

Impact of Authentic Leadership on Project Success with Mediating Role of Job Satisfaction

Maryam Hafsa¹, Salman Qureshi²

¹Research Scholar, Riphah International University.

²Visiting Faculty Member International Islamic University Islamabad, Research Scholar and Regional Head-North The Spirit Schools and Superior Group of Colleges-Pakistan.

Abstract

The purpose of this study is to examine the impact of authentic leadership on project success with the mediating role of job satisfaction. The data accumulated from arbitrary questionnaire of 150 individuals who was in understudies and delegates of different establishments and organizations as poll. 150 questionnaires were conveyed and after that evaluate them. This investigation will give significant data about authentic leadership and project success and address the part of authentic leadership and job satisfaction. This review concentrates on project success by authentic leadership through key administer extend system (which emphasis on effective final product by honest and mindful initiative) and fulfillment level of employees.

Keywords: Authentic Leadership, Project Success, Job Satisfaction.

Introduction

Up to now, there are many theories of leadership style are available, like emotional intelligence, contingency, competency and so on. All of them claim that appropriate leadership style can benefit project success. This study aims to find the relationship between authentic leadership and project success.

“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”, as former head of Medtronic, Bill (George, 2003).

Authentic leadership is, “style of management in which influence figure of an organization deal with their followers in truthful and direct way”, (Avolio, Gardner & Peterson, 2008). Trustworthy leadership leads to project success. “Project success is an abstract concept and determines, whether a project is a success or failure is highly complex”, (Chan et al, 2002). Improved project success is correlated with job satisfaction. Job satisfaction refers to an indicator of an employee’s psychological well-being (Arnold, Randall & Patterson, 2010). It’s the assumption that job satisfaction often motivates employees and attitude for working

(Matthiesen, 2005). Job satisfaction is conceptually defined as the extent to which employees like their jobs (Stamps, 1997).

Previous studies refer the tremendous progress of leadership over past decades. It includes mysterious association of leadership to success and shows, these incorporate whether leaders are considered or made, how follower impact, how persuasive leader can be, the way some enthralling leaders create social requests and others squash them and moreover, what influence driving through advancement has on individual and total execution (Avolio, Walumbwa & Weber, 2009).

Authentic leadership activity impacts delegate business satisfaction is charismatic on different grounds. A depressed employee is, when in doubt a hopeless person. First the limit of trustworthy leader to grow workers' occupation satisfaction is vital from the perspective of the success of the specialists. Second, employee job satisfaction could be essential for prosperity. A shielded workplace is obviously a fundamental for delegates to be happy and satisfied (Nielsen, Mearns, Matthiesen, & Eid, 2011).

In current study the mediation of job satisfaction would be examine which cover the gap. Job satisfaction is measured as depended with authentic leadership in previous studies, that research has supported a positive relationship between authentic leadership and increased job satisfaction (Walumbwa et al. 2008, Giallonardo et al. 2010).

The objective of this study is to see the effect of authentic leadership and the project success with the intervening part of job satisfaction in various enterprises and private associations. Moreover, this review will break down the issues from the convoluted point of view by offering the edge work that how authentic leadership support can ensure the relationship of venture administration staff, which led them to venture achievement. The discoveries of this exploration will build up genuine authority abilities in dealing with the project success.

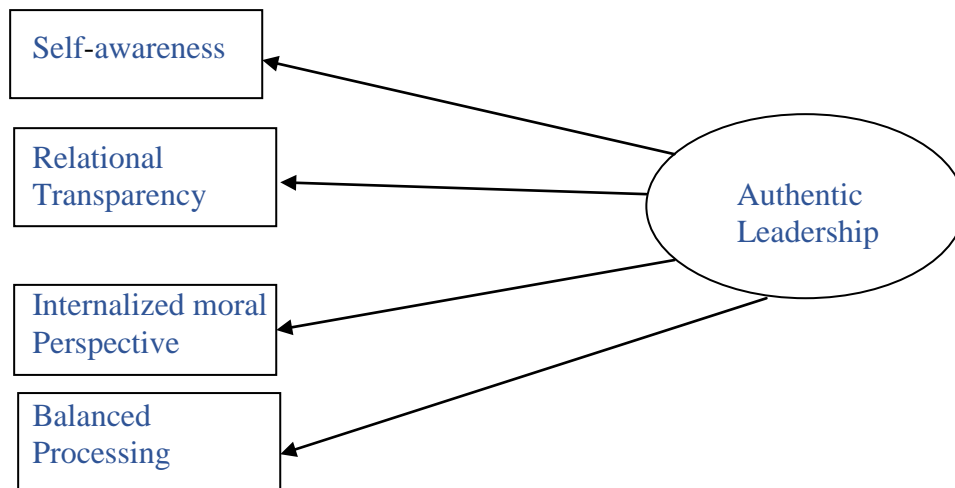
Theory of social modeling, “an authentic leader’s self-awareness and moral perspective could further provide a model for workers, inspiring them to believe in positive work outcomes (optimism) and future work accomplishments (hope)” (Bandera’s, 1997).

It assumed that continue with theory assembling and consider testing of the suggestions advanced in this extraordinary issue will enhance the understanding, assumption and use of the beneficial outcome that genuine activity headway can have on meeting today's and tomorrow's challenges of critical doable execution. In any case, in the occasion that authentic leadership organization after some time is showed up as basically highlighting the methodology settled in more standard models of activity, for instance, moral or transformational leadership, then rising speculation around there would have served to enhance the immensity of care in enlightening the most important structures and impact of power on kept up, absolute implementation.

Literature Review

Authentic leadership

Authentic leadership is a process that draws from both positive psychological capacities and a highly developed organizational context, which results in both greater self-awareness and self-regulated positive behaviors on the part of leaders and associates, fostering positive self-development (Luthans & Avolio, 2003). In their theory of authentic leadership (Avolio et al, 2004) suggest that authentic leaders are able to enhance the engagement and satisfaction of followers by strengthening their identification with the leader and organization and promoting hope, trust, optimism and positive emotions.



Current discussions of authentic leadership appear to treat the concept of independent variable (Avolio, Luthans et al., 2004). Looking more closely at this hypothesis, Avolio and colleagues imply authentic leadership is a goal independent variable (with various sub dimensions) and sustainable (long term) variable (genuine). For instance, it is posted that “authentic leaders basically influence their own followers’ sense of self awareness in moral perspectives which provide rational base for consistency and absolute performance” (Avolio, Luthans et al., 2004, p. 15).

Authentic leadership and project success

By studying the mold built by (Yang, 2011) it is learnt that leadership influences the project success through teamwork. While some of the fifteen leadership competencies (Dulewicz & Higgs, 2003) are directly related to project success factors. So it is concluded that, in a certain project type, appropriate leadership can improve project success in two ways, both teamwork and direct impact.

H1: Direct effect of AL on PS

Authentic leadership and job satisfaction

One of the emerging pillars of interest in the field of leadership has been called authentic leadership development by (Avolio & Gardner, 2005). According to Fredrickson, those individuals who have more positive psychological resources are expected to grow more effectively or to broaden themselves and build out additional personal resources to perform. Previous research has supported a positive relationship between authentic leadership and increased job satisfaction (Walumbwa et al. 2008, Giallonardo et al. 2010). The indirect effect of authentic leadership on job satisfaction through work engagement supports (Avolio et al. 2004) theoretical model.

H2: Indirect effect of AL on JS

Effect of job satisfaction and project success

Job satisfaction is conceptually defined as the extent to which employees like their jobs (Stamps 1997, p. 13). The project success is identified as “completing the project within the constraints of scope, time, cost, quality, resources, and risk as approved between project management and senior management” (PMBOK, 2013, p.35). In other words, positive emotions may help employees cope with organizational change by broadening the options they perceive, maintaining an open approach to problem solving, and supplying energy for adjusting their behaviors to new work conditions (Baumeister, Gailliot, DeWall, & Oaten, 2006).

H3: Direct effect of JS on PS

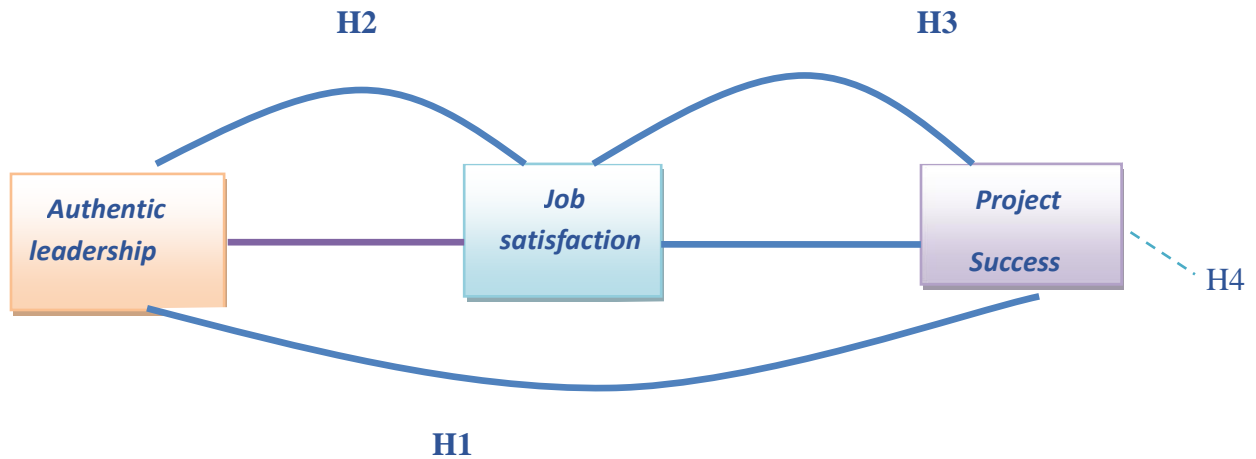
Mediating role of job satisfaction between authentic leadership and project success

The job satisfaction is defined as the reaction of an employee against her occupation or organization (Hackman & Oldham, 1975). “Job satisfaction is a pleasurable or positive emotional state resulting from an appraisal of one's job or job experiences” (Locke, 1976).

According to (Harter, 2002), authenticity can be defined as “owning one’s personal experiences, be they thoughts, emotions, needs, preferences, or beliefs, processes captured by the injunction to know oneself” and behaving in accordance with the true self. Based on the initial definition of authentic leadership by (Luthans and Avolio, 2003)

H4: JS mediate the relationship of AL & PS

Hypothesis of Propose Model



- **Independent variable:** Authentic leadership
- **Dependent variable:** Project success
- **Mediator:** Job satisfaction

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Methodology

Reliability of scale (internal consistency)

Sampling Frame

The sample consisted of employees working in well-established private and public sector organizations located in Pakistan. However, to make more generalized research some of data has been also collected from university level students specifically those who are on part jobs.

Convenient sampling method is used as sampling design. Samples were drawn from three levels of management including entry level, middle level and top level employees of targeted organizations. The relevant information for the study is collected from primary sources.

The collection of data for this very research is done by using the structured questionnaire. For this purpose, 200 questionnaires were distributed from which 175 were received back. Response rate was 76 %. Cover letter explaining the purpose and scope of the study assured respondents of strict anonymity and that participation in the study was voluntary. To avoid any oversight due to a non-serious attitude we tried to utilize the time off of employees to fill the questionnaires. Also the respondents were provided with full explanation of the questionnaire.

The respondents' age had a mean of 45.5 years (s.d.0.893) from which 51 percent were male and 49 percent were female. Education levels ranged from high school completion to receiving a Ph.D, with 92.9 percent of the respondents having a university level degree and the remaining 7.1 percent having school or college level education. The demographics are not used in the present study. The objective of this demographic info is to show composition of respondents to have a better understanding about their response and results for present study.

Measure used

In this survey, responses were graded on the Likert scale format, which have answer range from 1 to 5 (1 = strongly disagree and 5 = strongly agree).

In Pakistan, English is a compulsory subject for beginners in schools and medium of instruction for all university education. Except for entry-level jobs in which almost no education is required, every job holder in Pakistan can at least read and understand English. Thus, given the sampling frame, we did not have to translate the questionnaire into the native language.

➤ **Authentic Leadership**

To measure Authentic Leadership (AL) 17 items scale by P.G. (2010) was used. A sample question is "*My actions reflect my core values*". The Cronbach's alpha reliability of authentic leadership is 0.819.

➤ **Job satisfaction**

To measure job satisfaction (JS) 7 items scale developed by Porter, Steers, Mowday, & Boulian, 1974; Allen & Meyer, 1990; Brayfield & Rothe, 1951). A sample question is "*I feel a strong sense of belonging to my organization*". The Cronbach's Alpha for this scale was 0.835.

➤ **Project success**

Project success (PS) was measured with 10 items scale developed by Müller, R., Turner, R., (2010). A sample question is "*Meeting the project's purpose*". The Cronbach's Alpha for this scale was 0.788

➤ **Control Variables**

Demographic variables affect positively or negatively on, authentic leadership, job satisfaction and project success. Therefore, need to control these variables. One way Anova test was used to identifications of control variables. The Cronbach's alphas were 0.819, 0.835, and 0.788 indicating the adequate measuring reliability.

Results

Descriptive statistics and correlation

Descriptive statistics of authentic leadership, project success and correlation are represented in Table 1.

Table 1 (result)

Variable	1	2	3	Mean	S.D
1. Authentic leadership	(0.819)	.249*	.136ns	3.88	0.48
2. Job satisfaction	.249*	(0.835)	.137ns	3.91	0.48
3. Project success	.136ns	.137ns	(0.788)	4.14	0.50

*Correlation is significant at the 0.05 level (2-tailed).

Alpha reliability of each variable is shown in parenthesis ().

Total Sample Size, n=100

P* < 0.05, ns= insignificant

Correlation Analysis

Table 1 shows that authentic leadership is significantly correlated with job satisfaction but it is insignificant correlated with project success. Job satisfaction is insignificantly related with project success.

Hierarchical / Mediation Regression Analysis

Table 2

Predictors	AL			JS			PS		
	β	r ²	ΔR^2	β	r ²	ΔR^2	B	r ²	ΔR^2
Step I:									
AL				.260*	.062	.062	.138ns	.018	.018
MEDIATOR:JS									

* $p \leq 0.05$, ns= insignificant

AL=Authentic Leadership, JS=Job Satisfaction, and PS=Project Success

Regression and Hypothesis Analysis

Tale 2 shows that mediator job satisfaction (JS) have insignificant result with authentic leadership and job satisfaction, so according to Barron and Kenny if any of result is insignificant than we cannot move to mediation analysis H4.

H1: Authentic Leadership has positive impact on Project success.

Results of the regression analysis show that the authentic leadership has a significant relationship with project success having β value of 0.260 at significance level at value of $p = <$

0.05 and fulfill the requirements that p should be ≤ 0.05 , which is acceptable range. The control variables regressed at first place to check the relationships between these two variables are education and experience. Thus the hypothesis is accepted.

H2: Authentic Leadership has insignificance impact on job satisfaction.

The regression analysis shows that the authentic leadership has a β value of 0.136 at a insignificant level of $p = > .05$, which is not fulfilling the condition $p \leq 0.05$. There was no control variable in this relationship. Therefore, this above stated hypothesis is rejected.

H3: Job Satisfaction has insignificance impact on project success.

The hypothesis is rejected based on the β value of 0.133 and p value is > 0.05 so it is not fulfilling the significance level of $p \leq 0.001$.

Discussion

Current study has been conducted on authentic leadership and its impact on job satisfaction. Another variable i.e. job satisfaction has been analyzing as mediator between independent and dependent variable.

Overall findings show that authentic leadership has direct effect on success of project, which shows the self-awareness level of leaders. If a leader is well known about his responsibilities and have appropriate knowledge regarding project, then he can lead project to success. His positive behavior put impact on employees which increase their satisfaction level.

As per this paper finding **H1** authentic leadership shows the positive impact on job satisfaction and it was also supported by (Dulewicz & Higgs, 2003). Regression and correlation analysis both shows the direct and positive impact on project success with AL, so hypothesis is fully supported. The second hypo of this paper **H2** shows the relationship between authentic leadership and job satisfaction showed the indirect effect through work engagement supports (Avolio et al. 2004) theoretical model. The third hypo of paper shows the relationship between job satisfaction and project success has insignificance impact. The forth hypo of study shows the mediation effect of job satisfaction. According to the data analysis correlation and regression analysis showed no mediation between these variables. Baron and Kenny if any test have insignificant impact than we cannot move to the mediation test.

Baron and Kenny then state, “To test mediation, one should estimate the three following regression equations: first, regressing the mediator on the independent variable; second, regressing the dependent variable on the independent variable; and third, regressing the dependent variable on both the independent variable and on the mediator. To establish mediation, the following conditions must hold: First, the independent variable must affect the mediator in the first equation; second, the independent. Variable must be shown to affect the

dependent variable in the second equation; and third, the mediator must affect the dependent variable in the third equation. (1986, 1177)” so finding shows that there is no mediation of job satisfaction between authentic leadership and job satisfaction. In further studies we can take mediator as moderator.

Managerial implications

Main purpose of this study was to examine the importance of benefaction behavior of a leader in organizational success. Job satisfaction is taken as mediator. After concluding results of the study it shows that authentic leadership plays vital role in project success. On the basis of survey and results, following recommendations are offered for managers and leaders as well as for followers.

- Finding shows that how a self-aware leader can endorse project success,
- Awareness of leader motivates the employee to work hard for better project success and increase the satisfaction level of employee.
- Highly motivated employee can do superior work rather than an unaware leader.

Limitation

This study has few limitations like other reviews which ought to be tended in future studies. First it was very tough to collect data from private project based organizations. This study may be discussed through again convenient technique because of insignificant mediation effect of job satisfaction between project success and authentic leadership. Furthermore, this study may also be debate via qualitative technique such as online questionnaires and views. In this study cause and effect relationship was used and this relationship cannot be concluding from these results because the study applies the cross sectional data.

Private based associations would be picked (longitudinally zone) in future to see the intercession impact of authentic leadership and project success. Furthermore, this review concentrate on presuppose factors. There are numerous different variables that can effect on project success. This review explores the impact of authentic leadership and project success in private based associations, there can be issue in sum up capacity out in the public organizations. Future reviews may gain diverse techniques for information gathering. Future reviews might be conveying in various projects and public sector. Moreover, in created and in creating nations by growing the expansive specimen measure with same factors to confirm the mediation relationship of occupation fulfillment on project success and to reinforce the ideas in this review.

Direction for future

This study suggests that empirical research on authentic leadership has been relatively limited in scope and offers few consistent findings and that many aspects of this developmental

relationship remain unexplored as my best search. Thus, authentic leadership presents tremendous opportunities for future empirical research. Below, some methodological and theoretical issues in the current literature and discuss a number of fruitful directions for future research.

1. In this research we just studied and conclude the authentic behavior of leader and, but on the other hand we did not show our concern with behavior and attitude of followers or under commands. Future study may be conducted on leader and follower's behavior as well.
2. This study has been conducted on sample collected from private sector organizations. Combined collection sample i.e. from public and from private sector may change the results.
3. During this study it has been viewed that some variables like job satisfaction is incorporated as mediator, in future it could be examine as moderator.

Conclusion

Overall, findings supported Avolio et al.'s (2004) authentic leadership theory propositions in terms of important effects of authentic leadership on job satisfaction and performance.

What was new to this theory is the important mediating effect of job satisfaction between authentic leadership and project success. These results suggest that managers who emphasize transparency, balanced processing, self-awareness, and high ethical standards also effectively increase satisfaction level which in turn enhances their job satisfaction.

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