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Effect of Authentic Leadership on Employees' Engagement and Job Satisfaction: A Case Study of Public Sector Universities

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Abstract

Several studies have suggested that leaders showing high levels of authentic leadership increase workers' engagement and job satisfaction. The study was conducted to examine the effect of authentic leadership on employees' engagement and job satisfaction. The study focused in the public sector universities operating in Eastern Zone. The faculty members working at Nangarhar University, Laghman University, Sayed Jamaluddin Afghan University and Nuristan Institute of Higher Education was taken as the target population of the study. From these employees, 143 were selected as a sample of the study using proportional allocation method. Descriptive, regression techniques and reliability statistics were used to analyze the data. As per the results of reliability statistics, scales for authentic leadership (.827), employees' engagement (.924) and job satisfaction (.744) were found highly reliable. According to regression results of testing hypotheses, the result of authentic leadership has positive significant effects on employee engagement and on job satisfaction. This research will help academic professionals in public sector universities to know how authentic leadership style influences positively employees' engagement and job satisfaction.

Keywords: Authentic Leadership, Employees' Engagement, Job Satisfaction, Public Sector Universities

Introduction

Leadership in organizations ought to be authentic in order to be effective and successful over the long term (Hassan & Ahmed, 2011). Philosophers, religious leaders, and thinkers from ancient times have given emphasis on the importance of authenticity and ethicality for leaders, if they are to attain effective governance in any situation (Hassan & Ahmed, 2011).

Leadership of every organization needs to show the standards of morality in every talk, decisions and behavior, which can be helpful in the smooth flow of organization. The current financial recession is the result of inefficient leadership who adopted unethical organizational practices. The financial mismanagement that have been present in the current organizations, for example, WorldCom, Health South, Enron have called for ethical leadership more than ever before (Gardner et al., 2011).

The importance of leadership credibility has been discussed in the authentic model of leadership (Hassan & Ahmed, 2011). Authentic leaders display high degree of integrity, have deep sense of purpose and committed to their core values. Good leaders do not have to be born with specific characteristics or traits. Leadership emerges from one's life story, experiences, and so forth, which can facilitate authentic morality and integrity (George et al., 2007).

In recent studies, it has been suggested that authentic leadership may positively affect employee attitudes and behavior, as well as work outcomes (job satisfaction), job commitment, creativity, engagement, and organizational citizenship behavior (Rego et al., 2012; Walumbwa et al., 2008; Walumbwa et al., 2010). Employee engagement is the individual's involvement in, satisfaction with, and enthusiasm for work (Harter et al., 2002). When employees perceive that they are supported and treated sincerely, they increase their engagement at work". Similarly, "In recent years, the focus on the topic of authentic leadership (AL) has gradually increased in both practical (George, 2003) and academic organizations (Avolio et al., 2004; Walumbwa et al., 2008). A reason for this is that authentic leadership is acknowledged as a root construct of all positive forms of leadership; it plays a vital role in addressing organizational and societal problems (George, 2003). Particularly, Afghanistan public universities play fundamental role in building a peaceful and sustainable society in the last two decades in the shape of increasing knowledge creation by contributing quality skills to solve current social and economic challenges (Adil et al., 2020; Berger & Thoma, 2015). This could be done through well-qualified, authentic leaders and professional manner in public universities to have positive influence on new generation in academic environment with the help of authentic leadership style.

As a result they promote a more trusting relationship in their work groups that translates into several positive outcomes (employees' engagement and job satisfaction). Thus, the present study examined how authentic leadership contribute to subordinates' trust in leadership and how this trust, in turn, predicts subordinates' work engagement and job satisfaction in public sector in universities Eastern Zone Afghanistan.

Literature Review

Authentic Leadership, Employees Engagement and Job Satisfaction

Leadership is considered one of the significant factors in any business organizations (Gardner et al., 2020; Sfantou et al., 2017). It permits incentivizing and encouraging employees through the mobilization of various resources, further improving their performance and thus achieving firm goals (Wang et al., 2014). Therefore, leaders exert an influence on the work environment and affect the generation of demands and resources.

Authentic leadership means leader behavior that draws upon and promotes positive psychological capacities and a positive ethical climate that nourishes self-awareness, an internalized moral perspective, balanced processing of information, and relational transparency for how leaders work with employees, fostering positive self-development (Walumbwa et al., 2008). Further, (Schaufeli et al., 2002; Schaufeli et al., 2006) argued that engagement is defined as a positive, fulfilling, work-related state of mind. They claimed it is a persistent affective-cognitive state, characterized by vigor, dedication, and absorption.

Authentic leadership theory suggests that leaders who are more authentic draw on their life experiences, psychological capacities (i.e. hope, optimism, resilience, and self-efficacy), a sound moral perspective, and a supporting organizational climate to produce greater self-awareness and self-regulated positive behaviours. This in turn fosters their own and their followers' authenticity and development, resulting in well-being and genuine, sustained performance (Avolio & Gardner 2005; Gardner et al., 2005).

In this sense, authentic leaders' behaviors mitigate job dissatisfaction and reduce the risk of burnout (Lasching, 2014) and building a positive job climate that makes it more likely to engage and perform effectively. In fact, the research has also focused on the implications of authentic leadership (AL) on employee engagement and job satisfaction (Lyubovnikova et al., 2017).

The authentic leader builds trust and healthier work environment through four key components: balanced processing, relational transparency, internalized moral perspective and self-awareness. Leaders who are authentic use balanced processing by requesting from followers adequate

input and perspectives, both positive and negative, prior to making important decisions. Consequently, we formed the hypotheses below.

H₀: Authentic leadership has no significant effect on job satisfaction.

H₁: Authentic leadership has a significant effect on job satisfaction.

H₀: Authentic leadership has no significant effect on employee engagement.

H₂: Authentic leadership has a significant effect on employee engagement.

The relationship between Authentic Leadership, Employee Engagement and Job Satisfaction

Past studies have examined the relationship between authentic leadership and various organizational outcomes, finding that authentic leadership was positively related to employees' job performance (Peterson et al., 2012) and job satisfaction (Bamford & Laschinger, 2012), followers' commitment (Leroy et al., 2012), work engagement (Walumbwa et al., 2010), employees' organizational citizenship behavior (Ed et al., 2012), and employees' extra effort (Moriano et al., 2011).

Authentic leadership is positively related to personal identification, trust in leadership, job satisfaction, employee organization commitment, employee work engagement, employee happiness and subordinates job performance (Chan et al, 2005). The findings from the quantitative studies provide support for the forecasting and advancement of authentic leadership theory. Macey and Schneider (2008) concluded that the employee engagement can be taken as the state which means involvement, attachment and commitment. The study of Walumbwa et al., (2008) found the authentic leadership to have positive relationship with employee workplace engagement. Employee engagement can be taken as the employee's involvement and satisfaction with his job and also shows passion for his work. Avolio et al, (2004) conclude that the authentic leadership can improve the satisfaction and employee engagement of their followers by intensification of their identification with the leadership and firm and fostering hope, positive emotions, optimism and trust.

Research Method

The population of this study includes only faculty members of public sector higher education institutions operating in Eastern Zone of Afghanistan. Randomly sampling approach was used which is one of the probability sampling technique (Marchal & Ward, 1996). In order to select a sample of 143 faculty members from total 745 employees working in leading public sector Universities through proportional allocation method formula adopted from (Chochran, 1977). This method could enhance

the representativeness of the elements of a population as subjects in the sample (Wei et al., 2014; Davis, 2005).

The data has been collected through personally administered and closed ended questionnaire. The items for this study was taken from different sources, the variable (Authentic Leadership) was measured by 16 items developed by (Walumbwa et al., 2008), job satisfaction was adopted from (Chan, 2006) measured by 6 items and employee engagement was measured by 18 items designed by (Carmeli, 2005). The 5 likert scale was labeled as: 1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5= strongly agree.

Table 1: Total Population & Sampled Faculty Members

S. No	University Name	No. of Employees	Sampled Faculty
1	Nangarhar University	317	56
2	Laghman University	233	36
3	Kunar University	113	29
4	Nuristan Institute of HE	82	22
	Total	745	143

Source: University’s & MoHE Websites

Results and Discussion

Table 2: Demographic Information of the Respondents

Variables	Variable Category	Frequency	Percentage (%)
Gender	Male	134	94.00
	Female	9	6.00
Age	25 – 30	30	21.00
	31 – 35	52	36.40
	36 – 40	35	24.50
	41 – 45	15	10.50
	46 – 50	11	7.700

Qualification	Bachelor	2	1.40
	Master	104	72.70
	Ph.D.	37	25.90
Experience	1 – 5	39	27.3
	6 – 10	47	32.9
	11 – 15	40	28.0
	16 – 20	12	8.4
	21 – Onward	5	3.5

Source: Primary Data

In the table 2, the results show that the majority of the respondents were belonging to the male group were (94%) and from the female group were 6% only.

The results also show that the majority of the respondents were having the age 31-35 years which represent (36.4%) and having 46-50 were (7.7%) of the respondents. Moreover, in the qualification the majority of the respondents were having master degree were (72.7%), Ph.D. degree holders were (25.9%) and bachelor degree holders were only (1.4%).

Table 3: Reliability Analysis

Variables	No. of Items	Cronbach's Alpha
Authentic Leadership	16	0.827
Job Satisfaction	6	0.744
Employee Engagement	18	0.924

Note: Total number of items= 40

Table 3 shows the result of reliability statistics. The reliability of these scales was measured by Cronbach alpha. The above table shows that all the scales are valid and reliable if the values of Cronbach Alpha is above then 0.70 (Taber, 2018; Robertson & Evans, 2020) as per the standards indicated by (Sekaran, 2000).

Table 4: Descriptive Statistics

Variables	Mean	Standard Deviation
Authentic Leadership	3.01	0.54
Employee Engagement	3.63	0.56
Job Satisfaction	3.12	0.73

The table 4 describe means of authentic leadership 3.01 (S.D=0.54), mean of job satisfaction is 3.1 (S.D=0.73), mean of employee engagements 3.63 (S.D=0.56). Employee engagement mean of responses for items was found 3.63, which clarify the high level of engagement shown by the staff. Mean responses for items of job satisfaction were found 3.12, which means that employees are somewhat satisfied with their current job but need more improvement. Authentic leadership mean of responses for items was found 3.01 which also indicate that employees have a low perception of authentic leadership in public sector universities.

Table 5: Effect of Authentic Leadership on Job Satisfaction

Variable	Coefficient	Std. error	t-value	p-value	Mean	SD
Constant	0.487	0.262	1.823	0.070	3.1	0.73
Authentic Leadership	0.876	0.086	10.018	0.000	3.01	

$R^2 = 0.416$, F-value = 100.360, P-value = 0.000

Table 5 shows the results of regression analysis of authentic leadership and job satisfaction. The test was used to check the effect of authentic leadership on the job satisfaction. The value of R^2 (coefficient of determination) is 0.416, this value shows that the authentic leadership explains 41.00 percent variance in job satisfaction. The p-value of the model is 0.000, which shows the significance of the model because the value is less than 0.05. The F-value of the model is 100.360, which is very high and shows the statistical significance of the model. The value of F-ratio, if higher than 4, it shows that the model is significant and vice versa. The p-value of the F-statistic is 0.000, which shows the significance of the model.

Results also indicate that regression coefficient of authentic leadership and job satisfaction. Beta is 0.876 which shows per unit change in the dependent variable due to independent variable. The value shows that one (1) unit change in the authentic leadership will lead to .876-unit change in the job satisfaction. The t-ratio of the authentic leadership is 10.018, which is significant. If the value of t-ratio is more than 2 then it is significant and if the value is less than 2 then it is insignificant. Therefore, the alternate hypotheses were accepted.

Table 6: Effect of Authentic Leadership on Employee Engagement

Variable	Coefficient	Std. error	t-value	p-value	Mean	SD
Constant	1.440	0.235	6.029	0.000	3.63	0.56
Authentic Leadership	0.718	0.076	9.188	0.000	3.01	

$R^2 = 0.416$, F-value = 100.360, P-value = 0.000

Table 6 shows the results of regression of authentic leadership and employee engagement. The test was used to check the effects of authentic leadership on the employee engagement. The value of R^2 (coefficient of determination) is .374, this values shows that the authentic leadership explains 37 percent variance in the employee engagement. The p-value value of the model is 0.000, which indicated that the model is statistically significant as 0.000 is less than 0.05. The f-ratio of the model is 84.419, which is very high and indicates that the model is statistically significant. The value of F-ratio, if higher than 4, it shows that the model is significant. The p-value of the f-value is 0.000, which shows that the model is significant.

Discussion

The main objective of this research was to examine the effect of authentic leadership on employee engagement and job satisfaction. Nevertheless, the results indicated that manager's authenticity is significantly related to employees' engagement and job satisfaction in public universities and the authentic leadership style of the leaders' consistency between works and actions of the leaders which highly influence employees' engagement and satisfaction.

The finding shows the need for consideration of the factors like authenticity of the leaders, that we suspect increase the trust of the individual follower in the leader and thus it results in employee engagement and job satisfaction. The results obtained in the current study were found in line with the prediction of the theories. They indicated the significant effect of authentic leadership on job satisfaction and employee engagement.

Conclusion

Authentic leaders provide support for followers' self-determination and are better at fostering intrinsic worker motivation (Deci et al., 1989), which in turn results in higher follower job satisfaction. This finding is consistent with results of the study by Walumbwa et al., (2008). Followers who work under the guidance of authentic supervisors are more satisfied in their workplace, enjoy their work, and are satisfied with the workplace in their organization. They believe their work satisfies their goals and that their employment is secure. Satisfied employees are more motivated, which also contributes to their performance (Judge et al., 2001).

Despite the recent attention from government universities to develop the performance of public sector teaching staff, scientific public management research is developing unfortunately restricted (Osborne, 2017). Moreover, the findings of this study depict the importance to understand the constructions like leaders' authenticity that lead to the promotion of confidence in their employees and as such an increase in their job performance. Thus, this paper could be of great interest to scholars, practitioners and government agencies, because the findings of this research can help decision-making in the leadership level of public sector organizations.

Limitations and Scope for future Research

This study was conducted on sample faculty members of public sector universities only in Eastern Zone of Afghanistan which limits the generalizability of the results. Future studies can consider mediators and moderators to study the impact of AL on employees' engagement and job satisfaction either in public or private sector universities.

Conflict of Interest

The authors declare no conflict of interest.

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