Authentic Leaders for an Engaged and Satisfied Workforce: An Evidence from India

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Abstract

Purpose - Although there has been a considerable increase in studies undertaken on the issues and impact of authentic leadership, the limited focus has been given to such studies in Asia (in particular, India). The study inspects the influence that authentic leaders command on the engagement levels and job satisfaction of the Indian workforce.

Design/Methodology/Approach - 213 restaurant employees from north India were included in the study. Structured questionnaires were distributed, and hierarchical regression was administered for higher-order analysis of the data obtained.

Findings - Results indicate a healthy and favorable relationship among the three variables authentic leadership style, job satisfaction, and employee engagement for the Indian restaurant employees.

Implications - The findings of the current study will help Indian organizations enhance engagement levels and increase the employees' job satisfaction. Positivity in a leader may also affect the retention of talented workforce for an organization.

Originality/Value - The study explores the possibility of authentic leadership in India. It explains the contribution of authentic leadership towards having an engaged workforce and towards enhancing their job satisfaction.

Keywords - Leadership, authentic leadership, employee engagement, job satisfaction, restaurants.

Paper Type - Research Paper.

1. Introduction

By 2024, India will convert itself into the world's third-largest economy (Worstall, 2014; Bhutani, 2020). As young Indians are now more inclined towards entrepreneurship (Dana, 2000), it has led to a significant increase in Indian household income. This increase in personal income, along with the arrival of Global fast-food chains like KFC, McDonald's, Dominos, etc. in the past few decades, has influenced and contributed to a better-organized restaurant industry of India (Sharma and Singh, 2016). The concept of QSRs or the 'Quick Service Restaurants' that constitute full-service restaurants, fast food outlets, streets kiosk stalls, and cafes & bars have increased exponentially in the past few years (KPMG, 2016).

Hectic schedules, increasing female workforce, changing consumer lifestyle, increasing farm to firm linkages and company contract farming are some of the many factors that in the next few years will further boost the organized food services sector in India (KPMG; 2016; Srivastava, 2017). According to a study by the National Restaurant Association of India (2016), the Indian restaurant sector will grow up to 75 billion USD by the year 2021, making the Indian restaurant industry a pivotal contributor to the Indian booming economic growth. Extant literature considers leadership as a vital factor for success (Chan 2010) and sustainability (Bennis, 1989) of an organization. The service industry considers leadership style very crucial as it affects employee loyalty (Babakus, Yavas, Karatepe, and Avci, 2003). Service industry (including restaurant industry) consistently demands long working hours
from its employees, and therefore, teamwork and trust between a leader and its subordinates essential for these organisations’ success (Ford and Heaton, 1999). A certain degree of positivity is required in leaders today to foster a conducive work environment based on mutual trust and effective teamwork. Thus, leaders who treat their employees authentically are considered to be more effective in recent times (Kouzes and Posner, 2007; Semedo, Coelho and Ribeiro, 2018).

Authentic leadership as a topic of academic research (see Gardner, Cogliser, Davis and Dickens, 2011; Wang, Schaubroeck, and Avolio, 2010) has received significant attention in recent times. For organizations based in the West, efforts have been made to link employee engagement and authentic leadership (See Walumbwa et al., 2010), but in the context of Asian settings, such research is rare. Studies on authentic leaders in Indian organizations and their effect on worker's productivity are again minimal and mostly insignificant to develop an understanding of the concept. Like authentic leadership, employee engagement is considered equally vital for Indian organizations as it helps them increase their competitive advantage (Sharma and Garg, 2017). In their study, Sharma & Singh (2016) emphasize that leadership plays a significant role in the restaurant industry; therefore, it seems appropriate to examine whether authentic leadership can enhance employee engagement.

Restaurant industry is considered different from other service industries in terms of its production, delivery, and consumption of products (Hancer and George, 2003). Employees' work-life quality can be an important factor contributing to restaurants' failure (Parsa, Self, Njite, and King, 2005). Therefore, to have effective customer retention and organizational success, employees working in a restaurant need to be satisfied with their jobs and working conditions (Hancer and George, 2003). The role of leadership is thus essential for employee satisfaction and retention.

Avolio et al. (2004) indicated authentic leaders' role with followers' higher job commitment, satisfaction, and ultimately their enhanced job performance. However, such empirical shreds of evidence are still few and need further exploration (Avolio et al. 2009). The present study provides empirical evidence and thus contributes to the literature on leadership and job satisfaction. Further, the study is also imperative as past research suggests that the relationship between the employees and their superiors in Asia is different from Western organizations (Yang, 2006). Jacques, Garger, Lee, and Ko (2015) also argued that culture has a decisive influence on leadership, and there is a significant difference in understanding of leadership between Western and Asian cultures. Avolio et al. (2009) also suggested studying authentic leadership and its impact across different cultures. Also, Dana (2002) stressed the importance of entrepreneurship in the sustenance of developing economies. As the restaurant industry is one of the leading among the service sector towards the Indian economy, it is imperative to understand how leadership can influence employee behaviour in Indian restaurants. The current study further strengthens the limited body of research on authentic leadership in Indian work culture and how it impacts employee engagement and job satisfaction among employees.

2. Literature review and hypotheses development

The growing interest among researchers towards examining the positivity between various leadership styles has led to the emergence of newer concepts such as authentic leadership. Positivity in leadership practices and a 'genuine desire to serve others' are considered the main differentiating factors present in authentic leadership that differentiate from other kinds of leadership (Avolio et al., 2004; George, 2003). Walumbwa et al. (2008) defined authentic leaders as those who 'treat their employees/followers authentically, are consistent between their values and actions and work together with the employees for the organization's benefit.' Authentic leaders believe in their personal values and convictions and act by them. It helps them build trust with followers and earn their respect (Avolio et al., 2004). Contemporary research has suggested that authentic leaders positively affect followers' behaviour, attitudes, and performance. Hence, it is essential to examine these relationships for the unique sample and work settings.
2.1 Authentic leadership and employee engagement

Research considers employee engagement as a positive concept (Jeung, 2011). It is defined as 'an individual worker's emotional, cognitive, and behavioural state towards organizational outcomes' (Shuck and Wollard, 2010). Past research has indicated that engaged employees exhibit improved organizational performance (Sharma and Singh, 2018) as engaged employees advance organizational processes and operations (Markos and Sridi, 2010). Gardner et al. (2005) reported that authentic leaders demonstrate integrity through their work, develop trust with their followers, maintain openness with them, and demonstrate sustained performance. These acts of authentic leaders thus improve followers' intrinsic motivation (Ilies, Morgeson, and Nahrgang, 2005) and help followers with their need satisfaction and in the achievement of their goals (Gardner et al., 2005). In due course, these leaders' positive modelling and vision foster employees' intrinsic motivation to resemble their extrinsic motivation, making organizational goals more meaningful (Ryan and Deci 2000). George (2003) also asserted that authentic leaders motivate their followers and create a sense of purpose to improve their efforts and deliver better workplace outcomes.

The influence of authentic leadership on engagement has been previously examined through research in the field of human resources, OB and psychology. Mills, Fleck, and Kozikowski (2013) found that authentic leadership inspires the employees best among all leadership styles. Luthans, Avolio, Avey, and Norman (2007) reported that employee performance increases when there is less fluctuation at work (Peterson and Luthans, 2003), leading to an increase in employee engagement levels. Other contemporary research (see Walumbwa et al., 2010) also suggests that authentic leadership may foster superior engagement levels among workforce. It is thus hypothesized that:

H1: Authentic leadership has a positive effect on employee engagement

2.2 Authentic leadership and job satisfaction

Within the sphere of organizational behaviour, job satisfaction is often linked with interpersonal treatment (Lim and Cortina, 2005; Sharma and Singh, 2016). Extant research (such as Jensen and Luthans, 2006) indicates that employees' fair and caring treatment preserve their positivity and commitment towards their jobs and organization. Managers who are perceived as authentic and those who practice authentic leadership, build trust with their employees and helps in increasing their self-confidence (Ilies et al., 2005). This trust in the supervisor/leader plays a vital role in increasing employee satisfaction (Dirks & Ferrin, 2002). Authentic leadership is credited with developing employees' identification with their supervisor (Sparrowe, 2005), which leads to a better work relationship between them, making employees satisfied at work.

There is some literature support available for the relationship between the two variables. Studies conducted by Walumbwa et al. (2010) and Giallonardo et al. (2010) and colleagues predicted that authentic leaders may be responsible for positive employee behaviours and other work-related outcomes (including job satisfaction). Wong and Laschinger (2013) also reported a positive relationship between the two variables. However, despite the existing literature support available for this relationship, it is not widely tested in Asian work settings and, in particular, the Indian service sector. Consequently, we hypothesized that:

H2: Authentic leadership has a positive effect on employee's job satisfaction.

3. Methodology and measurement

3.1 Participants

Data was collected from 213 restaurant employees from North India over three months using a simple random sampling method. 68.07% of all the respondents were male (n=145). The education profile of participants indicated that the majority of the employees (70.89%) were graduates (n=151) followed by intermediate (class XII equivalent) level of education (n=41). 64.32% of total employees belonged to the age bracket of 18-25 years (n=137), and 50.23% were having work experience (n=107) in the range of 3-4 years.
3.2 Procedure
Survey questionnaires were distributed to collect the data, and participants were contacted personally through visits to their workplace, usually in the late afternoon (during weekdays) when their customer inflows were expected less than the rest of the day. Survey booklets were provided to the selected employees explaining its objectives and research purpose. To allay any fears being related to their identification by the respective organization and further prevent the social desirability response, the participants were properly assured of their confidentiality and anonymity.

3.3 Instruments
The extant literature provides validated and standardized instruments on authentic leadership, employee engagement, and job satisfaction. These instruments were adopted and their construct validity was checked to see their applicability in the Indian context. Authentic leadership was measured using Fourteen items from the Authentic Leadership Inventory (ALI) given by Neider and Schriesheim (2011). 7-point Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree) was used. A sample item for this scale is, "My manager objectively analyzes relevant data before making decisions." For the present study, its internal consistency was found to be 0.81.

We used the standard Utrecht Work Engagement Scale (UWES-9) to register the responses for the 3 dimensions (vigour, dedication, and absorption) of employee engagement. Restaurant employees indicated their responses for items on a Likert scale ranging from 1 (never) to 7 (always). A Sample item from this scale is, "I find the work I do is full of meaning and purpose". The Cronbach's ? obtained for the present study was 0.78. Further, we measured the overall job satisfaction of the restaurant employees through the Michigan Organizational Assessment Questionnaire. All items in MOAQ were measured through a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). We found the internal consistency for this scale as 0.79.

3.4 Control variables
Past studies have found that gender, age, and work experience of employees can potentially affect their engagement (Sonnentag, 2003; Walumbwa et al., 2010). Therefore, to preclude any alternative explanations, these three demographic variables were used as control variables. Employee age was measured through five ranges. The "18-25 years" range was coded as 1, "26-35 years" was coded as 2, "36-45 years" was coded as 3, "46-55 years" was coded as 4 and "56 years and above" was coded as 5. Coding for gender was set as 1 for "males" and 2 for "females." Education was again divided into five categories. "Matriculation" was coded as 1, "Intermediate" was coded as 2, "Undergraduate" as 3, "Graduate" as 4, and "Post-graduate and higher" as 5. Lastly, Work experience was coded as 1 for "0-1 year", 2 for "1-2 years", 3 for "2-3 years", 4 for "3-4 years" and 5 for "4 years and more".

3.5 Validity test
Principal Component Analysis (as suggested by Cavana et al., 2001) was used to check the construct validity of items used in our survey. In order to test the sample adequacy, Bartlett test of sphericity and the Kaiser-Meyer-Olkin (KMO) were applied. Bartlett's test of sphericity for the items was found to be p=0.000 which is considered acceptable. The obtained statistical value for the KMO was also noted as 0.813, which falls within the acceptable range (0.5-1.0). Further, the PCA was administered. During the factor analysis, Varimax procedure was applied considering orthogonal rotation. The obtained eigenvalues for all constructs were found to be greater than the acceptable threshold of 1.0 (ranging from the value of 7.033 (highest) to 1.013 (lowest)) and the total variance explained for all the extracted factors accounted for 63.313 %. Also, as all the obtained factor loadings were having the value higher than 0.50, the instrument's convergent validity was established. All items were checked for any possible overlapping and the same were cleared to address the issues related to discriminant validity.
4. Data analysis

Table I given below presents the descriptives and correlations among the variables. We found that the Cronbach's Alpha value for key variables was well within the prescribed range of 0.72-0.91, as Rosenthal and Rosnow (1991) suggested for social science studies. During the preliminary analysis, a positive correlation between authentic leadership with the two dependent variables employee engagement (≤ 0.33; p< 0.01) and job satisfaction (≤ = 0.37; p < 0.01) was found. This finding provides support to the hypotheses for the current study.

<table>
<thead>
<tr>
<th>S.no</th>
<th>Variables</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
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<tbody>
<tr>
<td>1</td>
<td>Age</td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<td></td>
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<td>3</td>
<td>Education</td>
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<td>0.07</td>
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<td>4</td>
<td>Work Experience</td>
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<td>0.06</td>
<td>0.13</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>5</td>
<td>Authentic leadership</td>
<td>0.08</td>
<td>0.11</td>
<td>0.04</td>
<td>0.12</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Employee engagement</td>
<td>0.12**</td>
<td>0.07</td>
<td>0.06</td>
<td>0.21**</td>
<td>0.33**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Job satisfaction</td>
<td>0.13*</td>
<td>-0.09</td>
<td>0.04</td>
<td>0.07</td>
<td>0.37**</td>
<td>0.47**</td>
<td>0.91</td>
</tr>
<tr>
<td>8</td>
<td>Mean</td>
<td>1.72</td>
<td>1.22</td>
<td>3.01</td>
<td>4.13</td>
<td>3.83</td>
<td>2.73</td>
<td>4.91</td>
</tr>
<tr>
<td>9</td>
<td>SD</td>
<td>2.23</td>
<td>0.38</td>
<td>0.78</td>
<td>1.17</td>
<td>0.69</td>
<td>0.80</td>
<td>1.13</td>
</tr>
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</table>

n=213; *p<0.05; **p<0.01.

**Source:** Author's Calculations

Further, SPSS 21 was used to administer the hierarchical regression analysis. It helps in measuring the impact of authentic leadership on engagement levels and job satisfaction. The method involves two steps. While administering step 1, all three control variables (age, gender, education and employee's work experience) were entered, followed by Step II, in which authentic leadership was entered. Employee engagement and job satisfaction were the dependent variables for the analysis. This methodology helps to determine if authentic leadership contributes to the two dependent variables. Table II below provides the summary for hierarchical regression analysis.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Employee engagement</th>
<th>Job satisfaction</th>
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<tbody>
<tr>
<td></td>
<td>β</td>
<td>R²</td>
</tr>
<tr>
<td><strong>Step 1</strong></td>
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<td></td>
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<tr>
<td>Employee's age</td>
<td>0.04</td>
<td>0.01</td>
</tr>
<tr>
<td>Employee's gender</td>
<td>0.04</td>
<td>0.03</td>
</tr>
<tr>
<td>Employee's education</td>
<td>0.09</td>
<td>0.09</td>
</tr>
<tr>
<td><strong>Step 2</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authentic leadership</td>
<td>0.27*</td>
<td>0.33</td>
</tr>
</tbody>
</table>

n=213; p<0.05.

**Source:** Author’s Calculations

The present research's salient finding is that authentic leadership (? = 0.27; p < 0.05 and ? = 0.23; p < 0.05) was found to be a significant predictor of both the dependent variables i.e., employee engagement and job satisfaction among Indian restaurant employees. This provided support to both the hypotheses of the study. Notably, authentic leadership accounted for a 33% variation in employee engagement and a 26% variation in job satisfaction of Indian restaurant employees.

5. Discussion and implications

Because of the rapid growth of the Indian restaurant industry, this study aimed to study this undertested sector of India. Our primary purpose was to understand and explain the current theoretical underpinnings related to authentic leadership's effect on engagement levels and job satisfaction. The study's findings support the literature on authentic leadership and its impact on employee engagement and job satisfaction. The methodology used was appropriate for a social science study, and the findings align with previous research in this area.

The results indicate that authentic leadership positively influences employee engagement and job satisfaction among Indian restaurant employees. This finding has implications for restaurant management and policy. Managers can foster an authentic leadership style to enhance employee motivation and satisfaction, leading to a more engaged workforce. This can result in higher productivity and customer satisfaction, ultimately benefiting the restaurant's bottom line.

However, further research is needed to generalize these findings, considering the unique cultural context of the Indian restaurant industry. Additional studies could investigate the role of other factors, such as work environment and organizational support, in mediating the relationship between authentic leadership and employee outcomes. Furthermore, longitudinal research would provide insights into the sustainability of these effects over time.

The results of this study can also be used to inform training programs for restaurant managers. Training on authentic leadership could help improve employee engagement and job satisfaction, leading to a more positive work environment. Moreover, understanding the dynamics of authentic leadership in a restaurant setting can offer valuable insights for other service industries, where employee motivation and satisfaction are crucial.

In conclusion, the findings of this study highlight the importance of authentic leadership in the Indian restaurant industry. Managers are encouraged to adopt authentic leadership practices to enhance employee engagement and job satisfaction, thereby contributing to the overall success of their establishments.
job satisfaction for employees in the Indian context. We found that authentic leadership does have a positive and significant effect on both the dependent variables. Hypothesis 1 of the study stated that authentic leadership positively relates to employee engagement among Indian employees. As postulated, the finding provided support to Hypothesis 1, indicating the extended role of authentic leadership for Indian restaurant employees. This led to the revelation that the positivity in the leadership approach does help in engaging Indian employees. Previous studies (such as Schaufeli and Bakker, 2004) indicated that In an authentic leader's umbrella, employees feel safe, less constrained, and free from excessive work pressure, which increases their engagement with the organization. Our study reaffirms this relationship for the Indian restaurant industry.

Hypothesis 2 assumed that practicing authentic leadership would lead to better job satisfaction among employees. As hypothesized, the results supported this hypothesis, indicating authentic leadership's significance towards employee job satisfaction. Authentic leaders provide support to their subordinates that help with their motivation (Deci et al., 1989) and ultimately enhances their job satisfaction (Walumbwa et al., 2008). These findings guide us to conclude that fostering authentic leadership in Indian organizations (particularly the restaurant industry) is paramount for enhancing engagement levels and job satisfaction among these organizations' workforce. Although previous studies suggest that working under an authentic leader helps improving the various outcomes from the employee's perspective (such as Avolio and Gardner, 2005; Harvey, Martinko, and Gardner, 2006), the extent to which authentic leadership truly benefits employee engagement and job satisfaction among Indian employees is not thoroughly explored before. Based on the current study, it has been indicated that authentic leadership in Indian organizations can foster better job satisfaction and engagement among employees. Organizations must sustain their talented employees by improving their job satisfaction and engaging them highly with the organization; therefore, Indian restaurants must prepare organizational policies and culture to develop more authentic leadership practices to guide their workforce. One way of doing this is by sensitizing the top and middle-level management about the benefits of such leadership practices on employee engagement, employee motivation, and productivity. Organizations need to develop processes and mechanisms to bring more positivity to their leaders as it will help them to develop better practices for employee engagement and keep their employees satisfied.

6. Limitations, conclusion and directions for future research
Like all studies, our study also has a few limitations. First, the sample consisted only of employees working in Indian restaurants. The practice and prevalence of authentic leadership may vary across other sectors and industries. Future studies may consider samples from different industries. Secondly, as the responses were gathered through self-report questionnaires; hence, despite taking all cautionary measures like maintaining the anonymity of respondents (Dillman, 2007), there is still a little chance of social desirability bias (Pearson and Porath, 2004). Future studies shall consider other avenues for collecting relevant data. To further improve the subject scope for Indian organizations, researchers in the future may consider other variables for authentic leadership. Studies may also be conducted to find out the antecedents of authentic leadership in Indian settings. This may help develop relevant models for Indian organizations, and then a comparison can be drawn with such existing models from the West.

References


Further reading
