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# The Effects of Authentic Leadership on Employees' Well-Being and the Role of Relational Cohesion

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## Abstract

Authentic leadership has recently become a matter of significant interest in the fields of politics, economics, society, and culture as well as leadership. This study examines the effects of authentic leadership on employees' well-being and determines whether relational cohesion can regulate the effects that occur between the two. In this regard, the study conducted empirical research with 950 employees of Korea's leading manufacturers, public enterprises, and financial firms. The results demonstrated that team leaders' authentic leadership increased employees' eudaimonic well-being but did not significantly affect hedonic well-being. However, when there was a high perception of relational cohesion that showed collaborative and integrated relationships with team members, the effects of authentic leadership on employees' well-being were significantly positive, thereby verifying the interaction effect between the two. In particular, this result stemmed from controlling the effects of transformational and ethical leadership, both of which represent conventional forms of leadership, and is thus significant. Finally, the study provided in-depth discussions on the implications of the research results for organizations and teams.

**Keywords:** authentic leadership, hedonic well-being, eudaimonic well-being, relational cohesion, team leader, Korean firms

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## 1. Introduction

The concept of authentic leadership was introduced by various researchers and practitioners who perceived that there is a restriction to the market-oriented limitless competition paradigm. As conventional leadership theories came to lay too much stress on the eloquence, gestures, and skills of leaders in the 2000s, an increasing number of people thought of leadership

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as a means to satisfy the selfish interests and desires of business owners and managers [1]. The bankruptcy of the massive energy firm Enron in the USA triggered severe criticism over finances, firms, and capital used without morality; it also emphasized the need for morality among chief executive officers (CEOs). Under the free market economy, firms only emphasized showy leadership skills to produce maximum financial results in a short period of time: they made the error of determining the success of a leader only in terms of financial success [2].

Accordingly, researchers began to study the limitations of the existing forms of leadership [3–5]. They also showed interest in authentic leadership, whereby the leader is honest with himself/herself and strives to achieve goals based on genuine relationships with subordinates [6–8]. Authentic leadership indicates leadership that constantly practices self-awareness and self-regulation while exerting a positive influence on the leader, subordinates, and the organization [9]. In other words, authentic leaders perceive themselves in terms of an understanding of who they are by determining the advantages and disadvantages of their egos and making efforts to reduce the gap between their ideal egos and present egos through self-regulation. Unlike conventional leadership that affects performance by powerfully exerting authority over work and subordinates, leaders who are honest with themselves instead of others contribute more greatly to the long-term and short-term performance of organizations and teams.

Along with the changes in the leadership paradigm, another adjustment that modern organizations are facing is the expansion of the team-based system. This system began to expand in order to promote greater organizational performance and efficiency. It has now established its place in countless firms and become the most important unit for organizational performance. Korean firms are also actively using the team-based system to increase productivity, as in other countries. Further, the human resource (HR) system has changed to the extent that evaluation and reward are also based on teams. This approach places more stress on the leadership of the team leader who is the immediate supervisor of a team. The team leader's authentic leadership may have a significant effect on the attitudes and behaviors of team members. Accordingly, this study will analyze the effects of team leaders' authentic leadership on employees' well-being. Recently, an increasing amount of attention is paid to the well-being of employees within an organization, an approach that appears to produce good results [10]. Studies on performance have mostly focused on tangible and objective performance, such as hard performance [11]. Thus, the current study will consider employees' well-being, which can represent soft performance [12], as the key outcome variable, thereby determining the effects of team leaders' authentic leadership on hedonic and eudaimonic well-being. While hedonic well-being is intended to gain happiness by obtaining pleasure and avoiding pain, eudaimonic well-being seeks profound happiness and self-realization beyond present pleasure and satisfaction [5, 13, 14].

Furthermore, it is argued that relational cohesion among team members in a situation whereby a team's performance leads to an organization's performance may moderate the effects of authentic leadership on employees' well-being. Since task interdependence increases among team members and teamwork is important, the effects of relationships among team members may be significant alongside the leadership style of the team leader. Relational cohesion shows an awareness that integrated social entity should be maintained among people in terms of their relationships [15]; thus, it can be a driving force that leads to high performance.

Based on the issues raised thus far, this study first verifies whether authentic leadership helps the positive health of employees by determining the effects of authentic leadership on hedonic and eudaimonic well-being among employees of manufacturers, financial firms, and public enterprises. In particular, this study expects to verify whether there is a pure effect of authentic leadership by controlling the effects of transformational leadership, which is known to be very effective, and ethical leadership, which is known to be conceptually similar to authentic leadership. Second, this study will verify the interaction effect with authentic leadership by examining whether relational cohesion among team members moderates the relationship between authentic leadership and employees' well-being. Finally, based on the results of the verifications, this study will provide theoretical and practical implications for actual workers of organizations by determining whether authentic leadership can be an alternative for conventional leadership.

## **2. Theoretical background**

### **2.1. Authentic leadership and employees' well-being**

Authentic leadership is "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" ([16], p. 94). Researchers present slightly different elements of authentic leadership; however, self-awareness and self-regulation are commonly provided by many researchers [4, 6, 17]. Self-awareness is realizing and clearly perceiving a leader's values, identity, and purposes [6, 9]. This is a concept that includes acting toward a true self based on the perception that one must know oneself and understand the relevant vision and belief [18]. Self-regulation is about conducting certain behaviors and regulating such behaviors to minimize the gap between the ideal self and the real ego established through self-awareness [4, 6].

In addition, relational transparency and balanced information processing between a leader and team members are viewed as constructs of authentic leadership. Relational transparency indicates that the leader can honestly show his/her ego to others including team members. In other words, the leader can open-mindedly talk about and reveal his/her negative aspects and shortcomings in addition to any positive aspects [16]. The way in which the leader, who is at a higher level in terms of the organizational hierarchy, reveals his/her weaknesses without constraint to team members and makes efforts to become closer in terms of relationships encourages the team members to trust the leader [16, 19]. Such trust ultimately contributes to building reliable and meaningful leader-member relationships [20]. Balanced information processing is objectively analyzing, reviewing, and processing related information in terms of the leader's decision-making. In other words, it indicates the ability of the leader to accept objections to his/her ideas and to accept criticisms of mistakes. In general, people have difficulty objectively analyzing or accepting criticisms and negative feedback about their weaknesses and faults. However, authentic leaders make efforts to accept such information, regardless of whether it decreases or increases self-esteem, as long as it is for the development of the organization and its members [4].

Since a leader is someone in a position who can affect the mental state of organizational members [21], he or she may affect employees' well-being. In the sense that authentic leaders are those who strive to make a positive organization by being honest to colleagues, team members, and the organization through self-awareness and self-regulation [9, 4, 12, 22], authentic leadership will have positive effects on employees' well-being and health [23, 24]. Well-being is a cognitive representation, optimal function, and experience of individuals regarding the nature and experience of well-being [13]. In particular, many researchers thus far have conducted studies on well-being by classifying it into hedonic well-being and eudaimonic well-being, referring to the former as subjective well-being and the latter as psychological well-being [25].

Authentic leaders do not pretend to like something when they do not. Rather, they clearly understand their motives and desires in life. They are positive role models who can overcome stress in an organization where anxiety and mistrust are rampant because they do not feel uncomfortable about objectively examining their flaws and limitations. Accordingly, employees experience hedonic well-being, whereby they consider their stress-free conditions satisfactory and think that they have achieved the things that they wanted. Further, employees feel satisfied with their present lives because they see socialized authentic leaders who sacrifice themselves to achieve the goals of employees and the organization.

According to the self-determination theory, authentic integration may have positive effects on well-being. A leader's authenticity decreases employees' worries and concerns, relieves depressive symptoms, and lowers excessive stress. Moreover, authentic leaders form supportive relationships that increase employees' life satisfaction and lower negative effects [26]. These effects in turn positively influence hedonic well-being, which enables team members to experience pleasure and avoid negative experiences. The psychological support and empowerment provided by authentic leaders make team members satisfied with present conditions. Ultimately, a team leader's authentic leadership has positive effects on well-being by developing the self-determination of employees based on their absolute trust and positive emotions [22]. In this sense, the following hypothesis is established.

**H1:** A team leader's authentic leadership will have positive effects on employees' hedonic well-being.

Eudaimonic well-being indicates profound happiness pursued by humans as social beings [19, 27]; however, there is insufficient empirical research on the concept compared with hedonic well-being. However, recent studies argue that eudaimonic well-being is relatively a more important concept in positive psychological functioning [28]. While hedonic well-being is about enjoying present happiness (feeling good), eudaimonic well-being is finding oneself as a social being and getting closer to true happiness (being good) [29]. Well-being in a true sense is making efforts to find one's ego and feeling authentic happiness [5].

Discovering the meaning of work and helping team members find their callings are important roles of a leader [30]. In this sense, authentic leadership may bring psychological well-being through the positive process of making team members' lives more meaningful [31]. Authentic leadership focuses on self-development for employees in order to display their



true potential beyond hedonic well-being, which makes them satisfied with their present lives, and enjoy a pleasant experience without stress. It may also have positive effects on eudaimonic well-being, through which employees intend to live a life that helps others. These positive effects occur because meaning is what builds a crucial dimension of eudaimonic well-being. Authentic leaders make efforts to reduce the gap between realistic egos and ideal egos through self-regulation of behaviors based on self-awareness. Thus, their efforts to overcome limitations and become closer to ideal egos promote eudaimonic well-being, which represents employees' search for true self. This situation arises because a leader's authenticity stimulates team members' individual growth and helps them set self-consistent goals [19].

According to social learning theory, people determine how to behave based on the information they have obtained [32]. Thus, as employees consider as their role model an authentic leader who does his/her best to understand his/her goals and visions, and try to model themselves on the leader, they also give meaning and purpose to their lives and experience eudaimonic well-being, whereby they constantly strive for introspection and self-realization. In other words, as employees watch their team leader who makes constant efforts to clearly understand the driving forces in life and find a true self-image, they also make efforts to find out exactly who they are and develop their best potential.

In particular, authenticity requires leaders and their team members to change their egos' identities in the process of achieving true worth and the organization's missions [33]. This approach stimulates employees to accurately perceive who they really are in life. Authentic leaders also require team members to discover their possible selves by developing in addition to accomplishing the organization's mission [34]. This requirement has positive effects on eudaimonic well-being, whereby employees constantly make focus on introspection and self-realization. Accordingly, authentic leaders who are honest with themselves create a positive and supportive environment to build a positive mood [23], thereby helping employees develop the utmost potential and encouraging them to find meaning and purpose in life. In this sense, the following hypothesis is established.

**H2:** A team leader's authentic leadership will have positive effects on employees' eudaimonic well-being.

## **2.2. Moderating effect of relational cohesion on employees' well-being**

Relational cohesion may boost this relationship whereby a team leader's authentic leadership positively affects employees' well-being. This is because it is not too much to say that successful task performance in a team with high task dependency depends on how well a collaborative mood is formed among team members. The role of the team leader is important in successfully achieving the team's and the organization's goals; however, the relationship among team members, who must perform tasks together every day, is also highly important, in the sense that relational cohesion may contribute to their well-being. Relational cohesion is defined as "the perception by individuals in an exchange relation that their relationship is a distinct and unifying social entity" [15]. In other words, employees build trust among themselves depending on how close they are in their relationships with other team members

who perform the tasks with them. Based on the foregoing argument, a strong perception of relational cohesion in the sense that team members have an extremely close, collaborative, and united relationship with their teammates increases their level of well-being, thereby producing a strong synergy with the effect of authentic leadership.

According to social exchange theory, social exchange formed as team members perform tasks creates positive or negative global feelings, which promote intrinsic motivation and may affect employees' emotions [15]. A team's performance is determined by the success of exchange tasks, which further motivates employees who strongly perceive that relational cohesion maintains positive relationships with teammates. Because relational cohesion shows high immersion for a team since it focuses on the relational aspect of team members [35], it makes such team members perceive that they are currently living satisfactory lives. They also feel hedonic well-being because they have achieved the things they wanted. If teammates have a relationship that is too distant, conflicting, breakable, disruptive, and individual-oriented, they have a lower level of trust among themselves. This may result in negative effects on the well-being of individuals. However, if teammates perceive high relational cohesion, they have an improved ability to deal with a situation and experience hedonic well-being, which lowers stress. Employees working in a team must have more active contact and cooperation with their teammates to successfully perform the team's tasks. Thus, if they perceive high relational cohesion, they tend to maintain positive relationships with their teammates, thereby feeling more high-dimensional psychological well-being. Consequently, they experience eudaimonic well-being by making efforts to constantly develop their potential and give meaning and purpose to their lives beyond hedonic well-being.

The effects of authentic leadership of a team leader who strives to understand team members' motives and needs, and truly care for them, lead to the greater hedonic and eudaimonic well-being of employees because of the interaction with relational cohesion. In this sense, the following hypotheses are established.

**H3:** Relational cohesion will have a moderating effect on the relationship between authentic leadership and employees' hedonic well-being. In other words, higher relational cohesion will increase the positive effects of authentic leadership on employees' hedonic well-being.

**H4:** Relational cohesion will have a moderating effect on the relationship between authentic leadership and employees' eudaimonic well-being. In other words, higher relational cohesion will increase the positive effects of authentic leadership on employees' eudaimonic well-being.

### 3. Methods

#### 3.1. Participants and procedure

In order to test the foregoing hypotheses, a survey was conducted on employees working in manufacturing firms, financial firms, and public enterprises in Korea. First, we obtained

consent from the HR personnel of each firm after explaining the intent and importance of this study. We stated that the results of the research analysis are to be used for research purposes only and feedback of the results would be provided. We conducted three interviews with the HR personnel to ensure the adequacy and comprehension of the terms used in the survey. We then distributed the revised questionnaire to 1100 participants. After eliminating copies of the questionnaire that contained inappropriate and omitted responses for the key variables, an analysis was conducted on the data of 950 participants. These participants consisted of 98 employees in manufacturing, 570 in finance, and 282 in public enterprises. The demographic characteristics of the participants show that 48% are male and 50% are female and that their 20s' age is 528 and 30s' age is 312, with 83% of them college graduates.

In order to reduce common method bias that may damage the validity of measurement in the survey and contaminate the study results [36]), a survey on authentic leadership was conducted first. *Relational cohesion* and *well-being* variables were measured from the same employees after 2 weeks to allow for a time interval.

### 3.2. Measures

#### 3.2.1. Authentic leadership

The operational definition of authentic leadership is "being honest to oneself with high moral and ethical values and acting consistently with the values they expressed." The survey consisted of 21 items representing awareness, unbiased processing, behavior, and relational orientation [37]. Higher scores indicate higher perceptions of a team leader's authentic leadership. See **Table 1** in Section 4 for the detailed items of the questionnaire.

#### 3.2.2. Relational cohesion

The operational definition of relational cohesion is "perceiving one's relationship with teammates as collaborative, close, and highly cohesive." It was measured by seven adjectives developed by [35] as semantic differential scales. Conflicting words such as "cooperative" for higher scores and "conflictual" were arranged for the opposite side, making participants mark the words that best described their relationships with teammates.

#### 3.2.3. Hedonic well-being

The operational definition of hedonic well-being is "achieving the things they wanted and enjoying a satisfying life." It was measured by five items using the satisfaction with life scale of [38].

#### 3.2.4. Eudaimonic well-being

The operational definition of eudaimonic well-being is "clearly having goals and directions of life for introspection and self-realization." It was measured by five items related to the purpose of life and individual growth among the measurement items of [39].



<b>Authentic leadership (my team leader...)</b>	<b>Factor loading</b>
(1) Actively tries to understand which of him/herself aspects fit together to form his/her true self	0.82
(2) Has a very good understanding of why he/she does the things he/she does	0.80
(3) Actively attempts to understand him/herself as best as possible	0.81
(4) Often questions whether he/she really know what he/she want to accomplish in his/her lifetime (R)	0.76
(5) Is in touch with his/her motives and desire	0.74
(6) Frequently pretends to enjoy something when in actuality he/she really doesn't (R)	0.85
(7) Has often done things that he/she doesn't want to do merely not to disappoint people	0.81
(8) Finds that his/her behavior typically expresses his/her personal needs and desires	0.76
(9) Is willing to endure negative consequences by expressing his/her true beliefs about things	0.83
(10) Is very uncomfortable objectively considering his/her limitations and shortcomings (R)	0.88
(11) Finds it very difficult to critically assess him/herself (R)	0.81
(12) Tends to have difficulty accepting his/her personal faults, so he/she tries to cast them in a more positive way (R)	0.48
(13) If a close other and he/she is in disagreement he/she would rather ignore the issue than constructively work it out (R)	0.44
(14) Often denies the validity of any compliments that he/she receives (R)	0.58
(15) Wants close others to understand the real he/she rather than just his/her public persona or image	0.55
(16) Makes it a point to express to close others how much he/she truly cares for them	0.68
(17) The people he/she is close to can count on him/her being who she/he is regardless of what setting we are in	0.62
(18) It is important for him/her to understand his/her close others' needs and desires	0.63
<b>Relational cohesion</b>	<b>Factor loading</b>
(1) Distant - close	0.72
(2) Conflictual - cooperative	0.83
(3) Fragmenting - integrating	0.91
(4) Fragile - solid	0.95
(5) Cohesive - divisive	0.94
(6) Diverging - converging	0.90
(7) Self-oriented - team-oriented	0.85
<b>Hedonic well-being</b>	<b>Factor loading</b>
(1) In most ways my life is close to my ideals	0.88
(2) The conditions of my life are excellent	0.91
(3) I am satisfied with my life	0.89
(4) So far I have gotten the important things in my life	0.77
(5) If I could live my life over, I would change almost nothing	0.74

Eudaimonic well-being	Factor loading
(1) I have a sense of mastery and competence in managing the environment	0.82
(2) I acknowledge and accept multiple aspects of self	0.86
(3) I have goals in life and a sense of directedness	0.91
(4) I am able to choose or create contexts suitable to personal needs and values	0.91
(5) I have aims and objectives for living	0.90
<b>Model fit<sup>2</sup></b>	
$\chi^2 = 4430.94$ (df = 554, $p = 0.00$ ), IFI = 0.96, CFI = 0.96, RMSEA = 0.11, GFI = 0.72	
<sup>1</sup> Completely standardized solution.	
<sup>2</sup> df is degrees of freedom; RMSEA is root mean square error of approximation; and GFI is goodness of fit.	

**Table 1.** Results of confirmatory factor analysis (n = 950).<sup>1</sup>

### 3.2.5. Control variables

Finally, the study's results may be distorted by other factors that were not selected in verifying the effects of authentic leadership on employees' well-being. Accordingly, *gender*, *education level*, *marital status*, *duty*, *individualism*, and *collectivism* were controlled. In particular, it was intended to verify the pure effect of authentic leadership by controlling the effects of transformational leadership, which is known to be very effective thus far [40]. Transformational leadership is known to be a leadership style with systematically established construct validity. It can be applied quite universally [41, 42]. In this context, the effects of ethical leadership were also controlled. Ethical leadership is based on factors such as authentic leadership [43] and has many similar characteristics in the sense that such leaders are highly empathic with others, do not pursue their own interests, and treat others with respect.

## 4. Results

### 4.1. Preliminary analysis

First, a confirmatory factor analysis was conducted on four variables established in this study, and a further analysis was conducted excluding three items with low factor loadings of authentic leadership. The results and questionnaire items are shown in **Table 1**. The incremental fit index (IFI) and comparative fit index (CFI), which [44] argued must be reported in order to determine the goodness of fit of the model, both exceed 0.90. In addition, the measurement variables are loaded significantly on variables as originally intended, thereby securing the construct validity of variables. Cronbach's alpha was measured by conducting a reliability analysis based on the above. The results show that authentic leadership is 0.92,

relational cohesion is 0.96, hedonic well-being is 0.92, and eudaimonic well-being is 0.95, satisfying the condition that reliability is secured when it is at least 0.70 in general [45].

Prior to the actual testing of the hypotheses, a correlation analysis was conducted to determine the relevance among variables. The correlation among control variables shows that male and married employees have high positive correlations with hedonic well-being/eudaimonic well-being. Moreover, college graduates or higher show a positive correlation with hedonic well-being. Individualism and collectivism also showed a positive correlation with hedonic well-being/eudaimonic well-being. Above all, transformational leadership and ethical leadership show strong positive correlations with the key variables, increasing their validity as control variables. The correlation among the key variables shows that authentic leadership has strong positive correlations with hedonic well-being (0.246,  $p < 0.01$ ) and eudaimonic well-being (0.313,  $p < 0.01$ ). *Relational cohesion* (a moderating variable) also shows strong positive correlations with hedonic well-being (0.381,  $p < 0.01$ ) and eudaimonic well-being (0.387,  $p < 0.01$ ). These results suggest the validity of the hypotheses. **Table 2** presents the results of the correlation analysis.

#### 4.2. Test of hypotheses

A hierarchical regression analysis was used to test the hypotheses. The results are presented in **Table 3**. Model 1 shows the effects of control variables. College graduates or higher and employees with a strong collective disposition tend to perceive higher hedonic well-being (respectively,  $\beta = 0.26$ ,  $p < 0.05$ ;  $\beta = 0.30$ ,  $p < 0.001$ ). Moreover, employees in manufacturing show lower hedonic well-being and eudaimonic well-being compared with those in finance and public enterprises, indicating that there are differences among industries (respectively,  $\beta = -0.31$ ,  $p < 0.01$ ;  $\beta = -0.29$ ,  $p < 0.01$ ). In addition, employees with high individualism and collectivism perceive higher eudaimonic well-being (respectively,  $\beta = 0.12$ ,  $p < 0.001$ ;  $\beta = 0.28$ ,  $p < 0.001$ ). Lastly, the effects of ethical leadership on well-being are not significant; however, the direct effects of transformational leadership on hedonic and eudaimonic well-being are strong, thereby showing validity as a control variable (respectively,  $\beta = 0.28$ ,  $p < 0.001$ ;  $\beta = 0.30$ ,  $p < 0.001$ ).

As presented in Model 2, which shows the direct effects of authentic leadership, these effects on hedonic well-being are not significant, thereby rejecting Hypothesis 1 ( $\beta = -0.03$ , ns). However, as expected, authentic leadership has positive effects on eudaimonic well-being, thereby confirming Hypothesis 2 ( $\beta = 0.10$ ,  $p < 0.10$ ). Model 3 shows the effects of relational cohesion. These effects on hedonic and eudaimonic well-being are both significant (respectively,  $\beta = 0.26$ ,  $p < 0.001$ ;  $\beta = 0.22$ ,  $p < 0.001$ ).

Finally, Model 4 verifies the moderating effect of relational cohesion. Here, the interaction effect on hedonic well-being is positive ( $\beta = 0.04$ ,  $p < 0.10$ ). In other words, although the direct effects of authentic leadership on hedonic well-being are not significant, if relational cohesion is highly perceived, as shown in the graphs of **Figure 1**, the effects of authentic leadership are positive. Likewise, the interaction effect on eudaimonic well-being is also positive, thereby proving that the moderating effect of relational cohesion is significant ( $\beta = 0.10$ ,  $p < 0.001$ ).

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
(1) Industry 1	1													
(2) Industry 2	−0.22**	1												
(3) General employee	−0.02	−0.25**	1											
(4) Gender	0.21**	−0.08**	−0.31**	1										
(5) Marital status	−0.05	0.26**	−0.57**	0.24**	1									
(6) Education	0.03	0.06	−0.08**	0.16**	−0.00	1								
(7) Individualism	0.06*	−0.25	−0.01	0.22**	0.02	−0.03	1							
(8) Collectivism	−0.02	0.06	−0.12**	0.19**	0.12**	0.02	0.23**	1						
(9) Transformational leadership	−0.03	0.27**	−0.06	0.12**	0.13**	0.02	0.09**	0.37**	1					
(10) Ethical leadership	−0.03	0.08*	−0.02	0.16**	0.07*	0.00	0.14**	0.41**	0.69**	1				
(11) Authentic leadership	−0.03	0.10**	0.00	0.10**	0.03	−0.01	0.05	0.35**	0.65**	0.84**	1			
(12) Relational cohesion	−0.03	−0.00	−0.01	0.10**	0.05	0.02	0.12*	0.33**	0.36**	0.35**	0.34**	1		
(13) Hedonic well-being	−0.09**	0.15**	−0.12**	0.10**	0.15**	0.08**	0.09**	0.32**	0.36**	0.27**	0.24**	0.38**	1	
(14) Eudaimonic well-being	−0.09**	0.14**	−0.06*	0.12**	0.08*	0.05	0.17**	0.35**	0.40**	0.31**	0.31**	0.38**	0.64**	1
Means	.10	.30	.45	.49	.49	.87	4.03	4.85	5.12	5.23	5.15	4.99	4.45	4.92
SD	.30	.46	.50	.50	.50	.34	1.01	.82	1.22	1.23	1.03	1.16	1.16	1.10

\*  $p < 0.05$ , \*\*  $p < 0.01$  (two-tailed).

<sup>2</sup>Industry 1 = manufacturer; others = 0 dummy variables.

<sup>3</sup>Industry 2 = public enterprise; others = 0 dummy variables.

<sup>4</sup>General employee, male, married, and college graduate = 1; others = 0 dummy variables.

**Table 2.** Means, standard deviations, and correlations between the key variables ( $n = 950$ )<sup>1</sup>.

Variables	Hedonic well-being				Eudaimonic well-being			
	Model 1	Model 2	Model 3	Model 4	Model 1	Model 2	Model 3	Model 4
<b>Control variables</b>								
Industry 1 <sup>2</sup>	-0.31 <sup>†</sup>	-0.31*	-0.26*	-0.24*	-0.29**	-0.28**	-0.24*	-0.21*
Industry 2 <sup>3</sup>	0.04	0.03	0.11	0.10	0.13 <sup>†</sup>	0.14 <sup>†</sup>	0.20*	0.19*
Employee <sup>4</sup>	-0.09	-0.09	-0.09	-0.10	0.05	0.05	0.05	0.03
Gender <sup>4</sup>	0.00	0.00	-0.00	-0.00	0.08	0.08	0.08	0.07
Marital status <sup>4</sup>	0.13	0.13	0.13	0.13	0.00	0.01	0.00	0.00
Educational background <sup>4</sup>	0.25*	0.25*	0.22*	0.23*	0.15	0.15	0.13	0.15 <sup>†</sup>
Individualism	0.02	0.02	0.01	0.02	0.11***	0.12***	0.11***	0.12***
collectivism	0.30***	0.30***	0.22***	0.22***	0.27***	0.27***	0.21***	0.20***
Transformational leadership	0.28***	0.28***	0.23***	0.23***	0.29***	0.28***	0.23***	0.24***
Ethical leadership	-0.01	0.00	0.00	0.01	-0.01	-0.07	-0.07	-0.05
<b>Independent variable</b>								
Authentic leadership		-0.03	-0.07	-0.30*		0.10 <sup>†</sup>	0.06	-0.44***
<b>Moderating variable</b>								
Relational cohesion			0.25***	0.03			0.22***	-0.29*
<b>Interaction</b>								
Authentic leadership × relational cohesion				0.04 <sup>†</sup>				0.10***
R <sup>2</sup>	0.210	0.211	0.262	0.264	0.248	0.251	0.294	0.907
F-value	24.428***	21.311***	25.970***	24.239***	29.074***	26.755***	30.432***	29.900***

<sup>†</sup> p < 0.10, \* p < 0.05, \*\* p < 0.01, and \*\*\* p < 0.001 (two-tailed).

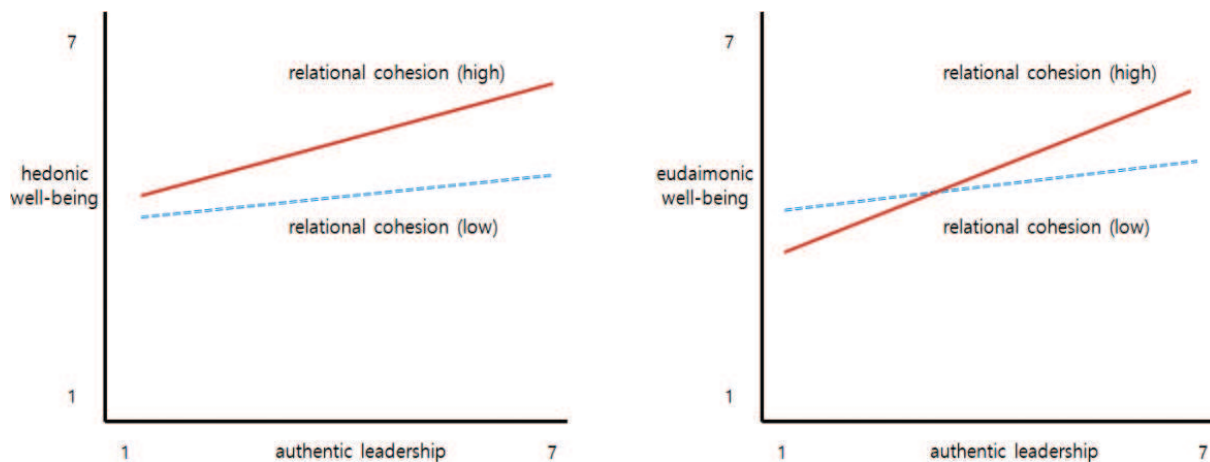
<sup>2</sup>Industry 1 = manufacturer; others = 0 dummy variables.

<sup>3</sup>Industry 2 = public enterprise; others = 0 dummy variables.

<sup>4</sup>General employee, male, married, and college graduate = 1; others = 0 dummy variables.

**Table 3.** Result of hierarchical regression analysis (n = 950)<sup>1</sup>.





**Figure 1.** Moderating effect of variance in relational cohesion.

## 5. Conclusion

### 5.1. Discussion and conclusions

This study introduced the need for authentic leadership, which still has a short history and lacks empirical research, and identified the possibility of authentic leadership in Korean organizations through an empirical study. It verified the effects of authentic leadership, as an alternative to various leadership styles, on employees' well-being. It also considered the moderating effect of relational cohesion among team members, with the following theoretical implication.

First, this study determined the relationship between leadership and well-being by adopting well-being as a soft performance, beyond tangibly displayed employee behaviors and organizational performance [12], as an outcome variable. As a result, authentic leaders who are honest with themselves and express consistent behaviors through self-regulation have positive effects on employees' well-being. Authentic leaders themselves display leadership based on clear missions and values, through which they help employees to develop their utmost potential and strive for self-realization. The self-sacrifices of authentic leaders and their aspects as social leaders lead employees to identify themselves with a given mission, thereby helping them to seek true happiness [5]. In other words, authentic leaders have positive effects on psychological well-being that help employees to find out exactly who they are and set clearer goals and directions in life.

Second, this study determined the moderating effect of relational cohesion in the effects of team leaders' authentic leadership on employees' well-being. In particular, although there are no direct effects of authentic leadership on employees' hedonic well-being, whereby team members perceive that they are united, team-oriented, and highly cohesive, team leaders' authentic leadership may contribute to increasing the current satisfaction of employees. This finding indicates that the relationship among team members who perform tasks together is very important in addition to a team leader's authentic leadership in order for employees to feel hedonic well-being.

Third, this study has significance in that it determined the pure effects of authentic leadership after controlling for the effects of transformational leadership and ethical leadership, both of which are known to have positive effects on performance in prior leadership studies. This implies that the true pursuit of happiness for employees can be boosted by authentic leaders.

Fourth, individualism and collectivism, which were added to control for individual dispositions, show positive effects on employees' well-being. It is true that individualism and collectivism are regarded as two conflicting concepts at opposite ends of the spectrum; however, this finding implies that the arguments claiming to regard these concepts on two different axes [46] can also be persuasive. In the sense that both individualism and collectivism can be high, it seems that individualism, which is shown in a situation where autonomy and independence are emphasized, and collectivism, regarding collective norms and the achievement of harmony, both increase psychological well-being.

Based on the results, managers in organizations must think once again about leadership training that has focused on behavioral approaches for the purpose of short-term performance [47]. In this regard, they must reconsider the issue of authenticity instead. In other words, because authentic leadership deals with the fundamental issues of other leadership styles, it seems important to turn leadership training that has focused on leadership skills and short-term performance into training programs that nurture individual authenticity and constantly develop the qualities that leaders need through self-awareness. A leader's authenticity not only boosts employees' understanding of the meaning of life; it also serves as a crucial factor that generates positive emotions in this mentally vulnerable era. In addition, it is important to create an environment where team members are not divided but are united and team-oriented when performing their tasks, especially in the real world where a team's performance indicates an organization's performance. This relational cohesion can increase hedonic well-being in a way that cannot be achieved solely by authentic leadership.

## 5.2. Limitations and future research

This study has the following limitations in terms of empirical research.

First, this study conducted a survey of employees working in manufacturing businesses, financial firms, and public enterprises that are typical of Korea; however, additional research must be conducted on a greater number of employees from more diverse industries in order to generalize the results.

Second, this study considered the time interval required for a display of leadership by conducting a survey on relational cohesion and well-being variables from the same employees 2 weeks after measuring authentic leadership. The aim was to reduce common method bias, which is recently emerging as a significant methodological issue. However, this approach was limited because the analysis was conducted only on the employees' responses. It seems necessary to conduct a multilevel analysis by also asking the team leaders about the outcome variables or moderating variables when analyzing the team leaders' leadership effects.

Finally, the following suggestions can be made in order to overcome the foregoing limitations and determine the possibility of authentic leadership in Korean organizations.

First, the effects of authentic leadership that can be the fundamental root of various leadership styles were verified; however, the components and measurement tools used in this study were directly adopted from those developed in the USA. Thus, it is necessary to develop authentic leadership questionnaires that can be applied to the unique circumstances of Korea, and that reflect cultural differences, by conducting in-depth interviews with members of Korean organizations and undertaking case studies of various industries and organizations. It is also necessary to repeat the validity testing of various constructs that are known to be the key components of authentic leadership.

Second, it is necessary to accept the recently increasing criticism of authentic leadership, such as the issue that it is theory-oriented and lacks content in authenticity measurement. Moreover, authentic leadership is unclear in relation to, and in terms of differentiation from, existing leadership theories. Thus, studies must be conducted to help resolve such limitations, differences, and criticisms [48, 49].

Third, the potential of authentic leadership can be expanded by testing whether authentic leaders can increase people's well-being in other social sectors, such as public, military, political, and religious groups, based on the effects of authentic leadership in this study. This testing is necessary because the lack of authenticity may not be an issue limited only to firms. The findings may then contribute to the generalization of the study's results.

Finally, the unethical and greedy behaviors of senior management that have been recently encountered may be due to the environment because we cannot distinguish authentic leaders from pseudo leaders, rather than because of the lack of leadership in Korea. Thus, there is a specific emphasis needed on authenticity through which leaders obtain character improvements by means of self-awareness and self-regulation. Such an emphasis can also help leaders to turn their assumptions about visions, missions, and identities into action, which should be more than the style, skills, and oratory displayed when they demonstrate their influence over subordinates. Accordingly, beyond the direct effects of authentic leadership on employees' well-being, the important task is to find new process factors by verifying various processes and mechanisms to connect the two.

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