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How do Attributes of a Leader's Authenticity Affect Performance in a Bank Setting? A Mixed Method Survey of Commercial Banks in Kenya

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Abstract

The primary purpose of this paper was to examine how the attributes of a leader's authenticity affect the performance of commercial banks in Kenya. The study adopted a convergent parallel mixed methods design for the purposes of data collection where the researcher simultaneously collected quantitative and qualitative data and analysis done separately before merging the results. Data was collected from 352 commercial bank leaders in Nairobi, Kenya, while interviews with 15 selected senior management provided in-depth understanding to the constructs. Quantitative data was analyzed using SPSS to test the hypothesis while Atlas.ti 7 software used for qualitative analysis. The main findings of the study demonstrate that the attributes of balanced processing and internalized moral perspective have been deployed to a high extent while relational transparency and self-awareness have been deployed to a moderate extent. Balanced processing and relational transparency have a significantly positive influence on performance of commercial banks since they are essential for problem solving, consultation and communication. Relational transparency also leads to better performance since there is an adaptive and collaborative organizational culture. The results were not significant where internalized moral perspectives were deployed due to the accountability and transparency structures being subject to the values set by the composition of the board of directors and ownership. The study concluded that authentic leadership is seen as the cornerstone and key driver of organizational performance which is practiced from a moderate to high extent in commercial banks in Kenya thereby influencing performance. The study recommends that commercial banks should focus on leadership development programs that encourage the attributes of leader's authenticity as they foster collaborative and consultative leadership as well as operation within flatter organizational structures in these dynamic times that facilitate agile decision making.

Keywords: Authentic Leadership (AL), Performance, Authentic Leadership Questionnaire (ALQ), Authentic Leadership Development (ALD)

1. Introduction

In organizational behavior studies, leadership has got to be the most debated, published and researched topic with exponential growth in the work of many scholars and academicians (Ererdi & Durgun, 2020; Northouse, 2021;

Rost, 1991). A literature search on the concept of leadership reveals that different traits, behaviors, abilities, sources of power or situational aspects are factors that determine the leader's level of influence on the followers (Yukl, 2020). Leadership is a very highly priced and sought-after competence in organizations today as many people believe it can change the quality of their personal, social and professional lives (Northouse, 2021). Leadership is an art of making things happen by exerting intrinsic and extrinsic influence on followers (Igbaekemen & Odivwri, 2015).

Leadership plays a pivotal role in the banking sector; the governance structures bestow leadership on the board and senior management. The Kenyan Banking Act (2013) defines Corporate Governance as the way in which the board and senior management govern the business dealings of the institution. The framework and the means of setting and attaining company objectives and monitoring performance are also provided. The Central Bank of Kenya is the regulator charged with oversight and uses prudential guidelines to define the role requirements of the leadership. This includes providing ethical leadership based on integrity and ascertaining that banking activities do not deviate from the set strategy (Osebe & Chepkemioi, 2016). The senior leadership made up of the executive is led by the Chief Executive Officer whose direct reports are the directors in charge of various units such as business development, operations and technology, human resources and marketing among other functions. The heads of departments report to the directors and serve as the middle managers who in turn have junior managers who oversee the staff on the shop floor or banking halls. The organization structures are, however, getting leaner as there is a lot of emphasis on the staff taking leadership at all levels with even tellers being required to take up individual responsibility for business growth (Gautam & Malla, 2013).

Authentic leadership has evolved over time as the 21st century leader cannot use the command-and-control approach popular in previous centuries (Celik et al., 2016). It is regarded as among the newer parts of leadership research and is centered on the legitimacy of the leadership. It is still in the initial stages of formation and is concerned with the genuineness of the leaders and their leadership (Northouse, 2021). Today's organizational environment has further revealed an increasing public concern into the ethical conduct of today's leader; thus, leading to the conceptualization of authentic leadership as an affirmative leadership style (Datta, 2015). Moreover, in these tumultuous and demanding times, there is a call for leadership that is genuine throughout the world (Avolio & Gardner, 2005). The scandals facing both public and private firms throughout the world have created fear and uncertainty and there is a lot of apprehension and insecurity. There is an earnest search for genuine and trustworthy leadership in addition to good, honest leaders which makes it an opportune and sensible moment in time to study authentic leadership (Northouse, 2021). The mentioned problems have created a renewed spotlight on restoration of optimism and expectation in the rapid resilience from disastrous events (Avolio & Gardner, 2005). This calls for leaders who lead from their beliefs and values, morals and principles (Avolio & Luthans, 2006) which are essential to the banking system that plays a role as financial intermediaries based on public trust.

1.1 Problem Statement

The current dynamic operating environment always challenges business executives to embrace the ability to sense and effectively respond to market changes, failure to which, they risk imminent demise of their firms (Saythengekeo et al., 2022). The changing environment has characterized banking operations as banks move away from the traditional brick and mortar models to more agile systems driven by market demand that call for customer convenience, while providing services at a lower cost. In the dynamic environment organizations are operating in today, an economic change in one part of the world can send shock waves in the world economic systems like the financial crises that shrouded the American banking systems in 2008 (Paraschiv, 2013). Authentic leadership is perceived as a foundation element where positive varieties of leadership are embedded and are regarded as an antidote to leadership failures and inadequacies (Zhou et al., 2014). Now, more than ever, there is a call for genuine and ethical leaders to arise where there is a behavioral change towards addressing industry issues touching on ethics and other malpractices that may lead to poor performance in the industry. Authentic leadership is deeply rooted in psychology and sociology which are both key disciplines in behavioral science suitable to explain the causes and outcomes of behavior at both individual and organizational levels (Duarte et al., 2021).

Conceptually, the state of literature on authentic leadership is exploratory and thereby the dimensions and nature of authenticity are not fully crystallized. The studies cited used descriptive design in their research on authentic leadership. A great body of empirical research has linked authentic leadership to creativity, innovation and resultant positive outcomes for the organization ranging from increased performance, leader effectiveness and team ability to deal with changing times (Alzghoul, 2018; Chimakati & Oduol, 2023; Datta, 2015; Duarte et al., 2021; Gathoni & Muiro, 2023; Grošelj et al., 2020; Lyubovnikova et al., 2017; Masimane, 2023; Mbata et al., 2023; Ribeiro et al., 2018; Sarwar et al., 2023; Schuckert, 2018; Wang et al., 2014; Walumbwa, 2008; Zhou, 2014). However, Ridderhoff (2013) investigated the influence of authentic leadership on team performance in a military setting in the Netherlands and conducted a qualitative study which does not provide the researcher with conclusive results due to a lack of statistical strength but gives better understanding of the phenomenon. Only 19 responses sampled of military leaders not including followers which can be used in future research to improve validity of results.

The review of empirical studies above on AL reveals that there is a scarcity of studies undertaken in the African/Kenyan context which reflect different macro-economic contexts, and this may be since this is a relatively novel area of study in leadership (Alzghoul, 2018; Datta, 2015; Duarte et al., 2021; Grošelj et al., 2020; Lyubovnikova et al., 2017; Ribeiro et al., 2018; Sarwar et al., 2023; Schuckert, 2018; Wang et al., 2014; Walumbwa, 2008; Zhou, 2014). They also employed different intervening variables and were not able to show the combined contribution of the attributes of a leader's authenticity to performance when tested with other leadership styles. The techniques used were either quantitative or qualitative and therefore were not rigorous enough to show the exact degree of contribution of leadership to firm performance. The study therefore addresses this gap by utilizing a mixed method approach to improve reliability and validity (Demir & Pismek, 2018). Finally, the study sought to build on these previous studies by investigating how the attributes of a leader's authenticity affect performance in a Kenyan banking sector which called for replication of studies in other sectors. The Kenyan Banking Sector has in the recent past fallen victim banking crisis especially after the Central Bank of Kenya placed three banks under receivership in 2015/2016 within quick succession, indicating leadership challenges (Osebe & Chepkemoi, 2016). The study was conducted in this Kenyan banking industry context which has faced a myriad of challenges ranging from decline in the quality of the loan portfolio, financial misreporting, fraud, bank collapse while others being placed under receivership which call for new ways of working.

1.2 Research Objectives

The study will be guided by the following specific objectives.

- i. To establish the state of AL practices among the commercial banks in Kenya
- ii. Identify trends in the performance brought about by the deployment of AL
- iii. Determine the effect of the various attributes of AL on the performance of the commercial Banks in Kenya.

1.3 Significance of Study

The study is set to benefit many stakeholders and is timely in the face of the challenging operating environment in the recent past. The commercial banks are beneficiaries since they will be well informed on the attributes of authenticity that can be practiced by the leaders and lead to sustainable performance. The learning and development departments within the banks will also be able to undertake training needs analysis and come up with programs that are suitable for building leadership capabilities. The CBK is also a potential beneficiary as the employment of the attributes of authenticity will lead to stability in banking operations and income in the face of changing macro-economic environment. Consultants in the areas of leadership and organization can also find the study useful in assisting them develop evidence-based leadership development programs that target the banking industry. This information will also assist in capacity building and enhance learning within commercial banks. The study further provides new frontiers of knowledge in the areas of leadership and human resource management practices since human resource orientation that leaders embrace influence whether the leader will have a people orientation (soft approach) or performance orientation (hard approach). It further enhances the practice of authentic

leadership based on situational approaches, especially in changing micro and macroeconomic environments. Finally, the study provides a knowledge repository for the academic fraternity including leadership scholars, researchers, and lecturers. The report can be used as reference material for lectures from a local perspective which is relatable to their current experiences. This may lead to advancement of further research in the areas of authentic leadership and performance.

1.4 Relevant Scholarship

Authenticity is increasingly becoming an emerging social trend and has been referred to as a gold standard of leadership (Grošelj et al., 2020). However, as a concept, it can be traced to the ancient Greeks who based their beliefs on the caution that one should always be true to themselves (Harter, 2002). At the same time, it is described as having sprung up from man's personal conflict within themselves arising from their frustration with the meaninglessness of existence (Chan et al., 2005). Another definition describes authenticity using the injunction from the Ancient Greeks, to 'be true to self' and points out the adage means that one has a true self that exists independent from other persons. This self is shaped by prior developmental interactions with other persons and the environment (Gardner et al., 2005).

Authentic leadership is increasingly gaining popularity in the leadership spheres (Avolio & Gardner, 2005) with it being regarded among the latest scholarly areas in leadership. It centers on the genuineness of the leadership. It is about the leaders' authenticity and their practice and is still in the formative developmental phases (Northouse, 2021). Avolio et al. (2003) posit that authentic leaders are deeply aware of their thoughts and behaviors and the follower's view of them. Their followers perceive them as projecting a consciousness of their personal values as well as their teams, being knowledgeable of their strengths and weaknesses and their effect on their contextual setups.

Individual authenticity comes from social interactions and is to be produced as one is guided by their inner conscience. Authentic leaders are value centered and seek to be consistent in acting out only on the values that they promote. This results in them developing followers into leaders because they gain admiration from consistently acting from their value systems (Fry & Whittington, 2005). Additionally, they know their true selves and live their lives for themselves and their true north points them towards their purpose of leadership resulting in authentic leadership where people want to be associated with them (George & Sims, 2007). Cultivating authenticity is key as the three characteristics of authentic leadership are being open, transparent and trustworthy, directing followers to pursue commendable objectives and placing weight on developing followers (Varella et al., 2005). Additionally, authentic leaders pay special attention to those displaying these characteristics and the conditions where they operate in (Avolio et al., 2005).

Authentic leadership is a foundational leadership component; therefore, nearly all styles of leadership can use it as a basis to define their type of leadership. A leader applying transformational, transactional, directive, or participative styles may still be referred to as being an authentic leader (Avolio & Gardner, 2005; Hughes, 2005; Ilies et al., 2005). Authenticity as a model is grounded in psychology even though as a theory, authentic leadership may be in the inception phases of development. It posits that authenticity leads to heightened self-esteem levels and the authentic actions and behaviors displayed by the leader are consistent with their espoused principles and beliefs (Walumbwa et al., 2008). In today's world where many problems are emanating from leaders' selfish interests in seeking personal profits, there is need for leadership that contributes sustainably and in a long-term manner; thereby, giving rise to AL. The call for AL can therefore be the antidote to a myriad of challenges affecting organizations (Jang, 2022). Overall, then, a leader's authenticity in his leadership largely depends on his capacity to display authentic behavior in all his personal dealings. The authors in this study identified the four attributes of authenticity as self-awareness, internalized moral perspective, balanced processing and relational transparency to establish how they are practiced in commercial banks in Kenya. Each is discussed in the empirical literature review leading to the formulation of research hypotheses.

1.5 Empirical Review and Hypothesis Development

A brief description of the nature of each attribute is discussed and a summary of some previous empirical studies that investigated the application of the constructs in divergent environments and sectors. This study aimed at determining how the attributes of authentic leadership affect performance in the banking industry context. The pragmatic view of authentic leadership submits that it is a means for genuine outcomes leading to performance beyond expectations and actual growth (Gardener et al., 2005; Luthans & Avolio, 2003). Authentic Leadership Development (ALD) is “the process that draws upon a leader’s life course, psychological capital, moral perspective and a ‘highly developed’ supporting organizational climate to produce greater self-awareness and self-regulated positive behaviors, which in turn foster continuous, positive self-development resulting in veritable, sustained performance” (Avolio & Luthans, 2006, p. 178). It is not an overnight process but a journey, as it takes a clear commitment to growth and development as life may easily lure one away from their ‘True North’ which is the inward compass that one needs to steer themselves towards a successful life (George & Sims, 2007). ALD emphasizes authenticity of being true and aware of oneself and to others and is a developmental process that achieves that end goal (Avolio & Luthans, 2006).

Authenticity serves as a leadership multiplier as the authentic leader tends to accomplish more as compared to other leaders (Chan et al., 2005). It is crucial to maintaining long-term results as a leader without it can only achieve short-term success (Grošelj et al., 2020; Jang, 2022;). Kernis (2005) as cited in Hughes (2005) posits that authenticity is operating daily in a way that is unhindered and true to the individual’s core character. That means that to be regarded as authentic, one must accept and be aware of their true self despite the circumstances in their environment (Hughes, 2005). The rising theoretical interest in authentic leadership is expressed by the components that distinguish it from other perspectives of leadership (Avolio & Gardner, 2005). The Kernis model proposes a four-component model of authenticity as; self-awareness, balanced information processing, internalized moral perspective and relational transparency (Gardener et al., 2005; Hughes, 2005; Ilies et al., 2005). Positive psychological capital (Avolio & Luthans, 2006) and positive moral perspective which are areas of divergence also feature as components (Gardner et al., 2005). The study narrowed down the four attributes of authenticity as self-awareness, balanced information processing, internalized moral perspective and relational transparency based on the Kernis model which was used to develop the Authentic Leadership Questionnaire (ALQ) where the research questionnaire was adapted from.

1.5.1 Self-awareness

Self-awareness as a construct of authenticity is the ability to know and trust one’s value systems, motives and personal attributes and being cognizant of how they influence the way they think, feel, act and behave including any inconsistencies in the self-aspects (Ilies et al., 2005). Leaders possessing greater self-awareness are considered as being more genuine (Avolio & Gardner, 2005) and followers are therefore able to trust them as real and not a replica of someone else. They possess the ability to learn from themselves which contributes to followers’ progress (Grošelj et al., 2020). Self-aware individuals have high self-esteem, high self-efficacy, are emotionally stable and possess an internal locus of control (Ilies et al., 2005). In the organization context, self-aware individuals will make better leaders. Authenticity is a continuous state for the leader who attempts to achieve greater self-awareness and it ranges from more to less authentic rather than existing in a dichotomous state in which we are either authentic or not (Hughes, 2005).

Authentic Leadership Development (ALD) involves situations, events and experiences in life that impact how leaders view themselves and how they want to influence their followers (Avolio & Luthans, 2006). It is not an overnight process but a journey, as it takes a clear commitment to growth and development as life may easily lure one away from their ‘True North’ which is the inward compass that one needs to steer themselves towards a successful life (George & Sims, 2007). ALD emphasizes authenticity of being true and aware of oneself and to others and is a developmental process that achieves that end goal (Avolio & Luthans, 2006).

Empirical literature has emerged, due to the increased curiosity in authentic leadership, on how authentic leadership influences performance to back theoretical literature. Walumbwa et al. (2010) revealed a positive

relationship between self-aware authentic leaders and performance, job engagement and citizenship behavior. Sarwar et al. (2023) also carried out a study in the educational sector in China and the findings established that leaders depicting self-awareness positively influences performance directly and indirectly through psychological capital. Authentic leaders lead from the front and are open in the way they make decisions which provides a practical example of how to behave at work and remain emotionally, physically, and cognitively at work; thereby, resulting in higher levels of follower performance (Wang et al., 2014). Self-awareness exhibited the most significant positive relationship in a Kenyan study by Chimakati and Oduol (2023) carried out at the Teachers service commission to investigate the attributes of authentic leadership and ethical sourcing performance. Authentic leaders demonstrate confidence, hope and optimism, qualities worth emulating and the resultant trickle-down effect is the follower's growth which leads to better job performance (Sarwar, 2023). It is upon authentic leaders to cultivate socialized as opposed to personalized charismatic leadership where they use their inspirational power to move organizations and groups to accomplish shared, worthy goals that promote progress of their organizations. The desire to serve the collective good will result in positive manifestation of socialized charismatic leadership, which is highly relevant to authentic leadership, authentic followership, and sustainable, genuine performance (Varella et al., 2005). The study seeks to address the gap in the above empirical studies by isolating the attributes of authenticity, in this case, self-awareness and assessing its effect on performance. Previous studies have measured the combined effect of authentic leadership, and it is not clear how self-awareness contributes to performance when combined with other attributes of AL whose indicators are theoretically linked to performance.

Based on the conceptual and empirical discourses which support a positive relationship between the attributes of self-awareness and performance, the study proposes that in the banking sector deployment of authentic leaders' attributes will have a positive impact on the performance of commercial banks in Kenya. Thus, hypothesis 1 is stated as:

H₁ Leader's self-awareness will have a significant positive effect on performance of commercial banks in Kenya.

1.5.2 Internalized moral perspective

Internalized moral perspective is described as a clear and ethical process of arriving at decisions where authentic leaders build up and pull from reservoirs of abilities to act morally, courageously and in resilient ways to tackle matters based on principles and realize true and sustained ethical deeds (Avolio & Gardner, 2005). Moreover, for a leader to attain authenticity, they must possess a superior moral development level (Walumbwa et al., 2008). The leaders' ability to develop their morality is predicted by the amount and value of moral content held in memory (Hannah et al., 2005). Authentic leaders possess the capability of looking at moral issues through varied lenses and viewpoints; therefore, they can tone down their prejudices and unknown spots that may alter their evaluations. Additionally, they tend to possess an impartial and refined understanding of the details that are involved in complex ethical issues (Avolio & Gardner, 2005).

The pragmatic view of authentic leadership submits that it is a means for genuine outcomes leading to performance beyond expectations and actual growth (Gardener et al., 2005; Luthans & Avolio, 2003). Authentic Leadership Development (ALD) is "the process that draws upon a leader's life course, psychological capital, moral perspective and a 'highly developed' supporting organizational climate to produce greater self-awareness and self-regulated positive behaviors, which in turn foster continuous, positive self-development resulting in veritable, sustained performance" (Avolio & Luthans, 2006, p. 178).

In an empirical study carried out in a military base, Ridderhoff (2013) found that authentic leadership positively influences team performance even in strenuous conditions as the inherent characteristics displayed by the authentic leaders are more pronounced in stressful situations which call for a leader's moral stand. Another study carried out in the best telecommunication companies in Iran to assess the impact of AL on team satisfaction and commitment which are predictors of performance found a positive correlation. It was revealed that teams with leaders who lead with high perspective of morality depicted the other attributes of authenticity; self-awareness, self-regulation, balanced processing and relational transparency had more satisfied and committed employees who were able to perform better at their jobs (Darvish & Rezaei, 2011). Similarly, a study carried out to establish the effect of authentic leadership and motivation on employee performance in Kenyan commercial banks found a

statistically significant effect because leader's lead from an ethical standpoint (Masimane, 2023). The above empirical studies were carried out using either quantitative or qualitative methods therefore the study seeks to introduce a mixed method approach. This way the findings would produce more accurate results in management research and provide a broader perspective on social phenomena, enrich the results, and obtain a comprehensive understanding of the study under examination. Based on the conceptual and empirical discourses which support a positive relationship between the attributes of internalized moral perspective and performance, the study proposes that in the banking sector deployment of authentic leaders' attributes will have a positive impact on the performance of commercial banks in Kenya. Thus, hypothesis 2 is stated as:

H₂ Leader's internalized moral perspective will have a significant positive effect on performance of commercial banks in Kenya.

1.5.3 Balanced Information Processing

Balanced information processing involves the leader's ability to process information relevant to self-including, not being in denial, altering, overstating or overlooking any internal self-knowledge and information from external sources that may be used to assess their leadership. It is at the core of one's personality and integrity which has an impact on the leader's ability to make decision and deeds and have implications for their welfare (Ilies et al., 2005). Authentic behavior depicts people acting in harmony with their self-espoused values, inclinations and desires and not just acting falsely with wrong motives to please others (Ilies et al., 2005). In some instances, it may be possible that when one expresses their true self, they may project a powerful self-image with conduct that may need to be monitored or else end up lacking community approval. Kernis (2005) as cited in Ilies et al. (2005) supports this by postulating that the leaders must act in sensitive ways to balance true self-expression while acknowledging the potential connotations their behavior may have in their surroundings.

Grošelj et al. (2020) conducted a case study in a multinational technology company in Eastern Europe and concluded that there was a positive relationship between AL and innovative behavior specifically when moderated by psychological empowerment. Wang et al. (2014) undertook a study in a Beijing in a Chinese logistics firm to assess the impact of AL and performance and found that follower's psychological capital acts as a moderator on the positive relationship between AL and performance. In another study carried out on Portuguese workers, Ribeiro et al. (2018) concluded that follower emotional commitment mediates the role between AL and performance. The association was further tested in two Jordanian telecommunications firms and the results revealed that working environment, creativeness and work performance are positively influenced AL (Alzghoul, 2018). The results in an analysis carried out in the business sector in Portugal revealed a statistically significant positive relationship between authentic leadership and performance (Duarte et al., 2021). In addition to the identified gap of use of quantitative methods only, the respondents in the empirical studies were drawn from followers thereby this study investigates the views from leaders and followers as the respondents were both from senior and middle management. Based on the conceptual and empirical discourses which support a positive relationship between the attributes of balanced processing and performance, the study proposes that in the banking sector deployment of authentic leaders' attribute of balanced information will have a positive impact on the performance of commercial banks in Kenya. Thus, hypothesis 3 is stated as:

H₃ Leader's balanced information processing will have a significant positive effect on performance of commercial banks in Kenya.

1.5.4 Relational Transparency

Relational transparency is all about placing value and striving to attain follower and associate relationships that are open and truthful resulting in heightened trust levels (Ilies et al., 2005). The leader is obligated to assist followers have a true view of the leader's personality (Hughes 2005). Relational transparency also displays the leader's true being as it is revealed by self-disclosure, comprising of the expression of the four facets of GIVE which are the goals/motives, identity, values, and emotions. These are triggered by significant happenings that the leader may not be aware of. However, the fact that they acknowledge them manifests in their actions and their ability to be transparent in their relationships (Hughes, 2005).

Leadership is a social construct involving followers and, review of literature on authentic leaders reveals that better relationships between leaders and followers yield better results in the organization and vice versa (Gardner et al., 2005; Northouse, 2021; Wang et al., 2014). Datta (2015) equally found that the scope of a leader's effectiveness in varied areas such as the performance of the leader, ability to satisfy the needs of the followers and good progress in the value of work produced is because of their ability to be transparent in relationships with followers. In a study conducted on employees working in different sectors, the findings indicated that due to relational transparency as an attribute of authenticity, the workers' emotional connection is reinforced which results in increasing individual creativity and eventually better performance (Duarte et al., 2021). Lyubovnikova et al. (2017) carried out a survey in the United Kingdom and Greece to establish how AL influences team performance and concluded that the construct of AL collectively shapes team behavior through team reflexivity and positively predicts performance. A Kenyan study by Mbata et al. (2023) to investigate the effect of organizational identification in the relationship between authentic leadership and ethical behavior of employees in commercial banks in Kenya established that organizational identification has partial mediating effect due to strong teamwork built on relational transparency. This agrees with findings from a study to investigate the effect of the relationship between authentic leadership and employee commitment in managers of Kenyan financial management reform agencies which concluded that only relationship transparency had a significant effect when moderated by workplace trust (Gathoni & Muiro, 2023). The study seeks to isolate relational transparency as an antecedent of authentic leadership in order to investigate its effect on performance in the banking sector which is based on trust. This addresses it as a gap by adopting a mixed-method research design due to its creativity in integrating qualitative and quantitative methods to address research questions adequately in terms of weaknesses of one method being offset by the strengths of the other and enhancing the reliability and validity of the findings of the research (Timans et al., 2019). Based on the conceptual and empirical discourses which support a positive relationship between the attributes of relational transparency and performance, the study proposes that in the banking sector deployment of authentic leaders' attributes will have a positive impact on the performance of commercial banks in Kenya. Thus, hypothesis 4 is stated as:

H₄ Leader's relational transparency will have a significant positive effect on performance of commercial banks in Kenya.

2. Method

The study adopted a convergent parallel mixed methods design for the purposes of data collection where the researcher simultaneously collected quantitative and qualitative data and analysis done separately before merging the results (Demir & Pismek, 2018). Descriptive research was used to depict a precise outline of persons, events or circumstances (Saunders et al., 2009) and this aided the researcher to define a distribution of outcomes or computations using few indices. Descriptive data report things as they are in terms of likely conduct, approaches, values and characteristics (Mugenda & Mugenda, 2003). This design was suitable as the data and characteristics of the phenomena under study which were the attributes of authentic leadership and performance were aptly described by the researcher thereby attaining the desired research objectives. The study was a convergent parallel mixed methods survey to be undertaken in the banking sector as data was collected by way of questionnaire and structured interviews once. This was from several banks at one point in time to collect data that can be quantified that is connected to the variables associated with the study (Bryman, 2016). This enabled the researcher to find out the prevalence of the phenomenon by taking a cross-section of the population (Kumar, 2011).

2.1 Research Population & Sampling

The study was carried out in the commercial banks in Kenya. The banking sector in Kenya consists of the Central Bank of Kenya who is the regulator charged with the responsibility of formulating and monitoring policy (Ngure, 2013). It also comprises 38 commercial banks, 1 mortgage finance company and 1 Mortgage refinancing company, 10 representative offices of foreign banks, 14 Microfinance Banks (MFBs), 3 Credit Reference Bureaus (CRBs), 19 Money Remittance Providers (MRPs), 8 non-operating bank holding companies and 72 foreign exchange (forex) bureaus. The study's population comprised all the 39 Kenyan commercial banks as of 31st December 2021 with headquarters in Nairobi County (CBK, 2021). The study applied multistage sampling procedure and the selection of respondents was done using proportionate stratified sampling technique in the different banking peer

group which obtained a sample size of 370 managers: 111 senior managers and 259 middle managers. This was arrived at by calculating the target population of 10,497 senior and middle managers with 95% confidence level and a margin of error of 0.05. For qualitative data, the study purposively sampled 15 Managers (9 Senior Managers and 6 Middle Level Managers) with whom Key Informant Interviews were conducted. The Key Informant Interviews sought to shed light on study variables across the sampled commercial banks

2.2 Participant (Subject) Characteristics

The unit of analysis in the study was the Kenyan commercial banks whereas the unit of observation was the managers at senior and middle management levels. The study chose the banking sector of the Kenyan service sector because, the set of variables being investigated namely the attributes of authenticity and performance are fundamental in the industry which has a central role in the economy of any country. The respondents were included in their study due to their role in explaining the phenomenon under study as the senior managers main role is strategy formulation, monitoring and control and the middle level managers implement strategy on the shop floor to drive performance.

2.3 Research Data and Instrumentation

The main source of data that the study relied on was primary data from the respondents by way of questionnaire for quantitative data and interview guide for qualitative data. Semi-structured interviews within the cross-sectional design were used at an exploratory stage to determine the authentic leadership attributes and performance in the banking sector introducing a mixed method in data collection using the interviews and questionnaires. A structured 5-point Likert scale questionnaire was adapted from the Authentic Leadership Questionnaire (ALQ) to assess Authentic Leadership scales. It was also structured into two sections that enabled the respondents to easily capture the data. The first section gathered data on the respondent's demographics, while the second section focused on data collection in relation to the study variables. The independent variables adopted a scale where respondents indicated the extent to which the leaders in the commercial banks deployed the indicators of the authenticity attributes with the lowest level of 1 being no extent to 5 being a very high extent. The independent variables were operationalized using 15 indicators included in the questionnaire. The dependent variable was operationalized using relevant metrics for performance and 4 indicators used. The respondents were required to indicate the percentage level of performance with the lowest being 1-5% and the highest being 20% and above. Pre-testing of the instrument was carried out to confirm that all the items were stated clearly and can be similarly interpreted by all respondents. The respondents who participated in the pre-testing were not part of the sample (Mugenda & Mugenda, 2014). Reliability of the research instrument yielded a measure of 0.933 was adopted by the researcher as it was above the ideal of 0.7 for a newly constructed instrument (Sekaran, 2003). The study targeted to collect data using a structured questionnaire from 370 Managers (206 from Large Tier Banks, 74 from Medium Tier Banks and 90 from small Tier banks) in all the 39 Licensed Commercial Banks in Kenya with headquarters in Nairobi, Kenya. The respondents for the study were senior and middle level managers and qualitative data was concurrently collected from 15 leaders.

2.3.1 Measures and Covariates

The researcher used questionnaires and Key informant interview schedules to collect both quantitative and qualitative data concurrently. The researcher engaged peers and experts in the research field to ascertain the questionnaire's face and content validity. Additionally, the researcher was also interested in ascertaining whether the instrument taps the concepts as theorized to ascertain the construct validity. This was used to confirm how well obtained results arising from measures used matched the theories from the designed test (Sekaran & Bougie, 2016) and was ascertained by the deduced hypotheses from the theories that relate to the concepts (Bryman, 2016). For the qualitative data, there was an assurance of validity and reliability by focusing on the current themes from the research questions and triangulation of data since both qualitative and quantitative data complement one another (Thomson, 2011). The quality of measurements was enhanced by the training of research assistants.

2.3.2 Research Design

The study adopted a convergent parallel mixed methods design for the purposes of data collection where the researcher simultaneously collected quantitative and qualitative data and analysis done separately before merging the results (Demir & Pismek, 2018). Descriptive research was used to depict a precise outline of persons, events or circumstances (Saunders et al., 2009) and this aided the researcher to define a distribution of outcomes or computations using few indices. Descriptive data report things as they are in terms of likely conduct, approaches, values and characteristics (Mugenda & Mugenda, 2003). This design was suitable as the data and characteristics of the phenomena under study which were the attributes of authentic leadership and performance were aptly described by the researcher thereby attaining the desired research objectives. The study was a convergent parallel mixed methods survey to be undertaken in the banking sector as data was collected by way of questionnaire and structured interviews once. This was from several banks at one point in time to collect data that can be quantified that is connected to the variables associated with the study (Bryman, 2016). This enabled the researcher to find out the prevalence of the phenomenon by taking a cross-section of the population (Kumar, 2011).

3. Results

3.1 Response Rate

The total number of administered questionnaires was 370, where a total number of 352 questionnaires were filled in and returned from the bank managers representing a 95% response rate.

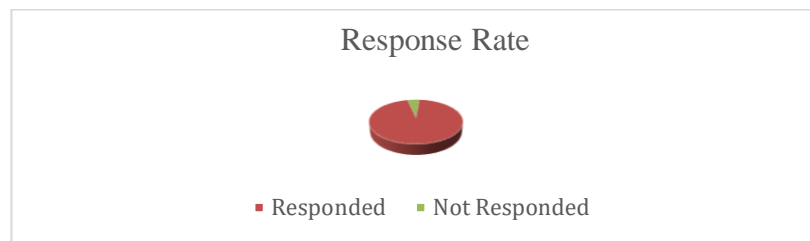


Figure 1: Response Rate

3.1.1 Respondent's Characteristics

The study targeted leaders in executive, senior and middle management drawn from each of the 39 commercial banks operating in Kenya with headquarters in Nairobi County. From the demographic data on the respondents, it is observed that majority of the respondents 81.3% represented Middle Level Managers; hence, were more involved with managing teams at the bank branches and head office, 17.3% were Senior Managers, while 1.4% were executive managers. Regarding the number of years worked in the current commercial bank 45.1% respondents had worked less than 5 years, 27.6% respondents had worked between 6-10 years, while 27.3% respondents had worked in their bank for over 10 years. In terms of gender, 58.5% were male while 41.5% were female.

Table 1: Respondent Demographic Information

Respondent Characteristics	Category	Percentage
Management Position Held in the Bank	Executive	1.4%
	Senior Management	17.3%
	Middle Management	81.3%
Working experience in the banking industry	Less than 5 years	45.1%
	5-10 years	27.6%
	Above 10 years	27.3%
Gender	Male	58.5%

	Female	41.5%
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Source: Survey Data (2024)

3.1.2 Bank Characteristics

The targeted banks were categorized in terms of ownership, tier groups and the years of operation in Kenya and the results are presented in table 2. From the demographic data of the bank, the results showed that 11.9% of the banks were local public commercial banks, 46.9% were local private commercial banks while 41.2% were foreign owned banks. Commercial banks in Kenya are further categorized into peer groups/ tiers depending on their market share. Large tier group banks represent 74.55%, medium tier group banks represent 17.10%, while small tier groups represent 8.22% of the market share CBK (2020). The respondents were also grouped into various tiers and 58% were from Tier 1, 23% from Tier 2 and 19% from Tier 3 banks. 0.6% of the commercial banks had operated in Kenya for less than 1 year, 4.3% between 1-5 years, 3.4% between 6-10 years while 91.7% had operated for more than 10 years.

Table 2: Bank Characteristics

Bank Characteristics	Category	Percentage
Ownership	Local Public Commercial Bank	11.9%
	Local Private Commercial Bank	46.9%
	Foreign Commercial Bank	41.2%
Tier Group	Tier 1	58%
	Tier 2	23%
	Tier 3	19%
Years of operation in Kenya	Less than 1 year	0.6%
	1-5 years	4.3%
	6-10 years	3.4%
	>10 years	91.7%

Source: Survey Data (2024)

3.2 Characteristics of Study Variables

The behavior of the study variables among the commercial banks was summarized using descriptive statistics of the mean and the standard deviation. The primary data obtained using a 5-point likert scale was used to compute the mean and standard deviation for each of the study variables and Pearson correlation coefficient calculated to show how the variables correlate among themselves and with the dependent variable. The descriptive statistics indicate that the attributes of authentic leadership were embraced and practiced by the respondents in the commercial banks to varying levels of extent. The level of performance reported by the banks was rated by the respondents at the level of growth between 10-15%. Balanced processing and internalized moral perspective as attributes of authenticity were practiced to a relatively high extent while relational transparency and self-awareness were deployed to a moderate extent. The correlation coefficients indicate that the variables had significant correlations with the dependent variable.

Table 3: Variable Characteristics and Correlations

Variable	Mean	Std Dev	Correlations				
			1	2	3	4	5
Performance	3.21	1.36	1.000				
Self-awareness	3.64	0.97	0.157**	1.000			

Internalized moral perspective	3.87	0.84	0.171**	0.543**	1.000		
Balanced processing	3.94	0.87	0.346**	0.542**	0.543**	1.000	
Relational transparency	3.69	0.92	0.260**	0.482**	0.510**	0.542**	1.000

**p<0.05

Source: Survey Data (2024)

3.2.1 Financial Performance of Commercial Banks

The study sought to establish the financial performance of the banks in terms of profitability, portfolio quality, financial management and efficiency and productivity.

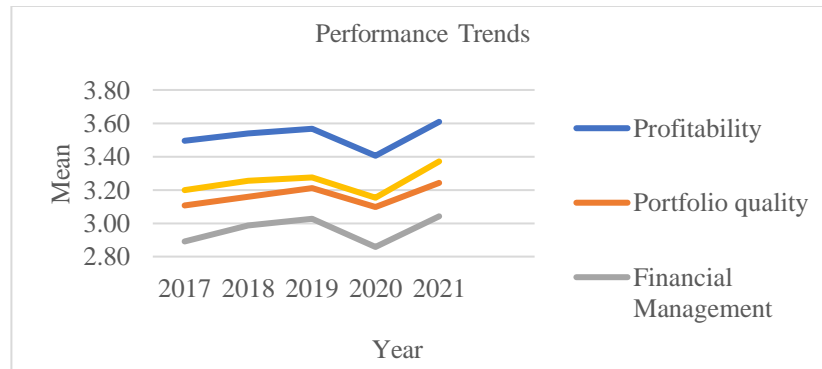


Figure 2: Trends for Descriptive statistics for performance

Source: Survey Data (2024)

From Figure 2 the profitability, portfolio quality, financial management and efficiency and productivity of the banks over the five-year (2017 – 2021) period was that the indicators had grown and improved steadily between 2017 – 2019. However, they appreciated the fact that during COVID-19 pandemic in 2020/2021 the indicators dipped but were once again on an upward trajectory after the reopening of the economy. From the aggregate results it is observed that the average level of performance stood at the range of 10-15% annually. This may be attributed to the steady growth in the commercial banks leading to stiff competition as noted by Choudhary (2013), Mulonzi (2017), Ngumi (2013) and Ojokuku (2013). It was further noted that the performance varied across the commercial banks with a high standard deviation of 1.36. The findings were also consistent with Muigai & Gitau (2018) who noted unsteady trends in the performance of commercial banks in Kenya.

3.3 Test for Hypotheses

The study tested four hypotheses using each of the independent variables against the dependent variable. The multiple regression output is shown in Table 4. The regression results indicate a weak relationship between the performance of the commercial banks and the four attributes of authenticity ($Adj. R^2=0.120$). The regression model fit is good with $F=12.995$; $P=0.000$.

Table 4: Results for Hypothesis Testing

Parameter	Value	P-value	Observation
R	0.361		Effect of authentic leadership weak on performance
R ²	0.130		13% variation on performance explained
Adjusted R2	0.120		
F	12.995	0.000	Model good fit
SSE	42.136		
MSE	10.543		
β Constant	1.362	0.000	

β Self-awareness	-0.181	0.335	H ₁ not supported
β Internalized moral perspective	-0.520	0.606	H ₂ not supported
β Balanced processing	0.444	0.000	H ₃ supported
β Relational transparency	0.166	0.047	H ₄ supported

Source: Survey Data (2024)

3.3.1 Hypothesis 1

The first hypothesis of the study determined the effect of a leader's self-awareness on performance of commercial banks. The regression results presented in Table 4 show that there is a nonsignificant negative statistical effect of self-awareness on performance ($\beta = -0.181$, $p = 0.335 > 0.05$). This implies that with all factors held constant, a unit change in authentic leadership will lead to a movement in the opposite direction in performance by 0.181. It is observed that the p-value was more than 0.05 significance level. The study therefore did not support the hypothesis and concluded that self-awareness is not a significant determinant of the performance of commercial banks in Kenya.

Self-awareness as an attribute of authentic leadership revolved around three themes: the leaders seeking followers' opinions before making up their own, which also meant involving followers and coming up with workable solutions to problems while the leader also being aware of their greatest strengths and weaknesses. This was aptly expressed by informant Ms. R in an emerging theme of team building which had an external outlook on the leader's awareness as opposed to internal outlook which reflects self-awareness as an attribute of AL:

"No one is perfect. Even those who have been trained, even people with PhD, professors, encounter problems, they make mistakes daily. How do we approach problems? We do it in different ways or use different methods. For example, sometimes we do team building. Team building in the sense that we make sure people are working together, internal consultation and borrowing from one another's knowledge and ideas and experiences. Good communication is also key to solving problems. If there is a problem in the organization and you don't communicate, people assume that everything is okay. But if you communicate, you raise the alarm and the chances of repeating the same mistake are eliminated, but if you don't communicate, the same mistake will occur again and again." (Ms. R – Manager KII)

The findings supporting hypothesis 1 are not consistent with previous empirical studies despite being practiced in the commercial banks to a moderate extent (Chimakati & Oduol, 2023; Sarwar et al., 2023; Varella et al., 2005; Wang et al., 2014). The mentioned studies measured the combined effect of authentic leadership, and it was not clear how self-awareness contributes to performance when combined with other attributes of AL whose indicators are theoretically linked to performance.

3.3.2 Hypothesis 2

The second hypothesis of the study determined the effect of a leader's internalized moral perspective on performance of commercial banks. The regression results presented in Table 4 show that there is a nonsignificant negative statistical effect of internalized moral perspective on performance ($\beta = -0.520$, $p = 0.606 > 0.05$). This implies that with all factors held constant, a unit change in internalized moral perspective will lead to a movement in the opposite direction in performance by 0.520. It is observed that the p-value was more than 0.05 significance level. The study therefore did not support the hypothesis and concluded that internalized moral perspective is not a significant determinant of the performance of commercial banks in Kenya. The authentic leadership construct of internalized moral perspective calls for leaders who are guided by their morals, act in ways that reflect their core values while not allowing group pressures control them. For an individual to survive and grow in the banking industry, the key attributes required are trust, integrity, and values whereby the authentic leader sets the stage and breeds authentic followers guided by the principles of reliability and trust which in turn is welcomed among customers. The result is that it yields high performance as there is increased business resulting from an improved

customer satisfaction index. From the bank characteristics in the demographic data, 46.9% of the respondents worked for local private commercial banks of which the composition of the board of directors and ownership is family-owned. The accountability and transparency structures are therefore subject to the values set by the board. The qualitative data was supportive of this position in that one of the major themes that emerged from the in-depth interviews was that touching on organization culture which was family oriented. The dimensions of the culture they seemed to identify are those that are related to the consistency and flexibility in connection with the vision of the banks and its role in steering the bank into their desired future. The interviewees observed that there has been a lot of effort put by management in ensuring that all the employees are fully aware of the vision of the banks, such that management has an easy task of explaining to the employees about the long-term direction of the banks. Towards this, four informants observed that:

“The organizational leadership is visionary... The leaders openly make the vision clear to everyone working in the bank to ensure there’s a common work culture.” (Ms. N – Manager KII)

“My leader clearly articulates the vision and what is expected of each party to be able to meet the overall vision of the company... His style of leadership lies in ensuring that the team works as one to achieve the overall mission and vision of the company as they assist one another.” (Mr. R – Manager KII)

“Our leadership approach is very professional, and it has always allowed for the performance to improve...If you compare our previous performance before we adopted the new leadership style, you will notice that performance has really improved.” (Mr. J – Manager KII)

“In terms of performance, I will say there has been efficiency in serving our customers. The profit margin has also grown. I attribute all this to good governance and the leadership...” (Ms. B – Manager KII)

The findings supporting hypothesis 2 are not consistent with previous empirical studies despite it being deployed to a high extent in the commercial banks (Darvish & Rezaei, 2011; Masimane, 2023; Ridderhoff, 2013). The gap that the study sought to address was to isolate and conceptualize internalized moral perspective as an attribute of authenticity and assessing its effect on performance.

3.3.3 Hypothesis 3

The third hypothesis of the study determined the effect of a leader’s balanced processing on performance of commercial banks. The regression results presented in Table 4 show that there is a significant positive statistical effect of balanced processing on performance ($\beta = 0.444$, $p = 0.000 < 0.05$). This implies that with all factors held constant, a unit change in balanced processing will lead to a movement in performance by 0.166. It is observed that the p-value was less than 0.05 significance level. The study therefore supported the hypothesis and concluded that balanced processing is a significant determinant of the performance of commercial banks in Kenya. This also appeared as an emerging theme of problem solving in the qualitative data. Balanced processing allowed the leaders to collaboratively think through and consult with others to come up with a solution to the problems, listening closely to the ideas of those who disagree with them and seeking the follower’s opinions before making up his/her mind which underscored the role of effective communication in solving organizational problems and challenges. Informants Mr. L, K, R and X had this to say:

“Well, so when it comes to problem solving as a manager, I make sure that I include the staff and we discuss and come up with the solutions to the problems. However, if it’s a minor issue, then I may implement the solution myself and then guide the employees through the solution process.” (Mr. L – Manager KII).

“It’s an open-door policy. Managers seek the staff’s opinion and also the staff feel free because they are included in decision making. However, this varies from branch to branch. But generally, managers listen to their staff.” (Mr. K – Manager KII)

“No one is perfect. Even those who have been trained, even people with PHD, professors, encounter problems, they make mistakes daily. How do we approach problems? We do it in different ways or use different methods...” (Ms. R – Manager KII)

“First, I would define the problem by talking about it to my fellow colleagues or by observation, look more closely to the issue and find any relative information, analyse the problem with the team so that I can get multiple opinions then create a solution using the information I have gathered about the problem.” (Ms. X – Manager KII)

The descriptive statistics reported that the sampled leaders practiced the attribute of balanced processing to a high extent and thereby its effect on performance is positive and significant. The finding supporting hypothesis is consistent with previous research by Alzghoul (2018), Ribeiro et al. (2018), Grošelj et al. (2020), Wang et al. (2014) and Duarte et al., 2021 who found a positive relationship between balanced processing and performance that included problem solving, consultation and communication.

3.3.4 Hypothesis 4

The fourth hypothesis of the study determined the effect of a leader’s relational transparency on performance of commercial banks. The regression results presented in Table 4 show that there is a significant positive statistical effect of relational transparency on performance ($\beta = 0.166$, $p = 0.047 < 0.05$). This implies that with all factors held constant, a unit change in relational transparency will lead to a movement in performance by 0.166. It is observed that the p-value was less than 0.05 significance level. The study therefore supported the hypothesis and concluded that relational transparency is a significant determinant of the performance of commercial banks in Kenya. Relational transparency as an attribute was only moderately practiced by the managers with only one emerging theme of the leaders openly sharing their feelings with others. The qualitative data from the key informants expressed that their banks supported an adaptive and collaborative organizational culture which was an emerging theme that allowed for free and seamless interaction between and among staff. Further, some also felt that their institutions exhibited relationship-oriented culture where the staff treated and viewed each other as family. Some leaders also reported that to ensure that all staff freely interact, some informal gatherings at the workplace were also incorporated as part of their routine such as sharing a meal and drinks at the end of the week, while others are at liberty to conduct prayer sessions together. The managers felt that in addition to moral and spiritual nourishment, such activities also helped to strengthen the bonds and the relationships among the staff. This in turn helped the staff to be free with one another as they share issues that they may feel are not working out well in the organization. This was also a good opportunity that the managers also took to interact even with the lowest cadre employees such as the junior officers and support staff. This inadvertently reduced the gap and the fear that may exist among the subordinates as expressed by three informants.

“We always try to minimize the gaps. We make sure the relationship is good. Every morning, we make sure we assemble and pray together and sing together. That is, apart from worshipping God you also mend relationships, we make the relationships strong. The relationship must be there. Let’s say teamwork is very sovereign. During these meetings we share ideas every week as we interact with everybody, even the people are giving us services like the cleaners. They may have noticed one or two things that you did not notice. And they share their observations during such interactions.” (Ms. P – Manager KII)

“Initially there were some complex structures in the banking system where the people sitting in the managerial positions were never available. However, in my organization I have made sure that we from the Executive Management are able to interact with one another and even with our staff in the lowest job cadres... This has helped us a lot and has improved our performance as a bank.” (Mr. H – Manager KII)

“When you are open with your staff, they understand what they are doing. You see, if you keep the vision to yourself and you just come up with a plan, they will not know why this plan is in place. They may not know why they should implement certain things. So, it is important to involve and inform them at the initial stages. Ensure you get everybody involved. Get everybody at the table when you are coming up with a plan. Then you share out that plan once everyone has understood it.” (Mr. T – Manager KII)

The descriptive statistics reported that the dimensions of relational transparency measured were embraced by the sampled leaders to a moderate extent. The relative contribution of this level leading to the support of the hypothesis is consistent with those of previous research (Duarte et al., 2021; Gathoni & Muiru, 2023; Lyubovnikova et al., 2017; Mbata et al., 2023) who reported a positive relationship between relational transparency and performance

4. Discussion

The study explained the results arrived at using descriptive statistics of the variable, qualitative research findings, previous research, the theoretical anchorage and the characteristics of the context of the investigation. It was designed and conducted to address three objectives. The first objective was to establish the state of AL practice among the commercial banks. From the descriptive statistics, it was noted that the four attributes of leader's authenticity (self-awareness, internalized moral perspective, balanced processing and relational transparency) have been deployed. The attributes of balanced processing and internalized moral perspective have been deployed to a high extent while relational transparency and self-awareness have been deployed to a moderate extent. The descriptive data noted that there was gender equity at management levels at almost 50-50 levels. When this was analysed from the gender lens, it indicated the presence of attributes of AL that support consultative leadership in their application and hence, where females are well represented, their influence on the leadership style adopted by the organization applied is felt. Authentic leadership was practiced to a high extent with the dimensions of balanced processing where the leaders listened closely to the ideas of those others before making a decision including those who disagree with them. The qualitative interview results supported the study findings by yielding an overarching theme of a relationship oriented or interactive organizational culture. The sub-theme of informal gatherings building and supporting interactive organization culture and free flow of ideas also supported the findings leading to higher levels of performance. The study findings were consistent with empirical literature that supported the propositions since authentic leaders are relational and lead by example which in turn motivates followers to perform at higher levels.

The second objective was to identify the level of performance brought about by the deployment of AL. In this study, performance was operationalized through profitability, portfolio quality, financial management and efficiency and productivity. This study required the respondents to indicate the level of performance in the bank over the last five years from 2017 to 2021. An average for each of the five years was computed and the results are shown in Figure 2. The key informant interview on respondent's assessment of the profitability of the banks over the five-year (2017 – 2021) period was that it had grown and improved steadily between 2017 – 2019. However, they appreciated the fact that during COVID-19 Pandemic in 2020/2021 the profits dipped but were once again on an upward trajectory after the reopening of the economy. The demographic data on the banks regarding the duration that the banks had operated in Kenya revealed that they had been in existence for a period of more than 10 years (92%). Within the 10 years the macro-economic environment had been characterized by turbulent seasons such as closure of banks, election cycles and the COVID-19 Pandemic. Moreover, within these 10 years, the managers were still required to perform to meet the investors' expectations; hence, we find a justification for the exercise of AL in influencing performance positively. Additionally, most of the respondents indicated that they had worked in the commercial banks for between one and five years which implies that they understood the importance of genuine and trustworthy leadership in driving strategy and performance, especially in the dynamic operating environment banks find themselves in.

The third objective was to determine the effect of the various attributes of AL and the performance of the commercial banks. This explains why the respondents highly practiced relational transparency as it has a positive effect on performance and was supported by the qualitative data; whereby, some of interviewed leaders were also able to appreciate changes that have taken place as far as leadership and management in the banking sector is

concerned. They noted that in the past, there was a lot of bureaucracy and complexity in leadership and management in the banking sector. They reported, that in the past it was almost impossible to get an opportunity to interact with the executive and senior management personnel in the banks. However, as leadership has evolved this is no longer the case and even the junior staff as well the customers can get an audience with the managers with ease. This has created a cordial and harmonious relationship between and among the managers on the one hand and the customers and the junior staff on the other. Secondly, the demographic data on the attributes of the respondents indicated that they mostly comprised middle level managers (81%) who were either in the categories of branch managers, relationship managers and operations managers. The mandate of these managers by virtue of their job description is that of driving competitiveness of respective business units or functional areas; thus, it would be expected they spend most of their time with their followers driving and implementing strategy to achieve business performance. This would mean that problem solving was an inevitable part of their day-to-day operations as the respondents agreed that the leadership practice involved balanced processing.

Lastly, the findings on the hypotheses were explained in comparison with previous research which measured the combined effect of authentic leadership, and it was not clear how self-awareness; internalized moral perspective, balanced processing and relational transparency contribute to performance when isolated from other attributes of AL whose indicators are theoretically linked to performance (Alzghoul, 2018; Darvish & Rezaei, 2011; Duarte et al., 2021; Grošelj et al., 2020; Gathoni & Muiru, 2023; Lyubovnikova et al., 201; Masimane, 2023; Mbata et al., 2023; Ribeiro et al., 2018; Ridderhoff, 2013). The findings contribute to the body of knowledge in commercial banks through revealing the evolutionary nature of authentic leadership due to contextual experiences. Therefore, the context it is applied in determines its suitability especially in cases where the operating environment is dynamic and riddled with adverse conditions. It is coming out strongly from the findings that, AL embraces the attributes of collaborative leadership as it is critical for the leaders to involve followers in the practice of AL to drive performance.

5. Implications and Conclusions

Based on the study's findings, the researcher noted that the findings raise implications touching on the evolutionary nature of authentic leadership due to contextual experiences and therefore the context it is applied in determines its suitability especially in cases where the operating environment is dynamic and riddled with adverse conditions which the sector has experienced in the recent years. Secondly, the findings bring out a strong implication that AL embraces the attributes of collaborative and consultative leadership as it is critical for the leaders to involve followers in the practice of AL to drive performance. These findings can therefore be generalized in other sectors even though the extent of the impact depends on the sector where authentic leadership is practiced. Thirdly it is implied the application of the attributes of AL thrives within a relationship-oriented culture that has flatter organizational structures which guarantees better response in problem-solving especially in the context of a dynamic operating environment.

The study made the following conclusions. First, the study concluded that leaders of commercial banks in Kenya practice the various attributes of authenticity. The attributes of balanced processing were expressed by listening very carefully to the ideas of others before making decisions and listening closely to the ideas of those who disagree with them. Internalized moral perspective expressed by the leader's morals guide what the leader does and actions reflect his/her core values have been deployed to a high extent. relational transparency was expressed by leaders openly sharing feelings with others and letting others know who they truly are as a person. Self-awareness was present as leaders seek the opinions of others before making decisions and the leader's ability to list their top three strengths have been deployed to a moderate extent.

Secondly, the study concluded that there was an increased level of performance due to the deployment of authentic leadership attributes of balanced processing since they were essential for problem solving, consultation and communication. Relational transparency also leads to better performance since there was an adaptive and collaborative organizational culture which was an emerging theme that allowed for free and seamless interaction between and among staff. Further, the banking institutions exhibited relationship-oriented culture where the staff treated and viewed each other as family. However, there was a decrease in the level of performance where

internalized moral perspectives was deployed due to the accountability and transparency structures that were subject to the values set by the composition of the board of directors and ownership which are family-owned. This was also the case with self-awareness where from the constructs, there was external outlook on the leader's awareness as opposed to internal outlook.

Suggested areas of further research arise from the fact that the findings were limited to commercial banks in Kenya with headquarters in Nairobi County and may not be generalized to other regulated financial institutions in the financial sector. The study thus suggests that other studies be conducted on other financial players such as microfinance banks, insurance companies and Savings and Credit Cooperative Societies (SAACOs). Secondly, the study was cross sectional in nature and findings were based on data collected in a survey relating to period of five years between 2017- 2022 and therefore, may not be used to make long term inferences about the effect of leadership styles on performance of commercial banks since, sustainability of the banking industry is imperative. During this period, there were adverse macro-economic conditions such as the capping of interest rates, mergers, acquisition and closure of banks, COVID-19 Pandemic and conducting of hotly contested general elections in 2017 and 2022 in Kenya. These are factors which could have affected the operations and performance of the commercial banks. The study, therefore, suggests that a longitudinal study be carried out covering longer periods beyond five years to determine the long-term effect of leadership style and political interference or mergers and acquisition of commercial banks on their performance.

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Informed Consent Statement/Ethics approval: Ethical issues in research are concerned with confidentiality and privacy, anonymity, voluntary and informed consent of respondents, no physical and psychological harm to respondents including not using vulnerable and/ or special populations as research subjects. The researcher worked with only voluntary participation to purge or manage any ethical issues which can lead to introduction of response bias (Bryman, 2016). In addition, the researcher obtained permission to undertake the research from National Commission for Science Technology and Innovation (NACOSTI) and following the guidelines laid down by Pan African Christian University. The researcher was watchful in ensuring that respondents were voluntarily involved in the study, while utilizing minimal time and resources to obtain data that is required. An informed consent form for signing was also shared with the participants to explain the essence of the study and details of their participation. A quantitative research method approach adopted ensured that the researcher was objective, reliable and independent. Clarification on the study's objectives to the respondents was first carried out and they were assured that the availed data was utilized for educational purposes only.

Data Availability Statement: Data supporting reported results can be availed at request from main author.

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