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Original Research

# Psychological Capital and Authentic Leadership Behavior on Leadership Effectiveness in Secondary Schools of Wollega Zone

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## Abstract Article Information

Psychological capital and authentic leadership behavior allow leaders to boost psychological strength in the face of challenge to address difficulties effectively being professionally effective and morally sound. However, the prediction of psychological capital and authentic leadership behavior to leadership effectiveness within secondary school of Wollega zones context has not been investigated. To examine these phenomena from four zones of Wollega zones three of them were included by simple random sampling technique. Schools and teachers also were randomly selected while leaders were selected by availability sampling technique. Accordingly, 78 principals and 206 teachers were included in the sample. The study employed correlational design and mixed convergent method. Closed and open-ended 360degree self and observer ratings questionnaires as well as interview were used to collect the data. After validation of the instrument, descriptive statistics, correlation and multiple regressions analysis were computed. Then the result revealed significant positive correlation between leaders' psychological capital and authentic leadership behaviors with leadership effectiveness. Leaders' psychological capital and authentic leadership behaviors significantly predicted leadership effectiveness as reported by self-rated but not significant as observer rated. Moreover, stepwise regression analysis was conducted for psychological capital and authentic leadership. Self-awareness and balanced process from authentic leadership behavior; hope and resilience variables from psychological capital were seen the most contributors for leadership effectiveness. This study thus contributed to know the power prediction of psychological capital and authentic leadership behavior to leadership effectiveness. It also helps secondary school principals and teachers to identify psychological capital and authentic leadership behavior qualities expected from them.

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#### **INTRODUCTION**

Psychological capital is one of the components of human capital among intellectual, emotional and social capital which termed as PIES (Fitz enz, 2000) that has gained prominence as an important construct in leadership research. Psychological capital is a relatively emerging personality variable in positive organizational behavior (Luthans, Avolio, Walumbwa & Li, 2005). The concept of psychological capital (PsyCap) has attracted a great deal of interest

from academics and practitioners to be linked to behavior and performance at different levels.

Psychological capital is an individual's positive appraisal of circumstances and likelihood for success based on motivated effort and perseverance (Luthans, Avolio, Avey, & Norman, 2007, p. 550). It is the ability of a leader to endure any challenging situation with persistence and patience to reach the targets and goals in order to succeed in one's plan

(Avey, Luthans & Jensen, 2009). Psychological capital resources provide individuals with positivity, which also meets with the criteria of positive organizational behavior which in turn responsible for the development of individuals and helps them achieve a competitive advantage (Venkatesh & Blaskovich, 2012).

Psychological capital is also effective leaders' positive psychological state development. Leaders who are equipped with psychological resources are effective they can mobilize and influence the staff in a clear and compelling vision for the future of the school (Bjurstedt, 2006). analvze their Thev environment, individual student needs. strengths and weaknesses of staff members, aspects of the instructional programs and do the right things to optimize productivity or service to the stakeholders (Cicero, Pierro & Van Knippenberg, 2007). Thus, school leaders who are familiar with psychological resources influences on student progress, wellbeing and success. Moreover, they regularly plan and evaluate teaching practice to ensure whether students' needs meet, align student needs with

the professional learning and development of teaching staff and build strong relationships with other educational and community institutions to increase opportunities for students' success Education Review Office (2016).

Moreover, leaders equipped with psychological resources are optimistic about their purpose and take risks when there is change and challenge that results in personal growth. Hence, they do not back down from a challenge but willing to lead the way as an inspirational leader to be effective (Roach, n.d).

Psychological capital consists of four positive psychological resources namely: self-efficacy— confidence in one's ability to succeed in specific situations, optimism—positivity toward current and future success, hope—perseverance to accomplish a goal, and

resilience—ability to sustain and to bounce back when confronted with adversity (Luthans, Avey, Avolio, Norman, & Combs, 2006b). The figure below summarizes for more clarification by researcher (Figure 1).

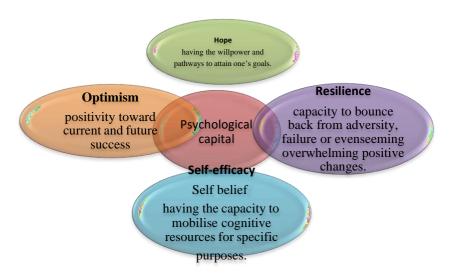


Figure 1. Dimensions of Psychological capital

These psychological capital qualities are multiplicative and synergistic; so, when leaders have four of them, the positive effects are greater than the sum of each individual effect. This is because; it forms a higher order, core construct that can strongly predict attitudes and performance of individuals (Luthans et al., 2007).

Studies have shown that self-efficacy, hope, optimism, resilience and other positive psychological attributes are positively related to job performance (Luthans, Avolio, Walumbwa & Li, 2005). Besides, the positive relationship between psychological capital and job performance appears to be distinct across different domains of psychological attributes

(Luthans et al., 2005). On the study conducted in Chinese team leaders, Zhong (2007) noted that psychological capital exerts a positive influence on followers' commitment and job performance. Leaders with high psychological capital are rated as more trustworthy by employees as well as more authentic (Walumbwa, Luthans, Avey & Oke, 2011). Therefore, leaders' psychological capital is not only improving their followers' psychological capital, but it also has positive effect on organizational outcome.

Correspondingly, a recent meta-analysis (Avey, Reichard, Luthans & Mhatre, 2011) found PsyCap as having a strong positive relationship with desirable attitudes and performance as well as psychological wellbeing of the staff but negatively related with cynicism, stress and anxiety (Avey, Luthans, & Jensen, 2009). This is because: leaders who have greater positive psychological capital resources will not only more personally engaged at work, but will provide more support to their followers, which in turn will enhance their followers' engagement. As leaders instruct and supervise their followers, they also offer them information and resource in daily activity which in turn positively influence members' psychological state of attitude and behavior. Leaders with rich psychological capital tend to be more hopeful and motivated to succeed, and more likely to set up more challenging goals (Chen, Wen, Kong, Niu & Hau, 2017).

Stronger leaders are more active in exploring solutions to overcome obstacles and are more willing to make an effort to succeed (Avey, Reichard, Luthans & Mhatre, 2011). At

the same time, it is much easier for them to recover from adversity and failure. This implies that, they have positive expectations toward the work environment, resulting in a more positive attitude and outstanding job performance, which in turn positively influence followers and make them experience more positive psychological capacity. Subsequently, this will affect workers' work attitude and work behavior through improving their psychological capital (Dinh, Lord, Gardner, Meuser, Liden & Hu, 2014).

Récent research studies have emphasized human dimension like characters of a leader, rather than the attitude, action, or skill of the leader. In this regard, a new leadership topic that has recently received attention is authentic leadership. Authentic leadership is characterized by positive, genuine and transparent and now recognized as a positive approach to organizational leadership (Walumbwa, Avolio, Gardner, Wernsing, & Peterson, 2008).

Authenticity refers to honest, stable, and high self-esteem (Kernis, 2003). As explained by Begley (2001), authentic leadership is a symbol for professionally effective, morally sound, and deliberately reflective practices in education. This leadership implies a genuine type of leadership and a hopeful, open, visionary and creative response to social lt is characterized by awareness, openness, accepting others' inputs, values and motives. Authentic leadership behavior is composed four dimensions namely: self-awareness, being ethical/moral, relational transparency and balanced processing. The following figure below summarize for more clarification by the researcher.



Figure 2. Dimension of Authentic leadership behavior

Figure 2 displays that an authentic leader has the qualities of self-awareness, being ethical or moral, balance their manner and transparent in their action.

Authentic leadership theory is firmly rooted in the concept of self-regulation (Gardner, Cogliser, Davis & Dickens, 2011) to align actions with their true values and intentions. Authenticity implies that one acts accordance with the true self, expressing oneself in ways that are consistent with inner thoughts and feelings (Michie & Gooty, 2005). As conceptualized within the emerging field of positive psychology (Seligman, 2002). authenticity is owning one's personal experiences and behaving in accordance with the true self (Walumbwa et al, 2008). Thus, authentic leadership is a process by which leaders are deeply aware of how they think and behave, of the context in which they operate (Gardner, Avolio, Luthans, May & Walumbwa, 2005).

Authentic leaders are effective and genuine mission oriented who put the mission of the

organization ahead of their own self-interest. They do the job in pursuit of results regardless their own power, money or Furthermore, authentic leaders share the information needed to make decisions, accept others' inputs, and disclose their personal motives. sentiments. values. and Such characteristics enable the staff to accurately assess the competence and morality of their authentic leader's actions (Walumbwa, Wang, Wang, Schaubroeck, & Avolio, 2010).

If the authentic leader displays the characteristics of psychological capital, the staff member will also display these characteristics and the joint interaction effect will leads to productivity. Therefore, school Principals' with authentic leadership behavior could be an influential to cultivate teachers' psychological capital. The following figure shows conceptual framework of authentic leaders' behavior, psychological capital and leaders' effectiveness.

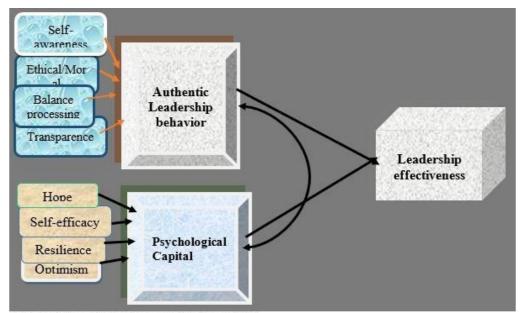


Figure 3. Conceptual framework of the study

As it was indicated in the Figure 3 above Self- awareness, being ethical, balancing process and transparence are qualities of authentic leadership behavior, while hope, self-efficacy, resilience and optimism are resources of psychological capital. Thus, leaders who are authentic and cultivate psychological capital qualities contribute a lot to leadership

effectiveness. Moreover, there is a strong relationship between authentic behavior and psychological capital variables that can be result in effective outcome. Thus, a school leader who is equipped with these resources becomes an effective leader. However, confirming this viewpoint requires more empirical research. Thus, the researcher

attempts to conduct the study to determine the influence of psychological capital and authentic leadership behavior on leaders work effectiveness.

Despite the fact that psychological capital plays the key role when fit with authentic leadership behavior, organizations often frame the development of leadership in terms of competencies, or the behavioral skills and areas of knowledge required in specific job. However, focusing on competencies alone is not satisfactory as it dismisses the role of authenticity and psychological resources. Moreover, in spite of the concept of psychological capital that equipped principals with resources and confidence to make them competitive to bring success for their school, there is no local empirical evidence which shows the influence of psychological capital on school leaders' performance as to the knowledge of the researcher.

Psychological capital asset leaders will bring competitive advantage to their organization and can strengthen their staff members' capacity which in turn makes the entire organization more successful. Psychological capital with authenticity can be used as a way to monitor, determine the extent of organization leaders and the degree of their subordinates' potential development. These can help leaders to sort out complex challenges, create paradigms, and respond to changing conditions. This capacity is especially important for effective leaders who set the tone and act as a model for others. A leader's ability to engage with a range of perspectives and create a climate for change is essential to a successful workplace. Moreover, psychological capital helps leaders respond effectively to the chronic demands. responsibilities of authority (Ofori & Rehman, n.d)).

Psychological capital improves school leaders' leadership effectiveness which in turn positively affects teachers work performance that can also influence students' academic achievement. The primary task of school principal is making his school different through determining how to influence and motivate teachers to be engaged and involved at school to improve the performance of their students. student performance Improving needs commitment of teaches and this commitment is

enhanced through leadership activities like planning, motivating, encouraging, leading and so on. As a result, principals have faced challenges of dealing with such teachers' and students' work stress and burnout. Thus, to overcome these challenging stress leaders have to be equipped with psychological resources and authenticity, which is the application of human strengths and psychological capacities to combat stress as the value of psychological capital is equal to that of financial, human and social capital.

Authentic school leaders are regarded as role models for their staff, who imitate their leaders. In such a way, they become an influential source of information for their staff and thus have a great impact on the staffs' attitude and behavior. If leaders display high levels of psychological capital, their followers will more readily pursue positive outcomes. These staff will therefore be more likely to develop positive and optimistic job expectations to maintain stronger motivation for success (Rego, Sousa, Marques, & Cunha, 2012). Their expectations and motivation may help them build positive psychological capacities such as confidence, optimism, and resilience.

Authentic leadership is viewed as one method of enhancing leaders' psychological capital Luthans and Avolio (2003) as authentic leaders are confident, hopeful, optimistic, and resilient. Walumbwa, Avolio, Gardner, Wernsing and Peterson (2008) have also proposed that authentic leadership influence employees' attitudes through the psychological processes of identification, hope, positive emotions, optimism, and trust. As leadership is the process of influencing others; developing authentic capacity in others is also a significant function of authentic leaders (Whitehead & Brown, 2011). Similarly, Peterson and Luthan (2003) also claim that to the environment of stress, pressure and uncertainty, organization requires innovative management with the aim to provide hope, trust, optimism and flexibility. To accommodate this requirement authentic leadership behavior is considered as essential.

However, there is little attention to the role of psychological capital and authentic leadership effectiveness in organizations or schools. In addition, how psychological capital and authentic leadership behavior is correlated

and how these variables individually or jointly predict leader's effectiveness in secondary schools is not yet investigated as far as the knowledge of the researcher is concerned. As result. the literature lacks adequate conceptual explanation up on these variables as it has not been extensively discussed. Therefore, the researcher was trying to fill the gap by identifying how the school principals have authentic quality of leadership and how far they are equipped with psychological capital to influence their followers. Moreover, it also identifies the prediction power of psychological capital on school leaders' effectiveness.

In line with this, the researcher raised the following research questions that was treated in this study.

- To What extent secondary school principals' psychological capital and authentic leadership behaviours were correlated?
- 2. To what extent secondary school principals' psychological capital contribute to leadership effectiveness?
- 3. To what extent principals' authentic leadership behaviour accounted for the variance of school leadership effectiveness?
- 4. What are the psychological capital and authentic leadership qualities expected from effective secondary school principals?
- 5. Which variable most contribute to the school principals' leadership effectiveness among authentic leadership behaviour sub-variables?
- 6. Which variable most contribute to the school principals' leadership effectiveness from psychological capital sub-variables?

Based on the objective the study, which was examining secondary school leaders authentic leadership behavior and psychological capital that have positive effect on school leaders effectiveness, the result of this study may contribute to the effectiveness of the school performance through giving awareness about psychological capital and authentic leadership qualities to facilitates positive and healthy interaction between staff and leaders. Leaders themselves also checkout and identify whether they are equipped with these leadership

qualities and improve their capacity of leading. Furthermore, policy maker may consider psychological capital and authentic leadership behavior in hiring educational leaders. To manage the study effectively within a given time bound the study was geographically delimited to Wollega zones of secondary schools while conceptually to psychological capital and authentic leadership behavior as they are the newly emerging variables that may have positive effect on leader effectiveness.

## Material and methodology Design of the Study

The design of this study was Correlational research design as it predicts the relationship between variables. Qualitative and quantitative research method was used. This is because quantitative and qualitative method of analysis which is mixed convergent design helps to have a complete and more efficient result of the study.

## Variables of the study

The variables included in the study will be:
Independent variables psychological
capital and authentic leadership behavior
Dependent variable Leaders effectiveness

All Secondary school principals, department heads and teachers of Wollega zones were the population of the study. From four zones three of them: East Wollega, Horo Wollega and west Wollega zones were selected by simple random sampling techniques to be included in the study. From these zones proportional numbers of secondary schools were randomly selected. Accordingly, from East Wollega Nekemte preparatory school, Biftu zone: Nagamte secondary school, Dallo secondary school, Arjo Gudatu, Diga secondary school and Sire secondary school were selected. From Horo Wollega zone: Shambu preparatory school, Shambu secondary school, Fincha'a secondary school, Dengoro secondary school, Kombolcha secondary school and considered. From west Wollega zone: Ghimbi preparatory school, Ghimbi secondary school, Haru secondary school and Abdisa aga secondary school were included.

A survey questionnaire and interview were prepared for psychological capital, authentic leadership behavior and leadership performance effectiveness. Questionnaire was used for principals, department heads and teachers while interview was employed for principals and department heads. To measure authentic leadership behavior (Northouse, P.G.'s (2010) 16 item guestions were adapted while, 13 items Multi-rater or 360-degree (Fleenor, 1996) leadership questionnaire was used for leadership effectiveness. psychological capital 12 items CPC-12 Scale was employed. All items were 5 Likert scales that were reviewed and adapted through pilot study.

The respondents were assured confidentiality that their information was secured and promised anonymity that none of the individual participants' score exposed publicly. Moreover, sensitive issues like personal affairs, religious and political issues were excluded to protect the respondents from any risk.

To collect the data from respondents' interview and questionnaire were used. To maintain confidentiality, privacy, and strict anonymity, no identification of information was stated. Questionnaire was distributed to the respondents after they informed about the purpose of the questionnaires. Interviews also conducted after briefing the objective of the study to the informed consents. To examine the practical use of the questionnaire, a try out test study was conducted and the reliability of the items were cheeked using SPSS version 22 software statistical analysis. The data was statistically analyzed using the aforementioned statistical software. Then, descriptive statistics and Pearson product moment correlation was used to describe the data and to investigate the extent of the relationship between the variables respectively. Furthermore, multiple hierarchal regression and stepwise regression analyses also used to check the contribution of the variable independent leadership to theme performance effectiveness. while analysis was used to analyze the qualitative data collected through interview.

#### **RESULTS**

The data were collected using questionnaires and interview from secondary school leaders: (principals, vice principals, department heads & teachers). In total, 100 questionnaires for leaders and 240 for teachers were distributed.

The response rate was 76 (76%) for school leaders and 206 (85.8%) for teachers. The questionnaire used to collect data on demographic information, psychological capital, authentic leadership behavior and leadership effectiveness. Hence, the variables were analyzed and interpreted based on the research question mentioned above.

From the total respondent of secondary school leaders only 7 (9.2 %) were females selfrated and 34 (16.5%) of observer rated while 69 (90.8%) were male self-rated and 172 (83.5%) the observer rated. This shows number of secondary school female leaders as well as teachers were very small compared to male leaders and teachers. Out of the total sample secondary school leaders, 20 (26.3%) were directors, 19 (25%) were vice directors and 37 (48.7 %) were department heads. Qualification wise, 61 (80.3 %) self-rated and 147 (83.5) the observer rated were BA holders; 14 (18.4%) self-rated and 29 (16.5) the observer rated were MA/MSc graduates. This indicates that most secondary schools' leaders and teachers were BA holders, with regard to work experience, 12 (15.8%) were served less than 2 years, 22 (28.9%) were served for 3 to 5 years, 15 (19.7%) were served for 6 to 9 years, 27 (35.5%) of them were served for 10 years and above. From this analysis it is possible to see that 42 (55.2%) of them were serving for 6 years and above. Finally age wise 25 (32.9 %) of them were in the age range of 20-30, 42 (55.3%) of them were in the age range of 31 -40 while, 9 (11.8%) of them were in the age range of 41 to 50. This reveals that most of them, 67 (88.2%) of them were in the age range of 20 to 40 so that they were at adult age.

The internal consistency of scales as measured by Cronbach's Alpha was .80 for authentic leadership behavior, .84 for leadership effectiveness and .88 for psychological capital. These shows that the reliability for each item were high and acceptable as it is above 0.7 and it was believed that the questionnaires were measure the constructs effectively. The validity of the instruments was also checked by the experts. The coefficient of reliability for each sub scales authentic leadership behavior psychological capital were computed and found

effective to measure the attribute as intended as they have high reliability.

Pearson correlation coefficient analysis was implemented to measure the degree of linear association between the key variables(Table1).

#### **Correlational analysis**

Table 1 self- rated Pearson product moment correlations

Correlations as self-rated				
	Authentic behavior	leadership	Psychological capital	leadership effectiveness
Authentic leadership behavior	1		.655**	.651**
Psychological capital			1	.737**
leadership effectiveness				1
**. Correlation is significant at th	e 0.01 level (2	?-tailed).		

Note. N= 76; \*\*P < .01 level (2-tailed)

The correlation table reveals that school principals' authentic leadership behavior and psychological capital is significantly correlated to each other with the value of (r=.66 p < .01). It also indicated that both principals' authentic

leadership behavior and psychological capital were significantly correlated with leadership effectiveness with the value of (r=.65 p < .01) and (r=.74 p < .01) as self-rated respectively.

Table 2 Observer- rated Pearson product moment correlations

Correlations as observer rated			
	Authentic leadership behavior	Psychological capital	Leadership effectiveness
Authentic leadership behavior	1	.56**	.52**
Psychological capital		1	.46**
Leadership effectiveness			1
**. Correlation is significant at th	e 0.01 level (2-tailed).		

Note. N= 206; \*\*P < .01 level (2-tailed)

From the correlation Table 2, it was shown that leadership effectiveness is moderately correlated with both authentic leadership behavior with the value of (r=.56 p < .01) and Psychological capital with the value of (r=.46 p < .01) as observer rated. There is also significant correlation between principals authentic leadership behavior and psychological capital with the value of (r=.52 p < .01).

As indicated from correlations of self-rated and observer rated both authentic leadership behavior and psychological capital were significantly correlated to leadership effectiveness. In addition, principals' authentic leadership behavior and psychological capital also significantly correlated at the probability value of p < .01. However, correlation analysis has limitations since it cannot indicate how

much one variable is explained by a set of other variables so that regression analysis was used.

## Hierarchical multiple regression

Regression analysis extends correlation analysis, as it is more comprehensive. Correlation analysis limitations were being overcome by regression analysis. Multiple regression analysis considers one variable as dependent variable, and a set of other variables as independent variables. Then two multiple regressions were hierarchical and stepwise regression analyses were considered. Hierarchical multiple regression tests were used to check the variance authentic leadership behavior and psychological capital of leaders accounted to predict leadership effectiveness. The contribution of each variables- psychological capital and authentic

leadership behavior to leadership effectiveness was conducted after controlling one variable to see the effect of the other variable alone. Stepwise regression analysis also computed to

see variables that most contribute for leadership effectiveness from sub-scales of psychological capital and authentic leadership behavior variables(Table 3).

Table 3. Self-rated hierarchical regression of authentic leadership behavior to leadership

effectiveness after controlling Psychological capital

	В	Std. Error	Beta	$R^2$	Adjusted R <sup>2</sup>	R <sup>2</sup> Change
(Constant)	21.908	3.101	.737	.473	.467	.473
Psychological capital	.639	.068				
(Constant)	14.712	3.807		.593	.581	.120
Psychological capital	.471	.086	.543			
Authentic leadership	.244	.082	.395			

Note: N=76; P < .05

Table3 shows the result of hierarchical regression of authentic leadership behavior after controlling for Psychological capital. The adjusted  $R^2$  changes from 53.7 % to 58 % F (2, 73) = 53.084 < .001. After controlling psychological capital, authentic leadership

behavior variables alone accounted for 12% of variance in leadership effectiveness. It is significant but a small amount of contribution as indicated in Sig. F change (1, 73) = 8.916< .032

Table 4. Self-rated hierarchical regression of Psychological capital to leadership effectiveness after

controlling authentic leadership behavior.

5	В	Std. Error	Beta	$R^2$	Adjusted R <sup>2</sup>	R <sup>2</sup> Change
(Constant)	18.120	4.437		.424	.416	.424
Authentic leadership	.538	.073	.651			
(Constant)	14.712	3.807		.593	.581	.169
Authentic leadership	.244	.082	.395			
Psychological capital	.471	.086	.543			

Note: N=76; P < .05

The above Table 4 indicates the result of hierarchical regression of Psychological capital after controlling for authentic leadership behavior. The adjusted R<sup>2</sup> changes from 41.6 % to 58 % F (2, 73) = 50.083 < .001. Hence

Psychological capital alone significantly accounted for  $R^2$  changed of 17 % variance in leadership effectiveness with F change (1, 73) = 30.224 < .001).

Table 5. Observer rated hierarchical regression of authentic leadership behavior to leadership

effectiveness after controlling Psychological capital

	В	Std.	Beta	$R^2$	Adjusted	R <sup>2</sup> Change
		Error			$R^2$	
(Constant)	15.034	1.985		.524	.522	.524
Psychological capital	.716	.048	.724			
(Constant)	9.698	1.892		.630	.626	.105
Psychological capital	.338	.065	.342			
Authentic leadership	.390	.052	.501			

Note: N=206; P < .05

The above Table 5 reveals the result of the hierarchical regression of authentic leadership

behavior after controlling for Psychological capital. The adjusted R<sup>2</sup> changes from 52.2 %

to 62.6% F (2, 202) = 171.616 < .001. After controlling psychological capital, authentic leadership behavior variables alone accounted for 10.5% of variance in leadership

effectiveness. It is a significant contribution as indicated in Sig. F change (1, 202) = 57.325<.001

Table 6. Observer rated Hierarchical regression of Psychological capital to leadership

effectiveness after controlling authentic leadership behavior

	В	Std. Error	Beta	$R^2$	Adjusted R <sup>2</sup>	R <sup>2</sup> Change
(Constant)	12.638	1.916	.762	.581	.578	.581
Authentic leadership	.593	.035				
(Constant)	9.698	1.892		.630	.626	.049
Authentic leadership	.390	.052	.501			
Psychological capital	.338	.065	.342			

Note: N=206; P < .05

The above Table 6 reveals the result of hierarchical regression of observer rated Psychological capital after controlling for authentic leadership behavior. The adjusted  $R^2$  changes from 57.8 % to 62.6 % F (2, 202) = 171.616 < .001. Hence Psychological capital alone not significantly accounted for  $R^2$  changed of 5% variance in leadership

effectiveness with F change (1, 202) = 26.713 < .056).

As observed from the result of self-rated and observer rated analysis authentic leadership behavior alone accounts for 12 % and 10.5% respectively, while psychological capital alone contributed for leadership effectiveness 17% from self-rated analysis and 5 % as observer rated.

#### **Stepwise Regression Analysis**

A stepwise regression was used to identify the major predictors of leadership effectiveness

using subscales of authentic leadership behavior as predictors based on self-report.

Table 7 stepwise regression analysis authentic leadership behavior sub scales

Variables	Beta	R <sup>2</sup>	Adjusted R <sup>2</sup>	R <sup>2</sup> Change
Self-awareness	.261**	.411	.403	.411
Moral/ethical conduct	.482***	.454	.439	.043

Note: N=76; \*\*p <.01, \*\*p <.001

All four subscales of authentic leadership behavior, namely self-awareness, Moral/ethical conduct, balance processing and relationship transparency were entered in a stepwise regression. From the four sub scales Selfregulation (moral/ ethical conduct) and self-awareness were significant predictors of leadership effectiveness and accounted for 43.9 % of variance with F (2, 73) = 30.319, p < .001 as rated by school leaders.

Table 8 Stepwise regression analysis of psychological capital sub scales

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Variables	Beta	$R^2$	Adjusted	$R^2$			
			$R^{2}$	Change			
Hope	.551***	.501	.494	.501			
Resilience	.287**	.558	.546	.058			

Note: N=76; \*\*\*p <.001

All four subscales of psychological capital, namely hope, resilience, optimistic and self-efficacy were entered in a stepwise regression. However, hope and resilience were the only

significant predictors of leadership effectiveness and accounted for 54.6 % of variance with F (2, 73) = 46.150, p < .001 as rated by school leaders(Table 8).

#### **Analysis of interview questions**

For the question among authentic leadership behavior or characteristics -self-awareness, balance processing, transparency and moral/ethical conduct which do you think is the most important to be effective leader?

All elements are important however, as to me self-awareness, moral/ethical conduct and balance processing are the most preferable.

Self-awareness is the primary one because if someone does not know who himself is, he cannot be alert and an effective leader.

Being self- aware and moral/ethical conduct is most important. This is because, identifying ones' strength and weakness as well as acting in ethical manner makes a leader successful and ethical.

For the question among the elements of psychological capital: self-efficacy, hope, resilience and optimism which do you think is the most important to be effective leader? And why

X-all elements are important but as I think selfefficacy is the major one because one has to believe on his own ability to lead others.

Y- as to me all are needed but being hope full and resilience seem to be more important. Life is full of hope so that if there is hope one can be initiated to well perform activities in a well manner. Resilience is bouncing back to cope up and adapt to situations in a significant adversity or risk to be effective in one's work.

Z- Self-confident, well organized and who identifies his staff's behavior, well informed about the situations to solve problems immediately and the one who believe in hard work.

# For the question what kind of essential qualities do you expect from effective leader?

A- situational leadership type behavior is more effective because he can able to deal with different behavior of staff being flexible with situation.

B- a leader who knows his own strength and weakness, who communicate well with all staff, the one who gives feedback and also accepts comments from the staff is effective.

C-"effective leader is hard worker, communicate his staff properly."

# D-"effective leader is punctual and model for his staff."

E-effective leader leads and interact with all staff members without discriminating individuals on the basis of intimacy relationship and other cases.

F- effective leader is the one who delegate activates to others, participate staff in decision making and manage the school properly.

#### DISCUSSION

This study was conducted to investigate the relationship between psychological capital and authentic leadership behavior on leadership effectiveness in secondary schools of Wollega Zones. Based on the findings, the constructs used in the study in relation to the literature and the outcomes of the reliability testing were mentioned. Findings of the correlations, hierarchical regressions and stepwise regression have also been discussed. Lastly, the findings were complemented by the interview result and supported by the previous research findings.

Cronbach's Alpha was used to measure internal consistency scales of the variables of the study and found that the reliability of the instrument for the three variables- authentic leadership behavior, leadership effectiveness and psychological capital were 0.8, 0.84 and 0.88 respectively which shows high reliability of instrument and effective in measuring the constructs of the study. Moreover, the reliability coefficient for each sub scales of authentic leadership behavior and psychological capital were also checked and shows moderate to high reliability that can measure the attribute as intended. The validity of the instruments was also checked by the experts and confirmed that the items were valid.

To measure the degree of linear association between the key variables of interest correlation analysis was implemented. Accordingly, Pearson correlation coefficient was used for the analysis and shows that both psychological capital and authentic leadership behavior were significantly and positively correlated to leadership effectiveness as self-rated but moderate as observer rated. Partly

this finding was supported by previous finding. For instance, Seek (2018) in his finding explained high correlation coefficient between organizational authentic leadership and effectiveness. In addition, Zamahani, Ghorbani and Rezaei (2011) claim that authenticity exhibited by the leader and the leader's level of positive psychological capacity were positively impacted performance and evidenced the importance role of positive psychological capacity and authenticity of leaders to attain effectiveness which in turn facilitate achieving the organizational goals.

From the finding it was also indicated that leaders' psychological capital is positively and significantly correlated to leaders' authentic leadership behavior as self-rated but moderate as observer rated. This finding was supported by (Chen, 2017). In his finding he claimed that leaders' psychological capital is related to the Authentic Leadership behavior in that it allows leader to encourage the involvement and participation of their followers in the process of making decisions, which enhances the trust of the group members to the leader. Particularly, when schools' leaders are authentic, they value honest and realistic relationships with their staff. Moreover, the positive implications of psychological capital for authentic leadership were empirically confirmed in the study of Van Putten (2009) and Peterson et al. (2011). In their study they explained that the components of psychological capital, such as resilience, hope, optimism, and self-efficacy or ability to deal with challenges contribute towards performance and authentic leadership behavior.

With respect to the result of regression analysis, the finding from self-report shows both authentic leadership behavior and psychological capital constructs significantly accounted and contributed some for leadership effectiveness. This finding is also supported by previous finding. For instance, Hwang (2015) and Walumbwa et al. (2008) in their study found that authentic leadership directly affected organization effectiveness and they suggest the necessity of improving organizational effectiveness as a strategy for organizational survival.

With leadership behavior, Walumbwa et al. (2008) also stated that authentic leadership is a leadership behavior model that upholds a

ethical positive climate and positive psychological capabilities to foster rational transparency and a balanced processing of information. It also encourages an internalized moral perspective and greater self-awareness promoting positive self-development between the leaders working with their employees. Moreover, in a study conducted on university students in the United States, among authentic ethical leadership. leadership. transformational leadership, authentic leadership has been found to be the most significant influential of organizational effectiveness (Walumbwa et al., 2008).

However, as the analysis form observers indicated there was low contribution of leaders' psychological capital toward leadership effectiveness. The difference might be because of social desirability that leaders considered themselves as a good leader and rate themselves positively, ignoring their weakness. Nevertheless, the behavior and the activity of the leaders can be manifested on the staff as leaders have been leading their staff through influencing and exerting power on them. Hence, the staff can genuinely rate and evaluate their leaders. This implies that leaders have limited psychological resources.

regression Stepwise analysis was computed for the four sub scales of authentic leadership behavior and psychological capital. The result indicated that self-awareness and balancing process were significant contributors for leadership effectiveness, while hope and resilience from psychological capital sub scales. This may be due to the fact that hope tends to motivate individuals to approach the goal in which a person chooses to actively pursue positive outcomes. Hope is a basic condition of human action that motivates a human being in achieving the desired goals related to cognitive and emotional behavior (Stotland, 1969). Hope is a positive motivation based on successful interactions among goaloriented energy and pathways thinking (Snyder et al., 1991).

In addition, hope was found to mediate the association between personal image of authentic leadership and organizational effectiveness (Hwang and Lee, 2015). Hence, it is essential to promote hope of the staff in schools to improve school effectiveness as individuals with high hope are challenging

themselves and concerned with success rather than failure. They are more likely to perceive possibility to achieve the goal maintaining a positive emotional state (Snyder, Seligman, 1995). On the other hand, resilience, the positive psychological capacity to bounce back' from adversity, uncertainty, failure, or even positive change, increases progress and responsibility as it is the capacity to work towards obtaining success withstanding failure (Luthans, 2002). Moreover, resilience is also marked by hope that strengthens and assists in overcoming uncertainty. Luthans et al. (2010) suggested that besides being the capability to adapt positively to positive outcomes as well as events, resiliency is also presented the ability to rebound from the unfavorable incident.

Therefore, resiliency enables the leaders to challenge themselves to achieve, reach out through risk-takings, bounce back from crises, navigate through daily stressors, and overcome obstacles. In positive psychology, resilience is positive characterized by copina adaptation in the face of significant risk or adversity (Masten & Reed, 2002.) Thus, high psychological capital individuals are more likely to bounce back from negative events and positively adapt themselves to the existing situation. Besides, high hope capacity enables one to derive multiple pathways to successful as authentic leadership had significant effect on hope while hope had significant effect organizational on effectiveness (Seek, 2018).

Self-awareness and balancing process were leadership significant contributors for effectiveness. The previous result also indicated high association between selfawareness and balanced processing (Puls, Ludden, & Freemyer, 2014). This might be because self-awareness is the most important element and the essential cornerstone of authentic leadership that helps them to recognize how followers view their leadership while, balanced processing is the heart of personal integrity and character', that significantly influence a leader's decision making and strategic actions (Llies et al., 2005). Self-awareness includes one's values, cognitive identity and feelings that demonstrate an understanding of how a person derives meaning about the world that impacts oneself (Walumbwa et al., 2008). Thus,

awareness facilitates understanding of one's own motives, strengths and weaknesses which in turn help to balance ones' thought and emotion before making any judgment to be effective in ones' leadership activity. Balanced unbiased processing is collection interpretation of positive and negative selfrelated information. It is unbiased processing and the degree to which leader solicits sufficient opinions and viewpoints prior to making important decisions. Leaders with high self-awareness enhance their authenticity and effectiveness using both self-knowledge and reflected self-image (Walumbwa et al., 2010) and analyze information before making any judgment in a balanced processing way.

For the interview question- among psychological capital sources: self-efficacy/ self-confidence, hope, resilience and optimism which do you think is the most important to be effective leader? And why

From the interview response self-efficacy, hope and resilience were the most preferred This is because; being selfefficacy/self-confident is believing on ones' own ability to lead others hence it has to be considered as a primary one. However, more emphasis also given to hope and resilience as compared to other psychological capital sources. The reason behind may be that life is full of hope indicating futurity so that most of individuals are initiated and expect positive effect of life. Hope is confident expectation; it is the desire for something good in the future. Holy bible also affirm that hope is a fundamental component of the life of the righteous (1997, Prov, 23:18). Without hope, life loses its meaning. Resilience is also preferred than other elements because it is the capacity to work towards obtaining success withstanding failure indicating that it is marked hope, the strength that assists overcoming failure or uncertainty. Moreover, resilience is bouncing back to cope up and adapt to situations in a significant adversity or risk to be successful in one's work. Therefore, possessing hope and resilience positively affect mood and functioning toward effectiveness.

The essential qualities of effective leaders are varied and diverse. Effective leaders are punctual, hard worker, flexible. They are positive model for their staff and create trusting and open working environment. Such leaders

foster greater pride in the organization and a stronger spirit of cooperation and teamwork as well as more feelings of ownership and responsibility. personal Moreover, thev encourage members to exchange through handling conflict and guiding the group in goal setting and decision making to create a productive atmosphere. Furthermore, effective leaders make sure their actions are consistent with the wishes of the people they lead and have a clear idea of what others value and what they can do (Gordon, 2001).

Among the authentic leadership behavior self-awareness. balance processing, transparency and moral/ethical conduct; as to the response from interview all the elements were mandatory to be effective leader, however, most respondents emphasize on selfawareness, balance processing and being moral/ethical conduct as primary to lead others. This is because knowing ones' own strength entertaining weakness. everybody uniformly without bias and being ethical is among the main factors to be effective leader.

# Summary, Conclusion and Recommendations

#### Summary

From the study the following findings were summarized as follows.

Both psychological capital and authentic leadership behavior were significantly and positively correlated to leadership effectiveness as self-rated but moderate as observers rated Leaders' psychological capital is positively and significantly correlated to leaders' authentic leadership behavior as self-rated but moderate as observer rated

Self-report finding shows both authentic leadership behavior and psychological capital constructs accounted and contributed some for leadership effectiveness.

Among authentic leadership behavior subscales Self-awareness and balancing process were significant contributors for leadership effectiveness, while hope and resilience from psychological capital sub scales.

From interview response Self-efficacy, hope and resilience were the most preferred elements.

Among the qualities expected from effective school principals' punctuality, hardworking,

flexibility, positive model and who facilitate trusting and open working environment were found.

#### **CONCLUSION AND RECOMMENDATIONS**

Self-rated findina indicated psychological capital is positively significantly correlated to leaders' authentic leadership behavior but moderate as observers rated. Though there is difference between selfraters and observer rates on the degree of the contribution both reach consensus on the importance of these variables for effective leaders. Thus, from these points of view it can be concluded that school leaders are expected to develop more authentic leadership behavior to enhances trust and realistic relationships between staff members and school leaders which in turn has a positive effect on performance. Hence. zonal educational bureaus have plan and get awareness training on these constructs for their school leaders.

School leaders' psychological capital contributes significantly to leadership effectiveness as self-rated but has low contribution as observers rated. The difference might be because of social desirability that leaders considered themselves as a good leader and rate themselves positively, ignoring their weakness. However, the staff can genuinely rate and evaluate their leaders as their leaders led and influence them through exerting power on them. Hence it can be concluded that that leaders have limited psychological resources. Therefore, training leaders to increase their resourcefulness in psychological capital is mandatory.

In stepwise regression analysis result, self-awareness and balancing process from authentic leadership behavior while hope and resilience from psychological capital sub scales were significant contributors for leadership effectiveness. This shows that school leaders luck balance processing, transparency, self-efficacy (confidence), and being optimistic. Hence, training on these variables has to be conducted for school leaders as the variables contribute much for work effectiveness.

From interview response finding among the qualities expected from effective school principals' punctuality, hardworking, flexibility, positive model and who facilitate trusting and open working environment were found. This

shows leaders with the above-mentioned qualities foster greater pride in the organization and a stronger spirit of cooperation as well as more feelings of ownership and personal responsibility. Moreover, they encourage members to exchange ideas through handling conflict and guide the group in goal setting and decision making to create a productive atmosphere. Thus, educational zonal office is required to consider these qualities when they higher principals to the school.

#### Limitation of the study

There was scarcity of literature on the areas to thoroughly refer materials and to relate or compare and contrast the finding with the previous finding. In addition, sample of school leaders is small compared to samples of department heads that may hinder to get sufficient information about the school principals

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