

## **THE ART OF CONVERSATION: HOW AUTHENTIC LEADERS INFLUENCE ORGANIZATIONAL LEARNING**

DAINA MAZUTIS\*

Richard Ivey School of Business  
The University of Western Ontario

NATALIE SLAWINSKI

Richard Ivey School of Business  
The University of Western Ontario

### **ABSTRACT**

This paper explores how authentic leaders may positively enhance learning in organizations through the mechanism of conversations. We fuse leadership theory originating out of positive organizational scholarship with research on organizational learning. Using Crossan, Lane and White’s (1999) multi-level framework, we examine how top managers who exhibit authentic leadership capabilities such as relational transparency, self-awareness, self-regulation and balanced information processing may be able to encourage the use of conversations to enable learning at three levels: individual, group and organizational. We further argue that authentic leaders create an organizational culture in which authentic conversations are encouraged and become institutionalized. We then develop propositions that explore the link between authentic leadership, authentic conversations and organizational learning. This research raises interesting questions and directions for future research.

### **1 INTRODUCTION**

Organizational learning has been conceptualized as a multi-level dynamic process through which the thoughts and actions of individuals and groups change and become embedded in the organization over time (Crossan et al, 1999, Vera & Crossan, 2004). Dialogue lies at the core of organizational learning, for without conversations, individuals and groups cannot effectively exchange ideas, nor can they develop shared understandings. Organizational norms and routines that prevent open and honest exchanges of information continue to act as impediments to organizational learning, and specifically to the detection and correction of errors (Argyris, 2003). Although the concept of dialogue has been examined in the organizational learning literature, it has not been examined explicitly as a core mechanism which leaders can use to enable learning to occur in individuals, groups and organizations.

In recent years, researchers have begun to examine the role of leadership in generating organizational learning outcomes (Berson et al., 2006; Vera & Crossan, 2004). For example, Vera & Crossan (2004) examined the impact of transformational and transactional

---

\* Daina Mazutis, University of Western Ontario, London, Ontario, N6A 3K7, Tel: (519) 860-6773, Fax: (519) 661-3485, Email: dmazutis@ivey.uwo.ca

leadership styles on exploration and exploitation aspects of organizational learning. Although they refer to dialogue in their discussion of the impact of transformational leaders on organizational learning, they do not address how dialogue may differ as a result of leadership styles. We propose that authentic leadership, a relatively new stream of research emerging from the positive organizational scholarship, may impact the quality of the dialogues that take place in organizations. Given that authentic leaders are “confident, hopeful, optimistic, resilient, transparent, moral/ethical, future-oriented, and give priority to developing associates to be leaders” (Luthans & Avolio, 2003: 243), they may encourage more open dialogue among organizational members. We refer to this type of dialogue as authentic conversations. We therefore ask the following questions: What is the process by which authentic leaders enable learning in organizations? What is the role of conversations in organizational learning?

In fusing authentic leadership theory with research on organizational learning, we make the following contributions. First, we highlight the importance of dialogue, and authentic conversations specifically, to the organizational learning process. We take a fine-grained approach to the concept of dialogue and its role in organizational learning. Second, we use Crossan et al’s 4I framework to examine how authentic leaders at the top of the organization impact learning at three levels: individual, group and organization. In doing so, we focus on four authentic leadership capabilities – self-awareness, self-regulation, unbiased processing and relational transparency – by which authentic leaders and followers share information and open themselves up to feedback. These elements of authentic leadership have not previously been explicitly connected to the concept of dialogue and yet they may help explain how authentic leaders encourage authentic conversations in organizations.

We begin the paper by briefly reviewing the organizational learning and authentic leadership literatures. We then develop propositions that link authentic conversations to the organizational learning feed-forward and feedback processes. Next, we explore some of the barriers or constraints that may act on authentic leaders in their efforts to encourage authentic conversations. We end with a discussion of avenues for future research.

## **2 ORGANIZATIONAL LEARNING**

In the organizational learning literature, an agreed-upon definition of organizational learning remains elusive (Bapuji & Crossan, 2004; Easterby-Smith & Lyles, 2003). More than thirty years ago, Argyris and Schon (1978) argued that the detection and correction of errors was essential to organizational learning. They further argued that “...organizational learning is not merely individual learning, yet organizations learn only through the experience and actions of individuals” (Argyris & Schon, 1978: 9). So although the sum of individual learning does not equal organizational learning, we must still look to individuals and how they learn to understand learning as an organizational level phenomenon. It is important to understand the process through which individual learning contributes to learning at the organizational level in order to understand how leaders impact learning at every level.

Crossan, Lane and White (1999) have developed a multi-level framework (the 4I framework) that explains how learning at the individual level impacts learning at the group

and organization levels - the *feed-forward process*. Knowledge that is embedded in the organization also impacts learning through a *feedback process* from the organizational level back through groups to individuals. Crossan et al. describe four social psychological processes by which this occurs: intuiting, interpreting, integrating and institutionalizing. Intuiting involves the process by which individuals (often at a subconscious level) recognize patterns and make connections from their personal experiences. At the interpreting stage, this tacit knowledge is interpreted by the individual using his or her cognitive map and it is shared with others using words or actions. The individual uses dialogue to share ideas with others but it is not until the integrating stage that members of a group find common language and begin to create shared meaning. At this stage, “individual interpretive processes come together around a shared understanding of what is possible, and individuals interact and attempt to enact that possibility” (Crossan et al. 1999; 528). Shared meaning develops as a result of continuous dialogue among group members. Conversations can lead to the transference of knowledge but they can also create new knowledge and understanding among participants. Finally, some of this individual and group learning becomes embedded in the strategy, structures and routines of the organization. This process is what Crossan et al (1999) refer to as institutionalizing.

Organizational learning, therefore, can be conceived of as “a process of change in thought and action both individual and shared – embedded in and affected by the institutions of the organization” (Vera & Crossan, 2004: 224). However, during each of these processes and at each level – individual, group and organizational – there may be barriers to change in thinking and action. Individuals, including organizational leaders, may engage in defensive routines that inhibit their learning (Argyris & Schon, 1978). For example, detecting and correcting errors is difficult as it involves taking the time to analyze and learn from actions just completed as well as overcoming individuals’ natural inclination to withhold, manipulate or spin information that may be perceived as detrimental to their well-being. Argyris (2003) argues that we have gone so far as to see information “massaging” as a sign of effective leadership itself. This style of “in-authentic” communication, however, widens the gap between managers’ espoused theory and their theory-in-use (i.e.: what they say they do vs. what they actually do) and is therefore a barrier to learning.

Another barrier to organizational learning is transferring knowledge between levels (Crossan & Hulland, 2002). Learning may occur in individuals or in groups but the transference from one level to the other may be impeded by organizational routines. For example, Argyris and Schon (1978) argue that individuals need information to be able to detect and correct errors but that some organizational norms prevent such information from being discussed. These norms not only inhibit learning in individuals, but they prevent knowledge from being shared openly.

Dialogue is at the core of two critical processes in organizational learning: interpreting and integrating (Crossan et al, 1999). Conversations turn ideas into words, allowing individuals to share information. This dialogue can then allow members of a group to develop a shared understanding. However, we argue in this paper that it is the quality of the dialogue that is important to organizational learning. A conversation that would encourage the detection and correction of errors (or the reconciliation of differences) is one in which members of the dialogue are encouraged to be open and honest. It is precisely this type of dialogue that authentic leadership facilitates and to which we refer here as authentic conversations.

In the next section we define authentic leadership and examine how authentic leaders create a climate for authentic conversations. We explore four capabilities of authentic leadership that differentiate this style of leadership from others: self-awareness, balanced processing, self-regulation and relational transparency. We examine how these authentic leadership capabilities allow leaders to both engage in authentic conversations and encourage other organizational members to do the same.

### 3 AUTHENTIC LEADERSHIP

Authentic leadership has emerged as a relatively new and popular stream of research within the positive organizational scholarship (POS) movement, with dozens of journal articles and numerous practitioner books (e.g.: George, 2003) published in the last few years. The majority of work in this area, however, remains at the theory development stage, with less than a handful of studies to date being of an empirical nature. Furthermore, the concept has not been examined specifically from the upper echelons perspective, but rather treated similarly to many other theories of leadership, as operating at any level within the organization where one directs the activities of group (Yukl, 1998). It is our intent herein to explore authentic leadership at the top of the organization and how the cognitive bases of the authentic strategic leader are reflected in organizational outcomes such as an organizational culture supportive of learning (Hambrick & Mason, 1984).

Authentic leadership is described as a process “which results in both greater self-awareness and self-regulated positive behaviors on the part of leaders and associates, fostering positive self-development” (Luthans and Avolio, 2003: 243). Although the current discourse on authentic leadership appears to be centered on describing authentic leader values/attributes (e.g.: hope, optimism, resilience, trustworthiness, integrity, accountability, credibility, respect and fairness), we will focus herein specifically on the authentic leadership *capabilities* that are core to enabling authentic conversations. These include self-awareness, balanced processing, self-regulation and relational transparency (Ilies et al., 2005, Kernis, 2003, Gardner et al, 2005, Avolio & Gardner, 2005).

#### 3.1 Self Awareness

Self-awareness “refers to one’s awareness of, and trust in, one’s own personal characteristics, values, motives, feelings, and cognitions. Self-awareness includes knowledge of one’s inherent contradictory self-aspects and the role of these contradictions in influencing one’s thoughts, feelings, actions and behaviors” (Ilies et al., 2005; 377). Self-awareness has been described as an emerging process by which leaders come to understand their unique capabilities, knowledge and experience (Avolio & Gardner, 2005) and is particularly linked with self-reflection as a key mechanism through which leaders achieve clarity with regard to their core values and mental models (Gardner et al, 2005; Chan et al., 2005).

However, being self-aware might not be sufficient on its own. Authentic strategic leaders must also be willing to self-declare, or to communicate learnings about themselves with others in the organization, otherwise followers will remain unaware about a leader’s core values and beliefs (Goffee & Jones, 2006). Extending this logic, we argue that leaders who exhibit a heightened ability to understand their internal self-schemas will also be able to better *detect* their personal biases (increased self-awareness) and, if coupled with the ability

to communicate these biases, will be more likely to be able to *correct* for these biases within the conversations that they are engaging in at all levels in the organization. Furthermore, authentic leaders at the top of the organization will also implement diagnostic systems, rules and procedures that institutionalize self-awareness as a key component of formal feedback mechanisms, helping individuals learn about themselves (Berson et al., 2006), thereby encouraging a culture of authentic dialogue throughout the organization.

### 3.2 Unbiased Processing

Related to the concept of self-awareness is unbiased, or balanced, processing. While engaging in the self-reflective process of gaining self-awareness, either through internal introspection or external evaluations, authentic leaders do not distort, exaggerate or ignore information that has been collected (Kernis, 2003), but rather pay equal attention to both positive and negative interpretations about themselves and their leadership style (Gardner et al., 2005). Unbiased processing has been described as “the heart of personal integrity and character” thereby significantly influencing a leader’s decision making and strategic actions (Ilies et al, 2005).

Given that human beings are psychologically predisposed to hide their weaknesses, this particular capability is especially difficult for leaders who have been trained to withhold or “spin” negative information about themselves or their actions (Argyris, 2003). Acknowledging weaknesses as a strategic leader is particularly problematic as it encompasses additional risk and consequences for the entire organization. However, denying mistakes or distorting personal weaknesses can be just as disastrous for the company (George, 2003; Goffee & Jones, 2006). As such, balanced processing is critical in accurately self-assessing one’s abilities and using this knowledge in communications with others. Again, authentic strategic leaders will implement tools in an organization’s formal feedback mechanisms that foster the detection and correction of individual biases, yet also create “a supportive environment where people feel that they can take risks, make mistakes, create dialogue and be supported in a manner that is necessary for leaning to occur” (Berson et al., 2006; 585).

### 3.3 Self-Regulation

“Self-regulation is the process through which authentic leaders align their values with their intentions and actions” (Avolio & Gardner, 2005: 325). This process includes making one’s motives, goals and values completely transparent to followers, leading by example and demonstrating consistency between espoused theories and theories in use (Avolio & Gardner, 2005). Key to this concept is that the regulatory system is internally driven, not a reaction to external forces or expectations (Gardner et al., 2005). Furthermore, self-regulation is distinct from the concepts such as self-monitoring or impression management, which can encompass purposively distorted communications and therefore lead to inauthentic conversations (Chan et al., 2005). Rather, self-regulation involves establishing congruence between one’s internal standards and anticipated outcomes (Gardner et al., 2005) and the discipline to convert core values into consistent actions (George, 2003).

As such, authentic leaders who possess self-regulatory capabilities will say what they mean and mean what they say, thereby managing tensions and avoiding conflicts between their personal values and organizational responsibilities (Novicevics et al., 2006). Authentic leaders therefore not only act according to their own true selves, but also allow for shared

understandings of their goals and motives to emerge at every level within the organization, by remaining consistent in their conversations and actions. This process may potentially be facilitated through the formal or informal use of story telling – where organizational members hear similar examples of the leader’s authentic behavior (Crossan et al., 1999; Berson et al., 2006; Goffee & Jones, 2006).

### **3.4 Relational Transparency**

Lastly, relational transparency encompasses all of the above capabilities in the act of open and truthful self-disclosure (Ilies et al., 2005). In addition to being self-aware, unbiased and congruent in one’s goals/motives, values, identities and emotions, authentic leaders are also transparent in revealing these expressions to their followers (Hughes, 2005). Disclosing one’s true self to one’s followers builds trust and intimacy, fostering teamwork and cooperation (Gardner et al., 2005) and feelings of stability and predictability (Chan et al., 2005). Furthermore, relational transparency requires the willingness to hold oneself open for inspection and feedback, thereby also being an essential component in the learning process (Popper & Lipshitz, 2000). Frank, open and honest conversations therefore are required to establish a culture of continuous learning. Authentic leaders who engender the ability to enable transparency at all levels within the organization therefore create a culture of openness that allows for an organizational context for learning (Berson et al., 2006).

In summary, authentic leadership, as a construct, is multi-dimensional and multi-level (Avolio & Gardner, 2005). Luthans & Avolio argue that authentic leadership behavior “should cascade from the very top of organizations down to the newest employee” and that this cascading process is rooted and reinforced by the culture of the organization (2003: 244). Authentic leaders at the strategic level therefore are those who exhibit the capabilities of self-awareness, unbiased processing, self-regulation and relational transparency and foster the same positive self-development in other organizational members. These components of authentic leadership support an organizational culture in which authentic conversations are encouraged and become embedded in the organization through both the feed-forward and the feedback learning processes. The specific relationships between authentic conversations and organizational learning are explored in detail in the following section.

## **4 FUSION: AUTHENTIC LEADERSHIP AND ORGANIZATIONAL LEARNING**

Organizational learning is a process of change and reconciliation of differences that requires individuals to be open to change. One of the problems discussed by Argyris and Schon (1978) is that individuals may be unaware of their own biases. Authentic leaders, however, possess certain characteristics that allow them to be more open to change and less likely to become defensive when challenged. As we argued above, they are aware of their own limitations and weaknesses and are able to process information in an unbiased way. They behave in ways that are congruent with their values and encourage others to do the same.

Over time, the behaviors of authentic leaders will create an organizational climate that encourages openness, transparency and dialogue. Previous researchers have proposed that the organizational context mediates the relationship between leadership and organizational behavior (Berson et al., 2006). We go one step further and argue that authentic leaders

create a specific organizational culture (Chan et al., 2005), one that encourages authentic conversations, and that these conversations facilitate learning of individuals and groups within the organization. By facilitating the progression from intuiting to interpreting, interpreting to integrating and integrating to institutionalizing, authentic conversations encourage the transmission of new knowledge across levels. The feedback process from these institutionalized systems, rules and procedures also supports authentic conversations at every level which allow for a continuous exploitation of existing organizational knowledge.

Dialogue lies at the core of both of these processes. It has been defined as “a conversation with a centre, not sides. It is a way of taking the energy of our differences and channeling it toward something that has never been created before. It lifts us out of polarization and into a greater common sense, and is thereby a means for accessing the intelligence and coordinated power of groups of people” (Isaacs, 1999: 19). We extend this definition and suggest that this dialogue must also be authentic. Argyris and Schon (1978) argued that some organizational norms prevent information that could lead to the detection of errors from being discussed. As such, these norms inhibit learning and encourage error. Authentic conversations do not only allow for shared meaning to occur in groups but provide a safe environment for detecting errors as well.

Authentic dialogue encourages participants to be transparent and honest. Thus, through open dialogue, authentic leadership is more likely to foster norms that encourage the detection of errors. Unlike transformational leaders who encourage conversations for the purpose of achieving consensus and buy-in to organizational goals (Vera & Crossan, 2004), authentic leaders are resilient enough to encourage dialogue around potentially difficult topics in order to foster transparency and openness. This openness is more likely to result in errors being uncovered and addressed as authentic leaders encourage this same behavior in others. In additions, their optimism and confidence provides a “safe” environment within which individuals can question themselves and others (Berson et al., 2006).

We propose that authentic conversations are the mechanism by which authentic leadership enables organizational members to challenge organizational norms. This type of learning is often inhibited by individuals who want to avoid confrontation, who are fearful of interpersonal conflict (Argyris & Schon, 1978). Rather than challenge norms and risk conflict, individuals are more likely to avoid these difficult dialogues. Authentic leaders themselves are self-aware, resilient and transparent, which allows them to confront difficult dialogue. Given that strategic leaders are in a position of unique influence in the firm (Finkelstein and Hambrick, 1996), they can shape the firm’s culture. We would expect firms with authentic leaders at the top of the organization to develop a culture that encourages honest dialogue. As such, we propose the following:

*Proposition 1: Strategic leaders who exhibit authentic leadership capabilities (self-awareness, relational transparency, unbiased processing, and self-regulation) will tend to create a culture in which authentic conversations are encouraged.*

This culture is experienced at every level in the organization and can therefore be discerned in individual, group and organizational learning stocks or within the inputs and outputs of learning processes (Vera & Crossan, 2004). At the individual level, learning stocks include

personal capabilities, competencies and motivations. At the group level, these include group dynamics and the development of shared understanding. At the organizational level, learning stocks represent the degree of alignment between systems, structures, procedures, strategy and the organizational culture (Vera & Crossan, 2004). Leadership at the individual and group levels therefore refers specifically to the ways in which the leader supports or undermines learning at that level, while leadership at the organizational level is more synonymous with strategic management as whole (Crossan and Hurland, 2002).

We are particularly interested not only in the role of authentic leaders in supporting learning at each level, but also in managing the feed-forward and feed back flows of learning between the levels. “Leadership of the feed-forward flow represents the degree that the leader supports the flow of ideas in the organization and enables individuals to make a contribution to the organization. Leadership of the feedback flow represents the degree that the leader ensures that the nonhuman elements of the organization, such as procedures, routines and systems, support learning at the individual and group levels” (Crossan and Hurland, 2002; 716). We believe that authentic leaders, possessing self-awareness, self-regulatory, unbiased-processing and relational transparency capabilities are uniquely positioned to lead both feed-forward and feed-back learning flows through the mechanism of authentic conversations.

Authentic conversations support the feed-forward flow of learning specifically by allowing for unbiased, open and transparent communications between the individual and group levels and then the group and organizational level through the process of intuiting, interpreting, integrating and institutionalizing (Crossan et al. 1999). An individual’s subconscious or intuitive insights and experiences are communicated to others by explaining, through words, images, metaphors and actions, one’s insights to others (Crossan & Hurland, 2002). The capabilities of self-awareness and unbiased processing will facilitate these conversations thereby enabling shared meanings and understandings to emerge through the interpretation processes (Crossan et al, 1999). The process of interpreting is, in and of itself, “a social activity that creates and refines common language” and therefore “small differences in the metaphors employed and the ways in which conversations unfold and language develops may ultimately result in great differences in where the company ends up” (Crossan et al., 1999; 528). Authentic leaders, therefore, who exhibit self-awareness, relational transparency, unbiased processing and self-regulation capabilities, will foster open, honest and transparent conversations which can have a great impact on how groups learn to detect and correct errors and interpret common meanings.

Moving from interpreting to integrating, however, is usually more problematic as it involves “taking personally constructed cognitive maps and integrating them in a way that develops a shared understanding among the group members” (Crossan et al., 1999; 532). Language, dialogue and conversations are key mechanisms used to involve others in the development of a shared understanding (Crossan et al., 1999). By being self-aware, and capable of unbiased processing, authentic leaders are able to negotiate mutual adjustments through common language and the conversational processes that are integral to the learning process (Crossan et al., 1999). Furthermore, this culture of open, unbiased and transparent communication will become embedded over time in the organization’s formal routines and procedures; thereby allowing authentic conversations to become institutionalized themselves at the organizational level. Given the importance of authentic conversations at all levels within the organization, we propose:



*Proposition 2: Authentic conversations support the feed forward learning flow between individual learning and group learning and between group learning and learning at the organizational level by enabling the intuiting, interpreting, integrating and institutionalizing learning processes.*

Similarly, authentic leaders, in managing the feedback learning flow, also specifically design structures that encourage the sharing of ideas, practices and experiences (Vera & Crossan, 2004) and that ensure that the nonhuman elements of the organization, such as procedures, routines and systems, support learning at the group and individual levels (Crossan & Hurland, 2002). Authentic conversations therefore can become institutionalized at the organizational level through formal mechanisms such as systems learning tools, employee evaluation procedures or generative coaching sessions, for example. As such, authentic conversations, which foster open and honest dialogue and where the sharing of learning is encouraged between groups and individual members at various levels, therefore become part of organization’s routine and practices.

Furthermore, authentic leaders not only possess self-awareness and self-regulatory capabilities, but are also said to model these capabilities thereby enabling followers to feel safe in detecting and disclosing errors or inconsistencies themselves (Luthans and Avolio, 2003). For example, by implementing a “no risk” error reporting system, authentic leaders can facilitate unbiased processing at the group and individual levels, reinforcing authentic conversations that lead to an exploitation of organizational knowledge. Similarly, the use of self-reflective diagnosis tools, where an individual has to identify his/her strengths and weaknesses as part of a formalized performance review can also raise group and individual level self-awareness. This encourages authentic conversations that move the individual beyond the simple detection and correction of errors to resolving conflicts and creating new understandings about the organization’s norms of authenticity (Argyris & Schon, 1978). As such, we propose:

*Proposition 3: Authentic conversations reinforce the feedback learning flow through formal systems, structures and strategies that are embedded at the organization level which then affect group and individual learning.*

In summary, strategic leaders who exhibit authentic leadership capabilities of self-awareness, unbiased processing, self-regulation and relational transparency will create a culture in which authentic conversations are encouraged. These authentic conversations support the feed forward learning flow between individual learning and group learning and between group learning and learning at the organizational level by enabling the intuiting, interpreting, integrating and institutionalizing learning processes (Crossan et al., 1999). Furthermore, authentic conversations also reinforce the feedback learning flow through formal systems, structures and strategies that are embedded at the organization level which then affect group and individual level learning (Crossan & Hurland, 2002). However, although authentic leaders are primarily seen as facilitators of organizational learning through the mechanism of authentic conversations, numerous barriers to authentic conversations themselves remain and are discussed in the following section.

## 5 DISCUSSION: BARRIERS TO AUTHENTIC CONVERSATIONS

There are many barriers to authentic conversations such as individual defensive routines discussed above which prevent organizational learning and knowledge transfer between groups and among levels. We have proposed that authentic leaders through their self-awareness, self-regulation, relational transparency and unbiased information processing may help overcome some of these barriers by building a culture that fosters authentic conversations within and across multiple levels and by leading the feed-forward and feedback learning processes. However, strong barriers to authentic conversations remain.

For example, natural tensions will exist at the strategic leadership level that might prevent an authentic leader from being completely transparent. Some strategic information, for example, will be, by its very nature, confidential or potentially damaging if not kept at least somewhat concealed. This will constrain the authentic leader’s ability to disclose sensitive information to the entire organization that he/she would otherwise share as part of his/her commitment to engaging in self-regulatory and relationally transparent behaviors. Competitive tactics, such as new product introductions or merger discussions, for example, can not be openly discussed with all institutional members, leading to potential conflict between one’s values and the needs of the larger group. Gardner et al. (2005: 357) would argue that “authenticity occurs when one responds to internal cues, as opposed to societal pressures” yet, this may simply be strategically impossible. As such, although “secrecy is the enemy of learning” (Yukl, 1998; 459), strategic considerations can be considered a barrier to authentic conversations and therefore also organizational learning.

Similarly, strategic leaders are required to manage corporate communications to multiple stakeholders, at which point the very definition of authentic conversations may become somewhat attributional: which stakeholder(s) will perceive which conversation(s) as authentic? May, Chan, Hodges & Avolio (2003), for example, argue that many moral issues in particular will vary in the degree of consensus others have regarding what the leader should or shouldn’t do and therefore create a barrier to “authentic decision-making”. The question then becomes if it is possible to hold the same, congruent, self-regulatory, relationally transparent conversation with all stakeholders or, by definition, will one or more groups be alienated by the authentic conversation? Labor disputes would be a classic example of this dilemma. This barrier, however, is not reserved to external stakeholders. The same issue can arise internally between business units or even between supervisors and their staff. In attempting to engage in open and honest dialogue about potentially unpleasant issues (e.g. layoffs), authentic conversations may lead to less open and honest conversations, not more open and honest conversations, if organizational members feel threatened or betrayed in any way. Managing the tension between complete transparency and protecting concerned interests is therefore crucial to maintaining a culture where authentic conversations continue to be encouraged.

Even genuinely authentic conversations can therefore be perceived by organizational members as inauthentic. Individuals, groups and even organizations can get “too comfortable” (Goffee & Jones, 2006). As such, a strategic leader’s assessment and call for strategic renewal may be perceived as a distortion of reality, rather than truly authentic. Individual’s have cognitive sunk costs in the status quo (Oliver, 1997) which lead to an automatic resistance to change or even a resistance to learning about the change that is required. As such, even if there is a strong need to adapt to changing environments,

organizational members may resist these authentic conversations due to personal barriers to learning. Avolio & Gardner (2005) claim therefore that there are four particular organizational contexts that will moderate the relationship between authentic leadership and organizational performance; in addition to an inclusive, ethical and positively oriented strength based internal corporate climate, they point to environmental uncertainty as a key variable that may affect an authentic leader’s ability to foster self-awareness in other organizational members. As such, a culture that fosters authentic conversations may be a necessary but insufficient condition to allow for all organizational members to perceive all conversations as authentic. Environmental uncertainty may also play a moderating role.

There are also cultural factors that can impede authentic conversations in multi-national, multi-divisional or multi-cultural contexts in particular. Not only have North American managers been taught to massage or spin information before presenting it to their intended publics, but in certain cultures, saving “face” is almost a national barrier to authentic conversations (Schein, 1993). Politeness, tact, or good manners, for example, can prevent one from correcting any errors detected in the expression of ideas, opinions and objectives of their leaders, especially in some Asian cultures. Further, multi-divisional structures are also prone to their own multiple subcultures that in turn can develop their own set of languages (e.g.: engineering vs. marketing-speak) through the intuiting, interpreting and integrating phases of learning, making authentic conversations between functional silos particularly problematic (Schein, 1993). In addition, for certain “minority groups”, such as women (Eagly, 2005) or African Americans (Pittinsky and Tyson, 2005), authentic leadership markers may be different than the capabilities described herein. Having self-awareness, self-regulation, unbiased processing and relational transparency capabilities may simply be insufficient for other organizational members to grant some leaders the opportunity to create a culture that fosters authentic conversations.

Lastly, recent discourse on leadership in very dynamic contexts has also included the need for transcendent leadership. Transcendent leadership moves beyond the discussion of dyadic influences between leaders and followers and examines the requirements of strategic leaders to lead both within and amongst the levels of self, others, and organization (Crossan, Vera & Nanjad, 2007). It is possible, therefore, that the authentic leader may possess high levels of leadership of self, given her self-awareness, self-regulation, unbiased processing and relational transparency capabilities, however possess only moderate skills in leadership of others or of the organization itself: “A leader with a solitary focus on self discovery may lose sight of responsibility towards others and the organization, and excel only at the personal level while the organizational performance suffers” (Crossan et al., 2007). For example, an authentic leader at the top of the organization may have good intentions and strive to create a culture where open and honest dialogue is encouraged, however, she may simply lack the capability to do, thereby limiting her effectiveness on group and organizational level outcomes.

Barriers to authentic conversations are therefore plentiful and warrant further research. The strategic authentic leader not only has to be aware of his/her own cognitive biases and the way in which these affect his/her selective perception, interpretation and therefore strategic choices (Hambrick & Mason, 1984), but must also be able to encourage her top management team members to be open to discovering their own limitations and biases in a manner that encourages open, honest and transparent dialogue. Furthermore, the context for authentic conversations can vary greatly, from multiple stakeholder situations to multi-

national, multi-divisional and multi-cultural environments, all of which will pose particular constraints on the development of language and the interpretation of shared meanings. Particularly salient to the discussion of authentic leadership and organizational learning, is the notion that in order to be successful at authentic conversations across multiple levels and contexts, authentic leaders must also be transcendent leaders, equally capable of leadership of self, others and the organization (Crossan et al., forthcoming).

Although we have discussed some of the many barriers to authentic conversations, much remains to be examined in terms of constraints on authenticity. We therefore leave it to future researchers to examine the conditions under which authentic leadership, and authentic conversations specifically, enable organizational learning. Future research should also take an empirical look at conversations at different levels of analysis to validate both the conditions that facilitate as well hinder authentic conversations. Furthermore, the interplay between authentic leadership, authentic conversations, organizational learning, and multiple internal and external contexts also merits further discussion.

## 6 CONCLUSION

In this paper, we have argued that authentic leadership, through the mechanism of conversations, enables learning at the individual, group and organizational levels. We used the 4I framework (Crossan et al., 1999) to demonstrate how authentic leaders, who exhibit self-awareness, relational transparency, unbiased processing and self-regulation capabilities create a culture in which authentic conversations can help with the detection and correction of errors at every level of analysis and across levels of analysis – strategically leading both the feed-forward and the feedback learning processes. However, multiple barriers to authentic conversations, and therefore organizational learning, can render authentic leadership a particularly challenging endeavor.

By fusing authentic leadership theory with organizational learning processes, we have contributed to both literatures by highlighting the importance of conversations in particular. The mechanism of conversation has not been previously linked to authentic leadership nor has it been made explicit in the organizational learning literature, yet is clearly crucial to both processes. We hope this research will stimulate future examinations of the fusion between positive organizational scholarship and organizational learning.

## REFERENCES:

- Argyris, C., Schon, D. (1978) *Organizational Learning: A Theory of Action Perspective*, Reading, MA, Addison-Wesley.
- Argyris, C. (2003) ‘Altering theories of learning and action: An interview with Chris Argyris’ by Mary Crossan, *Academy of Management Executive*, Vol. 17 Issue 2, p 40-46.
- Avolio, B. J. & Gardner, W. L. (2005) ‘Authentic leadership development: Getting to the root of positive forms of leadership’, *Leadership Quarterly*. 16: 315-338.
- Bapuji, H. & Crossan, M. (2004) ‘From questions and answers: Reviewing organizational learning research’, *Management Learning*. 35, 4: 397 -417.

**Proceedings of OLKC 2007 – “Learning Fusion”**

- Berson, Y., Nemanich, L. A., Waldman, D. A., Galvin, B. M., & Keller, R. T. (2006) ‘Leadership and organizational learning: A multiple levels perspective’, *Leadership Quarterly*, 17: 577-594.
- Brown, A.D & Starkey, K. (2000) ‘Organizational identity and learning: A psychodynamic perspective’, *Academy of Management Review*, 25, 102-120.
- Chan, A., Hannah, S. & Gardner, W. (2005) ‘Veritable authentic leadership: Emergence, functioning, and impacts’, in Gardner, W., Avolio, B. & Walumbwa, F. (Eds.), *Authentic leadership Theory and Practice: Origins, Effects and Development*, Monographs in Leadership and Management, Volume 3, Boston, MA: Elsevier Ltd.
- Crossan, M., Lane, H., & White, R. (1999) ‘An organizational learning framework: From intuition to institution’, *Academy of Management Review*, 24: 522-538.
- Crossan, M. & Hlland, J., (2002) ‘Leveraging knowledge through leadership of organizational learning’ in Choo, C. & Bontis, N. (Eds.), *Strategic Management of Intellectual Capital and Organizational Knowledge: A Collection of Readings*, New York: Oxford University Press, 711-723.
- Crossan, M., Vera, D. & Nanjad, L. (2007) ‘Transcendent leadership: Strategic leadership in dynamic environments’, *Leadership Quarterly*, (forthcoming).
- Eagly, A. (2005) ‘Achieving relational authenticity in leadership: Does gender matter?’ *Leadership Quarterly*, 16(3), 459-474.
- Easterby-Smith, M., & Lyles, M. A. (2003) *The Blackwell Handbook of Organizational Learning and Knowledge Management*. Malden, MA: Blackwell Publishing.
- Gardner W., Avolio B., Walumbwa, F. (2005) ‘Authentic leadership theory and practice: Origins, effects and development’, in Gardner, W., Avolio, B. & Walumbwa, F. (Eds.), *Authentic leadership Theory and Practice: Origins, Effects and Development*, Monographs in Leadership and Management, Volume 3, Boston, MA: Elsevier Ltd.
- Gardner W., Avolio B., Luthans, F, May, D., Walumbwa, F. (2005) ‘Can you see the real me?: A self-based model of authentic leader and follower development’, *Leadership Quarterly*, 16 (3), 343-372.
- George, B. (2003) *Authentic leadership: Rediscovering the Secrets to Creating Lasting Value*, San Francisco, CA: Jossey-Bass.
- Goffee, R. & Jones, G. (2006) *Why Should Anyone be Lead by You? What it Takes to be an Authentic Leader*, Boston, MA: Harvard Business School Press.
- Hambrick, D.C. & Mason, P.A. (1984) Upper echelons: The organization as a reflection of its top managers. *Academy of Management Review*, 16: 193-206.
- Hughes, L., (2005) ‘Developing transparent relationships through humor in the authentic leader-follower relationship’ in Gardner, W., Avolio, B. & Walumbwa, F. (Eds.), *Authentic leadership Theory and Practice: Origins, Effects and Development*, Monographs in Leadership and Management, Volume 3, Boston, MA: Elsevier Ltd.
- Isaacs, W. (1999) *Dialogue and the Art of Thinking Together: a Pioneering Approach to Communicating in Business and in Life*. New York: Currency.
- Kernis, M.H (2003) ‘Towards a conceptualization of optimal self-esteem’, *Psychological Inquiry*, 14, 1-26.
- Luthans, F., & Avolio, B. (2003) ‘Authentic leadership development’, in Cameron, K. S., Dutton, J. E. & Quinn, R. E. (Eds.), *Positive Organizational Scholarship*, San Francisco: Berrett-Koehler Publishers, Inc., 241-258.
- May, D., Chan, A., Hodges, T., & Avolio, B., (2003) ‘Developing the moral component of authentic leadership’, *Organizational Dynamics*, 32 (3), 247–260.

**Proceedings of OLKC 2007 – “Learning Fusion”**

- Novicevic, M., Harvey, M., Buckley, M., Brown, J. (2006) ‘Authentic leadership: A historical perspective’, *Journal of Leadership & Organizational Studies*, 13, (1), 64-76.
- Oliver, C. (1997) ‘Sustainable competitive advantage: Combining institutional and resource-based views’. *Strategic Management Journal*, 18(9), 697-713.
- Pittinsky, T. & Tyson, C., (2005) ‘Leader authenticity markers: Findings from a study of perceptions of African American political leaders’ in Gardner, W., Avolio, B. & Walumbwa, F. (Eds.), *Authentic Leadership Theory and Practice: Origins, Effects and Development*, Monographs in Leadership and Management, Volume 3, Boston, MA: Elsevier Ltd.
- Popper, M. & Lipshitz, R. (2000) ‘Organizational learning: Mechanisms, culture and feasibility’, *Management Learning*, 31 (2); 181-196.
- Schein, E., (1993) ‘On dialogue, culture and organizational learning’, *Organizational Dynamics*, 22 (2): 40-51
- Vera, D., & Crossan, M. (2004) ‘Strategic leadership and organizational learning’, *Academy of Management Review*, 29: 222-240.
- Yukl, G., (1998) *Leadership in Organizations*. Englewood Cliffs NJ; Prentice Hall.