INVESTIGATING THE EFFECT OF PERCEIVED AUTHENTIC LEADERSHIP ON ORGANIZATIONAL COMMITMENT THROUGH THE MEDIATING ROLE OF ORGANIZATIONAL TRUST

1AMIR HOSSEIN AMIRKHANI, 1_FARID TAJALAEI, 2EBRAHIM KAMAL AGHDAM, 3MAHMOUD MIRMOHAMMADI

2 Associate Professor, Payame Noor University, Tehran, Iran
3 Master of Executive Management Varamin Branch, Payamenoor University, Iran
4 Master student of Executive Management Varamin Branch, Payamenoor University, Iran

Abstract. This study aimed to investigate the effect of perceived authentic leadership on organizational commitment through the mediating role of organizational trust was performed. The population included all employees of the Bank Ghavamin branch management in West Tehran in 2016 (N=380). The sample size using Morgan table 180 was estimated. We Perceived authentic leadership questionnaire to measure the variables of perceived authentic leadership and Allen and Meyer (1991) Questionnaire (Nahian and Markose, 1997) was used. The reliability and validity of the questionnaire were confirmed. Software for the analysis of the research hypotheses, structural equation modeling approach based on partial least squares was used that the findings confirm hypotheses.

Keywords: authentic leadership, organizational commitment, organizational trust, Smart-PLS

1. Introduction

Banks as financial institutions have an important role in the circulation of money and wealth in society and can spread through the acquisition of assets of individuals and organizations and injecting it into the economy to create value-added economic activities in the country. One of the important requirements of the banking system overall, is the performance of the national economy and banks can provide services required by citizens as well as effective. On the other hand the development of financial institutions as well as public and private banks in the country more competitive field has made them more than ever. There is consensus in the literature that leadership is an important factor for the success or failure of an organization, organizations began to work with a great leadership, and organizational success is a reflection of the leadership (Garg & Ramjee, 2013). Leadership in organizations is successful long-term effective and genuine. Philosophers, religious leaders and thinkers from ancient time the importance of authenticity for leaders achieve effective administration of affairs under any circumstances; have underlined (Hassan and Ahmad, 2011). Especially when authentic leadership theory emerged that at least three important underlying factors that needs to be raised among the leaders of authenticity - social change, and technological advanced with increased globalization and Managerial malfeasance (Franklin, 2010). In general, the principle of authentic leadership as a requirement for organizations to open the leader-follower relationship dynamics due to ethical issues and deals with the complexities of the organization and improvement of internal and external issues on the (Ghane Nia, 2014).

In addition, organizations need to raise the level of employee commitment. Organizational commitment to personal and organizational consequences that entails is very important. Organizational commitment makes employees more identification with the goals and values of the organization, for the benefit of the organization to spend more effort and more desire to remain within the organization (Morrow, 1983, quoted by Garg & Ramjee, 2013). Ningna (2007; quoted from, Wiza & Hlanganipai, 2014) states organizational commitment reflects the organization's leadership qualities.

Garg & Ramjee (2013) also suggest that organizational commitment and trust depends on many factors, including leadership. In fact, organizational trust is one of the important organizational challenges which can be a significant role in different organizational results and cause such commitment. In fact, one of the important implications that could cause confidence is increasing its commitment. However, due to the limited research in this area, particularly in banks and financial institutions has been conducted. This study aimed to investigate the effect of perceived authentic leadership on organizational commitment of staff and the mediating role of organizational trust has been done. This research is important in this respect that with new approach investigated the organizational commitment in the bank Ghavamin.

2. Hypotheses

2.1 Main hypothesis

Authentic leadership perceived the mediating role of organizational trust has impact on organizational commitment.

2.2 Sub hypotheses

Transparency of relationship of perceived authentic leadership has impact on organizational trust. Inner conscience of perceived authentic leadership has impact on organizational trust. Balanced processing of perceived authentic leadership has impact on organizational trust. Self-awareness of perceived authentic leadership has impact on organizational trust. Transparency of relationship of perceived authentic leadership has impact on organizational commitment. Inner conscience of perceived authentic leadership has impact on organizational commitment. Balanced processing of perceived authentic leadership has impact on organizational commitment. Self-awareness of perceived authentic leadership has impact on organizational commitment.

3. Theoretical foundation

3.1 Authentic Leadership

Perceived authentic leadership refers to those who are deeply conscious thoughts and behavior and others see them as those of the values, the vision, knowledge and ability to understand themselves and others are aware; and are also aware of the environment in which they operate; they are the ones who are confident, hopeful, optimism, resilience and moral characteristics are high level (Avolio, Luthans Walumbwa, 2004). Authentic leadership is a four-component (Walumbwa et al., 2009; Luthans, 2014).

Self-awareness: self-awareness and confidence as leaders of character, values, motives, emotions and personal perceptions of their relative. Conscious leaders know your strengths and weaknesses, know how their behavior affects others, know themselves and know what they want.

Balance Processing: Processing balanced extent to which the leader analyzes the information before making a decision and asked for the views of the other positions that challenged him. In
fact, authentic leadership ability hear, interpret and processing both positive and negative information before making a decision or taking any action.

Inner conscience: this aspect of self-expression is a process by which leaders adapt their activities to the goals and values. Authentic leadership in the face of external pressures that is contrary to the moral standards of their resistance through the process of internal control. Ethical aspects of internalized self-control refer to the internal and evolved.

Transparency relationship between the leaders: the transparency of the relationship between the leader and the others show their originality, sharing information with others and express your thoughts and feelings is real, a genuine leader must communicate this information to others in an open and honest disclosure of their actual.

3.2 Organizational Commitment

Organizational commitment is as a psychological state as the relationship of an employee with the organization. This regard, the intention of the employee to maintain a particular path of action in which case stay in the organization-the influence (Allen, 2007). Dimensions of emotional commitment are as follows:

1. Emotional commitment that expresses a person's emotional attachment to the organization.
2. Continuous commitment that includes expected costs is due to leave the organization
3. Normative commitment: the commitment and sense of duty to stay in the show (Meyer and Allen, 1990, p. 4 and 5).

Organizational commitment can be used as the person's loyalty to a particular employer, or loyalty to the organization (Koprulu, 2013).

Luthans (2010) states that organizational commitment is defined as an attitude often 1- a strong desire to stay in the organization; 2- The desire to exert great efforts for the organization and 3- Having a strong belief that the values and goals of the organization.

3.3 Organizational Trust

Organizational Trust as positive expectations of people based on organizational roles, relationships, interdependencies of different experiences and intentions and behaviors are members of defined (Shokley-Zalbak, Ellis, Winograd, 2000; quoted in Qanenia, 2013). Ellis and Winograd (2000) argue that organizational trust positive individual perceptions that people have about the content and behavior of members of the organization and based on roles, communication, experiences and organizational ties are formed. Trust the other person defined as a voluntary engagement (Zarei et al., 2009).

4. Research method

This paper is a research categorized in terms of data collection, descriptive study and based on survey data to investigate the effect of perceived authentic leadership on organizational commitment with mediating role of organizational trust is analytic survey. On the other hand the present study in term of purposes is an applied. The study population included all employees of the Bank Ghavamin branch management in West Tehran in 2016 (N =380) and sample size using Morgan table 180 was estimated and randomly were placed at the disposal of staff in branch of West Tehran. In order to ensure an acceptable return researcher questionnaires were distributed 200 questionnaires to remove 170 valid questionnaires were not answered by the investigator to be accessed. In this study, to collect data from field study (questionnaire) and Libraries (reading books, journals, theses, articles in Persian and English) is used.

Walumbwa et al., (2008) Perceived authentic leadership questionnaire to measure the variables of perceived authentic leadership in the five-point scale (totally agree to totally disagree) is used which aims to assess how employees perceived authentic leadership in four aspects of transparency, self-awareness, Inner conscience and balance processing.

Allen and Meyer (1991) questionnaire to measure organizational commitment was used and three components of indulging, strength, sacrifices in the five-point Likert scale (very high to very low) has been established.

Organizational trust 16 questionnaire to measure the variables of organizational trust (Nahian and Marlowe, 1997) in a five-point scale (always to never) has been used and trust is based on four components to evaluate the organizational discipline and discipline, sense of responsibility at work, cooperation is working and improve on the job. To determine to what extent the selected components to be acceptable measurement models and components are designed for variable valid, the measurement model is analyzed. So to confirm the construct validity, confirmatory factor analysis using structural equation modeling software (Amos) was used. Given that all perceived authentic leadership, organizational commitment and organizational trust has an acceptable load factor (0.5) and were significant at the 0.05 level, and the construct validity was confirmed. In this study was to determine the reliability test, Cronbach's alpha was used. Cronbach's alpha coefficient was calculated using the software Spss22, the perceived value of 0.719 for the questionnaire authentic leadership; 0.73 organizational commitment, and organizational trust was 0.792. Given that the study of humanities, Alpha higher than 7.0 is acceptable, so we can evaluate the reliability of the questionnaires was good. Software for the analysis of the research hypotheses, structural equation approach based on partial least squares (Smart-PLS) was used.

5. Results

The main hypothesis: authentic leadership perceived the mediating role of organizational trust has impact on organizational commitment.

The results of the research conceptual model in Table 1 indicate that the effect of authentic leadership on organizational commitment is 0.37 but with the added variable to the conceptual model of organizational trust, the effects of authentic leadership on organizational commitment amount (t=0.565) equal to 0.06 and is insignificant; in other words we can say that authentic leadership directly had no significant effect on organizational commitment but indirectly and through changing organizational trust has a significant impact on organizational commitment, the amount of which is equal to 0.30. Given that the amount of (t=4.604) higher than 1.96 and less than 0.05 significance level, with confidence 95 % the main research hypothesis is confirmed.

The results indicate that variable of organizational trust plays mediating role in the relationship between perceived authentic leadership and organizational commitment and the effect of perceived authentic leadership takes place completely via organizational commitment and organizational trust. The results also show the conceptual model the value of authentic leadership on organizational trust is equal to 0.59 and the value of organizational trust, organizational commitment is equal to 0.51. Then, a conceptual model based on quantities of t-value is provided for meaningful path and the higher values of (1.96) reflect the significance of impact factors and factor loadings.
The effect of perceived authentic leadership with mediating role of organizational trust and organizational commitment

Table 1 the direct and indirect effects of variables based on PLS output

<table>
<thead>
<tr>
<th>Paths</th>
<th>Direct effect</th>
<th>Indirect effect</th>
<th>P</th>
<th>t</th>
<th>Total effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>organizational commitment ← authentic leadership</td>
<td>0.068</td>
<td>---</td>
<td>0.573</td>
<td>0.565</td>
<td>0.375</td>
</tr>
<tr>
<td>organizational commitment ← authentic leadership</td>
<td>---</td>
<td>0.307</td>
<td>0.000</td>
<td>4.604</td>
<td>0.537</td>
</tr>
<tr>
<td>organizational trust← authentic leadership</td>
<td>0.590</td>
<td>---</td>
<td>0.000</td>
<td>10.362</td>
<td>0.590</td>
</tr>
<tr>
<td>organizational commitment ← organizational trust</td>
<td>0.513</td>
<td>---</td>
<td>0.000</td>
<td>5.700</td>
<td>0.513</td>
</tr>
</tbody>
</table>

Figure 1: The t-value shows significant direction of path coefficient and factor loading. Regarding the t values, with confidence 95%, it can be said perceived authentic leadership has a positive and significant effect on organizational trust, organizational trust has a positive and significant effect on organizational commitment, and direct effect of authentic leadership on organizational commitment is not significant.

First sub-hypothesis: Transparency of relationship of perceived authentic leadership has impact on organizational trust.

Results of research hypothesis based on the graphic output software PLS in Figure 2 shows the transparency of the relationship has a direct and positive impact on employee’s organizational trust that is equal to 0.54. In other words, we can say that about 0.38 percent of the variance in organizational trust by transparency relationship is explained.

Second sub-hypothesis: Inner conscience of perceived authentic leadership has impact on organizational trust.

Results of research hypothesis based on the graphic output software PLS in Figure 4 shows the inner conscience has a direct and positive impact on employee’s organizational trust that is equal to 0.43. In other words, we can say that about 0.19 percent of the variance in organizational trust by inner conscience is explained.

Third sub-hypothesis: Balanced processing of perceived authentic leadership has impact on organizational trust.

Results of research hypothesis based on the graphic output software PLS in Figure 6 shows the balanced processing has a direct and positive impact on employee’s organizational trust that is equal to 0.48. In other words, we can say that about 0.23 percent of the variance in organizational trust by balanced processing is explained.

Figure 2 The impact of transparency of relationship on organizational trust

Figure 3 the t-value shows significant direction of path coefficient and factor loading. T-value show path coefficients between transparency of relationship and organizational trust (8.971) is higher than 1.96; so one can say with confidence 95% transparency of relationship has significant impact on organizational trust so research hypothesis is confirmed.

Figure 4 The impact of inner conscience on organizational trust

Figure 5 the t-value shows significant direction of path coefficient and factor loading. T-value show path coefficients between inner conscience and organizational trust (5.469) is higher than 1.96; so one can say with confidence 95% inner conscience has significant impact on organizational trust so research hypothesis is confirmed.

Figure 6 The impact of balanced processing on organizational trust

Figure 7 the t-value shows significant direction of path coefficient and factor loading. T-value show path coefficients between balanced processing and organizational trust (7.237) is higher than 1.96; so one can say with confidence 95% balanced processing has significant impact on organizational trust so research hypothesis is confirmed.
Fourth sub-hypothesis: Self-awareness of perceived authentic leadership has impact on organizational trust.

Results of research hypothesis based on the graphic output software PLS in Figure 8 shows the self-awareness has direct and positive impact on employee’s organizational trust that is equal to 0.61. In other words we can say that about 38.3 percent of the variance in organizational trust by self-awareness is explained.

Fifth sub-hypothesis: Transparency of relationship of perceived authentic leadership has impact on organizational commitment.

Results of research hypothesis based on the graphic output software PLS in Figure 10 shows the transparency has direct and positive impact on employee’s organizational commitment by transparency of relationship is explained. Then, a conceptual model based on t-value significant direction of path coefficients is provided that values is higher (1.96) reflects the impact factors and factor loadings are significant.

Sixth sub-hypothesis: Inner conscience of perceived authentic leadership has impact on organizational commitment.

Results of research hypothesis based on the graphic output software PLS in Figure 12 shows the inner conscience has direct and positive impact on employee’s organizational commitment that is equal to 0.35. In other words we can say that about 10.1 percent of the variance in organizational commitment by inner conscience is explained. Then, a conceptual model based on t-value significant direction of path coefficients is provided that values is higher (1.96) reflects the impact factors and factor loadings are significant.

Seventh sub-hypothesis: Balance processing of perceived authentic leadership has impact on organizational commitment.

Results of research hypothesis based on the graphic output software PLS in Figure 14 shows the balanced processing has direct and positive impact on employee’s organizational commitment that is equal to 0.31. In other words we can say that about 10.1 percent of the variance in organizational commitment by balanced processing is explained.
organizational variables, including organizational commitment. Mirmohammadi et al. (2012), Clapp researches have been done on the effect of authentic leadership mediator role of organizational trust accepted. Various of authentic leadership on organizational commitment with the main theory, we can say that the hypothesis about the effect studies will be analyzed. According to research findings about trust. Then explains the results and compare it with previous organizational commitment with mediator role of organizational research hypotheses about the effect of authentic leadership on

This study aimed to investigate the effect of authentic leadership on organizational commitment with mediating role of organizational trust was done. In summary findings approved the research hypotheses about the effect of authentic leadership on organizational commitment with mediator role of organizational trust. Then explains the results and compare it with previous studies will be analyzed. According to research findings about the main theory, we can say that the hypothesis about the effect of authentic leadership on organizational commitment with mediator role of organizational trust accepted. Various researches have been done on the effect of authentic leadership on organizational trust by transparency of organizational trust. Mirmohammadi et al. (2012). This study aimed to investigate the effect of authentic leadership on organizational commitment with mediators role of organizational commitment. Then explains the results and compare it with previous studies will be analyzed. According to research findings about the main theory, we can say that the hypothesis about the effect of authentic leadership on organizational commitment with mediator role of organizational trust accepted. Various researches have been done on the effect of authentic leadership on organizational trust. Mirmohammadi et al. (2012), Clapp Smith et al. (2009), Kluchnikov (2011), Kim (2014) Maximo (2015), Hedayat (2016) in their research showed that authentic leadership through the mediating role of trust can influence the organizational variables, including organizational commitment.

According to the results of first sub hypothesis, transparency of relationship has direct and positive impact on organizational trust and its value is equal to 0.54. Also, about 7.29 percent of the variance of organizational trust by transparency of relationship is explained. This component because can be closer the level of leaders - followers is more important. In fact, according to Gardner et al. (2005) compared the willingness to share information and ideas, the proper exposure, and express higher levels of reliability high, some factors are transparent relationship and causes employees to be able to form a more accurate assessment of competence, ethics and their leader (Norman et al., 2010).

According to the results of the second sub hypothesis, inner conscience has direct and positive impact on organizational trust and it value is equal to 0.43. Also, 18.8 percent of the variance in organizational trust by inner conscience is explained. In fact, the authentic leadership of an internal reference point for morality, a sense of right and wrong, or what some have called it a moral index. Inner conscience aspects, is a process where your authentic leadership values, intentions and coordinate their actions, so that between the governor and the results of a compliance and coordination. This leads to an increase in employees' organizational trust (Mirzaein et al., 2016).

According to the results of the third sub-hypothesis, balanced processing has direct and positive impact on organizational trust and its value is equal to 0.48. Also, 23.6 percent of the variance in organizational trust by balanced processing is explained. Authentic leadership is able to analyze all the information about them. In this case the simultaneous processing of positive and negative attitudes and judgments about them refers resolutions. It features authentic leadership to help them avoid rash judgments and prejudices and intolerance and realistic view of their assessments apply. This feature helps to create justice and trust in the organization (Mirzaein et al., 2016; Qane Nia, 2014).

According to the results of the fourth sub-hypothesis, self-awareness has direct and positive impact on organizational trust and its value is equal to 0.51. Also, about 25.3 percent of the variance in organizational trust by self-consciousness is explained. Self-awareness helps leaders energy, work and apply their resources are targeted for further development and more effective guidelines for employees regarding the improvement, empowering and giving them. This self-awareness is the leader who were in the path of personal growth and development and welcome feedback from employees in the organization. Therefore, authentic leadership cannot be trusted to know their causes (Mirzaein et al., 2016).

According to the results obtained from the fifth sub hypothesis, transparency if relationship has direct and positive impact on organizational commitment and its value is equal to 0.35. Also, around 12.7 percent of the variance in organizational commitment by transparency of relationship is explained. Transparency about authentic leadership, cause an open and transparent relationship with the leadership of their employees. Channels of communication open and transparent relationship are explained. (Qane Nia, 2014).

According to the results of sixth sub hypothesis, transparency if relationship has direct and positive impact on organizational commitment and its value is equal to 0.31. Also, about 10.1 percent of the variance in organizational commitment by the inner explained. Conscience/moral leaders internalized an important role in job performance followers. It makes moral leaders not to think about the misuse of staff, the tasks entrusted to them to be fair and realistic, at the time of the problems and crises of support staff, always by fairness, justice and morality in relation to work and
meet the staff. In total, these features and behaviors can lead to increased organizational commitment (Qane Nia, 2014).

According to the results of the seventh sub hypothesis suggests a balanced processing has direct and positive impact on organizational commitment and its value is 0.37. Also, about 10.1 percent of the variance in organizational commitment by balanced processing is explained. When employees feel that leaders are processed simultaneously positive and negative information and do not spend bias in their judgment: first, to feel more perceived fairness; second, their tendency is more towards leadership; thirdly, more intrinsic motivation that ultimately leads to increased organizational commitment (Qane Nia, 2014).

According to the results of the eighth sub hypothesis self-awareness has direct and positive impact on organizational commitment and its value is 0.37. Also, about 13.8 percent of the variance in organizational commitment by self-awareness is explained. Because authentic leaders are aware of the strengths and weaknesses of their own and welcome feedback from employees on their understanding that it would be influence on development goals and prospects for their business and employees under their follower (Qane Nia, 2014).

7. Conclusion

In order to benefit from increased research and prepare managers and leaders of Ghavamin Bank below practical recommendations provided.

1. The part of the nature of the formation and development of authentic leadership is based on stories and personal narratives leaders.

For this purpose it is necessary to explore opportunities for leadership development programs to be provided about the stories of people's lives. In particular, it would be a considerable help to develop self-consciousness leaders.

2. Development of conscience and moral challenges they face in the leadership through the use of approaches such as providing instructional videos or scenario.

3. The use of role models, positive role model, Mrshdyt, coaching and experienced leaders. Short periods of training and web-based training courses.

References