THE RELATIONSHIP BETWEEN AUTHENTIC LEADERSHIP AND EMPLOYEE VOICE: THE ROLE OF ORGANIZATIONAL IDENTIFICATION AS A MEDIATOR AND PERSONALITY TYPE AS A MODERATOR

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Abstract - Purpose –When do employees choose to express voice in high power distance organizations such as Egypt's? This study intends to answer this question by proposing a model of authentic leadership to investigate its effects on employee voice through the mediating role of organizational identification and the moderating role of personality type of employees.
Design/methodology/approach – A sample of 157 banking employees from Egypt was used to test the hypotheses. Structured Equation Modelling (SEM) was conducted to examine the proposed model.
Findings – The Results indicate thatthere is positive relation between authentic leadership and employee voice where organizational identification mediates the relation and proactive personality of employees act as moderator so that the relation is weaker when employees' proactive personality is higher.
Implications/limitations –The paper contributes to voice/silence literature by identifying organizational identification as the mediator in the relationship between authentic leadership and employee voice and contributes to the theme of substitute theory of leadership where proactive personality of employees can attenuate the effects of authentic leaders' role. Cross-sectional design was used to collect data.
Originality/value – By examining mediating effects, the paper contributes to uncovering the black box in which an employee exhibitsvoice as an extra-role behavior not in response to dissatisfactory situation.

Keywords - Employee Voice, Authentic Leadership, Organizational Identification.

I. INTRODUCTION

In today's complex environment, leaders face many challenges where they continuously need their employee voice — an informal voluntary extra-role form of employee upward communication intended to bring about improvement or change (Morrison, 2014). Voice with suggestions and ideas between an employee and her/his leader is seen to have substantial implications for growth and survival of organizations (Kumar & Mishra, 2016).In this study, it is used as an extra-role behavior rather than only in response to dissatisfaction. Research on Leadership shows that leaders play critical role in encouraging employees to speak up (Tangirala & Ramanujam, 2008).More precisely, employees are more likely to speak up when they perceivetheir leader to captivate authentic leadership, which involves set of leadership behaviors through which leaders enact their true selves (Gardner, Avolio, Luthans, May, & Walumbwa, 2005, Walumbwa, Avolio, Gardner, Wernsing, & Peterson, 2008). Meanwhile, authentic leaders need to give attention to the factors initiating voice behaviors.One antecedent of employee voice (Morrison, 2014) is organizational identification— the perception of oneness with or belongingness to the organization (Ashforth & Mael, 1989). As an employee feels more belonging to his/her organization, his desire tospeak up pretty much grows.Limited research attention is given to such underlying pathways through which authentic leadership affects employees to achieve the desired outcomes (Walumbwa, Luthans, Avey, & Oke, 2011).Also, current literatures attempt to understand the trend that focuses on when leadership is more or less effective rather than how leader affects employees' behaviors (Li, Chiaburu, Kirkman, & Xie, 2013). Little research is known about how effects ofleadership on employee behaviors vary across different factors (e.g.; Morrison, See, & Pan, 2015). One of the factors that are strongly linked to employee voice is proactive personality (Guenter, Schreurs & Emmerik, 2016). When an employee has a proactive personality — a disposition toward enacting, or changing, one's environment (Bateman & Crant, 1993) — it is highly expected that the leader influence on affecting his/her voice is lower. Hence, addressing the above research gaps, this paper develops and tests a theoretical model which comprises the effects of authentic leadership on employee voice discovering organizational identification as a mediator and proactive personality of employees as a moderator.

II. THEORY & HYPOTHESES DEVELOPMENT

Authentic Leadership & Employee Voice

A few empirical studies examine a relationship between authentic leadership and voice. One study developed by Hsiung (2012) found that authentic leadership is positively related to employee voice

where their positive mood and leader–member exchange quality mediate the relationship while procedural justice climate moderates the mediation effect. Guenter and his colleagues (2016) advanced that authentic leaders reduces silence in teams since they are the type of leaders who enact their true selves, listen carefully to their employees and thus motivate them to speak up. Silence and voice are distinct constructs but they are related in a way that involve the express or suppress of communication (Tangirala & Ramanujam, 2008). Liu and Qin (2015) proposed that authentic leadership encourages employee voice at workplace where middle manager authentic leadership mediated the positive relationship between top management authentic leadership and employee voice. Accordingly, this study has the following hypothesis;

Hypothesis 1: Authentic leadership has a positive effect on employee voice.

Authentic Leadership & Organizational Identification

Some studies took identification as an outcome of leadership. Kurt (2016) found positive and significant relationship between authentic leadership and organizational identification where cynicism plays mediating role in the relationship. Javaid, Luqman, Amir and Umair (2015) found positive relationship between authentic leadership and organizational identification and identification significantly mediates relationship between authentic leaders and employees' attitudes or affective commitment. Ceri-Booms (2010) found a positive and significant relationship between authentic leadership and organizational identification, where trust in the leader plays mediating role in the relationship. Hence, an employee's identification with the organization is expected to be higher with authentic leadership.

Hypothesis 2: Authentic Leadership has a positive effect on organizational identification.

Organizational Identification & Employee Voice

Due to positive consequences of organizational identification, it became one of the central topics for researchers in organizational behavior. Identification with the organization has several positive outcomes on employee behaviors. Employees with a high level of organizational identification are more likely to center the benefits of the organization, rather than to serve their self-directed goals. This entails that people who identify with an organization are more likely to behave in the best interest of the organization. Since, organizational identification is tied with employees' feeling of self-worth, they equate organization failures and successes with personal failures and successes. Thus, employees who identify with the organization are more likely to speak up and aid in the organizational success. Hence, they are more likely to participate in extra role behaviors such as voice(Lane & Scott, 2007).

An empirical study by Makens (2016) examined a positive relationship between organizational identification and employee voice where power distance moderates the relationship.Besides,given interrelated literatures of voice and silence, Monzani, Braun and Dick (2016) obtained a negative relationship between organizational identification and employee silence; employees' high identification with the organization reduces their quiescent silence. Morrison, Wheeler-Smith, and Kamdar (2011) highlighted the positive relationship between employee voice and work group identification, where work group identification is, a term similar to organizational identification, defined as the perception of oneness with or belongingness to the work-group or the organization (Ashforth & Mael, 1989).Thus, organizational identification is expected to have a positive effect on employee voice.

Hypothesis 3: Organizational identification has a positive effect on employee voice.

The Mediating Role of Organizational Identification

As authentic leadership is expected to have positive effect on organizational identification, and employee voice is also expected to be increased by organizational identification, the relationship between authentic leadership and employee voice is anticipated to be caused by organizational identification. Going through leadership empirical literatures, organizational identification is presumed to have a mediation role. An empirical study by Qi & Xia (2014) found a mediating role of organizational identification in the positive relationship between ethical leadership and voice where organization identification fully mediates the positive influence of ethical leadership on employee voice behavior. Hu, Zhang & Wang (2015) found mediating role for organizational identification in the positive relationship between transformational leadership and employee voice; organizational identification had significant positive influence on voice behavior. Liu, Liao and Wei (2015) found a mediating role for personal identification in the positive relationship between authentic leadership and internal whistleblowing, where personal identification with the leader partially mediates the relationship. Note that voice behavior is similar to whistleblowing, where employees challenge the status quo with personal risks in an attempt to create favorable conditions in the organization (Liu, Zhao, Li, Zhou, & Tian, 2016). Thus, the following hypothesis was developed;

Hypothesis 4: Organizational identification mediates the relationship between authentic leadership and employee voice.

The Moderating Role of Personality Type

Drawn from Brockner (1988) behavioral plasticity theory, leadership may help employees to speak up,

but this may not have an equal effect on all employees. (Guenter et. al., 2016). The more self-directed and self-reliant employees are, the less sensitive they are to the social influences (i.e. authentic leadership), and the more likely they are to decide to speak up (Morrison et al., 2015, Li et. al., 2013). Specifically, individualswith proactive personality have tendency toward showing initiative and seizing opportunities to bring a change. Empirical findings, although scarce, also support this argument. Guenter and his colleagues (2016) found that authentic leadership decreases silence in employees with lower proactive personalities.Besides, Li, Harris, Boswell, and Xie (2011) found that developmental feedback from supervisors was more strongly positively related with helping behavior (an extra-role behavior) for employees with less proactive personalities. Li and his colleagues (2013) found that lower proactive employees take more charge under the transformational leadership type. Although distinct from each other, taking charge, helping and voice behaviors are change-oriented discretionary behaviors (Parker & Collins, 2010). In accordance, if authentic leadership is positive with voice behavior, this paper expects that proactive personality moderates the relation, so that authentic leadership influences voice more strongly in less proactive employees.

Hypothesis 5: Proactive personality of employees moderates therelationship between authentic leadership and employee voice so that the relationship is weaker when proactive personality is higher.

Summing up the above hypotheses, the following model (Fig. 1) was developed:

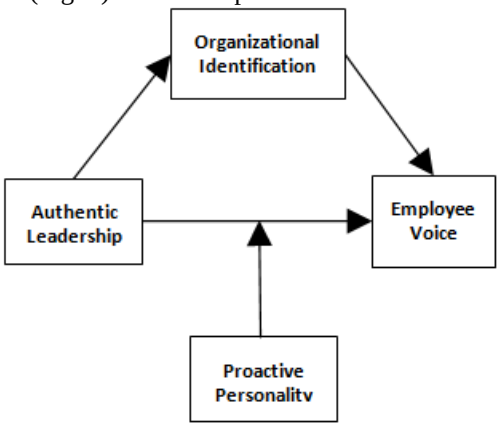


Fig.1: Theoretical Model

III. METHOD

Sample and Procedures

Participants in this research were employees working in banking organizations from Egypt. Twenty-seven banks, out of the total=forty, in Alexandria, have participated, where a sample of employees was randomly selected. Banking sector was chosen since previous literatures studying authentic leadership were applied in banking organizations (Liu, Cutcher, & Grant, 2016, Javaid, Luqman, Amir and Umair, 2015). One branch only from each bank participated in the study. The names of these banks were promised with confidentiality. Based on the requirements of structured equation modeling (SEM), minimum sample size was determined as 100 or 200 participants (Boomsma, 1982, 1985, Wolf, Harrington, Clark & Miller, 2013), or5 or 10 subjects per variable (Austin & Steyerberg, 2015). Thus, the sample fell in the range between "155" and "310", where the total number of indicators "31" was multiplied by subjects per variable (SPV).

Data Collection

Quantitative research method as cross-sectional survey was used to collect data. This method was used in line with previous investigations of authentic leadership (e.g. Guenther et.al. 2016,Wong, Spence Laschinger & Cummings, 2010,Hsiung, 2012, Monzani et.al. 2016). Two-hundred self-administered questionnaires were distributed. Researcher asked one or two employees from each bank to recruit participants for a study on voice behavior in Egyptian banking organizations. These contact persons were asked to explain the research purpose for employees who participate in the study. One hundred and seventy-two questionnaires were returned. Missing value analysis (MVA) was performed for seventeen questionnaires that had one or two missing values to be included. Fifteen questionnaires were excluded for exceeding this limit of missing values. Response rate was calculated as 78.5% where n=157.

Measures

All items were rated on a 5-point Likert scale ranging from ‘1 = strongly disagree’ to ‘5 = strongly agree’. Authentic Leadership; was measured by 16items Authentic Leadership Questionnaire'ALQ' developed by Walumbwa et, al. (2008) which measures four dimensions of leadership: relational transparency (e.g. “My leader says exactly what he or she means”), internalized moral perspective (e.g. “My leader demonstrates beliefs that are consistent with actions”), balanced processing (e.g. “My leader solicits views that challenge his or her deeply held positions”), and self-awareness (e.g. “My leader seeks feedback to improve interactions with others”); Cronbachalpha coefficient α =0.935. Organizational identification; was measured by Kreiner and Ashforth (2004) three items scale, sample item: ‘When I talk about this organization, I usually say we rather than they’, α=0.858.Proactive personality; was measured by Bateman and Crant (1993) 6-item scale, sample item: ‘‘I love being a champion for my ideas, even against others’ opposition’’, α =0.814.Employee voice; was measured using six-item scale developed by Van Dyne and LePine (1998); sample item: ‘I speak up and encourage others in my group to get involved in issues that affect the group’, α=0.880.

Analytic Strategy

Structural equation modeling (SEM) with AMOS was used to test direct and indirect hypotheses and multiple regression analysis to test moderation hypothesis. SEM uses latent variables to account for measurement error and thus gives the best balance of Type I error rates when testing both the direct and indirect effects (MacKinnon, Lockwood, Hoffman, West, & Sheets, 2002).

ANALYSIS & RESULTS

The sample had 51% respondents who were 25 to 34 years old, 57.3% were males and 77.7% had a tenure for more than 2 years in the bank. Means, standard deviations, and correlations for research variables are depicted in Table I.

	Mean	SD	AUL	OI	PT
AUL	3.4622	0.64760			
OI	3.6879	0.83434	0.520**		
PT	3.6497	0.59202	0.238**	0.415**	
EV	3.6380	0.65350	0.545**	0.665**	0.504**

**** Correlation is significant at the 0.001 level (2-tailed).**

Table I: Descriptive Statistics, n=157

	Before Med.		After Med.	
	Estimate	S.E	Estimate	S.E
EV <--- AL	0.609	0.100	0.229	0.086
OI <--- AL			0.733	0.122
EV <--- OI			0.525	0.082

***** P<0.001**

Table II: Mediation Results

In table II, the results show a positive link from authentic leadership to employee voice where (β =0.61, p <.001). After mediation, the path from authentic leadership to employee voice(β = 0.23, p < .001) where β decreased, the paths from authentic leadership to organizational identification (β = 0.73, p <0 .001), and from organizational identification to employee voice identification (β = 0.53, p <0 .001), were all positive and significant. Thus, Hypotheses 1, 2, and 3 are supported. According to Baron and Kenny (1986), H4 is also supported.

Moderation Analysis Results

In table III, the interaction term between authentic leadership and proactive personality was significant and negative (β = -.20, p <0.10), indicating support for H5. The negative interaction indicates that, as employee proactive personality increased, the association between authentic leadership and employee voice decreased. In other words, authentic leadership had less of an impact on employees' voice when employees already had higher, rather than lower, levels of proactive personality. This significant interaction was plotted graphically in Figure 2.

	Model 1			Model 2			Model 3		
	B	SD	β	B	SD	β	B	SD	β
Constant	1.640	0.251							
X: Independent	0.575	0.071	0.544						
Constant				0.443	0.297				
X: Independent				0.469	0.066	0.443			
Mod: Moderator				0.429	0.069	0.389			
Constant							- 2.239	1.252	
X: Independent							1.256	0.363	1.188
Mod: Moderator							1.113	0.318	1.008
AUL x Moderator							- 0.200	0.091	-1.093
R Square	0.296			0.437			0.454		
ΔR2	0.296			0.141			0.017		
Sig ΔF	0.000			0.000			0.029		

Dependent Variable: Y: Employee Voice

Table III: Moderation Results

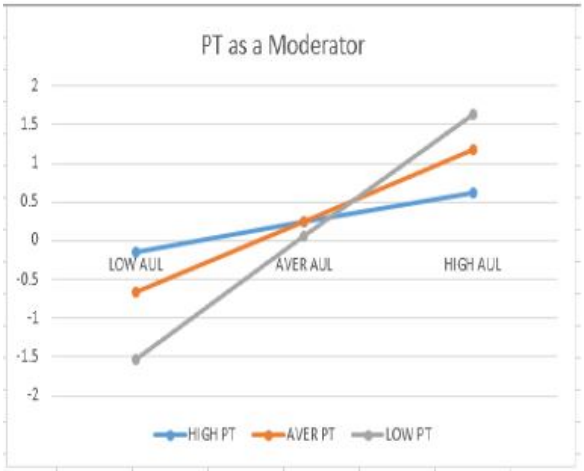


Figure 2: Interactive effects of Authentic Leadership & Proactive Personality on Voice.

IV. DISSCUSSION

In this paper, examining authentic leadership role in improving voice behavior was one solution for high power distance organizations as Egypt's. Three main contributions are added in this paper. Firstly, it is an attempt to respond to the many calls for investigating the link between low voice behavior and high power distance orientations such as Kumar & Mishra (2016)'s Indian context, Qi & Xia (2014), Hu, Zhang & Wang (2015), and Liu, Liao and Wei (2015) in Chinese contexts. Secondly, research findings supported the moderator's role in the substitutes' theory of leadership; the positive association between authentic leadership and employee voice was stronger for those lower in proactive personality. Thirdly, organizational identification was found as a mediator in the positive and significant relationship between authentic leadership and employee voice.

IMPLICATIONS, LIMITATIONS, AND DIRECTIONS FOR FUTURE RESEARCH

So, what do these research results mean? Leader behaviors were appeared to motive employees to ‘go the extra mile’, by increasing their identification with the organization. An alternative way to this approach is to recruit individuals who have already proactivity. Thus, the motivational effect of leaders’ behaviors is reduced when employees have the initiative to seek and implement change. Therefore, both the selection (staffing) and training stages shall calculate for which

or what type of employees are having proactive skills?

These insights shall be studied in light of some limitations. First, the cross-sectional nature of the data excludes any definitive conclusions regarding causality. Future research with longitudinal or experimental designs could address this issue. Second, this research data were collected from the banking sector; so using multiple sources might strengthen the research design. Besides, results were based on Egyptian employees and may not be generalizable to other contexts. For future research, scholars shall investigate other dispositional factors linked with employee voice in order to gain more understanding of the effects of authentic leadership.

Despite these limitations, the present study shows that authentic leadership increase of voice level via organizational identification is a feasible mean to help high power distance organizations, along with the substitute effect of selecting highly proactive employees.

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