

# **Effect of Authentic Leadership Style on Social Entrepreneurship Performance**

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**ABSTRACT** : Social enterprises are going ahead with the high purpose of crafting a social change hence the leadership excellence of the entrepreneur plays the crucial role for the sustainable growth and development of the enterprise. In the social business setup authentic leadership works on the principle of sincere relationship between the leader and the subordinates. This study was concerned in examining the influence of authentic leadership behaviour in social enterprise. Now there being a large awareness on the significance of authentic behaviour among business leaders there is only limited study on focussing the contact of authentic leadership behaviour in social business

## **I. INTRODUCTION**

Social entrepreneurs must overcome numerous challenges by also overseeing their social mission, consequently without the mutual aid of the subordinates commercial achievement would be hard. Many social entrepreneurs do not have proper business education and only by enthusiasm were driven to solve social cause but they were not able to survive or succeed in the business because of ineffective leadership. For any successful enterprise, effective leadership play a critical role (Hambrick, 2007).

## **II. AUTHENTIC APPROACH**

At the leader level, there is increasing confirmation that an authentic come up lead to desirable and effectual advancement in human factor of the enterprise and also in attaining positive and progressing outcomes in business (George et al., 2007; George, 2003). Authentic leaders display some vulnerability and at the same time fully understand their true influential frame with others.

## **III. SOCIAL ENTREPRENEURSHIP**

Ashoka defines social entrepreneurship as "individuals with innovative solutions to society's most pressing social problems. The role of a social entrepreneur is a good opening to explore the ins and outs of running a social business. The challenge of retaining financial stability while utilizing commercial practices to actively develop social impact brings unique leadership and management challenges.

## **IV. THE BUSINESS IMPACT OF AUTHENTIC LEADERSHIP**

Leaders must cover the way by taking steps to become authentic themselves. Instead of striving to be seen as all-knowing and supreme, effective business administrators must be geared up to show their own humankind through openness. An important part of authentic leadership is inspiring, bonding and motivating your employees or co-workers to do extremely well. It helps in this respect by making leadership look attainable and realistic. Like any organisational transform, incorporating authenticity as a leadership approach might take time and serious effort. But when you come across at the payback you stand to obtain, it is positively worth making small, but significant changes in the direction of a more honest, open and authentic workplace.

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### **V. ATTRIBUTE UTTERED BY THE SOCIAL ENTREPRENEURS**

Social entrepreneurs are people who are dedicated for social business to exploit good quality service to the humanity in the course of their business. They have growing pressure from stakeholders, socially conscious consumers and employees to keep up authentic leadership quality. Authentic leadership helps the people to put up on their strengths and be more affirmative and add value and a sense of what is right to their decisions and also to improve the overall performance of their organization (Avolio et al., 2004). Thus social entrepreneurs may be better equipped to withstand the challenges of the external business environment and which in turn create a positive impact among employees too.

### **VI. DYNAMISM IN BUSINESS**

The regulations of the business appear to be constantly changing, during these challenging era employees increasingly look to their leaders for authentic direction and guidance. Especially for a social enterprise, the entrepreneur establishes the vision and rules of process and charts the course of direction for the enterprise. However, even though the entrepreneur plays a significant role, it is still the employees who must interpret and make the founder's vision and policies a reality for sustainable growth and success. In other words, this is where entrepreneurs become leaders of their employees to follow authentic direction laid by them.

### **VII. MORAL CAPACITY AND ETHICAL CLIMATE**

Social Entrepreneurs are role models of ethical behaviour – now more important than ever. Authentic quality includes moral capacity and developing ethical climate in enterprise. Through moral capacity the leaders were able to detect the problems from multiple angles and originate resolutions rather than bearing in mind as unknowable issue (Avolio and Gardner, 2005; Avolio and Luthans, 2006; Luthans and Avolio, 2003). In the similar way the leader must follow ethical principles to develop an ethical climate in organisation because the leader is considered to be a significant factor who determines the climate of an organisation. The leader acts as an agent who suppresses or brings out the behaviour of employees to behave in ethical or unethical fashion in an organization (Avolio and Luthans's ,2006)

In social enterprise it is extremely necessary for a leader to follow authenticity to demonstrate moral capacity and persuade ethical climate since the social enterprise have high social accountability to uphold ethical business dealing adhering to moral standards.

### **VIII. EMPLOYEE'S OUTCOME CAN BE ENHANCED IN SOCIAL ENTERPRISE BY AUTHENTIC LEADERSHIP**

Employees job performance and satisfaction level are inclined by authentic leadership behaviour (Wong & Laschinger, 2012) which is highly essential for the peoples in social enterprise to bring into being positive social outcome. It creates positive impact on group activities and also there exists more reliable relationship along with collective work under authentic leadership behaviour (Avolio et al., 2004). Employee's behaviour is positively related with authentic leadership; it also contributes in raising employees trust during their work and helps in motivating and identifying their goals for attainment (Khan, 2010). It is also believed that through the legitimate activities authentic leaders has a positive influence on employee's creativity (Rego et al, 2011).

### **IX. NEED OF THE HOUR**

Leadership in social enterprise relies on ethics, reliability and proficiency which one might expect, but also on empathy and passion. They must lead the way, and also effectively "sell the vision" of the large scale impact which can be achieved. It boosts up employee engagement. Social Entrepreneurs reveal authentic leadership through their professionalism, social mission orientation and passion. This has an intensely inspiring impact on how our organization approaches global affairs, put emphasis on the very notion of what it means to be human

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## **X. CONCLUSION**

Today's business is the place for great leaders. Social entrepreneurship aims in having the opportunity to develop innovative and lasting approaches to the most significant social issues, and to do so in a way which brings about long term change through successful business authentic leadership is important. Authenticity as a great leadership is beneficial only when shared. It encourages a learning organisation. Authentic leadership has been praised for its ability to build a diverse workforce. Authenticity at its best, gets the best individuals into teams, and gets the best from those individuals and creates great leaders.

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