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The Relationship Between Authentic Leadership and Employee Retention: Measuring the Perceived Level of Authentic Leadership and the Effect on Employee Retention

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THE RELATIONSHIP BETWEEN AUTHENTIC LEADERSHIP AND EMPLOYEE RETENTION: MEASURING THE PERCEIVED LEVEL OF AUTHENTIC LEADERSHIP AND THE EFFECT ON EMPLOYEE RETENTION

Thesis submitted in partial fulfillment of the requirement for the degree of Master of Science in Leadership Development

By

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B.S.B., Wright State University, 1984

2012
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June 7, 2012

I HEREBY RECOMMEND THAT THE THESIS PREPARED UNDER MY SUPERVISION BY Deborah Morton ENTITLED The Relationship Between Authentic Leadership and Employee Retention: Measuring the Perceived Level of Authentic Leadership and the Effect on Employee Retention BE ACCEPTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF Master of Science in Leadership Development.

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ABSTRACT

Morton, Deborah. M.S.L.D, Department of Leadership in Education and Organization, Wright State University, 2012. The relationship between authentic leadership and employee retention: Measuring the perceived level of authentic leadership and the effect on employee retention.

Authentic Leadership is an emerging leadership approach that is still in the formative stages of development. There has been noteworthy research on strategies to develop or enhance authentic leadership behaviors (Northhouse 2010) that can lead to high employee retention, however there has been only a small amount of research examining the relationship between authentic leadership and employee retention. This descriptive study examined the perceived level of authentic leadership on the four scales of the Authentic Leadership Questionnaire by retained and non-retained employees in one organization to determine if there is a relationship between authentic leadership and employee retention.
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I. INTRODUCTION TO THE STUDY

Authentic leadership emerged from the need to shift focus from leadership models that described leader behavior in terms of leader-follower exchange relationships, setting goals, providing direction, support and reinforcement behaviors to an emphasis on symbolic leader behavior, vision, inspirational messages, emotional feelings, ideological and moral values, individualized attention, and intellectual stimulation (Bass 1985). Luthans & Avolio (2003) formulated their authentic leader theory based on their observations that leaders at all levels and types of organizations faced the challenge of declining hope and confidence in themselves and their associates. “Authentic leaders are those who are deeply aware of how they think and behave and are perceived by others as being aware of their own and others’ values/oral perspectives, knowledge, and strengths, moreover, aware of the context in which they operate, and are confident, hopeful, optimistic, resilient, and of high moral character”. (Avolio and Gardner, 2005).

The direct effects of authentic leadership can be seen in elevated levels of follower commitment and job satisfaction while indirect effects of authentic leadership can be seen in followers who model themselves after the authentic leaders and become a role model for the organization they work in. A review of the literature shed light on the direct and indirect effects that authentic leadership has on followers and the subsequent outcome on employee retention.
Statement of the Problem

Authentic Leadership is an emerging leadership approach that is still in the formative stages of development. There has been noteworthy research on strategies to develop or enhance authentic leadership behaviors (Northhouse 2010) that can lead to high employee retention, however there has been only a small amount of research examining the relationship between authentic leadership and employee retention. This descriptive study compared the overall scores of the Authentic Leadership Questionnaire (ALQ) and the scales that comprise the ALQ: Self Awareness, Transparency, Ethical/Moral, and Balanced Processing. The researcher examined the perceived level of authentic leadership by retained and non-retained in one organization to determine if the results of each scale for retained and non-retained are statistically significant. The results assisted in understanding the impact authentic leadership had or did not have on those surveyed.

Definition of Terms

- Authentic Leaders – Authentic leaders are those who are deeply aware of how they think and behave and are perceived by others as being aware of their own and others’ values/oral perspectives, knowledge, and strengths, moreover, aware of the context in which they operate, and are confident, hopeful, optimistic, resilient, and of high moral character as measured by Avolio and Gardner. (Avolio and Gardner, 2005).
- Employee Retention - the ability to hold on to individual employees or the act of keeping or retaining individual employees from his/her position as defined by Dictionary of Human Resource Management.

- Retained – Employees who remain in the organization as defined by articlebase.com

- Non-Retained – Employees who no longer remain in the organization as defined by articlebase.com

- Self Awareness: The degree to which the leader is aware of his or her strengths, limitations, how others see him or her and how the leader impacts others as measured by the Authentic Leadership Questionnaire (ALQ) Multi-Rater report. (Avolio, Gardner, Walumbwa 2005)

- Transparency: The degree the leader reinforces a level of openness with others that provides them with an opportunity to be forthcoming with their ideas, challenges and opinions as measured by the ALQ Multi-Rater report. (Avolio, Gardner, Walumbwa 2005)

- Ethical/Moral: The degree to which the leader sets a high standard for moral and ethical conduct as measured by the ALQ Multi-Rater report. (Avolio, Gardner, Walumbwa 2005)

- Balanced Processing: The degree to which the leader solicits sufficient opinions and viewpoints prior to making important decisions as measured by the ALQ Multi-Rater report (Avolio, Gardner, Walumbwa 2005)
Research Questions and Hypotheses

This research examined the perceived level of authentic leadership by retained and non-retained employees in one organization to determine if the overall results and results of each scale are statistically significant to determine if there is a relationship between authentic leadership and employee retention.

Hypothesis 1: There is a significant difference between retained and non-retained employees in the overall group of Authentic Leadership scales.

Hypothesis 2: There is a significant difference between retained and non-retained employees on the scale of Self Awareness.

Hypothesis 3: There is a significant difference between retained and non-retained employees on the scale of Transparency.

Hypothesis 4: There is a significant difference between retained and non-retained employees on the scale of Ethical/Moral.

Hypothesis 5: There is a significant difference between retained and non-retained employees on the scale Balanced Processing.

Assumptions

The following assumptions are valid for this study:

- Retained and Non-Retained responded truthfully on the Authentic Leadership Traits survey.
- The reliability and validity for the questionnaires being used held for the sample population being studied.
- Non-responders are like responders.

**Limitations**

- The surveyor could not control who the leader was at the time of the survey.
- The surveyor could not control length of employment for each rater at the time of survey.

**Significance of the Study**

This study determined if the overall results and results of each scale on the ALQ for retained and non-retained employees are statistically significant to determine if authentic leadership plays a role in employee retention. The authors of the ALQ, Bruce J. Avolio, William L. Gardner, and Fred O. Walumbwa (2005) are significant names in leadership research and set the benchmark measure for authentic leadership research. This study contributed to current research on the topic of authentic leadership by providing reliable results for the ALQ.

**Scope**

The scope of this study includes retained and non-retained within one organization. Participants in the study are classified as customer service and sales with varying lengths of service and reporting to various managers.
II. Literature Review

The significance of the literature review lies in the knowledge gained from past studies and qualitative results related to authentic leadership and employee retention. The literature review explored the theory of authentic leadership and then overview current research literature on the overlap of employee retention and authentic leadership.

Contemporary literature related to the topic of authentic leadership and employee retention points to three distinct themes: Authentic leaders impact employee behaviors; authentic leadership influences employees and organizations that are undergoing traumatic change, and authentic leadership accounts for a high level of employee retention.

The literature examined underscores the relationship between authentic leadership and employee retention. The literature is a vital piece in continuing the research on authentic leadership and employee retention and served as a link to the hypothesis stated in this proposal. Studies that measure the influence an authentic leader has on followers during organizational change suggest that authentic leaders are a part of the solution to overcome and minimize the challenges of change.
**Authentic Leaders Impact Employee Behaviors**

The literature on authentic leadership suggests that an authentic leader can impact employee behaviors by demonstrating a positive organizational culture and positive psychological movement. The authors draw from positive actions, trust, hope, emotion, identification, and identity theory to describe the process, by which authentic leaders exert their influence on followers’ attitudes and behaviors (Avolio, Gardner, Walumbwa, Luthans, & May, 2004).

Many followers increasingly identified with and felt more psychologically empowered to take on greater ownership for their work when they were led by an authentic leader. Employee attitudes and behaviors, work engagement, organizational citizenship, and work performance were all linked to authentic leadership (Walumbwa, Wang, Shaubroeck, Avolio, 2010). Authentic leaders impact follower attitudes and behaviors by acting in accordance with deep personal values and convictions. The leaders build credibility and win the respect and trust of followers by encouraging diverse viewpoints and building collaborative relationships with followers. This process builds in a manner that followers recognize as authentic (Avolio et al. 2004).

Authentic leaders genuinely desire to serve others through their leadership, are more interested in empowering the people they lead to make a difference, and are as guided by the qualities of the heart, passion, and compassion as they are by qualities of the mind (George, 2003).
One qualitative study explored how authentic leadership (as perceived by employees) might be positively linked to the job satisfaction, organizational commitment, and work happiness of employees (Jensen, Luthans 2006). The research also suggested that the perceptions of authentic leadership may not only positively affect employee work attitudes and happiness, but may also at have a direct impact on employee retention.

Theoretical work on authentic leadership described leaders as having followers who increasingly identify with and feel more psychologically empowered to take on greater ownership for their work. Authentic leadership may positively affect employee attitudes and behaviors, such as work engagement, organizational citizenship behavior, and performance (Walumbwa, Wang, Schaubroeck, Avolio 2010). Many authors concluded that authentic leaders positively impact employee behaviors and positively impact employee retention. (Zhu, May, Avolio 2006; Gardner, Walumbwa, Luthans, May 2004; Lobertini 2007; Walumbwa, P. Wang, H. Wang Schaubroeck, Avolio 2010; Jensen, Luthans 2006).

**Authentic Leadership Influences Employees Who Are Undergoing Organizational Change**

Leadership has always been more difficult in challenging times, but the unique stressors facing organizations throughout the world today call for a renewed focus on what constitutes authentic leadership (Avolio and Gardner, 2005). Nadler and Tushman (1990) noted that executive leadership is the critical factor in the initiation and implementation of large-system organization change. Tyler (2005), who studied merger processes, proposed that leadership is central to change and, in particular, to the ability to produce constructive
or adoptive change.

Authentic leaders can successfully change the outcome of organizational change in their organization by displaying the appropriate behaviors at appropriate stages in the transformation process (Eisenbach et al., 1999). Once authentic leaders realize that the old ways of the organization no longer work, they begin to craft a vision of the future which is then realized by the followers and accepted as inspirational and motivating.

Authentic leadership is often identified by the effect that it has on followers’ attitudes, values, assumptions and commitments (Yukl, 2002, 1989) that lead to successful organizational change. Authentic leaders change their followers’ attitudes, values, and beliefs to align them with those of the organization and steer their followers towards self-development and greater-than-expected accomplishments (Bass, 1990). They motivate followers to identify with the leader's vision and sacrifice their self-interest for that of the group or the organization (Bass, 1985).

Bass (1985) outlined four types of behavior that are common to authentic leaders who are successful in leading followers in organizational change: (a) Idealized influence; (b) Inspirational motivation; (c) Intellectual stimulation; and (d) Individualized consideration. These behaviors contribute to the effort of organizations and followers to be resilient in times of change. The recent emergence of positive psychology and positive organizational behavior has shown that hope is strength that has many important implications for today’s organizations that are steeped in change. Effective leadership, employee retention and performance are a part of the implications discussed. (Norman, Luthans & Luthans, 2007).
**Authentic Leadership Accounts for a High Level of Employee Retention**

Authentic leadership can enable vital commitment in followers by helping them develop a positive moral perspective which is strongly related to critical business performance outcomes and employee retention (Avolio and Gardner, 2005). Current research has indicated that authentic leadership is positively related to performance (Luthans, Avolio et al., 2007; Luthans et al., 2005) and job satisfaction (Larson & Luthans, 2006; Luthans, Avolio et al., 2007).

One study utilizing three diverse samples (students from designated management classes at two Midwestern universities, engineers and technicians from a very large high-tech manufacturing firm, and a 1200 employee insurance company) used the Rogg et al. (2001) questionnaire. This shortened scale contained aspects of climate most relevant to this study managerial consideration and employee cooperation/coordination/retention factors. Sample items included: “Managers consistently treat everyone with respect” and “Departments cooperate to get the job done effectively and efficiently”. In addition to performance, these studies also examined the relationship between a supportive, climate and the work attitudes of satisfaction and commitment/retention.

The studies used a three-item satisfaction scale adapted from Hackman and Oldham (1980). One sample item is “I am generally satisfied with the kind of work I do in this job.” This study concluded that authentic leadership not only gives value to employees at all levels within organizations, but also benefits that may result from organizations providing positive, supportive climates found to be positively associated with both satisfaction and commitment.
The study also yielded evidence that suggests there are benefits that may result from organizations providing positive, supportive climates, investing in and developing employees’ psychological well-being may be an example of the new thinking and new approaches that are needed for the business’ environment facing today’s organizations and their leaders.

Studies that measure the influence an authentic leader has on followers during organizational change suggests that authentic leaders are a part of the solution to overcome and minimize the challenges of change. The literature also agrees that there is an overlap in positive organizational behavior and employee retention.
III. Methods

This descriptive study assessed the relationship between authentic leadership and employee retention as measured by the ALQ (Avolio, Gardner, Walumbwa, 2005) based on four scales between two groups: retained employees and non-retained employees. The results of the four scales in this study established the direction of the significant difference in the scores, if any, between these two groups.

The sampling procedures

The population studied was the retained and non-retained employees of one organization that were selected based on a geographical area.

Data collection process

The procedure measured the Authentic Leadership components that comprise Authentic Leadership using The ALQ – Mind Garden, Inc. The survey was sent via email link to two groups: retained and non-retained employees of one organization. Retained raters were instructed to rate their current leader that they are assigned to. The non-retained raters were instructed to rate their last leader they were assigned to in their former job in the organization that is being assessed.

A total of 97 responses were received and were considered a representative sample of the population. Responses did not contain any rater information and therefore all data received was anonymous. The ALQ raw data + Scale score was sent to the researcher and descriptive analysis was applied to overall scores and scale scores of variables for retained
and non-retained employees.

**Null Hypothesis:**

There is no relationship between authentic leadership and employee retention on an overall scale and individual scales of the ALQ.

**Research Design**

The researcher received the ALQ raw data plus scale scores. This data measured authentic leadership components that comprise Authentic Leadership using The Authentic Leadership Questionnaire, Mind Garden, Inc. The Authentic Leadership Questionnaire, 2007 Version 1.01 has been used by organizations worldwide and translated into 40 languages.

The ALQ has undergone several efforts to establish reliability and validity. The most extensive validation is evident in the study by Walumbwa et al (2008) on Authentic Leadership: Development and Validation of a Theory-Based Measure. This study was the seminal use of the survey that the authors developed and named the Authentic Leadership Questionnaire. The author’s objective was to measure authentic leadership comprising leader self-awareness, relational transparency, internalized moral perspective, and balanced processing. The authors used five separate samples from China, Kenya, and the United States. An analysis of the data collection yielded a positive relationship between authentic leadership and performance. Authentic leadership was measured using the 16-item authentic leadership questionnaire. The study yielded the following: $\chi^2(41, n = 478) = 247.97, p < .01$ (df = 95, $\chi^2$/df = 2.61; CFI = .97, RMSEA = .06). The internal consistency reliability for each ALQ measure was as follows: self-awareness .73; relational
transparency, .77; internalized moral perspective, .73; and balanced processing, .70.

“Results of Study indicate that follower perceptions of the leaders’ authentic leadership were positively related to individual follower job satisfaction and rated job performance, controlling for the effect of organization climate.” Walumbwa, Avolio, Gardner, Wesing, Peterson (2008). This study was pivotal in bringing the impact that authentic leadership has on employee performance to the forefront of leadership theories.

**Instrumentation**

The Authentic Leadership Questionnaire is a theory-driven leadership survey instrument designed to measure the components that have been conceptualized as comprising authentic leadership. The four scales comprising the ALQ address the following questions:

**Self Awareness:** To what degree is the leader aware of his or her strengths, limitations, how others see him or her and how the leader impacts others?

**Transparency:** To what degree does the leader reinforce a level of openness with others that provides them with an opportunity to be forthcoming with their ideas, challenges and opinions?

**Ethical/Moral:** To what degree does the leader set a high standard for moral and ethical conduct?

**Balanced Processing:** To what degree does the leader solicit sufficient opinions and viewpoints prior to making important decisions?

This 16 question survey uses a 5 point Likert scale (0-4) where 0=Not at all, 1=Once in a
while, 2=Sometimes, 3=Fairly often, 4=Frequently, if not always. An average of the item value gives the raw score for the scale. Survey questions for the Transparency scale are: 1, 2, 3, 4 & 5; Moral/Ethical: 6, 7, 8 & 9; Balanced Processing: 10, 11 & 12; and Self Awareness: 13, 14, 15 & 16.
IV. Analysis of the Data

The raw scores for each scale were compared using a descriptive analysis to assess whether the means of two groups are statistically different from each other. The following tables are the results in the statistical analysis of the raw data received from the ALQ survey.

Table 1 – Overall t-Test Comparison Group 1 and Group 2

<table>
<thead>
<tr>
<th>t-Test Two-Sample Assuming Equal Variances</th>
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<tbody>
<tr>
<td>OVERALL</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Retained</td>
</tr>
<tr>
<td>----------</td>
</tr>
<tr>
<td>Mean</td>
</tr>
<tr>
<td>Variance</td>
</tr>
<tr>
<td>Observations</td>
</tr>
<tr>
<td>Pooled Variance</td>
</tr>
<tr>
<td>Df</td>
</tr>
<tr>
<td>t Stat</td>
</tr>
<tr>
<td>P(T&lt;=t) one-tail</td>
</tr>
<tr>
<td>t Critical one-tail</td>
</tr>
<tr>
<td>P(T&lt;=t) two-tail</td>
</tr>
<tr>
<td>t Critical two-tail</td>
</tr>
</tbody>
</table>
Table 2 – Transparency Scale t-Test Comparison Of Group 1 and Group 2

<table>
<thead>
<tr>
<th>TRANSPARENCY</th>
<th>Retained</th>
<th>Non-Retained</th>
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<tbody>
<tr>
<td>Mean</td>
<td>15.51</td>
<td>10.57</td>
</tr>
<tr>
<td>Variance</td>
<td>8.22</td>
<td>2.76</td>
</tr>
<tr>
<td>Observations</td>
<td>53.00</td>
<td>44.00</td>
</tr>
<tr>
<td>Pooled Variance</td>
<td>5.75</td>
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<tr>
<td>Df</td>
<td>95.00</td>
<td></td>
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<tr>
<td>t Stat</td>
<td>10.11</td>
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<td>t Critical one-tail</td>
<td>1.66</td>
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<tr>
<td>P(T&lt;=t) two-tail</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>t Critical two-tail</td>
<td>1.99</td>
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Table 3 – Moral/Ethical Scale t-Test Comparison Of Group 1 and Group 2

<table>
<thead>
<tr>
<th>Moral/Ethical</th>
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<th>Non-Retained</th>
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<tbody>
<tr>
<td>Mean</td>
<td>13.06</td>
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</tr>
<tr>
<td>Variance</td>
<td>4.84</td>
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<td>Observations</td>
<td>52.00</td>
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</tr>
<tr>
<td>Pooled Variance</td>
<td>3.59</td>
<td></td>
</tr>
<tr>
<td>Df</td>
<td>93.00</td>
<td></td>
</tr>
<tr>
<td>t Stat</td>
<td>11.59</td>
<td></td>
</tr>
<tr>
<td>t Critical one-tail</td>
<td>1.66</td>
<td></td>
</tr>
<tr>
<td>P(T&lt;=t) two-tail</td>
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<tr>
<td>t Critical two-tail</td>
<td>1.99</td>
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</table>
Table 4 – Balanced Scale t-Test Comparison Of Group 1 and Group 2

Balanced Scale t-Test Comparison of Group 1 and Group 2

<table>
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<tr>
<th></th>
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<tr>
<td>Mean</td>
<td>9.21</td>
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<td>Observations</td>
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</tr>
<tr>
<td>Pooled Variance</td>
<td>2.85</td>
<td></td>
</tr>
<tr>
<td>df</td>
<td>93.00</td>
<td></td>
</tr>
<tr>
<td>t Stat</td>
<td>8.02</td>
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<td>t Critical one-tail</td>
<td>1.66</td>
<td></td>
</tr>
<tr>
<td>P(T&lt;=t) two-tail</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>t Critical two-tail</td>
<td>1.99</td>
<td></td>
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</tbody>
</table>

Table 5 – Self Awareness Scale t-Test Comparison Of Group 1 and Group 2

Self Awareness t-Test: Two-Sample Assuming Equal Variances

<table>
<thead>
<tr>
<th></th>
<th>Retained</th>
<th>Non-Retained</th>
</tr>
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<tbody>
<tr>
<td>Mean</td>
<td>12.58</td>
<td>8.91</td>
</tr>
<tr>
<td>Variance</td>
<td>8.60</td>
<td>4.13</td>
</tr>
<tr>
<td>Observations</td>
<td>52.00</td>
<td>43.00</td>
</tr>
<tr>
<td>Pooled Variance</td>
<td>6.58</td>
<td></td>
</tr>
<tr>
<td>df</td>
<td>93.00</td>
<td></td>
</tr>
<tr>
<td>t Stat</td>
<td>6.94</td>
<td></td>
</tr>
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<td>t Critical one-tail</td>
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</tr>
<tr>
<td>P(T&lt;=t) two-tail</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>t Critical two-tail</td>
<td>1.99</td>
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</tbody>
</table>
Summary of Results

A sample of retained and non-retained employees of one organization was surveyed to assess the perceived level of authentic leadership they had in the organization. The survey was dispersed via Survey Monkey and analyzed using a descriptive t-Test analysis. The difference in the overall scores of the ALQ and the scale scores that comprise the ALQ are deemed statistically significant.
V. CONCLUSIONS, RECOMMENDATIONS AND SUMMARY

Hypothesis 1: There is a significant difference between retained and non-retained employees in the overall group of Authentic Leadership scales.

Null Hypothesis: Reject the null for hypothesis 1.

Hypothesis 2: There is a significant difference between retained and non-retained employees on the scale of Self Awareness.

Null Hypothesis: Reject the null for hypothesis 2.

Hypothesis 3: There is a significant difference between retained and non-retained employees on the scale of Transparency.

Null Hypothesis: Reject the null for hypothesis 3.

Hypothesis 4: There is a significant difference between retained and non-retained employees on the scale of Ethical/Moral.

Null Hypothesis: Reject the null for hypothesis 4.

Hypothesis 5: There is a significant difference between retained and non-retained employees on the scale Balanced Processing.

Null Hypothesis: Reject the null for hypothesis 5.

ALQ Conclusion

The purpose of this study was to look at the relationship between authentic leadership
and employee retention. The researcher administered the ALQ to 97 participants. The results were analyzed using a descriptive analysis. The results presented a statistically significant positive relationship between authentic leadership and employee retention on an overall score as well as on all four scales between both groups: retained employees and non-retained employees. By conventional criteria; this difference in the t-Test results of the two groups are considered to be extremely statistically significant and are the basis for the implication that there is a relationship between authentic leadership and employee retention.

Focus Group

The focus group consisted of non-retained employees of the same organization that the ALQ was distributed to for this research. The session was conducted via Google Talk online video conference. Responses from the participants were written by the conductor of the focus group and were later coded and analyzed.

Instrument

The focus group was asked the same questions that they had received 1 week in advance. The questions were organized into two sections. (1) a section asking participants their thoughts and feelings about authentic leadership (2) a section inviting participants to discuss authentic leadership in the context of their former leader in the organization. This combination of questions provided both general understandings and grounded understandings in authentic leadership. In the first set of questions, a general discussion of authentic leadership, five primary questions were asked:

- How important is authentic leadership to you?
- What makes a leader authentic?
• What makes a leader inauthentic?

• Is there an issue that would change your feeling of a leader from authentic to inauthentic?

• Does an inauthentic leader affect your job performance?

The second set of questions questioned participants on specific components of authentic leadership as measured by the ALQ Multi-Rater report. (Avolio, Walumbwa 2007). Participants were asked to comment on the following:

• Self Awareness: The degree to which the leader is aware of his or her strengths, limitations, how others see him or her and how the leader impacts others as measured by the ALQ Multi-Rater report. (Avolio, Walumbwa 2007).

• Transparency: The degree the leader reinforces a level of openness with others that provides them with an opportunity to be forthcoming with their ideas, challenges and opinions as measured by the ALQ Multi-Rater report. (Avolio, Walumbwa 2007).

• Ethical/Moral: The degree to which the leader sets a high standard for moral and ethical conduct as measured by the ALQ Multi-Rater report. (Avolio, Walumbwa 2007).

• Balanced Processing: The degree to which the leader solicits sufficient opinions and viewpoints prior to making important decisions as measured by the ALQ Multi-Rater report? (Avolio, Walumbwa 2007).
Data Analysis Focus Group

The transcripts were analyzed according to a classification and theme analysis methodology derived from Miles & Huberman (1984). This methodology involves a progression from the initial reading of the transcripts, in which the researcher identified participant general and grounded concepts surrounding authentic leadership. The concepts served as markers and were placed in one of the four scales of the ALQ. The placement was based on which scale the concept closely matched. The markers were then sorted and given a more definitive score paralleling the Likert Scale for the ALQ. The Scale for the ALQ is as follows:

0 = Not at all
1 = Once in a while
2 = Sometimes
3 = Fairly often
4 = Frequently, if not always

The results are shown in Table 1:
Table 6 - Placement of Markers on Scale of ALQ

<table>
<thead>
<tr>
<th></th>
<th>Self Awareness</th>
<th>Transparency</th>
<th>Ethical/Moral</th>
<th>Balanced Processing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participant 1</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Participant 2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Participant 3</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Participant 4</td>
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<td>2</td>
</tr>
<tr>
<td>Participant 5</td>
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<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Participant 6</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>3</td>
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<td>Participant 7</td>
<td>3</td>
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<td>2</td>
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<tr>
<td>Participant 8</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Focus Group Mean</td>
<td>2.13</td>
<td>2.00</td>
<td>2.25</td>
<td>2.25</td>
</tr>
<tr>
<td>ALQ Mean</td>
<td>2.11</td>
<td>2.03</td>
<td>2.14</td>
<td>2.22</td>
</tr>
<tr>
<td>Difference</td>
<td>0.02</td>
<td>-0.03</td>
<td>0.11</td>
<td>0.03</td>
</tr>
</tbody>
</table>

**Summary of Results**

The results of the focus group results show a similar mean as the ALQ results from the non-retained group. The scoring enabled the researcher to triangulate qualitative and quantitative data in this study to support the researcher’s conclusion that the perceived authentic leadership level impacts employee retention.

**Recommendation 1**

Future research will benefit by triangulating the data in an effort to validate the 16 question ALQ results. A focus group of retained employees focusing on basic questions organized into two sections. (1) A section asking participants their thoughts and feelings
about authentic leadership (2) A section inviting participants to discuss authentic leadership in the context of their former leader in the organization. This combination of questions provided both general understandings and grounded understandings in authentic leadership.

**Recommendation 2**

A review of the literature generated information whereas there has been noteworthy research on strategies to develop or enhance authentic leadership behaviors (Northhouse 2010) that can lead to high employee retention. Further research is needed to evaluate leaders prior to any development of authentic leadership behaviors and again after they are developed to form a basis for a relationship between authentic leadership and employee retention.
Appendix A

Measurement Instruments

Copy of instrument that was used:

Authentic Leadership Questionnaire Version 1 Rater

Leader Name: _________________________ Date______

Instructions: The following survey items refer to your leader’s style, as you perceive it. Judge how frequently each statement fits his or her leadership style using the following scale:

Not at all - Once in a while - Sometimes - Fairly often - Frequently, if not always

1 2 3 4

Please Rate Your Current Leader (Sample Questions):

1. Says exactly what he or she means. ........................................ 0 1 2 3 4

6. Demonstrates beliefs that are consistent with actions. .......... 0 1 2 3 4

10. Solicits views that challenge his or her deeply held positions. . 0 1 2 3 4
Appendix B

Mind Garden Letter of Permission

To whom it may concern,

This letter is to grant permission for the above named person to use the following copyright material: Instrument: Authentic Leadership Questionnaire. Authors: Bruce J. Avolio, William L. Gardner, and Fred O. Walumbwa Copyright: “Copyright © 2007 Authentic Leadership Questionnaire (ALQ) by Bruce J. Avolio, William L. Gardner, and Fred O. Walumbwa. All rights reserved in all medium for his/her thesis research.

Three sample items from this instrument may be reproduced for inclusion in a proposal, thesis, or dissertation. The entire instrument may not be included or reproduced at any time in any other published material.

Sincerely,

Robert Most, Mind Garden, Inc.

Appendix C

To: Sample Rater <sample.rater@email.address>

I am a graduate student at Wright State. I am currently conducting research for my thesis. I would love to have your response to the Authentic Leadership Questionnaire that is in the link provided.
I assure you that your name does not appear anywhere in the data that I receive. This is purely for research purposes. Thank you in advance for your participation and support.

Deb Morton, SR RSR Springfield - Thesis Candidate, Wright State University

You have been identified as someone who can provide ratings for developmental purposes for Sample Participant (sample.participant@email.address). There are other raters also completing this survey for Sample Participant. Your ratings will be aggregated with the other ratings which will provide development feedback to Sample Participant. This aggregation is to assist you in providing direct and honest feedback to Sample Participant since you will not be identified with your ratings. Note that usually higher level ratings (e.g., supervisor) consist of only one person and so are not aggregated. Note also that the textual input questions will not be edited. The report to Sample Participant will contain exactly what you enter.

For purposes of confidentiality, an independent company, Mind Garden, Inc. manages this process. To complete your rating of Sample Participant, please click or copy into your browser address bar to access the Web page rating form: you can also use https://www.mindgarden.com/welcome/2/1/SAMPLE_ in most email programs or by a copy and paste into your browser address bar.

For the purposes of this evaluation, you should respond by: January 20, 2012.

All questions about this process should be addressed to Deborah Morton, morton.25@wright.edu. If you have technical problems, please contact Mind Garden, Inc..

Thank You.

Mind Garden
Appendix D

Sample Verbatim Responses from Focus Group

- The manager had no outward dedication to others and did not have a positive influence on others.
- The manager was selfish, unable to value others.
- The manager sacrificed others to promote themselves.
- My manager weakened my positive spirit and changed the way I conducted business.
- My manager was completely oblivious to their own limitations which impact others in a negative way.
- There was no openness with my manager. Any idea was shut down. I could never finish a sentence without them talking over me. I finally stopped talking.
- I would say their personal morals were fairly high. Their work ethics and standards were lower. They would look the other way if it benefitted them.
- I would enjoy that much more if my manager was authentic.
- It was difficult to be around someone who does not have all the qualities of an authentic leader.
- Given the manager, they knew exactly what their strengths were capable of. They were in control and we had no voice. The impact the manager had on me was negative. I felt like I was being picked apart and watched with every step that I was taking. We were limited to rest room breaks, when there were times the manager would go back in the office and "relax."
• The level of transparency was non-existent. Any ideas, questions, challenges and opinions that we had were never acknowledged or argued with. It was a horrible experience. Everything was unidirectional.

• Well, the morals of my last manager were non-existent. I saw a lot that I knew wasn't right. Customers were lied too just to get a sale. It was awful. However, how else was I supposed to keep my job? I had to do what I was told in order to make money for the company.

• No other opinion mattered other than the managers. I am an educated person, and anything that I had an opinion on was immediately shot down.

Appendix E

List of Tables

• Overall t-Test Comparison Group 1 and Group 2
  • Transparency Scale t-Test Comparison of Group 1 and Group
  • Moral/Ethical Scale t-Test Comparison of Group 1 and Group 2
  • Balanced Scale t-Test Comparison of Group 1 and Group 2
  • Self Awareness Scale t-Test Comparison of Group 1 and Group 2
  • 6 Placement of Markers on Scale of ALQ
References


Northhouse, P. Leadership, Theory and Practice. Sage, 2010
