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THE RELATIONSHIP BETWEEN AUTHENTIC LEADERSHIP AND
ORGANIZATIONAL CHANGE READINESS: THE MEDIATING ROLE OF
PSYCHOLOGICAL SAFETY

A Thesis

Presented to

The Faculty of the Department of Psychology

San José State University

In Partial Fulfillment

of the Requirements for the Degree

Master of Science

by

Paulina Christine Manzano

August 2020

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The Designated Thesis Committee Approves the Thesis Titled

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ORGANIZATIONAL CHANGE READINESS: THE MEDIATING ROLE OF
PSYCHOLOGICAL SAFETY

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ABSTRACT

THE RELATIONSHIP BETWEEN AUTHENTIC LEADERSHIP AND ORGANIZATIONAL CHANGE READINESS: THE MEDIATING ROLE OF PSYCHOLOGICAL SAFETY

by Paulina Christine Manzano

The purpose of the current study was to examine the mediating effect of psychological safety on the relationship between authentic leadership and organizational change readiness in the workplace. A total of 107 employees participated in the study, which utilized online survey distribution. Results showed that psychological safety partially mediated the relationship between authentic leadership and organizational change readiness. In other words, the more employees perceived their leadership to be authentic, the more likely employees felt safe taking risks at work, which in turn, increased employees' emotional and cognitive inclination to adopt and embrace organizational change. Based on these findings, organizations contemplating planned organizational change should concentrate their efforts on strategies that enhance authentic leadership to foster an environment in which employees feel safe taking risks, which is likely to increase employees' levels of organizational change readiness.

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Introduction

Change is inevitable. More often than not, major organizational change efforts fail to meet the expectations of key stakeholders (Smith, 2002). For organizations to thrive in today's rapidly evolving environment (Garrison, Noreen & Brewer, 2006), it is of great value to be able to articulate employees' readiness for organizational change before disrupting the current environment. Literature suggests a positive relationship between organizational change readiness and change implementation success (Jones, Jimmieson & Griffiths, 2005). Identifying variables that may increase and enhance employees' change readiness is invaluable as it relates to change adoption. It has been suggested that change agents and opinion leaders have been suggested to influence change recipients' reactions to change (Armenakis, Bernerth, Pitts & Walker, 2007), and research has indicated that leadership may play a part in influencing change recipients' organizational change readiness (Lyons, Swindler & Offner, 2009). However, what is left unclear are the potential mechanisms of this relationship; in other words, identifying underlying variables that may contribute to the positive relationship between leadership and change readiness.

The purpose of this study was to provide more clarity into how leadership influences employees' organizational change readiness. More specifically, the present study suggests that psychological safety acts as a mediator of the relationship between authentic leadership and organizational change readiness. I expected authentic leadership to foster psychological safety, which in turn would be positively related to increasing employees' organizational change readiness.

The following sections provide an introduction to organizational change readiness and a foundation to better understand what differentiates authentic leadership from other leadership styles. Next, I share literature addressing the proposed relationship between leadership in a planned organizational change context, followed by research that identified psychological safety as a mediator in similar relationships, and the research hypothesis addressed in this study.

Organizational Change Readiness

In the past decade, global competition has increased the occurrences of change significantly (Garrison et al., 2006; Swanson & Power, 2001). Thus, today's climate requires organizations to be agile and nimble by being proactive in anticipating and responding to change. As organizations have worked to uncover new ways to be agile and adaptable in today's continuously evolving environment (Allen, Smith & Da Silva, 2013; Choi & Ruona, 2011; Van de Ven & Poole, 1995), it has become critical to gauge change readiness to most effectively adapt to and embrace change. At the end of the day, when organizations change, people in the organization face the choice of changing accordingly or opposing the change (Anderson, 2008). One way to mitigate strong opposition to inevitable change and to increase the likelihood of successful change adoption is to develop organizational change readiness.

Planned organizational change research dates back to the 1940s, when founding father, Kurt Lewin, introduced the Three-Step Model of Change: Unfreeze, Move, and Refreeze (Bakari, Hunjra & Niazi, 2017; Burnes & Cooke, 2012; Liebhart & Garcia-Lorenzo, 2010; Freedman, 1999; Lewin, 1947; Schein, 1988). The "Unfreezing" stage

consists of analyses that determine the need to change (Erskine, 2013). These analyses often include Lewin's (1951) Force Field Analysis—an approach for leaders to evaluate the balance of the sum of restraining forces and the sum of driving forces in support of change. “Move” is the second stage in Lewin's change model. It is suggested to be the most difficult stage, because this is when people begin to be impacted and implementation and enforcement of the change begins (Erskine, 2013). Moving requires a clear path to get from “here” to “there” (the desired state) and reinforcing behaviors that will help the organization achieve its change goals. The final stage, “Refreezing,” pertains to the institutionalization and normalization of the recently implemented change as it reaches stability (Erskine, 2013). Fundamentally, the model suggests that in order to initiate a change (unfreeze), there needs to be a perception that change is necessary (Armenakis & Harris, 2009; Armenakis, Harris & Mossholder, 1993). Once unfrozen, steps are taken to move towards the desired new state (move) and establish these behaviors as norms through institutionalization of the changes (refreeze) (Armenakis & Harris, 2009; Armenakis et al., 1993).

Organizational change readiness has been defined as the extent to which an individual or individuals are cognitively and emotionally inclined to accept, embrace, and adopt a particular plan to purposefully alter the status quo (Holt, Armenakis, Harris & Feild, 2007). Research indicates that where there is high organizational change readiness, employees are more likely to commit to change and increase their efforts towards facilitating that change (Bakari et al., 2017).

Some suggest that Lewin's first stage of unfreezing is synonymous to that of organizational change readiness (Choi & Ruona, 2011; Self & Schraeder, 2009). While the two may complement one another, others have argued that they are fundamentally distinct concepts (Armenakis & Bedejan, 1999; Kotter, 1996). Armenakis and Bedejan (1999) suggested that unfreezing may be achieved by first creating organizational change readiness. This implies that organizational change readiness is isolated from unfreezing and is created prior to any of Lewin's three steps. Additionally, Kotter (1996) argued that half of all failures to implement a large-scale organizational change occur because organizational change leaders failed to establish sufficient organizational change readiness. In other words, while creating organizational change readiness is not a distinct step in Lewin's classic change model, it may be argued that it contributes to advance an organizational change and increase the likelihood of planned organizational change success. While organizational change readiness and the unfreezing step of Lewin's model may overlap in approaches (e.g. communication, dialogue), creating organizational change readiness is considered to be best undertaken prior to the unfreezing stage change in such a way that they occur in a sequential manner.

To understand the conceptual evolution of organizational change readiness, Weiner, Amick and Lee (2008) performed a meta-analysis in an attempt to deepen our knowledge of the concept. Early on, organizational change readiness was coined as organizational members' beliefs, attitudes, and intentions regarding the extent to which changes are needed and the organization's capacity to make those changes (Armenakis et al., 1993).

Literature suggests that this general definition invited scholars to think of organizational change readiness as either transtheoretical or psychological.

Viewing organizational change readiness through the transtheoretical model has encouraged scholars to think of organizational change readiness through behavioral patterns, thereby treating organizational change readiness as a sum of individuals' behavior in support of change (Horwarth & Morrison, 2001; Levesque, et al., 2001; Levesque, Prochaska & Prochaska, 1999; McCluskey & Cusick, 2002; Moulding, Silagy & Weller, 1999; Prochaska, 2006). The transtheoretical model integrates the stages of change, decisional balance (Janis & Mann, 1977), and processes of change—all central constructs to change (Prochaska, Prochaska & Levesque, 2001). At its core, this model assumes ten processes to change behavior (consciousness raising, self-liberation, social liberation, self-reevaluation, environmental reevaluation, counterconditioning, stimulus control, reinforcement management, dramatic relief and helping relationships) that occur in five stages: precontemplation, contemplation, preparation, action, and maintenance (Prochaska & DiClemente, 1983). The transtheoretical model suggests that individuals have high levels of organizational change readiness if the organization's actions align to support the stage they find themselves in.

Thinking of organizational change readiness psychologically has enabled researchers to assess the extent to which individuals are cognitively and emotionally inclined to accept, embrace, and adopt change (Holt et al., 2007.) While there is shared context among organizational members, individuals' perceptions of organizational change readiness can vary depending on their unique interpretations of that context (Eby, Adams,

Russell & Gaby, 2000). As a result, many have focused their explorations on measuring individuals' organizational change readiness psychologically to predict individuals' responsiveness to change (Armenakis et al., 1993; Barret, Haslam, Lee & Ellis, 2005; By, 2007; Chonko, Jones, Roberts & Dubinsky, 2002; Dahlan, Ramayah, & Mei, 2002; Eby et al., 2000; Herscovitch & Meyer, 2002; Jones, et al., 2005; Rafferty & Simons, 2006; Weeks, Roberts, Chonko & Jones, 2004).

One advantage of the psychological approach over the transtheoretical model is that it captures individuals' perspectives and attitudes towards change in an organizational change context. Individuals' assessment of their own capabilities and the organization's capacity to successfully change determines their organizational change readiness. In contrast, although the transtheoretical model integrates behavior change theories and practices through individual's behavioral patterns (DiClemente & Hughes, 1990; Levesque, Gelles, & Velicer, 2000; Prochaska & DiClemente, 1983; Prochaska, Redding, Harlow, Rossi & Velicer, 1994), it fails to capture the complexity of organizational context. Additionally, it has been suggested that tools that encompass the transtheoretical model to measure organizational change readiness are individual-centric and as a result fail to capture an organizational setting, therefore making them organizationally irrelevant (McConaughy, Prochaska & Velicer, 1983).

Another advantage of the psychological approach is that it focuses on psychological components, which is consistently included in the organizational change readiness definition and aligns with the definition in a way that the bulk of the literature does. This enables assessment of organizational change readiness at the individual level. Weiner and

colleague's (2008) meta-analyses suggested that 46% of the organizational change readiness literature was explored at the individual level. These studies perceived organizational change readiness as a psychological aptitude to best mirror the definition of organizational change readiness. In doing so, alignment and accuracy of individual's reported organizational change readiness was improved (Weiner et al., 2008). Because the transtheoretical model focuses on behavior, it does not complement the psychological components integrated in the organizational change readiness definition and may not be as helpful in intervening. Measuring organizational change readiness at an individual level enables us to explore individuals' psyche prior to behavior, which is critical because it allows us to predict planned organizational change success early on.

Van de Ven & Poole (1995) suggested that in order for change to occur in a desired direction, it is critical for organizational members' beliefs and cognitions to align with those of their leaders. Lewin (1951) also introduced the Force Field Analysis as an investigative approach to evaluate balance between the sum of forces against a change (restraining forces) and the sum of forces for a change (driving forces). Consequently, Lewin suggested leaders use force field analysis to measure the demand for a proposed change. These conversations have set an important precedence to investigate the role leadership plays in establishing organizational change readiness in individuals preparing for organizational change.

Leadership

Leadership has been defined and explored in various ways. While there are many definitions of leadership, there is yet to be consensus on a single definition. While some

definitions emphasize delegation and the influence leadership has on group members throughout goal attainment (Longman & Mullins, 2004), others focus on the vision and motivational aspects of leadership used to guide a group towards a common goal (Osland, Kolb, Rubin & Turner, 2007). Leadership has evolved in such a way that many leadership frameworks no longer focus on individual characteristics or differences, but rather address the increased complexity of leadership which is depicted in various models as dyadic, shared, relational, strategic, global, and a complex social dynamic (Avolio, 2007; Yukl, 2006).

Across the multitude of ways in which leadership has been defined, Bryman (1992) suggests there are three fundamental commonalities: the notions of group, influence and goal. In other words, leadership encompasses the ability to influence a group in a way that guides them towards achieving a common goal. For the purposes of my study, leadership was defined as behavior in which an individual's primary function is to provide strategic direction and vision to groups and the entire organization, engage in motivational and coaching behaviors, enforce and interpret organizational policies, and obtain resources for the achievement of group goals (Jex & Britt, 2014).

Another component in the complexity of defining leadership is the concept of leadership style. Leadership style has been defined as relatively consistent behavior that characterizes a leader (DuBrin, 2001). In 1978, Burns suggested two main styles of leadership: transactional and transformational (Burns, 1978; Kuhnert & Lewis, 1987). Specifically, transactional leadership has been defined as the leader providing specific rewards in exchange for follower's performance. Transformational leadership focuses on

increasing the follower's level of motivation and morale and in the leader developing both themselves and their followers (Burns, 1978).

Transformational leadership encompasses four dimensions: idealized influence (charisma), intellectual stimulation, individualized consideration, and inspirational motivation (Bass, 1999). Idealized influence refers to the degree to which the leader behaves in admirable ways that encourages followers to identify with them (Bass, 1999). Charisma is displayed when leaders enthusiastically emphasize the importance of a collective sense of mission and reassure their followers that obstacles will be overcome (Bass & Riggio, 2006). Intellectual stimulation encourages followers to be creative in their problem solving (Bass, 1999). For example, when a leader urges the questioning of assumptions, reframing of problems, and analyses of situations through a diverse lens, one can refer to this as intellectual stimulation (Bass & Riggio, 2006; Jung, Chow & Wu, 2003). Individualized consideration takes form through mentorship and the fostering of personal growth as leaders assist their subordinates with individual challenges, needs and goals. Lastly, inspirational motivation speaks to the degree to which leaders articulate an appealing vision (Bass, 1999). Inspirational motivation is captured through encouragement as leaders challenge followers with a direction that ignites arousal, team morale, enthusiasm, and optimism within the team (Bass, 1999).

While transactional leadership may be more effective in facilitating subordinate's completion of specific, and required tasks, research that has explored the effectiveness of these two styles suggests that transformational leadership is more effective in improving subordinates' overall performance (Bommer, Rich & Rubin, 2005; Bryman, 1992;

Herold, Fedor, Caldwell & Liu, 2008; Herrmann, Felfe & Hardt, 2012; Nanjundeswaraswamy & Swamy, 2014). For example, research suggests that the aspects of transformational leadership described above may increase levels of commitment, trust, and respect (Herrmann et al., 2012; Judge & Piccolo, 2004), all of which strengthen overall employee performance as opposed to just the completion of a required task or attainment of a specific goal.

Further exploring transformational leadership, Bass (1985) expanded on Burns' (1978) concept and applied it to organizational management, suggesting that transformational leadership aims to raise colleagues, subordinates, followers, or constituencies to a greater awareness about issues of consequence. This heightening of awareness requires leadership with vision, self-confidence, and inner strength to argue successfully for what is determined to be right or good, not for what may be popular or acceptable according to established norms.

Despite transformational leadership's emphasis on the confidence and skill to make fair and ethically appropriate decisions, some scholars have pointed out the potential for this core aspect to be undermined by the transformational leader's equally heavy focus on goal achievement (Stevens, D'Intino & Victor, 1995). Specifically, transformational leaders may make unethical decisions in order to achieve success, without necessarily considering the impact on their followers. These concerns have invited scholars to explore the concept of authenticity in the conceptualization of leadership.

Authenticity is defined as owning one's personal experiences, be they thoughts, emotions, needs, preferences, beliefs, or processes, captured by the injunction to know

oneself and behave in accordance with the true self (Harter, 2002). Because transformational leaders are not always transparent about their behaviors and/or decisions, this set precedence to incorporate authenticity into the context of leadership. In 1999, Bass and Steidlmeier introduced the term “authentic” to distinguish between pseudo and genuine transformational leadership. As a result, interest was raised in the concept of authentic leadership and scholars began to explore and deepen our understanding of authentic leadership (Gardner, Cogliser, David & Dickens, 2011; Avolio, Luthans & Walumbwa, 2004; Gardner & Schermerhorn, 2004; George, 2003; Luthans & Avolio, 2003; May, Chan, Hodges & Avolio, 2003).

Authentic leadership. The definition of authentic leadership is relatively recent and still being developed (Gardner et al., 2011), but the foundation of authentic leadership encompasses knowing oneself and consistently aligning one’s actions, thoughts, and behaviors with that self-knowledge to reflect one’s true self accordingly. Luthans and Avolio (2003) perceived authentic leadership as a product of positive psychological capacities and a highly developed organizational context that results in greater self-awareness and self-regulated positive behaviors thus fostering positive self-development. Because authentic leaders are believed to have heightened self-awareness and emotional intelligence, they are deeply aware of their thought processes, behaviors, and how they are perceived by others. As a result, it has been suggested that authentic leaders radiate confidence, hope, optimism, resilience, and attract followers through positive influence (Avolio et al., 2004). However, including positive psychological capacities (confidence, hope, optimism, and resilience) in the definitions has raised concerns because these

capacities may be a consequence of social interactions with other persons and are not inherent components of the construct (George & Sims, 2007).

In an effort to understand what constitutes authentic leadership and address previous concerns with defining the construct, Walumbwa and colleagues (2008) introduced four behavioral dimensions of authentic leadership and further operationally defined authentic leadership. They defined authentic leadership as a pattern of leader behaviors that draws upon and promotes both positive psychological capacities and a positive ethical climate to foster four behavioral dimensions: self-awareness, internalized moral perspective, balanced processing of information and relational transparency. Finally, central to the definition of authentic leadership is the emphasis of leaders working with followers to foster positive self-development. This definition is consistent with Avolio and colleagues' (2004) assertion that authentic leaders act in accordance with deep personal values and convictions, build credibility, and win the respect and trust of followers by encouraging diverse viewpoints and building networks of collaborative relationship with followers, and thereby lead in a manner that followers recognize as authentic.

The first dimension of authentic leadership is self-awareness. Self-awareness refers to demonstrating an understanding of how one derives and makes meaning of the world and how that meaning making process impacts the way one views himself or herself over time (Walumbwa et al., 2008). Self-awareness is critical in authentic leadership because it serves as a moral compass for a leader to identify when they are not behaving true to themselves; or in other words, in an authentic way. It encompasses having an understanding of one's values, emotions, goals, knowledge and talents (Avolio &

Gardner, 2005). Additionally, self-awareness is critical in an authentic leader because it provides insight into a leader's strengths and weaknesses (Avolio, Walumbwa & Weber, 2009). George (2003) proposed that this deep sense of self-awareness invites authentic leaders to reflect on their leadership in a way that allows them to serve others more effectively. Furthermore, leaders are encouraged to seek and leverage strengths in their followers, therefore establishing a sense of trust and respect amongst their followers.

The second dimension of authentic leadership is internalized moral perspective. Internalized moral perspective refers to an integrated form of self-regulation (Deci & Ryan, 2002) guided by internal moral standards (Avolio, et al., 2009; Deci & Ryan, 2002). It is anchored by one's mission, values, or desire to make a difference (Shamir & Eilam, 2005; Walumbwa et al., 2008). Internalized moral perspective allows authentic leaders to be guided by a set of values that represent doing "what is right and fair" for the collective (Luthans & Avolio, 2003). As a result, leaders are able to guide decisions based on an internalized objective moral standard rather than personal interests or goal attainment. Because authentic leaders exemplify high moral standards, integrity, and honesty, their favorable reputation fosters positive expectations among followers, enhancing followers' levels of trust and willingness to cooperate with the leader for the benefit of the organization (Avolio et al., 2004). In fact, research suggests that authentic leaders who act consistently with their moral principles in turn inspire their followers to act authentically in the workplace as well (May, Chan, Hodges & Avolio, 2003). This infers that the influence authentic leaders have on their followers is somewhat contagious.

The third dimension of authentic leadership is balanced processing. Balanced processing refers to leaders who objectively analyze all relevant data and consider others' opinions before reaching decisions (Walumbwa et al., 2008). Gardner and Avolio (2005) suggest that authentic leaders are dedicated to incorporating an objective, balanced process in their decision-making. Authentic leaders are known to actively solicit views that challenge their deeply held positions to broaden their perspective. By doing so, followers are encouraged to challenge the status-quo and welcome diverse perspectives, both critical to navigating organizational change successfully in today's corporate environments.

The fourth and final dimension of authentic leadership is relational transparency. Relational transparency refers to presenting one's authentic self to others, as opposed to a fake or distorted self (Walumbwa et al., 2008). Kernis (2003) adds that presenting one's authentic self promotes trust through exchanges that involve openly sharing information and the expression of one's true thoughts and feelings in an appropriate manner. This openness is especially valued in decision-making because leaders involve their followers in reaching conclusions with the utmost transparency and openness by encouraging them to share their insights, opinions, and feelings (Avolio, Griffith, Wernsing & Walumbwa, 2010). This complements authentic leaders' third dimension, balanced processing, in that authentic leaders are deliberate about seeking information from all relevant sources—including their followers—to guide their decisions (Avolio, Griffith, Wernsing & Walumbwa, 2010). Together, these four dimensions constitute authentic leadership.

Authentic leadership and organizational change readiness. Increased interest in both authentic leadership and organizational change readiness has invited scholars to explore their shared relationship. Armenakis, Bernerth, Pitts and Walker (2007) suggested that change agents and opinion leaders may influence the reaction of change recipients to an organizational change. They claimed that organizational leaders may have a unique opportunity to play both the roles of change agent and that of opinion leader and as a result have a large influence on individuals' readiness for organizational change. This assertion encouraged authors to study the relationship more in depth; specifically, to better decipher the relationship between leadership and individuals' organizational change readiness.

In an attempt to understand the impact of leadership on organizational change, Lyons, Swindler and Offner (2009) explored it within a U.S. military context. They assessed participants' leadership perceptions, change readiness indices, and intentions to engage in the change. As indicated by their findings, senior executives had the most influence on individuals' change readiness. The more senior executives were perceived as displaying change-oriented leadership behaviors, the more individuals showed change readiness. This suggests that change leadership may be predictive of individuals' change readiness and may be related to higher change engagement intentions amongst employees. This highlights the impact of leadership's role throughout organizational change. Similarly, Seo and colleagues (2012) tested the effect of leadership on employees' affective experiences in shaping their commitment and behavioral responses to phases of organizational change. Their findings indicated that leadership initially influences

employees' affective reactions, which in turn influences their commitment to change. Their results supported a strong relationship between employees' affective experiences and their commitment and behavioral responses to change. Therefore, leadership's influence on organizational change commitment is apparent.

A demand for respected moral and ethical climates in organizations has invited scholars to examine leadership characteristics that foster such a climate in the context of organizational change. Scholars have suggested that a leader's reputation based on trustworthiness, integrity, fairness, and justice may foster employees' organizational readiness for change (Santhidran et al., 2013; Shah, 2011). While these traits may be found in authentic leaders, research has not yet explored the direct relationship between authentic leadership and organizational change readiness. However, researchers have begun to investigate authentic leadership in the context of organizational change (Williams, Pillao, Deptula & Lowe, 2012).

Joo, McLean and Yang (2013) explored authentic leadership's influence in uncertain environments. They found that an authentic leader's transparent and supportive behavior enhanced the workplace climate in a way that fostered embracing change and creativity. In an organizational context, creativity is defined as an outcome focused on the production of new and useful ideas concerning products, services, processes, and procedures (Amabile et al., 1996; Oldham & Cummings, 1996; Shalley, 1991; Zhou, 1998) and has been examined as creative solutions to business problems, creative business strategies, and creative job processes (Ford & Gioia, 2000; Taggar, 2002; West & Anderson, 1996). Although Joo et al. (2013) did not explore organizational change

readiness directly, it could be suggested that organizational change is accompanied by ambiguity. Therefore, one may suggest that if authentic leaders—through their transparency and supportive behavior—enhance creativity in an ambiguous environment, then authentic leaders may play a role in facilitating creativity within a planned organizational change context.

Bakari, Hunjra and Niazi (2017) were among some of the first to research authentic leadership in a planned organizational change context. They tested the impact of authentic leadership on employee perceptions during change. They collected survey responses through random sampling within three public sector hospitals in Pakistan and found authentic leadership established employees' readiness for change, which in turn showed up as commitment to change and behavioral support for change. Their results suggest that authentic leadership can be utilized as a practical tool to positively influence employees' beliefs and perceptions towards change.

The research conducted by Joo et al. (2013), and Bakari et al. (2017) suggest that components of authentic leadership positively influence employees during change. However, other factors may play a role in this relationship. For example, as indicated by Seo et al. (2012), individuals' positive affective experiences (excitement and enthusiasm) play a role in the relationship between leadership and change readiness. The authors suggest that positive affect provides positive evaluative information about how the change is being managed that will likely strengthen their felt obligation to support the change. Therefore, it is worthwhile to explore the potential mediating effects other factors may have on the relationship between authentic leadership and organizational change

readiness. The next section focuses on exploring psychological safety as a potential mediator.

Psychological Safety as a Mediator

Schein and Bennis (1965) defined psychological safety as a feeling that establishes a sense of security and the capability to change and control one's behavior during organizational challenges. Psychological safety was originally presented by Schein and Bennis in the 1960s when they realized how important it was for employees to feel safe when dealing with organizational challenges.

While Schein and Bennis' definition encompasses feelings of security, it suggests that psychological safety is prevalent only during times of organizational challenges. This fails to capture other significant aspects of an organization, such as learning and innovation. The importance of learning and innovation in organizations revived psychological safety research out of dormancy thirty years later. Psychological safety is important to learning and innovation because there is a level of interpersonal risk that may be associated with trying to gain new knowledge or create a new product, service, or approach in the workplace. In other words, sometimes mistakes are what lead to successful learning and innovation. As a result, Kahn (1990) redefined psychological safety as a sense of being able to show and employ one's self without fear of negative consequences to self-image, status, or career.

Kahn's definition had more breadth, but it brought into question whether psychological safety should be limited to self-image, status and career. Edmonson (2003) defined psychological safety as the state where employees feel safe in taking risks in a

work setting. Their simplified definition was more versatile in that it allowed researchers to investigate individuals' experiences and outcomes (Edmonson & Lei, 2014) which may include outcomes such as job engagement, organizational commitment, learning from failure, and adherence to expected in-role behaviors.

Given the amount of change, ambiguity, and challenges to have greater innovation and creativity in our modern workplaces, studies have explored the mediating effect of psychological safety on the relationship between authentic leadership and employees' behavior. Authentic leaders have an acute sense of self-awareness, unbiased and balanced processing, a high internalized moral perspective, and transparency (Walumbwa et al., 2008). Luthans, Avolio and Walumbwa (2004) suggested that authentic leaders' high moral perspective fosters an environment in which individuals do not fear consequences and rather, feel safe in taking risks. I propose that authentic leaders' emphasis on balanced processing contributes to individuals' psychological safety. Balanced processing is centered around gathering diverse opinions to reach a decision (Walumbwa et al., 2008). This process welcomes opinions and perspectives different from those of the leader. As a result, individuals with authentic leaders feel empowered to be themselves, speak up, and voice concerns or disagreements, as well as offer new ideas, without fear of interpersonal risk. For these reasons, authentic leadership is seen as fostering individuals' psychological safety.

Psychological safety may lead to employee behavioral outcomes. Frazier, Fainshmidt, Klinger, Pezeshkan and Vracheva (2017) proposed that from the learning and change perspective, a number of behavioral outcomes may result from psychological safety:

learning behaviors, information sharing, citizenship behaviors, and creativity. For example, information sharing is a primary process by which change and learning occur in organizations (Edmonson, 1999; Edmonson & Lei, 2014). Nembhard and Edmonson (2006) claimed that an environment that encourages and welcomes collaboration and feedback seeking is critical to an information-sharing culture. For this reason, it is important for psychological safety to exist because it contributes to an environment where employees are comfortable and feel secure in voicing their candid feedback. In response to feelings of safety, we are more likely to see employees engage in positive employee behaviors.

Psychological safety may also lead to motivational and attitudinal outcomes. Kahn (1990) focused his work on motivational and attitudinal outcomes of psychological safety, such as work engagement, commitment, and job satisfaction. He suggested that engagement, commitment, and job satisfaction emerge when employees feel safe to engage in their work without fear of negative consequence. Christian, Garza and Slaughter (2011) suggest that this reduction in fear of negative consequences, which is the primary focus of the psychological safety construct, is crucial to fostering employee investment of emotional and cognitive resources in their work, which in turn shows up as motivational and attitudinal outcomes. This reduction of fear is especially impactful in the context of authentic leadership as leaders are often associated with implementing organizational change and its consequences.

Liu, Liao and Wei (2015) investigated whether psychological safety mediated the relationship between authentic leadership and whistleblowing. They defined

whistleblowing as the disclosure by organization members (former or current) of illegal, immoral or illegitimate practices under the control of their employers to persons or organizations that may be able to effect action (Near & Miceli, 1985). Authentic leadership may encourage whistleblowing. I propose that authentic leaders' emphasis on high internal moral perspective invites employees to report their peers' malpractices (whistleblowing). Considering that moral internal perspective builds off a foundation of doing "what is right and fair" (Luthans & Avolio, 2003), this aspect of authentic leadership may foster a culture of whistleblowing to preserve a moral environment.

The relationship between authentic leadership and whistleblowing is seen as being mediated by psychological safety. Authentic leadership is related to whistleblowing because authentic leadership is related to safety. Luthans and Avolio (2003) suggested that authentic leaders' high moral perspective fosters an environment in which individuals do not fear consequences and feel safe. In turn, feelings of safety may be related to greater whistleblowing. Near and Miceli (1985) claimed that whistleblowing may be accompanied by interpersonal risk, and therefore employees shy away from it due to their fear of retaliation and discrimination from colleagues, as well as current and future employers. Reducing employees' fear of negative consequences, which is the primary focus of psychological safety, was expected to increase internal whistleblowing behaviors. Therefore, it was hypothesized that psychological safety would be inversely related to fear of interpersonal risk. This was hypothesized because employees who feel safe are more likely to take risks in a work setting (Edmonson, 2003). This study set out to identify if psychological safety mediated the relationship between authentic leadership

and whistleblowing. The results of this study showed that psychological safety partially mediated the relationship between authentic leadership and internal whistleblowing, suggesting that authentic leaders contribute to fostering a psychologically safe space, which in turn encourages whistleblowing.

Similarly, Liu, Fuller, Hester, Bennett and Dickerson (2018) investigated if psychological safety mediated the relationship between authentic leadership and a subordinate's proactive behavior. The authors defined proactive behavior as behavior that involves taking the initiative in improving current circumstances or creating new ones rather than adapting to the current environment (Crant, 2000). Authentic leadership was believed to foster proactive behavior because balanced processing facilitates an environment that actively seeks feedback. Foundationally, balanced processing requires soliciting diverse opinions and analyzing all relevant data before making a decision. Because leaders seek candid insights, employees feel safer in taking the initiative to challenge the status quo. The relationship between authentic leadership and proactive behavior was seen as being mediated by psychological safety. In knowing that leaders make balanced decisions based on input from a variety of sources, employees find safety in speaking up, taking initiative, and making suggestions to improve their current work conditions. In turn, feelings of safety foster proactive behavior. Psychological safety creates an environment where taking interpersonal risks is stimulated (Edmonson, 1999), and as a result, employees are more likely to speak up (Frazier, Fainshmidt, Klinger, Pezeshkan & Vracheva, 2017), make suggestions for change, and challenge the status

quo (Walumbwa & Schaubroeck, 2009). Therefore, having psychological safety was expected to result in proactive behavior.

The results of the Liu et al. (2018) study supported their expectations, providing empirical evidence that psychological safety mediated the positive relationship between authentic leadership and subordinates' proactive behavior. This suggests that as a result of authentic leaderships' impact on fostering psychological safety, individuals are more likely to display proactive behavior. Therefore, the following hypothesis, illustrated in Figure 1, was tested in this study:

Hypothesis: Psychological safety will mediate the relationship between authentic leadership and organizational change readiness, such that authentic leadership will lead to higher perceptions of psychological safety, which in turn will be associated with higher organizational change readiness.



Figure 1. Psychological safety as a mediator of the relationship between authentic leadership and organizational change readiness.

Purpose of the Current Study

As outlined above, research studies have found psychological safety mediates the relationships between authentic leadership and various outcomes (Liu, Liao & Wei, 2015; Liu, Fuller, Hester, Bennett & Dickerson, 2018). A review of these studies outlines the effects on whistleblowing and subordinate behaviors (proactive behavior). The discussion of research on whistleblowing allows us to better understand how psychological safety played a role in influencing behaviors that may be associated with interpersonal risk. Work on subordinate behaviors shed light on the broader investigation of psychological safety on positive behaviors.

The studies discussed above provide context to the degree which psychological safety mediates the effect of authentic leadership in facilitating individual behaviors such as risk taking and willingness to speak up and provide input. This discussion of the research illuminates how authentic leadership's characteristics of transparency and supportiveness in an environment of ambiguity enhance the workplace climate in a way that fosters embracing change and creativity. One could ask whether psychological safety might similarly amplify the impact of authentic leadership on organizational change readiness in the context of planned organizational change. Research has yet to explore the impact of psychological safety on the relationship between authentic leadership and organizational change readiness and thus the extent to which psychological safety may indirectly increase organizational change success.

As scholars continue to discover the benefits of authentic leadership, and as planned organizational change continues to be a common aspect of modern organizational

practices (Garrison et al., 2006; Swanson & Power, 2001), it is worthwhile to explore ways to increase individuals' levels of organizational change readiness. Assessing the impact psychological safety may have on individuals' levels of organizational change readiness is a segue into this work.

Method

Participants

Participants were obtained through my professional networks. A total of 181 individuals initially participated in the study. The criteria to be included in the sample were that individuals had to be currently employed and had to be working at their current company for longer than six months. This resulted in the exclusion of 74 individuals. Thus, the final sample consisted of 107 participants.

The demographic characteristics of these participants are reported in Table 1. In regard to their employment, 81 participants (75.7%) were currently employed, working 40 or more hours per week. The remaining 23 participants (21.5%) were currently employed, working 1-39 hours per week, with only 3 participants (2.8%) reporting Other. In terms of tenure, a majority (43.9%) had been with their current employer for 1 to 3 years. Of the remaining 56.1% of the sample, 22 participants (20.6%) had been with their current employer for 6 months to 1 year, 18 participants (16.8%) had been with their current employer for 3 to 5 years, and 20 participants (18.7%) had been with their current employer for more than 5 years.

The sample consisted of 82 females (76.6%) and 25 males (23.4%). No participants identified as Non-binary. In terms of age, the majority of participants (54.2%) ranged from 25 to 34 years, followed by participants aged 18 to 24 years (16.8%), aged 45 years or older (14.9%), and aged 35 to 44 years (14%). Participants were also asked their nationality, with the majority (53.3%) identified as Hispanic or Latino, 22.4% of the participants identified as White, 12.1% of the participants identified as Asian / Pacific

Islander, 7.5% of the participants identified as Other, and 4.7% of the participants identified as Black or African American.

Table 1

Demographic Characteristics of Participants (N =107)

Variable	<i>n</i>	%
Gender		
Female	82	76.6%
Male	25	23.4%
Age		
18 to 24 years	18	16.8%
25 to 34 years	58	54.2%
35 to 44 years	15	14.0%
45 to 54 years	12	11.2%
55 to 64 years	4	3.7%
Over 64 years	0	0%
Tenure		
6 months to 1 year	22	20.6%
1 to 3 years	47	43.9%
3 to 5 years	18	16.8%
5 to 10 years	12	11.2%
10 to 15 years	3	2.8%
More than 15 years	5	4.7%
Nationality		
White	24	22.4%
Hispanic or Latino	57	53.3%
Black or African American	5	4.7%
Asian / Pacific Islander	13	12.1%
Other	8	7.5%

Measures

Authentic leadership. Authentic leadership was measured with a scale composed of 12 items adopted from Walumbwa and colleagues' (2008) 25-item Authentic Leadership scale. Pertinent items were retained, meaning that items that contained slang or overlapped with other items were removed. The scale utilized a five-point Likert scale from *Strongly Disagree (1)* to *Strongly Agree (5)*.

The 12 items were equally divided into the four dimensions of authentic leadership: relational transparency, internalized moral perspective, balanced processing, and self-awareness. Self-awareness refers to demonstrating an understanding of how one derives and makes meaning of the world and how that meaning making process impacts the way one views himself or herself over time. Items included, "My leader knows when it is time to reevaluate his or her position on important issues." Another dimension was internalized moral perspective, measuring an integrated form of self-regulation guided by internal moral standards. Items included, "My leader makes decisions based on his or her core values." The third dimension, balanced processing, refers to leaders who objectively analyze all relevant data and consider others' opinions before reaching decisions. A sample item is "My leader listens to different points of view before coming to conclusions." The last dimension was relational transparency, pertaining to presenting one's authentic self to others as opposed to a fake or distorted self. Items measuring relational transparency included, "My leader says exactly what he or she means."

The average response to the 12 items yielded the score for authentic leadership, which could be on a scale of 1.00 to 5.00. Higher mean scores suggested that the participant

perceived his or her leaders to promote positive psychological capacities and a positive ethical climate in which self-awareness, internalized moral perspective, balanced processing and relational transparency are fostered. Consequently, low mean scores suggested that their leaders do not promote positive psychological capacities and a positive ethical climate in which the four dimensions are supported. Despite the high reliability of the scale, indicated by Cronbach's alpha ($\alpha = .92$), it was determined that the item, "My leader makes decisions based on his or her core values" was lowering the internal consistency. Removing this item would increase Cronbach's alpha. Therefore, I chose to eliminate this item and treat authentic leadership as unidimensional. Cronbach's alpha then increased to a demonstrated higher reliability of the scale ($\alpha = .93$).

Psychological safety. Psychological safety was measured with five items adopted from Edmondson's (1999) Psychological Safety scale which consists of seven items measuring team psychological safety. Psychological safety refers to the extent to which employees feel safe taking risks in a work setting. Pertinent items that did not overlap with other items were retained, and wording was changed to capture individuals' level of psychological safety within their respective companies. Items include, "It is easy to ask others in my company for help." The scale utilized a five-point Likert scale from *Strongly Disagree (1)* to *Strongly Agree (5)*.

The score for psychological safety was created by taking the average of the responses to the five items, which can be on a scale of 1.00 to 5.00. High scores indicated individuals felt safer in taking risks in a work setting, while lower scores suggested lower

levels of safety in taking risks at work. Cronbach's alpha demonstrated high reliability of the scale ($\alpha = .80$).

Organizational change readiness. Organizational change readiness was measured with a scale composed of 15 items divided into four dimensions (appropriateness, management support, change efficacy, personal valence). Items were adopted from Holt and colleagues (2007) 25-item Organizational Change Readiness scale. Items were considered pertinent and retained if they referenced general change as opposed to a specific change or did not overlap. Some wording was altered to reflect individuals' readiness to change in a general sense. The scale utilized a five-point Likert scale from *Strongly Disagree (1)* to *Strongly Agree (5)*.

The items were divided into four dimensions: appropriateness, management support, change efficacy, personal valence. Three of the four dimensions were composed of four items, and the fourth dimension (personal valence) was composed of three items. One of these dimensions is appropriateness, which refers to individuals' perceptions regarding the legitimacy and benefits of organizational change. Items include, "I think my organization benefits from changes that are made." Another dimension is management support, measuring the extent to which an individual believes senior leaders support organizational change. Items include, "The senior leaders in my organization encourage employees to embrace change." The third dimension, change efficacy, refers to the extent to which an individual feels confident that they will perform well and be successful. A sample item is "I have the skills that are needed to make changes succeed." The last dimension is personal valence, pertaining to whether organizational change is perceived

as personally beneficial to the individual. Items measuring personal valence include, “I am worried I will lose some of my status in the organization if changes are implemented.”

The score for organizational change readiness was created by calculating the average of the responses to the 15 items, which could be on a scale of 1.00 to 5.00. Higher mean scores suggested that participants are more cognitively and emotionally inclined to accept, embrace, and adopt a particular plan to purposefully alter the status quo. Similarly, low mean scores suggested participants are less likely to cognitively and emotionally accept, embrace and adopt a particular plan to purposefully alter the status quo. I chose to treat organizational change readiness as unidimensional and Cronbach’s alpha demonstrated high reliability of the scale ($\alpha = .81$).

Demographic information. Participants were also asked questions regarding their background information. This included questions regarding age, gender (Male, Female, Non-binary, or Prefer to self-describe), and nationality (White, Hispanic or Latino, Black or African American, Native American or Native Indian, Asian/Pacific Islander, or Other). Employment status was classified into four groups: Currently employed and working 40 or more hours per week, Currently employed and working 1-39 hours per week, Not currently employed, or Other. Job tenure was broken into seven groups: Less than 6 months, 6 months to 1 year, 1 to 3 years, 3 to 5 years, 5 to 10 years, 10 to 15 years, or More than 15 years.

Procedure

The survey was constructed using Qualtrics and administered to participants online via anonymous links. The anonymous links were made available to participants through online posts and included an estimation of time required to complete the survey. The posts ensured anonymity and included a brief explanation that the survey was part of a research study to better understand the way individuals' experiences at work and with their leader influence how organizational changes are perceived.

If participants indicated their willingness to participate, they were prompted to the first page of the survey, which again briefly explained the purpose of the study, expected time to complete the survey, and assured anonymity. Informed consent was also included, and the contact information of the researcher was provided in case there were questions or concerns. The survey was open for participation for three weeks and participants could take the survey at their own convenience. Participants who had started the survey and needed to complete it at a later time were given a 24-hour window to finish the survey. On average, participants who met the survey criteria took 10-15 minutes to complete the survey. Individuals who did not meet criteria were prompted to a message that thanked them for their time and notified them they did not meet the survey criteria. The individual data for the 107 qualified surveys combined into a cumulative data file for statistical analysis using SPSS Version 25.

Results

Descriptive Statistics

Means and standard deviations for all the study's variables are presented in Table 2. The purpose of calculating these statistics was to check central tendency and variability for each variable. Participants reported a relatively low level of authentic leadership ($M = 2.14$, $SD = .91$), suggesting that they perceived their leaders as not promoting positive psychological capacities and a positive ethical climate in which self-awareness, internalized moral perspective, balanced processing and relational transparency are fostered. Participants also reported low levels of psychological safety ($M = 2.03$, $SD = .84$), indicating that employees did not feel safe taking risks in their workplace. Participants reported low levels of organizational change readiness ($M = 2.05$, $SD = .52$), suggesting that employees were not cognitively and emotionally inclined to accept, embrace, and adopt a particular plan to purposefully alter the status quo. Overall, employees felt their leaders were not authentic, did not feel psychologically safe, and did not feel ready to embrace organizational change.

Table 2

Descriptive Statistics and Pearson Correlations of Variables (N = 107)

Variable	M	SD	1	2	3
1. Authentic Leadership	2.14	.91	--		
2. Psychological Safety	2.03	.84	.61***	--	
3. Organizational Change Readiness	2.05	.52	.59***	.55***	--

Note. * $p < .05$, ** $p < .01$, *** $p < .001$

Pearson Correlations

Pearson correlations were computed to assess the strength of the relationships among the three variables. Pearson correlations are presented in Table 2. Results showed that authentic leadership was significantly and positively related to psychological safety, $r(105) = .61, p < .001$, such that employees who perceived their leaders as promoting both positive psychological capacities and a positive ethical climate to foster self-awareness, internalized moral perspective, balanced processing of information and relational transparency were likely to feel more safe taking risks at work. Authentic leadership was significantly and positively related to organizational change readiness, $r(105) = .59, p < .001$, such that employees who perceived their leaders as more authentic were more likely to cognitively and emotionally accept, embrace and adopt a plan to alter the status quo. Psychological safety was significantly and positively related to organizational change readiness, $r(105) = .55, p < .01$, indicating that the more safe employees feel taking risks at work, the more they are likely to cognitively and emotionally accept, embrace and adopt a plan to alter the status quo. Overall, these variables were positively and strongly related to each other.

Test of Hypothesis

A simple mediation analysis was conducted using the SPSS macro PROCESS (model 4) to test the hypothesis and research question (Hayes & Preacher, 2014). Bootstrapping was used to calculate 95% bias-corrected 95% confidence intervals to assess the significance of the indirect effect. The bootstrap estimates were based on 10,000 bootstrap samples.

The hypothesis stated that psychological safety would mediate the relationship between authentic leadership and organizational change readiness. Table 3 shows unstandardized regression coefficients (b), standard errors (SE), t -statistic values, and 95% confidence intervals (CI); the different paths of the model are provided in Figure 2. As expected, authentic leadership was positively related to organizational change readiness (path c : $b = .34, t = 7.48, p < .001$). Authentic leadership was positively related to psychological safety (path a : $b = .57, t = 7.97, p < .001$). After controlling for authentic leadership, psychological safety was related to organizational change readiness (path b : $b = .19, t = 3.18, p < .001$).

In regard to the significance of the indirect effect, results showed that the bias-corrected bootstrap confidence interval did not contain zero (path ab : $b = .11, 95\% \text{ CI} = .03 \text{ to } .21$), which suggests that the indirect effect was statistically significant. These results propose that psychological safety was a significant mediator of the relationship between authentic leadership and organizational change readiness. These findings indicate that authentic leadership is related to psychological safety, which in turn is related to organizational change readiness. Therefore, employees who perceive their leaders to be authentic are more likely to feel safe taking risks at work, which in turn increases likelihood that employees will cognitively and emotionally accept, embrace and adopt a plan to alter the status quo. However, authentic leadership continued to have a significant direct relationship with organizational change readiness after controlling for psychological safety (path c' : $b = .23, t = 4.20, p < .001$). These results suggest that authentic leadership was related to organizational change readiness directly and indirectly

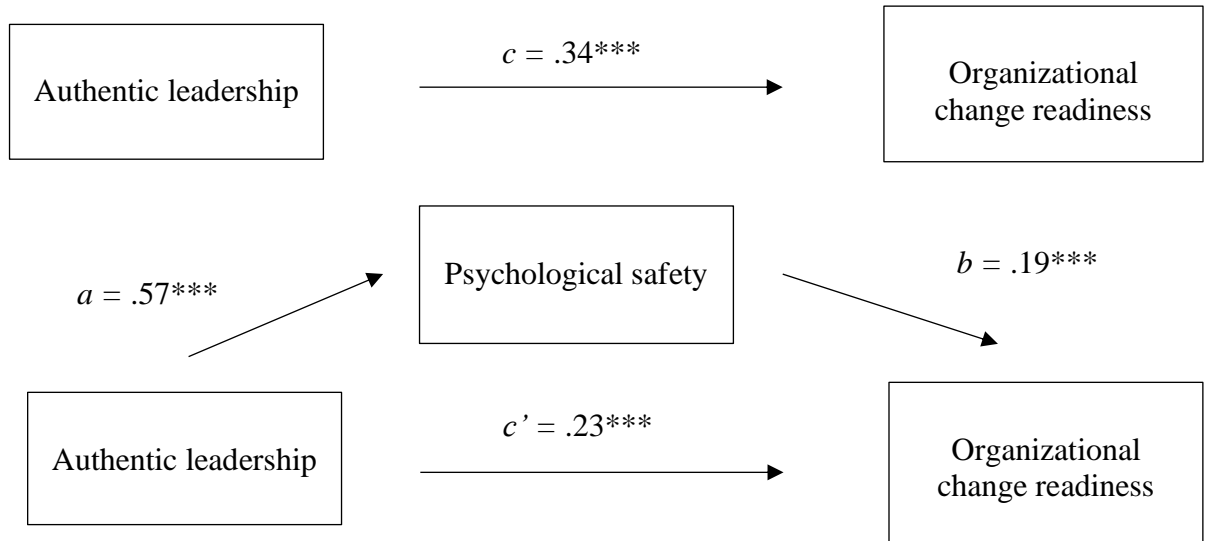
through psychological safety and show partial support for the hypothesis given the significance of path c'.

Table 3

The Relationship Between Authentic Leadership and Organizational Change Readiness (OCR) as Mediated by Psychological Safety (PS)

	<i>b</i> (<i>SE</i>)	<i>t</i>	95 % CI	
			<i>LL</i>	<i>UL</i>
Authentic leadership – organizational change readiness (<i>c</i>)	.34(.05)	7.48***	.25	.43
Authentic leadership – psychological safety (<i>a</i>)	.57(.07)	7.97***	.43	.71
Psychological safety - organizational change readiness (<i>b</i>)	.19(.06)	3.18***	.07	.31
Authentic leadership - organizational change readiness (<i>c'</i>)	.23(.06)	4.20***	.12	.34
Indirect Effect				
Authentic leadership – psychological safety – organizational change readiness (<i>ab</i>)	.11(.05)		.03	.21

Note: This table shows the path coefficients and indirect effect for the relationship between authentic leadership and organizational change readiness (OCR) as mediated by psychological safety (PS). *** p < .001



Note. *** $p < .001$

Figure 2. A simple mediation model with psychological safety as the proposed mediator of the relationship between authentic leadership and organizational change readiness.

Discussion

In response to the increased occurrences of change in organizations (e.g., Garrison et al., 2006; Swanson & Power, 2001), it has become critical to find ways to be ready to respond to these changes. The literature addresses the influential role of leadership in organizations, especially as it pertains to organizational change (Armenakis et al., 2007). Specifically, literature suggests the importance of having authentic leadership that draws upon and promotes both positive psychological capacities and a positive ethical climate to foster self-awareness, internalized moral perspective, balanced processing of information, and relational transparency (Avolio et al., 2004; May et al., 2003; Walumbwa et al., 2008). While the direct relationship between authentic leadership and organizational change readiness to my knowledge has not been explored, researching authentic leadership in a planned organizational change context has begun and suggests a positive relationship (Bakari et al., 2017). However, little is known about the potential mechanism of this relationship. Past research has shown psychological safety as a mediator between authentic leadership and employees' behavior (Christian et al., 2011; Frazier et al., 2017), but it has not been explored as a mechanism in the relationship between authentic leadership and organizational change readiness. The present study proposed that perceived authentic leadership would act in mitigating fear of taking risks at work, which in turn would be positively related to organizational change readiness.

Summary of Findings

The hypothesis stated that psychological safety would mediate the relationship between authentic leadership and organizational change readiness, such that authentic

leadership would be positively related to psychological safety, which in turn would be positively related to organizational change readiness. Results suggested a positive and significant effect on the following relationships: authentic leadership and psychological safety (path a), psychological safety and organizational change readiness (path b), and authentic leadership and organizational change readiness (path c). Additionally, results indicate that psychological safety partially mediated the relationship between authentic leadership and organizational change readiness. This partial mediation implied that there was a significant relationship between psychological safety and organizational change readiness, but also a significant relationship between authentic leadership and organizational change readiness. The positive and significant relationship identified between authentic leadership and organizational change readiness supports prior literature that indicated the influence of authentic leadership in a planned organizational change context (Bakari et al., 2017; Joo, McLean & Yang, 2013).

Theoretical Implications

Literature suggests that authentic leadership may be utilized to positively influence employees' beliefs and perceptions towards change (Bakari et al., 2017) and foster embracing change (Joo et al., 2013). To understand the extent to which authentic leaders may be leveraged to influence employee readiness for change, I explored the influence of feeling safe in taking risks at work. It has been suggested that change agents and opinion leaders, in which leadership may take the form of both, may influence the reaction of change recipients to an organizational change (Armenakis et al., 2007). I anticipated a positive relationship between authentic leadership and psychological safety. Results of

this study indicate that authentic leadership had a positive and significant relationship with psychological safety. In other words, the more authentic a leader is perceived, the more likely an employee is to feel safe in taking risks at work. Liu et al.'s (2015) and Liu et al. (2018) also identified a significant relationship between authentic leadership and psychological safety. The present study corroborates these findings and provides additional empirical evidence in support of a positive and significant relationship between authentic leadership and psychological safety.

The results of this study also showed that psychological safety was positively and significantly related to organizational change readiness, such that the safer employees felt taking risks at work, the more prepared employees felt in embracing and adopting organizational change. Research has explored how psychological safety plays a role in influencing behaviors that may be associated with interpersonal risk (Liu et al., 2015), similar to risks that may be ignited through organizational change. These findings provide additional support in that psychological safety may help alleviate fear of consequences associated with interpersonal risk.

As previous literature insinuated, the present study found that authentic leadership was significantly and positively related to organizational change readiness. In other words, the more employees perceived their leaders to be authentic, the more ready employees felt for organizational change. Joo et al. (2013) proposed that authentic leadership increased employees' likelihood to embrace change and be more creative in uncertain environments. Bakari et al. (2017) suggested that the more employees perceived their leadership to be authentic, the more positively employees perceived

change. Findings from the present study support these similar findings and indicate that the more employees perceive their leaders to be authentic, the more emotionally and cognitively inclined they are to embrace and adopt change.

The primary findings of this study indicate that psychological safety significantly and positively mediated the relationship between authentic leadership and organizational change readiness. This suggests that as employees perceive their leadership as more authentic, they feel safer in taking risks at work which, in turn, increases their organizational change readiness. This finding addresses the gap in the literature and provides empirical evidence that help explain how authentic leadership leads to organizational change readiness.

Practical Implications

The present study has practical implications for organizations considering change. Results suggest that psychological safety significantly mediates the relationship between authentic leadership and organizational change readiness, which indicates that employees are more prepared for change when the perceived authenticity of their leadership fosters an environment where taking risks at work is welcomed. Employees interpret leaders whose foundation is built on self-awareness, a high internalized moral perspective, unbiased balanced processing and relational transparency to be less likely to retaliate against taking risks at work.

Authentic leadership has been suggested as an approach to leverage in positively influencing employees' beliefs and perceptions towards change (Bakari et al., 2017). The present study now provides empirical evidence to suggest that authentic leadership does,

in fact, positively influence organizational change readiness. With that in mind, organizations contemplating change may consider concentrating their efforts on growing authentic leadership, rather than fostering organizational change through employees individually. Redirecting change efforts to the role leadership plays in guiding organizational change, may increase employees' comfort in taking chances at work, such as embracing the ambiguity that accompanies organizational change.

Past literature suggests that employees who feel safe are more likely to take risks in a work setting (Edmonson, 2003), are more likely to speak up for what is just (Frazier et al., 2017; Liu et al., 2015), and are more likely to engage in proactive behavior such as offering solutions (Liu et al., 2018). The present study corroborates these findings and suggests that a safe environment in which employees are comfortable taking risks may be fostered through authentic leadership. By focusing on the perceived authenticity of leaders within a given organization, employees are likely not to fear consequences at work, which in turn may increase individuals' cognitive and emotional inclination to accept and embrace organizational change. There are strategies organizations and leaders can assume to increase perceived authentic leadership to achieve employees' organizational change readiness.

The present study's findings indicate that authentic leadership is positively related to psychological safety, which in turn, is positively related to organizational change readiness. As leadership often steers organizational change, developing leadership's authentic qualities may invite employees to trust and feel safe in any organizational changes that may arise, knowing that they are safe to take risks that may be necessary to

adopt the change. Therefore, to enhance the perceived authenticity of leadership, I propose organizations implement an authentic leadership development training program. This authentic leadership development training should incorporate and address the four behavioral dimensions of authentic leadership: self-awareness, moral perspective, balanced processing, and relational transparency.

For example, one concrete recommendation to address self-awareness is a reoccurring authenticity development cohort dialogue. A reoccurring authenticity development cohort dialogue consists of assigning developing leaders into cohorts and holding dialogue sessions to self-reflect and discuss their values, emotions, goals and talents. Being aware of one's shortcomings and strengths as a leader has an immense impact (Avolio et al., 2009). As a result, self-awareness is imperative for an authentic leader to be able to identify when they are behaving most authentically to their true selves. In having authenticity development dialogues, leaders may become more self-aware in identifying behaviors that align with their genuine selves. An additional benefit of the cohort is that leadership is held more accountable to their authentic leadership development training, and they are given a community to discuss challenges and offer one another solutions throughout their journey.

By providing similar training opportunities for the four behavioral dimensions of authentic leadership, the likelihood that leaders will act authentically is increased. Having leadership behave more authentically will inevitably increase employees' perceptions of their leaderships' authenticity, and in turn, may increase employees' psychological

safety. These heightened feelings of safety may encourage employees to feel more comfortable in taking necessary risks at work.

Results of the present study also suggest that authentic leadership positively and significantly influences employees' cognitive and emotional inclination to embrace and adopt organizational change. Hence, another practical proposal could be offering leadership training to develop authentic communication skills. The authentic communication training should introduce techniques to foster honest, open and thoughtful communication. For example, exemplifying to leadership how to take ownership for what is said, how to be specific in what is being communicated, and how to listen and read the audience are all behaviors that may encourage employees' perceived leadership authenticity. As authentic leadership equates to leaders with greater self-awareness and self-regulated positive behaviors (Luthans & Avolio, 2003) articulating and showing up authentically in a way that is honest, open and thoughtful is critical in fostering employees' perceived leadership authenticity. In enhancing leadership's ability to communicate authentically, perceptions of authentic leadership may increase, which, in turn, are likely to increase individuals' organizational change readiness.

These practical implications are targeted at increasing employees' perceptions of their leadership's authenticity. As the present study's findings suggest, in doing so, we can expect that employees will report higher levels of psychological safety. In feeling more psychologically safe, it may be assumed that employees will also be more inclined to emotionally and cognitively embrace and adopt organizational changes. Adopting some

of these practical implications is likely to increase employees' readiness for organizational change.

Strengths of the Study

A strength of this study is that it was the first to explore the relationship between authentic leadership and organizational change readiness. Filling this gap in the literature contributes to deeper comprehension of what makes leadership most effective in preparing employees to cognitively and emotionally embrace and adopt change. Understanding that authentic leadership positively and directly influences employees' organizational change readiness implies the key attributes of authentic leadership, self-awareness, an internalized moral perspective, balanced processing, relational transparency, and a drive to improve oneself, may be critical in promoting employees' readiness for change.

The present study is also the first to examine the mediating role of psychological safety on the relationship between authentic leadership and organizational change readiness. As results suggest psychological safety positively and significantly mediates the relationship between authentic leadership and organizational change readiness, this study invites others to explore other potential mechanisms of this relationship.

Limitations and Directions for Future Research

Despite these contributions to the literature, there are a few limitations in this study that should be considered. The first limitation pertains to that of my sample's demographics. The present study lacked a diverse sample. More than half of the population was composed of females (76.6%). Similarly, my sample captured a young

and less tenured population: 71% were 34 years of age or younger and 64.5% had been with their current company for 3 years or less, respectively. Additionally, a large percentage of the same identified as Hispanic or Latino. Future studies should make it a point to gather data from a more diverse sample to increase the generalizability of the present study's findings.

Considering that the study was non-experimental raises another limitation. While it can be implied from this study that authentic leadership may influence employees' levels of psychological safety which, in turn, may increase their organizational change readiness, I am unable to identify the causal relationships at play. I recommend that future research consider an experimental design in which authentic leadership is manipulated. For example, identifying different participants groups who perceive and experience different leadership styles (e.g. authentic, transactional, and transformational) could reveal true causal relationships between leadership style and organizational change readiness. The control group may consider leadership as unidimensional and broad (i.e. leadership encompasses the ability to influence a group in a way that guides them towards achieving a common goal (Bryman, 1992)). Once participants are identified in their respective groups, measures of their initial levels of psychological safety can be obtained. Then, as the planned organizational change is communicated to the employees, measures of the employees' levels of organizational change readiness can be obtained. In this case it would be important that employees' levels of organizational change readiness are measured at the same time following the communications. In doing so, causal relationships may be more clearly identified.

I propose that future research consider examining the relationship between authentic leadership and organizational change readiness with other variables as mediators. The present study's findings suggest that the relationship between authentic leadership and organizational change readiness persists even after psychological safety has been taken into account. In other words, psychological safety partially mediates the relationship. This suggests that it is possible for other variables to also significantly mediate the relationship between perceived leadership authenticity and employees' likelihood to emotionally and cognitively embrace and adopt change that alters the status quo. For example, Joo et al. (2013) explored authentic leadership's influence in uncertain environments and suggest that authentic leadership augments a creative environment in which change is more likely to be embraced. Therefore, I propose adopting these variables into a planned organizational change context and exploring if creativity mediates the relationship between authentic leadership and organizational change readiness.

Conclusion

The present study's purpose was to investigate the mediating role of psychological safety on the relationship between authentic leadership and organizational change readiness. Although partial mediation was concluded, this study also contributed novel findings that indicate a significantly positive relationship between authentic leadership and organizational change readiness. To the best of my knowledge, this is the first study to explore the relationship between authentic leadership and organizational change readiness and identify potential mechanisms of the relationship, in this case the influence

of psychological safety. I present that authentic leadership fosters an environment in which employees feel safe in taking risks at work, which, in turn, may increase employees' emotional and cognitive inclination to adopt and embrace change that alters the status quo. While authentic leadership fosters psychological safety, psychological safety is not critical in fostering employees' organizational change readiness. Authentic leadership is an approach that may be leveraged to increase employees' organizational change readiness.

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Appendix

Demographic Questionnaire

Are you currently employed?
How long have you been employed at your current company?
What is your age?
What is your gender?
What is your nationality?

Scale Items

Authentic Leadership

My leader says exactly what he or she means.
My leader demonstrates beliefs that are consistent with actions.
My leader shows he or she understands how specific actions impact others.
My leader analyzes relevant data before coming to a decision.
My leader encourages everyone to speak their mind.
My leader solicits views that challenge his or her deeply held positions.
My leader knows when it is time to reevaluate his or her position on important issues.
My leader makes decisions based on his or her core values.
My leader makes difficult decisions based on high standards of ethical conduct.
My leader admits mistakes when they are made.
My leader listens to different points of views before coming to conclusions.
My leader seeks feedback to improve interactions with others.

Psychological Safety

If you make a mistake in my company, it is not held against you.
It is easy to ask others in my company for help.
People in my company support my efforts.
Employees in my company are able to bring up problems and tough issues.
People in my company accept others for being different.

Organizational Change Readiness

The senior leaders in my organization encourage employees to embrace change.
I think my organization benefits from changes that are made.
I am confident that I can perform successfully in the event of a change.
I feel I can learn what is required to succeed when changes are adopted.
I worry my future at this organization will be limited because of changes that may be made. *
Changes will improve the organization's overall efficiency.
I think my organization's top executive is committed to changes that are made.
I think my organization spends a lot of time on changes when senior managers do not want it implemented. *
I have the skills that are needed to make changes succeed.

I am worried I will lose some of my status in the organization if changes are implemented. *

The time my organization spends on changes should be spent on something else. *

Changes disrupt the relationship I have with others at work. *

My organization's top decision makers show support behind change efforts.

It does not make sense for my organization to initiate changes. *

When we implement changes, I feel I can handle them with ease.

* Indicates that the survey item was reverse-coded.