

Authentic Leadership and Employees' Commitment to Organizational Change with Mediating Role of Trust: The Case of Selected Public Federal Organizations in Addis Ababa

Simret Gebretsadik Araya¹

Abstract

Prevalence of authentic leadership, trust and employees' commitment are considered as vital elements for a healthy and successful sailing of the 21 century organizations. The purpose of this study was to find out the effect of prevalence of authentic leadership (PAL) on employees' commitment to organizational change (ECOC) with a mediating role of employees' trust in leadership (ETL). To that end, an explanatory research design with quantitative approach was used. Data were collected from 400 employees of four selected federal organizations. Data analysis was done using mean, logistic regression and MANOVA from the SPSS software version 21. Findings of the analysis revealed that authentic leadership has a statistically significant positive effect on employees' commitment ($R^2=.038$; $b=.197$; $p=.003$), whereas, its effect through the mediation of trust is trivial and statistically insignificant ($R^2=.030$; $b=.049$; $p=.153$). Besides, the effect of PAL on ETL was found to be negative and statistically significant ($-.245$; $p=.014$). Moreover, the MANOVA test results revealed that the studied organizations do not have statistically significant difference in the levels of their PAL ($p=.273$) and ECOC ($p=.696$). Nonetheless, there is statistically significant difference in the studied organizations' level of ETL ($p=.000$). Based on the above findings and reference to relevant literature, the researcher concluded that, the nature of leadership in the studied organizations is dominated by transactional leadership style; that was why the relationship between authentic leadership and trust is found to be negative and statistically significant. Finally, it is recommended that public organizations should give special emphasis to development and practice of authentic leadership qualities which could make employees' develop embedded trust and exert extra effort to ensure success of their organizations.

Key words: Authenticity, leadership, trust, employees' commitment, organizational change

1. Introduction

Leadership is the most important factor in organizations expected to be agile and sensitive to the organization's internal and external environments where new customer and stakeholder demands and preferences are popping in a never ending fashion (Beats, 2006, Kotter, 1996). To effectively lead such organizations, leaders of the 21st century organizations are advised to acquire

¹PhD, Assistant Professor, College of Leadership and Governance, Ethiopian Civil Service University, email: simretgebretsadik@yahoo.com

ISSN 2519-5255(print) ISSN 2957-9104(online)



This is an open access article licensed under a [Creative Commons Attribution 4.0 International License](https://creativecommons.org/licenses/by/4.0/).

knowledge, develop skills and hold an attitude that enable them cope up with the changing demands of their organizations via chameleon-like adaptability mechanisms (Brauns, 2015, Goffee & Jones, 2005). To enable the organization stay competitive and customer savvy, leadership needs to develop qualities that enable it attract competent employees and get them rally around the organizations' mission, values, vision and goals. Scholars in the area of organizational behavior and leadership have long been searching for approaches and styles of leadership that could serve the organizations' and the employees' best interests (Walumbwa, Avolio, Gardner, Wernsing, & Peterson, 2008, Schien, 2004). Such approaches include transformational leadership, servant leadership, ethical leadership, spiritual leadership and authentic leadership. Among the others, authentic leadership is a recently developed approach to leading organizations (George, 2003). Just like its antecedents, authentic leadership is also embedded with strong ethical values that enable leaders prioritize the interest of others over their own egocentric tendency (Northouse, 2016, Avolio & Gardner, 2005).

Authentic leadership qualities guarantee the development of trustful relationship between employees and leaders. This positive psychological capital enables leaders to be seen by employees as credible and predictable. Hence, employees feel comfort, safety, security and confidence. This situation intrinsically motivates employees to willingly participate in realizing any change vision or strategic plan needed to be implemented by the leader (Westover, 2014). Under such leadership environments, employees commit themselves to engage in exerting discretionary effort so as to see the vision realized (Dramićanin, 2019, Soumyaja, Kamlanabhan, & Bhattacharyya, 2015).

Since 1991, the Ethiopian public sector has been engaged in changing itself to a form and content that enables it meet the changing demands and preferences of its customers and stakeholders. The public sector reform program (PSRP) followed the top down approach and was designed with five subprograms which were believed to have potential to create competent management and staff, rule of law based and customer centered service delivery, fair and open process and accountability to the public (Bezabih, 2007).

Different reform tools namely strategic planning and management, management by objective, business process re-engineering, kaizen and balanced score card were implemented to realize the reform-sub programs (FCSC, 2020).

In order to identify the success level of federal public service organizations in reform implementation, the federal civil service commission evaluated them based on their reform management, presence of change army, implementation of result oriented performance measurement system and participation of the public wing. As a result, organizations were ranked as high, medium and low performers. This study was conducted with the assumption that the cause of higher level of performance in reform implementation could be prevalence of authentic leadership that creates mutual trust between leaders and employees of the organizations and breed employees' commitment to realize the planned change.

2. Problem Statement

Authentic leadership is one of the recently developed leadership approaches believed to have potential to ensure organizations' successful performance (Walumbwa et al., 2008). Authentic leadership is characterized by orientation towards people, admittance of mistakes and taking accountability as well as absence of manipulation of employees (Northouse, 2016, Henderson & Hoy, 1982). Thus, employees get chance to know the extent of competence of the leaders in

terms of discharging their responsibilities and ensuring organizational success, the leaders' tendencies towards benefiting their employees and the leaders' level of integrity (George, 2003).

The stringent challenge in change leadership and management is handling employees' reaction to a newly introduced change program, especially when that organizational change is introduced by the leaders (Schein, 2004, Kotter, 1996). Prevalence of authentic leadership is believed to ease this obstacle by creating a trustworthy relationship between leaders of the organization and the employees. Trust is a powerful psychological and emotional capital that forces employees to commit themselves to realization of change in their organization. Trust make employees rationally and heartily believe that the introduced change is vital for survival and success of their organization, to benefit customers and stakeholders, as well as a means to enhance employees' benefit packages (Mayer, Davis, & Schoorman, 1995). As a reciprocal behavior, employees found out a just cause to dedicate their blood and sweat to their organization's success (Sinek, 2014, Simonsen, 1997).

Public sector organizations play a life giving and sustaining role in any nation. They provide inputs to national and organizational policies and engage in implementing those policies when they get ratified and legitimized by the responsible body of the government. Proper implementation of those policies impact peoples' lives in all economic, social and political perspectives (Evans, 1995). Hence, prevalence of authentic leadership is of necessity to public organizations of countries that strive to build democratic governance (Walumbwa et al., 2008).

Ethiopia is one of the countries endeavoring to build democratic governance and customer sensitive public service delivery. For almost the past three decades, the country has invested a lot of effort and resources to civilize and modernize its public organizations (Gebre, 2014). The public service reform program was a comprehensive national package meant to address all the actors and processes in the public service delivery's value chain. To that end, the reform program was implemented by uniformly applying different change management tools such as strategic planning and management (SPM), management by objective (MBO), performance based management system (PBMS), business process reengineering (BPR), Kaizen and balanced score card (BSC). Nonetheless, implementation of the public sector reform program has shown remarkable changes and improvement in very few public service organizations while majority of the organizations in the sector witnessed no visible positive difference in their service delivery (Kassa & Zekarias, 2020, Worku, 2019, Solomon, 2013, Getachew & Commons, 2006).

Empirical studies conducted on public sector change in Ethiopia emphasized on appropriateness of the applied planned change management approach, relevance of the service delivery policy, leadership styles and commitment, issues of institutional capacity, employees' competence and organizational culture (Solomon, 2013, Tilaye, 2007, Bezabih, 2009). However, none of them have focused on the importance of leadership authenticity to generate employees' trust in leadership and its effect to realize employees' commitment to organizational change. Therefore, the main purpose of this study was to analyze the effect of authentic leadership through the mediating role of employees' trust in leadership and the resultant employees' commitment towards organizational change. To that end, the following specific objectives were designed: a) to analyze the direct effect of authentic leadership on employees' commitment to organizational change; b) to examine the effect of authentic leadership on the trust of employees in leadership; c) to analyze the mediating role of employees' trust in leadership on the relationship between authentic leadership and employees' commitment to organizational change; and d) to scrutinize if a statistically significant difference exists in the levels of leadership

authenticity, employees' trust in leadership and employees' commitment to organizational change among the studied organizations.

3. Review of Related Literature

Even though the authentic leadership concept is a recently developed one, there are various studies conducted to understand its effect on organizational performance, the employees' commitment to their organizations and the relationship between employees and leadership. The earliest study done on leadership authenticity and employees trust was the one conducted by Henderson and Hoy (1982). This study was mainly aimed at developing authentic leadership scale by studying organizational life in 42 elementary schools in New Jersey. Findings of this study revealed that there is significant positive correlation between authentic leadership and leaders' concern to their status, employees trust and esprit. Besides, the study indicated presence of significant positive relationship between leader's authenticity and employees trust and esprit, while, there is negative relationship between status concern and authentic leadership.

More recently, Dramićanin (2019) conducted a study to find out the influence of authentic leadership on commitment of employees of travel agencies. Findings of this study indicated that there is a significant positive influence and relationship between authentic leadership qualities and employees commitment. This enables organizations to retain talented employees and attract other pools of potentially competent employees from the market. Based on these findings, the researcher concluded that, authentic leadership is the solution to the challenge in managing organizations in this dynamic, complex and uncertain environment where everything changes very fast. Besides, authenticity is being true to oneself and to others as well as a win-win solution to unethical practices and business scandals that organizations are facing. This enables to ensure high dedication of employees towards realization of the mission, vision and goals of the organization by simultaneously enabling employees to go up on the career ladder (Sinek, 2014).

Likewise, in their study on authentic leadership and organizational commitment with the mediating role of positive psychological capital, Rego, Lopes and Nascimento (2016), defined positive psychological capital as having four dimensions namely hope, optimism, self-efficacy and resilience. Their findings indicated that authentic leadership could significantly influence employees' self-efficacy, optimism and hope. However, resilience was found to be more influenced by personal characteristics of individual employees' rather than by the authentic leaders' pattern of positive behavior. Finally, they concluded that presence of authentic leadership is vital for the accumulation of this positive psychological capital. The positive psychological capital in its turn is important to win employees' commitment to organizational change initiatives. However, even though there is conceptual interdependence and similarity between development of positive psychological capital and trust in leadership, Rego, Lopes and Nascimento (2016), did not address the mediating effect of trust in leadership on employees' commitment to change as it is operationalized in the current study.

Ahmed, Soomro, Katper, and Aqil, (2019) conducted a study on impact of perceived authentic leadership on employees' positive emotions during organizational change in the telecom company of Pakistan. These authors found out that perceived authentic leadership has a significant effect on the positive emotions of the employees during any organizational change process. They also affirmed that trust in the leader mediates the role authentic leadership has in generating positive emotional reactions to organizational change.

All the aforementioned empirical studies have tried to show the relationship between authentic leadership and employees' engagement in promoting their organizational performance.

However, non-of them have considered the extent of authentic leadership practiced by the public sector leaders and its effect to create employees' trust in leadership and the employees' commitment to organizational change. Therefore, findings of the study at hand have contributed to fill this research gap by scrutinizing prevalence of authentic leadership and its effect in generating employees' commitment with a mediating role of ' trust in the selected Federal reform champion organizations in Ethiopia.

- **Definition of Variables and Conceptual Framework**

Prevalence of Authentic Leadership (PAL): This construct has three dimensions (Henderson & Hoy, 1982, p.6). These authors defined leadership authenticity as “the extent to which subordinates perceive their leader to be maximizing the acceptance of organizational and personal responsibility for actions, outcomes and mistakes, to be non-manipulating of subordinates; and to demonstrate a salience of self over role.”

Employees Trust in Leadership (ETL): Trust is defined as “the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party.” Ability, benevolence and integrity are the commonly used factors in many literatures related to organizational trust (Mayer, Davis, & Schoorman, 1995, p. 712).

Employees' commitment to organizational change (ECOC): Meyer (2001, Cited in Herscovitch & Meyer, 2002, p. 475), defined commitment as “a force or mindset that binds an individual to a course of action deemed necessary for the successful implementation of a change initiative.” It is measured based on three dimensions viz. affective commitment, continuance commitment and normative commitment.

Conceptual framework of the study

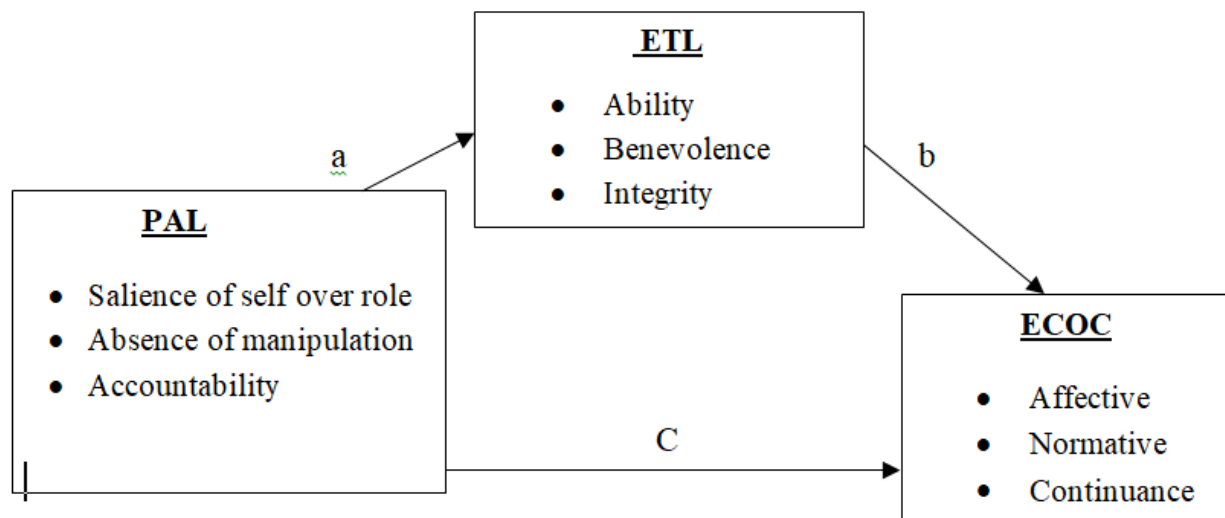


Figure 3.1: Conceptual model of the study.

Source: Developed by the researcher based on literature review, (2021).

Based on the aforementioned definitions of the three constructs in the study, the conceptual model displays that prevalence of authentic leadership (PAL) measured in terms of salience of self over role, absence of manipulation and accountability creates employees' trust in leadership (ETL) which makes employees believe in the leaders' ability, benevolence and integrity. Finally, via the mediating role of ETL, PAL is expected to result in employees' commitment to organizational change (ECOC) which is again considered in terms of affective, normative and continuance types of commitments.

4. Research Design and Approach

The positivist philosophical world view which considers reality as objective and subject to numerical measurement is adhered in this study (Creswell, 2009, Gray, 2004). This world view allows the researcher to collect quantitative data in order to understand PAL and the mediating role of ETL on ECOC in the public sector. Thus, the research approach used in this study is purely quantitative. In that sense, the three constructs namely: PAL, ETL and ECOC are measured numerically.

- **Data Type, Population and Sampling**

Only quantitative primary data were used in this study. The population was determined to compose employees of four federal organizations viz. Ministry of Education (MoE), Ministry of Labour and Social Affairs (MoLSA), Federal Civil Service Commission (FCSC) and the National Bank of Ethiopia (NBoE). These organizations were systematically selected from the list of 15 federal organizations that were ranked by the Civil Service Commission (FCSC, 2020) as high performers in reform implementation. The total number of employees of the selected organizations, with educational status of a diploma and above was found to be 1,462. The sample size determination formulae developed by Yamane (1967, p. 886) as cited in Israel, (2003, P.4) was used to calculate a representative sample size. The formula runs as: $n = \frac{N}{1 + N(e^2)}$. Accordingly, $\frac{1,462}{1 + 1,462(0.05^2)} = 399.73$ which is approximated to 400. The share of respondents for each organization was calculated by applying the proportional sample allocation strategy.

Table 4.1: Proportional distribution of the sample to selected organizations

No.	Name of the organization	Number of employees	Proportional allocation	Sample size
1	MoE	308	$308 * 400 / 1,462$	84
2	FCSC	286	$286 * 400 / 1,462$	78
3	MoLSA	203	$203 * 400 / 1,462$	56
4	NBoE	665	$665 * 400 / 1,462$	182
Total			400	

Source: Own calculation, (2021).

A simple random sampling technique was used to determine employees who actually involve as actual respondents of the study.

• Instrumentation

Data collection instruments employed in this study were three validated questionnaires on PAL, ETL and ECOC. The first one was used to measure leadership authenticity based on the three dimensions identified by Henderson and Hoy (1982) as prevalence of self over role, non-manipulation and accountability. To that end, the leadership authenticity scale was adapted to the context of public sector leaders' authenticity. This instrument is composed of 32 items where the first dimension, silence of self over role, takes nine of them, the second dimension, non-manipulation, is measured by 13 items and the last dimension, accountability, is measured by ten items.

The second questionnaire was the trust measurement scale as developed by Mayer, Davis, and Schoorman (1995). This questionnaire has three dimensions targeted at measuring employees' trust in leadership. These are ability, benevolence and integrity. It is totally composed of 17 items, six on ability, five on benevolence and six on integrity. And finally, the third validated instrument is the one developed by Herscovitch and Meyer (2002) to measure employees' commitment to organizational change. Like the aforementioned instruments, this scale also measure employees' commitment to change via three dimensions namely affective commitment, continuance commitment and normative commitment. The instrument is composed of 18 items whereby all of the three dimensions are measured by six items. These three validated instruments were compiled together as one instrument composed of 67 items.

All the three questionnaires were self-translated in to Amharic language by the researcher and they were again back translated in to English language with the help of a language expert. This method of back-translation of a questionnaire; English to Amharic and then to English; help ensure coherence and accuracy of the translated items. After translation was completed, the instrument was pilot tested on employees of the public sector whose educational background aligns with that of the employees selected for this study. Based on results of the pilot test, the researcher made some modifications especially to avoid redundancies and vagueness of some items. Finally, the instrument was distributed to the sampled 400 respondents.

• Data Analysis

After all data get encoded in to the SPSS software version 21, assumption tests on sample size adequacy, multi-collinearity, linearity, normality, homoscedasticity and outliers was conducted. Results of the tests revealed that the data meets all requirements for regression analysis. Consequently, the data were first analyzed using descriptive statistics to find out the overall mean scores on each dimension of the three constructs (PAL, ETL & ECOC). And finally, objectives of the study were addressed by using regression analysis and MANOVA (Pallant, 2010, Field, 2009). The regression analysis was done based on Baron and Keny's (1986, p.1177) model of step-wise mediation analysis by:

- a. regressing the dependent variable on the independent variable.
- b. regressing the mediator on the independent variable.
- c. regressing the dependent variable on both the mediator and the independent variable.

Besides, the status of direct and indirect predictive effect of PAL on ECOC via mediation of ETL is interpreted based on Chine 1998, and Hock and Ringle 2006, Cited in Garson (2016, p. 80) who described that R^2 values of .67 and above are substantial, .33-.66 are moderate and .19 and below are weak.

5. Results and Discussion

• The direct effect of prevalence of authentic leadership (PAL) on employees' commitment to organizational change (ECOC)

Prevalence of authentic leadership (PAL) with its unique characteristics of salience of self over role, accountability and absence of manipulation is assumed to have positive influence on the level of employees' commitment to organizational change (ECOC) which is again determined as having three dimensions namely affective commitment (AC), continuance commitment (CC) and normative commitment (NC). Binomial logistic regression was used to analyze the total effect of PAL on ECOC. The model summary result depicted in Table 5.1 shows that there is positive correlation (R) between PAL and ECOC. However, the predictive effect of authentic leadership on employees' commitment to organizational change (R^2) is 3.8%.

Table 5.1: Model Summary^a

Model	R	R Square	Adjusted R square	Std. error of the estimate
1	.196 ^a	.038	0.36	.55228

a. Predictors: (constant), PAL

• Model Parameters

The coefficients in Table 5.2, demonstrate contribution of the predictor variable (PAL) to the outcome (ECOC) and its significance level. The beta value ($b=.197$), with standard error of ($SE=.072$) tells us that there is a positive relationship between PAL and ECOC. That is, presence of one unit of PAL in the organizations increases the ECOC by .197, which is significant at $P<.05$.

Table 5.2: Coefficients^a of the direct effect of PAL on ECOC

Model		Unstandardized coefficients		Standardized coefficients	t	Sig.
		B	Std. error	Beta		
1	(Constant)	2.498	.181	.156	13.819	.000
	PAL	.197	.072		3.035	.003

a. Dependent variable: ECOC

On top of having statistical significance, the beta value is required to be different from zero and greater than the standard error. In the case at hand, the beta value .197 is greater than the standard error .072. Likewise, the t value 3.04 which is statistically significant at $p<.05$ tells us that the beta value is different from zero. Thus, it could be concluded that PAL has significant positive contribution to create ECOC in the studied organizations.

This finding aligns with what was proposed by different authors on PAL's statistically significant effect on ECOC (Dramićanin, 2019; Henderson & Hoy, 1982). These authors found out that PAL plays great role to create employees' commitment and serve as a strategy to retain professionally competent employees with whom the organizations' mission, values and vision are well entrenched. In other words, PAL creates a win-win relationship between an organization and its employees (Northouse, 2016, Sinek, 2014, George, 2003, Walumbwa et al., 2008). That is, the organization benefits from retention of its competent and well equipped employees

whereas the employees also benefit due to their ability to go up the career ladder of the organization (Parish & Cadwallader, 2008, Herscovitch & Meyer, 2002, Simonsen, 1997).

However, analysis of demographic data of the study at hand revealed that 49% of the respondents were aged 28-37 years and majority of the respondents (58%) have served their organizations for 6 months -5 years only. This shows that the studied organizations' employee retention capacity is low. Besides, the organizations' total mean score on PAL is 2.75. This indicates that there is weak level of PAL in the organizations. That is why the effect size (R^2) has remained at 3.8%. Therefore, it could be concluded that the higher the level of PAL in an organization, the higher will be its employees' commitment to their organization's success in reform implementation. This conclusion is similar with that of Ahmedet al. (2019), which found out that authentic leadership has impact on employees' positive emotions during organizational change.

- **The effect of prevalence of authentic leadership (PAL) on employees' trust in leadership (ETL)**

The complexities and dynamism in today's organizations urged for more positive leadership capabilities and authenticity to restore confidence in all levels of leadership and build trustful relationship between leaders and subordinates (Goffee & Jones, 2005, George, 2003). Besides, the need for trustworthy relationship between leaders and subordinates in an organization become crucial due to leaders' act of violation of legally and ethically assigned responsibilities. Authentic leadership is proposed as a vital leadership approach to ensure employees' trust in leadership (Northouse, 2016, Sinek, 2014). Organizations led by authentic leaders develop work environments of high level of trust which is fun, supportive, motivating, productive and comfortable (Hurley, 2012, Avolio & Gardner, 2005). The model summary result on the effect of PAL on ETL as exhibited in Table 4 shows that there is positive correlation (R) between PAL and ETL. However, the predictive effect of PAL on ETL (R^2) is 1.6%.

Table 5.3: Model summary ^a on the direct effect of PAL on ETL

Model	R	R Square	Adjusted R square	Std. error of the estimate
1	.128 ^a	.016	0.14	.76721

Predictors (constant): PAL

- **Model Parameters**

Coefficients of the analysis as shown in Table 5.3 indicates contribution of the predictor variable (PAL) to the outcome (ETL) and its significance. The beta value -.245 shows that there is a negative and statistically significant relationship between PAL and ETL, with a p-value of .014. The effect of PAL on ETL is predicted by the model and the beta coefficient is explained as one unit increase in PAL will result in decrease in the level of ETL by .245 which is significant at $P < .05$.

Table 5.4: Coefficients ^a of the effect of PAL on ETL

Model		Unstandardized coefficients		Standardized coefficients	t	Sig.
		B	Std. error	Beta		
1	(Constant)	3.423	.276	-.128	12.389	.000
	PAL	-.245	.099		-2.465	.014

a. Dependent variable: ETL

Even though direction of the change in ETL is negative, the beta value is greater than the standard error (0.99). Besides, the t value -2.465 tells us that the beta value is different from zero. Thus, it could be concluded that PAL has significant negative contribution to decrease ETL in the studied organizations. This finding violates the theoretical proposition about existence of positive relationship between PAL and ETL. Rather, it aligns with Hurley's (2012) and Avolio and Gardner's (2005) stipulation that organizations led by unauthentic leaders are characterized by low level of trust, threatening, divisive, unproductive and tense work environments. It is also inconsistent with findings of previous empirical studies about the importance of authentic leadership to make fundamental difference in organizations by helping people find meaning and connection at work through greater self-awareness; by restoring and building optimism, confidence and hope; promoting transparent relationships and positive ethical climates (Sinek, 2014, Henderson & Hoy, 1982).

- **The indirect effect of prevalence of authentic leadership (PAL) on employees' commitment to organizational change (ECOC) with mediating role of employees' trust in leadership (ETL)**

Employees' emotional reaction to change is a decisive factor of whether the change will succeed or fail. In fact, their reaction is shaped by the level of trust employees have in the organizations' leadership (Ahmed et al., 2019). Presence of authentic leadership is vital for accumulation of positive psychological capital in the forms of optimism, hope and self-efficacy. The positive psychological capital in its turn is important to win employees' commitment to organizational change initiatives (Rego, Lopes & Nascimento, 2016). These authors stated that trust has positive and statistically significant effect on employees' commitment.

Table 5.5: Model Summary ^a

Model	R	R Square	Adjusted R square	Std. error of the estimate
1	.173 ^a	.030	0.25	.50122

a. Predictors (constant): PAL, ETL

b. Dependent: ECOC

The model summary result depicted in Table 5.5 shows that there is significant correlation (R) between PAL and ECOC. However, the predictive effect of PAL and ETL on ECOC (R^2) is 3%.

Table 5.6: Coefficients ^a

Model	Unstandardized coefficients		Standardized coefficients	t	Sig.
	B	Std. error			
1	Constant	2.331		10.843	.000
	PAL	.209	.065	3.197	.002
	ETL	.049	.034	1.432	.153

a. Dependent variable: ECOC

Table 5.6 presented the beta values of PAL (.209) and ETL (.049). These results indicate that presence of one unit of PAL will result in increase in the level of ECOC by .209, which is statistically significant ($P=.002$); and presence of one unit of ETL results in .049 increase in the level of ECOC, which is trivial and statistically insignificant ($p=.153$). This result shows that, ETL does not mediate the predictive effect of PAL on ECOC. To further check statistical

significance of the mediation result, a Sobel test was applied by using a web page calculator as it is presented in Figure 5.1 and Table 8.

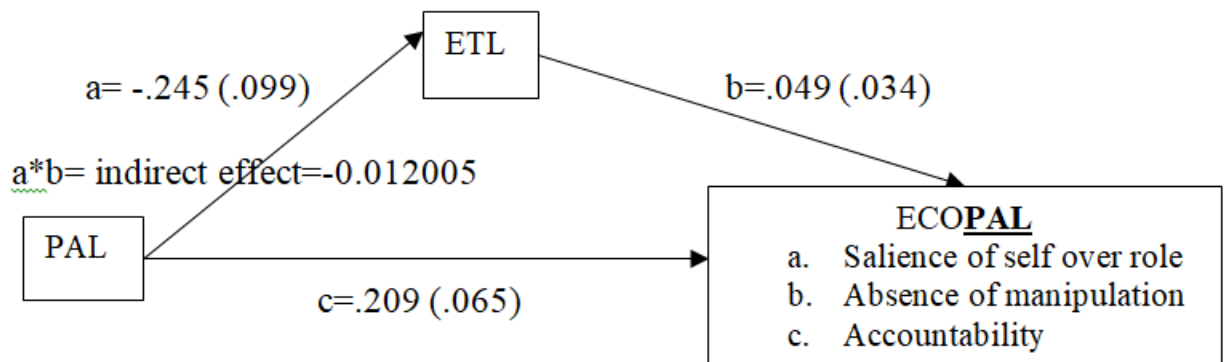


Figure 5.1: Mediation analysis of ETL on PAL's effect on ECOC.
Source: Developed by the Researcher, (2021).

The Sobel test result revealed that the indirect effect of PAL on ECOC through the mediating role of ETL ($a*b$) is $-.012005$ and the p-value is 0.21; which is greater than the standard cutoff point of statistical significance at $p < .05$.

Table 5.7: Sobel test analysis

Input		Test statistic	Standard error	p-value
a=.245	Soble test:	1.2453889	0.00963956	0.21298883
b=.049	Aroian test:	1.1757688	0.01021034	0.23968728
$S_a = .099$	Goodman test:	1.32904795	0.00903278	0.18383215
$S_b = .034$	Reset all	Calculate		

Source: Researcher's own calculation using the Sobel test calculator, (2021).

Therefore, the indirect effect of PAL on ECOC through ETL is not statistically significant. Rather, PAL has a statistically significant effect without involvement of the mediator. As a result, the researcher scrutinized the implication of low level of PAL with a mean score of 2.75 and wondered on presence of other styles of leadership that dominate the studied organizations' and could have negative relationship with the level of ETL. On his study of transactional leadership style and its effects on organizational commitment using employees' trust as a mediator, Mehmood (2016) found out that employees' trust on the leader does not predict the level of ECOC. Rather, there is a statistically significant relationship between transactional leadership style and ECOC, without the need to develop ETL.

This finding indicates that the leadership style dominantly prevailing in the studied organizations is not authentic but transactional. It also aligns with findings of the study done by Yasir, Imran, Irshad, Mohamad and Khan (2016), which revealed that the relationship between transactional leadership style and ETL is negative and statistically insignificant. It is believed that through its contingent reward mechanism, transactional leadership could create higher levels of ECOC. Similarly, a study conducted by Wei, Yuan and Di, (2010) found out that there is negative relationship between transactional leadership style, characterized by limited information

sharing, tense relations and supervisor's strict control on individual behavior of the employees and employees' trust in leadership.

Therefore, it could be concluded that presence of a relatively higher level of ECOC in the studied organizations is caused by the transactional leaders' carrot and stick approach which emphasis on rewarding employees who stick to the required behavior and punishing those who do not.

- **The levels of prevalence of authentic leadership (PAL), employees' trust in leadership (ETL) and employees' commitment to organizational change (ECOC) in the studied organizations**

All of the organizations included in this study namely MoE, FCSC, MoLSA and NBoE were ranked as high performers in reform implementation (FCSC, 2019). To find out if any statistically significant difference exists among the studied organizations, a multivariate analysis of variance (MANOVA) was conducted using the variable "organization" as predictor and PAL, ETL and ECOC as outcome variables. Moreover, size of the difference among the studied organizations was interpreted using Cohen's (1988) categorization i.e. $<.01$ =trivial; $.01-.05$ =small; $.06-.07$ =medium and $.08$ =large.

Table 5.8: Descriptive statistics of multivariate analysis of variance (MANOVA).

Variable	Organization	Mean	Std. deviation	N
PAL	MoE	2.858	.43893	78
	FCSC	2.7208	.43016	73
	MoLSA	2.7772	.42290	52
	NBoE	2.7268	.36361	166
	Total	2.7537	.40286	369
ETL	MoE	2.6214	.83181	78
	FCSC	2.5794	.69723	73
	MoLSA	2.5860	.71438	52
	NBoE	2.9337	.75828	166
	Total	2.7486	.77248	369
ECOC	MoE	3.0148	.53625	78
	FCSC	3.0032	.53347	73
	MoLSA	3.1036	.54454	52
	NBoE	3.0491	.47131	166
	Total	3.0404	.50750	369

Source: Own analysis based on field survey, (2021).

Results of the MANOVA indicated that there is no sensible difference between the mean scores and standard deviations of the studied organizations' level of PAL and ECOC. There is only a slight difference in mean scores of ETL in the case of NBoE which is 2.9337; while MoE, FCSC and MoLSA scored 2.6214, 2.5794 and 2.5860 respectively. This difference is depicted by Figure 5.2.

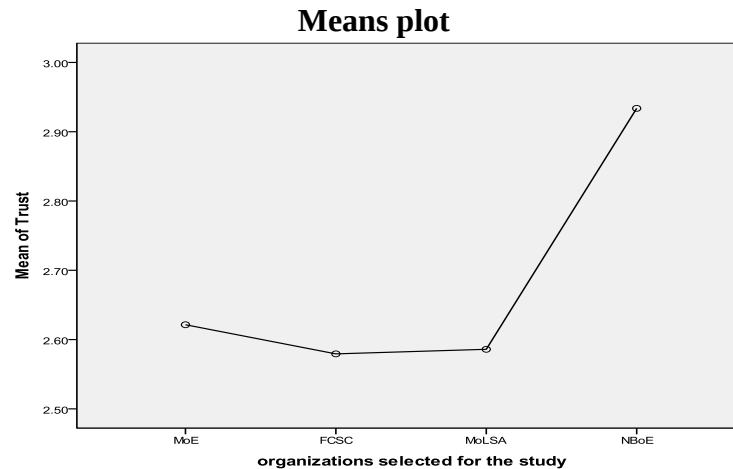


Figure 5.2: The means plot of the organizations' level of ETL
Source, own developed based on field survey, (2021).

Box's test was used to check the null hypothesis that "the observed covariance matrices of the dependent variables are equal across the groups." It tells us whether the data violates the assumption of homogeneity of variance-covariance matrices. In the current study, the significance value is $p=.216$. Therefore, since it is greater than .05, the assumption of homogeneity of variance-covariance is satisfied. Hence, there is equality of variance matrices in PAL, ETL and ECOC across the studied organizations.

Table 5.9: Box's test of equality of covariance matrices ^a

Box's M	22.789
F	1.243
df1	18
df2	186501.953
Sig.	.216

a. Design: Intercept + organization
Source: Own analysis based on field survey, (2021).

The other test used in MANOVA is the Levene's test of equality of error variances. In the case at hand, the significance values for the three dependent variables used in the study are all greater than .05. That is; PAL ($p=.436$), ETL ($p=.712$) and ECOC ($p=.650$). Therefore, the assumption of equality of error variances is met.

Table 5.10: Levene's test of equality of error variances ^a

	F	df1	df2	Sig.
PAL	.911	3	365	.436
ETL	.458	3	365	.712
ECOC	.547	3	365	.650

a. Design: Intercept + organization
Source: Own analysis based on field survey, (2021).

• Tests of between Subjects Effects

Results of the multivariate test showed that there is statistically significant difference among the studied organizations in terms of their PAL, ETL, and ECOC. However, it does not tell as where that statistically significant difference lays for sure. To that end, a test of between subjects' effects was conducted and the results are presented in Table 5.11.

Among the different multivariate tests namely Pillai's Trace, Wilks' Lambda, Hotelling's trace and Roy's largest root, the Wilks' Lambda statistics is the most commonly reported one. Accordingly, Wilks' Lambda effects in the current study showed that $F=2.498$, $p=.008$, Wilks Lambda=.94; and Partial eta squared=.02. The result shows that there is a statistically significant difference in ETL among MoE, FCSC, MoLSA and NBoE. Besides, the size of the difference is determined to be .02, which is a small effect size as per Cohen's standardization.

Table 5.11: Multivariate analysis of variance (MANOVA)

Effect		Value	F	Hypothesis df	Error df	Sig.	Partial Eta. Square
Intercept	Pillai's Trace	.987	9029.350 ^b	3.000	363.000	.000	.987
	Wilks' Lambda	.013	9029.350 ^b	3.000	363.000	.000	.987
	Hotelling's trace	74.623	9029.350 ^b	3.000	363.000	.000	.987
	Roy's largest root	74.623	9029.350 ^b	3.000	363.000	.000	.987
Organization	Pillai's Trace	.060	2.479	9.000	1095.000	.008	.020
	Wilks' Lambda	.941	2.498	9.000	883.597	.008	.020.
	Hotelling's trace	.062	2.509	9.000	1085.000	.008	.020
	Roy's largest root	.051	6.175 ^c	3.000	365.000	.000	.048

a. Design : Intercept + organization

b. Exact statistic

c. The statistic is an upper bound on F that yields a lower bound on the significance level

Source: Own analysis based on field survey, (2021).

At this level, since we are looking at a number of separate analyses, the researcher is methodologically advised to set an alpha level that is higher than the conventional level of .05. This was done by applying the Bonferroni adjustment which proposes that the conventional alpha point should be divided to the number of dependent variables used in the MANOVA (Pallant, 2010). The Bonferroni adjustment is required in order to avoid occurrence of Type I error which results in rejection of a true null hypothesis due to the lower level of the conventional cut off point (.05). In the current study, there are three dependent variables namely PAL, ETL, and ECOC. Hence, a higher P value could be calculated as $.05/3=.017$. That is, any p-value which is lesser than .017 indicates presence of statistically significance difference among the studied organizations.

Table 5.12: Tests of between subjects effects

Source	Dependent variable	Type III sum of squares	df	Mean square	F	Sig.	Partial Eta squared
Corrected model	PAL	.633 ^a	3	.211	1.303	.273	.011
	ETL	10.417 ^b	3	3.472	6.059	.000	.047
	ECOC	.372 ^c	3	.124	.480	.696	.004
Intercept	PAL	2358.663	1	2358.663	14568.818	.000	.976
	ETL	2219.821	1	2219.821	3873.401	.000	.914
	ECOC	2860.974	1	2860.974	11061.006	.000	.968
Organization	PAL	.663	3	.211	1.303	.273	.011
	ETL	10.417	3	3.472	6.059	.000	.047
	ECOC	.372	3	.124	.480	.696	.004
Error	PAL	59.093	365	.162			
	ETL	209.179	365	.573			
	ECOC	94.409	365	.259			
Total	PAL	2857.737	369				
	ETL	3007.329	369				
	ECOC	3505.923	369				
Corrected total	PAL	59.726	368				
	ETL	219.596	368				
	ECOC	94.781	368				

a. R squared=.011 (Adjusted R square=.002)

b. R squared=.047(Adjusted R square=.040)

c. R squared=.004(Adjusted R square=-.004.)

Source: Own analysis based on field survey, (2021).

The row of the tests of between subjects effects in Table 5.12 which contains the independent variable, Organization, indicates that there is no statistically significant difference among the organizations in PAL ($p=.273$) and ECOC ($p=.696$). These two dependent variables have trivial size of difference which is .011 and .004 respectively. However, there is a perfect statistically significant difference among the studied organizations in their level of ETL ($p=.000$). The size of the difference stated as partial Eta squared is also .047 which could be approximated to .05 and meets Cohen's medium level of effect size.

Results in the tests of between subjects effects exhibited that the MoE, FCSC, MoLSA and the NBoE have statistically significant difference in the case of ETL. To find out where that statistically significant difference in ETL lays among the organizations, a post hoc test with Tukey's HSD was conducted. Table 5.13 demonstrates results of the multiple comparisons. Accordingly, there is statistically significant difference between MoE and NBoE ($p=.015$), FCSC and NBoE ($p=.005$). Whereas the difference in the level of ETL between NBoE and MoLSA is not statistically significant ($p=.021$).

• Multiple Comparisons

Table 5.13: Tukey's HSD (Honestly significant difference)

Depend. variable	(I) Organization	(J) Organization	Mean d/f (I-J)	Std. Error	Sig.	95% confidence Int.	
						Lower	Upper
ETL	MoE	FCSC	.0420	.12328	.986	-.2761	.3602
		MoLSA	-.0354	.13553	.994	-.3143	.3852
		NBoE	-.3123	.10392	.015	-.5809	-.0441
	FCSC	MoE	-.0420	.12328	.986	-.3602	.2761
		MoLSA	-.0066	.13737	1.000	-.3612	.3479
		NBoE	-.3544	.10632	.005	-.6288	-.0800
	MoLSA	MoE	-.0354	.13553	.994	-.3852	.3143
		FCSC	.0066	.13737	1.000	-.3479	.3612
		NBoE	.3478	.12031	.021	-.6583	-.0373
	NBoE	MoE	.3123	.10392	.015	.0441	.5805
		FCSC	.3544	.10632	.005	.0800	.6288
		MoLSA	.3478	.12031	.021	.0373	.6583

- Based on observed means
- The error term is Mean square (error)=.259
- The mean difference is significant at the .05 level.

Source: Own analysis based on field survey, (2021).

Therefore, results of the MANOVA confirmed that NBoE and MoLSA are slightly better than MoE and FCSC in terms of the level of ETL. However, they do not have statistically significant difference in the levels of PAL and ECOC. Over all, it could be concluded that the studied organizations exhibit below average mean score levels in PAL and ETL. Though the total mean score for ECOC is 3.04, greater than the total mean scores of PAL (2.75) and ETL (2.74), it is still a little bit higher than the average.

6. Conclusion

Authentic leadership creates trustworthy relationship between leaders and employees of an organization. The trust employees have in their leadership and vice-versa enable the organization to identify its real level of competence and commitment to implement organizational goals and objectives. Besides, authenticity born trust produces affective commitment of employees towards achievement of the organization's objectives. It makes employees dedicate their sweat and blood to the organization's success not because they ought to, but because they want to.

This study was aimed at analyzing the effect of PAL on ECOC with a mediating role of ETL. Findings show that PAL has positive and statistically significant direct effect on ECOC. Similarly, PAL has statistically significant positive effect on ETL. Besides, the indirect effect of PAL on ECOC with a mediating role of ETL is found negative and statistically insignificant. However, the direct and indirect predictive effects of PAL on ETL and ECOC are very weak.

All of the studied organizations namely MoE, FCSC, MoLSA and NBoE have almost similar levels of mean scores on PAL and ECOC. Nonetheless, a statistically significant

difference was found out in the studied organizations' level of ETL in which it was relatively higher in the case of NBoE.

Findings of this study are not consistent with findings of previous studies which indicated that PAL has significant positive effect on ECOC when it is mediated by ETL. The reason behind this difference is that the studied organizations are not applying authentic leadership in actual terms. Their leadership style is more aligned to the characteristics of transactional leadership where employees do not have trust in their leaders but, they are committed to organizational programs and goals as a result of the carrot and stick approach followed by transactional leaders. In other words, leaders of the organizations use strict follow up mechanisms to see whether employees are aligning with requirements of the planned change; and reward those who admit to the ongoing change and punish those who do not fully engage in implementing the launched organizational change. As a result, the organizations have lower levels of employee retention capacity. That is why majority of the employees they have are too young with few years of service.

Even though the studied organizations are identified as reform champions outshining in the federal public sector, absence of leadership authenticity and employees' trust in leadership could make them incapable to retain committed employees and successfully thrive via the rapidly changing internal and external environments.

7. Recommendations

Considering, the importance of authentic leadership in creating embedded trust between leadership and employees and its reciprocal effect to develop employee commitment; institutionalizing the authentic leadership approach should be considered as a viable option for public sector organizations to do away with the challenges and limitations they are facing due to unethical behavior. This is so because public sector organizations are driven by the purpose to serve the public interest with honesty and integrity. Authentic leadership demand leaders to simultaneously be true to themselves, to their followers and the public. Hence, leaders versed with authentic leadership quality prioritize humanity over any other matter; they never manipulate their followers and voluntarily admit their failures. In organizations where authentic leadership style prevails, there is a trustworthy relationship between leaders and followers that could make them stand unified towards accomplishment of missions and objectives of their organizations. As a higher standard of good behavior, authentic leadership enables ethics and morality to bloom in the public sector. Since authentic leaders naturally prioritize public interest over their positions, they could easily be versed with real customer centered service delivery.

Authentic leadership as a root concept includes servant leadership, transformational leadership, and spiritual leadership qualities. Hence, due to its comprehensive nature and its intimacy with the concept of democratic governance, academic institutions that teach leadership and governance should include authentic leadership in their leadership curriculums. Besides, institutions mandated to provide practical trainings and consultancy on leadership should train and consult leaders on the skills that enable them develop authentic leadership qualities and competences.

Since, authentic leadership is a recently developed leadership concept; further studies should be conducted to practically understand how authentic leadership could enhance employee retention and organizational performance, customer satisfaction and public trust on the government agencies.

Acknowledgements

The researcher extends her heartfelt thanks to the Ethiopian Civil Service University (ECSU) for its consideration of the research topic and financial support for same.

References

- Ahmed, M., Z, Soomro, K., A, Katper, N., K., and Aqil, M. (2019). Impact of perceived authentic leadership on employees' positive emotions during organizational change. *Journal of Organizational Behavior Research*., 4 (1). PP:186-198. <https://odad.org/tr/article/impact-of-perceived-authentic-leadership-on-employees-positive-emotions-during-organizational-change>.
- Avolio, B., J. & Gardner, W., L. (2005). Authentic leadership development: Getting to the root of positive forms of leadership. *The Leadership Quarterly*.16(), pp. 315 – 338. Retrieved on December 15, 2020, from https://www.mcgill.ca/engage/files/engage/authentic_leadership_avolio_gardner_2005.pdf.
- Baets, W., R., J. (2006). *Complexity, learning and organizations: A quantum interpretation of business*. London and New York: Rout ledge.
- Baron, R., M and Kenny D., A (1986). The moderator-mediator variable distinction in social psychological research: conceptual, strategic, and statistical considerations. *Journal of Personality and Social Psychology*.51(6). Pp. 1173-1182. DOI: 10.1037//0022-3514.51.6.1173. The American Psychological Association.
- Bezabih, B., T. (2009). Implementation challenges of the civil service delivery policy of Ethiopia: Civil servants' perspective. In *Proceedings of the Third National Conference on Assessment of the Practices of Civil Service Reform in Ethiopia*. The Ethiopian Civil Service College and the Ethiopian Management Institute, Addis Ababa.
- Brauns, M. (2015). The management of change in a changing environment-To change or not to change. *Corporate Role, Duties and Composition*.11(3). Retrieved on December 10, 2020, from https://www.researchgate.net/publication/309047978_The_management_of_change_in_a_changing_environment_-_To_change_or_not_to_change.
- Cohen, J. (1988). *Statistical power analysis for the behavioral sciences*. 2nded. New York: Lawrence Erlbaum Associates.
- Evans P. (1995). *Embedded Autonomy: States and Industrial transformation*. Princeton University Press: New Jersey.
- Field, A. (2009). *Discovering statistics using SPSS*. 3rded. London: Sage publications.
- Garson G. D. (2016). *Partial Least Squares: Regression and Structural Equation Modeling*. Statistical Associates Blue book series. USA.
- Gebre, M. (2014). The implementation of civil service reforms in Ethiopia: The promise for civil service-
politicization of Tigray national regional State. *Developing Country Studies*, 4(7). Retrieved March 19/2020, from <http://www.academia.edu>
- George, B. (2003). *Authentic leadership: Rediscovering the secrets to creating lasting value*. Jossey-Bass, San Francisco.
- Getachew, H., & Common, R., K. (2006). Civil service reform in Ethiopia: Success in two ministries. *Research Memorandum 59*. <http://www2.hull.ac.uk>

- Goffee, R., and Jones, G., (2005). "Managing authenticity: the paradox of great leadership", Harvard Business Review, pp 87-94.https://nanopdf.com/download/goffee-rob-and-jones-gareth-managing-authenticity-the_pdf
- Henderson, J. E., & Hoy, W. K. (1983). Leader authenticity: The development and test of an operational measure.<https://files.eric.ed.gov/fulltext/ED219408.pdf>.
- Herscovitch, L., & Meyer, J. P. (2002). Commitment to organizational change: Extension of a three-component model. *Journal of Applied Psychology*, 87(3), 474 - 487.<https://doi.org/10.1037/0021-9010.87.3.474>
- Israel, G., D. (2003). Determining sample size. PEOD6: Institute of food and agricultural sciences of Florida.
<https://www.tarleton.edu/academicassessment/documents/samplesize.pdf>
- Kassa T. and Zekarias M. (2020).Determinants of Public Servants' Performance in Federal Public Service Sectors in Ethiopia.In *Public Administration in Ethiopia: Case Studies and Lessons for Sustainable Development*, pp.500-527. Ed. Bacha K. D., Bouckaert G., Meheret, A., W, Dereje T., G., Hondegheem A, Steen T and Troupin S. Leuven University Press. Retrieved on July 16/2021, from <https://www.jstor.org/stable/j.ctv19m65dr.27>
- Khan, S. N. (2010).Impact of authentic leaders on organization performance.*International Journal of Business and Management*5 (12).www.ccsenet.org/ijbm
- Kotter, J, & Rathgeber (2005). *Our ice berg is melting: Changing and succeeding under any conditions*. St. Martin's press, New York.
- Kotter, J., P. (1996). *Leading change*. United States: Harvard Business School.
- Mayer, R.C., Davis J. H., and Schoorman F.D., (1995). An integrative model of organizational trust .*The Academy of Management Review*.20,(3) 709-734.
<https://www.jstor.org/stable/258792>.
- Mehmood, A. (2016). Transactional leadership style and its effect on organizational commitment: employee trust as a mediator. *Sci.Int.(Lahore)*, 28(5),57-64.
<http://www.sci-int.com/pdf>.
- Novicevic, M., M and Harvey, M., G.(2006). Authentic Leadership: A Historical Perspective.*Journal of Leadership and Organizational Studies*.13, (1).<https://shareok.org/bitstream/handle/11244/25290/10.1177.10717919070130010901.pdf>
- Parish, J., T. and Cadwallader, S. (2008). Want to, need to, ought to: employee commitment to organizational change.*Journal of Organizational Change Management*. 21 (1),pp. 32-52. Emerald Group.DOI 10.1108/09534810810847020.
- Rego, P., Lopes, M., P, and Nascimento, J., L. (2016).Authentic leadership and organizational commitment: The mediating role of positive psychological capital. *Journal of Industrial Engineering and Management*.9(1): 129-151. <http://dx.doi.org/10.3926/jiem.1540>.
- Schein, E., H. (2004). *Organizational culture and leadership*. 3rd ed. San Francisco: Jossey-Bass.
- Simonsen, P. (1997). *Promoting a development culture in your organization: Using career development as a change agent*. USA: Davies-Black.
- Sinek, S. (2014). *Leaders eat last, why some teams pull together and others don't*. Penguin, New York.
- Solomon, M. (2013). Civil service reform in Ethiopia: Issues, lessons, and future directions, *International Journal of Public Administration*, 36(4), pp 235-247. Retrieved on October 24, 2019, from <http://www.tandfonline.com>

- Tilaye, K. (2007). Civil service reform in Ethiopia: Achievements, problems and possible solutions. *Proceedings of the First National Conference on Achievements, Challenges and Prospects of the Civil Service Reform Program Implementation in Ethiopia*. The Ethiopian Civil Service College and the Ethiopian Management Institute.
- Walumbwa, F.O., Avolio, B., J., Gardner, W., L., Wernsing, T., S., & Peterson, S., J. (2008). Authentic Leadership: Development and Validation of a Theory-Based Measure. *Journal of Management*, Vol. 34 No. 1, pp. 89-126; DOI: 10.1177/0149206307308913.
- Wei, F., Yuan, X., Di Y., (2010). Effects of Transactional Leadership, Psychological Empowerment and Empowerment Climate on Creative Performance of Subordinates: A Cross-level Study. *Front. Bus. Res. China* 2010, 4(1): 29–46 DOI 10.1007/s11782-010-0002-6.
- Westover, J., H. (2014). *Strategic human resource management: Leading innovative organization series*. USA: HCI.
- Worku M., T. (2019). Public service reform in Ethiopia: Challenges and gaps post-implementation. *Africa's Public Service Delivery and Performance Review*. <https://apsdpr.org/index.php/apsdpr>
- Yasir M, Imran R., Irshad, M., K., Mohamad N., A., Khan, M., M., (2016). Leadership styles in relation to employees trust and organizational change capacity: Evidence from Non-profit organizations. *SAGE open*, 1-12. DOI: 10.1177/2158244016675396.