

# Authentic Leadership - the Way Forward in the New Normal

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## ABSTRACT

The unprecedented uncertainty brought about by the Covid-19 pandemic has wreaked havoc on the global economic, social, and political environment. Leaders across the globe have felt the need for incorporating urgent measures to counter these challenges in a constructive way. This study sheds light on authentic leadership as a mechanism for progress in the new normal. The study describes in detail the characteristics, advantages, its impact on stakeholders, its implication on business and the challenges in implementing authentic leadership today, particularly in addressing dynamic market changes. The need of the hour is to have great authentic leadership to boost employee morale, workplace productivity and continual organizational growth in the new normal.

**Keywords:** Authentic leadership, Covid-19, work from home, organizational leadership and growth, leadership in new normal.

## I. INTRODUCTION

The global landscape across all spheres of life has changed considerably due to Covid-19 pandemic. There has not only been a huge impact on the public health and economy globally but even as aspects of economy i.e. social, technological, or economic like education, technology and business activities are affected (Ratten, 2020). There has been some indispensable direct impact of the pandemic like remote working or social distancing which has completely changed the outlook of an individual's life (Floetgen et al., 2021). Various worldwide lockdown measures were initiated at the start of the Covid-19 pandemic to curb the spread of the pandemic, leading to numerous unforeseen challenges for public in general and businesses. In one of the most revolutionary moves in the business ecosystem, new norms like teleworking or work from home (WFH) culture were introduced in order to maintain continuity in operations, making it the "new normal" (Bonacini, Gallo, & Scicchitano, 2021). These norms were of

paramount importance for not only ensuring minimal risk of the spread of the Covid-19 disease and towards cultivating a sustainable work environment.

Throughout the history of trade and business, leadership is one management aspect which has remained as key ingredient for ensuring the effective and successful working. It has evolved over the decades; however, among different leadership styles, authentic leadership is regarded as the approach that focuses on the aspect of transparency, genuineness and honest on the part of the leader while dealing his sub-ordinates at the workplace (Ogunyemi & Ogunyemi, 2020). Such an approach values the input of employees and is built on an ethical foundation where authentic leaders have a positive approach promoting an openness in the way they handle the work leader (Baykal, 2019). With such positive behavior, authentic leaders strive to build strong and honest workplace relationships which helps in building trust in their team members and motivates them to work towards the fulfillment of the broader organizational objectives (Northouse, 2018). The role of authentic leaders in the ongoing Covid-19 pandemic has become even more critical and important for businesses. Due to most businesses working remotely, there has been the constant need for authenticity in motivating and communicating with employees in the ongoing uncertainty for ensuring business continuity (Farhan & Wright, 2021). Authentic leaders are known to have a proactive approach to work, concentrating on people-oriented decision-making, which is seen to address challenges imposed by Covid-19 crisis in a constructive manner. Thus, this study focuses on examining this leadership style with reference to new normal. The study aims to assess authentic leadership as a tool to shape the business in the coming years of 'new normal'.

## II. DISCUSSION

The various aspects of authentic relationship in the new normal have been discussed below. The changes and challenges in business on account of the pandemic have been stated. The characteristics of authentic relationship, its advantage, impact on stakeholders, implications on business and challenges to implementing it have been explained.

### a. Changes and challenges faced in today's business due to the pandemic

The COVID-19 pandemic led organizations to face newer business challenges at global level due to the need of employees adapting newer ways of working like remote working, greater reliance on technology for communicating and managing inter-personal interactions. This led organizations to introspect as to how to manage improvisation processes across all functionalities simultaneously so as to ensure business continuity under the new normal (Bailey & Breslin, 2021). CEOs and top organizational leaders are faced with enormous, competing challenges in newer unexplored areas as they continue to brace with the impacts as a result of the ongoing Covid-19 crisis. There have been significant changes in the way organizations are working currently with a stronger emphasis placed on reinvention of the existing work processes (Floetgen et al., 2021). Leaders are rising to the occasion to deal with the challenges by accelerating the digital transformation across all functional units, introducing variable cost structures, and getting onboard agile operations apart from continuing work from home or remote working (Khurana, Haleem, Luthra, Huisingh, & Mannan, 2021). With the need to continue to maintain social distancing measures, such proactive ways to address the challenges would help organization in ensuring that they would not have to resort to job cuts, reduce pay which would increase the pre-existing inequalities in the labor market making employees feel insecure about their jobs in the ongoing pandemic (Bonacini et al., 2021). Businesses would have to adapt agile processes and technology to ensure business continuity.

### b. Characteristics of Authentic Leadership

Leadership style has a profound impact on employee motivation levels and creating a sense of job security. Authentic leaders practice real values, beliefs, behaviors which are oriented towards the well-being of their employees giving them an honest feedback of their performances and providing recommendations for improvement (Dawei et al., 2021). Authentic leaders are known to have an insight and purpose and are self-aware,

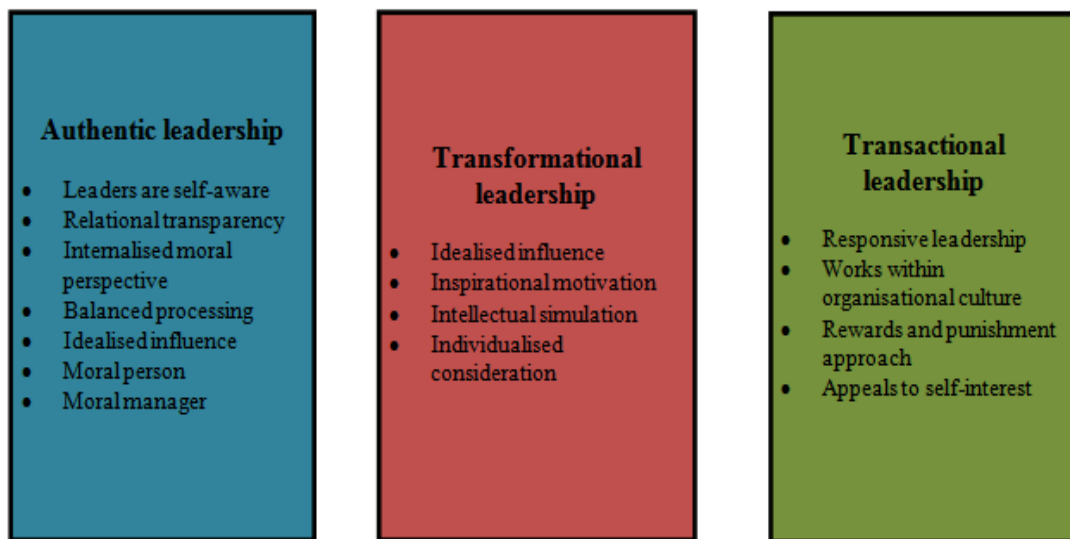
about what they want to do and where they are headed. Such leaders are passionate about their work which gets manifested in the way they delegate the same to their employees through continual inspiration and motivation (Northouse, 2018). These leaders do not compromise on their values to achieve results. They work hard on building a constructive and transparent relationship with their subordinates and colleagues by connecting with them through their experiences and open communication (Winston, 2021). Authentic leadership is based on self-discipline where leaders are known to be goal-oriented and move in with a sharp focus and determination to fulfill that goals while addressing challenges positively while achieving it (Northouse, 2018). They deal better under stressful situations like the ongoing Covid-19 pandemic by bringing in clarity to their vision, adapting well to change and keeping a two-way communication channel for getting work done. They have an empathetic nature and are sensitive to the needs of others (Cashman, 2017). However, authentic leadership at times may be rigid as the leaders may value their thought-processes as more valuable than their subordinates creating difference in opinion. Still, authentic leaders are considered as genuine leaders who encourage positivity and development of individuals concerned to them by bringing on ethical beliefs and behaviors to the forefront.

### c. Advantages of authentic leadership

Authentic leadership is based on self-awareness which helps in building lasting and constructive relationships with others. There is an element of mutual trust and understanding both ways, in the process empowering and motivating employees to perform to their maximum capacity. Authentic leadership also shows empathy and caring for others resulting in the leader's ability to build positive and rewarding relationships (Hirst, Walumbwa, Aryee, Butarbutar, & Chen, 2016). There is greater emphasis on an open communication where an authentic leader listens to his subordinate's thoughts and ideas, making them feel valued resulting in better workplace productivity and loyalty for the organization. Authentic leaders are focused with a driven purpose for achieving their goals ensuring their employees know what is expected from them and are working towards it, helping the organization realize their goals. This collaborative work atmosphere is known to improve employee satisfaction and increase their engagement at work (Semedo, Coelho, & Ribeiro, 2019). The authentic leaders' values are known to provide stability and consistency in an organization and help them deal

with stressful situations like the ongoing Covid-19 crisis like having a robust WFH work process. Authentic leadership strives for higher ethical and moral standards ensuring organization have a stronger ethical leaning helping gain sustainability and competitive advantage over the long term (Ardaa, Aslan, & Alpkanca, 2016). Such leadership also fosters adapting to change and having an innovative bent of mind in its subordinates making to think and work in a highly effective manner

leading to boost in workplace productivity and sustainable advantage for the organization. When compared to other leadership styles such as transactional and transformational leadership, authentic leadership is advantageous because of its emphasis on boosting the overall morale of the organisation (Walumbwa, Avolio, Gardner, & Wernsing, 2008). The figure below represents the differences.



**Figure 1: Advantage of authentic leadership over transactional and transformational leadership**

**d. Process of authentic leadership and stakeholders**

Leaders should show authentic and genuine concern towards their stakeholders because it shows that such leaders really care and work towards completing the organization's goals and objectives. Authentic leaders try and promote a positive ethical work atmosphere that fosters self-awareness amongst its employees, and transparency in their way of working and known to influence employee creativity (Chaudhary & Panda, 2018). Corporate social responsibility (CSR) has a significant impact on different stakeholders like employees, investors, customers and government authorities. Authentic leadership has also a positive relationship with organizational citizenship behavior (OCB) as leaders are known to nurture and boost employee attitudes and behaviors at the workplace. As such, organizations should work towards inculcating positive leadership behavior as employees are key stakeholders. By paying more attention to CSR related activities, leaders can positively impact employees in creating a fair environment for long-term success of the

organization (Iqbal, Farid, Ma, Khattak, & Nurunnabi, 2018). Authentic leadership help build in competitive advantage for the company by increasing the customer expectations and satisfaction levels (Baquero, Delgado, Escortell, & Sapena, 2019). As such, authentic leadership is known to have a significant influence on various stakeholders relevant to an organization.

**e. Implications of authentic leadership for business**

Authentic leadership helps employees to evaluate their purpose at work and take positive steps towards boosting productivity at the workplace. By encouraging employees to understand their true potential, authentic leaders help in creating a more supporting and productive work environment. This leads to a more creative and engaged workforce (Semedo, Coelho and Ribeiro, 2019). Employees are channelised to focus their energy towards innovation and undertake risks for benefitting the company and its customers, thus creating competitive advantage and satisfied customers (Baquero et al., 2019). By encouraging diversity at the workplace, leaders harbor harmony

and overall well-being of employees where employees feel valued and respected. Having an authentic style of leadership helps leaders to self-introspect, be honest with themselves and show consistent behavior through self-discipline which has a positive reflection on their business decisions. Authentic leaders helps employees strive for self-realization which helps them to move ahead in their career path in a constructive manner building loyalty for the company (Kim, 2018). Such leaders are known to be able to take challenges in their stride and work towards solving them ensuring benefit to the various stakeholders of the organization. The ongoing Covid-19 pandemic has shown that authentic leadership helped organizations to meet the challenges due to the crisis in ensuring business continuity while maintaining employee, customer and other stakeholder safety.

#### **f. Challenges in implementing authentic leadership today**

To counter challenges of Covid-19 pandemic, the decisions taken by business leaders will have a significant impact on organizations over time. Authentic leadership is faced with the challenging task of overcoming the limitations of technology and individuals for boosting productivity and continual motivation so as to get businesses slowly and steadily out of the crisis mode and learn to operate in the new normal (Ratten, 2020). There is the continual challenge for organizations to meet the customer basic requirements and ensuring employee well-being. Crisis situation highlights the risks and dangerous environment faced by organization and leaders impacting employee performance and organizational productivity (McNulty, Y, J. Luring, C. Jonasson, & J. Selmer, 2019). Authentic leadership faces challenge with respect to managing employee performance, reducing their fears on account of the job-insecurity created due to the pandemic (Dirani et al., 2020). Even pre-pandemic, there were issues faced by authentic leaders on employee turnover, discrimination and hostility at workplace, managing work-life balance and so on (Bader, C. Reade, & J. Froese, 2019). Leaders have had to work with a lot of stress owing to the pandemic showing different degree of acceptance to change (Dirani et al., 2020). As such, there is a lot of challenges faced in implementing authentic leadership today due to the uncertain nature of the global environment caused by the pandemic.

### **III. CONCLUSION**

The Covid-19 pandemic has seen the social, economic, and health systems worldwide, on the verge of collapse due to the unprecedented changes brought on by the pandemic. This has resulted in huge challenges to public and organizations globally. There has been the need for great leadership to take strategic decisions to counter these grave challenges. Authentic leadership has been seen to have taken great strides in adapting to the changing business scenarios and ensuring that employees are continually motivated to work under the new normal on account of the ongoing crisis. Such leadership has been seen to be able to withstand the aftereffects like lockdown, social distancing measures, fear amongst employees and customers to a considerable extent. There is still the ongoing challenge of ensuring business continuity in the new normal by overcoming the limitations of technology and employees.

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