# Codification of Perceived Impact of Authentic Leadership Model on Faculty Members' Psychological Capital

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## ABSTRACT

*The complicated competitive conditions of today's societies face organizations and particularly universities with serious challenges which need serious consideration to present capitals and resources. One of the capitals which are intangible is called psychological capital. Leaders through applying positive behaviors could encourage correctly their staff and make them more efficient. The present study, with the objective of codification of a model to investigate the impact of perceiving authentic leadership on psychological capital in an academic condition was conducted. The results of the study indicate that perceiving authentic leadership influences psychological capital.*

**Keywords:** authentic leadership, psychological capital, university

## INTRODUCTION

Psychologist has found that humans' minds react to bad things more quickly, severely and stubbornly than good things. In today's world, the tendency toward mutual reaction can result in decrease in an individual's happiness. Practicing positive excitements can assuage the contrast of some of inherited states which result in the destruction of wellbeing (Mather, 2010).

Whenever individuals enjoy positive relationship experiences, they less feel anxious; therefore, they are psychologically more accessible (Vinarski-Peretz, Binyamin & Carmeli, 2011). Accordingly, it can be more rigorously claimed that instead of placing simply the terms of positive and negative at the two ends of a continuum, it should be observed in the form of a paradigm (Yusuf and Luthans, 2012).

The level of a leader's being optimistic influences his followers' thoughts, feelings and behaviors. Many believe that efficient leadership extends optimism (inspiration, motivation and confidence) all over the organization. Leaders who enjoy a high level of psychological capital act through a process of emotional contagion or emotional resonance. Therefore, being present alongside a positive leadership help the followers to enjoy the emotions (Peterson, Waldman, Balthazard & Thatcher, 2008).

## POSITIVE PSYCHOLOGICAL CAPITAL

Psychological capital is different from the criteria of the concept of human capital (what you know, an individual's knowledge, skills and experiences) and social capital (whom do you know). Psychological capital concerns this issue that who are you, and in a development-centered concept, who you will be (Cole, Daly & Mak, 2009).

Stajkovic & luthans (1998) state that those who enjoy a higher psychological capital, probably because of less defeats they give up doing jobs, during doing their tasks, they endeavor more and by the end of doing their tasks, they continue their efforts (as cited in

Clapp-Smith, Vogelgesang & Avey). Therefore, this positive psychological capital indicates positive psychological states which contribute in higher levels of efficiency and growth of organizations.

By describing the state-oriented positive psychological capabilities are very flexible and compared to sustainable positive characteristics and featured attributive positive structures are more ready for advancing and changing. Besides, these state-oriented positive capabilities are more sustainable than absolutely instantaneous and transient states (Yusuf and Luthans, 2007).

**The Components of Positive Psychological Capital Self-Efficacy**

Self-efficacy indicates individuals' positive attitudes regarding their own capabilities to prioritize challenging affairs (liv et al. 2012). Individuals having high efficiency fight with problems. These individuals believe that they can treat with following events and situations more effectively (Avey, Luthans, & Jensen, 2009).

The feeling of self-worth in workplaces is positively related to self-efficacy because it causes indicating individuals' values and consequently it produces within them more beliefs, which results in the capability of successful complementation of tasks (Peters et al, 2011).

Hope: usually in everyday language the word hope is used frequently, but in the domain of positive psychology, hope has its own particular meaning. According to Snyder, Irving & Anderson (1991) hope is a positive motivating state which originates from 1. Agency (goal-directed energy) 2. Pathways (planning for attaining objectives). Although agency and pathways are presented in two separate ways, these two are not separated from each other, but they act by combining each other and shaping hope requires the interaction of (Avolio, Gardner, Luthans, May, and Walumbwa, 2004). In other words, the presence of both components is necessary for creating hope (Hughs, 2008).

Optimism: according to Seligman (1998), optimism is defined as an attribution style (explanatory) which an individual attributes positive events to personal, permanent and pervasive and negative events to situational, transient and external features. Contrary to this style, there is Pessimistic explanatory style, it means that they interpret positive events by transient and external features and negative events by permanent, personal and comprehensive reasons (as cited in Yusuf and Luthans, 2007).

Resilience: Luthans (2002) defines resilience as "an extensible capability to return bounce back to the state before adversity, contradiction or even positive events and advancement and increase in responsibility" (p. 702).

From the standpoint of Masten et al., the resilient individuals move towards higher levels of performance in dealing with difficulties more than before and pay more attention to the meaning and value of their work (Peterson et al., 2008).

Sometimes, the component of resilience is considered more unique than three other components of psychological capital because instead of being proactive, it is reactive. In other words: relilience is a response to events, particularly this even is negative setback (Clapp-Smith et al., 2009).

**Authentic Leadership**

Leaders are integral part of a system and the factor of influence on forces which are influenced by the system. Then, in this process, leaders are both shaping and being shaped (Gardner, 1993). The results of some studies on leadership in the past have caused to identify

some of leadership styles such as democratic, authoritarian, task-and relationship-oriented, autocratic, consultative, joint decision making, servant leadership, impoverished, country club management, team management, middle of the road management, transactional, transformational, laissez-faire, charismatic leadership, self-leadership, and spiritual leadership (Toor & Ofori, 2008). Regarding the evolution of organizational theories during pre-modernism, modernism and post-modernism periods, it should not be expected that all styles of leadership in all conditions and all periods be considered as the best style.

What is presented as authentic leadership nowadays started by Kernis (2003). He describes four basic principles for the structure of authenticity:

a. Self-awareness of weaknesses, strengths, emotions and values.

b. Processing without orientation of information related to self or accepting one's own attributes objectively.

c. Authentic behavior or "acting in accordance with one's own truth".

d. Relational authenticity: endeavor and access to honesty and simplicity in close relationships (Wong& Cummings). Stating these principles by Kernis caused that the structure of authentic leadership attract the scholars' attentions to itself once more. Because explanation of these principles later on construct the main components of leadership structure.

Therefore, Walumbwa, Avolio, Gardner, Wernsing and Peterson (2008) define authentic leadership as a pattern of leaders' behaviors which in case of working with their followers, start the creating and enhancing psychological capabilities and positive ethical atmosphere, growing self-awareness, internalized moral perspective, balanced information processing and clear relationship and raising positive self-growth in them.

**Components of Authentic Leadership**

*Self-Awareness*

One of the basic components in the structure of authentic leadership is self-awareness because self-aware leaders know what is important for them (Kliuchnikov, 2011; Wang & Cummings, 2009).

Stephen R. Covey (as cited in Reece & Brant) states that "self-awareness not only influences our attitudes and behaviors but it also influences our viewpoint towards others". Self-awareness able us t investigate our "attitudes" and distinguish them.

Self-awareness covers weaknesses and strengths and also different dimensions of an individual's nature. Self-awareness is not an end per se, but it is a process by which an individual succeeds to reflect his own unique values, identity, emotions, objectives, knowledge, talent, or capabilities which sometimes are motivated by external events (Gardner, Avolio, Luthans, May, and Walumbwa, 2005).

Leaders having high levels of self-awareness enjoy vast capabilities when they interact with individuals under their leadership or even out of it, to modify thoughts, motivations and selection of their own behavior use knowledge. Self-aware leaders know how bring others under their own controls and influences (Walumbwa, Christian and Halle, 2011).

Self-awareness is a state of leaders' consideration which continuously ask themselves "who am I?" it is a process which always identifies unique talents and its own strengths to be able to better understand personal and organizational objectives and consequently guide others. In

other words, a self-aware individual has a true understanding of him and his surrounding world.

### *Balanced Processing*

According to the obvious and multiple data which present in the field of social psychology, human beings as information processors, whenever process the information related to themselves, inherently suffer defects and biases. Therefore, it has been preferred to use the term balanced processing (Gardner et al., 2005).

Avolio et al. (2004), to describe a kind of unbiased information processing which are less deniable, distortable or exaggerated and/or ignore paying attention to individuals' personal experiences and knowledge and external feedback, uses the term balanced processing. Therefore, it is supposed that authentic leaders do not need ego-protecting biases to distort self-dependent informational processing (as cited in Walumbwa et al., 2011).

Clear relationship: Norman (2006) knows his clear relationship as clear self-disclosure and relevance of values, emotions and objectives and motivations which introduce the real self. To share clearly information results in increasing the confidence of followers to their leader (as cited in Wang and Cummings, 2006).

Therefore, clear relationship refers to the amount that a leader (contrary to the false and distorted self) shows his authentic self, shares freely information and articulates his thoughts and real feelings. It reinforces a level of dealing with others in order that an opportunity will be provided; it prepares their attitudes, challenges and viewpoints to be presented (Rego et al., 2012).

Internalized moral perspective: internalized moral perspective indicates the coherent and internalized form of the concept of self-regulation (Walumbwa et al., 2008). Therefore, the internalized moral perspective is contrary to behaviors which are due to external pressures such as organizational pressures, counterparts and social pressures; therefore, it is expected that in dealing with morally difficult ambiguities and challenges, leaders who enjoy superior moral perspective behave and think in a moral and more community-friendly in line with developed value structures (Walumbwa et al., 2011).

According to moral perspective, the more the internalized values and beliefs of followers are supported by leaders, it is expected that more than any other time, their imaginations regarding forming the true self change and develop. As the followers find their identities, they will be clearer at the same time when regarding the leaders who benefit them in terms of their growth. Also, authentic leaders indicate a balanced processing behavior through gaining feedbacks from the individuals whom are under their support and without any limitation; they will negotiate regarding the reason of issues and their outcomes (Walumbwa et al., 2011).

## REVIEW OF LITERATURE

In a research done by Eid et al. (2012) claim that it is possible that authentic leadership creates health and secure outcomes by creating psychological capital (as mediator variable).

the MA thesis of Industrial Psychology by Roux (2012) titled as" The Relationship between Authentic Leadership, Optimism, Self-Efficacy and Work Engagement: An Exploratory Study" indicate that there is a significant correlation between authentic leadership and work engagement, authentic leadership and optimism, optimism and self-efficacy and self-efficacy and work engagement. Furthermore, in his opinion, the correlations between the structures of

authentic leadership and self-efficacy as well as optimism and work engagement are not significant.

Rego (2011) construes form his own research that authentic leaders increase the amount of their followers' creativity because they develop the amount of psychological capital in their staff. Therefore, authentic leadership influences staff's psychological capitals which increase the amount of their creativity. In the meantime, the change of positive psychological capital has the mediator role.

The results of a study with the participation of 200 participants of one of the companies of telecommunication done by Zamaheni, Ghorbani and Rezaei (2011) indicate that there is a positive correlation between the authenticity of a leader and positive psychological capital and followers' confidence and performance with 99 percent of significant level. In addition, the results indicate that the high level of authenticity and optimism increases followers' confidence and performance.

## METHODOLOGY

The method of the present study is correlational and is of Structural Equation Modeling type. The population of this study includes all faculty members working at universities of Korram Abad (Lorestan University, Lorestan Medical University, Islamic Azad University, Khorram Abad branch and Science and Research Paradise of Lorestan) which based on the According to the statistics of the academic year 2012-2013 they were 230, 180 and 150 individuals and in sum they were 560 individuals in 15 faculties. To determine the sample, after a primary study, it was observed that the present study would have 50 to 54 free parameters and if we want to consider 5 participants for every free parameter, we will need 270 participants as the sample. Accordingly, the sample size was determined 270 participants. Regarding the size of every studied university and dependent faculties as separate classes, first we used stratified sampling proportionate to the population. In the next stage, to conduct the evaluation instrument, random sampling was employed. To collect the data, the standard questionnaires of authentic leadership by Walumbwa et al., (2008) and the questionnaire of psychological capital by Luthans et al. (2007) were employed.

## FINDINGS

The objective of the present study is to test this hypothesis that the perception of authentic leadership influences psychological capital. Regarding the confirmation of first-order single-factor model to measure perceptions of authentic leadership and first-order single-factor model to measure psychological capital, it can be claimed that authentic leadership as an exogenous latent variable influences psychological capital as an endogenous latent variable.

The calculated minimum data value (CMIN) equals24.335, significant level 0.184, relative Chi Square (CMIN/DF) 1.281, comparative Index (TLI) 0.993, (CFI) 0.996, Thrifty norm fit index (PNFI) 0.665, thrifty comparative fit index (PFCI) and at last degree of freedom equals 19 and Results the Root Mean Square Error of Approximation (RMSEA) equals 0.032 indicate the model fit. According to the data, the factor loadings of authentic leadership on psychological capital with the gamma 0.35 in a level less than 0.0001 was significant.
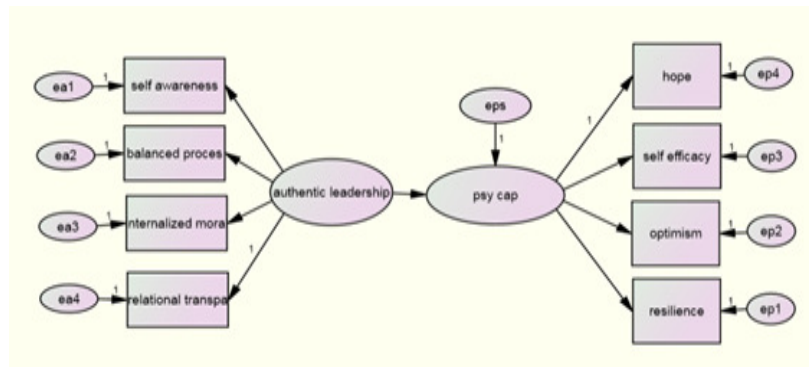
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Figure 1. The model of the impact of authentic leadership on psychological capital

## DISCUSSION AND CONCLUSION

Based on the results of the study, it was identified that authentic leadership can increase the amount of individuals' psychological capital. The results of a study done by Eid et al. (2012), Roux (2012), Rego (2011) and Zamaheni et al. (2011) confirm the results of the present study to a great extent.

The present complex and competitive conditions has encountered universities like other organizations with serious challenges in their way to obtaining their objectives. Universities to continue their lives, in addition to traditional capital, require attracting and keeping capitals which enjoy competitive advantage. Nowadays, after social capital, psychological capital creates competitive advantage even more than social capital. Authentic leadership will be among the important elements in producing this capital particularly in universities.

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