AUTHENTIC LEADERSHIP AND TEAM CLIMATE: TESTING CROSS-LAGGED RELATIONSHIPS ACROSS 7-21 MONTHS

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Leadership and occupational well-being

• Leadership behaviour is related to employee well-being especially in cross-sectional studies (see Kuoppala et al., 2008; Skakon et al., 2010, for reviews)

• However, longitudinal studies are still quite rare, and they have not clearly shown that leadership behaviour has long-term effects on employee well-being (e.g., Tafvelin et al., 2011; van Dierendonck et al., 2004)

• In fact there are studies suggesting that the relationship could be vice versa, that is, employee well-being affects (perception on) leadership behaviour (e.g., Nielsen et al., 2008)
The present study

- **Authentic leadership as a leadership style**: leaders genuinely desire to understand their own leadership to serve others more effectively (Walumbwa et al., 2008).

- Self-awareness, relational transparency, internalized moral perspective, balanced processing of information

- **Team climate as an indicator of well-being (functioning) at a work group level**: employees perceptions and interpretations of organizational co-operation (Anderson & West, 1998; Kivimäki et al., 2001)

- Vision, participation safety, task orientation, support for innovation
Aims of the study: testing alternative hypotheses

**H1.** Authentic leadership is related to good team climate later on (normal causation)

**H2.** Good team climate is related to authentic leadership later on (reversed causation)

**H3.** Both relationships (H1-H2) are simultaneously valid (reciprocal model)

- HI-H3 were tested across 14 (T1-T2), 7 (T2-T3) and 21 (T1-T3) months.
Participants

- Finnish municipal employees from various occupations in public sector
- N = 557 at T1 (response rate 62.5% at T1)
- N = 333 at T2 (response rate 36.1% at T2)
- N = 294 at T3 (response rate 52.9% at T3)

- 189 (33.9%) employees participated in the study on the three consecutive waves (staying in the position of an employee).
- At T1: 85% females, mean age 48 years, 42% bachelor degree or a higher educational level, 95% in a permanent position, 86% in full-time work
Measures

- **Authentic leadership** was measured with ALQ (Walumbwa et al., 2008).
  - 16 items (e.g. “My immediate supervisor admits mistakes when they are made”, ”seeks feedback to improve interaction with others”)
  - Rating scale: 0 = not at all, 4 = frequently, if not always
  - Cronbach’s alphas: .94-.95 at T1-T3

- **Team climate** was assessed with the short version of TCI (Kivimäki et al., 2001).
  - 14 items (e.g. “How far are you in agreement with the objectives of your work unit”?)
  - Rating scale: 1 = to a very small extent, 5 = to a very large extent
  - Cronbach’s alphas: .93-.95 at T1-T3
Descriptive results

• There did not occur mean level changes in the perceptions of authentic leadership across time (M = 2.50 at T1, M = 2.57 at T2, M = 2.57 at T3)

• Team climate was assessed at T1 (M = 3.52) worse than at T2 (M = 3.64, \( p = .004 \)) and at T3 (M = 3.62, \( p = .020 \))
Models tested

- 5 models were tested using Structural Equation Modeling (SEM) with the Mplus (5.2) program

- Stability models (no cross-lagged effects):
  1) Freely estimated stability model
  2) Stability model with time-invariant factor loadings → supported

- Cross-lagged models:
  3) Normal causation model
  4) Reversed causation model → supported
  5) Reciprocal model

- We utilized all available data (the standard missing at random approach)
Reversed causation model

Time 1 14 months  Time 2 7 months  Time 3

AU = Authentic leadership
TC = Team climate

$X^2 (239) = 547.435$  RMSEA = .056  TLI = .92  CFI = .93
Conclusions

- Both authentic leadership behaviour and team climate were moderately stable across time.
- The relationships tested seemed to follow reversed causality (H2):
  - However, good team climate predicted (the perception of) high authentic leadership behaviour only across 14 months (T1-T2).
  - There were no relationships across 7 (T2-T3) or 21 months (T1-T3).
- If work units/groups are well-functioning, it influences leadership ratings on the long-term rather than vice versa.
Limitations

• The study is based only on employees’ self-reports
  • relationships subject to response styles

• Limited generalizability
  • a female-dominated sample from public sector

• Multilevel modelling not used
  • the hierarchical nature of the data may influence the results
Thank you for your attention!