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**THE INFLUENCE OF AUTHENTIC LEADERSHIP ON EMPLOYEE WELLBEING IN
THE BANKING INDUSTRY IN KENYA**

SHEKINAH NYAMBURA NJOROGI



**A RESEARCH DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE AWARD OF MASTER OF BUSINESS
ADMINISTRATION OF STRATHMORE UNIVERSITY**

JUNE 2024


DECLARATION

Student's Declaration

I declare that this research proposal has not been previously submitted and approved for the award of a degree by this or any other University. To the best of my knowledge and belief, the proposal contains no material previously published or written by another person except where due reference was made.

Name: SHEKINAH NYAMBURA NJOROGE

REG.NO: 076074

Signature...  ...

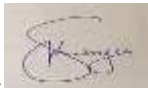
Date: 5th June 2024

Approval by Supervisor

This proposal has been submitted with my approval as University supervisor.

Name: DR. STELLA NYONGESA

Lecturer, Strathmore University Business School

Signature ...  ...

Date: 5th June 2024

DEDICATION

I dedicate this research to the unwavering pillars of support in my life. To my beloved mother, Mrs. Lucy Njoroge, whose boundless love and sacrifices have paved the way for my educational journey—her strength and encouragement have been my guiding light.

To my cherished siblings, Johannes Njoroge, Hope Bii and Barnabas Njoroge, their unwavering support and belief in my capabilities have been a source of inspiration.

Finally, to my dear husband, Mark Kimani, his constant encouragement and understanding during this academic pursuit have been invaluable. This achievement is a testament to the collective strength and love of my family.



ACKNOWLEDGEMENT

I express my deepest gratitude to the Almighty for His unwavering guidance and the gift of good health that sustained me throughout this academic journey.

To my husband, Mark Kimani, your continuous push and unwavering encouragement were the pillars that held me up during the challenges of balancing family, work, and academics. Your support allowed me the time and space needed to complete my master's program and this research.

A heartfelt thank you to my supervisor, Dr. Stella Nyongesa, whose invaluable guidance has been instrumental in shaping this study. Your expertise and mentorship have made a lasting impact on my academic and professional growth.

Special appreciation goes to my cousin, Edwin Tharao, for being a constant source of motivation and accountability. Your encouragement and the thoughtful contribution of study materials were significant elements in the success of this research.

To everyone who played a role, no matter how small, in this academic endeavor - thank you. Your support has been crucial, and I am truly grateful for each contribution.

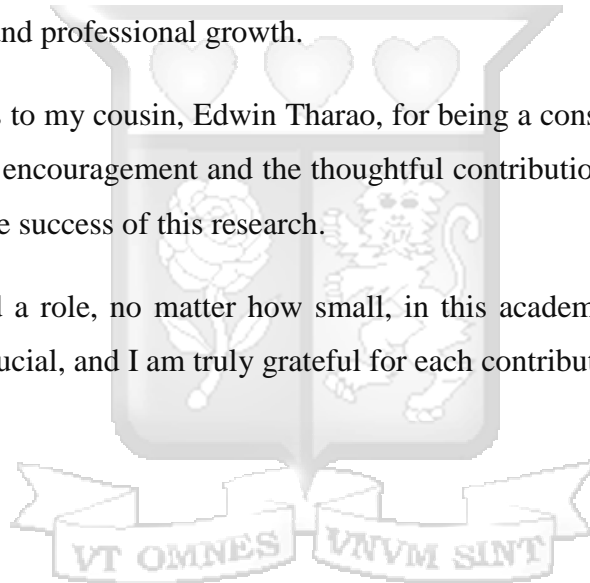


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ABSTRACT

In the contemporary organizational landscape, there is increasing attention on the influence of authentic leadership on employee well-being. This attention is due to the potential implications it has for both organizational effectiveness and employee satisfaction. This study aimed to investigate the relationship between authentic leadership and employee well-being within the banking industry in Kenya. The research was anchored on the theoretical frameworks of Leader Member Exchange Theory and Fiedler's Contingency Theory. The goal was to provide insights into how authentic leadership behaviors, including self-awareness, balanced processing, internalized moral perspective, and relational transparency, influenced different dimensions of employee well-being. The study used a descriptive cross-sectional survey design and employed judgmental sampling to select participants from different management levels across 39 commercial banks in Kenya. The sample size consisted of 195 managers from the various levels of management: Top, Middle, and Low. Data was collected using structured questionnaires that incorporated validated tools such as the Authentic Leadership Questionnaire (ALQ) for assessing authentic leadership dimensions, and components of Seligman's PERMA model for assessing employee well-being. The analysis involved descriptive statistics, correlation analysis, and regression analysis to explore the relationships between authentic leadership behaviors and employee well-being dimensions. The reliability and validity of the instruments were assessed using Cronbach's alpha and content validity checks. The findings of this study contribute to both theoretical understanding and practical implications for fostering authentic leadership practices and enhancing employee well-being in the banking sector. Specifically, the study reveals significant positive relationships between authentic leadership traits, such as internalized moral perspective and relational transparency, and various dimensions of employee well-being. However, certain traits, like self-awareness, did not show significant relationships with employee well-being when analyzed together. Additionally, the study highlights the importance of further research to address gaps in understanding the specific dynamics of authentic leadership and employee well-being within the Kenyan banking context. While this study provides insights into authentic leadership and employee well-being in Kenyan banking, limitations exist. The absence of input from top executives and the focus on a specific industry limited the findings' generalizability. Additionally, clustering of responses around the neutral midpoint raised concerns about bias. Future research should address these limitations for a more comprehensive understanding.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Organizations understand the crucial importance of skillfully managing and allocating talent in the continuously changing business landscape. The capacity to foster deeper relationships with employees has emerged as a strategic necessity for overall business success (Majumder, 2017). Therefore, leaders face the challenge of fostering these deep ties and igniting a sense of shared purpose within their workforce. To explore this issue, the current study investigated the impact of authentic leadership on employee well-being within the banking industry. The research aimed to contribute to the understanding of how authentic leadership affects employee well-being, thereby helping organizations protect and develop their talent. Additionally, this study sought to identify methods and procedures for developing significant relationships with teams in the banking industry. Leadership can be learned, developed, and used to promote employee collaboration while also improving their general well-being (Northouse, 2019). Thus, this study provides an initial exploration into creating a harmonious and effective workplace within the banking sector.

The concept of employee well-being has evolved significantly over the years, reflecting changing societal attitudes, organizational priorities, and advancements in research. Initially, during the early stages of industrialization, the focus was primarily on ensuring the physical health and safety of workers in the workplace (Smith, 1950). This period saw the implementation of basic safety measures and regulations aimed at reducing workplace accidents and injuries.

As the industrial landscape evolved, particularly with the rise of knowledge-based economies and service-oriented industries, there was a growing recognition of the importance of mental health and psychological well-being in the workplace (Maslow, 1954; Warr, 2007). This shift led to increased awareness about stress, anxiety, and other mental health issues affecting employees, prompting organizations to invest in programs and initiatives aimed at promoting psychological well-being and addressing work-related stressors (Cooper & Quick, 2017).

In the latter part of the 20th century, there was a broader understanding of well-being that encompassed not only physical and mental health but also emotional, social, and even spiritual dimensions (Ryff & Singer, 1998; Diener et al., 1999). This holistic approach emphasized the interconnectedness of these different aspects of well-being and highlighted the importance of addressing all dimensions to support overall employee health and happiness.

With the advent of the 21st century, there has been a growing emphasis on achieving work-life balance and promoting employee engagement and job satisfaction (Kahn, 1990; Bakker & Demerouti, 2018). This era has seen a shift towards creating supportive work environments that prioritize employee well-being and recognize the importance of balancing work responsibilities with personal and family life.

More recently, there has been a resurgence of interest in positive psychology and the promotion of strengths, resilience, and happiness in the workplace (Seligman & Csikszentmihalyi, 2000; Luthans & Youssef-Morgan, 2017). This approach focuses on fostering positive emotions, meaningful work, and a sense of purpose among employees, leading to greater overall well-being and satisfaction.

Contemporary discussions on employee well-being increasingly include considerations of social and environmental factors, such as diversity and inclusion, community engagement, and sustainability (Waddell et al., 2019; Nielsen et al., 2021). Organizations are recognizing the importance of creating inclusive and sustainable work environments that support employee well-being and contribute to broader societal goals.

In summary, the evolution of employee well-being reflects a growing understanding of the complex interplay between individual, organizational, and societal factors. From a focus on physical health and safety to a more holistic approach that encompasses mental, emotional, social, and environmental dimensions, the concept of employee well-being has evolved to reflect changing attitudes and priorities in the modern workplace.

1.1.1 Authentic Leadership

Authenticity is defined by Harter (2002) as accepting and recognizing one's unique experiences, ideas, feelings, wants, preferences, or convictions. This has to do with the necessity of having self-awareness and acting in a way that is true to who you are. Consequently, being authentic means having distinct experiences and acting in a way that is consistent with who you really are—that is, expressing your true values and acting accordingly (Harter, 2002).

Kernis (2003) contributes a research-driven perspective on authenticity within the context of a broader framework examining the essence of "optimal" self-esteem. In his conceptualization, authenticity is characterized by the unrestrained expression of one's internal self or genuine identity in everyday behaviors. Kernis (2003) posits that authenticity, in contrast to the fragility associated with high self-esteem featuring defensive, contingent, and incongruent attributes, culminates in optimal self-esteem. The core of optimal self-esteem, according to Kernis (2003), lies in being authentic—manifesting genuineness, truthfulness, stability, and congruence. Kernis (2003) identifies four fundamental components of authenticity: relational dimensions, behavioral aspects, impartial cognitive processing, and self-awareness.

Starr (2008) offers an alternative conceptualization of authenticity, characterizing it as the process of self-discovery and the acknowledgment of one's capacities, followed by purposeful actions based on those capacities. Central to this developmental journey is the acknowledgment of responsibility for life choices, whether deliberate or inadvertent, and an appreciation of the potential ramifications of such choices. At times, this transformative process may necessitate undergoing forms of hardship. The ultimate attainment of authenticity, as posited by Starr (2008), involves the harmonization of one's beliefs, values, and actions, aligning them with one's unique identity and interpersonal connections.

In accordance with the perspectives of Avolio, Luthans, and Walumbwa (2004), authentic leadership is characterized by leaders possessing a profound awareness of their cognitive processes and actions. These leaders are perceived by others as being cognizant of their own moral perspectives, as well as those of their colleagues, and are knowledgeable about their strengths and values. Additionally, authentic leaders exhibit comprehension of the operational environment and manifest qualities such as moral integrity, optimism, hopefulness, resilience, and self-assurance (Avolio, Luthans, & Walumbwa, 2004).

As articulated by Luthans and Avolio (2003), authentic leadership within organizational contexts is perceived as a dynamic process leveraging positive psychological traits and a robust organizational framework. This methodology facilitates constructive self-development by guiding leaders and their team members toward the adoption of self-regulated positive behaviors and an enhancement of self-awareness (Luthans & Avolio, 2003).

Avolio and Luthans (2006) delineate authentic leadership as a self-aware, genuine, positive, and judicious approach to decision-making, characterized by transparency in leadership practices. This style of leadership aims to foster trust, inspire followers, and facilitate the development of both leader and follower strengths and weaknesses. Recognizing the multidimensional nature of authenticity and authentic leadership is crucial, given potential variations in their definitions and interpretations across diverse theoretical frameworks and perspectives. Nevertheless, irrespective of these variations, the fundamental essence of authenticity lies in being true to oneself. In the context of authentic leadership, this entails demonstrating integrity, transparency, and a sincere commitment to advancing the well-being and growth of others (Avolio & Luthans, 2006).

Walumbwa, Avolio, Gardner, Wernsing, & Peterson (2008) undertook an in-depth review on authentic leadership theory and development in order to construct a measure of authentic leadership in an effort to improve their understanding of authentic leadership. Their research identified four important elements that make up authentic leadership.

Firstly, self-awareness is construed as the capacity of a leader to discern both their strengths and weaknesses, along with an awareness of the impact they exert on others. Secondly, the term "balanced processing," introduced by the authors, denotes an impartial approach to information evaluation that mitigates tendencies toward exaggeration, distortion, and denial. Leaders embodying balanced processing objectively consider all pertinent data prior to decision-making. Thirdly, internalized moral perspective characterizes leaders who derive motivation from their personal moral principles rather than external social or organizational influences. Lastly, relational transparency pertains to the strategies employed by leaders to cultivate trust by openly and honestly expressing their thoughts and emotions, minimizing inappropriate emotional displays, and adhering to authenticity (Walumbwa et al., 2008).

Given the comprehensive framework presented by Walumbwa et al. (2008) for operationalizing authentic leadership, this study adopted the same methodology, as it provides a detailed structure with elements that directly influence authentic leadership. The compelling and distinctive nature of this framework served as the primary rationale for its selection. The assessment of each characteristic within the components was conducted using two indices.

The self-awareness attribute was evaluated according to whether or not people accurately explain how others view them and actively seek feedback to improve their interactions with others. The ability to express oneself clearly and the readiness to accept responsibility for mistakes made are key indicators of the balanced processing attribute.

The internalized moral perspective trait was evaluated by considering whether individuals exhibit beliefs consistent with their actions and make decisions aligned with their core beliefs. Regarding the relational transparency trait, the evaluation was centered on whether individuals actively seek perspectives that challenge their deeply held positions and attentively listen to diverse points of view before forming conclusions.

This study sought to shed new light on the concept of authentic leadership by delving into its multifaceted dimensions and exploring its implications for organizational dynamics and employee well-being. While extensive research has been conducted on authentic leadership, there remain several areas where gaps in understanding persist, warranting further investigation. One key aspect that this study addressed is the nuanced interplay between authentic leadership behaviors and their impact on employee well-being within the context of the Kenyan banking sector.

Authentic leadership, as defined by various scholars such as Harter (2002), Kernis (2003), Starr (2008), Avolio, Luthans, and Walumbwa (2004), Luthans and Avolio (2003), Avolio and Luthans (2006), and Walumbwa et al. (2008), encompasses a range of attributes including self-awareness, balanced processing, internalized moral perspective, and relational transparency. However, despite the wealth of literature on authentic leadership, there remains a need to deepen our understanding of how these attributes manifest in real-world organizational settings, particularly within the unique context of the Kenyan banking industry.

By examining authentic leadership through the lens of employee well-being, this study aimed to uncover novel insights into the relational dynamics between leaders and followers, the organizational climate fostered by authentic leadership practices, and the resultant outcomes for employee mental, emotional, and psychological health. Through an in-depth exploration of authentic leadership behaviors and their implications for employee well-being, this research endeavored to contribute to the existing body of knowledge by offering fresh perspectives, empirical evidence, and practical implications for organizational leaders, human resource practitioners, and policymakers in the banking sector and beyond.

1.1.2 Employee Wellbeing

As per Danna and Griffin (1999), employee well-being encompasses the entirety of an individual's physical, mental, and overall health, coupled with their level of happiness both within and outside the workplace. This holistic perspective on employee well-being takes into account interpersonal dynamics with colleagues, teams, and supervisors, as well as the satisfaction or discontent derived from job-related aspects. Within this conceptual framework, employee health is viewed as a sub-dimension of well-being (Danna & Griffin, 1999). Physiological outcomes such as blood pressure, cardiac health, and overall physical fatigue, along with psychological outcomes like the absence of discomfort, worry, and emotional exhaustion, are identified as constituent elements of well-being according to Danna and Griffin (1999).

Diener (1984, 2000) introduced the concept of "subjective well-being" (SWB), referring to individuals' holistic evaluation of their quality of life according to personal benchmarks. Within SWB, life satisfaction gauges one's overall sentiment toward their life, while emotional experience encompasses both positive and negative feelings. Diener (1984) posited that the principal constituents of SWB include overall life satisfaction, minimal negative emotions, and heightened positive emotions. Notably, SWB is subjective, with assessments relying more on individual criteria than external norms (Diener, 1984).

In collectivist cultures such as China, well-being is profoundly influenced by harmonious interpersonal relationships, where the welfare of the entire society takes precedence alongside individual well-being (Gao et al., 2010). Within this context, individuals may prioritize the needs of the group over their own, and well-being may be subject to the influence of social norms and the expectations of others (Gao et al., 2010).

Fisher (2014) identifies subjective, social, and eudaimonic well-being as the principal components of well-being. Subjective well-being encompasses all facets of life experience, including the positive feelings encountered at work and cognitive evaluations of job satisfaction. Eudaimonic well-being, associated with organizational behavior, emphasizes the significance found in work and involves elements such as job involvement, work engagement, thriving, flow, and intrinsic motivation. Social well-being, on the other hand, involves the cultivation of meaningful short-term and long-term relationships with others, as well as a sense of integration into significant commitments (Fisher, 2014).

Ryan and Deci (2001) delineate two overarching approaches to well-being: the eudaimonic approach, which accentuates meaning and self-realization, and the hedonic approach, which focuses on the pursuit of happiness and pleasure. Nash and Stevenson (2004) identify four fundamental components crucial for enduring personal and professional fulfillment: success, happiness, relevance, and legacy. They underscore the importance of maintaining a harmonious balance among these factors to attain sustained success and overall well-being.

Seligman (2011) posited that the foundation of well-being is comprised of five activities or pillars: positive emotions, engagement, relationships, meaning, and achievement, collectively forming his PERMA model. Positive emotions encompass feelings of pleasure, cheerfulness, and contentment, including experiences like rapture, warmth, comfort, and satisfaction. Engagement is characterized by complete immersion in activities and a state of flow. In the PERMA model, relationships entail authentic connections with others. While meaning is often associated with religious or spiritual contexts, it is not contingent on religious or spiritual beliefs for one to feel a sense of purpose in life. Achievement, in the PERMA model, is defined as a sense of accomplishment and success in one's pursuits. This study adopted Seligman's (2011) conceptual framework as it provides a comprehensive approach to measuring employee well-being, incorporating positive emotions, engagement, relationships, meaning, and achievement.

Positive emotions encompass the subjective encounter of uplifting feelings, including sensations of awe, joy, peace, and contentment, collectively contributing to an individual's psychological flourishing. Engagement involves a deep sense of flow and absorption in activities or surroundings marked by heightened focus, intrinsic motivation, and complete immersion in the present moment.

Relationships pertain to both the quality and quantity of social connections, extending beyond immediate social circles, exerting a profound influence on emotional well-being, and serving as a valuable support network. Meaning conveys the importance of attributing significance and purpose to one's life, fostering a sense of coherence and direction. Accomplishment, rooted in the experience of success and the realization of objectives and goals, signifies an individual's perceived competence and mastery, contributing significantly to a sense of fulfillment and overall well-being.

While existing research provides valuable insights into the multifaceted nature of employee well-being, there remain areas where further exploration is warranted to deepen our understanding and uncover new dimensions of this construct. One such area of inquiry pertains to the specific mechanisms through which various components of well-being interact and influence one another within the context of the workplace. While studies have examined the individual pillars of well-being, such as positive emotions, engagement, relationships, meaning, and achievement, there is a need to elucidate how these elements dynamically interact and synergize to shape overall employee well-being. Additionally, there is a dearth of research that explores the unique cultural and contextual factors that may influence the manifestation and experience of employee well-being, particularly in collectivist societies like Kenya. By delving into these nuanced dynamics, this study aimed to uncover novel insights into the intricacies of employee well-being and identify potential avenues for enhancing organizational practices and interventions to promote holistic employee flourishing.

1.1.3 Banking Industry in Kenya

In Kenya, the banking industry stands as a linchpin in the economic landscape, serving as a critical conduit for capital mobilization and monetary policy implementation, as underscored by McKinnon (2010). Banks within the Kenyan financial sector play an indispensable role in driving economic development and facilitating resource allocation, as highlighted by Nyasha and Odhiambo (2012). These institutions serve as vital pillars for the efficient allocation of resources by extending credit to businesses and individuals, implementing credit scoring systems, and facilitating fund settlements and consumer credit (Nyasha & Odhiambo, 2012).

The oversight and regulation of the Kenyan banking sector are entrusted to the Central Bank of Kenya (CBK), which assumes pivotal roles as the central monetary authority and regulatory body. The CBK holds the mandate to issue and regulate the Kenyan Shilling (KES) while ensuring the stability and soundness of financial institutions. As per information provided in the CBK's Annual Report and Financial Statement for the year 2023, the Kenyan banking sector comprises various entities. These include 9 foreign bank representative offices, 17 money remittance companies, 39 commercial banks, 3 credit reference bureaus, 14 microfinance banks, 68 foreign exchange bureaus, 1 mortgage refinance company, 1 mortgage finance company, and others.

Among these entities, commercial banks stand out as key players due to their significant role in driving economic activities, facilitating financial transactions, and providing essential banking services to businesses and individuals across the country. Commercial banks serve as vital channels for capital mobilization, credit extension, and fund management, thereby playing a crucial role in fostering economic growth and development. The Central Bank of Kenya (CBK) has grouped the banks in Kenya into three tiers. The CBK came up with this classification system as a means of distinguishing different banks according to their market share, asset base and number of customer deposits. These classifications encompass Tier 1 banks, Tier 2 banks, and Tier 3 banks, each contributing uniquely to the sector's dynamics and competitiveness. Tier 1 comprises of large banks with hundreds of billions in cumulative assets and millions of depositors. Tier 2 banks are medium-sized lenders and Tier 3 banks are small-sized lenders.

The focus on commercial banks in Kenya is justified by their central position within the banking sector and their extensive reach and impact on the economy. As Tier 1 banks, Tier 2 banks, and Tier 3 banks collectively constitute the commercial banking segment, studying these institutions provides valuable insights into the broader dynamics of the banking industry and its influence on the well-being of employees. Furthermore, commercial banks are subject to stringent regulatory oversight by the Central Bank of Kenya, ensuring compliance with prudential regulations and safeguarding the stability and integrity of the financial system. By focusing on commercial banks, this study aims to gain a comprehensive understanding of how authentic leadership practices within these institutions affect employee well-being, thereby contributing to both academic knowledge and practical insights for organizational management and leadership development.

1.2 Statement of the Problem

The banking industry in Kenya has undergone substantial growth in recent years, accompanied by significant challenges such as high employee turnover, increasing workplace stress, and declining morale, as highlighted by Price Waterhouse and Coopers (2022). Moreover, the outbreak of the Covid-19 pandemic has prompted transformative shifts in customer behavior and work arrangements, particularly with the adoption of remote work measures. Concurrently, mergers and acquisitions within the sector, exemplified by the amalgamation of NIC Bank PLC and Commercial Bank of Africa Ltd to form NCBA Bank Kenya PLC, have further influenced industry dynamics (PWC, 2022). Amidst these changes, authentic leadership emerges as a critical factor influencing employee well-being; yet empirical studies linking authentic leadership to employee well-being remain limited.

Recent research has shed light on the relationship between authentic leadership and various dimensions of employee well-being. For instance, Baquero (2023) proposed a moderated mediation model, suggesting that authentic leadership influences employee work engagement, trust in the leader, and workplace well-being. Similarly, Kleynhans et al. (2022) explored the role of authentic leadership in fostering trust and flourishing among employees, with implications for overall well-being. Ortiz-Gómez et al. (2022) investigated the impact of servant leadership and authentic leadership on workers' subjective well-being, highlighting the importance of leadership practices in promoting employee welfare. Additionally, Sarifuddin et al. (2021) examined the influence of authentic leadership, psychological capital, and gender on employee performance, particularly in the context of remote work during the Covid-19 pandemic.

Despite these contributions, gaps exist in our understanding of how authentic leadership specifically affects employee well-being within the Kenyan banking sector. Previous studies in the Kenyan banking sector have explored various aspects of employee turnover, productivity, and stress. For example, Kariuki (2015) highlighted career development, mentoring, and reward systems as crucial factors in reducing turnover but did not focus on leadership behaviors. Tanjung et al. (2021) and Hassan and Lukman (2020) examined productivity outcomes related to remote work and mergers, respectively, but did not address the impact of leadership style on employee well-being.

Adembesa (2014) discussed organizational transitions and employee stress without specifically considering authentic leadership practices. Dhankar (2015) identified stress factors among banking employees but did not explore how authentic leadership might mitigate these stresses.

In light of these gaps, this study sought to address the following problem statement: Despite the growing recognition of the importance of employee well-being within the banking sector in Kenya, there remains a lack of comprehensive understanding regarding how authentic leadership influences employee well-being. Specifically, the study investigated the direct relationship between authentic leadership behaviors and various dimensions of employee well-being, including job satisfaction, stress levels, turnover intentions, and work-life balance. By elucidating the role of authentic leadership in shaping employee well-being, this research aimed to provide actionable insights for organizational leaders, policymakers, and practitioners to cultivate supportive work environments conducive to employee flourishing within the Kenyan banking industry.

1.3 Research Objectives

The study's general and specific objectives are presented in this section.

1.3.1 General Objective

The general objective of this study was to determine the influence of authentic leadership on employee wellbeing in the banking industry in Kenya.

1.3.2 Specific Objectives

The specific objectives were to:

- i. Determine the influence of a leader's self - awareness on employee wellbeing in the banking industry in Kenya.
- ii. Establish the influence of a leader's balanced processing on employee wellbeing in the banking industry in Kenya.

- iii. Determine the influence of a leader's Internalized moral perspective on employee wellbeing in the banking industry in Kenya.
- iv. Establish the influence of a leader's Relational Transparency on employee wellbeing in the banking industry in Kenya.

1.3.3 Research Questions

- i. What is the influence of a leader's self - awareness on employee wellbeing in the banking industry in Kenya?
- ii. What is the influence of a leader's balanced processing on employee wellbeing in the banking industry in Kenya?
- iii. What is the influence of a leader's Internalized moral perspective on employee wellbeing in the banking industry in Kenya?
- iv. What is the influence of a leader's relational transparency on employee wellbeing in the banking industry in Kenya?

1.4 Scope of the Study

The study focused on employees within the commercial banking sector in Kenya, encompassing a diverse range of roles and responsibilities within various tiers of banks, including Tier 1, Tier 2, and Tier 3 banks. This broad scope ensured the representation of different organizational structures, management levels, and operational contexts within the Kenyan banking industry, allowing for a comprehensive analysis of the relationship between authentic leadership and employee well-being.

This study adopted a multidimensional conceptualization, drawing upon established theories and frameworks in leadership and organizational behavior to conceptualize authentic leadership and employee well-being. Specifically, the conceptualization of authentic leadership was grounded in Walumbwa et al. (2008)'s framework, which emphasizes self-awareness, balanced processing, internalized moral perspective, and relational transparency as key dimensions. For employee well-being, the study incorporated Seligman's (2011) PERMA model, encompassing positive emotions, engagement, relationships, meaning, and accomplishment.

To operationalize the study, specific objectives guided the measurement of authentic leadership dimensions and their influence on employee well-being in the banking industry in Kenya. The main objective was to determine the influence of authentic leadership on employee well-being, with specific objectives as follows: Firstly, to assess the impact of a leader's self-awareness on employee well-being, examining factors such as accuracy in self-assessment and the frequency of seeking feedback. Secondly, to evaluate the influence of a leader's balanced processing on employee well-being, focusing on impartiality in decision-making and the willingness to accept responsibility for mistakes. Thirdly, to explore the effect of a leader's internalized moral perspective on employee well-being, considering the alignment between stated values and behavior. Lastly, to examine the impact of a leader's relational transparency on employee well-being, assessing the openness and honesty of communication and the level of trust between leaders and employees. Through these specific objectives, the study aimed to provide insights into the complex relationship between authentic leadership and employee well-being within the context of the Kenyan banking sector.

To measure employee well-being, multiple indicators were utilized, aligning with Seligman's (2011) PERMA model, which comprises five pillars: positive emotions, engagement, relationships, meaning, and accomplishment. Positive emotions were assessed through self-reported experiences of pleasure, cheerfulness, and contentment, capturing feelings of joy, satisfaction, and comfort in both work and personal life. Engagement was measured by evaluating the level of immersion and flow experienced in work-related activities, indicating intrinsic motivation and focus. Relationships were gauged through assessments of the quality and quantity of social connections, including both professional and personal relationships, to determine the strength of the support network and its impact on emotional well-being. Meaning was evaluated by exploring the extent to which individuals attribute significance and purpose to their work and life, examining the coherence and direction in their personal narratives. Lastly, accomplishment was measured by assessing the degree of accomplishment and success individuals perceive in their endeavors, capturing feelings of competence and mastery.

The study focused specifically on the banking industry in Kenya, encompassing commercial banks of various sizes and market shares. Kenya's banking sector presents a unique context characterized by rapid technological advancements, regulatory changes, and competitive dynamics. Understanding the role of authentic leadership in this context is vital for addressing industry-specific challenges and fostering sustainable organizational performance and employee well-being.

The study employed a quantitative approach, specifically utilizing a descriptive cross-sectional survey design to investigate the relationship between authentic leadership and employee well-being in Kenyan banks. Judgmental sampling was utilized to select participants from various management levels within the commercial banks. Data was collected using a structured questionnaire administered in-person, depending on organizational preferences and logistical feasibility. Descriptive statistics and correlation analysis, including regression analysis, was conducted to analyze the data and explore the relationships between authentic leadership behaviors and employee well-being dimensions.

The study's time scope encompassed data collection and analysis within a period of two to three months. Data collection commenced following ethical approval and organizational consent, with the duration dependent on sample size and data collection methods. Analysis, interpretation, and reporting of findings followed promptly after data collection, ensuring timely dissemination of results to stakeholders and contributing to the ongoing discourse on authentic leadership and employee well-being in the banking sector.

1.5 Significance of the Study

For Kenyan organizations, researching how authentic leadership influences employee well-being in the banking industry is crucial. This research will make significant contributions by exploring the dynamics of authentic leadership and its implications for employee well-being. On a practical level, this research will contribute to the information pool concerning authentic leadership and employee well-being by providing insights tailored to the regional banking industry in Kenya. This, in turn, will empower companies to formulate contextually appropriate strategies for leadership development and employee well-being.

Furthermore, this research study underscores the critical importance for businesses to acknowledge authentic leadership as an attainable skill that can be tailored to individual needs. Through a comprehensive understanding of foundational aspects such as dimensions associated with authenticity in leadership and specific behaviors linked to it, businesses can invest in cultivating leader development programs. This investment ultimately contributes to enhancing the competence of their leaders. Additionally, this approach fosters an inclusive working environment where constructive communication is encouraged. In such an atmosphere, employee welfare takes precedence.

From a theoretical standpoint, the study makes a substantial contribution to policy development within the banking sector. A key policy recommendation involves the incorporation of authentic leadership principles into leadership development programs. Encouraging firms to prioritize the cultivation of authentic leadership qualities through training initiatives can elevate the overall leadership landscape in the banking industry. Furthermore, the study advocates for the inclusion of authentic leadership considerations in broader workplace well-being policies. This entails promoting work environments that support employees' psychological needs, aligning with the principles of authentic leadership to foster satisfaction and mental health. Human resource management policies can derive benefits from guidelines that underscore the significance of authentic leadership in recruitment, performance evaluation, and employee development processes. Furthermore, the study advocates for transparent communication policies, especially during transformative periods such as mergers and acquisitions. These policies should strive to diminish job uncertainty and stress by promoting open and honest communication from leadership. Additionally, the study recommends legal and regulatory frameworks that support and incentivize authentic leadership practices within the banking sector. Recognition and rewards for organizations demonstrating a commitment to authentic leadership and employee well-being could be integrated into existing regulations.

On the front of employee engagement and retention, the study advocates for the development of policies focused on enhancing these aspects by promoting the character of authentic leaders. By emphasizing the role of authentic leadership in creating a positive workplace culture, the study aims to contribute to policies that foster employee loyalty.

In essence, the review seeks to provide a comprehensive set of policy recommendations that collectively contribute to a supportive and flourishing work environment in the Kenyan banking industry. Through the integration of authentic leadership principles, these policies aim to enhance the well-being and success of both employees and organizations in the sector.

1.6 Chapter Summary

This chapter focused on the variables, presenting diverse perspectives surrounding them. It delved into both the general and specific objectives of the study. Furthermore, this section encompassed details regarding the statement of the problem, the significance of the study, and the specific industry within which the study was conducted.



CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter discusses a review of relevant empirical literature to the research. The literature review was covered in terms of key variables identified from the objectives of the study including the influence of a leader's self – awareness, balanced processing and internalized moral perspective as well as relational transparency traits of authentic leadership on employee wellbeing. The theory on which the study was anchored upon will be discussed. Additionally knowledge gaps arising from the empirical review will be presented and the chapter will wind up with the conceptual framework and the operationalization of the variables of the study.

2.2 The Theoretical Review

This part presents the theories on which the study was anchored. Scholars have developed a number of theories which explain the concepts of authentic leadership and employee wellbeing. This research study was anchored on two main theories; Leader Member Exchange Theory and Fiedler's Contingency Theory.

2.2.1 Leader Member Exchange Theory

Graen, Novak, and Sommerkamp renamed the Leader-Member Exchange (LMX) theory in 1982, originally introduced as the Vertical Dyad Linkage (VDL) theory in the 1970s. In their study titled "Effects of Leader-Member Exchange and Job Design on Productivity and Satisfaction: Testing a Dual Attachment Model," they focused on the quality of the exchange relationship between leaders and followers, defining LMX theory as a relationship-based, dyadic theory of leadership. The study posits that the core of LMX theory lies in the notion that a leader will nurture positive relationships and trust with certain individuals while interacting infrequently or rejecting others. This selection process is influenced by the leader's unconscious biases and inclinations (Graen et al., 1982).

The study delineates three stages in all leader-subordinate relationships. The first stage, Role-Taking, transpires when team members join the group, and the leader communicates expectations while assessing individual skills. The second stage, Role-Making, encompasses the assimilation of new members into the team, where individuals demonstrate their work ethic, collaboration, and loyalty. During this stage, the leader determines the classification of team members into the out-group and in-group based on their contributions and proximity to the leader (Graen et al., 1982).

The ultimate stage, Routinization, solidifies routines between team members and management. In this stage, in-group members strive to uphold the leader's respect, while out-group members may begin to harbor resentment or distrust towards their superiors. The classification as in-group or out-group shapes ongoing interactions, becoming self-fulfilling and influencing how managers perceive and engage with team members. The study underscores the significance of understanding these stages in comprehending the dynamics of leader-subordinate relationships within the framework of LMX theory (Graen et al., 1982).

Graen and Schiemann (1978) observed that in-group leader-member contacts are more prone than out-group dyads to achieve a consensus concerning the significance of shared experiences. Liden and Graen (1980) illustrated the relevance of the LMX model in units comprised of first-level foremen and their immediate superiors. The researchers additionally noted that, on the whole, out-group members received lower performance ratings from superiors, reported dedicating less time to boundary-spanning and decision-making tasks, and were less inclined to volunteer for additional work or special projects.

The Average Leadership Style (ALS) approach, as delineated by Graen and his colleagues (Graen, 1976; Graen & Cashman, 1973), is juxtaposed with the Leader-Member Exchange (LMX) approach in conventional studies of leadership within organizations. In their perspective, the ALS-based research operates on the assumption that a leader tends to behave consistently toward all subordinates, focusing primarily on the leader's character or how they carry themselves.

Graen and his colleagues suggested that this emphasis on ALS contributed to "modest advancement in the field of leadership over the last twenty years" (Dansereau et al., 1973). As an alternative, they proposed that the LMX approach might offer better predictions of organizational phenomena compared to the ALS approach.

The Leader-Member Exchange (LMX) theory holds considerable relevance to the study on the influence of authentic leadership on employee well-being. Originating in the 1970s, LMX theory, later renamed from Vertical Dyad Linkage (VDL), centers on the quality of relationships between leaders and followers, positing that leaders establish different connections with individual subordinates. This theory offers a valuable lens to examine how authentic leaders cultivate unique relationships with their team members and how these relationships, characterized by trust and transparency, impact on the well-being of employees.

Within the framework of LMX theory, the concept of in-group and out-group dynamics becomes significant. Leaders tend to form closer, more positive relationships with individuals in the in-group, as opposed to those in the out-group may experience more distant interactions. Exploring how authentic leaders categorize employees into these groups and the subsequent effects on their well-being is crucial for understanding the dynamics within the banking industry.

Authentic leadership principles align with LMX theory, particularly in emphasizing transparent communication and the cultivation of trust. Examining how authentic leaders communicate with their team members, build and maintain trust, and how these aspects influence employee well-being can provide insights into the intricacies of leadership dynamics in the banking sector. Moreover, LMX theory suggests that individuals in the in-group demonstrate increased levels of dedication, contentment, and involvement at work. In the context of authentic leadership, delving into how leaders' authenticity influences employee engagement and satisfaction contributes to a holistic understanding of employee well-being in the Kenyan banking industry.

In summary, Leader-Member Exchange (LMX) Theory emphasizes the quality of the relationship between leaders and their followers, positing that leaders develop unique exchange relationships with each of their subordinates. This theory suggests that high-quality relationships (in-group exchanges) lead to greater trust, mutual respect, and support, resulting in higher levels of job satisfaction, organizational commitment, and overall well-being among employees. By applying LMX Theory, this study explored how authentic leadership behaviors, such as self-awareness, balanced processing, internalized moral perspective, and relational transparency, influence the quality of leader-member exchanges and subsequently impact employee well-being within the banking sector.

2.2.2 Fiedler's Contingency Theory

Fiedler's Contingency Theory, also known as Fiedler's Contingency Model or Fiedler's Theory of Leadership, emerged from a study conducted in 1964 by Fiedler titled "A Contingency Model of Leadership Effectiveness." This theory presents a leadership model that emphasizes the situational nature of effective leadership. According to the study, the effectiveness of a leader depends on how well their inherent leadership style aligns with the specific requirements of the situation. Fiedler (1964) argued that individuals' leadership styles are deeply ingrained in their life experiences and are challenging to change. Therefore, the theory posits that the key to leadership success lies in selecting the right leader for a particular task based on their inherent leadership style and the situational demands (Fiedler, 1964).

Fiedler (1964) introduced the "least preferred co-worker" (LPC) scale as a tool to assess leadership styles. The scale comprises 16 items designed to measure a leader's overall attitude toward working with people. These items include dimensions like pleasant/unpleasant, cooperative/uncooperative, rejecting/accepting, unenthusiastic/enthusiastic, tense/relaxed, cold/warm, helpful/frustrating, friendly/unfriendly, hostile/supportive, quarrelsome/harmonious, efficient/inefficient, depressing/jolly, distant/close, interesting/boring, self-assured/hesitant, and open/guarded. A leader with a high LPC score is one who values relationships and finds fulfillment in interpersonal interactions, while a leader with a low score prioritizes task accomplishment and goal attainment.

Fiedler (1964) emphasized that a leader's effectiveness hinges on the favorability of the leadership situation, characterized by three components: position power, task structure, and leader-member relations. Leader-member relations assess the group's inclination to follow, trust, and like the leader. Task structure gauges the clarity of the group's task and whether it can be accomplished with explicit instructions. Position power measures the leader's authority over group members, considering organizational position and the ability to enforce decisions. Fiedler's Contingency Theory highlights the dynamic interaction between leadership styles and situational factors in determining leadership effectiveness.

Ellyson et al. (2012) conducted a study to explore the distinctions between task-oriented and interpersonal leadership styles in the military. The primary objective was to examine how goal orientation and personality factors influence these leadership styles and contribute to enhanced work performance. The study included 89 enlisted troops and officers aged eighteen to fifty-five, with data gathered from the US Military during peacetime. The research employed tools such as the Least Preferred Coworker Scale (LPC), the Five Factor Model (FFM), the Goal Orientation, and Fred Fiedler's Contingency Model of Leadership. The Five Factor Model of Personality divides qualities into five core dimensions: extraversion, openness, conscientiousness, neuroticism, and agreeableness to experience (McCrae & John, 1992). In the study by Ellyson et al. (2012), the results revealed that goal orientation and conscientiousness, traits commonly associated with task-oriented leaders, significantly influenced the work performance of military commanders. The study further indicated that the most reliable predictor of effective leadership in military operations was the FFM attribute of conscientiousness, particularly when combined with a strong focus on goal orientation.

Indeed, the incorporation of Fiedler's Contingency Theory into the examination of how authentic leadership influences employee well-being in Kenya's banking sector provides a valuable theoretical framework. The emphasis on aligning a leader's inherent style with the demands of the situation can yield insights into how authentic leaders adjust their approaches to the dynamic requirements of the banking sector. This study holds the potential to ascertain whether authentic leadership demonstrates heightened effectiveness in specific circumstances, shedding light on its implications for the enhancement of employee well-being within the banking industry.

The amalgamation of authentic leadership and Fiedler's Contingency Theory offers a nuanced perspective on leadership dynamics and their ramifications for the well-being of employees in this particular context.

A key aspect of Fiedler's model is the assessment of leader-member relations, measuring the degree to which group members like and trust their leader. In the study, delving into how authentic leaders establish and sustain positive relations with their team members, fostering trust and collaboration, can offer insights into their impact on employee well-being. Additionally, considering task structure, which evaluates how well-defined and structured a group's task is, allows for an examination of how authentic leaders navigate and contribute to the task structure, contributing to the understanding of their effectiveness in various work contexts.

Position power, another factor in Fiedler's model, gauges the leader's authority over group members. In the study on authentic leadership, an analysis of how authentic leaders leverage their position power to positively influence employee well-being offers significant perspectives on the dynamics of leadership in the banking sector. Moreover, incorporating real leadership values like openness, trust, and sincere relationships with followers, with the contingency factors outlined by Fiedler contributes to a nuanced understanding of how authentic leadership impacts employee well-being in different situations.

In conclusion, Fiedler's Contingency Theory proposes that effective leadership is contingent upon the match between a leader's style and the situational context. According to this theory, there is no one-size-fits-all approach to leadership, and the effectiveness of a leader depends on various situational factors such as task structure, leader-member relations, and positional power. In the context of this study, Fiedler's Contingency Theory provided insights into how authentic leadership styles interact with the specific organizational context of Kenyan banks, including factors such as organizational culture, market competitiveness, and regulatory environment. By considering these situational contingencies, the study elucidated how authentic leadership practices can be tailored to optimize employee well-being outcomes in the banking industry.

2.3 Empirical Review

This section delves into previous research examining the impact of diverse authentic leadership traits on employee well-being.

2.3.1 Self – Awareness Trait and Employee Wellbeing

According to Walumbwa et al. (2008), self-awareness is characterized by the ability to acknowledge one's own strengths and limitations, as well as understanding the impact one has on situations and other individuals. Individuals with high self-awareness engage in regular self-evaluation, demonstrating a commitment to continuous personal development and growth (Glowacki-Dudka & Griswold, 2016). This facet of authentic leadership involves a leader's understanding of both their positive attributes and areas for improvement, coupled with an awareness of how their actions and behaviors influence others.

The distinctive capacity for deliberate self-reflection, termed self-awareness, is a key feature that sets humans apart from other animals (Crook, 1980). Baumeister (2005) conducted an extensive review of the self-awareness literature, defining self-awareness as "caring about how others evaluate you, anticipating how others perceive you, and evaluating yourself and your actions according to collective standards and values." Consequently, the cultivation of self-awareness necessitates individuals not only comprehending themselves but also recognizing and valuing others' perceptions of them (Baumeister, 2005).

Strum, Taylor, Atwater, and Braddy (2014) conducted an investigation into the implications of women's under prediction in leadership; aiming to understand how female leaders assess the evaluations their supervisors will give them for their leadership abilities and the factors influencing those estimations. The study, involving 257 American leaders with direct reports, revealed that women tended to underestimate their superiors' ratings of their leadership compared to males, despite having similar self-evaluations and equivalent boss ratings. The underprediction phenomenon was perceived by women as detrimental to both the organization and themselves, potentially hindering their success in the workplace. However, the study acknowledged a limitation, noting potential impacts from gender stereotypes (Strum et al., 2014).

Hasanah and Mujanah (2020) conducted a study on the effects of competence, self-awareness, and servant leadership on employee performance and organizational commitment in the Bangkalan Regency, Indonesia's Public Works and Spatial Planning Office. Using questionnaires, the researchers found that competence, self-awareness, and servant leadership all significantly and positively impacted organizational commitment. Regarding employee performance, self-awareness and competence had an impact but were not statistically significant, while servant leadership showed a favorable and substantial influence. The study recommended further research to explore additional variables like teamwork and morale for a more comprehensive understanding of factors influencing employee performance and organizational commitment (Hasanah & Mujanah, 2020).

Bracht, Keng-Highberger, Avolio, and Huang (2021) conducted research in the United States on the dynamic and participatory process of leadership emergence. The study aimed to understand how a leader's internal, self-developmental leadership process interacts with and influences the leadership growth of a follower. Comprising two field studies, the research explored the relationship between a target leader's self-awareness as a leader and a follower's development into a leader, leading to their eventual nomination for advancement into a leadership role. Based on social cognitive theory and social information processing, the study proposed and examined a model where the follower's leader self-efficacy and self-leadership development acted as serial mediators in these partnerships. Data were collected from a global sample of 449 respondents using an online panel provider named Kantar (Bracht et al., 2021).

Positive correlations were identified between a leader's self-awareness and followers' (a) nomination for advancement into a leadership role and (b) emergence as leaders. The study demonstrated that the follower's leader self-efficacy and self-leadership were serially mediated in both interactions. These associations remained significant even after accounting for variables such as gender and the effects of the COVID-19 pandemic. The research provides valuable insights into the complex mechanisms through which a leader's self-awareness influences followers' leadership development and, ultimately, their recognition and promotion into leadership positions (Bracht et al., 2021).

Caldwell and Hayes (2016) conducted research in the US to explore the connections between the moral obligations of leaders, self-efficacy, self-awareness, and their impact on leadership effectiveness. The study identified six key principles supporting improved leadership efficacy, organizational value creation, and the development of trustworthy leaders. These principles emphasized the importance of an evidence-based approach, self-evaluation, recognizing the value of self-awareness, actively monitoring and regulating behavior, aligning behaviors with stated beliefs and values, and acknowledging the role of high self-awareness in recognizing one's abilities. The findings highlighted the significance of self-efficacy and self-awareness in enabling moral leaders to positively influence themselves, peers, and organizations. The study underscored that understanding one's identity and capacities enhances leadership effectiveness, value creation, and fulfillment of moral obligations (Caldwell & Hayes, 2016).

Steffens et al. (2021) conducted a study titled "Knowing me, knowing us: Personal and collective self-awareness enhances authentic leadership and leader endorsement" in Australia to explore how individual perceptions of leaders' awareness of personal and collective selves influence beliefs and endorsements of authentic leadership. The research involved 529 participants recruited in the US through CrowdFlower. The findings emphasized the significance of collective awareness in authentic leadership. The study revealed that beliefs about leader authenticity are influenced by both personal self-awareness ("I" or "me") and collective self-awareness ("we" or "us"). Both aspects of self-awareness significantly contribute to people's willingness to support leaders, with collective self-awareness having a stronger impact. The research suggests that while a leader's demonstration of personal self-awareness affects perceived authenticity, collective identity awareness is crucial for being viewed as worthy of followership and as authentic (Steffens et al., 2021).

2.3.2 Balanced Processing Trait and Employee Wellbeing

According to Walumbwa et al. (2008), balanced processing involves leaders' impartial evaluation of information and perspectives before making decisions. Leaders who exhibit balanced processing consider diverse viewpoints, avoid biases or distortions in judgment, and seek objective data to inform their decisions. In the pursuit of genuine leadership, practicing balanced processing is essential, involving the objective gathering and evaluation of all pertinent information before making judgments. Leaders exhibiting balanced processing behavior give equal weight to both externally and internally generated information (Gardner et al., 2005). Such leaders, when making decisions, acknowledge a diverse range of stakeholders' perspectives by incorporating both factual and subjective knowledge into their judgments.

Avolio and Gardner (2005) assert that authentic leaders practice balanced processing, a self-regulatory process aligning their beliefs with intentions and behaviors. This approach helps leaders avoid favoritism and maintain impartiality by objectively evaluating information and considering various followers' viewpoints before decision-making (Northouse, 2016). In authentic leadership, balanced processing involves the objective evaluation of relevant information about oneself, considering both positive and negative traits and attributes (Avolio & Gardner, 2005).

Thiel et al. (2012) explore ethical decision-making by leaders in American corporate contexts in their paper "Leader Ethical Decision-Making in Organizations: Strategies for Sensemaking." Utilizing qualitative methodology, the study focuses on sensemaking, delving into the cognitive processes leaders employ to interpret and address ethical dilemmas. Sensemaking, a cognitive process facilitating the interpretation of complex situations, is pivotal to understanding how leaders navigate moral decision-making. The study contributes valuable insights into the cognitive processes underlying ethical leadership, enhancing our comprehension of how leaders arrive at morally sound conclusions in corporate settings. The findings offer practical implications for developing ethical leadership and refining decision-making processes within organizations (Thiel et al., 2012).

Daverth, Cassell, and Hyde (2016) conducted a study titled "Managerial discretion and work-life balance," which delves into the subjectivity of fairness in managerial decision-making, focusing on ingrained heteronormative conceptions of work-life balance. The research aims to understand how these perceptions, particularly regarding gender roles, impact managerial perspectives and decision-making processes concerning the equitable distribution of work-life balance. The study's sample includes three major Irish companies, chosen based on the diversity of their work-life balance policies and practices, despite all being significant national employers. The findings emphasize that managers often face challenging decisions in allocating limited resources, navigating a formal-informal continuum. The study highlights that managers retain some control over whether to provide access to work-life balance support through formal or informal channels, even when facing social or institutional pressures (Daverth et al., 2016).

A study by Gacheru, Karimi, and Kangu (2023) looked into how staff commitment in Kenyan agencies implementing Public Financial Management Reforms (PFMR) was affected by a leader's balanced processing. Two fundamental theories served as the foundation for the study: social exchange theory and authentic leadership theory. The study was governed by the positivist research ethic and used a descriptive correlational research design with 747 managers from Kenyan PFMR implementing agencies as the target group. The results showed that, in the context of PFMR implementation, a leader's balanced processing had a major effect on staff commitment. The study stressed the value of making decisions objectively, especially when genuine leaders demonstrated high self-esteem and little ego involvement.

This facilitated the objective processing of pertinent data, hence enhancing staff engagement. After addressing issues and upholding their authenticity, the study found that real leaders changed to reinvent both their companies and themselves in order to satisfy the social and emotional needs of both clients and staff. Crucially, the leaders gave distributive justice, procedural justice, and interactional justice top priority in order to guarantee equity. In order to gain a deeper understanding of how genuine leadership affected employee commitment in diverse settings, the study suggested expanding its scope to include additional government departments (Gacheru et al., 2023).

Rego, Cunha, and Simpson (2018) conducted a study titled "The Perceived Impact of Humility on Team Effectiveness: An Empirical Study." The research investigated how team success is influenced by leaders' perceived humility, reported by both leaders themselves and others. Additionally, the study explored how balanced information processing acts as a mediating factor in this relationship. Empirical data were collected within the context of a leadership development program, incorporating a 360-degree feedback activity that assessed the perceived impact of leadership on team effectiveness, balanced processing, and leader humility. The study conducted by Rego, Cunha, and Simpson (2018) involved 96 middle-level managers from diverse industries participating in a leadership development program. The research contributed to the emerging understanding of the positive correlation between successful team performance and humble leadership. The study highlighted the potential mediating role of the leader's balanced information processing in explaining this positive influence. The authors recommended future research to explore additional or complementary mediators to further understand the unique predictive value of humility in leadership (Rego et al., 2018).

2.3.3 Internalized Moral Perspective Trait and Employee Wellbeing

According to Walumbwa et al. (2008), a leader who upholds coherence between stated fundamental beliefs and judgments is said to have an internalized moral perspective. This demonstrates a commitment to justice and a high standard of professional activity. This trait suggests that the leader is driven by moral principles that they use to self-regulate their behavior. In essence, a leader who has internalized their moral compass integrates their moral principles and acts accordingly.

The foundation of moral self-research is the Aristotelian viewpoint, which considers morality as an innate quality of each person rather than merely the result of abstract moral reasoning (Blasi, 1993; Solomon, 1992). According to this approach, morality is an essential component of what it is to be human (Narvaez & Lapsley, 2009).

The concept of the moral 'self' delves into the morality of selfhood, encompassing both the essence of an individual's identity and sense of self, which are shaped by deep-rooted concerns, attachments, and commitments, as well as their behavior, including their distinctive thought, feeling, and behavior-regulating patterns (Solomon, 1992).

The ideas discussed align with the ontological heritage of psychology and moral philosophy. According to this tradition, the self is comprised of two parts: a private part rooted in one's identity and a public part demonstrated by a commitment to authenticity in one's behavior (Erikson, 1964). This dual perspective depicts the complex relationship between a person's internal moral principles and their external behaviors and actions in the realm of morality and selfhood.

Aquino and Reed's (2002) definition of moral identity incorporates both trait theory and social cognition theory. Moral identity is described as "a self-concept organized around a set of moral traits." This definition recognizes that an individual's internalized social self-concept integrates moral action. The authors highlight two crucial dimensions of moral identity: internalization, indicating how fundamental moral traits are to one's self-concept, and symbolization, indicating how much of these traits are displayed in public. According to Aquino and Reed (2002), these dimensions act as standards and guidelines for a person's moral conduct.

Gu, Tang, and Jiang's (2015) study, conducted in a Chinese setting, investigated the influence of moral leadership on employee innovation. The research introduced a novel theoretical model to elucidate the relationship between moral leadership and employee creativity, considering employee identification with the leader and leader-member exchange (LMX) as mediators. Data for the study were collected through questionnaires administered to supervisors and subordinates. The findings suggested that moral leadership indeed affects employees' creativity. The study underscored the importance of ethical vision, organizational values, and a culture that fosters innovation and sustainable development, emphasizing the ethical implications of integrating moral principles into leadership practices. It highlighted the idea that leaders should prioritize the well-being of individuals within organizations and society at large over their own self-interests and financial gains (Gu et al., 2015).

Yang's (2014) study explored the impact of moral leadership on the subjective well-being and life satisfaction within the context of Chinese culture. The study collected 250 questionnaires from two distinct groups. Surprisingly, the results revealed a negative direct effect of ethical leadership on employee well-being. The study suggested that leadership strategies aiming to promote moral behavior in employees may conflict with the unique communication patterns prevalent in Chinese workplaces. It emphasized the critical role of strategic communication in fostering a peaceful and moral work environment. The study also identified a gap in the assessment of ethical leadership at the supervisor level and proposed further investigation into the alignment between staff members and high-level management teams (Yang, 2014).

Bonner, Greenbaum, and Mayer's (2016) review investigated how moral leadership influences the relationship between moral disengagement among employees and supervisors and its impact on employee behavior. The study suggested that some leaders use cognitive processes to distance themselves from the personal consequences of wrongdoing, enabling them to overlook moral failings. The research utilized multi-source field data from supervisor-employee pairs in various industries. Results indicated that employees with high levels of moral disengagement exhibit less variability in their responses to a manager's moral disengagement, possibly because they don't give as much consideration to how a leader's moral disengagement influences their actions. In contrast, employees with low moral disengagement are more likely to perceive positive ethical leadership when their supervisor demonstrates sincerity and ethics, setting a positive example and producing favorable outcomes. The study emphasized the importance of a leader's moral character aligning with specific ethical leadership behaviors to produce positive or negative employee outcomes. However, the cross-sectional nature of the data limited the ability to draw causal inferences (Bonner et al., 2016).

2.3.4 Relational Transparency Trait and Employee Wellbeing

According to Walumbwa et al. (2008), relational transparency pertains to the authenticity and openness of leaders in their interactions with others. Transparent leaders communicate openly, honestly, and authentically, sharing their thoughts, feelings, and intentions with sincerity. They build trust and credibility by being genuine, approachable, and accountable in their relationships with followers.

Relational transparency, as emphasized by Kernis (2003), Northouse (2013), and Walumbwa et al. (2008), underscores the importance of candor and openness in interpersonal relationships within an organizational context. It involves the transparent sharing of authentic information about relationships and experiences with others, promoting open and honest communication. Team members are encouraged to express genuine thoughts, feelings, and opinions (Walumbwa et al., 2008).

Iqbal et al. (2020) highlight that colleagues are more likely to trust, cooperate, and collaborate when individuals are honest about themselves. Relational transparency goes beyond merely celebrating achievements; it also involves taking responsibility for mistakes and maintaining open and honest communication with others. This contributes to creating an authentic and supportive work environment where individuals can communicate truthfully and openly, laying the foundation for trust in relationships.

Relational transparency, as outlined by Norman (2006), refers to the authenticity displayed by leaders through candor and judicious sharing of their beliefs, feelings, intentions, and aspirations. This involves genuine information sharing that builds confidence among followers. According to Northouse (2016), relational transparency is fundamentally rooted in a leader's authentic presentation of themselves to their followers. This interpersonal transparency enhances the values of authentic leadership, fostering an environment of openness and trust within the workplace.

Relational transparency, according to Kernis (2003), involves authentic leaders deliberately disclosing their underlying feelings, motivations, and tendencies to their followers. This entails showcasing both positive and negative aspects to establish a genuine connection. Additionally, Wong and Cummings (2009) highlight that authentic leaders actively promote openness and sincerity in interpersonal interactions. They achieve this by seeking input, listening to and acknowledging different perspectives, and acting on suggestions. This commitment to transparency and honesty facilitates the establishment of authentic and trustworthy relationships within the leadership dynamic.

The Corporate Ethical Virtues (CEV) paradigm, introduced by Kaptein (2008), defines transparency as the extent to which unethical activities by employees and management are visible, along with the resulting consequences. In this model, transparency is seen as an indicator of unethical behavior. According to Kaptein (2008), individuals, both managers and employees, cannot take responsibility for, modify, or adapt their behavior if they are unaware of the nature or extent of the consequences of their actions. Therefore, transparency is crucial for creating an environment where the ethical implications of actions are clear, allowing for appropriate action to be taken.

In the study conducted by Tastan and Davoudi (2019), the focus on the leader's relational transparency explored the link between Socially Responsible Leadership (SRL) and the organizational ethical climate. The study, which examined employee perceptions of leaders' behaviors across various industries, such as education, banking, finance, tourism, and health care, employed an online survey to collect data from middle- and front-level employees. The findings indicated that relational transparency significantly moderates the relationship between ethical climate and responsible leadership. The study concluded that employees are more likely to engage in ethical behavior at work when they internalize the leader's moral convictions, commitment, and open behavior. Thus, leaders who exhibit a high level of relational transparency contribute to enhancing the overall ethical climate within the organization by fostering openness, sincerity, and ethical conduct (Tastan & Davoudi, 2019).

In 2010, Norman, Avolio, and Luthans conducted a study examining the impact of transparency and positivity on followers' perceptions of leaders' efficacy and trust, particularly in the context of downsizing. The research aimed to understand how participants' trust in the leader and their assessment of the leader's efficacy were affected by varying levels of positivity and communication transparency during downsizing. The study focused on the interplay between perceived effectiveness and leader transparency and trust. The field experiment included participants from various industries, with a significant portion (37%) from the information technology (IT) sector. Results indicated that participants' perceptions of leaders' efficacy and trust were positively influenced by the leaders' openness and positive psychological characteristics. It's important to note that the online format of the experiment might limit the generalizability of the results to in-person interactions, and participant reactions may differ in a field or laboratory setting with direct leader engagement (Norman, Avolio & Luthans, 2010).

Gatling, Shum, Book, and Bai (2017) conducted a study on the influence of relational transparency in hospitality leaders on followers' trust and deviant behaviors, with a focus on the mediating role of behavioral integrity. The research aimed to understand the mechanisms through which relational transparency in a leader impacts the attitudes and behaviors of followers, emphasizing the relevance of such transparency in the hospitality context. The study highlighted the importance of relational transparency and behavioral integrity in leaders to cultivate trust in leader-follower interactions and prevent organizational deviance among followers.

The conclusion drawn was that leaders who do not communicate openly with their staff are more likely to engage in organizational deviance. It's worth noting that the inclusion of undergraduate students as participants may raise questions about the external validity of the findings, even though the study provided a controlled setting to test the theoretical model (Gatling et al., 2017).

2.4 The Research Gap

It is essential to recognize the specific research gaps within the Kenyan banking sector to gain a deeper understanding of the relationship between authentic leadership and employee well-being. By focusing on the distinctive characteristics of the Kenyan banking industry, researchers can offer more nuanced insights that are directly applicable to the local context, thereby bridging the existing gap between academic knowledge and practical implications for organizational leaders. Identifying and addressing these research gaps will not only enrich the existing literature but also provide valuable guidance for executives and organizations seeking to enhance employee well-being within the Kenyan banking sector.

Previous studies, such as that conducted by Daniel Lundqvist et al. (2015), have examined the influence of leadership on employee well-being in various work environments, including on-site and remote settings. However, the applicability of these findings to the Kenyan banking industry remains uncertain. The escalating prominence of remote work, particularly in response to the COVID-19 pandemic, necessitates a closer examination of leadership dynamics within the unique context of Kenyan banks. While Lundqvist et al. (2015) found minimal differences in well-being between on-site and remote workers; the study was limited to a Swedish municipality and may not fully capture the complexities of leadership practices in Kenyan banking institutions.

Similarly, research by Berger, Fasbender, and Vantilborgh (2019) explored the impact of different leadership philosophies on anxiety and well-being among knowledge workers. While their findings shed light on the role of transformational and passive-avoidant leadership styles, the study's focus on a German Research and Development Company may not fully translate to the Kenyan banking context. Furthermore, the study's reliance on the job demands-resources (JD-R) paradigm may overlook the unique organizational dynamics present in Kenyan banks, warranting further investigation into alternative theoretical frameworks.

Derya Kara et al. (2013) addressed the influence of leadership styles on employee well-being within the hospitality sector, specifically examining transactional and transformational leadership. While their findings contribute valuable insights, particularly regarding quality of life and organizational commitment, the applicability of these findings to the banking industry in Kenya remains uncertain. Additionally, the study's focus on hospitality establishments may not fully capture the distinct challenges and dynamics present in banking institutions.

Furthermore, the study by Rahimnia and Sharifirad (2015) highlighted the positive impact of authentic leadership on employee well-being, particularly in mitigating stress and improving job satisfaction. However, the study's focus on medical professionals in Iran may limit its generalizability to the Kenyan banking sector. Moreover, the study's emphasis on attachment insecurity as a mediating factor warrants further exploration within the specific context of Kenyan banks.

In summary, while existing research provides valuable insights into the relationship between authentic leadership and employee well-being, there remains a notable gap in the literature concerning the application of these findings to the Kenyan banking industry. Further research is warranted to address these gaps and provide context-specific insights that will empower organizations in the banking sector to enhance employee well-being effectively. Table 2.1 outlines a summary of the identified knowledge gaps from various conducted studies.

Table 2.1 Summary of the Research Gaps

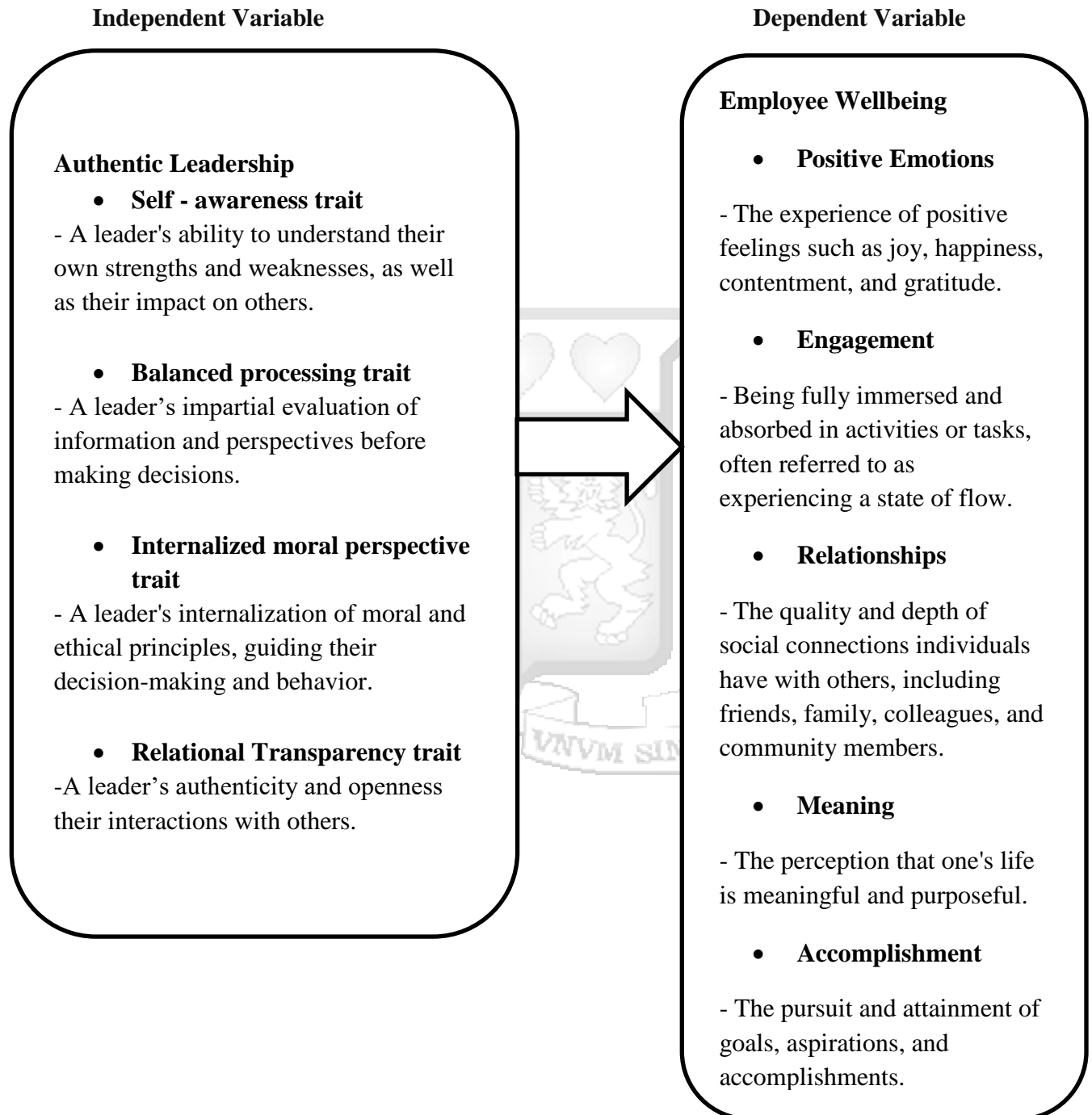
Study	Focus on Previous Studies	Findings	Research Gaps	Focus on this Current Study
Daniel Lundqvist et al. (2015)	Leadership impact on workers' well-being: on-site versus remote employment.	The well-being of employees appears to be significantly influenced by the leadership of their immediate manager, irrespective of the work setting.	Focus of the Study was done in a community in Sweden.	The study focused on employees in the banking industry in Kenya.
Rita Berger et al. (2019)	Analyze the relationship between employees' anxiety and the two opposing leadership philosophies—transformational leadership and passive-avoidant leadership—and how and when it affects the employees' ability to be well.	It highlights the significance of integrating resources and demands across motivational, relational, and social-cognitive categories when assessing well-being in the workplace.	The JDR framework model served as the study's foundation for the theoretical review.	This research study was anchored on two main theories; Leader Member Exchange Theory and Fiedler's Contingency Theory.
Derya Kara et al. (2013)	Impact of a leader's style on the wellbeing of staff in the hospitality industry.	Beneficial impact of transformational leadership on employee well-being within the hospitality sector.	The research was focused on Transformational and Transactional leadership styles.	The study focused on Authentic Leadership style.
Rahimnia and Sharifirad (2015)	An extensive analysis of the relationship between employee well-being and authentic leadership: the mediating function of attachment insecurity.	Authentic leadership positively contributed to job satisfaction while reducing perceived stress and symptoms of stress, encompassing three dimensions of employee well-being.	The study was focused on attachment insecurity as a mediating factor.	This stud focused on Authentic Leadership as the independent variable and Employee wellbeing as the dependent variable.
Baquero (2023)	Authentic leadership, employee work engagement, trust in the leader, and workplace well-being	Authentic leadership positively impacts work engagement and trust, enhancing workplace well-being.	Limited exploration of the specific dimensions of employee well-being influenced by authentic leadership.	Investigating the direct relationship between authentic leadership behaviors and various dimensions of employee well-being, including job

				satisfaction, stress levels, turnover intentions, and work-life balance.
Kleynhans, Heyns, Stander & de Beer (2022)	Authentic leadership, trust in the leader, and employee flourishing	Authentic leadership fosters trust in leaders, which contributes to employee flourishing.	Lack of focus on how authentic leadership impacts specific well-being aspects such as job satisfaction and stress levels.	Examining how authentic leadership influences specific well-being dimensions to provide actionable insights for fostering supportive work environments.
Ortiz-Gómez, Molina-Sánchez, Ariza-Montes & de Los Ríos-Berjillos (2022)	Servant and authentic leadership as resources for workers' subjective well-being	Both leadership styles positively influence workers' subjective well-being.	Need for more empirical studies linking authentic leadership to employee well-being in specific contexts, such as the banking industry.	Addressing the lack of comprehensive understanding of how authentic leadership affects employee well-being within the Kenyan banking sector.
Sarifuddin, Habibah, Chalil & Prasetyaningtyas (2021)	Role of authentic leadership, psychological capital, and gender on employee performance during remote work	Authentic leadership and psychological capital improve employee performance during remote work.	Limited focus on how these leadership behaviors impact overall employee well-being beyond performance metrics.	Investigating how authentic leadership behaviors impact various dimensions of employee well-being, including positive emotions, engagement, relationships, meaning, and achievement.
Majumder (2017)	Importance of fostering deep relationships with employees for business success	Deeper relationships with employees drive overall business success.	Insufficient exploration of leadership's role in fostering employee well-being in the banking sector.	Contributing to the understanding of how authentic leadership affects employee well-being and identifying methods to develop significant relationships within the banking industry.

Source: Researcher (2024)

2.5 The Conceptual Framework

Figure 2:1 Conceptual Framework



Source: Researcher (2024)

The theoretical framework depicted in Figure 2.1 outlines the envisioned connection between authentic leadership and employee wellbeing. In this research, authentic leadership was assessed through the dimensions of Self-awareness, Internalized moral perspective, Balanced processing and Relational Transparency (Walumbwa et al., 2008). Conversely, employee wellbeing was gauged in terms of Positive Emotions, Relationships, Engagement, Meaning, and Accomplishment (Seligman, 2011). Drawing from the insights gathered in the literature review, Figure 2.1 proposes a relationship where authentic leadership is hypothesized to exert a significant impact on employee wellbeing.

In this study, the conceptual framework was informed by two prominent theoretical perspectives: Leader-Member Exchange (LMX) theory and Fiedler's Contingency Theory. LMX theory emphasizes the quality of the relationship between leaders and followers, positing that high-quality exchanges lead to greater trust, support, and mutual respect, ultimately influencing various organizational outcomes (Graen & Uhl-Bien, 1995). This theory serves as a foundation for understanding how authentic leadership behaviors, including self-awareness, balanced processing, internalized moral perspective, and relational transparency, may shape the quality of leader-follower exchanges and subsequently impact employee well-being. Additionally, Fiedler's Contingency Theory highlights the importance of matching leadership styles with situational factors to maximize effectiveness (Fiedler, 1967). By considering contextual variables such as task structure, leader-member relations, and position power, this theory provides insights into the contingent nature of leadership behaviors and their effects on organizational outcomes. Therefore, the conceptual framework delineates the independent variable, consisting of authentic leadership behaviors informed by LMX theory and Fiedler's Contingency Theory, and the dependent variable, encompassing various dimensions of employee well-being within the banking industry.

2.6 Operationalization of Study of Variables

The operationalization process involves translating abstract concepts into measurable traits using indicators. In this study, a rating scale ranging from 1=strongly disagree to 5=strongly agree was employed to assess both the independent and dependent variables. The specific indicators utilized in this study are succinctly outlined in the table below.

Table 2.2 Operationalization of Study of Variables

Variable	Constructs	Operational Definition	Measurement Scales	Source(s)
Independent Variable (Authentic Leadership)	Self - awareness trait	They possess a comprehensive awareness of their own values, characteristics, shortcomings, and emotions. They demonstrate consciousness of their identity and motivation as leaders.	Five-point Likert scale 1-Strongly Disagree 2-Disagree 3- Neutral 4-Agree 5-Strongly Agree	(Walumbwa et al., 2008)
	Balanced processing trait	Prior to making decisions, they evaluate facts and opinions in a balanced manner. To make wise decisions, they are receptive to criticism and actively seek out different points of view.	Five-point Likert scale 1-Strongly Disagree 2-Disagree 3- Neutral 4-Agree 5-Strongly Agree	(Walumbwa et al., 2008)
	Internalized moral perspective trait	They uphold a set of fundamental values and possess a solid moral foundation. They encourage moral behavior within their organizations by acting in accordance with their principles.	Five-point Likert scale 1-Strongly Disagree 2-Disagree 3- Neutral 4-Agree 5-Strongly Agree	(Walumbwa et al., 2008)
	Relational Transparency trait	They are forthright, truthful, and sincere in their dealings with others. They gain trust by being genuine and not masking who they really are.	Five-point Likert scale 1-Strongly Disagree 2-Disagree 3- Neutral 4-Agree 5-Strongly Agree	(Walumbwa et al., 2008)
Dependent Variable (Employee Wellbeing)	Positive Emotions	The self-reported experiences of pleasure, cheerfulness, and contentment, capturing feelings of joy, satisfaction, and comfort	Five-point Likert scale 1-Strongly Disagree 2-Disagree 3- Neutral 4-Agree	(Seligman, 2011)

		in both work and personal life.	5-Strongly Agree	
	Engagement	The level of immersion and flow experienced in work-related activities, indicating intrinsic motivation and focus.	Five-point Likert scale 1-Strongly Disagree 2-Disagree 3- Neutral 4-Agree 5-Strongly Agree	(Seligman, 2011)
	Relationships	The quality and quantity of social connections, including both professional and personal relationships.	Five-point Likert scale 1-Strongly Disagree 2-Disagree 3- Neutral 4-Agree 5-Strongly Agree	(Seligman, 2011)
	Meaning	The extent to which individuals attribute significance and purpose to their work and life, examining the coherence and direction in their personal narratives.	Five-point Likert scale 1-Strongly Disagree 2-Disagree 3- Neutral 4-Agree 5-Strongly Agree	(Seligman, 2011)
	Accomplishment	The degree of accomplishment and success individuals perceive in their endeavors, capturing feelings of competence and mastery.	Five-point Likert scale 1-Strongly Disagree 2-Disagree 3- Neutral 4-Agree 5-Strongly Agree	(Seligman, 2011)

Source: Researcher (2024)

2.7 Chapter Summary

This chapter discusses the foundational concepts guiding the study and the practical investigations conducted by researchers concerning authentic leadership and employee well-being. A synthesis of research gaps identified in prior studies was presented. The operationalization table provided a detailed breakdown of variable descriptions and their corresponding measures, while the conceptual framework visually delineated the interrelationships among these variables.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the methodology that will guide the research procedures, encompassing aspects such as research philosophy, design, population, data collection, data analysis, research quality, and ethical considerations.

3.2 Research Philosophy

Saunders, Lewis, and Thornhill (2019) conceptualize research philosophy as a set of beliefs and assumptions that guide the construction of knowledge. According to Jensen (2023), research philosophy serves as the foundational framework for a study, outlining the nature of the knowledge one aims to acquire. Jensen (2023) classifies research philosophy into three paradigms: Positivism, Interpretivism, and Pragmatism. Positivism is founded on the premise that knowledge can be acquired through objective observations and measurements, positing that answers can be derived through meticulous measurement and analysis of data, particularly numerical data. Interpretivism posits that reality is socially constructed, subjective, and influenced by the observer through their experiences, rather than existing independently. Pragmatism takes a flexible approach, emphasizing the potential usefulness and applicability of research findings (Jensen, 2023).

Positivism is in alignment with the philosophical stance of natural scientists, involving the exploration of observable social reality to generate law-like generalizations (Saunders et al., 2019). The term positivism highlights the emphasis on the "posited" or "given," underscoring positivism's dedication to a rigorously scientific, empiricist approach intended to generate objective data and facts free from bias or human interpretation (Crotty, 1988). For this study, the positivist paradigm was adopted as it focuses on relationships, seeking to understand how variables affect each other, particularly in investigating how authentic leadership affects employee wellbeing in the banking industry in Kenya.

3.3 Research Design

A research design, as defined by Kerlinger (1986), is a comprehensive plan, framework, and investigative approach formulated to address research problems or questions. This plan covers the complete study scheme, detailing the steps taken by the investigator from developing hypotheses and their operational implications to doing the final data analysis. According to Thyer (1993), a classic research design is a blueprint or comprehensive plan outlining the steps involved in conducting a research study. It entails operationalizing variables for measurement, choosing a study sample, gathering information to support hypothesis testing, and interpreting the findings. A research design, as outlined by Selltiz et al. (1962), involves establishing parameters for data collection and analysis in a manner that achieves a balance between procedural efficiency.

The research design for this study was a descriptive cross-sectional survey, chosen to accurately depict the dynamics between authentic leadership and employee well-being in Kenya's banking industry. Descriptive research, as outlined by Saunders et al. (2019), is geared towards providing a precise representation of events, individuals, or circumstances, aligning perfectly with the study's aim. By utilizing a cross-sectional survey approach, data was gathered at a specific moment, offering a snapshot of the prevailing conditions within commercial banks. This design was particularly advantageous for investigating essential aspects such as "what," "who," "where," "how much," and "how many," which are central to understanding authentic leadership behaviors and their impact on employee well-being. Moreover, the cross-sectional survey design allowed for better control over the research process, sampling from a cross-section of the local banking community to assess the prevalence of various conditions, attitudes, or issues relevant to the study. Thus, the descriptive cross-sectional survey design aligned well with the research objectives, providing a robust framework for capturing essential data and insights to address the research questions effectively. Overall, it offered a systematic approach to exploring the research questions and achieving the study's objectives.

3.4 Population of the Study

Saunders et al. (2019) define a population as the complete set of cases or elements from which a sample is drawn, and the target population as a specific subset of this larger population. It is crucial, when selecting a sample for a study, to ensure that it is not only justifiable in addressing the research questions and meeting the study's objectives but also meaningfully representative of the entire population (Becker, 1998).

The population of this study focused on all commercial banks operating in Kenya, totaling 39 banks. These banks encompass Tier 1, Tier 2, and Tier 3 institutions, as classified by the Central Bank of Kenya (CBK) based on market share, asset base, and number of customer deposits. This study's emphasis on commercial banks was justified by their extensive reach and impact on the economy, making them ideal subjects for examining the relationship between authentic leadership and employee well-being. Additionally, commercial banks are subject to stringent regulatory oversight by the CBK, ensuring adherence to prudential regulations and maintaining financial stability. Therefore, investigating authentic leadership practices within commercial banks provided valuable insights into how leadership behaviors influence employee well-being, benefiting both academic research and practical organizational management strategies.

3.5 Sampling Technique

Saunders et al. (2019) delineate two main categories of sampling techniques: probability sampling and non-probability sampling. In probability sampling, each case in the target population is chosen with a known and typically equal chance. This method is suitable for addressing research questions requiring statistical estimations, as it allows the researcher to statistically estimate the characteristics of the target population from the sample. On the contrary, non-probability sampling does not provide a known probability for each case selected from the target population. This approach is employed when the primary goal is to obtain insights or perspectives from specific subgroups or individuals with particular traits, and statistical representativeness is not the primary objective (Saunders et al., 2019).

This research utilized the judgmental sampling method. In quantitative research, judgmental sampling, also known as purposive or selective sampling, is often chosen when the researcher aims to select participants who possess specific characteristics or experiences relevant to the research questions (Creswell & Creswell, 2017). In the context of this study, judgmental sampling was justified because the focus is on investigating the relationship between authentic leadership and employee well-being in the commercial banking sector of Kenya. Given the emphasis on authentic leadership, the study targeted individuals in leadership positions across various management levels within the banks.

This strategic sampling approach enhanced the relevance and applicability of the findings, as it considered the unique dynamics and challenges faced by employees in various departments. Additionally, by selecting participants who are knowledgeable about the phenomenon under study, judgmental sampling facilitated the collection of rich and meaningful data, contributing to the validity and depth of the research findings. Overall, judgmental sampling was well-suited to the objectives of this study, as it allowed for a targeted and focused investigation of the relationship between authentic leadership and employee well-being in the context of Kenyan commercial banks.

The study covered five specific departments within the commercial banks, including retail banking, corporate/institutional banking, investment banking, marketing, and human resources. By targeting these departments, which represent key functional areas within the banks, the researcher gained insights into how authentic leadership influences employee well-being across different organizational functions.

To determine the sample size, the study targeted a manager from each department, thus five managers from each bank making the sample size 195 managers in total. The researcher ensured a comprehensive understanding of leadership practices and their impact on employee well-being throughout the organizational hierarchy by selecting participants from top, middle, and low management levels. This approach allowed for a nuanced exploration of the phenomenon, capturing diverse perspectives and experiences within the banking industry.

3.6 Data Collection Methods

The study collected primary data using a structured questionnaire. According to Kumar (2019), questionnaires are written lists of questions, and respondents record their answers. Respondents read the questions, interpret expectations, and then write down their responses. The primary distinction between an interview schedule and a questionnaire lies in the fact that, in the former, the interviewer poses the questions and records the responses, while in the latter, respondents record their answers independently. As noted by Saunders et al. (2019), questionnaires are often employed in descriptive or explanatory research. Descriptive research, including attitude and opinion questionnaires, as well as inquiries into organizational practices, allows researchers to identify and describe variability in different phenomena.

The questionnaire employed a structured format with close-ended questions. As defined by Bethlehem (2009), a closed question is designed to measure qualitative variables, providing a list of possible answers corresponding to the categories of the variable. Respondents are required to select one option from the provided list. The questionnaire was structured into three sections: Section A collected respondent demographic information. In Section B of the questionnaire, questions related to authentic leadership traits were drawn from the Authentic Leadership Questionnaire (ALQ) developed by Walumbwa et al. (2008). The questions in Section C, focused on assessing employee well-being, were drawn from validated tools previously used to measure the dimensions of well-being according to Seligman's PERMA model (2011).

In ensuring an efficient and structured approach to data collection, the drop-and-pick-later method was employed for self-administering the questionnaires. This method entailed visiting of the various banks to introduce the study and requesting respondents for their participation. An introductory letter issued by Strathmore University was provided to, along with comprehensive information about the research objectives and the confidentiality measures in place were shared with the identified respondents. This proactive approach not only ensured clarity regarding the research's purpose but also provided assurance of data confidentiality, thereby fostering trust and willingness to participate among respondents.

3.7 Research Quality

This section will present the reliability and validity of the study.

3.7.1 Reliability

Reliability, defined as the ability of a research instrument to yield consistent results under similar conditions, is a crucial aspect of research methodology (Kumar, 2019). It signifies the accuracy, stability, and predictability of the instrument, with higher reliability indicating greater accuracy (Kumar, 2019).

To ensure the reliability of the research instruments used in this study, Cronbach's alpha coefficient was calculated for each section of the questionnaire. Cronbach's alpha is a widely recognized measure of internal consistency reliability, providing an indication of how well the items within each section of the questionnaire correlate with one another (Bonett & Wright, 2015). A high Cronbach's alpha value, typically above 0.70, suggests strong internal consistency among the items, indicating that they are measuring the same underlying construct reliably (Bonett & Wright, 2015).

To evaluate the reliability of the research instruments, Cronbach's alpha was computed based on the responses collected during the pilot study and analyzed using statistical software. Cronbach's alpha coefficient provides insight into the internal consistency of the questionnaire items, indicating the degree to which they reliably measure the intended constructs of authentic leadership and employee well-being. The results from the Cronbach's Alpha Reliability test are shown in Table 3.1 below.

Table 3:1 Cronbach's Alpha Reliability Test

Reliability Statistics

Cronbach's Alpha	N of Items
.976	59

Source: Researcher (2024)

The high Cronbach's alpha coefficient of .976 observed in this study suggests a strong level of internal consistency among the items, with a total of 59 items included in the analysis. This indicates that the questionnaire items consistently assess the underlying dimensions of authentic leadership and employee well-being. Such robust reliability statistics enhance the confidence in the measurement instruments employed, thereby bolstering the accuracy and predictability of the study findings. This rigorous approach to assessing reliability underscores the methodological rigor of the research and strengthens the validity of the conclusions drawn from the data analysis.

3.7.2 Validity

Ensuring the validity of research findings is paramount to the credibility and trustworthiness of the study outcomes. Validity, as defined by Saunders et al. (2019), encompasses the accuracy and appropriateness of the research measures, as well as the ability to generalize and interpret the results effectively. The validity of this study was addressed across multiple dimensions, including content validity, construct validity and face validity.

Content validity, which pertains to the extent to which the research instrument adequately covers the relevant aspects of the phenomenon under investigation, was meticulously assessed. The questionnaire developed for this study underwent rigorous scrutiny by the supervisor at Strathmore University and other subject matter experts in the field of organizational behavior and leadership. Their feedback and insights were instrumental in ensuring that the questionnaire comprehensively captured the variables of interest and aligned with the study objectives.

Construct validity, on the other hand, was established by aligning the study variables with established theoretical frameworks and empirical evidence from relevant literature. By grounding the research in robust theoretical models such as Walumbwa et al.'s (2008) authentic leadership framework and Seligman's (2011) PERMA model of well-being, the study aimed to ensure that the measures used accurately reflect the underlying constructs of authentic leadership and employee well-being.

Additionally, face validity was assessed by soliciting feedback from a sample of respondents from NCBA and ABSA banks, who reviewed a preliminary version of the questionnaire. This process enabled the researcher to evaluate the clarity, relevance, and comprehensibility of the questionnaire from the perspective of the target population. Any ambiguities or ambiguities identified during this phase were addressed promptly to enhance the questionnaire's clarity and applicability. Through these comprehensive validation efforts, the study aimed to enhance the robustness and reliability of its findings, thereby contributing to the advancement of knowledge in the field of organizational behavior and leadership.

3.8 Data analysis

The data analysis process involved thorough engagement with the collected data, encompassing tasks like organization, segmentation, synthesis, pattern recognition, and identification of key insights for communication to others (Bogdan & Biklen, 1982). In this study, the collected data underwent meticulous sorting and editing to ensure completeness and consistency. The Statistical Package for Social Sciences (SPSS) software was employed for data analysis, utilizing both descriptive and inferential statistical methods. Descriptive statistics, including mean and standard deviation, provided a comprehensive overview of the data. Correlation analysis was conducted to assess the interrelationships between the variables under study, guiding further analysis. Additionally, regression analysis was performed to ascertain the nature and strength of the relationships between the various study variables. This rigorous analytical approach aimed to derive meaningful insights and contribute to a comprehensive understanding of the research findings.

Specifically, regression analysis was carried out to determine the relationship between authentic leadership and employee wellbeing. In this a model of relationship was hypothesized in the form $Y = \beta_0 + \beta_1 X + \epsilon$ where β_0 β_1 are model parameters and ϵ is a probabilistic error term that accounts for any variability in Y that cannot be explained by the linear relationship with X (Cooper & Schindler, 2014). Independent variables of authentic leadership were regressed against the dependent variable of employee wellbeing.

The equations are as shown below:

$$EWY = \beta_0 + \beta_1 S + \beta_2 B + \beta_3 I + \beta_4 R + \epsilon$$

Where:

Dependent variable (Y- Employee Wellbeing) was tested as per the equation.

S - Self - awareness trait

B - Balanced processing trait

I - Internalized moral perspective trait

R - Relational Transparency trait

1, 2, 3, 4 = coefficients for which predicted the value of Y.

β_0 = constant.

ϵ – Error term

3.9 Ethical Consideration

Adhering to ethical norms in research is crucial for various reasons. Firstly, these norms play a pivotal role in advancing the fundamental objectives of research, including the pursuit of knowledge, truth, and the avoidance of errors. Second, as research involves a varied range of participants from a variety of fields and institutions, ethical norms promote fundamental values like justice, responsibility, mutual respect, and trust. Thirdly, transparency and integrity are strengthened because ethical standards guarantee that researchers may be held accountable to the public. Furthermore, following ethical guidelines helps to increase public confidence in and support for research projects, which raises the possibility of receiving funding. Finally, these standards promote moral and social ideals that go beyond the confines of research, including human rights, social responsibility, legal compliance, and public health and safety.

The research prioritized ethical considerations to safeguard the confidentiality and integrity of the study. To ensure anonymity, the researcher meticulously separated the identity of individual banks from the information provided. The entire research process adhered to the ethical guidelines outlined in Strathmore University's code of ethics. Prior to commencing the research, formal permission was sought from the university. Moreover, comprehensive ethical approval and the necessary permit from the National Commission for Science, Technology and Innovation (NACOSTI) were diligently obtained.

The researcher is committed to acknowledging and crediting all published and unpublished materials used in the thesis to prevent plagiarism. Throughout the research, the information gathered was treated with utmost privacy, and no disclosure beyond the scope of this study was made. This approach ensured that ethical standards are rigorously maintained in every aspect of the research process.

3.10 Chapter Summary

This chapter explains research philosophy and design, population of the study, sampling design, data collection method and analysis. It also includes ethical consideration and research quality.



CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND DISCUSSIONS

4.1 Introduction

This chapter presents the results and findings of the study concerning its research objectives. It encompasses presentation and interpretation of respondent demographics and the findings regarding employee wellbeing as delineated by the study objectives.

4.2 Response Rate

The study aimed to survey 195 managers across various departments within commercial banks, specifically targeting retail banking, corporate/institutional banking, investment banking, marketing, and human resources. Questionnaires were distributed to all intended participants, totaling 195, but ultimately, responses were received from 156 individuals. This yielded a commendable response rate of 80%, indicating adequate engagement from the target demographic. As noted by Dillman, Smyth, and Christian (2014), achieving a response rate of 60% or higher is typically deemed satisfactory in survey research, thus affirming the study's adherence to established research standards. The response rate is depicted in Table 4.1 below.

Table 4.1 Response Rate

Category	Frequency	Percentage
Returned Questionnaires	156	80%
Not Returned Questionnaires	39	20%
Total	195	100%

Source: Researcher (2024)

4.3 Demographic Findings

This section presents results from Section A of the questionnaire which sought to obtain data on the demographic profile of respondents. The results are presented next.

4.3.1 Gender versus Age of Respondents

The researcher aimed at determining the relationship between gender and the age of respondents. The results are displayed in Table 4.2 below.

Table 4.2 Gender * Age Cross Tabulation

		Age				Total
		20-30	31-40	41-50	51-60	
Gender	Male	33	21	0	1	55
	Female	34	50	17	0	101
Total		67	71	17	1	156

Source: Researcher (2024)

The analysis of gender versus age of respondents revealed interesting patterns within the sample population. Among male respondents, the highest representation was observed in the age bracket of 20-30, with 33 individuals, followed by the 31-40 age group, comprising 21 respondents. Notably, there were no male respondents aged 41-50, and only one respondent aged 51-60. Conversely, among female respondents, the distribution was more evenly spread across age categories. The largest proportion of female respondents fell within the 31-40 age group, with 50 individuals, followed by 20-30 with 34 respondents. Additionally, 17 female respondents were aged 41-50, while there were no female respondents in the 51-60 age bracket. Overall, the majority of respondents were female, with a total of 101 participants, compared to 55 male respondents. This cross tabulation highlights gender and age distribution differences within the sample, providing valuable insights into the demographic composition of the study participants.

4.3.2 Period of Working in the Bank versus Level of Education

The research also sought to find out the level of education of the managers in the organization in terms of the period they have worked in the bank. The results are displayed in Table 4.3 below:

Table 4.3 Period of Working in the Bank * Level of Education Cross tabulation

		Level of Education			Total
		High School/Secondary or Equivalent	Bachelor's Degree	Master's Degree	
Period of Working in the Bank	Less than a year	0	27	0	27
	1-5 Years	0	65	2	67
	6-10 Years	0	33	10	43
	11-15 Years	0	8	4	12
	16-20 Years	0	3	3	6
	More than 21 years	1	0	0	1
Total		1	136	19	156

Source: Researcher (2024)

The analysis of the period of working in the bank versus the level of education revealed notable trends among respondents. Across different periods of working in the bank, the majority of respondents held Bachelor's degrees, with the highest count observed in the 1-5 years category, totaling 65 individuals. This trend was consistent across all periods, indicating a prevalence of Bachelor's degree holders among respondents regardless of their tenure in the bank. Additionally, a considerable number of respondents with Master's degrees were found in the 1-5 years and 6-10 years categories, with 2 and 10 individuals respectively. Conversely, respondents with High School/Secondary or Equivalent education were notably absent in the higher tenure categories, suggesting a trend of higher educational attainment among individuals with longer tenures in the bank. Overall, the cross tabulation provides insights into the educational distribution among respondents based on their tenure in the banking sector, highlighting the prevalence of Bachelor's and Master's degree holders across different periods of employment.

4.3.3 Department Deployed versus Level of Management

The study aimed at find out the level of management of each manager based on the department they work in. The results are displayed in Table 4.4 below.

Table 4.4 Department Deployed * Level of Management Cross tabulation

		Level of Management		Total
		Middle-level management	Lower-level management	
Department Deployed	Retail Banking	29	10	39
	Corporate/Institutional Banking	16	4	20
	Investment Banking	16	19	35
	Marketing	18	21	39
	Human Resources	23	0	23
Total		102	54	156

Source: Researcher (2024)

The analysis of department deployment versus the level of management revealed interesting patterns among respondents. Across different departments, the distribution of respondents varied significantly based on their level of management. In the retail banking department, a higher proportion of respondents were in middle-level management compared to lower-level management, with 29 individuals versus 10 individuals respectively. Similarly, in the marketing department, there was a higher representation of middle-level management compared to lower-level management, with 18 individuals versus 21 individuals respectively. Conversely, in the human resources department, all respondents were in middle-level management, indicating a lack of lower-level management representation in this department. In contrast, the corporate/institutional banking and investment banking departments exhibited more balanced distributions between middle-level and lower-level management. Overall, the cross tabulation provides insights into the distribution of respondents across different departments based on their level of management, highlighting variations in management structures and hierarchies across departments within the banking sector.

4.4 Descriptive Statistics

Descriptive statistics, a fundamental component of data analysis, provide a comprehensive overview of a dataset's characteristics. Mean and standard deviation are key measures used to assess central tendency and variability within a dataset, respectively. Mean, often referred to as the average, and represents the arithmetic average of all values in the dataset, providing a measure of central tendency (Trochim and Donnelly, 2006). Standard deviation, on the other hand, quantifies the amount of variation or dispersion present in the data points relative to the mean. A smaller standard deviation indicates that the data points are closer to the mean, reflecting homogeneity, while a larger standard deviation suggests greater variability or heterogeneity among the data points (Trochim & Donnelly, 2006).

4.4.1 Self-awareness Trait and Employee Wellbeing in the Banking Industry in Kenya

The study aimed at finding out how Self-awareness trait influenced employee wellbeing in the banking industry in Kenya. Table 4.5 shows the obtained results.

Table 4.5 Descriptive Statistics of Self-awareness Trait

Self-awareness Trait	N	Mean	Std. Deviation
My leader asks for input to enhance relationships with others.	156	3.11	0.862
My leader does a good job of expressing how others perceive him or her.	156	2.54	1.068
My leader is aware of when to reassess their opinions on crucial matters.	156	2.8	1.138
My leader demonstrates that they are aware of how their activities affect other people.	156	2.79	1.142
My leader openly acknowledges and learns from mistakes or limitations.	156	2.65	1.063
My leader engages in regular self-reflection and shows a commitment to personal development.	156	2.71	1.101
My leader exhibits a thorough awareness of both their weaknesses and strengths.	156	2.78	1.087
Average Score		2.769	1.066

Source: Researcher (2024)

The analysis of the self-awareness trait in relation to its influence on employee wellbeing in the banking industry in Kenya revealed interesting findings. Across the seven statements assessing various aspects of self-awareness exhibited by leaders, the mean scores ranged from 2.54 to 3.11, indicating a moderate level of agreement among respondents. Notably, the statement with the highest mean score (3.11) pertained to leaders soliciting input to enhance relationships with others, suggesting that employees perceive their leaders as actively seeking feedback to foster positive interactions within the workplace. Conversely, the statement with the lowest mean score (2.54) related to leaders expressing how others perceive them, indicating a comparatively lower level of agreement among respondents regarding their leaders' effectiveness in this aspect. Additionally, the standard deviations ranged from 0.862 to 1.138, reflecting some variability in responses across the different statements. Overall, the average score for the self-awareness trait was calculated at 2.769, with a standard deviation of 1.066. This suggests a moderate level of perceived self-awareness among leaders in the banking industry, with some variability in responses across individual statements. These findings provide valuable insights into the perceived behaviors of leaders in terms of self-awareness and their potential implications for employee wellbeing within the banking sector.

4.4.2 Balanced Processing Trait and Employee Wellbeing in the Banking Industry in Kenya

The study aimed at finding out how Balanced Processing trait influenced employee wellbeing in the banking industry in Kenya. Table 4.6 shows the obtained results.

Table 4.6 Descriptive Statistics of Balanced Processing Trait

Balanced Processing Trait	N	Mean	Std. Deviation
My leader actively seeks out opinions that contradict their strongly held beliefs.	156	2.92	1.28
My leader considers all available information before making a decision.	156	3.22	1.237
My leader thoroughly considers all viewpoints before reaching a decision.	156	3	1.275
My leader treats all team members fairly and avoids favoritism in decision-making.	156	2.92	1.408
My leader encourages open discussions and values dissenting opinions within the team.	156	3.27	1.374
My leader never prioritizes his or her own viewpoint over	156	2.78	1.149

others'.			
My leader consistently seeks input from team members with different expertise/backgrounds when making decisions.	156	2.94	1.352
Average Score		3.01	1.296

Source: Researcher (2024)

The analysis of the balanced processing trait, which explores how leaders' impartiality in decision-making influences employee wellbeing in the banking industry in Kenya, revealed notable insights. Across the seven statements assessing various aspects of balanced processing demonstrated by leaders, the mean scores ranged from 2.78 to 3.27, indicating a moderate to high level of agreement among respondents. Notably, statements related to leaders actively seeking out dissenting opinions (mean = 3.27) and encouraging open discussions (mean = 3.22) received the highest mean scores, suggesting that employees perceive their leaders as valuing diverse viewpoints and fostering an inclusive decision-making environment. Conversely, the statement with the lowest mean score (2.78) pertained to leaders prioritizing their own viewpoints over others', indicating a lower level of agreement among respondents in this aspect. Additionally, the standard deviations ranged from 1.149 to 1.408, reflecting some variability in responses across the different statements.

Overall, the average score for the balanced processing trait was calculated at 3.01, with a standard deviation of 1.296. This suggests a generally positive perception of leaders' impartiality in decision-making among employees in the banking sector, albeit with some variability in responses across individual statements. These findings offer valuable insights into the perceived behaviors of leaders in terms of balanced processing and their potential implications for employee wellbeing within the banking industry.

4.4.3 Internalized Moral Perspective Trait and Employee Wellbeing in the Banking Industry in Kenya

The study aimed at finding out how Internalized moral perspective trait influenced employee wellbeing in the banking industry in Kenya. Table 4.7 shows the obtained results.

Table 4.7 Descriptive Statistics of Internalized Moral Perspective Trait

Internalized Moral Perspective Trait	N	Mean	Std. Deviation
My leader consistently demonstrates a commitment to ethical behavior in actions and decisions.	156	3.38	1.177
My leader bases decisions on his or her fundamental convictions.	156	3.3	1.08
My leader requests that you adopt stances that align with your basic principles.	156	3.26	1.095
My leader bases his challenging decisions on the highest moral principles.	156	3.27	1.037
My leader considers the long-term ethical implications of their decisions.	156	3.29	1.218
My leader effectively communicates and upholds a clear set of ethical values and principles.	156	3.43	0.958
My leader aligns organizational goals with moral and ethical standards.	156	3.54	1.012
Average Score		3.35	1.082

Source: Researcher (2024)

The analysis of the Internalized Moral Perspective Trait reveals a consistently positive perception among employees regarding their leaders' ethical orientation and its impact on employee well-being within the Kenyan banking sector. With mean scores ranging from 3.26 to 3.54, and standard deviations indicating moderate variability (ranging from 0.958 to 1.218), respondents perceive their leaders as demonstrating a strong commitment to ethical behavior, decision-making anchored in fundamental convictions, and alignment of organizational goals with moral standards. Particularly noteworthy is the high mean score of 3.54 for the statement "My leader aligns organizational goals with moral and ethical standards," indicating a widespread agreement among respondents.

The average score of 3.35 across all items further underscores a prevailing consensus regarding the ethical conduct of leaders and its potential influence on fostering a conducive work environment. These findings suggest a positive association between leaders' internalized moral perspective and employee well-being, highlighting the significance of ethical leadership practices in promoting organizational health and employee satisfaction within the banking industry in Kenya.

4.4.4 Relation Transparency Trait and Employee Wellbeing in the Banking Industry in Kenya

The study aimed at finding out how Relational Transparency trait influenced employee wellbeing in the banking industry in Kenya. Table 4.8 shows the obtained results.

Table 4.8 Descriptive Statistics of Relational Transparency Trait

Relational Transparency Trait	N	Mean	Std. Deviation
My leader expresses themselves clearly.	156	2.98	1.183
My leader owns up to his/her mistakes when they are made.	156	2.56	1.165
My leader encourages everyone to voice their opinions openly.	156	3.09	1.434
My leader is open in sharing information about the organization's goals and strategies.	156	3.29	1.158
My leader shares information about their thought processes and decision-making rationale.	156	2.9	1.185
My leader fosters a culture of trust and transparency within the team.	156	3.2	1.161
My leader communicates openly about the challenges and uncertainties the team or organization is facing.	156	3.08	1.107
Average Score		3.01	1.199

Source: Researcher (2024)

The analysis reveals a mixed perception among respondents regarding their leaders' relational transparency. While mean scores for statements such as "My leader encourages everyone to voice their opinions openly" (Mean = 3.09) and "My leader fosters a culture of trust and transparency within the team" (Mean = 3.20) suggest a positive inclination towards transparent communication practices, other statements like "My leader owns up to his/her mistakes when they are made" (Mean = 2.56) indicate a comparatively lower level of agreement. The variability in responses, as indicated by standard deviations ranging from 1.107 to 1.434, reflects a degree of heterogeneity in perceptions regarding leaders' transparency. The average score of 3.01 across all items suggests a somewhat balanced view, with respondents acknowledging both strengths and areas for improvement in their leaders' transparency practices. These findings underscore the importance of fostering a culture of openness and trust within organizations, with transparent communication being a critical factor in promoting employee well-being. The variability in responses highlights the need for leaders to consistently demonstrate transparency and accountability to enhance employee satisfaction and organizational effectiveness.

4.4.5 Employee Wellbeing

The researcher sought to find out the status of employees' wellbeing in the banking industry in Kenya. Table 4.9 indicates the results obtained.

Table 4.9 Descriptive Statistics of Employee Wellbeing

Employee Wellbeing	N	Mean	Std. Deviation
I find joy in the small victories and achievements at work.	156	3.54	1.199
I often experience a sense of satisfaction in overcoming challenges in my job.	156	3.73	1.182
I feel optimistic about my work and the future.	156	3.43	0.917
Expressing positive emotions is encouraged and acknowledged in my workplace.	156	3.25	1.033
I generally start and end my workday on a positive note.	156	2.78	1.045
I am driven to work more when faced with difficult assignments.	156	3.28	1.221
I have a strong sense of commitment to both the organization's objectives and my work.	156	3.34	1.242

I willingly invest time and energy to improve my skills and knowledge.	156	3.41	1.353
My job allows me to use my strengths and abilities regularly.	156	3.22	1.087
I actively seek out opportunities to take on new and challenging tasks.	156	3.65	0.92
I feel comfortable seeking help or support from my colleagues when needed.	156	3.51	1.21
Collaborative efforts are encouraged and recognized in my team.	156	3.32	1.13
I have a mentor or colleague who provides guidance and support in my professional development.	156	3.17	1.203
Teamwork is valued and promoted within the organization.	156	3.5	1.075
I have meaningful social interactions with colleagues outside of work tasks.	156	3.05	1.376
I am aware of how each of my unique efforts adds to the organization's overall success.	156	3.39	1.178
The values of the organization align with my personal values.	156	3.43	0.902
My work gives me a sense of purpose beyond just earning a living.	156	3.37	1.042
I feel a strong connection between my daily tasks and the broader goals of the organization.	156	3.38	0.933
I believe that my work has a positive impact on society or the community.	156	3.55	0.992
I receive regular feedback on my performance and accomplishments.	156	3.23	1.124
I set and achieve challenging goals in my work.	156	3.55	0.952
I feel recognized and appreciated for my contributions to the organization.	156	2.92	1.069
I take pride in my ability to meet deadlines and deliver high quality work.	156	3.42	1.023
I have opportunities for professional growth and advancement within the organization.	156	3.23	1.015
Average Score		3.35	1.097

Source: Researcher (2024)

Overall, the analysis reveals a generally positive perception of employee well-being within the banking industry, with respondents expressing satisfaction and engagement in various aspects of their work. Mean scores above the neutral midpoints indicate favorable perceptions across most indicators, suggesting a relatively high level of well-being among employees.

Employees report finding joy in small victories and achievements at work (Mean = 3.54) and experiencing satisfaction in overcoming challenges (Mean = 3.73). Additionally, optimism about work and the future is prevalent (Mean = 3.43), indicating a positive outlook among employees. Collaborative efforts, mentorship opportunities, and a sense of purpose beyond earning a living are also highlighted as contributing factors to employee well-being.

However, some areas for improvement are identified, particularly in terms of recognition and feedback. Employees express a need for more regular feedback on performance and accomplishments (Mean = 3.23) and indicate a desire for greater recognition and appreciation for their contributions (Mean = 2.92). Notably, the statement "I generally start and end my workday on a positive note" received a relatively lower mean score (Mean = 2.78), suggesting room for improvement in fostering positive experiences throughout the workday.

The variability in responses, as reflected by standard deviations ranging from 0.902 to 1.376, suggests a degree of heterogeneity in perceptions of employee well-being. While some indicators receive consistently high scores, others exhibit greater variability, indicating potential areas of focus for organizations seeking to enhance employee well-being.

Overall, the findings underscore the importance of fostering a work environment that promotes positive emotions, provides opportunities for growth and development, and recognizes and appreciates employee contributions. By addressing areas of concern and building on existing strengths, organizations can further enhance employee well-being and contribute to overall organizational success. Therefore, this means that positive emotions, engagement, relationships, meaning and achievement are significant in boosting the employee wellbeing in the banking industry in Kenya.

Table 4.10 Summary of Descriptive Statistics

Area of Focus	Item Description	N	Mean	Standard Deviation
Authentic Leadership	Self-awareness Trait	156	2.769	1.066
	Balanced Processing Trait	156	3.01	1.296
	Internalized Moral Perspective	156	3.35	1.082
	Relational Transparency Trait	156	3.01	1.199
Average Score			3.036	1.161
Employee Wellbeing		156	3.35	1.097

From the summary in Table 4.10 above, the study examined four dimensions of authentic leadership: Self-awareness Trait (Mean = 2.769, SD = 1.066), Balanced Processing Trait (Mean = 3.01, SD = 1.296), Internalized Moral Perspective (Mean = 3.35, SD = 1.082), and Relational Transparency Trait (Mean = 3.01, SD = 1.199). These dimensions were assessed using a Likert scale ranging from 1 to 5, where higher scores indicate stronger agreement with the statements related to each trait.

The analysis indicates that respondents perceived their leaders to exhibit moderate levels of self-awareness (Mean = 2.769) and balanced processing (Mean = 3.01). In terms of internalized moral perspective, respondents perceived their leaders to demonstrate a higher level of commitment to ethical behavior (Mean = 3.35). However, relational transparency, which reflects how openly and clearly leaders communicate and foster trust, received a slightly lower score (Mean = 3.01). The average score across all four dimensions of authentic leadership was calculated at 3.036 with a standard deviation of 1.161. This suggests a moderate level of perceived authentic leadership among respondents in the banking industry.

Regarding Employee Wellbeing, the analysis yielded a mean score of 3.35 with a standard deviation of 1.097. This indicates that, on average, employees reported a positive perception of their well-being within the banking industry. The scores suggest that employees find joy in their work, experience satisfaction from overcoming challenges, and generally hold a positive outlook about their work and the future. However, there were areas identified for potential improvement, such as the need for more regular feedback and greater recognition for contributions.

In summary, the study provides insights into the perceived levels of authentic leadership and employee well-being in the banking industry. The findings suggest a moderate level of authentic leadership, with room for improvement in balanced processing and relational transparency. Employee well-being, on the other hand, was generally positive, but areas for enhancement in recognition and feedback were identified. These results can guide organizations in understanding and addressing the factors that contribute to employee well-being and leadership effectiveness in the banking sector.

4.5 Inferential Statistics

4.5.1 Correlation Analysis

Correlation analysis is a statistical technique used to measure and assess the strength and direction of the relationship between two or more variables. It helps researchers understand how changes in one variable are associated with changes in another variable (Pallant, 2016). In the context of this study, correlation analysis was employed to examine the relationships between authentic leadership traits (self-awareness, balanced processing, internalized moral perspective, and relational transparency) and employee well-being in the banking industry in Kenya. As highlighted by Pallant (2016), correlation analysis helps researchers uncover the nature and strength of associations between variables, guiding further investigation and decision-making. Table 4.11 below presents the findings.

Table 4.11 Correlation of Independent and Dependent Variables

		Correlations				
		Self-awareness Trait	Balanced Processing Trait	Internalized Moral Perspective Trait	Relational Transparency Trait	Employee Wellbeing
Self-awareness Trait	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	156				
Balanced Processing Trait	Pearson Correlation	.654**	1			
	Sig. (2-tailed)	0.000				
	N	156	156			
Internalized Moral Perspective Trait	Pearson Correlation	.687**	.561**	1		
	Sig. (2-tailed)	0.000	0.000			
	N	156	156	156		
Relational Transparency Trait	Pearson Correlation	.778**	.713**	.809**	1	
	Sig. (2-tailed)	0.000	0.000	0.000		
	N	156	156	156	156	
Employee Wellbeing	Pearson Correlation	.674**	.640**	.851**	.877**	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	
	N	156	156	156	156	156

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Researcher (2024)

The Pearson correlation coefficients indicate the strength and direction of these relationships. Firstly, the self-awareness trait showed significant positive correlations with employee well-being ($r = 0.674$, $p < .001$). This suggests that employees who perceive their leaders as more self-aware also report higher levels of well-being.

Secondly, the balanced processing trait exhibited a significant positive correlation with employee well-being ($r = 0.640$, $p < .001$). This indicates that employees who perceive their leaders as more balanced in processing information and decision-making tend to have higher levels of well-being.

Thirdly, the internalized moral perspective trait demonstrated a strong positive correlation with employee well-being ($r = 0.851$, $p < .001$). This suggests that employees who perceive their leaders as having a strong internalized moral perspective also report higher levels of well-being.

Lastly, the relational transparency trait showed a significant positive correlation with employee well-being ($r = 0.877$, $p < .001$). This implies that employees who perceive their leaders as more transparent in communication and relationships also report higher levels of well-being.

The consistently strong and positive correlations across all authentic leadership traits and employee well-being indicate that these leadership behaviors are closely associated with employee perceptions of their well-being. These findings suggest that fostering authentic leadership qualities, such as self-awareness, balanced processing, internalized moral perspective, and relational transparency, may contribute to higher levels of employee well-being in the banking industry. Organizations and leaders in this sector can consider emphasizing and developing these authentic leadership traits to enhance the well-being and satisfaction of their employees.

The significant correlations observed at the 0.01 level (2-tailed) underscore the robustness and reliability of these relationships, providing valuable insights for organizational leaders and policymakers aiming to create a positive work environment conducive to employee well-being.

4.5.2 Regression Analysis

Regression analysis was conducted to further examine the relationship between authentic leadership traits (self-awareness, balanced processing, internalized moral perspective, and relational transparency) and employee well-being in the banking industry in Kenya. The regression model aimed to predict employee well-being (dependent variable) based on the four dimensions of authentic leadership (independent variables). From the results of the simple regression shown in each of the tables below, the researcher developed regression equations for each objective and a model equation for the multiple regression model. The multiple regression analysis was used to analyze the relationship between a single dependent variable; employee wellbeing and several independent (predictor) variables.

4.5.2.1 Self-awareness Trait and Employee Wellbeing

The researcher sought to find out how self-awareness trait impacted employee wellbeing in the banking industry in Kenya. The results are displayed in table 4.12 below.

Table 4.12 Regression Analysis of Self-awareness Trait and Employee Wellbeing

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.674 ^a	0.454	0.451	0.66290		
a. Predictors: (Constant), Self-awareness Trait						
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	56.291	1	56.291	128.098	<.001 ^b
	Residual	67.674	154	0.439		
	Total	123.965	155			
a. Dependent Variable: Employee Wellbeing						
b. Predictors: (Constant), Self-awareness Trait						
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.178	0.199		5.923	0.000
	Self-awareness Trait	0.784	0.069	0.674	11.318	0.000
a. Dependent Variable: Employee Wellbeing						

Source: Researcher (2024)

The regression analysis conducted on the self-awareness trait revealed significant findings regarding its impact on employee well-being within the banking industry in Kenya. The model demonstrated a substantial explanatory power, with an R square value of 0.454, indicating that approximately 45.4% of the variability in employee well-being can be attributed to the self-awareness trait. Furthermore, the ANOVA results were highly significant ($F = 128.098$, $p < 0.001$), suggesting that the regression model as a whole effectively predicts employee well-being based on the self-awareness trait.

Upon examining the coefficients, it became evident that the self-awareness trait exhibited a significant positive relationship with employee well-being ($\text{Beta} = 0.674$, $p < 0.001$). This implies that as the self-awareness trait increases, so does employee well-being. The regression equation for this model is:

$$\text{Employee Wellbeing} = 1.178 + 0.784(\text{Self-awareness Trait})$$

This equation suggests that for every one-unit increase in the self-awareness trait score, there is a predicted increase of 0.784 units in employee well-being. The constant term (1.178) represents the predicted employee well-being score when the self-awareness trait score is zero.

4.5.2.2 Balanced Processing Trait and Employee Wellbeing

The researcher sought to find out how balanced processing trait impacted employee wellbeing in the banking industry in Kenya. The results are displayed in table 4.13 below.

Table 4.13 Regression Analysis of Balanced Processing Trait and Employee Wellbeing

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.640 ^a	0.410	0.406	0.68904		
a. Predictors: (Constant), Balanced Processing Trait						
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	50.849	1	50.849	107.101	<.001 ^b
	Residual	73.116	154	0.475		
	Total	123.965	155			
a. Dependent Variable: Employee Wellbeing						
b. Predictors: (Constant), Balanced Processing Trait						
Coefficients ^a						

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.562	0.181		8.629	0.000
	Balanced Processing Trait	0.593	0.057	0.640	10.349	0.000

a. Dependent Variable: Employee Wellbeing

Source: Researcher (2024)

The regression analysis conducted on the balanced processing trait provides valuable insights into its impact on employee well-being in the banking industry in Kenya. The model exhibited a significant explanatory power, with an R square value of 0.410, indicating that approximately 41.0% of the variability in employee well-being can be explained by the balanced processing trait. The ANOVA results further confirmed the significance of the model ($F = 107.101$, $p < 0.001$), suggesting that the regression model is effective in predicting employee well-being based on the balanced processing trait.

Upon examining the coefficients, it is evident that the balanced processing trait displayed a significant positive relationship with employee well-being (Beta = 0.640, $p < 0.001$). This indicates that as the balanced processing trait increases, employee well-being also tends to increase. The regression equation derived from the analysis provides a predictive model for employee well-being based on the balanced processing trait, represented as:

$$\text{Employee Wellbeing} = 1.562 + 0.593(\text{Balanced Processing Trait})$$

In this equation, the constant term (1.562) signifies the predicted employee well-being score when the balanced processing trait score is zero, while the coefficient (0.593) represents the change in employee well-being for every one-unit increase in the balanced processing trait score.

4.5.2.3 Internalized Moral Perspective Trait and Employee Wellbeing

The researcher sought to find out how internalized moral perspective trait impacted employee wellbeing in the banking industry in Kenya. The results are displayed in table 4.14 below.

Table 4.14 Regression Analysis of Internalized Moral Perspective Trait and Employee Wellbeing

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.851 ^a	0.725	0.723	0.47046		
a. Predictors: (Constant), Internalized Moral Perspective Trait						
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	89.880	1	89.880	406.081	<.001 ^b
	Residual	34.086	154	0.221		
	Total	123.965	155			
a. Dependent Variable: Employee Wellbeing						
b. Predictors: (Constant), Internalized Moral Perspective Trait						
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.388	0.152		2.558	0.012
	Internalized Moral Perspective Trait	0.883	0.044	0.851	20.151	0.000
a. Dependent Variable: Employee Wellbeing						

Source: Researcher (2024)

The regression analysis focused on the internalized moral perspective trait provides significant insights into its influence on employee well-being within the banking industry in Kenya. The model demonstrates a substantial explanatory power, with an R square value of 0.725, indicating that approximately 72.5% of the variability in employee well-being can be explained by the internalized moral perspective trait. The ANOVA results further confirm the significance of the model ($F = 406.081$, $p < 0.001$), suggesting that the regression model is effective in predicting employee well-being based on the internalized moral perspective trait.

Upon examining the coefficients, it is evident that the internalized moral perspective trait exhibits a strong positive relationship with employee well-being (Beta = 0.851, $p < 0.001$). This indicates that as the internalized moral perspective trait increases, employee well-being also tends to increase. The regression equation derived from the analysis provides a predictive model for employee well-being based on the internalized moral perspective trait, represented as:

$$\text{Employee Wellbeing} = 0.388 + 0.883(\text{Internalized Moral Perspective Trait})$$

In this equation, the constant term (0.388) signifies the predicted employee well-being score when the internalized moral perspective trait score is zero, while the coefficient (0.883) represents the change in employee well-being for every one-unit increase in the internalized moral perspective trait score.

4.5.2.4 Relational Transparency Trait and Employee Wellbeing

The researcher sought to find out how relational transparency trait impacted employee wellbeing in the banking industry in Kenya. The results are displayed in table 4.15 below.

Table 4.15 Regression Analysis of Relational Transparency Trait and Employee Wellbeing

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.877 ^a	0.770	0.768	0.43059		
a. Predictors: (Constant), Relational Transparency Trait						
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	95.413	1	95.413	514.622	<.001 ^b
	Residual	28.552	154	0.185		
	Total	123.965	155			
a. Dependent Variable: Employee Wellbeing						
b. Predictors: (Constant), Relational Transparency Trait						
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.839	0.116		7.249	0.000

	Relational Transparency Trait	0.832	0.037	0.877	22.685	0.000
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a. Dependent Variable: Employee Wellbeing

Source: Researcher (2024)

The regression analysis focusing on the relational transparency trait sheds light on its significant impact on employee well-being within the banking industry in Kenya. The model displays a robust explanatory power, with an R square value of 0.770, indicating that approximately 77.0% of the variability in employee well-being can be attributed to the relational transparency trait. The ANOVA results reinforce the significance of the model ($F = 514.622, p < 0.001$), highlighting the effectiveness of the regression model in predicting employee well-being based on the relational transparency trait.

Examining the coefficients reveals a strong positive relationship between the relational transparency trait and employee well-being ($Beta = 0.877, p < 0.001$). This suggests that an increase in the relational transparency trait is associated with a corresponding increase in employee well-being. The regression equation derived from the analysis provides a predictive model for employee well-being based on the relational transparency trait, represented as:

$$\text{Employee Wellbeing} = 0.839 + 0.832(\text{Relational Transparency Trait})$$

In this equation, the constant term (0.839) represents the predicted employee well-being score when the relational transparency trait score is zero, while the coefficient (0.832) indicates the change in employee well-being for every one-unit increase in the relational transparency trait score.

4.5.2.5 Authentic Leadership and Employee Wellbeing

A multiple regression analysis was run to determine the relationship between Authentic Leadership traits and employee wellbeing. The table 4.16 below shows the results:

Table 4.16 Regression Analysis of Authentic Leadership and Employee Wellbeing

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.912 ^a	0.832	0.828	0.37111		
a. Predictors: (Constant), Relational Transparency Trait, Balanced Processing Trait, Self-awareness Trait, Internalized Moral Perspective Trait						
Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.912 ^a	0.832	0.828	0.37111		
a. Predictors: (Constant), Relational Transparency Trait, Balanced Processing Trait, Self-awareness Trait, Internalized Moral Perspective Trait						
Processing Trait, Self-awareness Trait, Internalized Moral Perspective Trait						
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.392	0.130		3.003	0.003
	Self-awareness Trait	-0.116	0.064	-0.100	-1.805	0.073
	Balanced Processing Trait	0.059	0.045	0.064	1.304	0.194
	Internalized Moral Perspective Trait	0.445	0.060	0.430	7.458	0.000
	Relational Transparency Trait	0.532	0.068	0.562	7.774	0.000
a. Dependent Variable: Employee Wellbeing						

Source: Researcher (2024)

The multiple regression analysis aimed to explore the relationship between authentic leadership traits and employee well-being within the banking industry in Kenya. The model exhibited a strong explanatory power, with an R square value of 0.832, indicating that approximately 83.2% of the variability in employee well-being can be explained by the combination of authentic leadership traits. The adjusted R square value of 0.828 suggests that this model is robust, considering the number of predictors included. The standard error of the estimate was 0.37111.

Breaking down the coefficients, we find that the internalized moral perspective trait (Beta = 0.430, $p < 0.001$) and relational transparency trait (Beta = 0.562, $p < 0.001$) significantly and positively influence employee well-being. These coefficients indicate that for every one-unit increase in the scores of internalized moral perspective and relational transparency traits, employee well-being is expected to increase by 0.430 and 0.562 units, respectively.

However, the self-awareness trait and balanced processing trait did not show statistically significant relationships with employee well-being. The self-awareness trait had a Beta coefficient of -0.100 ($p = 0.073$), suggesting a negative but not statistically significant relationship. The balanced processing trait had a Beta coefficient of 0.064 ($p = 0.194$), indicating a positive but non-significant relationship with employee well-being.

The regression equation derived from this analysis is as follows:

$$\text{EmployeeWellbeing} = 0.392 - 0.116(\text{Self-awareness}) + 0.059(\text{BalancedProcessing}) + 0.445(\text{Internalized MoralPerspective}) + 0.532(\text{RelationalTransparency})$$

4.6 Chapter Summary

The chapter serves as a pivotal section of the study, providing a detailed account of the results obtained from the data analysis. Through descriptive statistics, regression analysis, and correlation, the chapter elucidates the relationships between authentic leadership traits and employee well-being. The visual presentation of results in tables, coupled with detailed explanations, offers a comprehensive overview on the implications of the study's findings.

CHAPTER FIVE

DISCUSSIONS

5.1 Introduction

In this chapter, the study provides a comprehensive overview of the principal findings derived from the analyses, engaging in thorough discussion and drawing conclusive remarks. Moreover, recommendations for future research endeavors are presented, aimed at addressing the areas that remain unexplored due to the inherent limitations in the scope of this study.

5.2 Summary of the Study

The study embarked on an exploration of the relationship between authentic leadership and employee well-being within the banking industry in Kenya. Motivated by the growing importance of authentic leadership in organizational effectiveness and employee satisfaction, the research aimed to provide nuanced insights into how authentic leadership behaviors influence different dimensions of employee well-being. The study employed a descriptive cross-sectional survey design, utilizing judgmental sampling to select 195 managers from various management levels across 39 commercial banks in Kenya.

The research was anchored on theoretical frameworks including Leader Member Exchange Theory and Fiedler's Contingency Theory, with data collected through structured questionnaires incorporating validated tools such as the Authentic Leadership Questionnaire (ALQ) and components of Seligman's PERMA model. Analysis involved descriptive statistics, correlation analysis, and regression analysis to explore the relationships between authentic leadership behaviors and employee well-being dimensions.

Key findings revealed significant positive relationships between authentic leadership traits such as internalized moral perspective and relational transparency, and employee well-being. However, the study also identified limitations, including the absence of input from top-level executives, the focus on a specific industry and geographical context limiting generalizability.

Overall, the study contributes valuable insights into the interplay between authentic leadership and employee well-being, shedding light on the importance of fostering ethical leadership practices and transparent communication within organizations for enhanced employee well-being. The findings underscore the need for future research to address identified limitations and further explore the complexities of leadership dynamics and employee perceptions in diverse organizational contexts."

5.3 Discussions of Findings

The purpose of this study was to determine the impact of authentic leadership on employee wellbeing in the banking industry in Kenya. Data was collected using structured questionnaires and regression analysis was run for the data set. The following were the findings:

5.3.1 Effects of Self-Awareness Trait on Employee Wellbeing

The study aimed to investigate the influence of the self-awareness trait on employee wellbeing within the banking industry in Kenya. The findings of the study revealed several noteworthy insights into the impact of self-awareness on employee wellbeing. The analysis of self-awareness trait scores among leaders demonstrated a moderate level of agreement among respondents across various dimensions of self-awareness. Notably, employees perceived their leaders as actively seeking input to enhance relationships with others, indicating a positive aspect of self-awareness within the workplace. However, there were areas where perceptions of leaders' self-awareness were comparatively lower, such as expressing awareness of how others perceive them. Furthermore, the regression analysis conducted on the self-awareness trait yielded significant results, indicating a positive relationship between self-awareness and employee wellbeing. The findings suggest that as the self-awareness trait increases, employee wellbeing also tends to improve.

The discussion of these findings in light of existing literature on self-awareness reveals both congruencies and disparities. According to Walumbwa et al. (2008), self-awareness entails acknowledging one's strengths and limitations and understanding one's impact on situations and others. This aligns with the findings of the current study, where self-awareness was positively associated with employee wellbeing, emphasizing the importance of leaders' understanding of their own behaviors and their effects on employees.

However, disparities in findings emerge when considering the under prediction phenomenon identified by Strum et al. (2014), where women tended to underestimate their superiors' ratings of their leadership abilities despite having similar self-evaluations. This suggests potential discrepancies between self-perception and external evaluations of leadership effectiveness, which may impact employee wellbeing differently than anticipated.

Moreover, the study by Bracht et al. (2021) highlights the significance of self-awareness in leadership emergence and followers' development into leaders. The positive correlations identified between leaders' self-awareness and followers' advancement suggest a potential ripple effect on organizational dynamics beyond employee wellbeing alone, underscoring the multifaceted implications of self-awareness in the workplace.

In conclusion, while the findings of the current study support the notion of a positive relationship between self-awareness and employee wellbeing in the banking industry in Kenya, they also underscore the complexity of self-awareness dynamics within organizational contexts. Future research may benefit from further exploring the mechanisms through which self-awareness influences employee outcomes and considering potential moderating variables to provide a more comprehensive understanding of this relationship.

5.3.2 Effects of Balanced Processing Trait on Employee Wellbeing

The study aimed to investigate how the balanced processing trait influences employee wellbeing within the banking industry in Kenya. By examining leaders' impartiality in decision-making, the research sought to uncover insights into the relationship between balanced processing and employee wellbeing.

Findings from the analysis of the balanced processing trait revealed a moderate to high level of agreement among respondents regarding various aspects of leaders' impartiality. Notably, employees perceived their leaders as valuing diverse viewpoints and fostering an inclusive decision-making environment, as evidenced by high mean scores in statements related to seeking dissenting opinions and encouraging open discussions. However, there was relatively lower agreement regarding leaders prioritizing their own viewpoints over others', indicating room for improvement in this aspect. Overall, the findings suggested a generally positive perception of leaders' impartiality, with some variability across individual statements.

Furthermore, the regression analysis demonstrated a significant positive relationship between the balanced processing trait and employee wellbeing. The model exhibited substantial explanatory power, indicating that a considerable proportion of the variability in employee wellbeing can be attributed to leaders' balanced processing behavior. The findings underscored the importance of leaders' impartiality in decision-making as a determinant of employee wellbeing within the banking sector in Kenya.

Comparing these findings with the literature review reveals both alignment and disparities. Consistent with the study's results, research by Walumbwa et al. (2008) emphasizes the significance of balanced processing in authentic leadership, highlighting the importance of leaders' objective evaluation of information and consideration of diverse viewpoints. Similarly, Avolio and Gardner (2005) assert that authentic leaders practice balanced processing, aligning their beliefs with intentions and behaviors to maintain impartiality and avoid favoritism.

However, disparities emerge when considering studies such as Gacheru et al. (2023), which explored the effect of leaders' balanced processing on staff commitment in Kenyan agencies. While the current study found a significant positive relationship between balanced processing and employee wellbeing, Gacheru et al. (2023) focused on staff commitment as the outcome variable. Despite differences in outcomes, both studies underscore the importance of leaders' impartiality in decision-making for positive organizational outcomes.

In conclusion, the findings of the current study support the notion that leaders' balanced processing behavior positively influences employee wellbeing within the banking industry in Kenya. However, further research may be needed to explore the mechanisms through which balanced processing affects different organizational outcomes and to validate these findings in diverse contexts.

5.3.3 Effects of Internalized Moral Perspective Trait on Employee Wellbeing

The study sought to examine how the Internalized Moral Perspective trait influences employee wellbeing within the banking sector in Kenya. The analysis revealed a consistently positive perception among employees regarding their leaders' ethical orientation and its potential impact on fostering a conducive work environment and employee wellbeing.

Employees perceived their leaders as demonstrating a strong commitment to ethical behavior, decision-making rooted in fundamental convictions, and alignment of organizational goals with moral standards. Notably, the high mean scores across various statements underscored a prevailing consensus regarding leaders' ethical conduct, indicating widespread agreement among respondents. Moreover, the regression analysis substantiated a significant positive relationship between the Internalized Moral Perspective trait and employee wellbeing, highlighting the pivotal role of ethical leadership practices in promoting organizational health and employee wellbeing.

Comparing these findings with existing literature reveals both alignments and deviations. Consistent with the study's results, prior research emphasizes the significance of leaders' internalized moral compass in authentic leadership (Walumbwa et al., 2008). The concept of moral identity, as discussed by Aquino and Reed (2002), resonates with the study's findings, emphasizing the integration of fundamental moral traits into one's self-concept and behavior.

However, disparities emerge when considering studies such as Yang (2014), which revealed a negative direct effect of ethical leadership on employee wellbeing within the Chinese cultural context. This discrepancy underscores the importance of cultural nuances in understanding the impact of ethical leadership on employee outcomes. Additionally, Bonner et al. (2016) highlighted the complex interplay between leaders' moral character, ethical leadership behaviors, and employee responses, emphasizing the need for congruence between leaders' moral values and behaviors to produce positive employee outcomes.

In conclusion, the findings of the present study provide robust evidence supporting the positive association between leaders' Internalized Moral Perspective trait and employee wellbeing within Kenya's banking industry. Nonetheless, further research is warranted to explore the underlying mechanisms through which ethical leadership influences diverse organizational outcomes across varied cultural contexts and to validate these findings in other industries and geographical regions.

5.3.4 Effects of Relational Transparency Trait on Employee Wellbeing

The study aimed to investigate how the Relational Transparency trait influences employee wellbeing within the banking industry in Kenya. The analysis revealed a mixed perception among respondents regarding their leaders' relational transparency, with some aspects receiving positive feedback while others indicated room for improvement.

Positive inclinations were observed towards statements suggesting leaders encourage open communication and foster a culture of trust and transparency within teams. However, lower levels of agreement were noted for statements related to leaders owning up to mistakes when they occur. The variability in responses highlighted the need for leaders to consistently demonstrate transparency and accountability to enhance employee satisfaction and organizational effectiveness.

Regression analysis provided significant insights, indicating a strong positive relationship between the Relational Transparency trait and employee wellbeing. The findings underscored the critical role of transparent communication practices in promoting a conducive work environment and fostering employee wellbeing.

Comparing these findings with existing literature reveals both consistencies and disparities. Consistent with the study's results, prior research emphasizes the importance of relational transparency in authentic leadership, highlighting its role in promoting open and honest communication (Walumbwa et al., 2008). Similarly, studies by Iqbal et al. (2020) and Norman (2006) emphasize that transparent communication builds trust and fosters an authentic and supportive work environment.

However, disparities emerge when considering studies such as the Corporate Ethical Virtues (CEV) paradigm introduced by Kaptein (2008), which defines transparency as an indicator of unethical behavior. This perspective contrasts with the positive associations between relational transparency and employee wellbeing found in the present study, highlighting the complexity of transparency's effects within organizational contexts.

Moreover, research by Gatling et al. (2017) and Tastan and Davoudi (2019) delves into the mediating role of relational transparency in influencing follower trust and organizational deviance, respectively. These studies provide valuable insights into the mechanisms through which relational transparency impacts organizational outcomes, further emphasizing its significance in leadership effectiveness.

In conclusion, the findings of the present study underscore the importance of relational transparency in promoting employee wellbeing within the banking industry in Kenya. While some aspects of relational transparency received positive feedback, there are opportunities for leaders to enhance transparency and accountability to foster a more supportive and trusting work environment. Further research is warranted to explore the nuanced effects of relational transparency across diverse organizational contexts and cultural settings.

5.4 Conclusion

The study's focus on four key authentic leadership traits—internalized moral perspective, relational transparency, self-awareness, and balanced processing—provided valuable insights into the complex interplay between leadership behaviors and employee well-being within the Kenyan banking sector.

Internalized moral perspective and relational transparency emerged as significant predictors of employee well-being, highlighting their importance in fostering positive work environments. Leaders who embody these traits demonstrate a strong commitment to ethical conduct, transparency, and accountability, which are crucial for building trust and promoting employee satisfaction and engagement. By aligning their actions with moral principles and fostering open and honest communication, leaders can create a supportive culture that prioritizes employee well-being.

On the other hand, the finding that self-awareness did not show a statistically significant relationship with employee well-being when analyzed together with other traits raises interesting considerations. While self-awareness is widely recognized as a fundamental aspect of authentic leadership, its negative coefficient in the regression analysis suggests that its influence on employee well-being may be more nuanced when considered alongside other traits. This discrepancy highlights the importance of examining the interrelationships between different leadership behaviors and their collective impact on employee outcomes.

However, when analyzed separately, self-awareness may still play a positive role in promoting employee well-being. Leaders who possess a heightened sense of self-awareness are better equipped to understand their strengths and weaknesses, solicit feedback, and adapt their behaviors accordingly. By acknowledging their limitations and seeking continuous self-improvement, self-aware leaders can create an environment that fosters personal growth and development among employees.

Similarly, while balanced processing did not show a statistically significant relationship with employee well-being in the regression analysis, its positive coefficient suggests that it may still contribute to positive outcomes when considered independently. Leaders who engage in balanced processing demonstrate a fair and objective approach to decision-making, which can enhance employee trust and confidence in leadership. By carefully weighing different perspectives and avoiding biases, balanced leaders create a culture of inclusivity and fairness that promotes employee well-being.

Overall, the findings underscore the multifaceted nature of authentic leadership and its implications for employee well-being. While certain traits may exert a stronger influence than others, each trait contributes uniquely to the overall leadership effectiveness and organizational climate. By recognizing the importance of these traits and understanding their complex interactions, organizational leaders can cultivate authentic leadership behaviors that support the well-being and success of their employees in the dynamic and challenging environment of the Kenyan banking sector.

5.5 Implications of Research

The implications drawn from research findings serve as a guiding beacon for stakeholders, offering actionable insights to inform decision-making and shape practices within organizations. In the context of this study exploring the relationship between authentic leadership and employee well-being in the Kenyan banking sector, the implications are multifaceted, spanning policy, management practices, and knowledge advancement.

5.5.1 Contribution to Policy

The study contributes to policy in two key areas. Firstly, it contributes to organizational policies. The study's findings highlight the critical need to nurture authentic leadership behaviors, particularly focusing on traits such as internalized moral perspective and relational transparency, within Kenya's banking sector. Policymakers are presented with an opportunity to translate these research insights into actionable policies that promote ethical leadership practices and transparent communication channels within financial institutions. Such policy interventions could encompass the development of guidelines for designing and implementing tailored leadership training programs aimed at equipping banking executives with the necessary skills and values. Additionally, policymakers could advocate for the establishment of codes of conduct specifically tailored to guide the behavior of bank executives, emphasizing principles of integrity, accountability, and ethical decision-making. Moreover, policymakers may consider endorsing frameworks for systematically evaluating leadership effectiveness, aligned with the principles of authentic leadership, to drive organizational performance and foster a culture of continuous improvement.

Secondly it contributes to Regulatory Frameworks in organizations. Policymakers are urged to integrate authentic leadership principles into the regulatory frameworks governing Kenya's banking industry, thus embedding ethical leadership and transparent communication as core elements of corporate governance. By elevating the importance of ethical leadership within regulatory mandates, governing bodies can incentivize banks to prioritize the holistic well-being of their employees as essential to organizational success. This strategic alignment could lead to the development of standards and metrics tailored to assess leadership performance and organizational culture within banks, fostering accountability and driving improvement initiatives. Furthermore, regulatory frameworks infused with authentic leadership principles have the potential to usher in a transformation towards a more sustainable and resilient banking ecosystem, characterized by heightened levels of trust, integrity, and stakeholder confidence.

5.5.2 Contribution to Management

The study contributes significantly to leadership development within the banking sector by emphasizing the importance of authentic leadership traits in enhancing employee well-being. Management can leverage these findings to design and implement tailored leadership development programs aimed at executives and managers. These programs can focus on enhancing competencies related to internalized moral perspective, relational transparency, self-awareness, and balanced processing. Through targeted training, coaching, and mentoring initiatives, organizations can nurture ethical leaders equipped with the skills and values necessary to inspire trust, drive performance, and promote employee well-being.

Furthermore, the study provides valuable insights into shaping organizational culture and values within banks. Management can utilize these findings to cultivate a culture that prioritizes ethical conduct, open communication, and fairness. By aligning organizational practices, policies, and behaviors with authentic leadership principles, leaders can foster a supportive work environment conducive to employee engagement and satisfaction. This may involve revisiting and realigning performance management systems to reward behaviors consistent with authentic leadership values, fostering a culture of accountability and integrity. Additionally, leaders can refine communication strategies to promote transparency and inclusivity, strengthening trust and cohesion across the organization.

Ultimately, by embedding authentic leadership principles into the organizational culture, management can lay the foundation for sustained success and resilience in the dynamic banking landscape. These implications underscore the critical role of authentic leadership in driving organizational effectiveness, fostering employee well-being, and shaping the future trajectory of the banking industry in Kenya.

5.5.3 Contribution to Knowledge

The study significantly contributes to advancing knowledge in the realms of leadership and employee well-being, particularly within the specific context of the Kenyan banking sector. By shedding light on the intricate interplay between authentic leadership behaviors and organizational outcomes, the study underscores the need for further research to explore these relationships in greater depth. Identified knowledge gaps, such as the limited understanding of leadership dynamics within specific cultural contexts, provide valuable insights for shaping future research agendas aimed at addressing these deficiencies.

Moreover, the findings of the study have implications for educational programs and curricula across disciplines such as business management, organizational psychology, and leadership studies. Academic institutions can leverage these insights to enrich educational programs and equip aspiring leaders with the knowledge and skills necessary to effectively promote employee well-being and drive organizational success. Integrating findings from authentic leadership research into educational curricula can enhance students' understanding of leadership practices and their impact on organizational outcomes. This may involve incorporating case studies, experiential learning opportunities, and theoretical frameworks related to authentic leadership into existing courses and programs, thereby preparing future leaders to navigate complex organizational challenges with integrity and empathy.

5.6 Limitations

While this study provides valuable insights into the relationship between authentic leadership and employee well-being within the banking sector in Kenya, several limitations should be acknowledged.

One notable limitation is that while the study aimed to encompass perspectives from all levels of management, it only received responses from low-level and middle management positions within the surveyed organizations. Despite the deliberate focus on these management tiers, the absence of input from top-level executives remains a limitation. This discrepancy may be attributed to various factors, including the challenges of securing participation from busy senior leaders, who often have demanding schedules and numerous responsibilities within hierarchical organizational structures. Consequently, while the study provides valuable insights into the perceptions of authentic leadership among lower and middle management, the absence of input from top management may limit the comprehensiveness of the findings. Future research endeavors should endeavor to address this limitation by actively seeking participation from representatives across all levels of management, thereby ensuring a more comprehensive understanding of leadership dynamics within organizations.

Another limitation of that the study focused on a specific industry and geographical context. The findings may not be fully generalizable to other industries or countries with different cultural, economic, and regulatory environments. Therefore, caution should be exercised when extrapolating the results to different contexts, and further research is needed to validate the findings across diverse settings.

In addition, another noteworthy consideration is the distribution of responses within the questionnaire. Despite the generally positive mean scores across various indicators of employee well-being, a significant portion of responses clustered around the neutral midpoint of the scale, typically rated at 3. While this suggests a degree of satisfaction among respondents, it also raises questions about response bias and social desirability. It is plausible that respondents may have hesitated to express more critical or negative viewpoints, possibly out of fear of repercussions or reluctance to provide unfavorable assessments of their superiors. This phenomenon is common in self-report measures, where individuals may exhibit a tendency to present themselves in a socially desirable light, particularly when evaluating aspects of their work environment or leadership. In the context of this study, the prevalence of responses around the neutral midpoint underscores the complexity of gauging employee perceptions accurately and highlights the potential influence of social dynamics and power structures within organizations. Future research could explore strategies to mitigate response bias and encourage more candid feedback from respondents, thereby enhancing the validity and reliability of data collected through self-report measures.

5.7 Suggestion for Further Studies

Building upon the insights gained from this study, there are several avenues for further research that could deepen our understanding of authentic leadership and its impact on employee well-being within the banking industry in Kenya.

Conducting longitudinal studies to track the effects of authentic leadership behaviors on employee well-being over time could provide valuable insights into the long-term implications of leadership practices within the banking sector. By examining how authentic leadership evolves and its sustained effects on employee well-being, researchers can uncover patterns and trends that may not be apparent in cross-sectional studies.

Exploring the cultural dimensions of authentic leadership and its effects on employee well-being across different cultural contexts could enhance our understanding of how leadership practices vary across diverse settings. Comparative studies between Kenyan banks and institutions in other cultural contexts could reveal cultural nuances that influence the effectiveness of authentic leadership behaviors and their impact on employee well-being.

Designing and implementing intervention studies to test the effectiveness of leadership development programs aimed at cultivating authentic leadership behaviors within banking organizations could provide practical insights for organizational leaders. By evaluating the outcomes of such interventions on employee well-being and organizational performance, researchers can assess the efficacy of specific leadership development initiatives and identify best practices for fostering authentic leadership within the banking sector.

Employing multi-level analyses to examine the impact of authentic leadership on employee well-being at both individual and organizational levels could provide a comprehensive understanding of the mechanisms through which leadership practices influence organizational outcomes. By considering how leadership behaviors operate at different levels of analysis, researchers can identify strategies for promoting employee well-being that align with organizational goals and objectives.

Based on the study's limitations, a suggestion for further research could focus on addressing the underrepresentation of top-level executives in future studies. This could involve implementing targeted strategies to overcome the challenges associated with securing participation from busy senior leaders, such as offering flexible scheduling options or engaging directly with organizational leaders to emphasize the importance of their input. By ensuring a more balanced representation across all levels of management, future studies can provide a comprehensive understanding of authentic leadership dynamics within organizations. Additionally, future research could explore the generalizability of findings beyond the banking sector in Kenya by conducting comparative studies across different industries and countries. This would help validate the robustness of the relationship between authentic leadership and employee well-being across diverse cultural, economic, and regulatory contexts. Furthermore, addressing the issue of response bias and social desirability in questionnaire data could be explored in future research by implementing measures to encourage more candid and honest feedback from respondents.

Overall, these suggestions for further studies aim to expand upon the findings of this research and contribute to the growing body of knowledge on authentic leadership and employee well-being within the banking industry in Kenya. By addressing these research gaps, future studies can provide actionable insights for organizational leaders, policymakers, and scholars seeking to enhance leadership effectiveness and promote employee well-being in banking organizations.



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APPENDICES

APPENDIX I LETTER OF INTRODUCTION



Ole Sangale Road, Madaraka.
P.O. Box 59857 – 00200, Nairobi, Kenya.
Mobile: +254 703 034 414 / +254 703 034 000/200/300
Whatsapp: [+254 \(0\) 746 091 242](https://wa.me/254703034414)
Email: sbsinfo@strathmore.edu

5th March 2024

RE: FACILITATION OF RESEARCH – SHEKINAH NJOROGI

This is to introduce Shekinah Njoroge who is a Master of Business Administration (MBA) Student at Strathmore University Business School, admission number MBA/76074. As part of our MBA Program, Shekinah is expected to do applied research and undertake a project. This is in partial fulfillment of the requirements of the MBA course. To this effect, Shekinah would like to request for appropriate data from your organization.

Shekinah is undertaking a research paper on **“The Influence of Authentic Leadership on Employee Wellbeing in the Banking Industry in Kenya.”** The information collected will be kept private and used exclusively for educational reasons.

Our MBA seeks to establish links with the industry, and one of these ways is by directing our research to areas that would be of direct use to the industry. We would be glad to share our findings with you after the research and we trust that you will find them of great interest and of practical value to your organization.

We appreciate your support and shall be willing to provide any further information if required.

Yours sincerely,

Manager – Graduate Programs

APPENDIX II QUESTIONNAIRE

Instructions:

This questionnaire is a data collection tool for the study, “The Influence of Authentic Leadership on Employee Wellbeing in the Banking Industry in Kenya.”

Kindly answer the questions by putting a tick (✓) in the appropriate box or by writing in the space provided.

Confidentiality

All the information collected will be treated with utmost confidentiality and for academic purposes only. In addition, no reference will be made to any institution or respondent.

SECTION A: RESPONDENT PROFILE

1. Gender of respondent 1. Male 2. Female

2. Age group of respondent. Tick as appropriate.

20-30

31-40

41-50

51-60

61 and Above

3. What is the highest level of education you have completed? Tick as appropriate.

High School/Secondary or equivalent

Postsecondary certificate, diploma college training

Bachelor's degree

Master's degree

Doctoral degree

4. What is your Unique Identifier (UID)? Share the name of the Bank you work in.

.....

5. How long have you been working in this Bank? Tick as appropriate.

Less than a year

1-5 years

6-10 years

11-15 years

16-20 years

More than 21 years

6. Which department do you work in? Tick as appropriate.

Retail Banking

Corporate/Institutional Banking

Investment Banking

Marketing

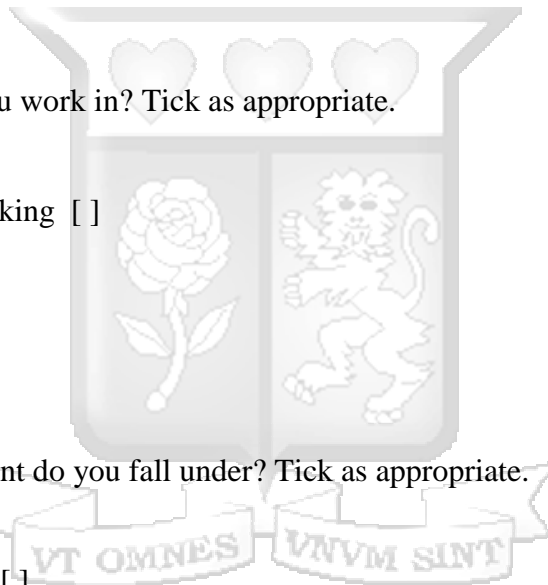
Human Resources

7. What level of management do you fall under? Tick as appropriate.

Top-level management

Middle-level management

Lower-level management



SECTION B: AUTHENTIC LEADERSHIP

The following statements relate to authentic leadership. State the extent to which you agree with the following statements with regards to authentic leadership in your organization (where 1- strongly disagree, 2-diasagree, 3-neutral, 4-agree, and 5-strongly agree).

	STATEMENT	SD	D	N	A	SA
		1	2	3	4	5
	Self - awareness trait					
8.	My leader asks for input to enhance relationships with others.					
9.	My leader does a good job of expressing how others perceive him or her.					
10.	My leader is aware of when to reassess their opinions on crucial matters.					
11.	My leader demonstrates that they are aware of how their activities affect other people.					
12.	My leader openly acknowledges and learns from mistakes or limitations.					
13.	My leader engages in regular self-reflection and shows a commitment to personal development.					
14.	My leader exhibits a thorough awareness of both their weaknesses and strengths.					
	Balanced processing trait					
15.	My leader actively seeks out opinions that contradict their strongly held beliefs.					
16.	My leader considers all available information before making a decision.					
17.	My leader thoroughly considers all viewpoints before reaching a decision.					
18.	My leader treats all team members fairly and avoids favoritism in decision-making.					
19.	My leader encourages open discussions and values dissenting opinions within the team.					

20.	My leader never prioritizes his or her own viewpoint over others'.					
21.	My leader consistently seeks input from team members with different expertise or functional backgrounds when making decisions.					
	Internalized moral perspective trait					
22.	My leader consistently demonstrates a commitment to ethical behavior in actions and decisions.					
23.	My leader bases decisions on his or her fundamental convictions.					
24.	My leader requests that you adopt stances that align with your basic principles.					
25.	My leader bases his challenging decisions on the highest moral principles.					
26.	My leader considers the long-term ethical implications of their decisions.					
27.	My leader effectively communicates and upholds a clear set of ethical values and principles.					
28.	My leader aligns organizational goals with moral and ethical standards.					
	Relational Transparency trait					
29.	My leader expresses themselves clearly.					
30.	My leader owns up to his/her mistakes when they are made.					
31.	My leader encourages everyone to voice their opinions openly.					
32.	My leader is open in sharing information about the organization's goals and strategies.					
33.	My leader shares information about their thought processes and decision-making rationale.					
34.	My leader fosters a culture of trust and transparency within the team.					
35.	My leader communicates openly about the challenges and uncertainties the team or organization is facing.					

SECTION C: EMPLOYEE WELLBEING

The statements in this section relate to employee wellbeing. Please tick (√) any option among the listed options to indicate your preferred answer to the questions. Interpretations of the scales: Strongly Disagree (SD); Disagree (D); Neutral (N); Agree (A) and Strongly Agree (SA).

	STATEMENT	SD	D	N	A	SA
		1	2	3	4	5
	Positive Emotions					
36.	I find joy in the small victories and achievements at work.					
37.	I often experience a sense of satisfaction in overcoming challenges in my job.					
38.	I feel optimistic about my work and the future.					
39.	Expressing positive emotions is encouraged and acknowledged in my workplace.					
40.	I generally start and end my workday on a positive note.					
	Engagement					
41.	I am driven to work more when faced with difficult assignments.					
42.	I have a strong sense of commitment to both the organization's objectives and my work.					
43.	I willingly invest time and energy to improve my skills and knowledge.					
44.	My job allows me to use my strengths and abilities regularly.					
45.	I actively seek out opportunities to take on new and challenging tasks.					
	Relationships					
46.	I feel comfortable seeking help or support from my colleagues when needed.					
47.	Collaborative efforts are encouraged and recognized in my team.					
48.	I have a mentor or colleague who provides guidance and support in my professional development.					
49.	Teamwork is valued and promoted within the organization.					

50.	I have meaningful social interactions with colleagues outside of work tasks.					
	Meaning					
51.	I am aware of how each of my unique efforts adds to the organization's overall success.					
52.	The values of the organization align with my personal values.					
53.	My work gives me a sense of purpose beyond just earning a living.					
54.	I feel a strong connection between my daily tasks and the broader goals of the organization.					
55.	I believe that my work has a positive impact on society or the community.					
	Achievement					
56.	I receive regular feedback on my performance and accomplishments.					
57.	I set and achieve challenging goals in my work.					
58.	I feel recognized and appreciated for my contributions to the organization.					
59.	I take pride in my ability to meet deadlines and deliver high-quality work.					
60.	I have opportunities for professional growth and advancement within the organization.					

THANK YOU FOR YOUR FEEDBACK AND TIME.

APPENDIX III LIST OF BANKS IN KENYA

	LARGE PEER GROUP
1	KCB Bank Kenya Ltd
2	Equity Bank Kenya Ltd
3	Co-operative Bank of Kenya Ltd
4	NCBA Bank Kenya PLC
5	Absa Bank Kenya PLC
6	Standard Chartered Bank (K) Ltd
7	Diamond Trust Bank Kenya Limited
8	Stanbic Bank Kenya Ltd
9	I&M Bank Limited
	MEDIUM PEER GROUP
1	Bank of Baroda (K) Limited
2	Prime Bank Ltd
3	Citibank N.A. Kenya
4	National Bank of Kenya Ltd
5	Family Bank of Kenya Ltd
6	Bank of India
7	Ecobank Kenya Ltd
8	SBM Bank Kenya Ltd
	SMALL PEER GROUP
1	HFC Ltd
2	Victoria Commercial Plc
3	Habib Bank A.G Zurich
4	Guaranty Trust Bank Limited
5	Gulf African Bank Limited
6	Bank of Africa Ltd
7	Sidian Bank Ltd
8	Credit Bank Plc
9	First Community Bank Ltd
10	Guardian Bank Limited
11	African Banning Corporation Ltd
12	Development Bank of Kenya Ltd
13	Mayfair CIB Baank Limited
14	Middle East Bank (K) Ltd
15	Kingdom Bank Limited
16	DIB Bank of Kenya Ltd
17	Consolidated Bank of Kenya Limited
18	Paramount Bank Ltd

19	UBA Kenya Bank Ltd
20	M-Oriental Bank Ltd
21	Access Bank (Kenya) PLC
22	Spire Bank Limited



APPENDIX IV ETHICAL APPROVAL LETTER



26th March 2024

Mrs Njoroge Shekinah,
nyamburashekinah@gmail.com

Dear Mrs Njoroge,

RE: The Influence of Authentic Leadership on Employee Wellbeing in the Banking Industry in Kenya

This is to inform you that SU-ISERC has reviewed and approved your above SU-masters research proposal. Your application reference number is SU-ISERC2091/24. The approval period is from 26th March 2024 to 25th March 2025.

This approval is subject to compliance with the following requirements:

- i. Only approved documents including (informed consents, study instruments, MTA) will be used.
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-ISERC.
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-ISERC within 72 hours of notification.
- iv. Any changes anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-ISERC within 72 hours.
- v. Clearance for the export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to the expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days of completion of the study to SU-ISERC.

Before commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology, and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke/> and obtain other clearances needed.

Yours sincerely,

Mr Ambrose Rachier,
Chairperson; SU-ISERC



APPENDIX V NACOSTI PERMIT



REPUBLIC OF KENYA

Ref No: 287549

RESEARCH LICENSE



This is to Certify that Ms.. SHEKINAH Nyambura NJOROGI of Strathmore University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev,2014) in Nairobi on the topic: The Influence of Authentic Leadership on Employee Wellbeing in the Banking Industry in Kenya for the period ending : 13/April/2025.

License No: NACOSTI/P/24/34558

287549

Applicant Identification Number

W. Mutembo

Director General NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Verification QR Code



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