



AUTHENTIC LEADERSHIP AND TRUST AS ANTECEDENTS TO WORK ENGAGEMENT: EVIDENCE FROM TRANSNATIONAL INDUSTRIES

LIDERANÇA AUTÊNTICA E CONFIANÇA COMO ANTECEDENTES DO ENGAJAMENTO NO TRABALHO: EVIDÊNCIAS DE INDÚSTRIAS TRANSNACIONAIS

LIDERAZGO AUTÉNTICO Y CONFIANZA COMO ANTECEDENTES DEL COMPROMISO LABORAL: EVIDENCIA DE INDUSTRIAS TRANSNACIONALES

ABSTRACT

Objective: To investigate the role of authentic leadership and its relationship with employee engagement, satisfaction, and organizational citizenship behavior, emphasizing the mediating effect of trust within Brazilian transnational companies.

Approach: The survey analyzed data collected from a sample of Brazilian transnational companies to explore the dynamics between authentic leadership, trust, and employee outcomes. In the analysis, we use Structural Equation Modeling to assess path coefficients, internal validity and the mediating role of trust.

Findings: The results confirm the critical role of trust in enhancing employee engagement, satisfaction, and positive organizational behaviors. Trust-based relationships were found to be essential for achieving high organizational performance.

Research Limitations: The study is limited to Brazilian transnational companies, which may affect the generalizability of the findings to other contexts or industries. Further research could examine similar dynamics in different cultural or organizational settings.

Practical Implications: The findings highlight the importance of cultivating authentic leadership and fostering an environment of trust to enhance organizational outcomes. Organizations should prioritize leadership development programs and trust-building initiatives.

Social Implications: The study sheds light on the potential of ethical leadership practices to combat the effects of corruption and unethical behavior in regions like Brazil, fostering more transparent and ethical organizational cultures.

Theoretical Implications: This research enriches the literature by elucidating the link between authentic leadership, trust, and employee outcomes, particularly within a context affected by systemic corruption and unethical practices.

Originality / Value: The study provides novel evidence on the impact of authentic leadership and trust, addressing gaps in the literature and offering relevant insights for regions with similar challenges.

Key Words: Leadership. Performance. Engagement. Trust. Satisfaction.

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RESUMO

Objetivo: Investigar o papel da liderança autêntica e sua relação com o engajamento, a satisfação e o comportamento de cidadania organizacional dos empregados, com ênfase no efeito mediador da confiança no âmbito das empresas transnacionais brasileiras.

Abordagem: A pesquisa analisou dados coletados de uma amostra de empresas transnacionais brasileiras para explorar as dinâmicas entre liderança autêntica, confiança e resultados dos empregados. A análise utilizou Modelagem de Equações Estruturais para avaliar os coeficientes, a validade interna e o papel mediador da confiança.

Resultados: Os resultados confirmam o papel crítico da confiança no aumento do engajamento, da satisfação dos empregados. Relações baseadas em confiança mostraram-se essenciais para alcançar um alto desempenho organizacional.

Limitações da Pesquisa: O estudo é limitado a empresas transnacionais brasileiras, o que pode restringir a generalização para outros contextos. Pesquisas futuras poderiam examinar dinâmicas similares em diferentes configurações culturais.

Implicações Práticas: Os resultados destacam a importância de cultivar a liderança autêntica e promover um ambiente de confiança para melhorar os resultados organizacionais. As organizações devem priorizar programas de desenvolvimento de liderança e iniciativas que proporcionem a construção de confiança entre seus membros.

Implicações Sociais: O estudo evidencia o potencial de práticas de liderança ética para combater os efeitos da corrupção e do comportamento antiético em regiões como o Brasil, promovendo culturas organizacionais mais transparentes e éticas.

Implicações Teóricas: Esta pesquisa enriquece a literatura ao esclarecer a ligação entre liderança autêntica, confiança e resultados dos empregados, especialmente em contextos afetados por corrupção sistêmica.

Originalidade / Valor: O estudo fornece evidências inéditas sobre o impacto da liderança autêntica e da confiança, abordando lacunas na

literatura e oferecendo insights relevantes para regiões com desafios semelhantes.

Palavras-chave: Liderança. Desempenho. Engajamento. Confiança. Satisfação.

RESUMEN

Objetivo: Investigar el papel del liderazgo auténtico y su relación con el compromiso, la satisfacción y el comportamiento de ciudadanía organizacional de los empleados, con énfasis en el efecto mediador de la confianza en empresas transnacionales brasileñas.

Enfoque: La investigación analizó datos recopilados de una muestra de empresas transnacionales brasileñas para explorar las dinámicas entre liderazgo auténtico, confianza y resultados de los empleados. El análisis utilizó Modelado de Ecuaciones Estructurales para evaluar coeficientes, la validez interna y el papel mediador de la confianza.

Resultados: Los resultados confirman el papel crítico de la confianza en el aumento del compromiso y la satisfacción de los empleados. Las relaciones basadas en la confianza demostraron ser esenciales para lograr un alto desempeño organizacional.

Limitaciones de la Investigación: El estudio se limita a empresas transnacionales brasileñas, lo que podría restringir la generalización de los hallazgos a otros contextos o industrias. Investigaciones futuras podrían examinar dinámicas similares en diferentes contextos culturales.

Implicaciones Prácticas: Los hallazgos destacan la importancia de cultivar el liderazgo auténtico y promover un entorno de confianza para mejorar los resultados organizacionales. Las organizaciones deben priorizar programas de desarrollo de liderazgo e iniciativas para fomentar la confianza.

Implicaciones Sociales: El estudio evidencia el potencial de las prácticas de liderazgo ético para combatir los efectos de la corrupción y el comportamiento antiético en regiones como Brasil, promoviendo culturas organizacionales más transparentes y éticas.



Implicaciones Teóricas: Esta investigación enriquece la literatura al clarificar el vínculo entre liderazgo auténtico, confianza y resultados de los empleados, especialmente en contextos afectados por corrupción sistémica.

Originalidad / Valor: El estudio proporciona evidencia novedosa sobre el impacto del liderazgo auténtico y la confianza, abordando vacíos en la literatura y ofreciendo perspectivas relevantes para regiones con desafíos similares.

Palabras clave: Liderazgo. Desempeño. Compromiso. Confianza. Satisfacción.

INTRODUCTION

In an era characterized by rapid digital transformations and significant societal shifts, the role of leadership within organizations has assumed unprecedented importance. The modern business landscape is evolving at an extraordinary pace, driven by advancements in technology, changes in consumer behavior, and increasingly intense competitive pressures. In this dynamic environment, the human element emerges as the core driver of organizational change. It is the individuals (employees, teams, and leaders) who are tasked with navigating this complex terrain.

Given the pressing challenges that organizations face, effective leadership becomes a cornerstone of resilience and adaptability. Leaders play a critical role in shaping organizational culture, guiding teams through uncertainty, and ensuring that employees feel connected to their work.

Within this context, the need for authentic leadership has become especially pressing. Recent political and corporate scandals that have shaken public trust in numerous Brazilian companies underscore the critical necessity for ethical leadership, emphasizing the demand for leaders who possess not only technical competence but also a profound commitment to integrity, transparency, and ethical behavior. Authentic leaders are those who can inspire trust and motivate their teams through example, cultivating a culture of accountability and ethical decision-making. This ethical dimension is essential in creating an environment where employees feel secure, valued, and empowered to fully commit to their roles

and contribute to the organization's objectives.

Recent studies (e.g. Walumbwa et al., 2008) have established a clear and compelling connection between authentic leadership and favorable employee outcomes, including enhanced work engagement, organizational citizenship behavior, and job satisfaction. These outcomes are not only vital for individual fulfillment but also crucial for the overall health and performance of organizations. Engaged employees are more likely to exceed their job descriptions, contributing to higher levels of innovation, productivity, and operational efficiency.

Central to the success of these positive outcomes is the factor of trust. Trust serves as the bedrock of effective relationships within teams, enabling open communication and collaboration. When employees trust their leaders, they are more likely to engage actively in their work, collaborate effectively with colleagues, and demonstrate a robust commitment to organizational goals. The establishment and maintenance of trust are therefore essential for leaders aiming to optimize employee engagement and satisfaction, creating a positive feedback loop that benefits both the individual and the organization.

Moreover, the implications of authentic leadership extend beyond immediate employee outcomes; they contribute to the long-term sustainability. Companies characterized by high levels of trust and authentic leadership are often less prone to the disruptive impacts of unethical behavior. In contrast, organizations lacking in these qualities may struggle with high turnover rates, low employee morale, and ineffective team dynamics.

Despite the recognized theoretical importance of trust, Kouzes and Posner (2011) highlights that trust is still not sufficiently integrated into the dominant models of leadership behavior. This observation reveals a critical research gap: although trust is often cited as essential to effective leadership, it is rarely examined as a core construct in empirical models. This investigation is particularly important in regions characterized by systemic corruption and institutional fragility, such as Brazil. The present paper addresses this particular research gap.



The historical context of Brazil is replete with instances of corruption, both in political and organizational spheres, which have eroded public trust and damaged the reputations of countless entities. These episodes highlight the urgent need for leadership that prioritizes ethical standards and fosters a culture of integrity.

Focusing on a substantial number of Brazilian transnational companies recognized for their operational efficiency and exemplifying success within the Brazilian context, this study hopes to elucidate the significance of authentic leadership and the cultivation of genuine trust relationships as essential drivers of employee engagement and satisfaction in the workplace.

Ultimately, we hope the findings will reinforce the notion that authentic leadership and trust are not mere organizational luxuries but essential components for achieving sustainable success in today's fast-paced and ever-evolving business environment. Therefore, the goal of this research is to evidence how authentic leadership can, through trust, ensure employee engagement, citizenship behavior, and satisfaction, even in a country with significant corruption history.

The article is structured as follows: Section 2 presents the theoretical background, reviewing the concepts of authentic leadership, trust, and their associated employee outcomes. Section 3 outlines the methodological procedures, including the population, sample, instruments, and validation strategies. Section 4 discusses the results, hypothesis testing, and mediation analysis. Section 5 concludes the article, summarizing the key findings, theoretical contributions, practical implications, and limitations, as well as providing suggestions for future research.

THEORETICAL BACKGROUND

Authentic leadership

Authentic Leadership (AL) has been studied for more than two decades since the morality of transformational leadership was sharply questioned (Bass and Steidlmeier, 1999). Initially studied by Luthans and Avolio (2003), and after some theoretical and practical developments, AL is considered to be the "root construct underlying all positive forms of leadership" (Avolio

and Gardner, 2005) and it is proposed as "the root component of effective leadership needed to build trust and a healthier work environment" (Wong and Cummings, 2009).

Despite some ambiguity about what does and does not constitute AL (Gardner et. al., 2011), it is commonly accepted to be grounded in positive psychology. It comprises elements like self-awareness and self-regulated behaviors (Luthans and Avolio, 2003), and it is associated with leaders who act upon their true values, beliefs, and strengths (Ryan and Deci, 2001) and are intrinsically oriented to others (Begley, 2001).

There are many definitions of AL as provided by Gardner et. al., (2011). Conversely, Shamir et. al. (2005) indicate that all definitions are arbitrary. They reflect choices that cannot be proved or validated. Furthermore, definitions encompassing positive leadership qualities are commonly too broad or non-distinctive to be useful. Therefore, we will not provide another definition for AL, risking overlap. Considering the scope of this study, we will adopt the definition given by George and Sims (2007) that authentic leaders are "genuine people who are true to themselves and what they believe in. They engender trust and develop genuine connections with others. Because people trust them, they are able to motivate others to high levels of performance".

Walumbwa et. al. (2008) proposed that AL may be composed of four core elements. Self-awareness reflects a deep and personal understanding of true values and beliefs, strengths and weaknesses, and how it is constructed in close interaction with others. Relational transparency emphasizes authenticity in the expression of thoughts and feelings, building genuine trust. Balanced Processing measures how a leader considers all relevant information before making a decision, e.g. asking for a second opinion on important issues, articulating other's points of view, and analyzing facts and data. Internalized moral perspective indicates that authentic leaders often incorporate a positive moral perspective to guide their decision-making and behavior.

Outcomes and direct effect hypotheses

AL is often related to performance measures. Performance can be expressed in many ways



(e.g. “organizational performance”, and “employee performance”).

The models evaluated indicate that employee performance often mediates the path to organizational performance. For example, Sels (2006) indicates a positive impact of human resource management intensity on productivity and consequently on the financial performance of small businesses. Jefferson (2000) evidenced the effect of ownership on productivity change and financial performance in the Chinese industry.

Regarding AL, there is no, or little, evidence indicating a positive effect on financial performance (e.g. Mrak and Kvasić, 2021). On the other hand, there is more evidence linking AL with follower behavior and employee performance. For example, Ribeiro et al. (2018) evidenced a link between AL and individual performance mediated by affective commitment, Hadian Nasab and Afshari (2019) evidenced a link between AL and employee performance mediated by organizational commitment, and Feng et al. (2018) evidenced an interactive effect of AL on follower performance mediated by work engagement.

For these reasons, we chose to focus our study on employee attitudes, specifically on Work Engagement (WE), Organizational Citizenship Behavior (OCB), and Satisfaction with Superior (SS) (see Figure 1).

Although the link between employee attitudes and posterior employee and organizational performance is supported by theory (e.g., Avolio et al., 2004), it will not be considered in this research.

Work Engagement

Over the last decades, there has been a considerable amount of interest in WE among researchers (e.g. Bakker & Demerouti, 2008; Hakanen et al, 2008; Christian et. al., 2011; Karam et al, 2017).

Schaufeli et al. (2002) concept of engagement is the most commonly used in the academic literature. They describe engagement as a positive and rewarding mental state, intrinsically linked to work and manifested through vigor, dedica-

tion, and absorption. Vigor is characterized by strong energy and mental resilience, showing a willingness to invest effort and persist in the face of adversity. Dedication is expressed through deep involvement in work, marked by feelings of significance, enthusiasm, inspiration, pride, and perception of challenge. Absorption is defined by full focus and immersion in work activities, where time seems to flow quickly and there is noticeable difficulty in disconnecting from tasks.

For this study, we adopt the short version of the scale proposed by Schaufeli and Bakker (2003) and validated by Schaufeli et. al. (2006) to measure WE.

WE is usually associated with job satisfaction (Yalabic et. al., 2013), reduced turnover and intention to quit (Lin & Liu, 2017; Memon et. al., 2021) and ultimately with productivity and job performance (Karatepe, 2013).

Organizational Citizenship Behavior

Although Katz and Kahn (1966) were the first to observe employees' extra-role behavior in the workplace, it was Bateman and Organ (1983) who coined the term “organizational citizenship behavior”.

Despite numerous definitions and approaches to the issue, OCBs are essentially expressed in voluntary initiatives not explicitly required in the job description, an attitude of responsibility that contributes to organizational improvement.

Organ (1988) originally proposed a five-factor OCB model consisting of altruism, courtesy, conscientiousness, civic virtue, and sportsmanship. Sportsmanship is defined as a willingness on the part of employees to tolerate less-than-ideal circumstances without complaining and making problems seem bigger than they actually are; civic virtue is behavior indicating that employees take an active interest in the life of their organization; and conscientiousness (often called compliance) is behavior indicating that employees accept and adhere to the rules, regulations, and procedures of the organization. Altruism and courtesy, are perceived as part of an overall “helping” dimension (Podsakoff, Ahearne, and MacKenzie, 1997).

Reviews like the ones made by Podsakoff et al., 2000 and Ocampo et. al., 2018 can offer more detailed information about the evolution of the OCB.

In this study, we used the scale employed by Wayne, Shore, and Liden (1997), which made some modifications to the initial proposition of Smith, Organ, and Near (1983).

According to Afrianti et. al. (2024), OCB is generated by both external factors (e.g.workplace variables, HRM practices, and cultural values) and internal factors (e.g. personal disposition, commitment, work centrality, and other personality traits).

Empirical evidence associated OCB with external factors like perceived organizational justice and support (Wong et al.,2006) and organizational culture (e.g. Meliala et al., 2023; Chidir et. al., 2020). Finally, there is also some evidence linking OCB with its consequences including a variety of withdraw-related criteria (e.g. employee turnover intentions, actual turnover, and absenteeism), and some organizational-level outcomes (e.g., productivity, efficiency, reduced costs, customer satisfaction) (Podsakoff et. al., 2009), as well as job satisfaction and organizational commitment (Koys, 2001; Yoon and Suh, 2003).

Satisfaction with Superior

Finally, employee satisfaction is frequently proposed as an AL outcome. Employee satisfaction can refer to “job satisfaction” (e.g. Azanza et al., 2013; Giallonardo et al., 2010), “career satisfaction” (e.g. Kaya and Karatepe, 2020; Chang et al., 2020), or “satisfaction with superior” (e.g. Walumbwa et al., 2008). As we defend the point of view that leadership is a relationship, we are most interested in the “satisfaction with the superior” (SS) construct.

SS measures team members’ perceptions of their leader’s effectiveness and supportiveness. The evaluation focuses on how well the leader communicates performance expectations, acknowledges individual contributions, and remains accessible for assistance. Additionally, it explores the leader’s skill in delivering constructive feedback, their expertise within the industry, and their fairness in treating all team members equally.

We adapt the scale proposed by Smith, Kendall, and Hulin (1969) called the Job Descriptive Index focusing on the “Supervision” dimension (JDI - Supervision) to capture follower satisfaction with the supervisor. Participants were asked to respond to a series of statements describing their supervisors at work using a 5-point scale. All constructs are summarized in Table 1.

Table 1
Model Constructs

High Order Constructs	1st order constructs	Description
Authentic Leadership - Walumba et. al (2008)	Self-awareness	Reflects a deep and personal understanding of true values and beliefs, strengths and weaknesses, and how it is constructed in close interaction with others.
	Relational Transparency	Emphasizes authenticity in the expression of thoughts and feelings, building genuine trust.
	Balanced Processing	Measures how a leader considers all relevant information before making a decision.
	Internalized Moral Perspective	Indicates that authentic leaders often incorporate a positive moral perspective to guide their decision-making and behavior.
Work Engagement - Schaufeli e Bakker (2003)	Vigor	Characterized by strong energy and mental resilience, showing a willingness to invest effort and persist in the face of adversity.
	Dedication	Is expressed through deep involvement in work, marked by feelings of significance, enthusiasm, inspiration, pride, and perception of challenge
	Absorption	Is defined by full focus and immersion in work activities, where time seems to flow quickly and there is noticeable difficulty in disconnecting from tasks
	Organizational Citizenship Behavior - Wayne, Shore, and Liden (1997)	It is expressed in voluntary initiatives not explicitly required in the job description, an attitude of responsibility that contributes to organizational improvement
	Satisfaction with Supervisor - JDI - Smith, Kendall e Hulin (1969)	It comprises team members' perceptions of their leader's effectiveness and supportiveness. The evaluation focuses on how well the leader communicates performance expectations, acknowledges individual contributions, and remains accessible for assistance. Additionally, it explores the leader's skill in delivering constructive feedback, their expertise within the industry, and their fairness in treating all team members equally.
	Trust in immediate manager - Ferres e Travaglion (2003)	It is based on the expectation that your leader will act with integrity, reliability, and in good faith, which is essential for building productive working relationships.

Source: Author (2024)



Direct effects hypotheses

Nomological validity between AL and the three chosen outcomes is not hard to achieve through the Leader-Member Exchange (LME) theory.

LMX is grounded in the role theory (Kahn et. al. 1964) which suggests that members of a team have an expected role or set of behaviors, depending on their position or function.

To further explain the LMX development process, Dienesch and Liden (1986) and Graen and Scandura (1987) developed two similar models to initiate a new member in his role. The first step usually involves the initial contact or impression between the leader and the new member. In the second step, the leader tests the member's competence through work-related assignments. The leader then evaluates the member's performance in the task and decides the level of trust and autonomy he can concede. The third phase usually involves some degree of freedom conceded by the leader for the member to attempt unstructured tasks. If the opportunity is accepted by the member, they begin a high-quality social exchange process that will consolidate the individual roles and develop clarity about mutual expectations. The last phase is usually the role routinization where the role is expected to remain stable from this point on.

We can learn from the LMX process that both the leader's and member's attitudes and behavior are important to the achievement of a high-quality relationship. An authentic leader is true to core values and acts according to them, they act with transparency and internalized moral perspective that tends to facilitate high-quality relationships. The LMX theory explains that when a leader can establish a high-quality relationship with their followers, achieved by trust and some degree of autonomy, they tend to respond with loyalty and increased effort. This is enough to suggest that AL should have a positive effect on WE (H1).

Moreover, it is important to highlight that these roles are not established only by rules, job descriptions, or formal documentation but also by informal relationships with the leader and

other members of the group. It comprises member's initiative, engagement, and competence to execute the first tasks assigned to them. The new member who does not demonstrate organizational citizenship behaviors may not be worthy of a high degree of freedom which will harm the role-making process and the overall relationship quality.

An authentic leader inspires by example, his self-awareness gives him a certain self-domain capacity that is perceived by others through his presence. It inspires followers to serve and to have a positive attitude towards the tasks to be executed and the people that surround them. It should be enough for us to admit the hypothesis that AL positively affects OCB (H2).

Finally, if a leader is not fair or trustworthy, members will not be satisfied with his attitude which will certainly reflect on the relationship quality. An authentic leader shows justice in his balanced processing and fair decision-making that supposedly affects employee satisfaction with the superior. Therefore, we hypothesize that AL positively affects SS (H3).

Additionally, empirical research has evidenced that AL positively affects WE, OCB, and SS (e.g. Walumbwa et al., 2008). Based on this, we declare the direct effect hypotheses below:

H1: Authentic Leadership (AL) positively (and directly) affects Work Engagement (WE).

H2: Authentic Leadership (AL) positively (and directly) affects Organizational Citizenship Behavior (OCB).

H3: Authentic Leadership (AL) positively (and directly) affects follower's Satisfaction with Superior (SS)

Although there is compelling evidence in prestigious articles such as Walumbwa et al. (2008), and nomological validity of these connections is broadly accepted a consensus on their veracity remains elusive, as noted by critical reviews from Banks and Whelpley (2021) that put some boundaries conditions regarding the application of these relations on extremely political



environments. Also, some papers e.g. Spector et al. (2025), evidenced a partial relation of AL and these individual-focused outcomes. Nonetheless, the majority of the revised literature supports largely the validity of the connections.

Trust as a mediator and indirect effect hypotheses

Garner et al. (2005) posited that outcomes of authentic leader-follower relationships include heightened levels of follower trust in the leader, engagement, organizational climate, and veritable, sustainable performance.

The very definition of AL adopted in this study suggests the presence of “trust” as one of the main mediators, meaning that it is through trust that an authentic leader can generate engagement and other desirable outcomes.

Although there is no ubiquitous definition of trust, a frequently cited conceptualization emphasizes interpersonal relationships and a “willingness to be vulnerable” (Mayer et al., 1995) based on the conviction that the latter party is competent, concerned, and reliable (Connell et al., 2003; Bligh and Kohles, 2013).

Trust is often presented as a multiple-component construct with several dimensions that vary in nature and importance according to the context, relationship, tasks, situations, and people concerned. For example, measures of trust within organizations may center on disposition to trust, interpersonal trust, or situational trust (Clark and Payne, 1997).

It also may refer to “trust in the organization”, “trust in co-workers” and “trust in immediate manager/supervisor”. In this paper, we focus our analysis on the “trust in immediate manager/supervisor” (TR) dimension, proposed by Ferres and Travaglione (2003). According to those authors, TR is the expectation that your leader will act with integrity, reliability, and good faith, which is essential for building productive working relationships.

There is some empirical evidence of the mediating effect of trust. Wong and Cummings (2009) evidenced the influence of AL behaviors on TR and work outcomes of healthcare staff, Wang and Hsieh (2013) evidenced the effect of AL on TR and employee engagement in the context of manufacturing and service companies in Taiwan, and Qiu et al. (2019) evidenced the effects of AL on TR and OCB in the context of the Chinese hospitality industry.

Therefore, we propose the following hypotheses involving TR:

H4: Authentic Leadership (AL) positively affects Trust in Immediate Manager (TR)

H5: Trust in Immediate Manager (TR) positively affects Work Engagement (WE).

H6: Trust in Immediate Manager (TR) positively affects Organizational Citizenship Behavior (OCB).

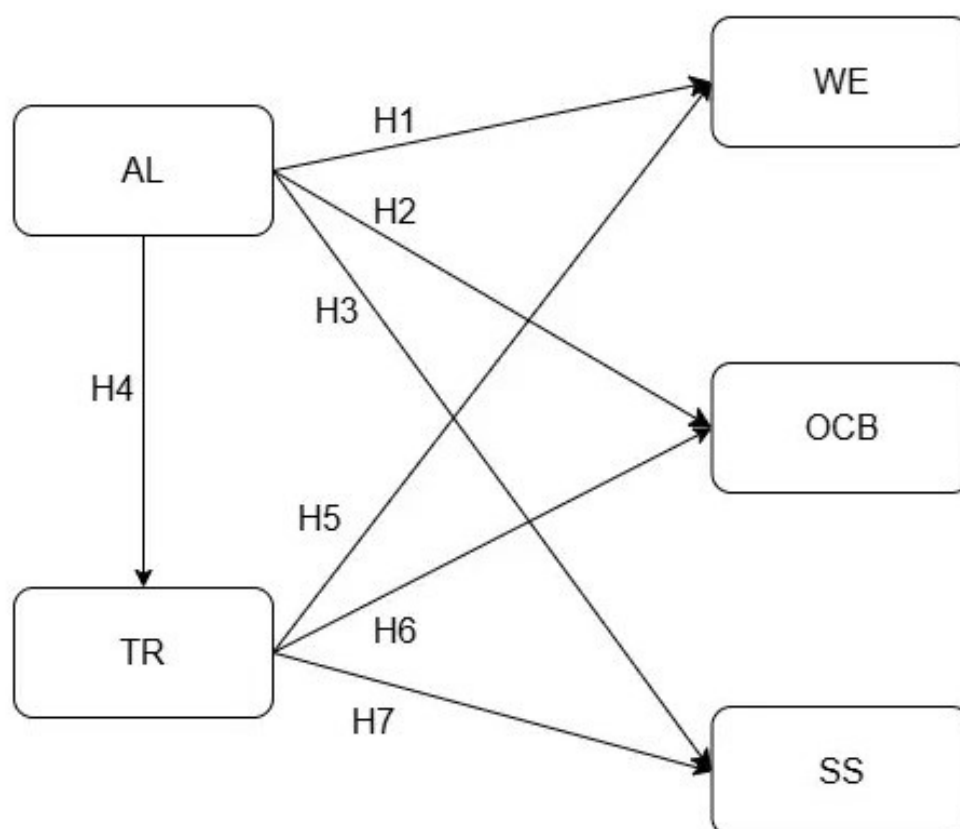
H7: Trust in Immediate Manager (TR) positively affects follower’s Satisfaction with Superior (SS)

While compelling evidence exists to support the hypothesized relationships (e.g. Clapp-Smith et al., 2009; Norman et al., 2010), a small part of the revised literature reveals important limitations. For instance, the positive effects are not always straightforward; Brower et al. (2009) found that the relationship between trust in a manager and positive outcomes is dependent on a fair organizational context. Additionally, Legood et al. (2021) caution that the type of trust matters, showing that affective trust is a more powerful driver of positive behaviors than cognitive trust. These limitations suggest that context matter.

While a comprehensive review of the literature affirms the general validity of these relationships, it also acknowledges their limitations in specific contexts. In the absence of prior theoretical or empirical reasons to doubt these connections, we proceed with proposing and testing our hypotheses. We summarize all hypotheses in Figure 1.



Figure 1
Theoretical Model



Methodological Procedures and Construct Validation

For this study, survey research with 235 employees was conducted. We use the 6 steps proposed by Hair et al. (2010) to conduct a Structural Equation Modeling (SEM) analysis. Initial constructs were chosen after carefully reviewing the current literature regarding authentic leadership and its outcomes (see section 2). In this section, we provide detailed information about the methodological procedures used.

Population and sample

The study object of this research is composed of leaders from large Brazilian transnational companies (TNCs) that have at least one subsidiary in the state of São Paulo/Brazil.

Large TNCs have a more robust hierarchical structure with well-defined positions and stable leadership roles, good conditions for the study of leadership, and the other constructs involved in this paper.

The state of São Paulo alone is responsible for almost 30% of the Brazilian GDP (Gross Domestic Product) and contains approximately 40% of all Brazilian TNC. It is the most prominent Brazilian reference regarding the economy. Brazil is a continental country, so given the favorable conditions in São Paulo with a high concentration of organizations within a relatively small area to cover, we decided to focus this research on TNC which has at least one subsidiary in São Paulo territory.

According to the FDC (Dom Cabral Foundation) report, the estimated number of TNCs in São Paulo is 94 (39,7% of 237 TNCs in Brazil) in 2023. We could access 33 of them and we applied the study questionnaire 6 to 10 times in each company resulting in 235 leaders from the target population.

The 33 distinct companies operate in various industry sectors, including logistics, banking, agro-industries, cosmetics, consulting, telecommunications, and manufacturing industries.



The sample was selected to encompass employees from diverse hierarchical levels, from middle managers to the board of directors. They were encouraged to answer the questionnaire providing perceptions about their direct leader.

Data collection and measures used

Data collection was conducted by applying the questionnaire presented in Table 2. The questionnaire was applied in person to avoid misunderstandings and missing data.

Table 2
Convergent Validity e Construct Reliability

Constructs and their indicators		Factor Loadings
(1) AL ($\alpha=0.892$, CR=0.911, AVE=0.582)		
AL1	1. My leader admits mistakes when they are made	0,558
AL2	2. My leader encourages everyone to speak their mind	0,637
AL3	3. My leader tells me the hard truth	0,680
AL4	4. My leader demonstrates beliefs that are consistent with actions	0,523
AL5	5. My leader makes decisions based on core values	0,518
AL6	6. My leader asks me to take a position that supports my core values	0,629
AL7	7. My leader makes difficult decisions based on high standards of ethical conduct	0,699
AL8	8. My leader analyzes relevant data before coming to a decision	0,631
AL9	9. My leader listens carefully to different points of view before coming to conclusions	0,741
AL10	10. My leader knows when it is time to reevaluate his/her position on important issues	0,796
AL11	11. My leader shows he or she understands how specific actions impact others	0,735
(2) WE ($\alpha=0.898$, CR=0.920, AVE=0.573)		
WE1	1. At my work, I feel bursting with energy	0,817
WE2	2. At my job I feel strong and vigorous	0,771
WE3	3. I am enthusiastic about my job	0,798
WE4	4. My job inspires me	0,834
WE5	5. When I get up in the morning I feel like going to work	0,681
WE6	6. I feel happy when I am working intensely	0,623
WE7	7. I am proud of the work that I do	0,689
WE8	8. I am immersed in my actions	0,433
WE9	9. I get caring away when I am working	0,868
(3) TR ($\alpha=0.812$, CR=0.870, AVE=0.573)		
TR1	1. I proceed on the basis that my manager will act in good faith.	0,670
TR2	2. I act on the basis that my manager displays integrity in his/her actions	0,691
TR3	3. I act knowing that my manager will keep his/her word	0,759
TR4	4. I feel that my manager keeps personal discussions confidential	0,671
TR5	5. I feel my manager trusts his/her employees to work without excessive supervision	0,622
(4) OCB ($\alpha=0.862$, CR=0.897, AVE=0.592)		
OCB1	1. I take the initiative to orient new employees even though it's not part of my job description.	0,779
OCB2	2. I help others when their workload increases even when I am not required to do so.	0,793
OCB3	3. I help others with their work when they have been absent even when I am not required to do so.	0,749
OCB4	4. I willingly attend functions not required by the manager when it helps the organization's overall image.	0,683
OCB5	5. I volunteer to do things not formally required by the job.	0,625
OCB6	6. I assist my superior with his/her duties.	0,623
(5) SS ($\alpha=0.858$, CR=0.892, AVE=0.543)		
SS1	1. My leader is supportive in addressing my concerns and needs	0,665
SS2	2. My leader effectively communicates my progress and where I stand in my work.	0,554
SS3	3. My leader praises me for the good work I do.	0,702
SS4	4. My leader is approachable and available when I need assistance.	0,680
SS5	5. My leader provides feedback in a tactful and respectful manner.	0,709
SS6	6. My leader is knowledgeable and well-informed about our job and industry.	0,741
SS7	7. My leader treats all team members fairly without favoritism	0,723

α : Cronbach's Alfa CR: Composite Reliability AVE: Average Variance Extracted
Source: Author (2024)

CONCLUSIONS

The Authentic Leadership Questionnaire (ALQ), developed by Walumbwa et al. (2008), was employed to assess AL. The ALQ is a well-established instrument that evaluates authentic leadership style through four core dimensions: self-awareness, relational transparency, balanced processing, and internalized moral perspective.

For measuring WE levels, we use an adapted version (UWES9) of the Utrecht Work Engagement Scale (UWES), validated by Schaufeli and Bakker (2003). The UWES9 scale maintains the same 3 core elements of the original UWES scales: vigor, dedication, and absorption, but with a reduced number of variable indicators in each construct.

The OCB was assessed using the Wayne, Shore, and Liden (1997) instrument, which modified the initial proposition of Smith, Organ, and Near (1983).

For assessing satisfaction with the supervisor, we adapt the Job Descriptive Index (JDI - Supervision), originally developed by Smith, Kendall, and Hulin (1969). Adaptations include the formulation of statements comprising the elements indicated by the original scale. Participants were asked to respond to a series of statements describing their supervisors at work using a 5-point scale.

Finally, TR was evaluated using the “trust in immediate manager/supervisor” dimension of the Workplace Trust Survey (WTS) by Ferres and Travaglione (2003).

Construct validation

We conducted a confirmatory factor analysis (CFA) to ensure construct validity. We applied Cronbach’s α and a composite reliabili-

ty (CR) measure to determine internal construct validity. The CR and Cronbach’s α reference value is at least 0,7 (Hair et. al., 2010). All constructs fit the established criteria with CR and Cronbach’s α above 0.7. The average variance extracted (AVE) by each construct was also determined and the results are presented in Table 2.

We also determined the convergent validity by computing the factor’s loadings. The reference value for factor loadings is at least 0,5. Except for one indicator in WE, all loadings are above 0.5. The indicator was maintained to ensure a minimum of three indicators for each construct. The results for convergent validity are also presented in Table 2.

Finally, a discriminant validity procedure was conducted. An instrument has discriminant validity if the correlations between measures of different factors are lower than the reliability coefficients. Table 3 presents the results confirming that all correlations are lower than the respective CR, ensuring discriminant validity.

Table 3
Discriminant Validity

Constructs	(1)	(2)	(3)	(4)	(5)	CR
(1) AL	1,000	-	-	-	-	0,897
(2) WE	0,626	1,000	-	-	-	0,923
(3) TR	0,759	0,727	1,000	-	-	0,817
(4) OCB	0,622	0,692	0,668	1,000	-	0,865
(5) SS	0,826	0,717	0,812	0,710	1,000	0,863
CR = Composite Reliability						

Source: Author (2024)

Structural model specification and estimation method

We applied the partial least square method (PLS) to estimate the structural model using the Smart PLS software to generate all results. We also calculated the Standardized Root Mean Square Residual (SRMR) to avoid erroneous conclusions due to model misspecification. The result of 0,064 for SRMR suggests a well-fitted model according to the standard threshold.

RESULTS AND DISCUSSION

Descriptive Analysis

The study included 235 individuals across 33 companies. Participants were primarily concentrated in the 26 to 31 age range (47.6%), followed

by those between 22 and 25 years (32.3%) and 32 to 38 years (20,1%), indicating a predominance of early-career professionals. Gender representation was nearly balanced, with a slight male predominance (50.21%) over female participants (49.79%).

The sample reflects a diverse range of experience levels. The largest proportion of respondents identified themselves as junior leaders (52,3%) that have been in leadership positions for 2 to 3 years, mid-level leaders (30,6%) that have been in leadership positions for 4 to 8 years, and senior leaders (17.1%), that have been in leadership positions for more than 8 years.

A descriptive analysis of the responses is presented in Table 4.



Table 4
Descriptive Analysis

		Mean	S.D.
AL	Self-awareness	4,106	1,036
	Relational Transparency	4,000	0,997
	Internalized Moral Perspective	4,136	0,956
	Balanced Processing	4,062	0,986
WE	Vigor	3,986	1,040
	Dedication	4,118	1,046
	Absorption	4,230	0,915
TR	One-dimensional	4,209	0,946
OCB	One-dimensional	3,963	1,008
SS	One-dimensional	4,056	1,056

Source: Author (2024)

Hypotheses Analysis

We executed a bootstrap procedure with 5000 resamples to test statistical significance as shown in Table 5. Hypotheses testing results are also presented in Table 5.

The analysis of the hypotheses tested provides strong support for all proposed relationships, emphasizing the significance of authentic leadership and trust within the organizational context.

Table 5
SEM Results - Hypotheses testing

Path	Hypothesis	T Statistics	P Value	Conclusion
AL → WE	H1	3,245	0,001	Supported
AL → OCB	H2	3,903	0.000	Supported
AL → SS	H3	10,519	0.000	Supported
AL → TR	H4	9,897	0.000	Supported
TR → WE	H5	6,476	0,000	Supported
TR → OCB	H6	4,724	0.000	Supported
TR → SS	H7	5,467	0,000	Supported

Source: Author (2024)

Suggestions for Future Research

The findings indicate a significant positive relationship between authentic leadership (AL) and work engagement (WE), with a T statistic of 3.245 and a p-value of 0.001. This suggests that authentic leaders possess the ability to inspire and motivate their followers, fostering an environment in which employees feel more committed and dedicated to their work.

Moreover, there exists a positive relationship between authentic leadership and organizational citizenship behavior (OCB), demonstrated by a T statistic of 3.903 and a p-value of 0.000. This implies that when leaders exhibit authenticity, team members are more likely to engage in behaviors that benefit the organization, extending beyond their formal obligations. Additionally, the results reveal a significant impact of authentic leadership on employee satisfaction with their superiors (SS), as evidenced by a

T statistic of 10.519 and a p-value of 0.000. This finding reinforces the notion that leaders who demonstrate transparency, fairness, and possess an internalized moral perspective are rated more favorably by their subordinates.

Furthermore, the relationship between authentic leadership and trust in the immediate manager (TR) is robust, indicated by a T statistic of 9.897 and a p-value of 0.000. This demonstrates that authenticity in leadership not only generates trust but, through it, also establishes productive and effective working relationships. Trust in the immediate manager subsequently acts as an effective mediator that positively influences work engagement, with a T statistic of 6.476 and a p-value of 0.000. This highlights that, in addition to authentic leadership, the level of trust employees have in their leaders is crucial for maintaining a high level of engagement.

The analysis also reveals that trust in the

manager plays an important role in promoting organizational citizenship behavior, evidenced by a T statistic of 4.724 and a p-value of 0.000. When employees trust their leaders, they are more likely to demonstrate proactive behaviors and assist others within the organization. Furthermore, trust in the immediate manager is positively associated with employee satisfaction, as indicated by a T statistic of 5.467 and a p-value of 0.000. This implies that trust, built through authentic leadership, significantly contributes to overall employee satisfaction with their supervisors. The findings are consistent with the current literature (e.g.Walumbwa et al., 2008)

Finally, the results substantiate the importance of authentic leadership not merely as an isolated factor but as a variable that, through trust, influences work engagement, organizational citizenship behavior, and satisfaction with superiors. This chain of relationships highlights the necessity for organizations to invest in leadership practices that promote authenticity and trust-building, as these can lead to a more positive and productive work environment. Moreover, the findings suggest that the authentic leadership approach is not only beneficial in terms of individual outcomes but also contributes to the overall health of the organization.

Table 6
SEM Results - Mediating Effect

Path	Total Effect	P Value	Direct Effect	P Value	Indirect Effect	P Value
AL → WE	0,569	0,000	0,275	0,000	0,294	0,000
AL → OCB	0,548	0,000	0,315	0,000	0,233	0,000
AL → SS	0,815	0,000	0,594	0,000	0,221	0,000

Source: Author (2024)

For organizational citizenship behavior, the total effect of authentic leadership is similarly significant at 0.548 ($p < 0.001$). The direct effect stands at 0.315 ($p < 0.001$), again demonstrating a meaningful direct influence, while the indirect effect of 0.233 ($p < 0.001$) indicates that authentic leadership also enhances OCB through mediating factors. This suggests that authentic leaders not only directly influence employee behavior but also create an environment that encourages positive citizenship behaviors among employees, likely through fostering trust and supportive relationships.

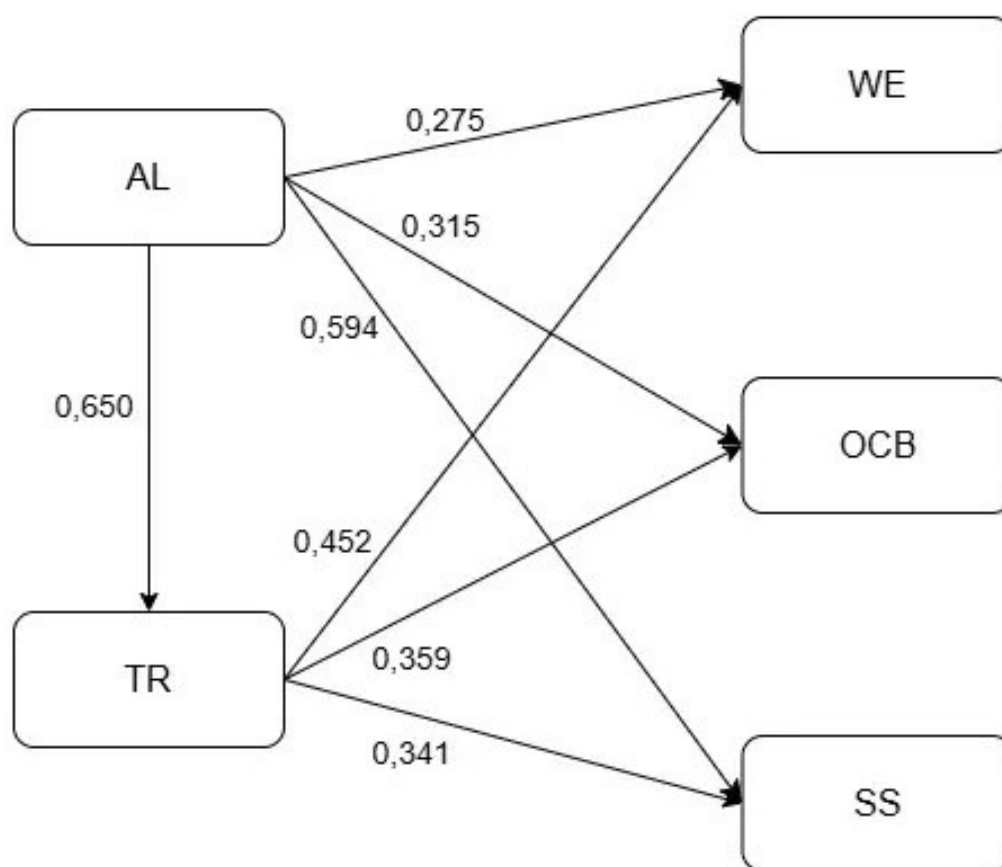
Regarding satisfaction with supervisor, the total effect is strikingly high at 0.815 ($p < 0.001$), indicating a strong overall relationship. The direct effect is 0.594 ($p < 0.001$), which is substantial, yet the indirect effect of 0.221 ($p < 0.001$) points to the influence of mediating constructs. This reinforces the idea that authentic leadership significantly enhances satisfaction levels among employees, but it does so not only through direct interactions but also by cultivating a work environment characterized by trust and open communication.

The analysis of mediation demonstrates that while authentic leadership has direct positive effects on work engagement, organizational citizenship behavior, and satisfaction with supervisors, the indirect effects indicate that these outcomes are significantly bolstered by mediating factors such as trust. Thus, fostering authentic leadership is not only crucial for enhancing direct employee outcomes but also vital for establishing the relational contexts that enable these outcomes to flourish.

Overall, the findings emphasize the practical implications for organizations seeking to improve employee engagement, citizenship behaviors, and satisfaction with supervisors. By investing in the development of authentic leadership practices and nurturing an environment of trust, organizations can enhance overall workplace dynamics and foster a more engaged and committed workforce. This understanding presents a compelling case for leadership development initiatives that prioritize authenticity and relational trust as foundational elements of effective organizational cultures.



Figure 2
Structural Equation Model



Model comparisson

The strength of each structural path given by the R-Square of endogenous variables determines the model's goodness. The values of R-Square should be equal to or greater than 0,1. Table 7 presents the results. Furthermore, the model fit was accessed using SRMR. We obtained an SRMR of 0,064 which is below the reference value of 0,1, indicating an acceptable model fit.

To further emphasize the importance of trust, we compared the current model with a secondary model where the TR construct was omitted. We verify the model fit and predictive capability of both models.

Despite the SRMR obtained for the secondary model (without TR) being only slightly worse (0,065), the model incorporating trust demonstrated a Goodness of Fit (GoF) of 65.2%, in stark contrast to the 48.5% GoF observed in the model

excluding trust. This significant disparity led us to conduct a confirmatory comparative analysis. We conducted the effect size analysis proposed by Cohen (1988) which considers the R-Square with and without TR to calculate a f-square statistic representing the effect size. The results are reported also in Table 7.

The analysis of the comparative models provides insightful evidence regarding the significance of trust in the context of leadership and its impact on various outcomes within organizations. The results show the R-squared values for the endogenous variables when the trust variable (TR) is included versus when it is omitted. The inclusion of trust notably enhances the explanatory power of the model, which is evident from the R-squared values across the three endogenous variables: Work Engagement (WE), Organizational Citizenship Behavior (OCB), and Satisfaction with Supervisor (SS).

Table 7
Model Comparison

Endogenous Variables	R-Square with TR	R-Square without TR	f-square	Effect Size
WE	0,442	0,323	0,213	Moderated Effect
OCB	0,375	0,301	0,118	Small Effect
SS	0,731	0,665	0,245	Moderated Effect
TR	0,422			

Source: Author (2024)

Specifically, the R-squared value for WE increase from 0.323 to 0.442 when TR is included, indicating a substantial improvement in the model’s predictive ability. The effect size, measured by f-square, is 0.213, which falls within the range of a moderated effect according to Cohen’s criteria. This suggests that the presence of trust acts as a significant moderator in the relationship between authentic leadership and work engagement, underscoring its essential role in fostering an engaging work environment.

Similarly, for OCB, the R-squared value rises from 0.301 to 0.375 upon the inclusion of TR, with a corresponding f-square of 0.118, which is classified as a small effect. Although the impact is less pronounced than that observed for WE, the results still imply that trust contributes positively to the development of organizational citizenship behaviors, further highlighting the necessity of nurturing trust within teams.

The most compelling evidence for the importance of trust emerges in the case of satisfaction with supervisor (SS), where the R-squared increases from 0.665 to 0.731 with the addition of TR. The f-square of 0.245 indicates a moderated effect, suggesting that trust significantly amplifies the relationship between authentic leadership and satisfaction with supervisors. This finding underscores the idea that employees are more likely to express satisfaction with their leaders when they perceive a trusting relationship, which is crucial for enhancing workplace morale and performance.

Overall, the comparative analysis accentuates the vital role of trust as a mediating variable in leadership dynamics. The marked improvements in R-squared values across all three constructs emphasize that organizations should prioritize the cultivation of trust to strengthen the effectiveness of authentic leadership. By fos-

tering an environment characterized by trust, organizations can enhance employee engagement, encourage citizenship behaviors, and improve overall satisfaction, ultimately leading to a more positive and productive organizational climate.

Discussion of practical implications

The findings of this study are consistent with theoretical expectations and empirical evidence from previous research on authentic leadership. For instance, Walumbwa et al. (2008) demonstrated that authentic leadership positively influences employee attitudes and behaviors, reinforcing the connection between perceived leader authenticity and desirable organizational outcomes. Our results corroborate this relationship, particularly through the mediating role of trust, which strengthens the explanatory power of the model.

Regarding H1, the confirmation that authentic leadership positively impacts employee engagement aligns with findings by Ribeiro et al. (2018), who argued that leaders who act in alignment with their values foster higher levels of emotional investment from subordinates. This highlights that organizations interested in increasing engagement should invest in leadership development programs that emphasize congruence between personal values and behaviors, especially in contexts with historical credibility crises, such as Brazil.

In relation to H2, the positive association between authentic leadership and organizational citizenship behavior is supported by Qiu et al. (2019), who suggest that authenticity in leadership generates a psychological safety climate that encourages employees to go beyond formal role expectations. This implies that when employees perceive their leaders as genuine and fair, they are more inclined to voluntarily contribute to the



success of the organization. Practically, this finding signals to HR departments the value of incorporating ethical and relational competencies in leadership evaluation frameworks.

As for H3, our findings reinforce the relationship between authentic leadership and satisfaction with the leader, consistent with Walumbwa et al. (2010) who found that authentic leadership behavior was positively related to supervisor-rate. This suggests that satisfaction is not only driven by technical competence but also by relational trust—supporting the need for leaders to demonstrate consistency, honesty, and relational presence in daily interactions.

With regard to the mediating effects proposed in H4, H5, and H6, the results reinforce the notion that trust operates as a pivotal mechanism through which authentic leadership translates into positive employee outcomes. In H4, the finding that trust mediates the relationship between authentic leadership and engagement is in line with Baquero (2023) and Connell et. al. (2003), who argue that authentic leaders promote psychological well-being and motivational alignment, fostering deeper personal investment in work. From a practical standpoint, this reinforces the need for leadership development programs that go beyond behavioral training and cultivate self-awareness, consistency, and moral perspective—key antecedents of relational trust.

In H5, the confirmed mediation effect between authentic leadership and organizational citizenship behavior (OCB) echoes the findings of Walumbwa et al. (2010) who found that authentic leadership behavior was positively related with OCB, WE and other organizational performance. Katz and Kahn (1966) argue that when employees perceive their leaders as transparent and value-driven, they are more willing to exceed formal expectations and contribute voluntarily to the collective good. In addition, Chidir et. al. (2020) found that OCB significantly influence employee performance. Our results indicate that trust plays a central role in that process, acting as the emotional link that transforms perceived authenticity into proactive behaviors, as a consequence, better performance.. Organizations should therefore foster environments where relational trust is not incidental, but deliberately cultivated through

ethical clarity, inclusive communication, and behavioral consistency.

As for H6, the mediating role of trust in the relationship between authentic leadership and satisfaction with the leader aligns with Walumbwa et. al. (2008). Some studies (e.g. Wang and Hsieh, 2013; Norman et al., 2010) underscore that trust is a key determinant of how leadership behaviors are interpreted and evaluated by followers. Our findings confirm that trust enhances the positive effect of authenticity on satisfaction, highlighting the relevance of credibility and interpersonal integrity. This suggests that investing in leadership styles that prioritize transparency, self-regulation, and relational consistency is essential for promoting not only performance, but also satisfaction and retention.

The practical implications of the established relationships among authentic leadership, trust, and various employee outcomes underscore the critical need for organizations to prioritize the cultivation of authentic leadership practices and the development of trust within their teams. As demonstrated by the findings, leaders who exhibit authenticity foster an environment conducive to high levels of work engagement, organizational citizenship behavior, and overall employee satisfaction. This emphasizes the idea that leadership is not merely about positional authority or compliance; rather, it is fundamentally about creating meaningful connections and fostering an atmosphere of trust and openness.

Developing authentic leadership within organizations entails equipping leaders with the skills and insights necessary to be self-aware, transparent, and ethically grounded. Organizations should invest in leadership development programs that focus on these dimensions, as they empower leaders to build trust effectively with their teams. By fostering these skills, organizations not only enhance the capabilities of their leaders but also contribute to a culture that values transparency and moral integrity.

Moreover, the significance of trust cannot be overstated. Trust serves as the bedrock of effective organizational relationships. When employees trust their leaders, they are more likely to engage fully in their roles, collaborate with colleagues, and go beyond their job descriptions



to contribute to organizational goals. Therefore, organizations must actively work to create an environment where trust can flourish. This can be achieved through open communication, consistent behavior from leaders, and demonstrating a commitment to employee well-being. Regular feedback mechanisms, transparent decision-making processes, and inclusive practices can further enhance trust levels, creating a supportive organizational climate.

The implications of authentic leadership and trust extend into the realm of positive psychology, which emphasizes the importance of fostering well-being, happiness, and overall job satisfaction. By creating an environment that nurtures positive relationships and promotes trust, organizations can significantly enhance employees' psychological well-being. This approach aligns with the principles of positive psychology, where the focus is on strengths, flourishing, and the cultivation of positive experiences in the workplace. Authentic leadership can lead to an increase in job satisfaction and employee engagement, which are essential components of psychological well-being. As employees experience greater levels of well-being, they are more likely to exhibit higher levels of creativity, resilience, and performance in their roles.

Additionally, the positive outcomes associated with trust and authentic leadership extend beyond individual performance; they also enhance overall organizational effectiveness. Organizations characterized by high levels of trust and authentic leadership tend to experience lower turnover rates, increased employee morale, and improved team dynamics. These factors contribute to a more resilient organization capable of adapting to challenges and capitalizing on opportunities. Consequently, leaders who embody authenticity and prioritize trust-building are likely to cultivate a loyal workforce that drives innovation and sustains competitive advantage.

In summary, the findings highlight the necessity for organizations to emphasize the development of authentic leadership and trust. By prioritizing these aspects within the framework of positive psychology, organizations can create a thriving workplace environment where employees are engaged, committed, and satisfied.

Such an environment not only leads to better individual outcomes but also enhances overall organizational performance. Therefore, fostering authentic leadership and trust should be integral components of organizational strategy, as they are key drivers of success in today's complex and dynamic business landscape. By integrating these principles into organizational culture, leaders can promote a sense of purpose, belonging, and fulfillment among employees, ultimately leading to a happier and more productive workforce.

CONCLUSIONS

This research sought to elucidate the importance of authentic leadership and the development of genuine trust relationships as important drivers of engagement and satisfaction in the workplace, particularly within the context of Brazilian transnational companies.

The findings provide compelling evidence that authentic leadership significantly influences various employee outcomes, including work engagement (WE), organizational citizenship behavior (OCB), and satisfaction with superior (SS). All paths and hypothesized relationships among these variables are significantly validated.

Additionally, the mediation analysis underscores the pivotal role of trust as a foundational element that enhances these relationships. Leaders who embody authenticity not only inspire their teams but also cultivate a culture of trust that translates into improved outcomes. The effect size analysis underscored the significance of trust in explaining the variability of the considered outcome constructs.

This study makes a theoretical contribution by addressing a previously underexplored gap in the literature: although trust is frequently mentioned as an essential element of leadership, it is rarely modeled as a central mechanism in empirical research. By demonstrating that trust mediates the effects of authentic leadership on engagement, organizational citizenship behavior, and satisfaction with the leader, our findings reinforce the idea that trust is not merely a by-product but a functional process in leadership dynamics. This result expands current theoretical models of authentic leadership by integrating re-



lational trust as a key explanatory element—particularly relevant in contexts where ethical leadership is critical for organizational sustainability, such as Brazil.

Regarding practical implications, this study reinsures the need for authentic leadership development in companies of all types. Moreover, the significance of trust cannot be overstated, organizations must actively work to create an environment where trust can flourish.

This leads us to conclude that organizations fostering an environment conducive to the development of authentic leaders and genuine trust-based relationships are likely to see a substantial enhancement in employee engagement, satisfaction, and other factors linked to positive employee behavior. Ultimately, this contributes to improved organizational performance.

The insights derived from this research contribute significantly to both academic scholarship and practical applications within organizations. For the academic community, it enriches the existing literature on leadership effectiveness by illuminating the connections between authentic leadership, trust, and positive psychological outcomes and providing new evidence from a country heavily affected by corruption and unethical practices. For practitioners, it offers a starting point to rethink and structure leadership development strategies that prioritize ethical behavior and trust.

This study, while offering valuable insights into the importance of authentic leadership and trust in promoting positive employee outcomes, is not without its limitations. Firstly, the research focused on Brazilian transnational companies, which, while relevant, may limit the generalizability of the findings to organizations in other cultural or economic contexts. Secondly, the cross-sectional nature of the data collection limits our ability to establish causal relationships between authentic leadership, trust, and employee outcomes, such as engagement and satisfaction. Additionally, self-reported measures were used for employee perceptions, which can introduce response biases, potentially affecting the accuracy of the results.

To expand upon the findings of this study, future research could explore several poten-

tial avenues. First, longitudinal studies could be conducted to analyze how authentic leadership and trust develop over time and their enduring effects on employee engagement and organizational outcomes. Second, researchers could examine the influence of cultural differences on the perception and effectiveness of authentic leadership across various organizational contexts, particularly in multinational firms. Additionally, investigating the impact of digital transformation on leadership styles and employee relationships would be valuable, especially regarding how remote work and virtual teams affect trust and engagement.

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