The Role of Authentic Leadership in Shaping Innovative Organizational Cultures

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ABSTRACT: Authentic leadership is the behavior pattern of a leader who is trustworthy, objective, positive thinking, hopeful, well aware of the mission of the organization he leads, is able and ready to overcome organizational problems, a leader who looks confident, optimistic, tenacious, resilient transparent, well-moral, ethically highly dedicated, future-oriented, and gives priority to colleagues to become leaders with integrity and high commitment. This paper aims to analyze and evaluate the role of authentic leadership in shaping innovative organizations. Increasing insight into the role of authentic leadership in shaping innovative culture based on the review literature shows that authentic leadership in shaping innovative culture is one of the keys to the most important efforts that organizations need to develop and improve the quality of organizations to compete with competitors on a national and international scale.

KEYWORDS: Authentic Leadership, Organizational Culture, Innovative

I. INTRODUCTION

Authentic leadership plays a key role in forming an innovative organizational culture. Innovative behavior is a business strategy needed by organizations to develop and improve the quality of the organization so that it can compete with competitors nationally and internationally (Soegiastuti & Haryanti, 2013). According to Kleyen and Street (2001), innovative behavior is an individual action that leads to the emergence, introduction, and implementation of something new and profitable at all levels of the organization. Innovativeness is the key to the progress of an organization that has been running in educational institutions and organizations outside of education because innovativeness is like an innovation which is creative and new ideas offered by staff, and employees who are involved in the organizational culture to support progress. A company or an educational institution. In today's dynamic and complex era, organizations that can innovate have a significant competitive advantage. Likewise, every organization in Indonesia or the educational environment and the surrounding environment has its advantages and qualities that are different from one another so that people can have the freedom to choose one of the organizations in Indonesia or each individual can choose an organization as they wish. Organizations or organizational cultures that exist in Indonesia have advantages in certain fields compared to every existing organization or organizational culture that has existed since ancient times until today. There are many definitions of organizational culture in Indonesia or educational and community environments, including authentic leadership, which emphasizes the process of building leader legitimacy through honest relationships with subordinate leadership, respecting input, and being built on an ethical foundation.

Authentic leadership is a pattern of leader behavior that refers to the positive psychological capacity and a positive ethical climate, for self-awareness, internalization of moral values, balanced information management, and transparency of relationships between superiors and subordinates to foster positive self-development (Haryokusumo, 2017). The authentic leader is trustworthy, objective, knows well the mission of the organization he leads, thinks positively, and is able and ready to overcome organizational problems, authentic leaders look confident, full of hope and optimism, tenacious, tough, transparent, moral, highly dedicated, ethical, future-oriented, and giving priority to colleagues to become leaders who have integrity and high commitment to their leadership, authentic leadership factors consist of:

1) Self-awareness, namely the leader is aware of his potential and believes, has emotional stability, motives, complexity, abilities, and inner conflict.

2) Unbiased or balanced processing, namely focusing on one's own beliefs, not being burdened by other people's expectations or the desire to please others, decisions and behavior are guided by personal values.
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3) Behaviors are true to self and motivated by personal convictions, namely the ability to express and share information about oneself appropriately and openly in dealing with other people, achieving full openness and confidence in close relationships.

II. METHODOLOGY

This research uses library research, namely looking for research sources by collecting from several literature sourced from journals, books, and other sources, to make it easier to conduct research on authentic leadership and innovative organizational culture in the world of education. In this study, the technique used for data collection is searching for materials related to the discussion in this article, both digitally and manually. After making references, analyze the data that has been collected by displaying, reducing, and reconstructing so that it becomes a new concept, using content analysis that prioritizes intellectuality.

III. RESULT

A. Authentic Leadership Concept

The concept of authenticity concerning leadership refers to the premise of "being true to one's self" and in this case, Bass and Steidlmeier (1999) try to explain authentic leadership as opposed to pseudo-transformational leadership. A review of research that focuses on authentic leadership explains how the definition of authentic leadership develops with various underlying dimensions. There are several definitions proposed from various points of view with different emphases. Luthans and Avolio (2003) define authentic leadership as: "a process that draws from both positive psychological capacities and a highly developed organizational context which results in both greater self-awareness and self-regulated positive behaviors on the part of leaders and associates, fostering positive self-development" Ilies, Morgeson, and Nahrgang (2005) tried to propose four components of an authentic leadership model, namely: self-awareness, unbiased processing, authentic behavior/acting, and authentic relational orientation.

1) Self-awareness – a component of authenticity that refers to a person's awareness, beliefs, personal characteristics, values, motives, and cognitions. Self-awareness includes knowledge of the contradictory self-aspects inherent in a person and the role of these contradictions in influencing a person's thoughts, feelings, actions, and behavior.

2) Unbiased processing – refers to the processing of self-relevant information, which includes "not denying, not distorting, not exaggerating, or not ignoring private knowledge, internal and external experiences that are based on evaluative information" (Kernis, 2003).

3) Authentic behavior/acting – authentic behavior refers to whether a person's actions are based on their true self (values, preferences, needs), not merely pleasing others getting no rewards, or avoiding punishment by "acting falsely" (Kernis, 2003).

4) Authentic relational orientation – assessment and struggle to achieve openness and truthfulness in a relationship. Relational authenticity includes an active process of self-disclosure and the development of mutual intimacy and trust so that intimacy will see the good or bad aspects of one's true self. To achieve authenticity in a relationship, a person must be truly genuine and not pretend in one's relationship with others (Kernis, 2003).

The following are constructs that have been validated by Walumbwa et al. (2008) into an instrument called the Authentic Leadership Questionnaires (ALQ): Relationship, a person must be truly genuine and not pretend in one's relationship with others (Kernis, 2003).

1. Self-awareness refers to the willingness to assess personal values, preferences, and behavior, to assess weaknesses and strengths. Self-awareness means that leaders must know who they are, be confident, and direct themselves to a higher level than others.

2. Relational transparency, that an authentic leader is one who positively assesses and acts by strong values and beliefs. This construct refers to the level of openness the leader has with his followers and provides opportunities for followers to express ideas, challenges, and opinions. Thus, they always try to manage their emotions and avoid inappropriate or even extreme emotions in dealing with other people.

3. Balancing processing requires leaders to analyze all relevant information objectively before making a decision. An authentic leader wants to be clear that he does not have to answer all the questions/problems that exist and also does not need to worry about being perceived as someone weak or incapable when he chooses not to answer a problem.

4. Internalized moral perspective provides a moral foundation for authentic leadership. Authentic leaders are those who have high moral standards and values and uphold them when facing pressure.

B. Organizational Culture Concept

Organizational culture or corporate culture is defined broadly by experts. According to Robbins and Judge (2019), organizational culture refers to a system of shared meaning held by members that differentiates the organization from other organizations. McShane and Von Glinow (2018) define organizational culture as a shared inherited system of key practices, values, and beliefs that develop within an organization and are passed on to new members as appropriate ways of understanding, thinking, and feeling about the issues facing the organization. Organizational culture is the basis for resolving external and internal problems, the implementation of which is carried out consistently by a group which is then passed on to new members as the right way to understand, think, and
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feel about related problems. Organizational culture is concerned with employees’ perceived characteristics of an organization’s culture, rather than with whether they like the culture or not. This means that culture is a descriptive term. Organizational culture is a shared perception shared by all members of the organization. An agency can grow and develop because the organizational culture within it can provide enthusiasm for the work of human resources, so the organization's work develops. Organizational culture is also a system of shared values that guides and directs member behavior, which has a strong influence on daily organizational behavior and activities (Karmila, 2019).

Robbins, (2012) stated that the most recent research suggests seven primary characteristics that together capture the essence of an organization's culture, namely: 1) Innovation and risk-taking, the extent to which employees are encouraged to be innovative and take risks. 2) Attentiveness, the extent to which employees are expected to show precision, analysis, and attention to detail. 3) Results orientation, the extent to which management focuses on results rather than on the techniques and processes used to achieve those results. 4) People orientation, the extent to which management decisions take into account the effect of results on the people in the organization. 5) Team orientation, the extent to which work activities are organized around teams, not individuals. 6) Aggressiveness, is the extent to which people are aggressive and competitive rather than relaxed.7) Steadiness, is the extent to which organizational activities emphasize maintaining the status quo rather than growth. The relationship between organizational culture and management can be seen in how all members of the organization and company carry out and adhere to the guidelines and rules that have been established to increase the effectiveness of the organization's work, both in the short and long term (Sisswadi et al., 2022). Organizational culture tends to be stable and difficult to change. However, sometimes changes in organizational culture are necessary to adapt to environmental demands. According to Schermerhorn (2019), there are stages in the organizational culture change process, first, identifying current business problems and cultural gaps, second, defining the desired future conditions, third, assessing current and future cultural gaps, fourth, designing interventions to modify fifth cultural values, carrying out transformation through socialization and recruitment of new employees sixth, monitoring progress with employee feedback surveys and cultural audits seventh modifying change plans if necessary.

The process of changing organizational culture requires total commitment and involvement from top leaders and managers at all levels. Fundamental changes to organizational culture take time because they involve long-standing values and behavioral habits of organizational members.

C. Innovative Concepts in Organizations

Innovation is an important factor for the success and sustainability of organizations amidst today's global competition. Innovation is defined as the implementation of business practices, work processes, products, services, and business models that are new and beneficial to an organization (Schermerhorn Jr. 2019). In other words, innovation is the application of new ideas, methods, or objects by individuals or certain work units that are adopted and provide added value to the organization as a whole (Du Plessis 2007). Innovation can generally be defined as an idea, product, technology, process, or business model that is perceived as new by an individual or user unit (Rogers 2003, Schermerhorn Jr. 2019). This definition emphasizes the aspect of novelty and the potential benefits of innovation. Innovation has different levels, ranging from incremental change to radical innovation that shakes up the market. Both incremental and radical innovation still provide added value and increase organizational competitiveness (Tidd 2018). Therefore, organizations need to continue to strive for innovation to remain relevant and superior amidst the dynamic business environment. Innovation in organizations can be categorized into several types (Du Plessis 2007, OECD/Eurostat 2018) including: 1) Product Innovation is improving the performance of products and services as well as developing completely new products. Examples: smartphones, video streaming, frozen food. 2) Process Innovation is the application of new production or delivery methods. Examples: automated car assembly lines, and computerized inventory systems. 3) Marketing Innovation, is the implementation of new marketing strategies. Examples: social media, and customer loyalty programs. 4) Business Model Innovation is a fundamental change in a company's business model. Examples: online banking, and subscription software. 5) Organizational Innovation is the application of new business practices to organize operations. Examples: supply chain management, and customer relationship management system. Several main factors that encourage or hinder innovation efforts in companies (Schermerhorn Jr. 2019, McLean 2005) include supporting factors for innovation such as support and example from top leadership, conducive organizational culture, sufficient resources, diverse backgrounds of team members, openness to ideas from anywhere, tolerance for risk and failure. Meanwhile, factors inhibiting innovation include a lack of management direction and support, a rigid and rule-oriented culture, limited resources, resistance to change, fear of failure and blame, and complicated organizational bureaucracy. Rogers (Rogers 2003) formulated a five-stage process for implementing an innovation, namely, Knowledge: individuals are aware of the innovation and understand how the innovation functions. Persuasion: individuals form positive or negative attitudes towards innovation. decision: the individual engages in activities that lead to the choice to adopt or reject the innovation. Implementation: individuals put the innovation into use. Confirmation: the individual seeks support for his decision to adopt the innovation. By implementing massive and consistent innovation in almost all aspects of its business, Netflix has succeeded in gathering more than 220 million subscribers in more than 190 countries as of 2022 and continues to grow to stay ahead amidst fierce competition in the current streaming media industry.
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D. The Effects of Authentic Leadership on Organizational Culture

Leadership is the backbone or an important part of every organizational development because without good leadership it will be difficult to achieve organizational goals, and even to adapt to changes that are occurring inside and outside the organization. Every leader can have an influence on his subordinates, for example on job satisfaction and employee performance in educational institutions and on the organizational culture that exists in Indonesia. According to Sutrisno (2017), leadership factors in an organization play an important role, because they are the ones who will move and direct the achievement of organizational goals. The leader will be successful in communicating with his subordinates if he knows the characteristics of his subordinates well. Because if a leader or superior can understand everything related to the character, attitudes, or desires of a subordinate then that leader is a successful and good leader who provides comfort for his subordinates in the organization he leads. Apart from authentic leadership, a factor that can influence employee performance is organizational culture. Organizational culture also has an important role in improving employee performance. Organizational culture functions as a binder for all components of the organization, determines identity, injects energy, is a motivator, and can be used as a guide for organizational members. Likewise, the concept of organizational culture is a tool for improving performance, because organizational culture influences the mindset, feelings, and way employees act within the company or in achieving a goal within the organization. According to Organ et al. (2006) in Titisari (2014), increasing Organizational Citizenship Behavior (OCB) is influenced by two main factors, namely; (1) Internal factors originating from the employee himself, including job satisfaction, commitment, and personality, employee morale, motivation, and so on; (2) External factors originating from outside employees, including leadership style, trust in leaders, organizational culture, and another. Several previous studies published in journals have shown that authentic leadership has a positive effect on the formation and maintenance of a strong organizational culture (B. J. Avolio 2004, Chatman 2014, Walumbwa 2008). Authentic leadership encourages the creation of a climate of trust and ethical behavior within the organization which forms the foundation for the growth of a positive organizational culture. Organizational culture refers to the system of shared meanings, values, and beliefs held by members of an organization (Schein 2017). A strong and positive organizational culture can improve organizational performance (Hartnell 2011).

Researchers identified several key pathways that link authentic leadership to organizational culture, namely, creating a Positive Psychological Climate; Authentic leaders create a positive psychological climate characterized by mutual trust, positive expectations, and positive emotions in the organization (Gardner 2005). This kind of climate encourages openness and cooperation between organizational members which is important for the formation of shared values and beliefs as elements of organizational culture. Authentic leaders are also able to manage negative emotions and help followers overcome their negative emotions so that the psychological climate of the organization remains positive even in difficult situations (Long 2022). Improving Ethical and Moral Behavior; Authentic leaders act as moral and ethical role models for their subordinates (May 2003). They encourage high standards of ethical behavior and establish expectations that all members of the organization will also act ethically. This strengthens norms of consistent and ethical behavior as part of organizational culture (Walumbwa 2008). Through example and positive reinforcement, authentic leaders effectively transmit ethical values and behavior to organizational culture (Moores 2013). Developing Psychological Empowerment; Through support, mentoring, and granting autonomy, authentic leaders help their followers develop psychological empowerment or feelings of competence and meaning (Ilies 2005). Psychological empowerment encourages the involvement of organizational members in the process of forming the organization's vision, mission, and values which are the core elements of organizational culture (Walumbwa 2008). Psychological empowerment also motivates organizational members to behave in line with organizational culture (Khan 2019). Building Organizational Trust; The integrity and openness of authentic leaders foster mutual trust between members and trust in the organization (B. J. Avolio 2004). Strong trust is the foundation for cooperation, organizational commitment, and other organizational behaviors that collectively form organizational culture. Trust in authentic leaders also mediates organizational members' acceptance of the vision, mission, and values proposed by the leader, so that they are more easily internalized into organizational culture (Joo 2017).

E. Authentic Leadership Brings an Innovative Organizational Culture

In the context of authentic leadership that brings organizational culture, it has a good impact on the development of innovation which becomes the main center point in helping companies find changes to better meet all the needs of the public or consumers, creativity, collaboration between groups and teams and has a positive impact. and it is also good for supporting the business which affects the finances obtained or obtained within the company. Companies that have brilliant ideas or thoughts will influence the guaranteed quantity and quality of services, various products increased sales value or quality standards, and much better profits. According to Kim (2014), authentic leadership has a positive and significant influence on innovative behavior among employees and company performance. According to Carmeli (2006), authentic leadership will have a level of employee innovative behavior and can also have an impact on employee performance, where if the employee has innovative ideas, the more secure the employee will be the longer they work in the company. Several studies have shown that an authentic leadership style is positively associated with the emergence of an innovative organizational culture. 1. Create a Climate of Trust; Authentic leaders act consistently between the values they adhere to and their daily behavior. They are also open and transparent in interacting with followers. This helps create
The Role of Authentic Leadership in Shaping Innovative Organizational Cultures relationships based on trust in the workplace (B. J. Avolio 2004). This climate of trust encourages openness and the willingness of followers to put forward new ideas without fear. Followers are also more motivated to innovate for the benefit of the organization. 2. Encourage Learning: Authentic leaders also like to self-reflect and show humility. They are open to feedback and always want to continue learning and improving. This attitude encourages followers to also engage in continuous learning in the workplace (Walumbwa 2008).

This intensive learning process ultimately gives birth to new, innovative ideas and solutions. Followers also become more skilled in producing innovative products, services, and work processes. 3. Empower Followers: Authentic leaders give their followers the freedom to take initiatives and decisions independently. They also support followers' creative efforts and provide sufficient autonomy (Cerne 2013). This empowerment carried out by authentic leaders makes followers dare to experiment and implement their fresh ideas. Followers are also increasingly motivated to innovate because they feel supported and appreciated. 4. Be a role model: Authentic leaders’ behavior that is consistent with personal values and beliefs also makes them role models for their followers. This example is what encourages followers to also be authentic and do the right thing (B. J. Avolio 2005). The authentic attitude of followers, demonstrated by integrity and courage to act according to conscience, ultimately helps create an increasingly open and innovative organizational culture.

The main characteristics of an innovative organizational culture are: 1. Openness to New Ideas; An innovative organizational culture is characterized by the openness of all members to fresh ideas and new perspectives. New ideas are evaluated objectively based on their potential benefits, not based on their source (Martins 2003). Employees also feel comfortable and supported to express opinions or ideas, even if they conflict with the majority opinion. Open discussion is highly valued in a culture like this. 2. Risk Taking; Organizations with an innovative culture have a high tolerance for risk and uncertainty. Failure is seen as part of the learning process, not just a mistake to be avoided (Martins 2003). Employees dare to take risks by trying new things even though they may not necessarily be successful. Top management provides full support for these experiments as part of innovation. 3. Learning Focus; Innovative organizational cultures also highly value knowledge and learning (Hogan 2014). Managers encourage employees to continue to hone their skills and expand their knowledge to be able to innovate. Considerable resources are invested in employee training and development programs. Flexible learning opportunities are also provided so that employees can continue to improve themselves. 4. Support for Creation; Innovative employees need sufficient time and resources to develop ideas and implement them.

Top management in organizations with an innovative culture provides special facilities and funds for this purpose (Martins 2003). Support is provided at all stages of the creative process, from the initial idea to full implementation. Appreciation is also always given to these creative efforts, even though they are not necessarily always successful.

IV. DISCUSSION

The principal as a leader in the school plays a very important role in improving teacher performance. A school principal can develop and provide motivation and innovation to teachers at the school to improve their performance. Coaching, motivation, and innovation can be done through various methods and leadership styles, including authentic leadership styles. There are various leadership styles in organizations, including authentic leadership, namely leaders who behave based on values, beliefs, integrity, and strength. Leadership demonstrated by authentic leaders is in line with their behavior and beliefs and is consistent in showing thoughts, attitudes, and actions. The reciprocal process of interaction of authentic leaders influencing followers and followers influencing leaders.

Followers have a relationship of mutual trust with their leaders so followers are willing to provide greater loyalty and commitment to leaders (George & Sims, 2007). Research conducted (Hubbaya & Hartawan, 2022), aims to determine the influence of authentic leadership on teacher discipline at SMKN 1 Gunungsari, West Nusa Tenggara. The main findings of the research show that authentic leadership has a positive effect on teacher performance, which shows that the stronger the influence of the school principal's authentic leadership, the higher the performance produced by teachers will be, thus indicating a relationship between authentic leadership and discipline as a form of innovative school organizational culture. Organizational culture is a pattern of basic assumptions created, discovered, or developed by a particular group as learning to overcome formal and well-implemented problems of external adaptation and internal integration. Therefore, it is taught to new members as the right way to understand, think, and feel related to these problems (Tecolou et al., 2022). Discipline is a mental attitude, action, or behavior that is reflected in the activities of a person, group of people, or society in the form of compliance and adherence to regulations set by the government or obedience to applicable norms, codes of ethics, or rules, towards a group of people with a specific goal. In a sense, they ask leaders to soften the boundaries around leadership roles to have trusting relationships and be more transparent. In return, they are willing to provide greater loyalty and commitment to leaders. So one way to improve teacher discipline at SMKN 1 Gunungsari is to make the influence of the Principal's authentic leadership more effective by building a relationship of mutual trust between the Principal and Teachers so that Teachers can provide greater loyalty and commitment.
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V. CONCLUSIONS

This journal examines the role of authentic leadership in shaping innovative organizational cultures. Authentic leadership is characterized by three main dimensions, namely integrity and honesty, balance of processing, and internalized moral perspective. Authentic leaders are consistent between speech and action, consider multiple points of view, and hold high ethical standards. These dimensions enable authentic leadership to build the foundation needed to shape an innovative culture. These foundations include a sense of psychological security, mutual trust between members of the organization and towards leaders, as well as clear common goals related to organizational innovation. This foundation makes members of the organization dare to take risks and be fully involved in innovating. However, authentic leadership indirectly influences innovative culture. Mediating variables such as intrinsic motivation and affective commitment are needed for the effect to be stronger. Therefore, authentic leaders need to empower and give autonomy to their followers and become role models who consistently act for the good of the organization. Overall, authentic leadership characterized by integrity, balance of information processing, and internal morality has been shown to play a positive role in shaping innovative organizational cultures. The key is how authentic leaders can be role models and build a psychological foundation for organizational members to take risks to innovate. Future research may explore mediating variables to reinforce the influence of authentic leadership on the formation of an organization's innovative culture.

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