

DOES AUTHENTIC LEADERSHIP PROMOTE EMPLOYEES' ENTHUSIASM AND CREATIVITY?



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1. INTRODUCTION

- Employees' creativity is the first step in innovation, and innovation is crucial for long-term organizational success.
 - To survive and prosper, organizations need to take full advantage of their employees' creative potential, so that innovation, change, learning, performance and competitiveness can be achieved.
- **Creativity in the workplace** can be defined as the production of novel and useful ideas or solutions concerning products, services, processes, and procedures.



- Several researchers have focused on identifying the role played by specific leadership behaviors and leaders' characteristics in supporting, suppressing, facilitating or inhibiting creativity.
- In this paper, we focus on **authentic leadership (AL)**.
 - **AL** may be defined “as a pattern of leader behavior that draws upon and promotes both positive psychological capacities and a positive ethical climate, to foster greater self-awareness, an internalized moral perspective, balanced processing of information, and relational transparency on the part of leaders working with followers, fostering positive self-development” (Walumbwa et al., 2008: p. 94).
- Four dimensions have been included in the AL construct: self-awareness; balanced processing; internalized moral perspective; relational




- We hypothesize that AL predicts employees' creativity primarily because it improves the quality of leader-member exchanges, thereby fostering employees trust and their sense of freedom to propose unconventional ideas and present conflicting opinions without fear of reprisal.
- We also hypothesize that AL predicts employee creativity through the mediating role of enthusiasm at work.
 - **Enthusiasm** is an *active positive* emotion, characterized by high levels of active, excited and elated feelings.



2. HYPOTHESES

2.1. Authentic leadership as predictor of employees' creativity

- Authentic leaders may serve as role models and promote employee trust and respect. This way employees experience higher emotional safety and feel free to propose unconventional ideas and introduce conflicting opinions without fear of the consequences.
 - Authentic leaders also foster authenticity among their subordinates, feel less threatened by the changes that employees' genuine/creative ideas may imply and are more inclined to welcome their creative suggestions.
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- Authentic leaders are more able to provide constructive criticism and feedback in a fair, respectful, informative and developmental manner.
- Authentic leaders also promote employees' self-determination, self-esteem, the sensation that their work is meaningful, and intrinsic motivation, which can act as a “stimulant” for creativity.

H1: authentic leadership is positively related with employees' creativity



2.2. Enthusiasm at work as predictor of employees' creativity

- Enthusiastic individuals tend to interpret failure more as a temporary setback caused by situational, as opposed to individually-based, thus demonstrating less fear of failure and being more prone to face problems and opportunities with creative ideas.
- Enthusiasm at work may also expand cognition, increase cognitive flexibility and facilitate creative behavior.




- As suggested by the “broaden-and-build” theory (Fredrickson, 2001), positive emotions *broaden* the individual’s momentary thought-action repertoire, thus promoting the discovery of novel and creative actions and ideas.
- Enthusiasm can also foster employees’ perceptions that their work has enhanced meaning, making them more intrinsically motivated and thus more creative.

H2: employees with higher enthusiasm at work are more creative



2.3. Authentic leadership as predictor of employees' enthusiasm at work

- Several researchers have pointed out the relevance of emotions in AL.
 - Ilies et al. (2005: 384), have suggested that “if authentic leaders experience more positive affective states than inauthentic leaders, through emotional contagion, their followers will experience more positive affective states, compared to followers of inauthentic leaders.”
 - Gardner et al. (2005: 346-347) have asserted that “demonstrated integrity of authentic leaders, coupled with developmental experiences and meaningful work, produce high levels of trust, engagement and well-being among followers, while contributing to their development, which in turn fosters sustained and veritable follower performance.”
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- AL may also promote positive interpersonal relationships between leaders' and employees, and among employees as well. Such positive relationships may foster the employees' perceptions of meaningful work and promote their enthusiasm.

H3: authentic leadership is positively related with employees' enthusiasm at work



3. METHOD

3.1. Sample and procedures

- A convenience sample comprising 595 employees, working in 37 commerce organizations operating in Portugal, was collected.
- Organizations operated in several sectors (e.g., food, clothing, appliances, sport, toys, foot-wear and office materials, furniture and equipment).
- Individuals were asked to report on their own enthusiasm and on the AL of their supervisors. In turn, their own creativity was reported on by their supervisors.



3.2. Measures

Employees' creativity. Individual creativity at work was measured by the 13 items proposed by Zhou and George (2001), who adopted three items from Scott and Bruce (1994), and developed the remaining 10 items themselves.


- Supervisors were asked to report how frequently the employee adopted each of the 13 behaviors on a scale ranging from 1 (never) to 5 (frequently).
- A principal component analysis, with varimax rotation, was conducted. Only one factor (KMO: 0.95) emerged with an eigenvalue of over 1, explaining 72.8% of variance.
- Loadings range from 0.80 to 0.90. The Cronbach Alpha was 0.97.

Employees' enthusiasm. We measured employees' enthusiasm using six items proposed by Daniels (2000).


- Participants were invited to state to what extent they had experienced the six emotions over the last three months in the organization, with reference to a 7-point scale ranging from never (1) to always (7).
- The items mentioned were: enthusiastic, motivated, optimistic, bored, dull and sluggish, the last three ones being reverse coded.
- The Cronbach Alpha was 0.86.



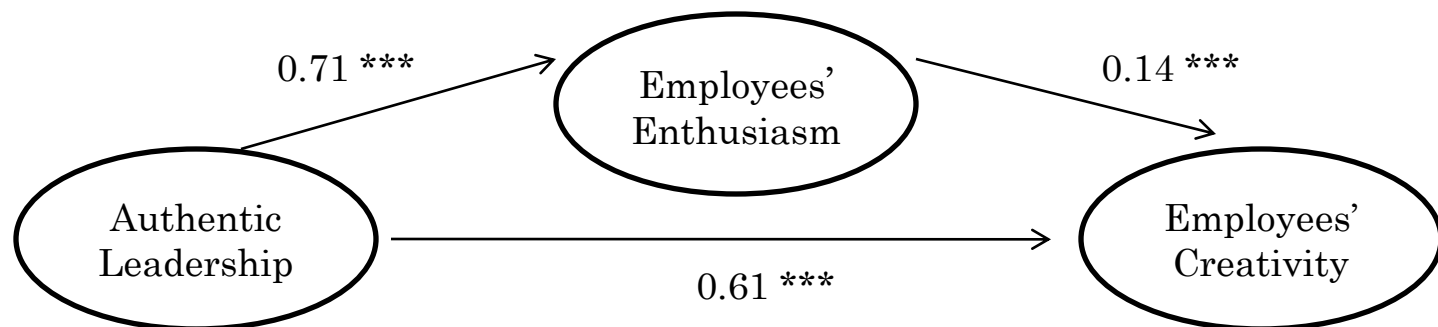
Authentic leadership. AL was measured using the 16 five-point scales of the Authentic Leadership Questionnaire.

- Employees were asked to report the frequency (0: “not at all”; 4: “frequently, if not always”) with which their supervisors adopted the 16 behaviors.
 - Confirmatory factor analyses (using LISREL with the maximum likelihood estimation method) were carried out to test the four-factor model.
 - Three items were removed and a well-fitted 13-item model emerged.
 - All Cronbach Alphas were higher than 0.70.
 - A second-order factor model was also tested, where the four AL dimensions were hypothesized to load on a higher AL factor. Fit indices were satisfactory.
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4. RESULTS

- All dimensions of AL are positively intercorrelated. They are also positively correlated with employees' enthusiasm and creativity.
 - Employees' enthusiasm correlates positively with creativity.
 - Before considering AL as core construct for testing our hypothesized model, we carried out a usefulness analysis .
 - The findings show that:
 - in all cases, the overall AL adds more variance than each individual component in predicting both employees' enthusiasm and creativity;
 - the individual components add only between 0% and 1% of variance in predicting the dependent variables.
 - the overall AL increases the R^2 value above and beyond its individual components
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- Structural equation modeling (using LISREL with the maximum likelihood estimation method) was used to test the causal model. The findings show that:
 - All paths are significant, the model being saturated, the fit being perfect.
 - The findings support the three hypotheses, suggesting that AL predicts employees' creativity both directly and through the mediating role of employees' enthusiasm.
 - A full mediated model (i.e., without the path between AL and creativity) was also tested, but the fit indices proved unsatisfactory.



5. DISCUSSION AND CONCLUSIONS

5.1. Making sense of the main findings

- Organizations need to take advantage of and promote the creativity of their employees.
- This study may help organizations and researchers to identify ways in which these needs may be addressed.
- As indicated above, AL predicts employees' creativity both directly and through the mediating role of employees' enthusiasm.
- The predictive power of AL for employees' creativity may be explained by the impacts that the perceived leaders' authenticity have on problem identification, information search and encoding, generation of alternative solutions and idea evaluation.



- The predictive power of employees' enthusiasm for their creativity is consistent with the broaden-and-build model and with the literature suggesting that positive emotions may promote creative performance.
- The influence of AL on employees' creativity through the mediating role of their enthusiasm corroborates the evidence provided by Avolio et al. (2004), who suggested that AL increases employees' identification with the organization and the leader, thus fostering employees' positive emotions, which in turn promote their optimism and positive work attitudes.



5.2. Limitations and future studies


- Studying a single culture may have produced some idiosyncratic findings. Future studies should use cross-cultural research methods to test if culture moderates the relationship between AL and dependent variables.
- Due to the cross-sectional nature of our study, a causal relationship between dependent and independent variables cannot be established. Future studies should use longitudinal or quasi-experimental methods for clarifying the direction of causality.



- The sample is idiosyncratic (employees working in commercial rather than manufacturing or service organizations). Future studies must test the hypothesized model with employees from other kinds of organizations and industries.
- Other mediating variables (e.g., psychological capital, trust, identification with the organization and/or the leader, feelings of meaningful work, intrinsic motivation psychological empowerment, leader-member exchanges and employees' authenticity) must also be considered in future research.



5.3. Implications for management and concluding remarks

- The study suggests that AL may ‘force’ employees to experience higher enthusiasm at work and to be more creative, thus helping organizations to deal with the idiosyncratic and stressful features that today’s organizations face.
 - Indirectly, the study suggests that selecting as leaders those with authentic leadership features and implementing training/development actions aiming at increasing AL, may have a positive impact on employees’ emotions and performance.
 - The study also suggests, indirectly, that organizations may foster employees’ creativity through promoting work conditions that promote employee enthusiasm.
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- A former CEO of Medtronic argued: “we need leaders who lead with purpose, values, and integrity; leaders who build enduring organizations, motivate their employees to provide superior customer service, and create long-term value for shareholders” (George 2003: p. 9).
- Our study suggests that this claim makes sense, both theoretically and empirically, at least regarding creativity, one of the key paths for fostering improved organizational performance.

