DOI: 10.2478/orga-2013-0005

Human Resources Annual Interview as a Part of Authentic Leadership

Miha Marič[1], Tamara Gerdej[1], Sandra Penger[2], Eva Jereb[1], Jasmina Žnidaršič[1], Nina Đurica[3]

[1]University of Maribor, Faculty of Organizational Sciences, Kidričeva 55a, 4000 Kranj, Slovenia, miha.maric@fov.uni-mb.si,
[2]University of Ljubljana, Faculty of Economics, Kardeljeva ploščad 17, 1000 Ljubljana, Slovenia, sandra.penger@ef.uni-lj.si,
[3]Higher Business School of Professional Studies, Vladimir Peric-Valter 4, 21000 Novi Sad, Serbia, ninadjurica@yahoo.co.uk

In the paper one of the techniques used in human resource management annual interview as an important part of authentic leadership is discussed. Authentic leadership is the most important matter at the present moment in leadership development and emphasizes the leader's authenticity. For a leader to be authentic we believe he should have an in depth knowledge of people he is working with and that can be achieved through communication. One of the standardized forms of communication between a leader and his coworkers are annual interviews. In the research where 565 people participated we found out that annual interview is an important part of human resource management and is closely related to authentic leadership. The relation is especially relevant in the part of managing and collaborating with colleagues and subordinates.

Keywords: HRM, annual interviews, authentic leadership, communication

1 Introduction

Annual interviews are one of the techniques used in human resource management and are a very efficient leadership tool which is, when properly used, very interactive and has positive effects on the working environment and the work itself. Annual interviews are often used also as a tool to research work climate and work culture and above all as a way to find out what are the work discrepancies and how to motivate employees. Annual interviews are also a way to pass information on to the employees and to include the employees into the decision making process and the organizations functioning.

Authentic leadership is the latest evolutionary stage in leadership development and emphasizes the leader's authenticity. For a leader to be authentic we believe that one should have an in depth knowledge of the people with whom he is working which can be achieved through communication. One of the standardized forms of communication between the leaders and their coworkers are annual interviews.

These two terms are the main point of discussion in our study. With enough knowledge about annual interviews and authentic leadership we can make a new form of leadership that could suit all of the needs of employees in organizations of our time.

The aim of the study is to present, explore and outline the relationship between the use of the annual interviews process and authentic leadership in organizations. We have conducted our study in Slovenia. With the aim of improving the annual interview process in organization the authentic leadership model is an answer to the call for new form of leadership that would suit the needs of employees in modern organizations (Dimovski et al., 2009). Hence, the focus of this study is on the impact that human resources annual interview has on authentic leadership. Implementation of the annual interview process in modern learning is based on leadership – direct influence on followers and should start at top management which must show with their behavior and open dialog that it is ready to dedicate itself to constant improvement (Phillips, 2003). The basic idea behind this paper is that human resources annual interviews are very important when trying to be an authentic leader in an organization. However, to be an authentic leader in a learning organization it is essential to know very well oneself and the organization in order to know what needs to be improved or changed.

We will determine the correlation between various aspects on the use of annual interview and authentic leadership and test how variables of the annual interviews concept determine various aspects of authentic leadership.

2 Human resources annual interview and authentic leadership

Human resource management (HRM) is the strategic and coherent approach to the management of an organization's

Received: 22nd February 2012; revised: 23th May 2012; accepted 5th December 2012

most valued assets - the people working there who individually and collectively contribute to the achievement of the objectives of the business (Armstrong, 2006). Valid theories in HRM provide frameworks for predicting, understanding and influencing the thoughts, feelings and behaviors of employees in the workplace. HRM theories also provide guidance for designing interventions and interpreting the results (Latham & Stuart, 2007).

Armstrong (2006) states that the terms "human resource management" and "human resources" (HR) have largely replaced the term "personnel management" as a description of the processes involved in managing people in organizations. HRM functions (selection, compensation, appraisal etc.) are closely linked to the traditional concept of the job and via this connection to various performance outcomes (Cardy et al., 2007) and they appear by employing one or more employees (Sezer, 2009).

Focusing on organizational performance mainly from financial stakeholders' perspective is no longer sufficient (Colakoglu et al., 2006). Human resource systems are related to firm performance (Arthur and Boyles, 2007). Effective management of people is increasingly recognized in the literature as a vital contributor to organizational performance and indeed survival (Jack et al., 2006).

Iles et al. (2009) are comparing HRM to talent management (TM) and asking themselves whether TM is merely a re-packaging of what already exists, not being distinct from traditional HRM practices or disciplines. In TM a lot of time is spent on discussing to the development of the asset.

Others suggest that the role of HRM practices should be linked with the functioning of PM teams in order to understand to what extent it may condition knowledge creation processes (Bellini and Canonico, 2008).

Changes in competitive environments are resulting in changes to the nature of work. The level of success in light of these organizational changes will largely be determined by how effectively people are managed in the new organizational environments and those HRM practices that adapt to the new organizational conditions can add tremendously to the business and be a key to long-term competiveness (Cardy et al., 2000). For instance, some discuss the role of HRM practice in developing the informed workplace (Othman & Teh, 2003). HRM also plays a major role in times of major transformations or strategic change (Den Hertog et al., 2010).

2.1 HR Annual interview

The annual interview is an in-depth discussion between the leader and a co-worker, throughout which they talk about everything that might improve: their relationship, working conditions, employee's motivation and employee performance. The interview gives an overview of past, present and future plans. The interview is carried out regularly at the same periods of time but at least once a year. In some organizations regular interviews every six months are being put in practice in some even regularly every quarter. It is advisable to start with an annual period of time and gradually shorten this period when managers and staff interviews are already familiar with it (Majcen, 2001: 15).

The annual interview gives the basis for evaluating performance at work, planning further development, education and employees career. Often this type of conversation is the only opportunity offered to an employee in a full year to align his aspirations and expectations with the requirements and expectations of the company (Brečević, 2000: 77.).

We would recommend to the companies to repeat interviews regularly, at least once per year so that the positive effects of the interviews would not be lost. That is also where the title of an annual interview comes, from the time period in which it should be at least once executed.

The annual interview between the manager and workers is the highest level of human resource management. The interview is therefore not intended to criticize the employee's work, behavior or conditions in which they work. Description of the terms is a simple declaration of the current state and the starting point for improvement. In-depth and systematic conversations at least once a year are the only real basis for individual career planning and at the same time they also benefit managers and the company. Annual interviews are not just an administrative procedure; they are means of creating a common vision, purpose and reason of the existence of the organization, informing the individual that understands how to contribute to the success of the entire company (Brečević 2000: 77).

2.2 Authentic leadership

A look at the taxonomy of the concept of authentic leadership will show us that leading researchers from the field of organizational behavior are interested in it (Luthans and Avolio 2003; May et al. 2003; George 2003; Avolio et al. 2004a; Gardner and Schermerhorn 2004; Avolio and Gardner 2005; Gardner et al. 2005; Ilies et al. 2005; Sparrowe 2005; Copper et al. 2005). First Slovenian researchers to dedicate the attention to authentic leadership and development of positive organizational identity of learning organization are Penger (2006), Peterlin (2007) and Dimovski et al. (2009). Multi-dimensional influence of authentic leadership that reaches all employees is the main reason why so many researchers are looking into it.

The essence of authenticity is knowing oneself, accepting and remaining who you really are. Instead of accepting authenticity as a theoretical construct it is better to understand it as element of continuum where leaders and their followers are becoming more and more authentic the more they are preserving their true values, preferences and identity (Copper et al., 2005). Authentic leaders follow five dimensions (George, 2003): understanding their purpose, practicing solid values, leading with heart, establishing connected relationships and demonstrating self-discipline. Authentic leaders are people with high level of authenticity: they know who they are, what they believe in, what they appreciate and in interaction with others they act in accordance with their values and believes (Avolio and Gardner, 2005). Authentic leaders are self-confident, full of hope and trust, optimism and ethical (Cooper et al., 2005).

Main advantage of an authentic leadership is the chance for constant development that its environment and philosophy enables (Gardner and Schermerhorn, 2004). Crucial challenge of an authentic leadership demonstrates itself in the awareness of leaders that an individual is the most important part in the organizational network of knowledge (Storr, 2004; Sparrowe, 2005). Authentic leaders need to identify the advantages of their followers and help them to develop them and connect them with common goal, purpose, vision and identity of the organization. Even though authentic leadership may have direct impact on the behavior of followers (Jensen and Luthans, 2006; Ilies et al., 2005; Gardner et al., 2005; Harvey et al., 2006), its impact is much stronger and motivating if followers identify with their leaders. Consequently, the main thesis of this paper is that authentic leadership enables, support and progress the annual interview process with positive outcomes for parties, client and the interviewer. We claim that authentic leadership practices need to be developed in order that management can learn more effectively and consequently transfer knowledge with the aim of improving the positive effects of annual interviews.

Authentic leader's dedication to progress and development, starting at one's self, works as an indispensable example for co-workers. Authentic leaders need to be committed to constant learning (Schein 1992) that requires self-changing, high level of motivation for learning from one's mistakes, emotional power for dealing with fear and unpredictability, ability for establishing connected relationships and demonstrating self-discipline and self-trust.

3 Methodology

Research questions

Our study attempts to investigate three questions that emerge from the preceding discussion. Through the research, we attempt to determine:

R1: Are various determinants of annual interview and the concept of authentic leadership related and in which manner?

R2: How are the main variables that are constructing the concept of authentic leadership determined by the variables constructing the annual interview?

R3: Which interviews are perceived as more necessary: once per year or as-we-go?

Our survey first sought to determine the relation between annual interviews and the concept of authentic leadership and to determine in which manner they are related. With that issue we wanted to confirm that annual interviews give the basis for evaluating performance at work, planning further development, education and employees' career.

Second we tested how variables of the annual interviews concept determine various aspects of authentic leadership. We believe that not all variables of the annual interviews concept affect various aspects of authentic leadership in the same manner to the same extent.

The survey also investigated whether organizations perceived as more necessary one per year interviews or as-we-go interviews. Authors would like to recommend to practitioners to conduct interviews regularly, at least one per year. It is the only way that the positive effects of the interviews would not be lost.

Sample

Participants in this study were selected randomly. The subjects were invited to individually respond to a questionnaire. Participation was voluntary. The questionnaire was prepared based on the previously described theory and given to interviewers whose' assignment was to randomly select respondents and bring back the filled out questionnaires. A total of 565 complete responses were obtained.

The sample consisted of 283 men and 282 women (n=565). The age range of the respondents was between 21 and 66 years. The average age of the respondents was 36 years and 3 month. The questionnaire was of the closed type.

For questions 3 to 25 we calculated the Cronbach's alpha coefficient. The value calculated is 0.874, which indicates great reliability of measurement. With regard to the composition and characteristics of the sample, we believe that it is representative.

Instrument and Variables

The questionnaire was of a closed type and contained 25 questions referring to the following:

A. General data
   1. age
   2. gender

B. Annual interviews
   3. We use annual interviews in our organization.
   4. We perform informal interviews in our organization.
   5. I can always state my opinion at the annual interview.
   6. At the annual interview, I feel that my "leader" really listens to me.
   7. At the annual interview, I feel that my "leader" understands me.
   8. At the annual interview I feel comfortable.
   9. At the annual interview speaks mostly just the "leader".
   10. At the annual interview the "leader" encourages me.
   11. I have the feeling that the leader is well prepared for the annual interview.
   12. Annual interviews are needed.
   13. Ongoing discussions are needed.
   14. At the annual interview I speak only the truth.
   15. At the annual interview I am also critical.
   16. I receive feedback from my superiors.
   17. Talking to my superior motivates me.

C. Authentic leadership (What is your leader like?)
   18. Leader has a positive attitude towards work and colleagues.
   19. Leader is optimistic and has a strong personal self-image - a strong "I".

20. Leader gives hope for the development of solutions.
21. Leader builds trust among colleagues.
22. Leader has a lot of psychological support from colleagues.
23. Leader has a high degree of personal self-esteem.
24. Leader is primarily focused at finding the positive values of colleagues.
25. I personally identify myself with the leader (we have "the same view of the world").

Questions from 3 to 25 were measured on a scale ranging from 1– I absolutely disagree to 5 – I absolutely agree.

4 Results and Discussion

In Table 1 the frequency for the variables is shown. As it can be seen from the table, the highest mean value among the variables constructing annual interviews has the variable "Ongoing discussions are needed" (3.94) and the highest mean value among the variables constructing authentic leadership has the variable "Leader has a positive attitude towards work and colleagues" (3.73). In Appendix 1 the Pearson R Correlation Coefficients are shown for the above described variables.

With the predictors which were used to describe the "use of annual interviews" 31.9% variance of "Leader has a positive attitude towards work and colleagues" is explained. "I have the feeling that the leader is well prepared for the annual interviews" (β=0. 224) has the most influence.

With second predictors which were used to describe the "use of annual interviews" *23.9%* variance of "Leader is optimistic and has a strong personal self-image - a strong "I"" is explained. "Ongoing discussions are needed" (β=0. 204) has the most influence.

Table 1: Frequency table for the variables

	Mean	**Median**	**Std. Deviation**
Annual interviews			
We use annual interviews in our organization.	3,57	4	1,044
We perform informal interviews in our organization.	3,64	4	0,98
I can always state my opinion at the annual interview.	3,59	4	1,04
At the annual interview, I feel that my "leader" really listens to me.	3,34	3	1,001
At the annual interview, I feel that my "leader" understands me.	3,41	3	0,937
At the annual interview I feel comfortable.	3,33	3	1,008
At the annual interview speaks mostly just the "leader".	3,33	3	1,018
At the annual interview the "leader" encourages me.	3,48	4	0,91
I have the feeling that the leader is well prepared for the annual interview.	3,8	4	0,972
Annual interviews are needed.	3,74	4	0,975
Ongoing discussions are needed.	3,94	4	0,968
At the annual interview I speak only the truth.	3,65	4	0,844
At the annual interview I am also critical.	3,58	4	0,945
I receive feedback from my superiors.	3,66	4	0,903
Talking to my superior motivates me	3,34	3	0,974
Authentic leadership			
Leader has a positive attitude towards work and colleagues.	3,73	4	0,861
Leader is optimistic and has a strong personal self-image - a strong "I".	3,64	4	0,874
Leader gives hope for the development of solutions.	3,63	4	0,851
Leader builds trust among colleagues.	3,52	4	0,886
Leader has a lot of psychological support from colleagues.	3,39	3	0,869
Leader has a high degree of personal self-esteem.	3,61	4	0,85
Leader is primarily focused at finding the positive values of colleagues.	3,54	4	0,894
I personally identify myself with the leader (we have "the same view of the world").	3,32	3	0,959

Table 2: Regression analysis for the dependent variables: "Leader has a positive attitude towards work and colleagues", "Leader is optimistic and has a strong personal self-image - a strong "I" ", "Leader gives hope for the development of solutions", "Leader builds trust among colleagues", "Leader has a lot of psychological support from colleagues", "Leader has a high degree of personal self-esteem", "Leader is primarily focused at finding the positive values of colleagues", "I personally identify myself with the leader" and independent variables representing the "use of annual interviews" (n=565)

Standardized Coefficients Beta for dependet variable:	**Leader has a positive attitude towards work and colleagues**	**Leader is optimistic and has a strong personal self-image - a strong "I"**	**Leader gives hope for the development of solutions**	**Leader builds trust among colleagues**	**Leader has a lot of psychological support from colleagues**	**Leader has a high degree of personal self-esteem**	**Leader is primarily focused at finding the positive values of colleagues**	**I personally identify myself with the leader**
Adjusted R^2:	0.319	0.239	0.755	0.212	0.210	0.148	0.218	0.148
Predictors:								
We use annual interviews in our organization.	0,04	-0,052	-0,081	0,000	-0,054	-0,092	-0,078	-0,055
We perform informal interviews in our organization.	-0,056	0,126	0,024	-0,038	-0,015	0,085	0,034	-0,025
I can always state my opinion at the annual interview.	-0,084	-0,155	0,004	0,015	-0,005	-0,108	-0,084	0,059
At the annual interview, I feel that my "leader" really listens to me.	0,17	0,119	-0,008	0,067	0,061	0,097	0,126	0,076
At the annual interview, I feel that my "leader" understands me.	0,063	0,026	0,17	0,193	0,047	0,096	0,092	0,064
At the annual interview I feel comfortable.	0,098	0,002	0,022	0,021	0,178	0,07	0,059	0,029
At the annual interview speaks mostly just the "leader".	0,037	-0,02	0,139	0,094	0,096	0,059	0,04	0,117
At the annual interview the "leader" encourages me.	0,057	-0,012	0,005	0,035	0,092	-0,009	0,145	0,051
I have the feeling that the leader is well prepared for the annual interviews.	0,224	0,133	0,176	0,094	0,083	0,181	0,141	0,097
Annual interviews are needed.	-0,036	0,07	0,072	0,062	0,077	0,019	-0,016	0,04
Ongoing discussions are needed.	0,106	0,204	0,06	-0,013	-0,107	0,139	-0,036	-0,09
At the annual interview I speak only the truth.	0,044	0,038	0,059	0,083	0,214	0,127	0,067	0,062
At the annual interview I am also critical.	0,001	0,03	0,000	-0,069	0,016	0,033	0,032	-0,011
I receive feedback from my superiors.	0,086	0,064	0,148	0,121	0,056	-0,044	0,148	0,069
Talking to my superior motivates me.	0,172	0,189	0,056	0,099	0,033	0,042	0,048	0,145

With next predictors which were used to describe the "use of annual interviews" *75.5%* variance of "Leader gives hope for the development of solutions" is explained. "I have the feeling that the leader is well prepared for the annual interviews" (β=0. 176) has the most influence.

With forth predictors which were used to describe the "use of annual interviews" 21.1% variance of "Leader builds trust among colleagues" is explained. "At the annual interview, I feel that my "leader" understands me" (β=0.193) has the most influence.

With fifth predictors which were used to describe the "use of annual interviews" 21.0% variance of "Leader has a lot of psychological support from colleagues" is explained. "At the annual interview I speak only the truth" (β=0. 214) has the most influence.

With next predictors which were used to describe the "use of annual interviews" 14.8% variance of "Leader has a high degree of personal self-esteem" is explained. "I have the feeling that the leader is well prepared for the annual interviews" (β=0.181) has the most influence.

With eighth predictors which were used to describe the "use of annual interviews" 21.8% variance of "Leader is primarily focused at finding the positive values of colleagues" is explained. "I receive feedback from my superiors" (β=0.148) has the most influence.

With the last predictors which were used to describe the "use of annual interviews" 14.8% variance of "I personally identify myself with the leader (we have "the same view of the world")" is explained. "Talking to my superior motivates me" (β=0.145) has the most influence.

Discussion

Through our research we were able to answer our first research question (R1): "*Are various determinants of annual interview and the concept of authentic leadership related and in which manner?*" on the correlations between the variables composing the use of annual interviews and of those composing authentic leadership. From Appendix 1 we can see that almost all of the variables representing human resources annual interview are related to the variables representing authentic leadership and with all except for nine the correlation is statistically significant. For ten of the 111 statistically significant correlations the correlation is significant at the 0.05 level (2-tailed) and for the remaining 101 the correlation is significant at the 0.01 level (2-tailed). Only one correlation is negative and that is the correlation between variable "At the annual interview speaks mostly just the leader" and "Leader is optimistic and has a strong personal self-image – a strong "I"" (r=-0.103 at p=0.014).

We have also answered the second question (R2): "*How are the main variables that are constructing the concept of authentic leadership determined by the variables constructing the annual interview?*" by conducting regression analyses between the eight variables representing authentic leadership for which we supposed are dependent on the interdependent variables representing human resources annual interview. With the independent variables we can explain some percent of dependent variables. Most determinate by variables representing annual interview and between the variables representing authentic leadership is variable "Leader gives hope for the development of solutions" with 75,5% explained variance. All other variables presenting authentic leadership could be explained around 20% to 30% variance. Least determine independent variables which were explained 14,8% variance are "Leader has a high degree of personal self-esteem" and "I personally identify myself with the leader (we have "the same view of the world")".

Which interviews are perceived as more necessary, our third research question (R3): "*Which interviews are perceived as more necessary: once per year or as-we-go?*", can be answered simply by taking a look back at our frequency table for the variables (Table 1) where means for the "Annual interviews are needed" and "Ongoing discussions are needed" were 3.74 and 3.94 from which we could conclude, that they are both needed but still ongoing discussions are perceived as slightly more important.

Several limitations of this study need to be considered. First; the discussed findings and implications were obtained from a single study; generalizing the results should be done with caution. Second; the whole research was focused mostly on how human resources annual interview affects authentic leadership. We are aware that our concept could be influenced also by other variables that are not included in this study.

5 Conclusion

Annual interviews are an important part of human resource management and as can be concluded form this study they are also related to authentic leadership. The relation is especially relevant in the part of managing and collaborating with colleagues and subordinates.

This study provides basic insights into the connection between the use of annual interviews and authentic leadership and it can be summarized as follows: the use of annual interviews is one of the many things that are composed into authentic leadership, but it does not explain the whole concept of authentic leadership, because there is an infinite number of variables that influence authentic leadership and here we have only explained several of them.

On the basis of the results of the research we can maintain that the roots to the problem of successful implementation of the annual interviews also lie in the absence of authentic leadership skills and leadership practices. We have outlined the importance of highly developed organizational context and the development of positive psychological capacities: self-esteem, hope, trust, optimism and flexibility that need to be dispersed across the organization in order to gain greater organizational and follower outcomes and performance within the annual interview processes.

Based on our analysis we can conclude that of all the activities that construct authentic leadership, the part best explained by the use of annual interviews is that the leader using annual interviews gives hope for the development of solutions.

References

Armstrong, M. (2006). *A Handbook of Human Resource Management Practice* (10th ed.). London: Kogan Page.

Arthur, J. B. & Boyles, T. (2007). Validating the human resource system structure: A levelsbased strategic HRM approach. *Human Resource Management Review*, 17, 77-92, http://dx.doi.org/10.1016%2Fj.hrmr.2007.02.001

Avolio, B.J. & Gardner, W.L. (2005). Authentic leadership development: Getting to the root of positive forms of leadership. *The Leadership Quarterly*, 16, (3), 315-338, http://dx.doi.org/10.1016%2Fj.leaqua.2005.03.001

Avolio, B.J., Gardner, W.L., Walumbwa, F.O., Luthans, F. & May, D.R. (2004a). Unlocking the Mask: A Look at the Process by Which Authentic Leaders Impact Follower Attitudes and Behaviors. *The Leadership Quarterly*, 15, (6), 801-823, http://dx.doi.org/10.1016%2Fj.leaqua.2004.09.003

Avolio, B.J., Luthans, F. & Walumbwa, F.O. (2004b). *Authentic leadership: Theory-building for veritable sustained performance.* Lincoln: The Gallup Leadership Institute.

Bellini, E. & Canonico, P. (2008). Knowing communities in project driven organizations: Analysing the strategic impact of socially constructed HRM practices. *International Journal of Project Management*, 26, 44-50, http://dx.doi.org/10.1016%2Fj.ijproman.2007.08.007

Brečevič, D. (2000). Letni razgovor [Annual interview]. Zbornik referatov, XV. Posvetovanje Društva za vrednotenje dela, Bled 11. - 12. May 2000.

Cardy, R. L. et al. (2000). Dynamic and customer-oriented workplaces: Implications for HRM practice and research. *Journal of Quality Management*, 5, 159-186, http://dx.doi.org/10.1016%2FS1084-8568%2801%2900019-0

Cardy, R. L. et al. (2007). Employee equity: Toward a person-based approach to HRM. *Human Resource Management Review*, 17, 140-151, http://dx.doi.org/10.1016%2Fj.hrmr.2007.03.006

Colakoglu, S., et al. (2006). Measuring HRM effectiveness: Considering multiple stakeholders in a global context. *Human Resource Management Review*, 16, 209-218, http://dx.doi.org/10.1016%2Fj.hrmr.2006.03.003

Cooper, C.D., Scandura, T.A. & Schriesheim, C.A. (2005). Looking forward but learning from our past: Potential challenges to developing authentic leadership theory and authentic leaders. *The Leadership Quarterly*, 16, (3), 475-493, http://dx.doi.org/10.1016%2Fj.leaqua.2005.03.008

Den Hertog, F., et al. (2010). Does HRM really matter in bringing about strategic change? Comparative action research in ten European steel firms. *European Management Journal*, 28, 14-24, http://dx.doi.org/10.1016%2Fj.emj.2008.11.002

Dimovski, V., Penger, S. & Peterlin, J. (2009). *Avtentično vodenje v učeči se organizaciji [Authentic leadership in a learning organization],* Ljubljana: Planet GV.

Gardner, W.I. & Schermerhorn, J.R. (2004). Unleashing individual potential: Performance gains through positive organizational behaviour and authentic leadership. *Organizational Dynamics*, 33, (3), 270-281, http://dx.doi.org/10.1016/j.orgdyn.2004.06.004

Gardner, W.L., Avolio, B.J., Luthans, F., May, D.R. & Walumba, F.O. (2005). Can you see the real me? A self-based model of authentic leader and follower development. *The Leadership Quarterly*, 16, (3), 343-372, http://dx.doi.org/10.1016%2Fj.leaqua.2005.03.003

George, B. (2003). *Authentic Leadership: Rediscovering the Secrets to Creating Lasting Value.* San Francisco: Jossey Bass A Wiley Imprint.

Harvey, P., Martinko, M.J. & Gardner, W.L. (2006). Promoting Authentic Behavior in Organizations: An Attributional Perspective. *Journal of Leadership & Organizational Studies,* 12, (3), 1-11, http://dx.doi.org/10.1177%2F107179190601200301

Ilies. R., Morgeson. F.P. & Nahrgang. J.D. (2005). Authentic leadership and eudaemonic well being: Understanding leader–follower outcomes,. *The Leadership Quarterly*, 16, (3), 373-394, http://dx.doi.org/10.1016%2Fj.leaqua.2005.03.002

Jack, S., et al. (2006). Small entrepreneurial ventures culture, change and the impact on HRM: A critical review. *Human Resource Management Review,* 16, 456-466, http://dx.doi.org/10.1016%2Fj.hrmr.2006.08.003

Jensen, S.M., Luthans, F. (2006). Entrepreneurs as authentic leaders: impact on employees'attitudes. *Leadership&Organization Development Journal*, 27, (8), 646-666, http://dx.doi.org/10.1108%2F01437730610709273

Latham, G. P. & Stuart, H. R. (2007). Practicing what we preach: The practical significanceof theories underlying HRM interventions for a MBA school. *Human Resource Management Review*, 17, 107-116, http://dx.doi.org/10.1016%2Fj.hrmr.2007.03.005

Luthans, F. & Avolio, B.J. (2003). Authentic leadership: A positive developmental approach, in: Cameron, K.S., Dutton, J.E. in Quinn, R.E.: Positive organizational scholarship, San Francisco: Barrett-Koehler.

Majcen, M. (2001). *Redni letni razgovori med vodjo in sodelavci [Regular annual interview between the leader and coworkers.* Ljubljana, GV založba.

May, D. R., Chan, A. Y. L., Hodges, T. D., & Avolio, B. J. (2003). Developing the Moral Component of Authentic Leadership. Organizational Dynamics, 32(3), 247-260. http://dx.doi.org/10.1016/S0090-2616(03)00032-9

Othman, R. & Cony, T. (2003). On developing the informated work place: HRM issues in Malaysia. *Human Resource Management Review*, 13, 393-406, http://dx.doi.org/10.1016%2FS1053-4822%2803%2900042-1

Penger, S. (2006). Učeča se organizacija in oblikovanje pozitivne organizacijske identitete: študija primera slovenskega podjetja [Learning organization and shaping positive organizational identity: case study of a Slovenian company] Doctoral thesis, University of Ljubljana, Faculty of Economics.

Peterlin, J. (2007). Razvoj voditeljstva v učeči se organizaciji [Development of the leadership in a learning organization], Master thesis. University of Ljubljana, Faculty of Economics.

Phillips, B.T. (2003). A Four-Level Learning Organisation Benchmark Implementation Model. *The Learning Organization*, 10, (2), 98 – 105, http://dx.doi.org/10.1108%2F09696470910462102

Schein, E. H. (1992) Organizational Culture and Leadership. John Wiley & Sons. ISBN 0787985058, 9780787985059.

Sezer, C. (2009). An analysis on relations between implementation of training activities and

HRM organization in service businesses: A sample in hotels. *Procedia Social and Behavioral Sciences*, 1, 2385-2389, http://dx.doi.org/10.1016%2Fj.sbspro.2009.01.418

Sparrowe, R.T. (2005). Authentic leadership and the narrative self. *The Leadership Quarterly*,16, (3), 419-439, http://dx.doi.org/10.1016%2Fj.leaqua.2005.03.004

Storr, L. (2004). Leading with Integrity: A Qualitative Research Study. *Journal of HealthOrganisation and Management*, 18, (6), 415-434, http://dx.doi.org/10.1108%2F14777260410569984

Miha Marič graduated in 2006 and in the following year (2007) received his master's degree at the Faculty of Economics, University of Ljubljana. He is currently employed

as an assistant at the Faculty of Organizational Sciences University of Maribor and is a doctoral student at the Faculty of Economics, University of Ljubljana.

Tamara Gerdej is master student at the Faculty of Organizational Sciences, University of Maribor. She graduated in Evaluation the Quality of Teaching process in Secondary Schools at the Faculty of Organizational Science in 2011.

Eva Jereb is a professor in the Department of Personnel and Information Sciences and Vice Dean for Educational activity at the Faculty of Organisational Sciences, University of Maribor, Slovenia. Her main research interests are in higher education, e-learning, human resource development, personnel expert systems, office automation and the phenomenon of telework.

Sandra Penger is an assistant professor of Management and organization at the Faculty of Economics at the Department of management and organization, where he has been employed since 1998. In 2006 she successfully defended her doctoral dissertation. She is currently one of the leading researchers of authentic leadership in Slovenia.

Jasmina Žnidaršič graduated in Marketing and marketing communications at the Faculty of Social Sciences in 2005 and in 2007 received her master's degree in International relations at London Metropolitan University, London. She is currently employed as an assistant in the Department of Human Resource Systems at the Faculty of Organizational Sciences, University of Maribor.

Nina Đurica is a teaching assistant at the Higher Business School of Professional Studies in Novi Sad. She defended her graduation and master thesis at the Faculty of Organizational Sciences of the University of Belgrade. She is a PhD student at the Faculty of Organizational Sciences, the chosen field: management. Her area of interest are: organization, entrepreneurship and management.

Appendix 1: Pearson R Correlation Coefficients (n=565)

	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
4	,432**																					
5	,456**	,349**																				
6	,371**	,299**	,582**																			
7	,294**	,211**	,460**	,581**																		
8	,277**	,207**	,341**	,401**	,465**																	
9	-,015	-,134**	-,027	-,072	,016	-,142**																
10	,267**	,135**	,260**	,313**	,339**	,305**	,189**															
11	,300**	,072	,359**	,317**	,364**	,198**	,215**	,404**														
12	,219**	,242**	,311**	,230**	,198**	,188**	-,092*	,130**	,292**													
13	,143**	,293**	,233**	,243**	,094*	,286**	-,272**	-,005	,014	,454**												
14	,241**	,237**	,275**	,327**	,212**	,268**	-,108*	,174**	,169**	,248**	,411**											
15	,240**	,252**	,362**	,325**	,197**	,288**	-,138**	,170**	,129**	,300**	,347**	,402**										
16	,208**	,149**	,355**	,443**	,385**	,290**	-,027	,321**	,358**	,188**	,188**	,303**	,380**									
17	,105*	,100*	,184**	,299**	,262**	,231**	-,092*	,278**	,296**	,296**	,193**	,263**	,223**	,363**								
18	,222**	,098*	,258**	,403**	,361**	,323**	,032	,319**	,409**	,199**	,195**	,262**	,210**	,371**	,377**							
19	,115**	,224**	,141**	,276**	,201**	,199**	-,103*	,141**	,221**	,292**	,343**	,263**	,229**	,267**	,349**	,317**						
20	,111**	,100*	,232**	,258**	,330**	,200**	,137**	,229**	,351**	,222**	,136**	,203**	,164**	,328**	,241**	,392**	,330**					
21	,165**	,073	,253**	,318**	,376**	,219**	,107*	,259**	,322**	,185**	,076	,203**	,113**	,317**	,268**	,455**	,284**	,489**				
22	,143**	,084*	,224**	,282**	,291**	,305**	,097*	,293**	,283**	,174**	,070	,300**	,192**	,272**	,220**	,364**	,257**	,402**	,438**			
23	,087*	,156**	,142**	,243**	,234**	,217**	,013	,145**	,239**	,195**	,237**	,261**	,175**	,168**	,194**	,342**	,401**	,322**	,326**	,298**		
24	,120**	,101*	,193**	,322**	,322**	,244**	,072	,336**	,319**	,115**	,058	,206**	,181**	,351**	,248**	,449**	,225**	,420**	,463**	,443**	,376**	
25	,095*	,033	,210**	,248**	,257**	,156**	,141**	,241**	,286**	,128**	-,008	,146**	,106*	,247**	,260**	,308**	,116**	,308**	,362**	,339**	,147**	,410**

*. *Correlation is significant at the 0.05 level (2-tailed).*
**. *Correlation is significant at the 0.01 level (2-tailed).*