

ICBSI2018

International Conference on Business Sustainability and Innovation

**ENHANCING AUTHENTIC LEADERSHIP, PSYCAP, JOB STRESS AND JOB SATISFACTION:
INNOVATING COMBINED EFFECT**

Umme Salma Sultana^{a}, Mohd Ridzuan Darun^b, Liu Yao^c, Tarnima Warda Andalib^d*

(a) Faculty of Industrial Management, Universiti Malaysia Pahang, Kuantan, Malaysia,

(b) Faculty of Industrial Management, Universiti Malaysia Pahang, Kuantan, Malaysia,

(c) Faculty of Industrial Management, Universiti Malaysia Pahang, Kuantan, Malaysia,

(d) Faculty of Industrial Management, Universiti Malaysia Pahang, Kuantan, Malaysia,

ABSTRACT

The purpose of this paper is to review the relationship of authentic leadership, psychological capital or PsyCap, job satisfaction, and job stress. The job satisfaction has great importance in any organization because employees who are highly stressed in their workplace may not be satisfied. Many kinds of research already tried to develop authentic leadership and psychological capital, researchers also attempted to find out different job outcomes by practicing authentic leadership and PsyCap. A number of previous studies reviewed to understand the relationship between job stress and job satisfaction, and how job stress affects job satisfaction. Each component of authentic leadership and psychological capital will be supportive of increasing leaders and employee's job satisfaction. The components of authentic leadership and psychological capitals are described in a manner that assists to prove its ability to minimize job stress and achieve job satisfaction. Observing from the previous literature present paper proposing that authentic leadership and psychological capital together could be one of the solutions to decrease job stress and increase job satisfaction. Furthermore, this study put together previous studies, which supports the proposed solution and concludes by discussing the reasons behind this proposed solution.

Keywords: Authentic Leadership, Psychological Capital, Job Stress, Job Satisfaction.

1. Introduction

The World Health Organization has confirmed work-related stress to be a global concern. According to Riga recent study found that in a typical company, employees spend about 20% of their payroll to handle job stress related issues, and due to overloaded responsibilities, risky work environment, and lengthy work times, in American people spotted that work is their main reason of stress (Riga, 2006).

To meet present challenges, authentic leadership (AL) may be recognized as a favourable approach to organizational leadership. Authentic leadership is a genuine, optimistic and principled form of leadership (Avolio & Gardner, 2005; Avolio, Gardner, Walumbwa, Luthans, & May, 2004; George, 2003; F Luthans, Avolio, Cameron, Dutton, & Quinn, 2003; Walumbwa, Avolio, Gardner, Wernsing, & Peterson, 2008).

Psychological capital expresses a person's positive intellectual improvement. To minimize the job stress in working place employees can get help from psychological capabilities, like resilience, optimism, hope, and self-efficacy. Wang found that these resources are important for employees to minimize their job stress (Y. WANG, 2014).

Acknowledgments

This work is funded by PGRS Grant (grant number- PGRS 160390), University Malaysia Pahang.