AUTHENTIC LEADERSHIP, ORGANIZATIONAL IDENTIFICATION AND CITIZENSHIP BEHAVIOR IN THE GULF COOPERATION COUNCIL (GCC) COUNTRIES

Tahir Masood Qureshi, American University in the Emirates

ABSTRACT

The purpose of this empirical research is to explore the impact of authentic leadership on organizational identification and citizenship behavior in addition to exploring the mediating role of organization virtuousness and collective psychological capital between authentic leadership and organizational identification. In this quantitative and cross-sectional study five-point Likert scale survey was used to obtain primary data opting purposive sampling technique from professionals working in the banking industry of Gulf Cooperation Council (GCC) countries including Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates. The analysis revealed that all tested propositions except mediating role of organization virtuousness between authentic leadership and organization citizenship behavior are accepted. Psychologically empowered employees stimulate pro-social behavior in organizations in addition to showing transparency, self-awareness, and unbiased behaviors at high ethical and moral standards. Banks operating in the GCC countries need to focus more on authentic leadership in relation to collective psychological capital and organizational virtuousness to operate with employees having organization citizenship behavior. This combination will make the banks competitive and sustainable in the short and long run.

Keywords: Authentic Leadership, Organizational Identification, Organizational Virtuousness, Collective Psychological Capital and Organization Citizenship Behavior.

INTRODUCTION & LITERATURE REVIEW

Banking sector in Gulf Cooperation Council (GCC) countries is becoming strong over the time. The sector carries better asset quality, improved profitability and stable balance sheet for the coming years (Ulrichsen, 2018). It is flourishing because of present oil prices, government expenditures and stimulus packages such as UAE Expo 2020, Qatar FIFA 2022, Saudi National Transformation and new Kuwait 2035 development plans. These factors are expected to boost sustainable perceived and financial performance of the banks. Lending growth in 2019 is expected to range from six to seven percent in Kuwait, Oman, Bahrain and four percent in Saudi Arabia, while credit growth is expected to recover as regional governments are expanding economic activities and encourage private sector growth in the region. Banks in the GCC countries are improving their interest rates gradually to have better net interest margins. Strong capital base of banks in the region combined with government support make them capable of facing variations in the business, provided that their leadership is active and make legitimate decisions to protect, sustain and develop the business in short and long run. Leadership
introducing employee-oriented practices develop employees’ identification with organization, termed as organizational identification (OI) can optimize commitment and performance. This will lead their business to a next level and make the banks strong internally. Individuals identified with an entity such as organization or leadership performs exemplary for the organizations (Cremer & Knippenberg, 2004). Leaders influence followers’ identification by manipulating their self-concepts (Lord et al., 1999). The growing evidences portray the role of authentic leadership enhancing followership (Steffens et al., 2016). However, the factors making leaders more influential towards followers are still unexplored (Ceri-Booms et al., 2017).

The term authentic leadership becomes matter of interest for practitioners and scholars (Gill, 2018; Bandura & Kavussanu, 2018). It got unusual attention as a result of unreflective sense of excitement among leadership practitioners and scholars (Alvesson, & Einola, 2019). Empirical investigations identified the impact of leadership authenticity on individual level performance outcomes such as psychological capital, creativity and employee work engagement (Zhang et al., 2018), however very few studies investigated how authentic leadership style exhibit impact on organization level performance outcomes (Hirst et al., 2016). Authentic leaders are conscious and exhibit honesty, openness and transparency towards others in their behaviors by providing the information essential to accept other’s inputs, formulate decisions and disclosure of their personal views. Consequently, followers are likely to be more optimistic, efficacious, resilient (Walumbwa et al., 2011; Petersen & Youssef-Morgan, 2018), and able to identify the competency and morality levels of their leadership behaviors (Fallatah et al., 2017; Boateng et al., 2018). Future leadership theories need to be documented based on more integrative approach in which followers, contextual framework, and organization level analysis are speculated and tested rather than based on traditional hierarchical and leader-centric approaches (Avolio et al., 2018). There is a consistent call for leadership research to answer the unanswered questions including does authentic leadership influence organizational identification and citizenship behavior (Ceri-Booms et al., 2017).

Authentic leadership exert positive extra-role behavior in followers through their balanced decision making and ethical role modeling (Zhang et al., 2018). It plays a vital role by addressing certain public policy issues and tackling societal and organizational problems (Swain et al., 2018; Shamir & Eilam, 2005). It also important role to improve customer oriented organizational citizenship behavior (Luu, 2020). Therefore, it is essential to study this concept in the financial sector to strengthen theoretical contribution in the existing literature and propose practical contribution to the banking conglomerates in the GCC region so that they can realize the importance of authentic leadership (AL), organizational citizenship behavior (OCB) and organizational identification (OI) while making strategic policies. Furthermore, study aims to address some unanswered questions in leadership literature by adopting integrated approach to extend the leadership authenticity theory. Psychological capital (PsyCap) and organizational virtuousness (OV) as mediators are aiming to contribute in terms of optimizing organization identification (OI) and organization citizenship behavior (OCB) through authentic leadership (Shahid & Muchiri, 2018; Linuesa-Langreo et al., 2018). Mainstream research work about organization identification and theory of social identity was documented in the western atmosphere; there is a need to empirically examine the validity of the western originated theories in an Asian atmosphere (Hameed et al., 2013; Hirst et al., 2016; Fallatah et al., 2017). Consequently, this research study is documented in the Middle Eastern context aiming to fulfill the research gap by finding answer to the study research question about identifying the impact of authentic leadership on organizational identification and organization citizenship behavior in
addition to exploring the mediating role of organization virtuousness and collective psychological capital between authentic leadership and organizational identification.

**Theoretical Framework**

Authentic leadership is an emerging construct and has not yet been empirically investigated (Laschinger et al., 2015; Malik et al., 2016; Avolio et al., 2018; Azanza et al., 2018; McDowell et al., 2018; Shang et al., 2019). Authentic leadership represents legitimated followers’ perceptions about leader’s authenticity activated by moral judgments (Sidani & Rowe (2018). Its focal hallmarks are being transparent, honest, following ethical standards, operating with integrity and consistency with oneself and others. Authentic leaders are future-centric, optimistic, hopeful, resilient, confident, ethical and true to themselves and establish constructive behaviors that are conducive to transforming associates into leaders themselves (Avolio et al., 2018). They are self-aware and guided by the strong set of ethical values that derive their actions (Corriveau, 2020). Leadership authenticity can best be understood based on four interrelated elements; relational transparency, internalized moral views, balanced processing and self-awareness (Rego et al., 2012; Avolio et al., 2018). Self-awareness refers to the extent by which leader is familiar about own weaknesses and strengths, knows how others see him and how he can exert impact on others (Hirst et al., 2016). The extent leaders objectively assess and evaluate information to reach a conclusion is called balanced processing (Hirst et al., 2016; Avolio et al., 2018). Internalized moral perspective refers to acting based on learned values considering needs and requirements instead of pleasing others through certain actions (Kemis, 2003). While relational transparency indicates that leaders who characterized by authenticity provides information transparently, develop authentic identity, exhibit true opinions, factual feelings and enforce openness towards others aiming to present their authentic thoughts and feelings (Avolio et al., 2018). These four dimensions can be brought together to explain leadership authenticity (Kernis, 2003; Hirst et al., 2016). Leaders who are perceived to be authentic by their followers establish high benchmarks for ethical and moral deeds, provide directions that demonstrate self-centered moral standards and values, exhibit those behaviors that are align with such internally-held values (Hirst et al., 2016; Avolio et al., 2018).

During the last two decades substantial amount of research work has been conducted to identify the factors and outcomes of organizational citizenship behavior (OCB). This stream of research investigated various predictors of OCB including work and organizational hallmarks, employee’s differences, and leadership behavior (Iqbal et al., 2018; Mostafa, 2018; Boateng et al., 2018; Quraishi & Aziz, 2018). Authentic leadership facilitate open and transparent work environment that shape employees’ behavior (to pro-social, citizenship) conducive to achieve organizational goals, even though when it is not their assign duty (Brown et al., 2005; Avolio et al., 2018). There exists a significant relationship between ethical leaders and OCB (Brown et al., 2005). Based on the studies documented by (Mayer et al., 2009; Hirst et al., 2016; Ayça, 2019) first hypothesis of the study is formed. This hypothesis argues that the leaders who are perceived to be authentic by their followers are likely to establish more credulous and honest relationship with their followers, this in turn enable followers to exhibit pro-social (citizenship) behavior in organization.

\[ H_1 \quad \text{Authentic leadership is significantly contributing towards organization citizenship behavior.} \]
The term virtues mean strength or excellence, the key hallmarks in virtues are transcendence, temperance, justice, humanity, courage, and wisdom (Meyer et al., 2009; Arjoon et al., 2018). Organization virtuousness refers to an atmosphere that provokes positive actions, behaviors and wishes at collect and individual levels (Cameron et al., 2004). While optimism refers to established believes and objectives of organization members, forgiveness exhibits the degree by which missteps are promptly addressed, pardoned and treated as a chance for development. Trust refers to the consideration, courtesy and respect in organization where employees trust each other, and compassion depicts the employees attitude based on care and concerns, while organization integrity refers to the extent by which truthfulness, honesty, openness; trustworthiness and respect prevails in an organization (Rego et al., 2012).

Leaders perceived as an authentic adopt transparent attitudes and behaviors; encourage ethical behavior, stimulating openness; this foster optimism and positive spirals conducive to gain optimal organizational performance (Avolio et al., 2018). De Hoogh & Den Hartog (2008) found statistically significant relationship between followers’ optimism regarding future and ethical leadership. Authentic leaders establish critical vision and mission that enable followers to formulate a sense of rationale in terms of what organizations does. Followers psychologically empowered by authentic leadership behave ethically and feel secure at work (Hirst et al., 2016). Authentic leaders guided by empathy and enthusiasm stimulate positive emotions at workplace to optimize the followers’ performance competencies and stimulate virtuous behaviors such as forgiveness, trustworthiness and compassion (Dirks & Ferrin, 2002; Cole et al., 2008; Avolio et al., 2018). Based on the literature review second hypothesis is developed.

\[ H_2 \quad \text{Authentic leadership is significantly contributing to organizational virtuousness.} \]

Employees establish more psychological bonding with the organization when adopt organizational virtuousness and perform beyond the assigned tasks that optimizes organization performance. When employees perceive that their organizations carry virtuousness, they feel gratitude and exhibit behavior that benefit the entire organization. Employees perception about organization virtuousness stimulates them to exhibit organization citizenship behavior (Rego et al., 2012). They are likely to compliance with values that they perceive (internalize) in the organization and develop positive behavior that optimize employees sense of identification with organization with positive word of mouth and efforts in addition to loyalty and trust (Dutton et al., 1994). When employees consider that they are performing significant and consequential duties in their organization, then they exert their self (spiritually, emotionally, cognitively, and psychologically) towards the organization and perform their duties as mission rather than a simple Job by exhibiting efficacious behaviors, enhance commitment and organizational citizenship behavior (Podsakoff et al., 2000; Wright & Cropanzano, 2004). Virtuous climate in organization establish a sense of attraction and commitment towards supervisors, managers and leaders demonstrating virtuous behaviors. It enables employees to compliance with and display those behaviors that facilitate their virtuous leaders to achieve their goals and make them able to consistently opt positive attitude and behavior (Cameron et al., 2004). After the comprehensive literature review the third hypothesis is proposed.

\[ H_3 \quad \text{Employee perception of organization virtuousness is significantly related to OCB.} \]

Cameron et al. (2004) define organization virtuousness as atmosphere where honesty, truthfulness, trustworthiness, integrity and humanity virtues are prevailed, flourished, developed,
nurtured and disseminated at individual and collective levels. Authentic leaders exhibit resilience, optimism, hope and confidence in their behavior that enable followers to develop their self-determination and trustworthiness (Kyeremeh, Amoako & David, 2018; Avolio et al., 2018). Relationship between leadership authenticity and employee OCB through organization virtuousness is outgrowth from the fact that leadership authenticity harvests virtuous climate by acting as role model to excavate virtuous behaviors such as forgiveness, trustworthiness and compassion in the organization (Rego et al., 2012). This enable followers to formulate positive mutual relationships and a sense of trust across the business unit (Hirst et al., 2016). When authentic leadership guided by compassion and passion stimulates positive emotions within the work settings (Cole et al., 2008; Walumbwa et al., 2011; Avolio et al., 2018) and uplift employees performance level (Rego et al., 2012). Based on literature review fourth hypothesis is postulated.

\[ H_4 \quad \text{Organization virtuousness mediates the relationship between authentic leadership and OCB.} \]

Over the last few decades research on organization identification is increased dramatically (De Cremer & Van Knippenberg, 2004; Galvin et al., 2015). Organization identification refers to the extent by which a person recognizes organizational cognitively by attaining values and goals resemblance with organization (Ashforth et al., 2008). Riketta (2005) found strong association between perception of organization identification and extra role performance (OCB), organization identification establishes a feeling of solidarity and oneness where employees are led to perceive the organizational objectives like their own (Van Dick et al., 2008). Identification is a belonging to one’s identity originating from relationship with an organization. It includes leadership demonstrating respect and positivity for each employee by establishing transparency and openness with followers (Ilies et al., 2005; Avolio et al., 2018). Followers with higher levels of organization identification are likely to be a great performance contributor to organization (Cremer & Knippenberg, 2004), because it stimulates followers to perceive themselves based on the values they share with their social entities and respond positively. A large stream of literature found that it has positive relationship with employee performance (Pratt et al., 2003). They asserted that the responsibility of the leadership is to stimulate followers to comply with the values and attach with the identities of the organization and their members. Based on social identity theory it can be argued that individual social identity is established based on the feelings of belongingness or oneness with a group enabling them to perform for the collective good (Ashforth & Mael, 1989). Substantial research work is conducted between various leadership styles and identification (Kark, Shamir, & Chen, 2003; De Cremer & Van Knippenberg, 2004), however limited work is conducted on testing empirical relationship between leadership authenticity and relational identity. This study strives to the research gap in the existing leadership literature.

Employees’ identity with organization develops on the basis of perceived belongings and then they perform for the collective interest (Ashforth & Mael, 1989; De Cremer & Van Knippenberg, 2004; Fallatah et al., 2017; Mostafa, 2018). Identification persuades employees to behave in the best interest of an organization. Significant relationship exists between employee identification and leadership styles (Cremer & Knippenberg, 2004). When followers feel trust and ethical treatment from leadership actions and assume leadership as caring, they establish mutual exchange relationships with leaders, this consequently optimize organizational performance (Brown et al., 2005). Çeri-Booms (2012) found that the employee-oriented leadership practices are the larger predictor of employee identification with their organization.
that enhances employee performance and commitment. Individuals identifying and recognizing themselves with institution are likely to be working in the best interest of the institution. Individuals with an increased level of OI exhibits more concentration on their duties that increases employee satisfaction subsequent to better organizational performance (Kitapçı et al., 2005).

Leadership characterized by integrity, honesty and transparency exhibit more faith on the followers and tends to be eager for the organizational goals’ pursuit, which consequently optimize the level of followers’ identification with the organization (Dirks & Ferrin, 2002). Those who characterized by authenticity enabled their followers to optimize organizational performance. When employees internalized that they are being consulted during the decision-making process, their trust and identification with their organization increases (Dirks & Ferrin, 2002). Authentic leaders carry openness, transparency and expressiveness that inspire followers to be more identifying with their beliefs, values and internalize them as their own (Ilies et al., 2005). Authentic leaders exhibit exemplary behaviors of morality and stability in making crucial decisions and induce higher level of identification in followers, that stimulate them to follow the leader ethically and transparently. Therefore, it can argue that the employees strongly identified with their leadership are expected to perform work with higher level of dedication. Based on the discussed arguments the fifth hypothesis of the study is developed.

\[ H_5 \text{ Authentic leadership is significantly contributing to organizational identification.} \]

Organization members internalize their organization behavior based on virtual frames that develop emotional and psychological relationship with the organization (Ntayi et al., 2019). Employees attachment and identification with their organization emerge from the virtuousness they perceived from organizational conducts. Employees internalizing organizational actions such as performance appraisal comprised by virtues including justice, humanity, courage exhibits commitment towards the organization (Wright & Cropanzano, 2004). Organizations with virtuous practices gain employees commitment and attachment. Based on the social identity theory it can be argued that organizational practices and actions serve as an input to establish employees’ self-concept (Tajfel et al., 1979) and increase employee self-efficacy (Qureshi, 2019). People are likely to formulate their associations with those organizations that enable them to enhance their personal image and value (Cialdini et al., 1976). Employees feeling uniformity between their self-constructs and organizational characteristics are likely to be more committed with organization (Dutton et al., 1994), contrary to the argument that the organizations characterized by negative identity lose employees, these employees join organizations characterized by more positive identity attributes (Elsbach & Bhattacharya, 2001). Employees internalizing organizational identity comprised upon sympathy and respect, enhance their attachment and level of identification with the organization (Barling & Hutchinson, 2000). Based on these convincing arguments sixth hypothesis is proposed.

\[ H_6 \text{ Organization virtuousness is significantly related with organizational identification.} \]

Organizational virtuousness mediates between authentic leadership and employee identification with their organization when followers perceive that authentic leadership actions are comprised upon virtuousness, this perception elevate employee feelings of identification with the organization (Wright & Cropanzano, 2004; Shahid & Muchiri, 2018). Leadership behaviors guided by authenticity develops role modeling practices and enhance honesty, integrity and trust
at organizational level by promoting virtuous behaviors including forgiveness, trustworthiness and compassion in the entire organization (Fallatah et al., 2017; Arjoon et al., 2018). Further it enhances followers’ optimism through developing their positive emotions and organizational identification (Avolio et al., 2018). To test the idea seventh hypothesis is established.

\[ H_7 \quad \text{Organization Virtuousness mediates the relationship between AL and Organization Identification.} \]

To attain success, a positive state of individuals’ resilience, hope, optimism and self-efficacy is called collective psychological capital (Gardner & Cogliser, 2011; Qureshi, 2019). It is an outcome of interaction and coordination among organizational members. Both the interaction and coordination establish promising point that is more than the aggregate of individual attributes (Hirst et al., 2016; Ozturk & Karatepe, 2019). Employees’ collective psychological capital enables them to achieve desired performance outcomes and standards (Bandura & Kavussanu, 2018). Psychological capital fulfills the criterion of being distinctive from other constructs (Stajkovic & Luthans, 1998). It establishes quite amendable constructs including virtues and character strengths consistent and difficult to amend (Peterson et al., 2011). Individuals characterized by self-efficacy are more likely to believe in their capabilities to stimulate their psychological resources and take a series of actions aiming to perform a task effectively in a certain environment (Stajkovic & Luthans, 1998). These people are normally preferred difficult objectives and exhibit their abilities and stimulate their cognitive resources to achieve their objectives (Walumbwa et al., 2011; Bandura & Kavussanu, 2018; Petersen & Youssef-Morgan, 2018).

Authentic leadership significantly affects employee psychological capital and leader authenticity (Avolio et al., 2018). Followers tend to establish more resilience and confidence to optimize performance when noticing emotional strengths and ideal behaviors in leadership and get positive responses and critiques courteously (Zubair, 2015; Joo et al., 2016; A Megeirhi et al., 2018). When authentic leaders transmit information openly and ask for views to the followers, the followers are more confident in their goal pursuit (Kirkman & Rosen, 1999; Hirst et al., 2016). Then leaders are capable to stay rational, hopeful, honest and provide directions to the followers, establish sense of trustworthiness, protection and fortitude in employees that develop their abilities to exploit opportunities and help organizations achieving their objectives (Ilies et al., 2005). There exists a significant relationship between follower’s optimism regarding their future and ethical leadership (De Hoogh & Den Hartog, 2008). Authentic leaders enable followers to be a more optimistic and constructive regarding their work attitude and optimize their intention to stay in an organization by transmitting an open and transparent information, engenders ethical behaviors, being careful about employees’ feelings and investing in followers. Further authentic leaders adopt more constructive, vigorous, divergent methodologies to mitigate problems (Peterson et al., 2011; Hirst et al., 2016). Based on the literature review eighth hypothesis is developed.

\[ H_8 \quad \text{Authentic leadership is positively related with employee collective psychological capital.} \]

Positive outcomes of collective psychological capital on employee behaviors develop optimistic individuals with more adaptive and energetic capabilities (Brissette et al., 2002). Employees’ optimism comprised on motivational, emotional and mental elements are likely to engender persistency and enhance firm performance (Peterson et al., 2011). Personnel high in hope are capable to look for alternative ways to achieve their tasks and formulate contingency
planning to mitigate obstacles (Snyder, 2002), which consequently develop pro-social (citizenship) behavior amongst them and help organizations to deliver sustainable performance. Significant relationship is found between resilience and employee performance, resilient individuals are likely to bounce back and exhibit more adaptive behaviors in adversity that increase their competencies, furthermore resilient employees exhibit supporting behavior, preserve their consistency and positivity towards goals achievement (Maddi et al., 1987). Based on the cited arguments ninth and tenth hypotheses are developed.

\[ H_9 \quad \text{Collective psychological capital is positively related to OCB.} \]

\[ H_{10} \quad \text{Collective psychological capital mediates the relationship between AL and OCB} \]

Optimistic individuals are capable to attain acknowledgement of affirmative events in their life and enhance their self-esteem and confidence leading towards creativity and higher organizational performance (Lyubomirsky et al., 2006). There are various arguments supporting the hypothesis that the follower’s collective level of psychological capital mediates the relationship between leadership authenticity and organization identification. Important task of the authentic leaders is to raise optimism (Gardner & Schermerhorn, 2004). Open and transparent information stimulates ethical behaviors, careful feelings, and give voice to the followers, enable them to be optimistic and optimize their intention to stay in the organization (De Hoogh & Den Hartog, 2008). Perceived authentic leaders enhance followers’ optimism via establishing positive emotions and increasing their identification with organization (Shahid & Muchiri, 2018). These arguments establish the basis for coming hypotheses.

\[ H_{11} \quad \text{Collective psychological capital is positively related with organization identification.} \]

\[ H_{12} \quad \text{Collective psychological capital mediates the relationship between authentic leadership and organization identification.} \]

Theoretical framework in Figure 1 is showing interrelationship of authentic leadership (AL), psychological capital (PsyCap), organizational virtuousness (OV), organizational identification (OI) and organization citizenship behavior (OCB). The proposed hypotheses are developed based on the research scope, comprehensive literature review and given theoretical framework.

![Theoretical Framework Diagram](image)

**FIGURE 1**

**THEORETICAL FRAMEWORK**
METHODOLOGY

Most of the research work on organization identification and theory of social identity are documented in western atmosphere (Hofstede, 2001), so there felt a need to empirically examine the validity of the western originated theories in an Asian atmosphere (Hameed et al., 2013). Consequently, this study is documented in the Gulf Cooperation Council (GCC) banking industry.

Study Design, Population and Sampling

Primary data on one independent variable, two mediating, and two dependent and demographic variables is obtained using five-point Likert scale questionnaire from the bankers. Banking sector in the GCC countries is more vibrant and employing substantial human resource from across the world. Work atmosphere of banks is continuously varying depending on innovative technologies and tough competition among operators (Hameed et al., 2013) by outlining stressful and complex atmosphere (Schabram, 2009) hence leadership authenticity is one of the core competencies for these conglomerates to be competitive and successful in the modern business world. Managerial entities of banks are severely confronted due to variations in economic conditions in the region. They are not only expected to establish trusting and positive relationships, but also exhibit higher level of moral and ethical standards towards their followers. Operational level banking leadership is likely to formulate shared psychological states with their employees aiming to ensure positive work climate and attain desired performance behaviors and outcomes (Hirst et al., 2016). The economic turbulence in last decade in the region is motivating force to select banking industry for the study. In this cross-sectional study non-probability purposive sampling technique is used for primary data collection. Respondents were asked to fill self-administered questionnaires, the scale included closed ended questions about age, gender, education, experience, bank type in addition to questions about main variables. Two separate surveys were used for data collection, in first one employees reported about their perceptions about leadership authenticity (AL), organization virtuousness (OV), collective psychological capital (PsyCap) and organization identification (OI) and in second survey, managers exhibited their perceptions about employees’ organization citizenship behavior (OCB).

Instrumentation and Measurement of Constructs and Data Collection

Being consistent with the researchers in the field of behavioral sciences, in current study survey instrument is used to obtain primary data. It is seemed to be a good method for data collection, because the dream of “data collection from large population” becomes a reality (Qureshi, 2019).

Measurement items for authentic leadership are adapted from Walumbwa et al. (2008). The scale comprised on sections; i- Self-Awareness (SA) indicating the ability know own competence, positive points, desires and goals, ii-Balance Processing (BP) indicating the level by which leaders objectively evaluate information before reaching to a conclusion, iii-ethical/moral (E/M) dimension depicts that leaders establish a high benchmark for ethical and moral deeds, provide directions on the basis of self-centered moral benchmarks and values and, exhibit behavior that is compliance with internally-held values, while, iv-Relational Transparency (RT) reveals that leaders’ provide information transparently, develop authentic identity, exhibit true opinions and enforce openness towards others (Avolio et al., 2018). Hirst et al. (2016) validated
this scale and exhibit discriminant and convergent validity. Moral/ethical and self-awareness aspects carry four items each, while transparency comprised upon five and balanced processing carries three items. Altogether 16 items are used to measure this construct and found a good reliability (α = 0.919). The perceptions regarding organization virtuousness were measured based on 15 items scale given by (Cameron et al., 2004), it consists of five dimensions; trust, compassion, integrity, forgiveness and optimism. The composite internal consistency based on coefficient alpha value is reliable (α = 0.884). The organization identification construct is measured based on the 5 items proposed by (Smidts et al., 2001). It is characterized by social identity theory that includes both affective and cognitive factors. Items are used to assess the employees’ level of identification with the organization. The composite internal consistency (coefficient alpha value is α = 0.793. Employee’s psychological capital is measured based on 24 items scale proposed by (Petersen & Youssef-Morgan, 2018). The scale comprised by four dimensions; self-efficacy, optimism, hope and resilience, the composite internal consistency coefficient alpha value is (α = 0.861). Organization citizenship behavior was measured based on 7 items scale developed by (Smith, Organ, & Near, 1983). it is based on altruism dimension of OCB construct and is used in many studies (Shore & Wayne, 1993). In this study OCB was measured at individual level and then aggregated to the organizational level, composite internal consistency coefficient alpha value for OCB scale items is (α = 0.664). Items for the variables are measured using five-point Likert scale ranging from (1-strongly disagree to 5-strongly agree).

For primary data collection 450 questionnaires were distributed amongst sample elements, 262 (131 employees and 131 supervisors) responded back demonstrating 58% response rate. Self-administered technique regarding data collection was adopted aiming to enhance the response rate in terms of both quantity and quality (Qureshi et al., 2010). Employees and middle management working in 80 branches of private commercial banks operating in the main cities of GCC countries including (Abu Dhabi, Riyadh, Muscat, Doha, Kuwait City, and Manama) were approached for data collection.

RESULTS AND DISCUSSION

The analysis is performed in two parts; the first part represents demographic characteristics of the respondents, while second part is comprised upon hypothesis testing. SPSS 25.0 is used to estimate descriptive statistics, ANOVA, correlation and regression analyses. Table 1 is showing mean age of subordinate respondents (M=28.47) with a standard deviation of (SD=2.97). Respondents age range is between 22 to 36 years. While, the mean age of supervisors is (M=39.72) with a standard deviation of (SD=6.36), supervisors’ age ranged from 28 to 62 years. Majority of the employee respondents are male (N=91), 69.46%, while female respondents are (N=40), representing 30 % of the sample. On the other hand, most supervisor respondents are also male (n=122), 93.01%, while female respondents are (N=9), representing 6.09 % of the sample. Among employee respondents, 13.7% had MA/MSC, 50.4 % MBA, 14.2% M. Com, and 23.7% carries other educational degrees, while from supervisor respondents, 32.1% had MA/MSC degree, 27.5 % are MBA, 14.5% are M. Com, and 26% have other professional certifications.
Pearson correlation matrix for various variables including one independent, two mediating, and two dependent and demographic variables are shown in Table 2.

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<th>OI</th>
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<th>OCB</th>
<th>PsyCap</th>
<th>Emp_Age</th>
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<td>OV</td>
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<td>-0.114</td>
<td>0.010</td>
<td>-0.077</td>
<td>-0.171</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ldr_Gen</td>
<td>-0.177</td>
<td>-0.203</td>
<td>-0.074</td>
<td>-0.035</td>
<td>-0.210</td>
<td>0.251**</td>
<td>0.140</td>
<td>-0.034</td>
<td>-0.180</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ldr_Age</td>
<td>-0.009</td>
<td>-0.113</td>
<td>-0.025</td>
<td>-0.030</td>
<td>-0.093</td>
<td>0.112</td>
<td>0.231</td>
<td>-0.125</td>
<td>0.010</td>
<td>-0.152</td>
<td>1</td>
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</tr>
<tr>
<td>Ldr_Exp</td>
<td>-0.109</td>
<td>-0.044</td>
<td>-0.214</td>
<td>-0.277**</td>
<td>-0.102</td>
<td>0.077</td>
<td>0.215</td>
<td>-0.055</td>
<td>-0.035</td>
<td>0.010</td>
<td>0.121</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Ldr Edu</td>
<td>0.209</td>
<td>0.198</td>
<td>0.070</td>
<td>-0.039</td>
<td>0.184</td>
<td>0.022</td>
<td>-0.146</td>
<td>0.223</td>
<td>-0.005</td>
<td>-0.131</td>
<td>-0.121</td>
<td>0.125</td>
<td>1</td>
</tr>
</tbody>
</table>

Correlation value between employee perception of organization virtuousness and their level of identification with organization is \( r=0.813 \)\( p<0.01 \), M=4.38, S.D=0.99) this exhibits a positive correlation between tested variables. Furthermore, there is a weak correlation between employees OCB and OI with organization (\( r=0.204, p<0.01, M=3.89, S.D=0.64 \)). Correlation values (\( r=0.081, p<0.01, \text{Mean}=3.89 \) and S. D=0.64) between employee’s perception of organization virtuousness and their citizenship behavior exhibit that there is no correlation exist between these variables. Moreover, correlation values (\( r=0.205 p<0.01, M=3.89, S.D=0.64 \)) between leadership authenticity and OCB exhibits that these variables are insignificantly correlate with each other. While, there is a moderate level of positive and significant correlation
between AL behaviors and follower’s collective psychological capital ($r=0.529$, $p<0.01$, Mean=3.66, S.D=0.44). Correlation results ($r=0.751$, $p<0.01$, Mean=3.66, S.D =0.44) PsyCap and their identification with organization indicates highest degree of significant correlation between them, while there exists a weak correlation ($r=0.171$, $p <0.01$, Mean=3.66, S.D=0.44) between employee’s PsyCap and OCB in organization.

**Testing of Hypothesis**

Multiple Regression Analysis technique of inferential statistics is used to test the proposed hypotheses; analysis results are given in Table 3.

<table>
<thead>
<tr>
<th>Variables</th>
<th>$\beta$</th>
<th>$R^2$</th>
<th>$\Delta R^2$</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>OI-dependent, AL-independent variable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authentic Leadership</td>
<td>0.476</td>
<td>0.227</td>
<td>0.227</td>
<td>0.000</td>
</tr>
<tr>
<td>OCB-dependent, AL-independent variable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authentic Leadership</td>
<td>0.205</td>
<td>0.042</td>
<td>0.042</td>
<td>0.019</td>
</tr>
<tr>
<td>PsyCap-dependent, AL-independent variable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authentic Leadership</td>
<td>0.529</td>
<td>0.280</td>
<td>0.280</td>
<td>0.000</td>
</tr>
<tr>
<td>OV-dependent, AL-independent variable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authentic Leadership</td>
<td>0.512</td>
<td>0.262</td>
<td>0.262</td>
<td>0.000</td>
</tr>
<tr>
<td>OCB-dependent, PsyCap-independent variable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collective Psychological Capital</td>
<td>0.171</td>
<td>0.029</td>
<td>0.029</td>
<td>0.051</td>
</tr>
<tr>
<td>OV-dependent, PsyCap-independent variable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collective Psychological capital</td>
<td>0.751</td>
<td>0.564</td>
<td>0.564</td>
<td>0.000</td>
</tr>
<tr>
<td>OI-dependent, OV-independent variable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organization Virtuousness</td>
<td>0.813</td>
<td>0.662</td>
<td>0.662</td>
<td>0.000</td>
</tr>
<tr>
<td>OCB-dependent, OV-independent variable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organization Virtuousness</td>
<td>0.081</td>
<td>0.007</td>
<td>0.007</td>
<td>0.359</td>
</tr>
</tbody>
</table>

Analysis results are shown in Figure 2 representing the coefficient value with ($\beta$), and significance value with (P).

First hypothesis, organization identification (OI) as dependent, while leadership authenticity (AL) as dependent analysis results ($\beta=0.476$, $R^2=0.227$, $P=0.000$, $\Delta R^2=0.227$) demonstrates that if one unit increases in AL behaviors, then follower’s level of organization identification will increase by .476 units, whereas significance value (.000) shows acceptance of hypothesis. Second hypothesis is about authentic leadership impact on employee’s OCB, results ($\beta= .205$, $R^2= .042$, $p=0.19$, $\Delta R^2 = .42$) supported by significance value (.019) implies the acceptance of hypothesis. Third hypothesis proposed that leadership authenticity exhibits the positive impact on followers’ collective psychological capital. Results ($\beta=0.529$, $R^2=0.280$, $P=0.000$, $\Delta R^2=0.280$) explains 28% variance in follower’s collective psychological capital explained by their perception of authentic leadership behaviors and significance value of (.000) portrays the acceptance of hypothesis. Hypothesis four assumes AL behaviors as independent, while organization virtuousness as dependent variable, analysis results depicts that ($\beta= .529$, $R^2= 0.280$, $P=0.000$, $\Delta R^2=0.262$) leadership behaviors that are guided by authenticity stimulate virtuous climate in organization, regression value depicts that 26% of variance in organization virtuousness explained by the authentic leadership behaviors, followed by significance value (0.000) witnessed the acceptance of the hypothesis. Fifth hypothesis is about employee’s
collective psychological capital positive impact on their OCB. Results ($\beta=0.171$, $R^2=0.029$, $p=0.051$, $\Delta R^2=0.29$) depicts that employee’s PsyCap explains minor variation in OCB and further explains that when PsyCap is increased by one unit, then follower’s OCB shall increase by .171 units. Whereas, significance value (.051) implies the acceptance of proposed hypothesis. Sixth hypothesis is about follower’s collective psychological capital impact on organization identification. Results ($\beta=0.751$, $R^2=0.564$, $P=0.000$, $\Delta R^2=0.564$) exhibits significant contribution of employees PsyCap towards organization identification, providing that 56% variance in employee’s organization identification, significance value of (0.000) is evidencing the acceptance of proposed hypothesis. Seventh hypothesis is about employees’ perception of organization virtuousness and organization identification, the results ($\beta=0.813$, $R^2=0.662$, $P=0.000$, $\Delta R^2=0.662$) depicts that employees’ perception of organization virtuousness significantly contribute towards their identification with organization and significance value (0.000) recommends the acceptance of hypothesis. Eighth hypothesis is about employee’s perception of organization virtuousness and OCB, analysis value ($\beta=0.081$, $R^2=0.007$, $P=0.359$, $\Delta R^2=0.007$) depicts weak relationship between tested variables, hence proposed hypothesis is rejected.
To test the medication of different variables regression is used, analysis results are given in Tables 4a, 4b, 4c and 4d. Using recommendations of (Baron & Kenny, 1986) mediation of proposed variables are tested.

<table>
<thead>
<tr>
<th>Variables</th>
<th>β</th>
<th>R²</th>
<th>ΔR²</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model I: Independent variable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authentic leadership</td>
<td>0.205</td>
<td>0.042</td>
<td>0.042</td>
<td>0.019</td>
</tr>
<tr>
<td>Model II: Mediator testing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collective Psychological Capital</td>
<td>0.171</td>
<td>0.029</td>
<td>0.029</td>
<td>0.051</td>
</tr>
<tr>
<td>Authentic leadership</td>
<td>0.218</td>
<td>0.048</td>
<td>0.005</td>
<td>0.398</td>
</tr>
</tbody>
</table>

Ninth hypothesis is about mediation of collective psychological capital between AL and OCB. Table (4a) exhibits analysis values of mediation consisting upon (model-I) and (model-II). Model-I is based on direct path from authentic leadership to OCB, while model-II includes mediating variable (PsyCap). All conditions recommended by (Barron & Kenny 1986) are met, analysis results exhibit significant relationships between independent, mediating and dependent variables. Strength of relationship between leadership authenticity and follower’s OCB has changed from significant to insignificant when PsyCap is included as mediator, and significance changed from (β=0.205, p= 0.019) to (β=0.218, p=0.398), evidencing full mediation of collective PsyCap between leadership authenticity and OCB.

<table>
<thead>
<tr>
<th>Variables</th>
<th>β</th>
<th>R²</th>
<th>ΔR²</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model I: Independent variable</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authentic leadership</td>
<td>0.476</td>
<td>0.227</td>
<td>0.573</td>
<td>0.000</td>
</tr>
<tr>
<td>Model II: Mediator testing</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collective Psychological Capital</td>
<td>0.751</td>
<td>0.564</td>
<td>0.564</td>
<td>0.000</td>
</tr>
<tr>
<td>Authentic leadership</td>
<td>0.757</td>
<td>0.573</td>
<td>0.346</td>
<td>0.060</td>
</tr>
</tbody>
</table>

The tenth hypothesis is about mediation of collective psychological capital between AL and OCB. The strength of the relationship is changed from (β = 0.476, p = 0.000) to (β=0.757, p = 0.060) and R² is reduced from 0.573 to 0.346, evidencing partial mediation of employees’ collective PsyCap between LA and OI.

<table>
<thead>
<tr>
<th>Variables</th>
<th>β</th>
<th>R²</th>
<th>ΔR²</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model I: Independent variable</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Authentic leadership</td>
<td>0.433</td>
<td>0.211</td>
<td>0.212</td>
<td>0.000</td>
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<tr>
<td>Model II: Mediator testing</td>
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<tr>
<td>Organization Virtuousness</td>
<td>0.712</td>
<td>0.665</td>
<td>0.672</td>
<td>0.000</td>
</tr>
<tr>
<td>Authentic leadership</td>
<td>0.421</td>
<td>0.655</td>
<td>0.656</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Eleventh hypothesis is about organization virtuousness mediation between leadership authenticity and OCB. Based on values using OV as mediator, significant change can’t be identified in the values hence it can be concluded that proposed hypothesis is rejected.
Hypothesis twelve is about mediation of organization virtuousness between AL and OI. The strength of relationship is changed after mediating variable addition from (β=0.476, p=0.000) to (β=0.816, p=0.000), while, R² is reduced from (0.666 to 0.440), hence it can be concluded that organization virtuousness partially mediates the relationship between AL and organizational identification.

Analysis revealed that AL is significantly related with organization citizenship behavior and organization identification, these findings are consistent with the findings of (Brown et al., 2005; Hirst et al., 2016; Avolio et al., 2018). Study identified positive relationship between authentic leadership, organization virtuousness and followers’ collective level of psychological capital showing leadership authenticity as a focal contributor of organization virtuousness and PsyCap. Mediating role of organization virtuousness between authentic leadership and OCB is proved, recommending that the employees’ collective level of PsyCap substantially contributes to generate significant level of OCB with the presence of authentic leadership. Similarly, mediating role of organization virtuousness between authentic leadership and organizational identification is identified but with minimal contribution. No relationship exists between organization virtuousness and their citizenship behavior in organizations, while, follower’s perception of organization virtuousness proved to be a focal predictor of their identification with the organization. Employees PsyCap is found as significant predictor of organization identification, furthermore positive relationship between employees’ PsyCap and organization citizenship behavior is identified.

**CONCLUSIONS**

This study is a unique contribution as it is conducted in GCC region by raising the significance of organizational virtuousness and employees’ collective psychological capital as mediating variable to conceptualize how authentic leadership exerts impact on followers’ behaviors. Leadership formulating and implementing contemporary business strategies to compete in the banking industry operating in United Arab Emirates, Saudi Arabia, Qatar, Kuwait, Oman and Bahrain needs to value authentic leadership functionality, organizational virtuousness and collective psychological capital to attain organizational identification and citizenship behavior. This combination will help financial conglomerates to gain competitive advantage by achieving their vision, mission and goals. Ignorance of these factors might deteriorate employee commitment and dedication that could lead to lower employee morale and poor banks performance.

**Theoretical and practical implications**

Study findings add into existing body of knowledge in the field of organization citizenship behavior, organizational virtuousness, collective psychological capital and authentic

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### Table 4d

<table>
<thead>
<tr>
<th>Variables</th>
<th>β</th>
<th>R²</th>
<th>ΔR²</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model I: Independent variable</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Authentic leadership</td>
<td>0.476</td>
<td>0.227</td>
<td>0.227</td>
<td>0.000</td>
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<tr>
<td>Model II: Mediator testing</td>
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<td></td>
</tr>
<tr>
<td>Organization Virtuousness</td>
<td>0.813</td>
<td>0.662</td>
<td>0.662</td>
<td>0.000</td>
</tr>
<tr>
<td>Authentic leadership</td>
<td>0.816</td>
<td>0.666</td>
<td>0.440</td>
<td>0.000</td>
</tr>
</tbody>
</table>
leadership. As studies explored relationship of tested variables in bits and pieces but hardly there is any evidence exists portraying empirical testing of proposed theoretical model aggregately, furthermore this study is based on banking sector functioning in the GCC countries. The findings will facilitate readers to conceptualize how authentic leadership behaviors influence and manipulate their followers’ behaviors. The results shown that the leaders practicing authenticity empowers employees psychologically, motivate them to get engaged in extra role termed as organization citizenship behavior and organizational identification.

Study further provides important implications for organizations and corporate leaders. Results demonstrate that the organizations and leadership optimizing employee organizational identification will enable personnel to be psychologically empowered and exhibit pro-social (citizenship) behavior. The leadership in the banking industry of GCC countries needs to show signs of transparency, self-awareness, unbiased behaviors and decision making based on a high level of ethical and moral standards. Although it is critical for the operational leadership to elevate employees OCB and OI levels to gain competitive advantage (Walumbwa et al., 2010). To be competitive in the banking sector of GCC, financial institutions operating in the region needs to focus on tested factors based on their importance identified in the study. Managers shall view each employee role in broader perspective rather than from simple job description view point. They need to motivate employees to see how their work performance contributes in overall organization’s goal pursuit. In this regard, leaders can assist their followers to attain desired organizational objectives. Operational leaders can help their direct reports to alter their roles to best fit their strengths, that enable them to enhance transparency. This necessitates an increased level of self-awareness from supervisors and their direct reports about their strengths and weaknesses to achieve desired organization objectives. A genuine, effective and authentic leaders not only stimulates the followers to align with work related goals but also enable them to be more open, ethical that increase their self-efficacy leading towards higher employee and bank performance.

**Study delimitations and future research directions**

Despite of few valuable contributions in an existing literature, current research also has some worth noting delimitations such as cross-sectional research design, self-reported questionnaire, and limited sample size. Future researchers are recommended to use longitudinal research design and mixed method research approach for better validity. The study is limited to banking industry operating in the six GCC countries, in the same region other industries can be focused to test even same theatrical framework. Furthermore, additional research is recommended to distinguish between leadership authenticities and other prevailing leadership styles.

**REFERENCES**


