acceptance of organizational and personal responsibility for actions, outcomes, and mistakes; to be non-manipulating of subordinates; and to exhibit a salience of self over role” (Henderson & Hoy, 1983, pp. 67-68). In an attempt to validate the measure, the researchers had teachers rate their principals on each of these dimensions.

The reliability and validity evidence reported for this initial effort was encouraging. Coefficient alpha for the final scale was .96. Content validity was reasonably assured through the use of an expert review panel. In addition, the relation of Leader Authenticity to other theoretically relevant variables was significant and as predicted. Esprit (perceptions of morale) and thrust (perceptions of the principal’s ability to balance tasks with consideration of individuals) were positively related to Leader Authenticity, and status concern (perceptions of the principal’s desire for status or status symbols) was negatively related to Leader Authenticity.

Subsequent research using the Leader Authenticity Scale added additional support for the measure. In elementary schools, Blumberg and Greenfield (1986) and Hoy and Kupersmith (1984) found a positive relation between ratings of principal authenticity and trust among staff. Hoffman (1993) developed a complementary measure, the Teacher Authenticity Scale (TAS), to assess perceptions of teacher authenticity. In the same study, Hoffman observed that openness in school climate was related to the authenticity of teachers and the principal. In addition, authentic behavior on the part of the principal was related to trust in the principal.

Henderson and Brookhart revisited the Leader Authenticity Scale in 1996 in an attempt to increase the applicability of the measure. A revised measure called the Organizational Leader

Authenticity Scale (OLAS) was created by substituting the label 'supervisor' for 'principal' in each item. Although the composition of the sample is not fully specified, Henderson and Brookhart did include participants from public institutions outside of education.

As a test of the new scale, Henderson and Brookhart (1996) investigated the relation between leader authenticity and leader effectiveness. A remarkably strong relation ( $r=.93$ ) was found, although some construct overlap may be responsible for the large correlation. OLAS was also positively related to Institution Integrity, Initiating Structure, Consideration, Principal Influence, Resource Support, Morale and Academic Emphasis subscales of the Organizational Health Inventory for Elementary Schools (Hoy, Tarter & Kottkamp, 1991). Adding to the list of supportive results, OLAS was positively related to the Organizational Climate Description Questionnaire for Elementary Schools (Hoy, Tarter & Kottkamp, 1991) subscales of Supportive Behavior and Collegial Behavior and exhibited negative relations to Restrictive Behavior and Disengaged Behavior, as expected.

Henderson and Brookhart (1996) also proposed a causal model in which leader (e.g., principal) authenticity affects staff (e.g., teachers) authenticity. In turn, both leader and staff authenticity are purported to impact organizational health and organizational climate. The sample size used to test the model was small ( $n=63$ ) but the reported fit indices indicated good model fit. A concern about sample size and generalizability to other organizations notwithstanding, this finding is encouraging in that leader authenticity does seem to have a significant effect on outcome variables of interest to organizational researchers.

About the same time that Henderson and his colleagues were refining their concept of Authentic Leadership, Bhindi and Duignan published their perspective on Authentic Leadership (Bhindi & Duignan, 1997; Duignan and Bhindi, 1997). Bhindi and Duignan believed that

Authentic Leadership was based on four qualities; authenticity, intentionality, spirituality, and sensibility. Authenticity “entails the discovery of the authentic self through meaningful relationships within organizational structures and process that support core, significant values” (Bhindi & Duignan, 1997, p. 119). Intentionality “implies visionary leadership that takes its energy and direction from the good intentions of current organizational members who put their intellects, hearts, and souls into shaping a vision for the future” (Bhindi & Duignan, 1997, p. 119). Spirituality “calls for the rediscovery of the spirit within each person and a celebration of the shared meaning and purpose of relationship” (Bhindi & Duignan, 1997, p. 119). Finally, Authentic Leadership, according to Bhindi and Duignan, calls for “a sensibility to the feelings, aspirations and needs of others” (p. 119).

Bhindi and Duignan (1997) explain further that Authentic Leadership is a departure from the “ingrained culture of dominance and compliance, artifice and deception” often found in today’s organizations (p. 119). Rather, Authentic leaders cultivate followers through a culture of stewardship and service. Moreover, Authentic Leadership rejects “motives and actions that are deceptive, hypocritical, duplicitous” (Bhindi & Duignan, 1997, p. 121) and calls for “ways of thinking and doing that are ethical and people-centered” (p. 119).

At the risk of portraying Bhindi and Duignan’s (1997) model as an ideal type not achievable in real life, the burden is not quite that heavy. The theorists acknowledge that Authentic leaders “don’t always get it right” and do “make mistakes” (p. 124). However, they are expected to lead according to their values and learn from their missteps. Bhindi and Duignan described Authentic leaders best when they referred to them as “everyday full-blooded creatures who are politically and spiritually aware, credible, earthly, practical and, despite their human frailties, strive to be ethical, caring, and conscience driven” (pp. 123-124).

Although still heavily rooted in Educational leadership, Bhindi and Duignan (1997) believe that their model of Authentic Leadership is applicable to educational, religious, public and private organizations. Applying the principles of Authentic Leadership to any of these organizations is purported to improve not just productivity, but also the quality of work life for its members. While compelling, Bhindi and Duignan's (1997) model remains a conceptual effort. Thus far, no attempts to measure or empirically investigate the model have been reported.

Another call for Authentic Leadership in educational settings comes from Begley (2001). Begley describes Authentic Leadership as leadership that is "knowledge based, values informed, and skillfully executed" (p. 353). Begley is not very explicit about the other aspects, but does discuss the nature and importance of values in Authentic Leadership. He believes that "the adoption and application of a values and valuation process perspective...makes the objectives of leadership more understandable, compelling and achievable" (p. 354). While easy to agree with this premise, Begley does not specify the values necessary to achieve authentic leadership. In addition, further specification of Begley's conception of Authentic Leadership will be necessary before his work can have an impact on the study and practice of leadership.

While promising for helping us better understand and move past the current leadership crisis, the research on Authentic Leadership should be considered in its infancy. As just detailed, only a small number of researchers have attempted to characterize and study the construct. Of these, only Henderson and colleagues have moved past the conceptual stage to begin to offer empirical evidence in support of their model. Even still, Henderson's work has been carried out predominately in school settings. There remains a need for a model of Authentic Leadership that applies more broadly to other organizations. In particular, the recent leadership failures

discussed earlier point to the need for a model of Authentic Leadership developed for business. The next section of this chapter will describe a proposed model of Authentic Leadership developed specifically for use in business contexts.

### *A Model of Authentic Leadership*

While previous research on Authentic Leadership is instructive, the following model of Authentic Leadership was greatly influenced by the author's work in leadership development. Each dimension of the model has been derived, in part, from direct observation of business leaders across a variety of organizations. Although strongly a rational approach, an attempt to provide empirical evidence of the model's validity will be provided as part of this study.

The full model of Authentic Leadership including individual dimensions will be presented shortly, but first a definition of Authentic Leadership is provided. Authentic Leadership occurs when leaders know who they are, what unique talents they have to offer the world and use these talents to make a contribution. Breaking this definition down further, "knowing who they are" refers to leaders having a valid and exhaustive account of both their strengths and their weaknesses. While this may seem similar to other models of leadership, the key difference is that Authentic Leaders have the courage to face their weaknesses unconditionally. This includes coming to terms with aspects of themselves they would prefer not to acknowledge.

In coming to know their strengths and weakness, Authentic Leaders also become conscious of "what unique talents they have to offer the world." Each person has one or more key talents that differentiate them from others. These talents may be specific knowledge, skills, abilities, or other characteristics (e.g., personality) that allow a leader to gain credibility with followers. Often, a combination of these attributes is what makes an Authentic Leader unique.

As these talents become known to the person, the next consideration for Authentic Leadership is how the leader chooses to “use those talents.”

While entirely possible that a person chooses to ignore his/her talents, in order for Authentic Leadership to occur, the leader must actively use his/her talents “to make a contribution.” Making a contribution requires the leader to serve broader interests and work for the betterment of a larger entity such as an organization, the community, or society. Inherent in this choice is the sublimation of self-interest to the needs of others. As an example of choosing to make a contribution, a gifted oncologist might choose to leave a lucrative private practice to lead a group of researchers in the search for a cure for cancer. Another example is a successful businessperson discovering a gift for teaching and choosing to make a contribution by changing careers to teach children. Whatever the chosen application, the key is that the Authentic Leader is focused on a purpose greater than him/herself.

With Authentic Leadership defined, the proposed model will now be described in detail. The full model includes 6 dimensions; (a) Knowing Your Authentic Self, (b) Communicating without Pretense, (c) Leading with Integrity, (d) Having an Other Orientation, (e) Making a Contribution, and (f) Developing Others

The first dimension, *Knowing your Authentic Self*, means having full knowledge and awareness of the unique set of talents, experience, wisdom, values and limitations that one brings to bear on leadership situations without regard to life roles (i.e., parent, spouse), stereotypes, or occupation. Authentic Leaders lead from unique qualities deep within themselves. These qualities are revealed to the individual through a litany of possible sources. Some examples include experience, education, reflection, training, adversity, trauma, success and happenstance. Whatever the source(s), Authentic Leaders continually strive to understand themselves more



completely. As this self-knowledge increases, Authentic Leaders become more effective because they better understand how they can affect others. Similarly, researchers working in the area of transformational leadership have argued (Bennis, 1989; Megerian & Sosik, 1996) as well as provided evidence (Yammarino & Atwater, 1997) that self-awareness is related to transformational leadership effectiveness.

Authentic Leaders also recognize that their unique qualities are enduring and transcend traditional role requirements. They come to understand their strengths and unique qualities regardless of the expectations others put on them based upon their role as parent, spouse, manager, teacher, etc. Moreover, Authentic Leaders learn that they are hindered in their pursuit of self-understanding by continuously conforming to social or societal expectations. They display the courage needed to break free of these constraints and continue to test the bounds of their abilities in new ways. Those who fall short of Authentic Leadership continue to acquiesce to the expectations of others and consequently fail to truly understand their unique qualities.

Another impediment to *Knowing Your Authentic Self* is self-deception. Leaders engage in self-deception when they mislead themselves into accepting something about their own ability as true or valid that is actually not true or valid (Baumesiter, 1993; Gur & Sackheim, 1979; Klein & Kunda, 1993; Kunda, 1990). In doing so, leaders fail to develop a complete and accurate account of their strengths, weaknesses and unique qualities. Self-deception may take the form of passing over a positive attribute or denying a flaw.

For example, a person may believe he/she is a good listener. If this belief is accurate, this person is likely to perform well in situations where careful listening is required. However, if this person has over-estimated his/her listening ability, important information or nuance may be missed in a conversation. If the self-deception continues, the leader will continue to hold the

false belief that he/she is a good listener despite missing key information. Even more insidious, the stronger the self-deception, the less likely the leader is to heed information that contradicts the belief (Mele, 1997) that he/she is a good listener. *Knowing Your Authentic Self* is an important aspect of Authentic Leadership – self-deception is to be avoided as much as possible.

The next dimension, *Communicating without Pretense*, means listening to what others are saying without filters or pre-judgment and expressing oneself openly and honestly. Authentic Leadership requires the accurate exchange of facts and ideas. As a key participant in the communication process, Authentic Leaders bear the burden of doing everything they can to ensure this accuracy when interacting with followers. Whether the message to be delivered is positive or negative, Authentic Leaders are forthright with information. Especially in cases where negative information is to be shared, Authentic Leaders communicate both the realities and potential outcomes with clarity and compassion. They will not, however, hold back information purely to satisfy political correctness. Rather, Authentic Leaders will “say the unsayable” (Hope, Milewski-Hertlein, Rodriguez, 2001, p. 45) if the situation requires full disclosure.

Authentic Leaders also listen with a desire to understand other peoples’ perspective as honestly as possible. While often present, biases, agendas, and defensiveness impede the ability to really hear others. Authentic Leaders do everything possible to suspend or remove these barriers to hearing the truth, even in difficult or uncomfortable conversations. All people are treated with respect and their input is valued. Additionally, Authentic Leaders listen attentively to people’s hopes and dreams, fears and anxieties. In this way, leaders come to know others’ perspectives as plainly as possible.

Authentic Leaders also share their own perspective as plainly as possible. Rather than create the impression that they are always in control or have all the answers, Authentic Leaders reveal their humanity to their followers. They are not afraid to share their fears and vulnerabilities or ask for help from those around them. In fact, by *Knowing their Authentic Self*, Authentic Leaders are keenly aware of their limitations and operate with a strong understanding of where they need assistance to be successful. In being open and acknowledging their limitations, Authentic Leaders gain the respect and trust of followers in the process.

Another way in which Authentic Leaders gain the respect and trust of followers is by *Leading with Integrity*. *Leading with Integrity* means behaving in ways consistent with one's moral beliefs. Beyond telling the truth, Authentic Leaders demonstrate a purity of intent by making careful decisions and taking action based upon their character rather than transitory factors such as whim or social pressure (Cohen, 1999; Kerr, 1988, Sperry, 1999). The standard is high; Authentic Leaders demonstrate this moral congruence steadfastly, day after day. By and large, Authentic Leaders dedicate a significant amount of energy ensuring that their actions are fair and just.

Clearly, moral hypocrisy (Batson & Thompson, 2001) has no place in Authentic Leadership. Having a deep sense of their Authentic Self helps Authentic Leaders resist outside pressures to deviate from their moral principles. With their values in focus, Authentic Leaders are able to maintain a clear sense of purpose over time regardless of the immediate circumstances. Furthermore, Authentic Leaders are willing to take a stand and act on important issues even if their position is unpopular. They do not seek out controversy or conflict needlessly, but do not avoid controversial issues either.

Further adding to their credibility, Authentic Leaders can be counted on to hold themselves accountable. To the Authentic Leader, excuses are not acceptable, especially not for themselves. Accordingly, Authentic Leaders take responsibility for their actions and readily admit their mistakes. When necessary, they take corrective action swiftly. Not confined to just the negative aspects of their own performance, Authentic Leaders also share their accomplishments with others with regularity.

The next dimension, *Having an Other Orientation*, refers to a leader's propensity to consider the best interests of others when making leadership decisions. Authentic Leaders strive to preserve the welfare of their followers whenever possible. When decisions that will result in negative consequences for followers cannot be avoided, Authentic Leaders ensure that the interests of their constituents are represented in the decision process with compassion.

Inherent in *Having an Other Orientation*, Authentic Leaders tend to put the interests of others or the institution above their own. While certainly not martyrs, Authentic Leaders are often characterized by their followers as generous. This sincere sense of giving is another way in which Authentic Leaders gain the respect and trust of followers – followers come to realize that the leader is not only interested in personal gain. In turn, the followers become less wary of being manipulated for the sake of leader's agenda.

The fifth dimension, *Making a Contribution* refers to utilizing one's unique qualities to serve the greater good and make a positive difference in the lives of others. Although many leaders are able to deliver excellent financial results for their organization (e.g., increased stock price), they often sacrifice the environment, the wellbeing of their employees as well as the sustainability of the organization in the process. While still important, Authentic Leadership is about more than generating financial results. Authentic Leaders seek to create value by having a

lasting, positive impact on others. Their impact can be as far ranging as an entire country or as focused as a small workgroup.

An almost infinite number of possibilities exist for Authentic Leaders to make a contribution. One example would be establishing a charitable foundation to provide programs and services to an underserved or at-risk population. Another Authentic Leader might choose to use his/her organizational and relationship building skills to start a neighborhood watch program in a high crime area. Yet another leader might implement a balanced scorecard within his/her division to ensure that all stakeholders receive equal representation when evaluating the team's performance.

The common theme across each of these examples is that Authentic Leaders look for opportunities and choose to apply their unique qualities to make a positive difference in the lives of others. This aspect of Authentic Leadership can be attributed to the fact that Authentic Leaders approach leadership as an act of service rather than an entitlement. Authentic Leaders eschew the trappings of power and remain free from narcissism. As narcissism has been linked to personal domination, exploitation, and an authoritarian orientation toward followers (Deluga, 1997), Authentic Leaders create a more compassionate and rewarding work environment than leaders who exhibit narcissist tendencies. In addition, Authentic Leaders are humble and honored to be in a position to positively influence others. Ultimately, they derive satisfaction from giving of themselves, not personal gain or self-aggrandizement.

The final dimension, *Developing Others*, refers to Authentic Leaders helping others discover and harness their unique qualities to make their own contribution. Regardless of the mission of their organization, Authentic Leaders spend a significant amount of time attending to the development of their people. They search for ways to challenge their followers and unleash

their talents. Unlike other leaders who hold people back for their own “pet” projects, Authentic Leaders seek to propel the careers of their followers by highlighting the followers’ strengths to others.

One way in which Authentic Leaders help develop their followers is by showing appreciation frequently while refraining from criticism. In their view, appreciation opens people up to possibilities and motivates them to exceed expectations whereas criticism engenders fear and insecurity thereby impeding growth. This is not to say that Authentic Leaders never offer corrective guidance. They simply remain constructive in their comments. Related to this propensity to show appreciation, Authentic Leaders also tend to strongly promote diversity as they value the potential contribution each individual can make. They believe success is more likely when many different contributions emanating from many different people come together within an organization.

To review, Authentic Leadership occurs when leaders know who they are, what unique talents they have to offer the world and use these talents to make a contribution. As proposed, Authentic Leadership is comprised of 6 dimensions; (a) Knowing Your Authentic Self, (b) Communication without Pretense, (c) Leading with Integrity, (d) Having an Other Orientation, (e) Making a Contribution, and (f) Developing Others. Recall that the purpose of this dissertation is to develop a measure of Authentic Leadership based upon this new model. The remainder of this chapter will describe the rationale for the development of this measure.

#### *Rationale for the Development of a Measure of Authentic Leadership*

When introducing a new construct, one of the greatest challenges is ensuring the proper measurement of that construct. In fact, Hinkin (1998) states, “The adequate measurement of

abstract constructs is perhaps the greatest challenge to understanding the behavior of people in organizations” (p. 104). Thankfully, there are existing frameworks for developing new measures that make use of established psychometric principles to ensure the proper measurement of the construct under study. Of these, the most established framework is that provided by Hinkin (1998). Use of this framework has resulted in measures that appear to be psychometrically sound (Hinkin & Schriesheim, 1989; Kumar & Beyerlein, 1991; Mackenzie, Podsakoff, & Fetter, 1991).

To ensure proper measurement of the Authentic Leadership construct, an approach very similar to Hinkin’s (1998) framework guided the development of the measure created in this study. Hinkin identifies 6 stages in the development of new measures; (a) Item Generation, (b) Questionnaire Administration, (c) Initial Item Reduction, (d) Confirmatory Factor Analysis, (e) Convergent/Discriminant Validity, and (f) Replication. Each of these stages will be described briefly as they relate to the development of the Authentic Leadership measure. Additional details, including methodological considerations, are provided in the Methods section.

*Stage 1: Item Generation.* The first step in developing the new measure of Authentic Leadership was to create an initial pool of items designed to assess each of the 6 dimensions of Authentic Leadership. Although not feasible to measure the entire content domain for each dimension, the aim of this stage was to generate items that adequately assess each dimension. To ensure that the items are conceptually consistent with each dimension, an assessment of content validity was conducted using a panel of subject matter experts to judge the appropriateness of each item.

*Stage 2: Questionnaire Administration.* Items remaining after the content validity assessment were administered to a representative sample of organizational leaders. In addition,

other data that was used to evaluate the new measure's convergent, discriminant and criterion-related validity was also gathered at this stage.

*Stage 3: Initial Item Reduction.* Once the original measure has been administered, inter-tem correlations were computed and those items that did not correlate .40 or above with at least one of the other items were removed. According to Hinkin's (1998) framework, the remaining questions would normally be subjected to an exploratory factor analysis to determine the underlying factor structure. However, given the strong rational development approach utilized in the development of this measure, the next step was actually to attempt to confirm the proposed dimensionality of the Authentic Leadership construct using confirmatory factor analysis (explained next).

*Stage 4: Confirmatory Factor Analysis.* The remaining items were subjected to a confirmatory factor analysis for the purpose of quantifying the goodness-of-fit of the factor structure. The proposed model was tested and compared to a competing, single-factor model to rule out the possibility that Authentic Leadership is a unidimensional construct.

*Stage 5: Convergent/Discriminant Validity.* To further assess the construct validity of the new measure, the relations between the new measure and data collected on other constructs in the second stage were examined. Specifically, the data was examined to determine how much the scales correlate with other measures that assess similar constructs (convergent validity) and do not correlate with measures designed to assess different constructs (divergent validity). Criterion-related validity was also be assessed during this stage by looking at the relation between the Authentic Leadership measure and a criterion measure of leadership effectiveness.



*Stage 6: Replication.* The purpose of this stage was to gather additional evidence to support the generalizability of the new measure by administering the Authentic Leadership measure to a sample independent of the development sample.

Each of these stages including methodological and analysis considerations will be discussed in more detail in the next section.

## CHAPTER 2

## METHOD

*Stage 1: Item Generation*

*Initial Items.* A preliminary pool of 12-14 items was generated for each dimension of Authentic Leadership. Items were written based upon the description of each dimension provided earlier, and focused on behaviors important for Authentic Leadership. Although the measure could have focused on attitudes or values important for Authentic Leadership, the behavior is what ultimately determines whether a leader is being Authentic or not.

In addition, the measure is self-report and items were written so that participants could rate themselves on each of these behaviors. Self-report measures are typically the most expedient way to collect data within organizations. Moreover, the hope was that leaders would be able to provide accurate responses about their own behavior, especially given the response format utilized in this study (described below).

The initial item pool contained 86 items.

*Response Format.* In an effort to limit the transparency of the measure, a semantic differential-type response format was used. Participants were presented with an item stem that contains a basic phrase such as “I am...” or “Which is most true?” and two possible responses. One of the responses corresponds to an Authentic Leadership behavior, while the other response does not.

Respondents indicate which of 2 choices best describes them. In addition, participants indicate the degree to which the option they choose describes them by indicating their strength of

agreement on an unlabeled 6-point scale. As an example of the response format, a couple of items from the initial pool of items for the *Knowing Your Authentic Self* dimension are provided.

Example 1: I am...

comfortable with my values    ○ ○ ○ ○ ○ ○    often swayed by the arguments of others

Example 2: Which is most true?

I take time to reflect on my life    ○ ○ ○ ○ ○ ○    I am too busy to reflect on my life

*Content Validity Assessment.* Once the initial pool of items was created for each dimension, a panel of Subject Matter Experts (SMEs) was used to assess content validity of the items. The panel consisted of a combination of 12 Human Resources professionals with graduate degrees in Industrial–Organizational Psychology, advanced doctoral students in the study of Industrial–Organizational Psychology, undergraduate Psychology students and a university professor. Each SME was given the definitions for each of the 6 Authentic Leadership dimensions as well as the entire pool of items. SMEs were asked to match the items to the dimension they judge most appropriate based upon the definitions provided. If any of items did not correspond to any of the dimensions, SMEs were asked to classify the item to a ‘Not Applicable’ category. A minimum agreement of 70% on the classification of an item to a dimension from the SMEs was required for the item to be retained (Schriesheim & Hinkin, 1990).

After content validity of the items had been assessed, items that did not meet the minimum level of agreement were removed. One interesting development at this point in the scale development process is that none of the items for the *Making a Contribution* dimension were deemed acceptable. The decision was made at this point to drop this dimensions from the measure. Upon further consideration, *Making a Contribution* is probably best viewed as an

outcome of Authentic Leadership and not a set of behaviors to be quantified by the measure. A total of 50 items remained after the content validity assessment (Table 1).

### *Stage 2: Questionnaire Administration*

*Sample.* As part of an organizational study of leadership effectiveness, data was collected at a large, specialty retailer. The Authentic Leadership measure was administered to a group ( $n = 119$ ) of store managers and assistant store managers who are part of a leadership development program. These store managers are responsible for approximately 250 employees on average and most manage stores with total sales of approximately \$40 – \$60 million. Assistant store managers typically oversee 60 – 80 people and are responsible for \$10 - \$20 million in total revenue. As part of the requirements for collecting data in this organization, demographic data was not collected, so none will be reported here.

*Mode of Administration.* The Authentic Leadership measure was administered in a paper-and-pencil format to all participants in a large forum. Participants were told that they were participating in a study about leadership effectiveness, that they should respond to the questions as business leaders and that they could choose not to participate at any time. In addition, participants were assured that their responses would be kept confidential and would not affect their employment in any way.

The responses were then coded and entered into Microsoft Excel by a pair of undergraduate students under the supervision of the researcher. Responses were coded on a scale of 1 through 6 based upon which circle was marked on the paper-and-pencil questionnaire. Data was then uploaded to SPSS Version 14.0 and negatively keyed items were reversed so that higher scores indicate Authentic Leadership for each of the items.

*Other Measures.* In addition to administering the new measure of Authentic Leadership, additional data was collected for use later in the scale development process. The data collected at this point was used to examine the new measure's convergent, divergent, and criterion-related validity. The specific assessments used to assess each aspect of the new measure's validity are described below.

In order to assess convergent validity, participants also completed the Hogan Development Survey [HDS] (Hogan & Hogan, 1997). The HDS is designed to assess 11 common dysfunctional dispositions that impede interpersonal and career effectiveness. These dispositions are measured by 11 scales (Hogan & Hogan, 1997):

1. *Excitable* concerns seemingly moody and inconsistent, being enthusiastic about new persons or projects and then becoming disappointed with them.
2. *Skeptical* concerns seemingly cynical, distrustful, overly sensitive to criticism, and questioning others' true intentions.
3. *Cautious* concerns seemingly resistant to change and reluctant to take even reasonable chances for fear of being evaluated negatively.
4. *Reserved* concerns seemingly socially withdrawn and lacking interest in or awareness of the feelings of others.
5. *Leisurely* concerns seeming autonomous, indifferent to other people's requests and becoming irritable when they persist.
6. *Bold* concerns seeming unusually self-confident and, as a result, unwilling to admit mistakes or listen to advice, and unable to learn from experience.
7. *Mischievous* concerns seeming to enjoy taking risks and testing the limits.
8. *Colorful* concerns seeming expressive, dramatic, and wanting to be noticed.

9. *Imaginative* concerns seeming to act and think in creative and sometimes unusual ways.
10. *Diligent* concerns seeming careful, precise, and critical of the performance of others.
11. *Dutiful* concerns seeming eager to please, reliant on others for support, and reluctant to take independent action.

The HDS contains a total of 168 items in the form of statements to which respondents indicate 'agree' or 'disagree'. There are 14 items for each scale (the additional 14 items comprise an experimental social desirability scale not used in this study) and responses to each item are coded on a 2-point scale (0 = disagree, 1 = agree). Scale scores range from 0 (none of the statements are endorsed) to 14 (all of the statements are endorsed) for each scale, with higher scores indicate a higher likelihood of the dysfunctional disposition.

Participants recorded their responses on a scan-able answer sheet and the completed answer sheets were sent to the publisher of the assessment, Hogan Assessment Systems, for electronic scoring. Data was returned to the researcher in Microsoft Excel format and matched to the appropriate respondents' scores on the Authentic Leadership measure in SPSS. A total of 91 respondents were successfully matched as some of the respondents failed to provide identifying information on their answer sheets.

Examining the psychometric properties of the instrument, internal consistency for the scales as measured by coefficient alpha ranges from .50 (*Dutiful*) to .78 (*Excitable*) with an average alpha of .66. As an indication of the measure's convergent validity, the HDS shows a pattern of significant correlations with most scales of the Minnesota Multi-Phasic Personality Inventory (MMPI), a highly respected measure of psychopathology (Hogan & Hogan, 1997).

To assess divergent validity, the Balanced Inventory of Desirable Responding, Version 6 [BIDR] (Paulhus, 1991) was also administered to participants. The BIDR contains two scales;

Self-Deceptive Enhancement and Impression Management. According to Paulhus, Self-Deceptive Enhancement refers to “the tendency to give self-reports that are honest but positively biased” and Impression Management refers to “deliberate self-presentation to an audience” (p. 37). The BIDR contains 40 statements that respondents rate on a 7-point scale.

After reversing the negatively-worded items, the scales are scored by counting the number of extreme responses (‘6’ or ‘7’ on the 7-point scale). Total scores for each scale range from 0 to 20 and high scores indicate strongly desirable responses. Raw data for the BIDR was input by the undergraduate students under the supervision of the researcher. Responses on the BIDR were matched to the appropriate respondents’ scores on the Authentic Leadership measure in SPSS and then scale scores were computed. All of the BIDR responses were successfully matched.

Psychometric properties for the measure are fairly well documented. Estimates of internal consistency as measured by coefficient alpha range from .68 to .80 for Self Deceptive Enhancement and .75 to .86 for Impression Management (Paulhus, 1991). Paulhus (1988) reports test-retest reliability of .69 for Self-Deceptive Enhancement and .65 for Impression Management over a five week period. As an overall measure of Social Desirability, the 40 items of the BIDR correlate .71 with the Marlowe-Crowne scale (Paulhus, 1988).

In addition, Paulhus (1988) also reports that the Self-Deceptive Enhancement scale correlates positively with measures of defense and coping such as repressive style from Byrne’s Repression-Sensitization Scale (Byrne, 1961), reversal from the Defense Mechanism Inventory (Ihilevich & Gleser, 1986), and positive re-appraisal, distancing, and self-controlling from the Ways of Coping Scale (Folkman, Lazarus, Dunkel-Schetter, DeLongis, & Gruen, 1986). The

Impression Management Scale also correlates with the Lie scales from the Eysenck Personality Questionnaire (Eysenck & Eysenck, 1975) and the MMPI (Hathaway & McKinley, 1951).

To assess criterion-related validity, ratings of leadership effectiveness were collected via the organization's internally-developed 360° Leadership Assessment. Administered as part of a yearly Human Resources process, feedback is collected from the leader's boss, direct reports, peers and business partners on eight dimensions. These eight dimensions have been deemed important for effectiveness as a leader by the organization and are listed below. A full description of each dimension is contained in Appendix C.

1. *Delivers Results*
2. *Acts Strategically*
3. *Drives Excellence*
4. *Excels in Customer Service*
5. *Inspires Achievement*
6. *Lives Integrity*
7. *Builds Relationships*
8. *Creates Inclusion*

Each dimension contains two or three individual items that respondents rate based on a 5-point scale (1 = Significant Development Need; 2 = Improvement Needed, 3 = Capable, 4 = Strength, 5 = Outstanding Strength). The 360° Leadership Assessment is completed on-line via the web using a third-party provider. Data for this study was provided by the third-party to the organization and then provided to the researcher in Microsoft Excel format. Scores on the 360° Leadership Assessment were then matched to the appropriate respondents' scores on the



Authentic Leadership measure in SPSS. In total, 360° Leadership Assessment data was available for 52 participants.

As this is an internal assessment developed rationally by the organization, standard psychometric evaluative criteria are not available to evaluate. However, the organization has determined that higher scores on the assessment for a leader do correlate positively with the financial results of a store, lending credibility to criterion-related validity of the assessment.

### *Stage 3: Initial Item Reduction*

*Item Pre-screen.* The first step in reducing the initial item pool for the Authentic Leadership measure was to examine the inter-item correlations. Items that did not correlate with any of the other items at .40 or greater were deleted.

### *Stage 4: Confirmatory Factor Analysis*

*Analysis.* AMOS 6.0 (SPSS, Inc.) was used to conduct a confirmatory factor analysis of the items and their respective dimensions (Figure 1). Due to a strong rational development approach, the purpose of this analysis was to assess overall goodness-of-fit of the proposed five-factor model to the data. In addition, confirmatory factor analysis also allows for a comparison of competing models. As such, an alternate, single-factor model in which all of the items load on a general Authentic Leadership factor (Figure 2) was analyzed as well.

*Model Fit.* Several criteria for assessing model fit were used. First, the chi-square statistic was examined to assess the fit of the model to the data. The smaller the chi-square, the better the model fits the data. Ideally, the chi-square will be non-significant but it should be noted that chi-square is sample size dependent (Jöreskog & Sörborn, 1989) and it is still possible for the

specified model to be a good fit for the data when the chi-square is large if the other goodness-of-fit indices indicate acceptable model fit. Therefore, several other goodness-of-fit indices will be reported.

These additional goodness-of-fit indices include the Root Mean Square Error of Approximation (RMSEA), Root Mean Square Residuals (RMR), Comparative Fit Index (CFI), Tucker-Lewis Index (TLI), and Akaike Information Criterion (AIC). RMSEA is one of the fit indexes less affected by sample size and an RMSEA less than or equal to .05 indicates good model fit. For RMR, the closer the index to 0, the better the model fit. The CFI ranges from 0 to 1 with values greater than .90 indicating a reasonably good model fit. A value close to 1 on the TLI indicates good model fit. TLI is another of the fit indexes less affected by sample size. Finally, AIC close to zero reflects good model fit. AIC can also be used to compare models; the model with the lower index indicates better model fit.

*Internal Consistency Assessment.* The internal consistency reliability of the scales was calculated using Cronbach's alpha (Cortina, 1993). Each scale should achieve a minimum alpha of at least .70 to be considered reliable.

#### *Stage 5: Convergent/Discriminant Validity*

*Assessment of Convergent/Discriminant Validity.* Pearson's product-moment correlations were calculated for the relation between each of the measures and the Authentic Leadership measure. The divergent measure (BIDR) is expected to exhibit little to no correlation with the Authentic Leadership measure while the convergent measure (HDS) is expected to exhibit at least moderate negative correlations with the Authentic Leadership measure. This negative

relation with the HDS is expected because higher scores on the HDS indicate a higher likelihood of dysfunctional dispositions.

*Criterion-related Validity Assessment.* Pearson's product-moment correlations were also calculated for the relation between the Authentic Leadership measure and the criterion (360° Leadership Assessment). The relation between the criterion and Authentic Leadership is expected to be significant, exhibited by moderate correlations.

#### *Stage 6: Replication*

*Sample.* The 50-item questionnaire (Table 1) was administered to a second sample ( $n = 199$ ) during the selection process for a leadership program at a large, specialty retailer. Participants were told the questionnaire was being evaluated for future use and would be not used in any way to make a hiring decision. The sample was 86% male and 14% female. For those participants that did provide race information, 73% were Caucasian, 15% were African-American, 6% were Hispanic, 4% were Asian, and 1% were American Indian. Of note, 47% were Junior Military Officers (JMOs) about to leave military service. In addition, all participants in this sample had at least three years of leadership experience as required for admission into the program.

*Analysis.* Data from the second sample was analyzed using confirmatory factor analysis. Results of this analysis are reported in the Results section.

## CHAPTER 3

## RESULTS

*Item Pre-screen.* As described in the Methods section, inter-item correlations were computed for each of the 50 items and those items that did not reach the .40 criterion were eliminated. The purpose of this step is to eliminate items that are not tapping the same content domain as exhibited by low correlation with other items. Items that do not meet this standard can be seen as producing error and unreliability (Churchill, 1979). In all, 34 items were eliminated for failing to meet the .40 criterion, thereby leaving a total of 16 items.

When reviewing the remaining items by dimension, there were at least three items for each of the five dimensions except *Having an Other Orientation*. Since there was only one item for this dimension, the inter-item correlations for items under this dimension were examined further and the decision was made to include two additional items that correlated .393 and .398 with the other items. A minimum of three items, or indicators, per dimension is recommended to avoid potential model under-identification and non-convergence in confirmatory factor analysis (Bollen, 1989). These additional items brought the total number of items in the final measure up to 18 (Table 2). Descriptive statistics and inter-correlations for the items by dimension are presented in Table 3.

*Initial Model Test.* One key assumption for confirmatory factor analysis is the assumption of multivariate normality. To test this assumption, AMOS provides an indication of multivariate normality in the form of a Multivariate Kurtosis value, where values greater than 10.0 indicate significant departures from normality. The current sample had a Multivariate Kurtosis value of

63.02. Departures from multivariate normality inflate the computed chi-square value and can lead to Type II errors (Byrne, 2001).

To minimize the effect this violation of multivariate normality would have on the goodness-of-fit indices, bootstrapping was employed. In bootstrapping, a large number of samples with replacement are taken and parameter estimates are computed for each sample (Byrne, 2001). For the purposes of this study, 500 samples were used. When utilizing bootstrapping, AMOS provides a bootstrap modification of the chi-square statistic, called the Bollen-Stine bootstrap  $p$ -value. If the Bollen-Stine bootstrap  $p$ -value is less than .05, the model is rejected as a good fit for the data.

Results of the confirmatory factor analysis ( $df = 125$ ) of the proposed five-factor model (Figure 1) are presented in Table 4. Looking at overall model goodness-of-fit, the Bollen-Stine  $p$ -value is .002, indicating that the model is not a good fit for the data. Examination of the additional goodness-of-fit indices provides further support that the model is not a good fit for the data. Examining the indices individually, RMSEA (as mentioned earlier, .05 and below indicates good model fit) for the model is .109. RMR (closer to 0 indicates good model fit) for the model is .152. CFI (.9 and above indicates good fit) also indicates the model does not fit well at .648. TLI (close to 1 indicates good model fit) is .596. The last index, AIC (close to 0 indicates good model fit), also reflects a lack of fit with a value of 390.90.

*Alternate Model Test.* To determine if a single-factor model in which the 18 items load on a single Authentic Leadership factor (Figure 2) is a better fit for the data, a second confirmatory factor analysis ( $df = 135$ ) was conducted. Results of this analysis are also presented in Table 4. Again using bootstrapping, the Bollen-Stine  $p$ -value for the single-factor model is .002, indicating that the single-factor model is also not a good fit for the data. The goodness-of-fit

indices, RMSEA = .117, RMR = .170, CFI = .558, and TLI = .499, also indicate a lack of model fit. Finally, AIC (425.35), which is useful for comparing competing models, is actually worse for the single-factor model than the five-factor model. This leads to the conclusion that while still not a good fit for the data, the five-factor model is preferable to the single-factor model. Therefore, the five-factor model was used for subsequent analyses.

*Model Refinement.* In an attempt to further refine the five-factor model, the modification indices provided by AMOS were examined. Of particular interest were the covariances among the error terms suggested by the program. If the suggested covariances had strong theoretical support (e.g., are part of the same scale), adding these covariances to model would improve overall model fit. The caveat in introducing these additional fixed parameters to the model is that there is a risk that these covariances are sample specific and will lead to a less generalizable model. After examining the modification indices, it was determined that the suggested covariances did not have strong theoretical support and therefore, the model was retained without modification.

*Reliability Assessment.* Internal consistency reliability was assessed by calculating Cronbach's alpha (Cortina, 1993) for each of the five scales. As established by Nunnally (1978), a minimum coefficient alpha of .70 would indicate acceptable reliability. Coefficient alpha for each of the scales is reported in Table 5. Only one scale, *Leading with Integrity*, demonstrated an acceptable level of internal consistency (.73). The other four scales (*Knowing Your Authentic Self*, *Communicating without Pretense*, *Having an Other Orientation*, and *Developing Others*) all have coefficient alphas of .47 or below.

*Convergent Validity.* To examine convergent validity for the new measure, Pearson product-moment correlations between the five Authentic Leadership scales and the 11 scales of the

Hogan Development Survey (HDS) were computed (Table 6). Recall that the relation was expected to be moderately negative owing to the scaling of the HDS – higher scores indicate a higher likelihood of dysfunctional dispositions. In most cases, the correlations between the scales are small and where moderate, in the expected direction. This finding seems to indicate that those who exhibit Authentic Leadership are less likely to exhibit the dysfunctional dispositions measured by the HDS. One notable exception, however, is the relation between the *Dutiful* scale of the HDS and the ALS scales, *Leading with Integrity* and *Having an Other Orientation*. In both cases, the relation is characterized by somewhat moderate positive correlations (.27 and .31, respectively).

*Divergent Validity.* Pearson product-moment correlations between the five Authentic Leadership scales and the Self-Deceptive Enhancement and Impression Management scales of the Balanced Inventory of Desirable Responding (BIDR) were calculated to assess divergent validity. Results of this analysis are presented in Table 7. For the most part, the Authentic Leadership scales show small to moderate positive correlations with Self-Deceptive Enhancement and Impression Management. This finding is not as predicted and indicates that social desirability is at least partly responsible for the responses to the Authentic Leadership measure.

*Leading with Integrity* shows the strongest relation with *Self-Deceptive Enhancement* and *Impression Management* (.47 and .42, respectively). *Having an Other Orientation* exhibits the smallest relation; .07 with *Self-Deceptive Enhancement* and .19 with *Impression Management*. Correlations for the other Authentic Leadership scales with *Self-Deceptive Enhancement* and *Impression Management* range from .15 to .44

*Criterion-related Validity.* To assess criterion-related validity, Pearson product-moment correlations between the Authentic Leadership scales and the eight dimensions of the 360° Leadership Assessment (360°) were calculated (Table 8). Results of this analysis were mixed. The expectation is that the Authentic Leadership scales would exhibit moderate, positive correlations with the 360° dimensions. *Knowing Your Authentic Self* shows very small relations with the 360° dimensions, in some cases negative. *Communicating without Pretense* demonstrates small to moderate relations and each of the correlations is negative. Somewhat supporting the predicted relation, *Leading with Integrity* and *Developing Others* both exhibit small to moderate correlations with the 360° dimensions. *Having an Other Orientation*, however, provides the strongest evidence for criterion-related validity in the form of moderate correlations with each of the 360° dimensions (.29 - .49).

*Replication.* Given the lack of fit observed for the single-factor and five-factor models with the first sample, a second attempt was made to extract a suitable scale from the replication sample. Item inter-correlations for all 50 items were computed and items which exhibited correlations above .40 (the standard established earlier) were retained. A total of five items met this criterion. Given the small number of items, a five-factor model was not tenable; therefore, a single-factor model comprised of the 5 items (Figure 3) was tested using AMOS. The Multivariate Kurtosis value for this analysis was 7.06, indicating that the assumption of multivariate normality could be held. Subsequently, bootstrapping was not necessary for this analysis.

Results of the confirmatory factor analysis reveal that this model is not a good fit for the data ( $X^2=91.11, p=.00, df=5$ ). Examining the goodness of fit indices (Table 4), each of the indices is worse for the current model than the five-factor model for the first sample except the AIC.



While not entirely conclusive, these results indicate that the five-factor model remains a better explanation of the data in this study.

## CHAPTER 4

## DISCUSSION

The purpose of this research has been to propose a new approach to leadership called Authentic Leadership that accounts for “leadership towards what ends“ (Hollander & Offerman, 1990) and would have application in a business setting. The construct of Authentic Leadership and its proposed dimensions were described in detail and a strong rational development approach was employed to create a new measure of the construct. Unfortunately, the results of this initial attempt to establish the validity of the construct are not very encouraging.

Results of the confirmatory factor analyses reveal that while better than a single-factor model, the five-factor model is still not a good fit for the data. Without a strong measurement model, it would be imprudent to draw strong conclusions about the subsequent analyses and assessment of validity. Therefore, findings of interest will be discussed in this section, but these can only best be viewed as tentative. The remainder of this dissertation, then, will focus on the potential reasons the scale development effort was not successful. In addition, suggestions for future research to improve upon this initial effort to establish the validity of the Authentic Leadership construct are also provided.

*Convergent Validity.* As noted earlier, the relation between the Authentic Leadership scales and the convergent measure, HDS, was mostly consistent with expectations. This finding is encouraging in that leaders who score high on Authentic Leadership seem to not manifest the dysfunctional dispositions assessed by the HDS. This aspect has to be seen as a positive attribute of the Authentic Leadership construct and argues for its possible utility as a way to evaluate leaders. More research is needed, but some of the leadership transgressions we have

seen over the past several years may be at least partially attributable to the presence of these dysfunctional dispositions. For example, a leader with high scores on the *Bold* and *Leisurely* scales would be more likely to engage in self-indulgent behaviors and ignore negative feedback about these behaviors. If the relation between the HDS and Authentic Leadership holds up in future studies, Authentic Leadership may become a way to evaluate and possibly even select leaders with minimal risk of exhibiting the HDS dysfunctional dispositions.

In contrast, there were some discrepant findings. *Leading with Integrity* and *Having an Other Orientation* were found to be positively correlated with the HDS *Dutiful* scale. After additional consideration, the relation between *Having an Other Orientation* and *Dutiful* is understandable. Leaders who are high on the *Dutiful* scale are characterized as, “seemingly eager to please, reliant on others for support, and reluctant to take independent action” (Hogan & Hogan, 1997, p. 9). Given this focus on others (to a fault), it seems reasonable that these leaders would exhibit behaviors that would seem to consider the needs and interests of others.

The second relation – *Leading with Integrity* with *Dutiful* – is more difficult to understand. Most relevant from the characterization of leaders who are high on the *Dutiful* scale is that these leaders are “...reluctant to take independent action” (Hogan & Hogan, 1997, p. 9). This is directly counter to the thrust of the *Leading with Integrity* scale in which leaders remain steadfast despite opposition and are willing to “take a stand” on controversial issues. Lacking any theoretical explanation, this finding, unfortunately, seems to point to the instability of the measurement model.

*Divergent Validity.* The observed relation between the Authentic Leadership measure and the BIDR scales is troubling. The response format for the measure was chosen specifically to limit the transparency of the items and thus, help control response distortion. However, given

the magnitude of the correlations, responses to the new scales appear to be at least partially attributable to socially desirable responding either through self-deception or impression management. As reported by Kline, Sulsky and Rever-Moriyama (2000), once correlation magnitudes begin to reach .15 to .20, social desirability begins to influence results. In fact, when looking at the relation between the BIDR and two of the Authentic Leadership scales, *Knowing Your Authentic Self* and *Leading with Integrity*, the strong correlations begin to call into question the veracity of the responses to those scales. In the case of these scales, it's hard to know where social desirability ends and measurement of the Authentic Leadership behaviors begin.

In particular, as theorized, leaders who score high on *Knowing Your Authentic Self* would be relatively free from self deception due to high self-awareness. Yet, the correlation between *Knowing Your Authentic Self* and *Self Deceptive Enhancement* suggests otherwise. In addition, leaders who score high on *Leading with Integrity* would be expected to take actions that may be socially unpopular and “go against the grain”. Here again, the correlations between *Leading with Integrity* and *Impression Management* suggest otherwise. These findings actually provide evidence against the validity of the scales and as mentioned earlier, limit the conclusions that can be drawn from the results of this study.

One other finding worth noting is that *Having an Other Orientation* exhibits the smallest relation with the BIDR scales. Given the magnitude of the other correlations combined with the nature of the scale – having concern for others – it seems reasonable to expect a stronger relation with social desirability. Interestingly, this is the one Authentic Leadership scale that seems to be most free of socially desirable responding.

*Criterion-related Validity.* Although all findings in this study must be interpreted with caution, there are some criterion-related findings that provide some potential support for the

Authentic Leadership construct. *Having an Other Orientation* provides the strongest evidence with consistently moderate positive relations with the 360°. This relation appears to indicate that leaders whose actions reflect a consideration of others' needs rather than their own interests are more effective. Moderate correlations are also seen between *Leading with Integrity* and the 360° dimensions, *Delivers Results*, *Acts Strategically*, and *Drives Excellence*. Due to the small sample size for the criterion measure not all of these correlations are significant at  $p \leq .05$ , but are of practical interest due to their magnitude. Leaders who remain committed to their values and are consistent seem, at least in this case, more likely to be able to influence others to support a strategy and deliver high-quality work. This finding is encouraging for the Authentic Leadership construct.

On the other hand, one finding that was unexpected is the negative moderate relation between *Communicating without Pretense* and the 360° dimensions. Each of the Authentic Leadership scales was expected to be positively correlated with the criterion and one explanation may simply be the instability of the measurement model. However, an alternative explanation may be that while frequently espoused as desirable, leaders who speak candidly and provide direct feedback are not as well received as leaders who “sugar coat” or soften their message. Although this finding should not be seen as evidence for abandoning candor, it does point to the need for leaders in a business setting to balance the need to express the truth with diplomacy.

Unfortunately, the remaining Authentic Leadership scales show less consistent relations with the 360° Leadership Assessment. *Developing Others* is moderately correlated with a few of the 360° dimensions, but overall, most of the relations are small. *Knowing Your Authentic Self* shows very little relation to the criterion. These findings fail to provide support the criterion-related validity of the Authentic Leadership construct.

As mentioned earlier, the findings from this study must be interpreted with caution. While some tentative evidence was found in support of the Authentic Leadership construct, the measurement model did not stand up to empirical scrutiny and reliability for most of the scales was found to be unsatisfactory. There are several potential reasons why this scale development effort was not successful. These potential reasons along with suggestions for future research are elucidated next.

*Sample.* This dissertation opened with a discussion of leadership failures at the highest levels of several prominent companies. While the participants in this research have significant management responsibilities in terms of revenue and total number of employees, they would still be classified as middle-level management in terms of job-level. With no reason to believe that that the phenomenon of Authentic Leadership does not apply to leaders at all levels in an organization, this sample was deemed appropriate for this research. However, given the results of the current study, it may be that Authentic Leadership is a phenomenon more prevalent at the highest levels of management. Therefore, with the strong rational development approach used in the development of the scales, it would be prudent to administer the new measure to a group of executives before completely rejecting the new Authentic Leadership measure. Taking this one step further, we may eventually learn that Authentic Leadership is as extraordinary as it is rare – it may even be necessary to seek out a sample of highly successful executives to study.

Another aspect to consider is the size of the sample. Although the development sample did meet Loehlin's (1992) recommended minimum of 100 cases, future research should strive to obtain larger samples, especially give the kurtosis of the data observed in the development sample. A larger sample would increase the power of the analysis and tends to produce more stable parameter estimates (Loehlin, 1992). This comment, however, must be tempered by the

fact that the cross-validation sample was nearly 200 cases, yet the five-factor model failed to find support. In the end, the Authentic Leadership measure developed here may be untenable, but additional study with a larger sample including executives is warranted before a definitive conclusion can be drawn.

*Construct Underrepresentation.* Since this research was begun, several additional conceptualizations of Authentic Leadership have been proposed in the leadership literature. According to these theorists, Authentic Leadership may be related to increased self-awareness, self-regulation and positive modeling (Avolio, Gardner, Walumbwa, Luthans & May, 2004), self-awareness, unbiased processing, authentic behavior and authentic relational orientation (Ilies, Morgeson & Nohr, 2005), the leader's self-knowledge, self-concept clarity, self-concordance, and person-role merger (Shamir & Eilam, 2005), or self-transcendent values and positive-other emotions (Michie & Gooty, 2005). These contributions remain theoretical – none of these scholars have attempted to measure these proposed aspects yet. Nonetheless, these additional perspectives do offer the possibility that the five dimensions proposed here do not fully capture the phenomenon of Authentic Leadership.

Absent empirical support, it would be premature to assert which aspects should be considered for modification of the current model. As the field progresses and evidence accumulates, it may become necessary to add or change dimensions and therefore, the new measure of Authentic Leadership. Until empirical evidence is offered, however, no specific changes are recommended at this point. Careful attention to future empirical studies designed to measure these aspects would be advised however.

*Social Desirability.* As discussed earlier, the relation between social desirability and the Authentic Leadership scales is seen as problematic. The semantic-differential response format

was utilized in an attempt to limit socially desirable responding by pairing equally desirable response choices that differentiated Authentic Leadership behaviors. Despite a concerted effort on the part of the researcher to generate items that meet this standard, this process must now be seen as unsuccessful – responses on several of the Authentic Leadership scales were contaminated by social desirability bias.

Going forward, it would be advisable to include an assessment of social desirability of the response choices to the scale development process. This assessment could be done as part of the content validity assessment. As a suggested process, SMEs would rate both the dimensionality of the items as well as the social desirability of the item responses. Item responses with a social desirability rating differential of greater than 20-30% would either be re-written or discarded. This method would hopefully yield items that are both content valid for their specific dimensions and reasonably free of social desirability. With the social desirability bias removed or at least mostly controlled, future research utilizing scales developed using this method would be more likely to capture the true measurements of Authentic Leadership.

*Common Method Bias.* With the exception of the 360° Leadership Assessment, data for this study was collected via self-report format. Gathering data via self-report is often a necessity in organizational research for logistical reasons or in some cases, the only way to measure a construct of interest (e.g., attitudes, personality). However, the validity of studies that rely on a single method of data collection has been questioned (Donaldson & Grant-Vallone, 2002; Doty & Glick, 1998; Spector 1994; Spector & Brannick, 1995). The central concern is that when self-report variables correlate with each other, it is not always clear if the observed relation is due to shared variance among the constructs or the common method. In point of fact, one study (Doty



& Glick, 1998) found that 26% of the variance in measures was due to common methods bias.

At the outset of this scale development effort, a self-report measure was deemed viable for measuring the Authentic Leadership construct and preferable for gathering data in a business setting. The poor fit of the measurement model and poor internal consistency reliability of the resulting scales leads to the recommendation that future efforts to measure the Authentic Leadership construct utilize alternate methods or sources to collect data. Specifically, soliciting ratings of Authentic Leadership behaviors from followers in the form of questionnaires or even interviews would add another perspective and lessen concerns about common method bias. This approach presents a greater logistical challenge in organizational research and requires that researchers contend with rating errors (e.g., leniency, halo, central tendency). However, given the disappointing results obtained here, the additional effort seems warranted to hopefully advance our understanding of Authentic Leadership.

*Criterion Measure.* One of the key challenges in organizational research is often obtaining a suitable criterion measure. The criterion available for this study, the 360° Leadership Assessment, is an internally developed instrument whose psychometric properties were not known at the time of data collection. Despite a few significant findings in support of the criterion-related validity of the Authentic Leadership measure, the criterion measure displayed some undesirable qualities.

Most notably, several of the dimensions were highly correlated, indicating significant overlap of the content domain of the dimensions. This overlap signifies that the measure is sampling a narrower domain of leadership effectiveness than intended. In addition, restriction of range was present as indicated by an average standard deviation of .26. Taken together, these weaknesses

limit the ability to capture meaningful relations between the Authentic Leadership measure and leadership effectiveness.

Future efforts to establish the Authentic Leadership construct should employ a criterion measure(s) with stronger psychometric properties. This may require the creation of a criterion measure specifically for this research or the use of a more established measure of leadership effectiveness such as the Center for Creative Leadership's *Executive Dimensions*<sup>TM</sup>.

*Conclusion.* The significant and very public ethical failures of leaders in business over the past few years point to the need for a new approach to leadership to respond to the crisis. The existing leadership literature was shown to offer some helpful guidance, but ultimately lacking in a consideration of "leadership towards what ends" (Hollander & Offerman, 1990, p. 187). Despite the measurement challenges encountered in this study, Authentic Leadership continues to offer the greatest promise for helping us out of this morass as it focuses on how leaders can gain follower-ship through a sublimation of self-interest and focus on making a contribution. Hopefully, future research can benefit from the suggestions offered here and advance our understanding of Authentic Leadership. In the end, Authentic Leadership just might supply the answers we so desperately need to move the practice of leadership forward in this difficult time.

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## APPENDIX A

## YUKL'S (1990) LEADER BEHAVIOR CATEGORIES

**Planning and Organizing** – Determining long-term objectives and strategies, allocating resources according to priorities, determining how to use personnel and resources efficiently to accomplish a task or project, and determining how to improve coordination, productivity, and effectiveness.

**Problem solving** – Identifying work-related problems, analyzing problems in a systematic but timely manner to determine causes and find solutions, and acting decisively to implement solutions and resolve crises.

**Clarifying** – Assigning work, providing direction in how to do the work, and communicating a clear understanding of job responsibilities, task objectives, priorities, deadlines, and performance expectations.

**Informing** – Disseminating relevant information about decisions, plans, and activities to people who need the information to do their work.

**Monitoring** – Gathering information about work activities and external conditions affecting the work, checking on the progress and quality of the work, and evaluating the performance of individuals and effectiveness of the organizational unit.

**Motivating** – Using influence techniques that appeal to logic or emotion to generate enthusiasm for the work, commitment to task objectives, and compliance with requests for cooperation, resources, or assistance; also setting an example of proper behavior.

**Consulting** – Checking with people before making changes that affect them, encouraging participation in decision making, and allowing others to influence decisions.

**Recognizing** – Providing praise and recognition for effective performance, significant achievements, and special contributions.

**Supporting** – Acting friendly and considerate, being patient and helpful, and showing sympathy and support when someone is upset or anxious.

**Managing conflict and team building** – Facilitating the constructive resolution of conflict and encouraging cooperation, teamwork, and identification with the organizational unit.

**Networking** – Socializing informally, developing contacts with people outside of the immediate work unit who are a source of information and support, and maintaining contacts through periodic visits, telephone calls, correspondence, and attendance at meetings and social events.

**Delegating** – Allowing subordinates to have substantial responsibility and discretion in carrying out work activities and giving them authority to make important decisions.

**Developing and mentoring** – Providing coaching and career counseling and doing things to facilitate a subordinate's skill acquisition and career advancement.

**Rewarding** – Providing tangible rewards such as pay increase or promotion for effective performance and demonstrated competence by a subordinate.

## APPENDIX B

## COMMON INFLUENCE TACTICS (YUKL &amp; VAN FLEET, 1991)

**Legitimizing tactics** – The person seeks to establish the legitimacy of a request by claiming the authority or right to make it, or by verifying that it is consistent with organizational policies, rules, practices, or tradition.

**Rational persuasion** – The person uses logical arguments and factual evidence to persuade you that a proposal or request is practical and likely to result in the attainment of task objectives.

**Inspirational appeals** – The person makes a request or proposal that arouses enthusiasm by appealing to your values, ideas, and aspirations, or by increasing your confidence that you can do it.

**Consultation** – The person seeks your participation in planning a strategy, activity, or change for which your support is desired or is willing to modify a proposal to deal with your concerns and suggestions.

**Exchange** – The person offers an exchange of favors, indicates willingness to reciprocate at a later time, or promises you a share of the benefits if you help accomplish a task.

**Pressure** – The person uses demands, threats, frequent checking, or persistent reminders to influence you to do what he or she wants.

**Ingratiation** – The person seeks to get you in a good mood or to think favorably of him or her asking you to do something.

**Personal appeals** – The person appeals to your feelings of loyalty and friendship toward him or her when asking you to do something.

**Coalition tactics** – The person seeks the aid of others to persuade you to do something or uses the support of others as a reason for you to agree.

**Upwards appeals** – The person gets assistance from higher management to influence you to do something.



## APPENDIX C

## 360° LEADERSHIP ASSESSMENT DIMENSIONS

Delivers Results

- Sets challenging objectives and communicates clear expectations
- Demonstrates a clear bias for action and a sense of urgency on priorities
- Holds self and team accountable for performance; drives accountability through metrics
- Takes ownership of success/failure of initiatives and processes
- Drives execution and stays on top of things to ensure success
- Continues to make progress in ambiguous situations or roles
- Ensures associates have the tools and training necessary to do the job
- Eagerly accepts additional challenges and responsibilities
- Recognizes, celebrates, and rewards accomplishments

Acts Strategically

- Tracks trends in industry, with key competitors, noted high performing companies and the worldwide economy, understanding their impact on, and relevance to, the business
- Knows the contribution of each business unit/functional area (e.g., merchandising, marketing, operations, etc.) to business success
- Plans strategically to create growth, improve financial performance, and gain competitive advantage
- Articulates a forward thinking and energizing direction for the business unit
- Understands and uses financial indicators/metrics to measure the performance of his/her business unit/function and the business as a whole
- Identifies, recruits and retains great talent that expands our capability
- Finds new ways to expand the customer base

### Drives Excellence

- Sets and communicates high standards for achievement
- Holds associates accountable for performance
- Communicates with business partners at all levels regularly, accurately, and in detail
- Focuses on process and operational consistency to reduce cost and improve performance
- Implements world class processes and systems that significantly improve business operations
- Approaches problems systemically; develops solutions with sustainable and scalable results
- Measures quantity and quality of performance; uses data to develop solutions that increase operational efficiency, improves process (employing methods such as Six Sigma)
- Uses sound judgment and makes good decisions in a timely manner
- Encourages innovation and out-of-the-box thinking to develop new and better solutions

### Excels in Customer Service

- Instills in all associates the importance and criticality of superior customer service
- Thinks and acts with a customer perspective
- Builds processes that ensure a consistently satisfying customer experience
- Solicits customer feedback to enable continuous improvement
- Provides customers with a "total solution" that meets their needs
- Anticipates and responds to emerging customer needs

### Inspires Achievement

- Passionate about the company and his/her role in the business
- Communicates a compelling, customer-focused and reality-based vision
- Energizes associates about the future and their role in the success of the business
- Selects great talent and develops them to reach their full potential
- Provides meaningful and challenging work

- Creates an employee centered work environment
- Empowers associates to do their best work and to do more than they thought was possible
- Takes personal responsibility for own learning and development
- Encourages associates to continually increase their knowledge and effectiveness
- Excites associates about change; explaining its benefits and the business case
- Provides associates with opportunities to advance and develop their skills
- Recognizes and rewards associates' achievements in a highly differentiated manner
- Makes "tough calls" on performance issues in a timely, fair, and consistent manner

#### Lives Integrity

- Demonstrates behaviors and work style that are consistent with the company's values
- Treats associates consistently, fairly and with compassion
- Stands up for what is right in the face of opposition at any level
- Does what he/she says he/she will do
- Makes decisions based on accurate information
- Accurately and fairly represents issues to ensure resolution
- Is always honest and trustworthy

#### Builds Relationships

- Forms and maintains effective partnerships across organizational boundaries to share information, improve decision making, and leverage capabilities
- Shares information and experience with others to improve outcomes
- Actively seeks input from other people, departments, functions, and businesses
- Demonstrates respect and appreciation for the efforts of others.
- Generates a welcoming environment for all customers, associates, and business partners

### Creates Inclusion

- Champions the value of each individual's contribution, knowledge, skills and abilities
- Creates a sense of belonging within the organization
- Seeks out and uses diverse inputs and contributions to ensure a quality outcome
- Builds teams reflective of the diversity of the community
- Promptly and appropriately addresses issues that detract from an inclusive environment
- Encourages open dialogue about differences in opinion or perspective
- Creates an employee-centered workplace that allows flexibility and demonstrates care and concern for all associates



Table 1

Authentic Leadership Scale Items

ALS1	<i>I am... (R)</i> Not usually surprised by my reaction to events	○ ○ ○ ○ ○ ○	Often surprised by my reaction to events
ALS2	<i>I am... (R)</i> Able to express my purpose in this world	○ ○ ○ ○ ○ ○	Still searching for meaning in my life
ALS3	<i>Which is most true?</i> I feel compelled to respond to the expectations of others	○ ○ ○ ○ ○ ○	I often make decisions that go against the wishes of others
ALS4	<i>I tend to give my employees... (R)</i> Stretch assignments	○ ○ ○ ○ ○ ○	Additional responsibility only when it's clear they are ready
ALS5	<i>I... (R)</i> "Talk up" my best employees to other leaders	○ ○ ○ ○ ○ ○	Make sure my best employees work on my most important projects
ALS6	<i>Which is most true? (R)</i> I tend to "tell it like it is"	○ ○ ○ ○ ○ ○	I tend to tailor my message to my listeners
ALS7	<i>I will give someone honest feedback... (R)</i> Even if it means I might hurt their feelings	○ ○ ○ ○ ○ ○	Only if I don't think it will hurt their feelings
ALS8	<i>I... (R)</i> Know the birthdays of my direct reports	○ ○ ○ ○ ○ ○	Do not know the birthdays of my direct reports
ALS9	<i>I...</i> Coach others as time permits	○ ○ ○ ○ ○ ○	Coach others almost every day

ALS10	<i>Which is most true? (R)</i>		
	I do what I think is right, regardless of what others think	○ ○ ○ ○ ○ ○	If someone disagrees with me strongly, I am willing to appease them
ALS11	<i>At the end of the day, I like to... (R)</i>		
	Reflect and analyze what occurred during the day	○ ○ ○ ○ ○ ○	Forget about the day and relax
ALS12	<i>When making decisions... (R)</i>		
	I weigh my values most heavily	○ ○ ○ ○ ○ ○	I weigh what others will think most heavily
ALS13	<i>I... (R)</i>		
	Spend significant time discussing career options with my employees	○ ○ ○ ○ ○ ○	Discuss career options with employees at their yearly review
ALS14	<i>Which is most true? (R)</i>		
	I set aside time to reflect on my life	○ ○ ○ ○ ○ ○	I find I do not have time to reflect on my life
ALS15	<i>When conversing with others, I... (R)</i>		
	Find it easy to listen carefully	○ ○ ○ ○ ○ ○	Am often thinking about what I will say next
ALS16	<i>I often... (R)</i>		
	Pause in conversation to ask people if they have understood what I've said	○ ○ ○ ○ ○ ○	Continue talking unless someone stops me to ask for clarification
ALS17	<i>When dealing with a difficult situation, I tend to...</i>		
	Rely on how I have handled the situation in the past	○ ○ ○ ○ ○ ○	Make a judgment based upon the facts in front of me
ALS18	<i>For special assignments, I tend to choose...</i>		
	My best employees	○ ○ ○ ○ ○ ○	Employees who could benefit from the project
ALS19	<i>I often find myself...</i>		
	Questioning if I have made the right choices with my life	○ ○ ○ ○ ○ ○	Happy with my life choices

ALS20	<i>I... (R)</i> Find it relatively easy to remain committed to my values	○ ○ ○ ○ ○ ○	am often swayed by the arguments of others
ALS21	<i>Which of these is most true? (R)</i> I provide frequent feedback to others	○ ○ ○ ○ ○ ○	I hold my feedback until the time seems right
ALS22	<i>I am...</i> Constantly aware of how others will perceive what I say	○ ○ ○ ○ ○ ○	Not usually concerned with how others will perceive what I say
ALS23	<i>I... (R)</i> Have regular meetings with my direct reports to discuss their development	○ ○ ○ ○ ○ ○	Trust my direct reports to manage their own development
ALS24	<i>Which is most true?</i> Feedback that I receive is often surprising to me	○ ○ ○ ○ ○ ○	Most of the feedback I receive does not surprise me
ALS25	<i>I am... (R)</i> Willing to share information readily	○ ○ ○ ○ ○ ○	Selective about what information I reveal
ALS26	<i>Which is most true? (R)</i> I typically share my fears with others	○ ○ ○ ○ ○ ○	I am hesitant to share my fears with others
ALS27	<i>I tend to... (R)</i> Rotate people into new jobs if they are performing well	○ ○ ○ ○ ○ ○	Keep people in position if they are performing well
ALS28	<i>I... (R)</i> Know how I feel about most political issues	○ ○ ○ ○ ○ ○	Do not have strong political views on most subjects
ALS29	<i>People who work with me, tell me... (R)</i> I'm consistent and predictable	○ ○ ○ ○ ○ ○	I'm dynamic and unpredictable



ALS30	<i>I am...</i>		
	Concerned with pleasing other people	○ ○ ○ ○ ○ ○	Concerned with doing what is right
ALS31	<i>I usually make decisions that... (R)</i>		
	Consider others' needs first	○ ○ ○ ○ ○ ○	Consider my needs first
ALS32	<i>My actions are mostly directed at... (R)</i>		
	Helping others achieve success	○ ○ ○ ○ ○ ○	Achieving my own success
ALS33	<i>I often...</i>		
	Accept most assignments offered to me	○ ○ ○ ○ ○ ○	Turn down assignments I am not well-suited for
ALS34	<i>I am more likely to... (R)</i>		
	Express my opinion about a topic	○ ○ ○ ○ ○ ○	Keep my opinion to myself
ALS35	<i>When there is disagreement on an issue, I try to...</i>		
	Convince other people of my perspective	○ ○ ○ ○ ○ ○	Understand other people's perspective
ALS36	<i>I allow my employees to take risks...</i>		
	When the chance of failure is low	○ ○ ○ ○ ○ ○	Even when the chance of failure is not clear
ALS37	<i>I... (R)</i>		
	Advise others to develop their own leadership style	○ ○ ○ ○ ○ ○	Advise others to develop a leadership style consistent with the organization's expectations
ALS38	<i>I often find myself...</i>		
	Feeling comfortable in my situation	○ ○ ○ ○ ○ ○	Wondering where I "fit in"
ALS39	<i>If I think I'm right about a course of action...</i>		
	I proceed with my plan	○ ○ ○ ○ ○ ○	Solicit the input of others

ALS40	<i>I usually focus my attention more on....</i>		
	The task at hand	○ ○ ○ ○ ○ ○	Other people
ALS41	<i>I find that I am ... (R)</i>		
	Able to meet the challenges at work	○ ○ ○ ○ ○ ○	Overwhelmed by the challenges at work
ALS42	<i>In conversations.... (R)</i>		
	I take what others say on faith	○ ○ ○ ○ ○ ○	I am skeptical of what is being said
ALS43	<i>I often find myself.... (R)</i>		
	Helping others naturally	○ ○ ○ ○ ○ ○	Helping others out of duty
ALS44	<i>When faced with an ethical dilemma, I...</i>		
	Gather information about who it will affect before I make my decision	○ ○ ○ ○ ○ ○	Decide what is right based upon my values, regardless of who will be affected
ALS45	<i>I have... (R)</i>		
	Taken a stand on an important issue even if my position was controversial	○ ○ ○ ○ ○ ○	Chosen not to take a stand on an important issue to avoid controversy
ALS46	<i>I am willing to... (R)</i>		
	Sacrifice my own needs for the good of my team	○ ○ ○ ○ ○ ○	Sacrifice my team's needs for my own needs
ALS47	<i>I... (R)</i>		
	Assign my people based upon their development needs	○ ○ ○ ○ ○ ○	Assign my people based upon their strengths
ALS48	<i>I strive to be...</i>		
	The leader I will become someday	○ ○ ○ ○ ○ ○	The leader I've always been
ALS49	<i>I typically...</i>		
	Deliver negative feedback so that it does not upset the person	○ ○ ○ ○ ○ ○	Deliver negative feedback candidly

ALS50	<i>I have...</i> (R)	
	Sacrificed short-term results for the development of a member of my team	○ ○ ○ ○ ○
		Not sacrificed short-term results for the development of a member of my team

Note. (R) indicates reverse-coded item.

Table 2

Final Authentic Leadership Scale Items by Dimension**Knowing Your Authentic Self**

ALS1	<i>I am... (R)</i> Not usually surprised by my reaction to events	○ ○ ○ ○ ○ ○	Often surprised by my reaction to events
ALS2	<i>I am... (R)</i> Able to express my purpose in this world	○ ○ ○ ○ ○ ○	Still searching for meaning in my life
ALS41	<i>I find that I am ...</i> Able to meet the challenges at work	○ ○ ○ ○ ○ ○	Overwhelmed by the challenges at work

**Leading With Integrity**

ALS3	<i>Which is most true?</i> I feel compelled to respond to the expectations of others	○ ○ ○ ○ ○ ○	I often make decisions that go against the wishes of others
ALS10	<i>Which is most true?(R)</i> I do what I think is right, regardless of what others think	○ ○ ○ ○ ○ ○	If someone disagrees with me strongly, I am willing to appease them
ALS12	<i>When making decisions... (R)</i> I weigh my values most heavily	○ ○ ○ ○ ○ ○	I weigh what others will think most heavily
ALS20	<i>I...(R)</i> Find it relatively easy to remain committed to my values	○ ○ ○ ○ ○ ○	am often swayed by the arguments of others
ALS30	<i>I am...</i> Concerned with pleasing other people	○ ○ ○ ○ ○ ○	Concerned with doing what is right

ALS45	<i>I have... (R)</i>		
	Taken a stand on an important issue even if my position was controversial	○ ○ ○ ○ ○ ○	Chosen not to take a stand on an important issue to avoid controversy

**Communicating Without Pretense**

ALS6	<i>Which is most true?(R)</i>		
	I tend to "tell it like it is"	○ ○ ○ ○ ○ ○	I tend to tailor my message to my listeners
ALS7	<i>I will give someone honest feedback... (R)</i>		
	Even if it means I might hurt their feelings	○ ○ ○ ○ ○ ○	Only if I don't think it will hurt their feelings
ALS22	<i>I am...</i>		
	Constantly aware of how others will perceive what I say	○ ○ ○ ○ ○ ○	Not usually concerned with how others will perceive what I say

**Having an Other Orientation**

ALS31	<i>I usually make decisions that... (R)</i>		
	Consider others' needs first	○ ○ ○ ○ ○ ○	Consider my needs first
ALS39	<i>If I think I'm right about a course of action...</i>		
	I proceed with my plan	○ ○ ○ ○ ○ ○	Solicit the input of others
ALS43	<i>I often find myself.... (R)</i>		
	Helping others naturally	○ ○ ○ ○ ○ ○	Helping others out of duty

**Developing Others**

ALS13 1	<i>I... (R)</i>		
	Spend significant time discussing career options with my employees	○ ○ ○ ○ ○ ○	Discuss career options with employees at their yearly review
ALS21 2	<i>Which of these is most true? (R)</i>		
	I provide frequent feedback to others	○ ○ ○ ○ ○ ○	I hold my feedback until the time seems right
ALS32 3	<i>My actions are mostly directed at... (R)</i>		
	Helping others achieve success	○ ○ ○ ○ ○ ○	Achieving my own success

Note. (R) indicates reverse-coded item.

Table 3

Authentic Leadership Scale Final Items – Inter-correlations

Variable	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
<u>Knowing Your Authentic Self</u>																		
1. ALS1	1.000																	
2. ALS2	.19*	1.000																
3. ALS41	.44**	.26**	1.000															
<u>Leading With Integrity</u>																		
4. ALS3	.21*	-.01	.18	1.000														
5. ALS10	.29**	.14	.20*	.32**	1.000													
6. ALS12	.27**	.17	.22*	.30**	.43**	1.000												
7. ALS20	.35**	.25**	.28**	.12	.17	.13	1.000											
8. ALS30	.39**	.22*	.42**	.40**	.44**	.51**	.38**	1.000										
9. ALS45	.23*	.31**	.21*	.15	.27**	.19*	.50**	.34**	1.000									
<u>Communicating With Pretense</u>																		
10. ALS6	.13	-.03	.21*	-.03	.21*	.10	-.06	.18*	.00	1.000								
11. ALS7	.40**	.21*	.34**	.15	.26**	.19*	.43**	.38**	.52**	.11	1.000							
12. ALS22	.33**	.06	.08	.12	.28**	.13	.13	.21*	.07	.44** <sup>b</sup>	.09	1.000						
<u>Having and Other Orientation</u>																		
13. ALS31	-.01**	-.01	.04	-.05	.04	.10	.08	-.02	.17	-.03	.10	-.18	1.000					
14. ALS39	-.19	.08	-.03	.05	-.24*	-.09	.01	-.08	-.02	-.28**	-.01	-.39**	.12	1.000				
15. ALS43	.30**	.08	.35**	-.02	.08	.10	.36**	.26**	.30**	-.13	.19*	-.21*	.40**	.20*	1.000			
<u>Developing Others</u>																		
16. ALS13	.23*	.18	.42**	.20*	.17	.09	.33**	.19*	.32**	-.04	.43**	-.13	.07	.18	.33**	1.000		
17. ALS21	.09	.40**	.25**	.09	-.05	-.03	.27**	.15	.18*	.02	.32**	.02	.13	.19*	.15	.32**	1.000	
18. ALS32	.07	.05*	.04**	.07	.00	.09	.12	.15	.18*	-.02	.07	-.06	.49**	.18	.34**	.19*	.13	1.000

Note. Scale for ALS is 1 to 6. Scale for HDS is 1 to 100.

\*  $p < .05$

\*\*  $p < .01$

Table 4

Goodness of Fit Indices – Authentic Leadership Scale

Model	df	$\chi^2$	Bollen-Stine <i>p</i> -value	RMSEA	RMR	CFI	TLI	AIC
<u>Development Sample</u>								
1. Five Factor Model	125	298.80	.002	.109	.152	.648	.596	390.90
2. Single Factor Model	135	353.35	.002	.117	.170	.558	.499	425.35
<u>Replication Sample</u>								
1. Single Factor Model	5	91.20	--	.303	.177	.525	.05	111.11

Note. df = degrees of freedom,  $\chi^2$  = overall chi-square statistic, Bollen-Stine *p*-value = bootstrap modification of model chi-square adjusting for lack of multivariate normality, RMSEA = root mean squared error of approximation, RMR = root mean square residuals, CFI = comparative fit index, TFI = Tucker-Lewis Index, AIC = Akaike Information Criterion.



Table 5

Descriptive Statistics, Coefficient Alpha and Inter-Correlations – Authentic Leadership Scale (ALS)

Variable	N	Mean	Std. Dev.	$\alpha$	1	2	3	4	5
1. Knowing Your Authentic Self	119	5.15	.70	.46	1.000				
2. Communicating Without Pretense	119	3.72	.68	.47	.27**	1.000			
3. Leading With Integrity	119	4.67	.93	.73	.46**	.34**	1.000		
4. Having an Other Orientation	119	4.40	.81	.43	.09	-.30**	.07	1.000	
5. Developing Others	119	4.49	.75	.43	.38**	.09	.29**	.46**	1.000

Note. Scale for ALS is 1 to 6.

\*  $p < .05$

\*\*  $p < .01$

Table 6

Descriptive Statistics and Correlations – Authentic Leadership Scale (ALS) and Hogan Development Survey (HDS)

Variable	N	Mean	Std. Dev.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
1. Knowing Your Authentic Self	119	5.15	.70	1.000																
2. Communicating Without Pretense	119	3.72	.68	.27**	1.000															
3. Leading With Integrity	119	4.67	.93	.46**	.34**	1.000														
4. Having an Other Orientation	119	4.40	.81	.09	-.30**	.07	1.000													
5. Developing Others	119	4.49	.75	.38**	.09	.29**	.46**	1.000												
6. HDS - Excitable	91	61.13	25.27	-.29**	-.04	-.03	-.14	-.21*	1.000											
7. HDS - Skeptical	91	68.66	25.09	-.11	.03	.04	-.29**	-.21*	.54**	1.000										
8. HDS - Cautious	91	53.45	27.80	-.56**	-.33**	.06	.08	-.30**	.40**	.23*	1.000									
9. HDS - Reserved	91	59.00	27.02	-.16	.14	-.35**	-.23	-.24*	.36**	.35**	.44**	1.000								
10. HDS - Leisurely	91	65.94	25.68	-.29**	-.12	-.06	-.01	-.23*	.48**	.47**	.62**	.60**	1.000							
11. HDS - Bold	91	72.21	24.13	.11	.06	-.16	-.01	.07	.16	.34**	-.06	.02	.11	1.000						
12. HDS - Mischievous	91	72.91	22.50	.17	.08	.13	-.06	-.11	.08	.31**	-.11	.04	.15 <sup>b</sup>	.38**	1.000					
13. HDS - Colorful	91	63.30	26.44	-.02	-.01	.08	.03	.25*	.02	-.04	-.35**	-.32**	-.22*	.14	.21*	1.000				
14. HDS - Imaginative	91	64.81	28.22	-.11	-.16	.12	-.04	-.10*	.30**	.36**	.05	.07	.24*	.32**	.32**	.32**	1.000			
15. HDS - Diligent	91	53.16	28.30	.02	.10	.02	.11	.13	-.04	.09	-.04	.09	.11	.21*	.08	-.03	.15	1.000		
16. HDS - Dutiful	91	59.04	27.25	-.27*	-.26*	.27**	.31**	.18	-.13	-.19	.06	-.33**	-.05	-.03	-.02	.12	.04	.00	1.000	

Note. Scale for ALS is 1 to 6. Scale for HDS is 1 to 100.

\* p < .05

\*\* p < .01

Table 7

Descriptive Statistics and Correlations – Authentic Leadership Scale (ALS) and Balanced Inventory of Desirable Responding Version 6 (BIDR)

Variable	N	Mean	Std. Dev.	1	2	3	4	5	6	7
1. Knowing Your Authentic Self	119	5.15	.70	1.000						
2. Communicating Without Pretense	119	3.72	.68	.27**	1.000					
3. Leading With Integrity	119	4.67	.93	.46**	.34**	1.000				
4. Having an Other Orientation	119	4.40	.81	.09	-.30**	.07	1.000			
5. Developing Others	119	4.49	.75	.38**	.09	.29**	.46**	1.000		
6. BIDR - Self-Deceptive Enhancement	119	10.19	3.69	.44**	.28**	.47**	.07	.15	1.000	
7. BIDR - Impression Management	119	8.33	4.06	.32**	.15	.42**	.19*	.33**	.49**	1.000

Note. Scale for ALS is 1 to 6. Scale for BIDR is 0 to 20.

\*  $p < .05$

\*\*  $p < .01$

Table 8

Descriptive Statistics and Correlations – Authentic Leadership Scale (ALS) and 360 Leadership Assessment (360)

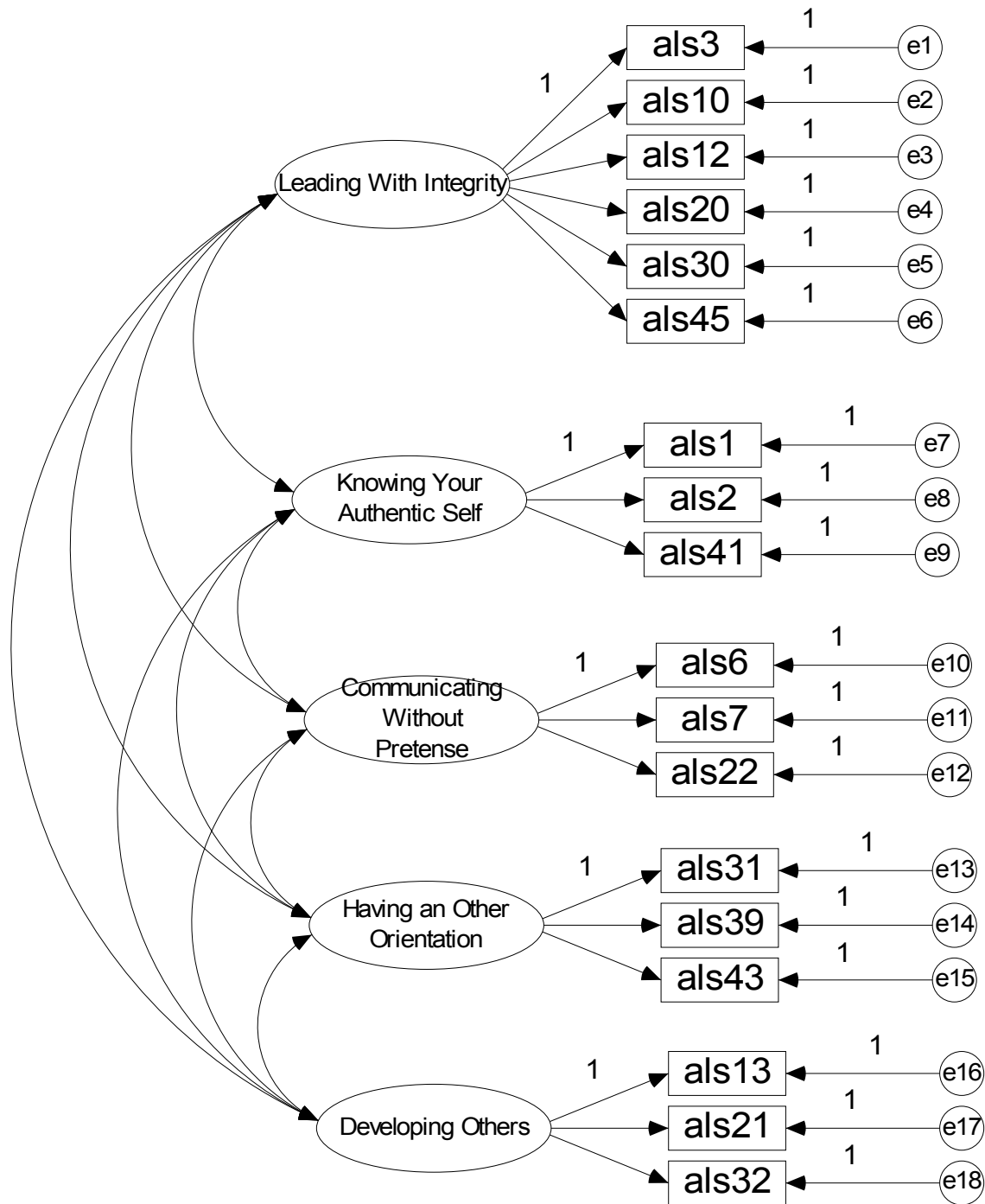
Variable	N	Mean	Std. Dev.	1	2	3	4	5	6	7	8	9	10	11	12	13
1. Knowing Your Authentic Self	119	5.15	.70	1.000												
2. Communicating Without Pretense	119	3.72	.68	.27**	1.000											
3. Leading With Integrity	119	4.67	.93	.46**	.34**	1.000										
4. Having an Other Orientation	119	4.40	.81	.09	-.30**	.07	1.000									
5. Developing Others	119	4.49	.75	.38**	.09	.29**	.46**	1.000								
6. 360 - Delivers Results	52	4.05	.25	.15	-.34	.39*	.32	.36*	1.000							
7. 360 - Acts Strategically	52	4.05	.24	-.03	-.35*	.32	.29	.02	.51**	1.000						
8. 360 - Drives Excellence	52	4.01	.26	-.09	-.42*	.34	.41*	.32	.81**	.50**	1.000					
9. 360 - Excels in Customer Service	52	4.05	.23	-.14	-.21	.12	.47**	.12	.35*	.20	.44*	1.000				
10. 360 - Inspires Achievement	52	3.92	.30	.10	-.22	.21	.35	.29	.72**	.24	.64**	.45**	1.000			
11. 360 - Lives Integrity	52	4.33	.24	-.12	-.45**	.29	.39*	.07	.62**	.39*	.68**	.14	.53**	1.000		
12. 360 - Builds Relationships	52	4.09	.27	.05	-.44*	-.07	.47**	.26	.48**	.27	.47**	.34	.73**	.47**	1.000	
13. 360 - Creates Inclusion	52	3.95	.25	.14	-.23	.03	.49**	.22	.58**	.23	.62**	.59**	.72**	.44*	.61**	1.000

Note. Scale for ALS is 1 to 6. Scale for 360 is 1 to 5.

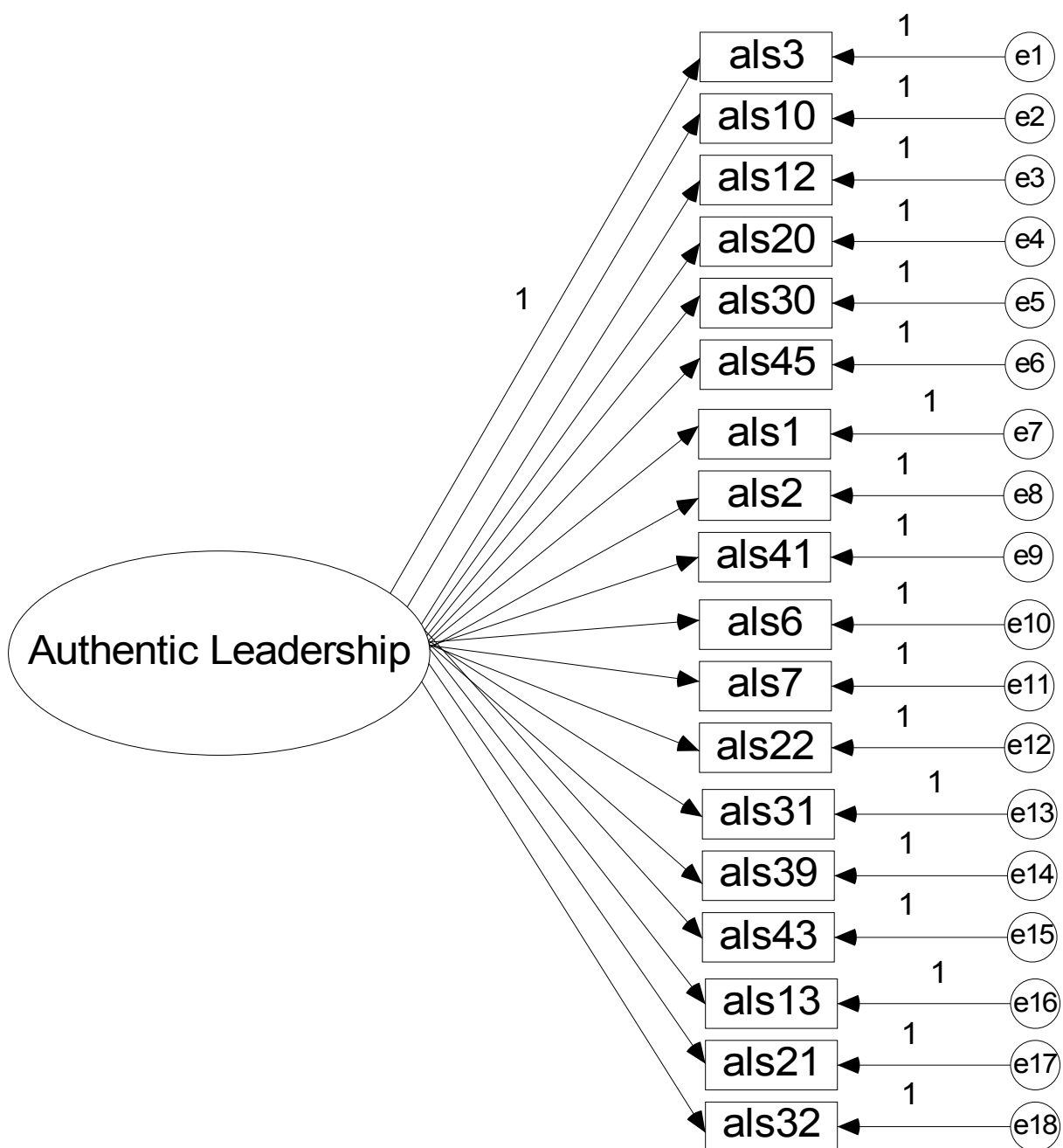
\*  $p < .05$

\*\*  $p < .01$

*Figure 1.* Five-Factor Model of Authentic Leadership\_



*Figure 2. Single-Factor Model of Authentic Leadership\_*





*Figure 3. Single-Factor Model of Authentic Leadership (Replication Sample)*

