The Effect of Authentic Leadership and Organizational Atmosphere on Positive Organizational Behavior

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Abstract

The third millennium management calls for a paradigm shift from negativity to the positivity for optimal use of potentials, statuses, and positive human resource capabilities using positive organizational policies and procedures. Positive psychology movement has led to significant achievements for human resources management and leaders. In practice, it is also revealed that applying positive psychological maxims in work is correlated with increased productivity. The present paper, which is a scientific review, intends to study the positive psychology concept and the effect of authentic leadership and organizational atmosphere through literature review.

Keywords: Positivism, positive organizational behavior, authentic leadership, organizational atmosphere, positive psychology.


Introduction

Leadership and management encounter particular problems and difficulties of the third millennium. Increased rate of change and competition, labor movements, total quality management movement, increased customer expectations and diversified requirements, economic, political, and security crises, ethical issues, globalization, lack of sources, as well as increased employment turnover, etc. have differently shifted management and leadership in the third millennium. Until the end of the last decade of the twentieth century, in such condition, many believed that preventing and or resolving crises in such

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A turbulent situation is the essential demand of organizations to maintain the minimum standard and survival; the major focus was concentrated on this issue, too. Human resources management domain also paid more attention to removing staff weaknesses and problems. In fact, problem solving and negative feedback approaches were used for error corrections such that most business published articles have mainly focused on the negative concepts.

A recent study, for instance, in occupational health journal, showed that about 94% of articles were associated to negative subject matters such as aggression, burnout, discrimination, downsizing, harassing, interpersonal conflicts, stress, and leave work. Although, it is critically necessary to consider such issues in the workplace; it is not sufficient for the present competitive and evolving environment. Organizations must seek for cost effective approaches resolving the problems in order to both keep the survival and sustain the prosperity. The attitude in workplace originates from the notions, theories, researches, as well as implications of positive psychology literature in work. Criticizing traditional negative psychology, positive psychology was established in 1998 by Martin Seligman. Indeed, Seligman, following despair, mental difficulties, and negative effects of World Wars I and II ruling over the world especially the nations involved in the World Wars, inaugurated a new generation of thinking and reflection of human being, which today is called ‘positive psychology’, focused on improved life. Acknowledging traditional psychology achievements in the diagnosis and treatment of psychological traumas, the movement introduces two new missions:

1. Helping people with a healthy personality to enjoy more life happiness and productivity

2. Helping to boost human capabilities

Positive psychology discusses about optimization of human authority and seeks for developing mental health, felicity, and individual prosperity. Positive psychology is the science of positive psychological experiences, positive personality traits, and positive organizations. According to the aforementioned, Peterson (2006) claims three fundamentals for positive psychology. The first includes positive mental experiences such as happiness, felicity, hope, flexibility, and positive emotions. The second basic consists of positive traits like attraction, wisdom, values, meaningfulness, purpose, growth, and courage. And finally, the third contains positive institutions like family, school, organization, communities, and communication.

Research, practice, and work psychology positive approach stems from positive psychology movement taken away from conventional psychology constraints and disciplines rapidly evolved and developed in scientific domains such as education, health, public health, social and human services, economy, political sciences, neurology, leadership, management, and organizational sciences, etc. The approach, today, utilizes the theories, measurement tools, workplace functions and interventions; and is turned into a competitive advantage for organizations applying positive psychology for work. Therefore, it is greatly interested by many scholars and theorists. Reviewing the last
decade publications of work positive psychology demonstrates that a new trend of interest in work positive psychology notions has been established.

Work positivism movement is a revolution in the area of business and organization management and leadership. It revealed the significant effect on many conventional and outdated organizational procedures. Hence, it is largely interested by many scholars and theorists due to the considerable achievements at work place. Evidences, for instance, show that shifting from merely organizational subject matters to considering positive personality traits may lead to effective policies, managerial procedures, and staff improved mental and physical health. According to the literature, paying attention to capabilities and in working and personal life, in general, causes improved performance, increased satisfaction, self-reliance, self-esteem, flexibility, vigor and happiness, job performance, goal attainment, and more individual growth and development, as well as reduced stress. Thus, researchers and theorists support competitive advantage through benefiting positive personal potentials in addition to positive management and leadership styles and practices for work.

Fredrickson (2001) in Broaden-and-Build Theory asserts that positive emotions expand cognitive processes (like creativity and brainstorm) and ultimately create resources. The process is circularly repeated such that employing some positive psychological dimensions at work place would increase the possibility of facing other positive psychological dimensions at work by individuals. This is consistent to emotional contagion perspective. For instance, the perspective suggests that such simple positive emotional expressions by managers not only enhances their positivism, but also augments positivism in employees. It is also true for team like that a positive experience between two team members can be intensified such that soon other team members also share own positive emotions. At this step, various working domains and constructs work together in chain; therefore, constructs’ potential power would increase. Thus, evidently, recognition of positive organizational policies, procedures, modes, and potentials may considerably aid in job positivism promotion, attaining remarkable outcomes; and consequently, may create a competitive advantage in the current turbulent business environment. In this regard, in the following, two important factors significantly influence the typical organizational behavior are discussed.

Positive organizational behavior

Walsh et al showed that negative approach-based terms, in the last few decades, such as win and lose, job dissatisfaction, absenteeism, etc. have increased four times than positive terms like compassion, piety, and the like, in organizational newsletters (Bakker and Schaufeli, 2008). Therefore, clearly, positive issues were ignored in the area of organization and management comparing negative issues. Positive psychology function in the area of management and organization has led to creating and developing two new approaches as follows:

1. Positive organizational behavior mostly highlights micro organizational behaviors and the positive human traits that can be promoted and cultivated;
2. Positive organizational scholarship mainly emphasizes macro organizational behaviors.

The present paper discusses the new positive organizational behavior approach, which is influenced by positive psychology approach and especially focuses on adopting positive approaches for human resources management and development at work places.

Positive organizational behavior is referred to the “study and function of positive psychological capabilities as well as human resources strengths, which can be measured and developed; further, they can be effectively managed to improve staff performance”.

Note that all psychological variables may be classified as positive organizational behavior. In other word, positive organizational behavior inclusion criteria of a positive variable are:

1. Research- or theory-based variable. Indeed, positive organizational behavior variables relying upon the theory and research are distinguished from recently popular bestselling positive psychological books.

2. It is validly measured.

3. It is relatively unique in term of organizational behavior meaning that it can be distinguished from prior organizational behavior classes like positive self-evaluations.

4. The possibility of change, evolution, and development in human being. To say it differently, a variable is considered as positive organizational behavior variables where it is state-like. State-like variable refers to a relatively flexible and adaptable variable such as hope, optimism, resilience, and self-efficacy.

5. It positively influences job performance and individual satisfaction, which separates positive organizational behavior, positive psychology, and positive organizational literature (Larson and Luthans, 2006).

**Psychological capital**

Results of studies conducted on positive organizational behavior indicate that psychological potentials such as hope, resilience, optimism, and self-efficacy all form the so-called ‘psychological capital’. In other word, hope, resiliency, optimism, and self-efficacy, as psychological variables, generate a new latent factor or resource reflected in each variables (Avey et al, 2006).

In fact, Luthans et al, developing positive organizational behavior framework at organizations, provided positive psychological capital as a hybrid agent and the source to organizations’ competitive advantage. They claim that psychological capital results in promoting value of human capital (individuals’ skills and knowledge) and social capital (interaction network) in organization relying upon positive psychological variables such as hope, optimism, resiliency, and so on. Therefore, psychological capital consists of
positive psychological variables that can be measured, developed, and nurtured; in addition to the possibility of management. As earlier mentioned, the variables are discussed as follows:

1. Self-efficacy;
2. Hope;
3. Optimism;
4. Resiliency (Donohue, 2004).

**Self-efficacy**

Self-efficacy stemming from Bandura (1986, 1997) social cognitive theory is simply named self-confidence as “individual confidence (trust) in its capabilities to succeed in doing a given task through self-encouragement, self-recognition, and taking required actions.”

Individuals with high self-efficacy are characterized with the five following features:

1. Set superior goals and take difficult tasks to achieve the objectives.
2. Welcome to the challenges and hardly struggle to deal with the challenges.
3. They enjoy extremely high individual motivation.
4. They spare no effort for goal attainment.
5. They are firmly consistent in coping with barriers.

Five hints about self-efficacy

1. Self-efficacy is limited to its activity scope of area not simply extended to other life areas.
2. Self-efficacy is obtained based on practice and getting experienced on the course of activity.
3. It is always possible to enhance self-efficacy in each activity even if the individual is self-efficient.
4. Individual’s self-efficacy is influenced by the beliefs of others in individuals’ abilities.
5. Factors such as knowledge and individual skills, mental and physical health, as well as surrounding external conditions influence individual’s self-efficacy (Luthans, Avolio, and Yussef, 2007).
**Resiliency**

Resiliency is defined as “a typical developable state enables individual to work harder dealing with frustrations, disasters, life conflicts, and even positive events, promotions, and higher responsibility, not quitting for greater achievements”.

According to the conducted studies, some resilient individuals return to the normal level of performance following confronting with difficult life situations; while, some others would promote comparing past undergoing frustrations, disasters, and difficulties.

In general, resilient individuals are characterized as follows:

1. Easily comply with life facts and realities.
2. Believe in life meaningfulness (the belief is often supported by personal values).
3. Remarkable quick adaptation to huge changes (Luthans, Vogelgesang and Lester, 2006).

Resiliency is attained through a group of skills and attitudes, which is so-called ‘hardness’. In the face of stressful changes, it helps individuals turn difficulties and threats into profitable opportunities. Considered attitudes in hardness include commitment, control, and challenging.

Commitment implies that in difficult circumstances the individual prefers to remain on the scene helping the involved people resolving the issue rather than leaving the scene. Control refers to the individual’s belief in its capabilities influencing event results. And finally, challenging is an attitude in which individual seeks for evolution opportunities (for self and others) rather than blaming the destiny.

Moreover, hardness inception and outbreak requires the individual cultivating problem solving and interaction skills to deepen social supports (Maddi and Khoshaba, 2005). Indeed, resiliency is a phenomenon resulted from human being natural adaptive responses empowering him in achievement and overcoming threats despite challenging with serious hazards. Few organizational literature investigated resiliency at work environment in comparison to other psychological capital variables (Page and Donohue, 2004).

**Optimism**

Seligman (1986), father of positive psychology, asserts that optimistic individuals in dealing with failures and achievements act as follows:

1. Rely on general statements; like, “I can succeed in different fields”.
2. Statements are stable; “I can permanently achieve it.”
3. Achievements are related to internal potentials; “my own efforts have led to achievement”.

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4. In face of disasters, failures are attributed to unstable, external factors; “warm weather let the lecture went wrong.”

As Carver and Scheier (2003) explained optimism, optimistic individuals always anticipate for pleasant occurrences. Importantly, psychological capital considers real optimism as false unreal optimism may lead to negative outcomes (Luthans and Jensen, 2006). In realistic optimism, indeed, the person evaluates what he can attain versus what he fails to get. Hence, realistic optimism plays a critical role in enhancing self-efficacy (Luthans and Avolio, 2007).

Hope

Snyder (1991) defines hope as “a positive motivation results from successful feeling of 1. agency (goal-focused energy), and 2. goal attainment plan.” Therefore, hope consists of two elements of agency and planning to achieve goal. Agency implies the will and capacity to attain the desired outcome. Thus, hope demands agency or a typical energy to pursue goals. In addition, planning for goal attainment is another hope element not only contains goal recognition, but also it embraces different ways of achievements. In other word, hope requires the will to succeed, as well as recognition, clarification, and tracking necessary achievement ways.

According to Adams (2002), of the participant organizations, the organizations with higher employee expectancy showed more successful performance than other understudied organizations. As Peterson and Luthans (2003) demonstrated catering restaurants managers expectancy shows a strong positive correlation with business unit financial performance and staff job satisfaction.

Psychological capital and organizational variables

In recent years, several experimental studies have been conducted on the effects of psychological capital on organizational variables including job satisfaction, performance, and organizational commitment. Research results uncover that there is a significant relationship between psychological capital and the organizational variables. It is noted that psychological capital correlation with any organizational variables is much stronger than the correlation between psychological capital constituents (hope/expectancy, optimism, self-efficacy, and resiliency) and organizational variables. It signifies that psychological capital enjoys a synergetic impact. In positive organizational behavior, in general, psychological capital is considered as an input and organizational performance level as output. Luthans et al (2007) concluded that enhancing psychological capital in organization may increase performance up to at least 10% (Luthans and Avolio, 2007).

Authentic leadership

Gallup Leadership Institute, University of Nebraska, initially introduced the theory of authentic leadership in 2004. This theory is mainly distinguished from recent leadership theory as authentic leadership theory is more comprehensive and focuses on infrastructure construct. The construct refers to the foundation of positive leadership. Authentic
leadership theory concentrates on leader and followers’ self-control and self-awareness, positive psychological capital, and the role of positive organizational moderator. Authentic leadership theory is explained as the most comprehensive exclusive leadership theory.

Today, with challenges like competition and stressors throughout the world, leadership became more difficult. These challenges call for restoring self-confidence, hope, and optimism in individuals and it is necessary that leaders assist people finding and nurturing the self. Thus, the present age demands leaders familiar with objectives, values, and integrities.

Authentic leadership is built on authenticity indicating a situation where individuals conduct in accordance with their values, beliefs, and human supreme nature; and, under various difficult pressures, persist with behaviors in line with self-values and beliefs. In fact, authentic leadership theories try to educate leaders expressing their real selves to the followers and conducting in line with their internal reality far from any hypocrisy and insincerity.

Authenticity elements include self-awareness, non-distorted information processing, genuine conduct, and reliable relationships. Authentic leadership development is a complex process, which is unlikely to be simply achieved, obtained through an educational plan. It contains a continuous process by means of which leaders and followers would create and attain self-awareness in open, clear, and reliable relationships. To create a positive ethical perspective in developing the emerging authentic leadership is critical. The main significant result of authentic leadership is to spontaneously arouse intrinsic motivation for followers causing joy and higher welfare. Authentic leadership may lead to pleasure, human happiness, and decent life.

**Organizational atmosphere (climate)**

When talking about atmosphere public recall a picture of earth atmosphere surrounding like a halo. The terms ‘tense atmosphere’, ‘malicious atmosphere’, and ‘chaos atmosphere’, etc. are frequently used in daily institutional and organizational conversations. However, less attention is paid to the scientific implications and few studies are conducted. Literally, the term atmosphere defines as “the surrounding and or what encompasses another thing (space, somewhere between planet and earth)”.

Hoy and Miskel sets organizational atmosphere or climate in a school as, “organizational atmosphere or climate is a broad term referring to the teachers’ perception of work public context (environment) at school and is affected by formal and informal organization, personality traits, and organizational leadership.”

According to Litoveen and String, organizational atmosphere is “individual perceptions of the typical organization where the person works and how he feels about the organization in terms of independence, organizational structure, reward, considerations, intimacy, support and back up, as well as sincerity and openness.”
Allagheband interprets organizational atmosphere as the organization internal quality perceived and experienced by organizational members. Halpin and Craft elucidate organizational atmosphere, “internal characteristics distinguishing an organization from others and influencing the individuals are called organizational atmosphere. It is measured employees perceptions and descriptions of the organization internal characteristics.” In general, scholars provided many several interpretations of atmosphere; however, the common feature of all definitions says that organizational atmosphere is evaluated relying on employees perceptions of the organization context (environment).

Difference between organizational atmosphere and culture

Organizational atmosphere concept, which was prevalent in the late 60s, outperforms organizational culture, which has evolved in the late 80s. Organizational culture and atmosphere both characterize organization and affiliated departments. Despite the large relationship, they are still distinguished. Richard and Schneider assert that organizational atmosphere refers to formal and informal measures and practices. Schermerhorn and John claim organizational culture a system of common shared values and beliefs directing conduct and individuals.

According to the aforementioned, it is worth to notify that organizational atmosphere is a relatively inclusive surrounding characteristic for an organization; whereas, organizational culture is a characteristic completely encompasses the organization. Organizational culture is associated with nature, beliefs, as well as organizational life expectations; while, organizational atmosphere is an indicator determining that whether the beliefs and expectations realize.

In summary, culture and atmosphere are different:

- Culture deals with how well school assignment is done; while, atmosphere deals with perceptions and emotions toward internal school context.
- Organizational culture is a set of common orientations integrating the organization and assigning an outstanding identity; whereas, organizational atmosphere lies in the common (shared) perception.
- Culture is the common values and norms; while, atmosphere is individuals’ shared perception of behavior.

Theories of organizational atmosphere

Halpin and Craft organizational atmosphere model

Halpin and Craft research of elementary schools in 1962 is probably the most known organizational atmosphere conceptualization and measurement. They introduced organizational atmosphere theory for teachers. According to the definition that organizational atmosphere is experienced by individuals at organization, they assumed
that the individuals’ perceptions are a more authentic reliable source of data. When they observe that:

1. Teachers show significantly different attitude and feelings of school.
2. The concept of morale is not regarded as the indicator.
3. When ‘idealized’ principals are assigned to schools need to be revised and board of education prevents their activity.
4. When organizational atmosphere was largely interested, they initiated drawing organizational atmosphere.

Halpin and Craft imagined schools social atmosphere as a combination of principal leadership and teachers’ interactions. Teachers’ group interactions at school may be similarly regarded as geographical areas; and principal leadership style may correspond with climate. The compound of teacher and leadership conduct leading to the organizational atmosphere is shown in the following picture:

Types of organizational atmosphere based on Halpin and Craft model

Halpin and Craft provided six main school atmospheres: open atmosphere, close atmosphere, autonomous atmosphere, paternal atmosphere, controlled atmosphere, and familiar atmosphere described as follows:

**Open atmosphere:** open atmosphere organizations have high commitment, low barriers and constraints, enormous vitality and intimacy.

**Close atmosphere:** it contrasts with open atmosphere. It is characterized with low confidence and joy with a high level of unemployment.

**Paternal atmosphere:** it represents a social context where the manager works hard but unfortunately useless.

**Autonomous atmosphere:** it almost describes full freedom for leaders to lead work and meet social requirements as desired. It enjoys relatively high morality and sincerity with low deterrence.

**Controlled atmosphere:** it refers to a prolific atmosphere at the cost members’ social life. However, it is enriched with high morale.

**Familiar atmosphere:** it shows an atmosphere in which desired social relationships will end at the cost of doing.

*Vein Howve and Dennis Sebo organizational climate (OCDQ-ML)*

Androwize, in later criticism, in an experimental effort for OCDQ assessment revised it and applied the edited OCDQ-RE and OCDQ-RS for primary and secondary schools,
respectively. Of OCDQ-RE latest corrective measures are Vein Howve and Dennis Sebo measures. Based on factor analysis of OCDQ-ML subscales, they revealed that climate conceptualization and measurement rely upon two critical factors. In supportive, imperative, threatening behavior, principal is the first factor; and in lack of commitment, cooperative behaviors, the teacher assigns the second factor. In particular, they declared that school climate can be regarded as one of the four open, committed, non-committed, and close atmospheres.

Campbell et al (1980), on organizational climate, remark that organizational climate shows how the organization behaves staffs; hence, it can be assumed as organization character. McKenzie (1983), about organizational environment, also pronounces that organizational atmosphere may be generally regarded as a source of employee efficiency (Badri ghare gheshlaghi, 2001). Organizational atmosphere is a set of states, characteristics, or features governing an organization making it cold, warm, reliable, unreliable, scary or reassuring, a facilitator or inhibitor; further, it distinguishes the organizations (Aminpour, 2002).

**Organizational climate components**

Organizational climate contains eight components. Employee-employee social interactions are measured through four following scales:

- **Group spirit** referring to the morale develops as a result of accountability and meeting social needs (Majnooni, 2002).

- **Annoyance** refers to a situation where individuals feel some difficulties because of organization management. Manager, bureaucracy, committee conditions, routine tasks, as well as other requests interfering in employees’ responsibilities, from employees’ point of view, are unnecessary involvements imposed on (Zare, 2007).

- **Intimacy** is referred to employee enjoyment of friendly warm relationships (Majnooni, 2002). This dimension implies social requirement satisfaction, which is not necessarily related to duty (Pourseif, 2006).

- **Lack of interest** exemplifies a situation in which employees obey orders i.e. merely doing a task rather than working by heart, commitment and interest (Pourseif, 2006).

Manager-employee social interactions are estimated through the four following scales:

- **Evading** ascribes to manager non-personal behavior; manager follows regulations, is normative, focuses on structural dimension, and stays away from subordinates (Pourseif, 2006).

- **Consideration** is attributed to the manager warmly and friendly behavior. Manger tries to aid others and makes every effort for staffs (Zare, 2007).
Influence and dynamics point to the dynamic behavior of executives for group leadership and individuals’ motivation through influencing (Pourseif, 2006). Manager intends to steer organization through self-patternning (Majnooni, 2002).

Production focus is when manager issues many orders (Majnooni, 2002) and directly supervises subordinates (Pourseif, 2006).

Organizational atmosphere is like a room climate; we cannot feel, see, or even touch organizational climate; however, it encompasses and surrounds us, influences ever event and is also influenced by what occurred in the organization. Therefore, any organization benefits particular culture, traditions, and operation approaches altogether making organizational climate. Some organizations provide working dynamic atmosphere; while, others are easygoing; some are human-oriented; whereas, some other organizations are cruel and cold (Lashgari, 2006).

In favorable open atmosphere, employees show significant job satisfaction and are adequately motivated to overcome difficulties. They benefit the necessary driving force for discipline and keeping organizational mobility and vitality. Moreover, employees are proud of working with the organization. Employees well cooperate (Kadivar, 1995).

Organizational atmosphere determines workplace measurable characteristics directly or indirectly perceived by the workers and assumed to influence motivation and behavior; furthermore, it also serves as a powerful effective source of behavior orientation and formation (Pourseif, 2006). Thus, the objective of the present research is to study interaction and correlation of organizational atmosphere components in order to create a human desired climate in organization (Kutter, 2000).

**Research methodology**

The present paper is a positive organizational behavior literature review, which finally led to a relationship between the three aforementioned issues.

**Conclusion**

Human resources conventional approaches mainly rely upon error removals and less concern for staff positive potentials. In this regard and in line with positive psychological philosophy on considering individuals’ positive capacities and looking at the bright side, some scholars explored the significance and capability of applying positive psychology achievements and principles at work. It ultimately led to emerging two complementary waves of positive organizational behavior and positive organizational research.

Positive organizational behavior mostly centers around individual domain and positive developable characteristics among people; while, positive organizational research majorly focuses on procedures, policies, and organizational macro levels. It appears that both approaches are now interested by human resources management and leaders so that optimal results and sustained competitive advantage are attained. The link between the two approaches would result in creating an inspiring positive organization where
employees feel happy and prosperity, and consequently, it causes increased organizational performance and productivity.

Organizational behavior, authentic leadership, and organizational climate are three critical indivisible elements. It probably may be stated that in the past positive organizational behavior was not much cared and traditional organizational climate was more important, but the gap, in the present modern world, has been minimized. Since in the new world, every day, many employees work at offices and mental disorders are largely common due to malicious behaviors, the tight relationship between positive organizational behavior and organizational climate is simply understood.

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