An Empirical Study to Examine the Relation of Authentic Leadership on Employee Performance; Moderating Role of Intrinsic Motivation

Anum Laraib*
Alhamd Islamic University, Islamabad, Pakistan

Shujahat Haider Hashmi
School of Economic,
Huazhong University of Science and Technology,
Hubei, China

Abstract: Authentic leadership has much consideration in the past few decades. It is a critical sort of leadership to be examined in an organization presently. Now the time has progressed toward becoming to ponder its effect on performance. Authentic leadership is expected to fabricate more healthful workplaces because there is special regard for improving enabling leader-supporter connections. This study was to find out the impact of authentic leadership on job performance. Additionally, the study explores the moderating role of intrinsic motivation. For this study survey was conducted on the organizations located on premises of Rawalpindi and Islamabad. Questioners consisting of five points of Likert scale measurement was used to collect data. Correlation and regression statistical tools were tested using SPSS 17.0 for data analysis. 200 respondents from twin cities (Rawalpindi, Islamabad) were used in the study. Results of the study suggested that authentic leadership has a significantly positive impact on job performance. Results also showed that intrinsic motivation has a strong moderating effect between authentic leadership and employee job performance. Authentic leadership can impact positively employee performance and overall organizational performance. The research adds to well being writing by clarifying that in a creating nation like Pakistan where the workforce is all around uneducated, authentic leadership is unquestionably imperative because the workforce requires more direction and persistent security correspondence to guarantee a sheltered work environment.

Keywords: Authentic leadership, employee job performance, intrinsic motivation

Received: 10 July 2018; Accepted: 1 August 2018; Published: 15 August 2018

INTRODUCTION

Inspired and energetic employees are utmost important in increasing upper hand in this day and age. Because of globalization and rapid revolution in the business, it has turned into a need notwithstanding for the institute to have inspired and talented employees for their endurance (Chang, 2016; King, 2016; Simmons & Sower, 2012). These changes greatly affect representatives’ exhibitions and conduct, and this expects organizations to be exceptionally adaptable so as to adjust effectively to these quick changes.

Significant individuals are to the accomplishment of the business and an uplifting state of mind on a work and individual rank can stir up group to achieve much more than they may have beforehand prediction (Mursalin & Aisyah, 2017; Yuen, 2007). By method for a straightforward equation it is expressed that any individual can satisfy his/her maximum capacity in any sphere of life by building up the right optimistic attitude (Antara, Musa, & Hassan, 2016; Lothian, 1994). Employees who occupied with progress and activity forms apparent that their objectives were proficient through cooperation. The individuals who occupied with progress and relational errands built up a more uplifting state
of mind toward collaboration and felt that they gained essentially from their team work (Kurniawati & MeilianaIntani, 2016; Na Ayuthaya, Tuntivivat, & Prasertsin, 2016; Pineda & Lerner, 2006). The nearness of a beneficial outcome of ecological relationship on mark state of mind, however this impact is littler than that of other practical properties. It additionally exhibits that utilizing autonomous natural confirmations fortifies convictions in the item’s biological execution (Lothian, 1994).

Moreover it can be very difficult to be certain constantly, being a confident person has been connected to numerous things, including better health (Cole & Cole, 2005) conducted an examination on worker fulfillment and authoritative execution. In his fundamental 1976 audit of the activity fulfillment writing, Locke watched that in excess of 3,300 academic articles had been distributed on the theme of occupation fulfillment. Schneider, Hanges, Smith, and Salvaggio (2003) as of late watched, specialists’ small scale introduction towards the activity state of mind execution relationship is to some degree confounding, given that the enthusiasm for representative demeanors had quite a bit of its driving force in the 1960s (Lyubovnikova, Legood, Turner, & Mamakouka, 2017).

Organizations are continually searching for leaders who are more intrigued by creating motivation among employees that outcome in inventive yields (Simmons & Sower, 2012). Leader states of mind and administration conduct assume a central part in upgrading worker work inspiration and execution. Employee work and initiative conduct can deliberately be acclimated to create a solid effect on worker work motivation. It would, along these lines be intriguing to analyze the exact idea of their parts in affecting the intrinsic versus extrinsic motivation of employees. Employee performance is significantly related to authentic leadership style while some studies suggest that woman is ought to be a more authentic leader while have positive relationship with employee performance. We have very less literature addressing this specific variable (authentic leadership with employee performance) and this area is under researched (Ardyanfitri & Wahyuningtyas, 2016; Avolio, Gardner, Walumbwa, Luthans, & May, 2004; Azanza, Gorgievski, Moriano, & Molero, 2018; El, 2016).

The objective of this study is to find out the impact of authentic leadership with employee performance with the moderating role of intrinsic motivation. Congruity theory for the present examination would recommend that the AL can viably add to the improvement of and affect the JP. In particular, the AL attributes contribute and supplement the required abilities of the supporter for performing great (Avolio et al., 2004; Ameer, 2017; Chong & Lee, 2017; Lannu & Nobleza, 2017).

Gap & Problem Statement

We have very less literature addressing this specific variable (authentic leadership with employee performance) and this area is under researched (Azanza et al., 2018). This study will enrich the literature as this area is under researched. We contend that employees, particularly. The leader, who shows authentic practices, can reinforce a HR framework (i.e., adjusting and planning HR arrangements and practices) by actualizing HR practices in a way that they are seen as unmistakable, reliable AL (Gill, Gardner, Claey, & Vangronsveld, 2018). This literature will broaden the understanding of related variables that authentic leadership positively influence employee performance. “To find out the impact authentic leadership on employee performance with the moderating role of intrinsic motivation.”

Supporting Theory

In spite of the fact that the impact of leadership style and strengthening on work fulfillment is very much recorded, there are few investigations inspecting the impact of authentic leadership on strengthening the work outcomes and its effect on job performance (Regan, Laschinger, & Wong, 2016). Congruity theory for the present examination would recommend that the AL can viably add to the improvement of and affect the JP. In particular, the AL attributes contribute and supplement the required abilities of the supporter for performing great (Avolio et al., 2004).

LITERATURE REVIEW

Impact of Authentic Leadership and Employee Job Performance

Authentic leadership is described by a pioneer’s mindfulness, receptiveness, and clearness practices. authentic leaders is the one who shares the information expected to decide, acknowledge others’ information sources, and uncover their own qualities, thought processes, and suppositions. Such attributes empower their followers to precisely evaluate the skill and profound quality of their authentic leadership activities (Anggraini, Hereyanto, & Bhakti, 2017; Oetomo, Satrio, & Lestariningsih, 2016; Walumbwa, Wang, Wang, Schaubroeck, & Avolio, 2010).
Authentic leadership has been recognized as an answer for the present issues which associations are confronting. The present business condition is exceptionally unpredictable and conventional leadership styles are incapable, motivating leaders to receive new leadership style (Homans, 2017). The leadership style which an organization receives will add to the achievement or disappointment of a business, as it will either decidedly or adversely impact the activities of the representatives (Asrar-ul Haq & Kuchinke, 2016).

Homans (2017), states that we are at present living in an unstable world in which business leaders are required to lead in new ways. The conventional leadership techniques are not proper to manage the present condition which is always showing signs of change. Leaders are presently anticipated that would work their association in an unpredictable domain which faces consistent vulnerability and vagueness in connection to basic leadership. In this unstable world all together for an organization to be effective, leaders are required to stay concentrated on their central goal and their qualities. Leaders are likewise required to adjust and the organization to the evolving conditions.

It is said to be imperative for the impact of the leadership style on the workers to be resolved so as to finish up whether authentic leadership will be powerful in the contemporary world. As true authority is a potential answer for the present leadership deficiencies, this investigation will decide how valid initiative effects on worker conduct. It is imperative to decide if authentic leadership emphatically or contrarily impacts on worker conduct as this will help decide if organizations (on a worldwide and nearby level) ought to embrace valid authentic leadership or not (Blackman, Heidrich, Donachie, McBride, & Holder, 1990). HR is the significant supporter of association achievement and accordingly should be overseen adequately. Human assets is a standout amongst the most critical segments of a strong plan of action. Without legitimate human asset administration, your framework winds up divided, impeding your efficiency and key objectives (Cain et al., 2015).

One proposal is that authentic leaders create and impact their supporters by strengthening them with positive mental states, which are helpful for their execution (Gardner & Schermerhorn, 2004). Walumbwa et al. (2010) have discovered that authentic leadership is emphatically related with positive job performance work execution, organizational Citizenship behavior, and work commitment. Authentic leadership is positively associated with job performance; employees idealize the authentic leader due to his authentic conduct and follow him positively (Wang, Sui, Luthans, Wang, & Wu, 2014). Typically folks have a propensity to copy leaders. A leader can straightforwardly impact their workers’ or devotees’ inspiration through their conduct, identity and additionally psychological path bringing about either reassuring or debilitating their representatives or adherents (Ellen Mathisen, Einarsen, & Mykletun, 2012).

Gruenfeld and Zander (2011) expressed that authentic leadership can be negative if the leaders credible self is negative. Stressing the significance of a leaders being credible may likewise give certain leaders a reason for carrying on unethically, as what falls into place without any issues for them, May truth be told, be negative. Hence, it is imperative for leaders to likewise examine him/her and his/her weaknesses, guaranteeing that s/he adjusts conduct to perform to his/her best capacity. As Avolio et al. (2004) revealed that personality of supporters will be influenced leaders as leaders are legit, steadfast and into the work. Employees under ALs will show extra constructive outcome and performance (Cain et al., 2015).

H1: Authentic leadership is positively and significantly related to employee performance.

Intrinsic Motivation as Moderator Between Authentic Leadership and Job Performance

Motivated and excited employees are basic ingredient in gaining competitive advantage in this day and age. It is era of hyper changes in the industry so it’s a need of the organization to have talented and motivated employees for their survival (Simmons & Sower, 2012). Intrinsic motivation is the individual’s inward motivation on him to accomplish something as indicated by him and the reason can be to look for learning, for satisfaction or to accomplish a particular objective (Nawaz et al., 2010).

Employee needs motivation which leads to the positive employee performance. Motivational elements affect in transit in which a representative executes his/her activity and urges workers to play out their part at an elevated requirement. Workers observe these motivational elements to be characteristically fulfilling, because of the part these components play in meeting the mental needs of the employees. Motivational components incorporate workers being perceived by the leader for their commitments to authoritative achievement. Acknowledgment by leader enhances levels of trust in the organization, as it educates employees that their thoughts are valued. Which motivates them intrinsically (Vu, Beeson, Span, Farquhar, & Marletta, 2014).
Employee motivation is how much the organization gives him flexibility, freedom and attentiveness in planning the work and completing it (Hackman, 1980) more over In the lodging business, we fight that the level of worker self-governance is administered by two motivations, "intrinsic and extrinsic motivation (Gagné & Deci, 2005)."

A relation exists between decision making and intrinsic motivation (Patall, Cooper, & Robinson, 2008). Essentially, naturally inspired understudies have been found to all the more effectively take part in learning also, educating, while extraneously inspired people are more inert (Benware & Deci, 1984).

The individuals who discover a task more interesting and individual is intrinsically motivated than individual will use a higher level of power or exertion in its generation. For case, the satisfaction in adapting new material and refreshing abilities has been connected to the level of exertion attendants consume under complex learning circumstances (Simons, Dewitte, & Lens, 2004).

**H2:** Intrinsic motivation moderated the relationship between authentic leadership and employee performance.

**Theoretical Framework**

![Conceptual Framework]

Figure 1 Conceptual Framework

**METHODOLOGY**

**Sampling & Procedure**

Convenience sampling technique was used to collect data. Data were collected over the period of 4 months. Respondents were from the organization of twin cities (Rawalpindi and Islamabad). Both private and public sector organizations of Rawalpindi and Islamabad were used for data collection. Data was calculated by questionnaire SPSS software was used to analysis the data. Correlation and regression analysis was used to observe the data correlation and regression explains the variables to what extend related with variables. Five point likert scale was used in questioners (Strongly disagree to strongly agree). 200 responded select for data collection and 200 questioners were distributed. Questioners were returned at the response rate of 63%.

**Measurements**

**Authentic leadership:** AL was measured using 16_item scale given by Avolio et al. (2004). It was likely to ask from employee about their perception of leadership style used. Five point likert scale was used to measure AL. The reliability of scale was 0.717.

**Intrinsic motivation:** Intrinsic motivation was measured by using Walumbwa et al. (2010) 3_item Scale. Five point likert scale was used in questioners. Reliability for the scale of intrinsic motivation was 0.719.

**Employee performance:** Reeder et al. (2009) scale was use to measure employee job performance in an organization. Scale consisted 11 items. Likert scale (not at all likely to extremely likely) was used to measure employee performance. Scale reliability was 0.716.
RESULTS

Table 1 **CORRELATION ANALYSIS**

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>S.D</th>
<th>AL</th>
<th>EP</th>
<th>IM</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Authentic Leadership</td>
<td>3.4585</td>
<td>0.61891</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Employee Performance</td>
<td>3.0823</td>
<td>0.98120</td>
<td>0.130**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>3 Intrinsic Motivation</td>
<td>3.7589</td>
<td>0.54859</td>
<td>0.440*</td>
<td>0.126**</td>
<td>1</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

Correlation analysis is used to see the association between all factors. Table shows the significant relationship AL and JP where "r" was 0.130**.while relationship between’s IM and JP was additionally found where "r" was 0.126**. The relationship between’s AL and IM was likewise noteworthy where "r" was 0.440*.

Regression

Regression analysis was used to analyze the impact of AL on JB. In the 1st step demographic variables were controlled.

Table 2 **REGRESSION ANALYSIS**

<table>
<thead>
<tr>
<th></th>
<th>β</th>
<th>R²</th>
<th>△R²</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Step 1</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Control variables</td>
<td>.054</td>
<td>.054</td>
<td></td>
</tr>
<tr>
<td><strong>Step 2</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authentic leadership</td>
<td>0.224**</td>
<td>.076</td>
<td>.016</td>
</tr>
</tbody>
</table>

N = 150, Control variables, Gender, Age, Qualification and Experience

To see the impact of AL and EP the interaction term was computed, at that point demographic factors were controlled, Interaction term in the results shows that authentic leadership significantly positive relationship with employee performance as (β = .224**, p < 0.009) which leads to the acceptance to H1 that authentic leadership has significant positive relationship with employee performance.

Table 3 **REGRESSION ANALYSIS**

<table>
<thead>
<tr>
<th></th>
<th>β</th>
<th>R²</th>
<th>△R²</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Step 1</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Control variables</td>
<td>0.09</td>
<td>.09</td>
<td></td>
</tr>
<tr>
<td><strong>Step 2</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authentic leadership</td>
<td>0.243**</td>
<td>0.243**</td>
<td></td>
</tr>
<tr>
<td>Intrinsic motivation</td>
<td>0.279**</td>
<td>0.044</td>
<td>0.51**</td>
</tr>
<tr>
<td><strong>Step 3</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intrinsic motivation x authentic leadership</td>
<td>0.261**</td>
<td>0.081</td>
<td>0.022**</td>
</tr>
</tbody>
</table>

N = 200, Control variables, Gender, Age, Qualification and Experience
Demographics were controlled in the very first step. In the second step authentic leadership was also controlled and then in the third step results revealed that authentic leadership has significantly positive relationship with employee performance ($\beta = .261^{**}$, $p < 0.009$) and intrinsic motivation moderates the relation which leads to the acceptance of H2.

Results revealed that the interaction term of AL has strong support for JP and IM moderates the relationship between AL and JB. That leads to the acceptance of H2.

DISCUSSION

Our first hypothesis recommended that AL is significantly and positively related to JP. The results of regression analysis also showed that AL has a positive relationship JP. AL serves to shape the employee conduct, behavior to improve their performance. In this study we discussed that how this investigation broadens hypothetical comprehension of authentic leadership with employee performance and outline a few viable ramifications for leaders and employees (Lyubovnikova et al., 2017).

Our second hypothesis suggested that IM Act moderator between AL & JP and makes it more grounded. It is evident that leaders need to motivate employees that they need to get the essential outcomes for the organization. It can likewise be said that intrinsic motivation act as a catalyst to improve employee performance (Kiruja & Mukuru, 2018).

Pakistani culture is a high context society. Since high setting societies are more relationship arranged and have less spurred through express correspondence and formal data and learning, they will undoubtedly depend more on components, for example, social relations and leadership style, which if there should arise an occurrence of AL which motivate them do work. This expands their performance in the organization.

CONCLUSION & IMPLICATIONS

The Objective of this research was to explore that EP in organization can be enhanced by utilizing AL and IM makes this connection solid. In general there were sure outcomes, as we found that both the speculations were acknowledged and upheld by our outcomes.

Our first hypothesis recommended that AL is essentially connected with JP. The results of regression analysis also showed that AL has a positive relationship JP. Results showed that both hypothesis are accepted and supported by results additionally the center idea of JP is that it depends on down to earth and unmistakable moves made by organization. As AL emphasize on building the true and a genuine connection with devotees so an authority style likes then AL is somewhat an action which can be lead to positive job performance Our second hypothesis suggested that IM Act moderator between AL & JP and makes it more grounded. This hypothesis was likewise acknowledged. This hypothesis is valid in Pakistani situation as Pakistan is a high setting society. People from the high setting society turn out to be more propelled through the information looked for and spread for the most part through dialog with companions, colleagues, relatives and gossipy tidbits now and again This study has various theoretical and practical implications. Will add literature in leadership existing literature additionally the sample was from material industry which is an imperative segment of economy of Pakistan. It adds to well being writing by clarifying that in a creating nation like Pakistan where the workforce is all around uneducated so the part of authentic leadership is unquestionably imperative on the grounds that the workforce requires more direction and persistent security correspondence to guarantee a sheltered work environment.

By adapting AL the organizations in Pakistan can essentially enhance the wellbeing condition of their organization which at present is in bad state and that additionally by using less fiscal assets. Likewise the way that private proprietors would prefer not to assign a great part of the basic leadership capacity to bring down level of chain of command, so these outcomes additionally fortifies the way that without giving endlessly a lot of their administering power they can even now actualize the AL and can bring positive outcomes and simultaneously can enhance the wellbeing circumstance of association and also the workforce can have fulfillment that they are working in a sheltered situation.

LIMITATIONS OF STUDY

- Because of time limitation study sample was not substantial and large sample size would have been more fitting comprehension of causal relationship.
- Cross-sectional nature of study makes it hard to set up the intervention procedure.
• Due to restricted assets and time we couldn’t gather information from urban communities other than Islamabad and Rawalpindi.

FUTURE DIRECTIONS
• For Future research same variables can be studied with self-knowledge and self-consistency.
• Secondly researcher can research on how this leadership model can affect the overall organizational environment.
• Culture and trust can be used as mediator with same.

REFERENCES


