Volume 13 – Issue 3 --, 2025: 127-132
Copyright @ jwm (Jurnal Wawasan Manajemen)
p-ISSN: 2337-5191 | e-ISSN: 2527-6034.
Open Access at: https://jwm.ulm.ac.id/id/index.php/jwm
DOI: https://doi.org/10.20527/jwm.v13i3.455

Authentic, Ethical, and Transformational Leadership: Effects on Leadership Effectiveness and Trust

Dina Yuli Wardani[1*]
Zakhyadi Ariffin[2]
Ahmad Rifani[3]
[1,2,3]Faculty of Economics and Business, Universitas Lambung Mangkurat, Banjarmasin
[*]Corresponding Author: dinayuli.w@gmail.com

Abstract

This study examines the influence of authentic, ethical, and transformational leadership on leadership effectiveness and employees' trust in leaders in a project-based Indonesian state-owned enterprise. Data were collected from 90 employees of PT Wijaya Karya (Persero) Tbk — Division of Operations 5, Kalimantan. A quantitative causal design was applied using purposive sampling, and analysis was conducted with Partial Least Squares Structural Equation Modeling (PLS-SEM). Results reveal that ethical and transformational leadership positively and significantly affect leadership effectiveness, while authentic leadership does not. Ethical leadership also directly enhances trust in leaders, whereas authentic leadership, transformational leadership, and leadership effectiveness do not significantly affect trust. Mediation analysis shows that leadership effectiveness partially mediates the effects of ethical and transformational leadership on trust. The study provides theoretical contributions by clarifying the distinct roles of leadership styles, and practical implications for leadership development strategies in project-based organizations.

Keywords: *authentic leadership; ethical leadership; leadership effectiveness; transformational leadership; trust in leader*

Introduction

Leadership is one of the key determinants of organizational success, particularly in project-based enterprises where efficiency, collaboration, and trust are essential. Effective leadership ensures that employees achieve shared objectives while maintaining motivation and loyalty (Ehrhart & Klein, 2001). In the construction industry, where teams frequently face relocation, strict deadlines, and resource constraints, leadership effectiveness and trust become indispensable for ensuring project continuity (Kasali, 2010; Ulrich in Adrianto, Ali, & Nugroho, 2015).

Scholars have examined various leadership styles that influence organizational outcomes, among which authentic, ethical, and transformational leadership are particularly relevant. Authentic leadership emphasizes transparency, self-awareness, and an internalized moral perspective (Walumbwa et al., 2008). Ethical leadership highlights integrity, fairness, and guidance (Brown, Treviño, & Harrison, 2005). Transformational leadership inspires followers to transcend self-interest and achieve shared goals (Bass & Avolio, 1994; Robbins & Judge, 2017). While many studies have reported positive effects on performance and trust, findings are often inconsistent across different organizational and cultural contexts (Copeland, 2015; Hassan et al., 2013; Agote, Aramburu, & Lines, 2016).

Despite growing attention, few studies have integrated these three leadership styles into one empirical framework within the Indonesian state-owned construction sector. Leaders in PT Wijaya Karya are often promoted rapidly due to project-based demands, which may affect how employees perceive their effectiveness and trustworthiness. Moreover, prior research on the mediating role of leadership effectiveness in the relationship between leadership styles and trust

has been inconclusive (Carson, 2011; Copeland, 2016). This suggests a knowledge gap in how leadership dynamics unfold in project environments.

This study addresses the gap by examining the direct and mediated effects of authentic, ethical, and transformational leadership on leadership effectiveness and trust in leaders at PT Wijaya Karya, Division of Operations 5, Kalimantan. By employing PLS-SEM, the research provides empirical evidence that contributes to leadership theory while offering practical insights for leadership development in project-based organizations.

Research Methods

This study applied a quantitative, causal design to analyze the relationships among leadership variables. Data were collected from employees at PT Wijaya Karya (Persero) Tbk — Division of Operations 5, Kalimantan, including the divisional office, the Trisakti–Lianganggang Access Road project, and the Tumbang Samba Bridge project.

Population and Sampling

The total population consisted of 108 employees, from which 90 respondents were selected using purposive sampling, requiring a minimum tenure of two years. The distribution is presented in Table 1.

Table 1. Population and Sample

Location/Unit	Population	Sample
Divisional Office	31	26
Trisakti–Lianganggang Access Road	43	36
Tumbang Samba Bridge Project	34	28
Total	**108**	**90**

Source: Processed data

Instrument and Measurement

The study examined five latent variables: authentic leadership (X1), ethical leadership (X2), transformational leadership (X3), leadership effectiveness (Z1), and trust in leader (Y1). Measurement items were adapted from validated scales and assessed using a five-point Likert scale. Table 2 summarizes the operationalization.

Table 2. Operationalization of Variables

Variable	Dimension	Source	Items
Authentic Leadership	Transparency, moral perspective, self-awareness	Walumbwa et al. (2008)	16
Ethical Leadership	Fairness, integrity, guidance	Brown et al. (2005)	10
Transformational Leadership	Inspiration, consideration, influence	Bass & Avolio (1994)	9
Leadership Effectiveness	Goal achievement, motivation, efficiency	Ehrhart & Klein (2001)	6
Trust in Leader	Reliability, benevolence, competence	Adams et al. (2008)	20

Source: Processed Data

Data Analysis

Data were analyzed with PLS-SEM (SmartPLS 3.0). The outer model (validity and reliability) and inner model (R^2, hypothesis testing, mediation) were evaluated.

Validity and Reliability

To ensure measurement accuracy, convergent validity and reliability tests were conducted. As shown in Table 3, all AVE values exceeded 0.5.

Table 3. Convergent Validity (AVE)

Variable	AVE	Criteria	Result
Authentic Leadership (X1)	0.523	>0.5	Valid
Ethical Leadership (X2)	0.580	>0.5	Valid
Transformational Leadership (X3)	0.601	>0.5	Valid
Leadership Effectiveness (Z1)	0.668	>0.5	Valid
Trust in Leader (Y1)	0.611	>0.5	Valid

Source: Processed data

Reliability was further confirmed by Cronbach's alpha and composite reliability values above the 0.70 threshold (Table 4).

Table 4. Convergent Validity (AVE)

Variable	Cronbach's Alpha	Composite Reliability
Authentic Leadership (X1)	0.938	0.945
Ethical Leadership (X2)	0.918	0.932
Transformational Leadership (X3)	0.914	0.930
Leadership Effectiveness (Z1)	0.901	0.923
Trust in Leader (Y1)	0.943	0.949

Source: Processed data

Result

R-Square Adjusted

The explanatory power of the model was assessed through R^2. As presented in Table 5, leadership effectiveness had substantial explanatory power, while trust in leader was moderately explained.

Table 3. Reliability and Validity Results

Variable	R^2	R^2 Adjusted	Interpretation
Leadership Effectiveness (Z1)	0.676	0.665	Substantial
Trust in Leader (Y1)	0.591	0.572	Moderate

Source: Processed Data

Hypothesis Testing

Direct effects were tested for H1–H7. The results are summarized in Table 6.

Table 6. Hypothesis Testing Result

Hypothesis	Path	β	t	p	Result
H1	Authentic → Effectiveness	0.058	0.724	0.470	Not significant
H2	Ethical → Effectiveness	0.554	5.372	0.000	Significant
H3	Transformational → Effectiveness	0.286	3.219	0.001	Significant
H4	Authentic → Trust	0.192	1.635	0.104	Not significant
H5	Ethical → Trust	0.332	2.257	0.025	Significant
H6	Transformational → Trust	0.091	0.745	0.457	Not significant
H7	Effectiveness → Trust	-0.001	0.006	0.995	Not significant

Source: Processed data

Mediation testing further examined the indirect paths. Table 7 presents the results.

Table 7. Mediation Testing

Path (via Effectiveness)	Effect	Mediation
Authentic → Trust	Not significant	None
Ethical → Trust	Significant	Partial
Transformational → Trust	Significant	Partial

Source: Processed data

Discussion

The findings are discussed per hypothesis. Authentic leadership (H1 and H4) did not significantly influence effectiveness or trust, suggesting that transparency and self-awareness may be insufficient without demonstrable competence. Ethical leadership (H2 and H5) positively affected both effectiveness and trust, highlighting fairness and integrity as critical drivers in project contexts. Transformational leadership (H3 and H6) increased effectiveness but failed to directly build trust, indicating that inspiration alone does not guarantee relational confidence.

Leadership effectiveness (H7) did not directly predict trust, underscoring that trust is shaped more by ethical and relational factors than performance outcomes. However, mediation analysis (H8) showed that leadership effectiveness partially mediated the influence of ethical and transformational leadership on trust, reinforcing its indirect role in shaping trust.

Overall, ethical leadership emerged as the strongest predictor, followed by transformational leadership indirectly, while authentic leadership showed limited relevance in this setting.

Conclusion and Suggestions

Based on the findings, several conclusions can be drawn. First, ethical and transformational leadership significantly increase leadership effectiveness, while authentic leadership does not. Second, ethical leadership directly improves trust, whereas authentic and transformational leadership do not. Third, leadership effectiveness alone does not guarantee trust in leaders. Fourth, leadership effectiveness partially mediates the effects of ethical and transformational leadership on trust.

The implications of this research are twofold. Theoretically, it emphasizes ethical leadership as the most influential style in fostering trust, while transformational leadership exerts an indirect effect, and authentic leadership remains context-dependent. Practically, organizations should prioritize ethics-based leadership development programs and complement them with transformational skills to enhance performance and relational trust.

Suggestions are also offered for further action. Organizations are advised to integrate ethics-focused training into leadership development initiatives. Employees should be encouraged to provide constructive feedback to support leader growth. Future research should expand the sample across industries and apply longitudinal methods to capture the evolving impact of leadership styles, especially authentic leadership, over time.

References

Adams, B. D., Waldherr, S., & Sartori, J. (2008). Trust in Teams Scale, Trust in Leader Scale Manual for Administration and Analyses. Toronto: Defence Research and Development .

Adrianto, F., Ali, H., & Nugroho, S. (2015). Great People To Great Business The Power of Intangible Assets. Jakarta: Gagas Bisnis.

Agote, L., Aramburu, N., & Lines, R. (2016). Authentic Leadership Perception, Trust in The LEader, and Followers Emotion in Organizational Change Process. The Journal of Applied Behavioral Science, 52(1), 35-63. doi:10.1177/0021886315617531

Akker, L. V., Heres, L., Lasthuizen, K., Six, F., ., & . (2009). Ethical LEadership and Trust : It's All About Meeting Expectations. International Journal of Leadership Studies, 5(2), 103-122.

Avolio, B. J., & Bass, B. M. (1999). Re-examining the components of transformational and transactional leadership using the Multifactor Leadership Questionnaire. Journal of Occupational and Organizational Psychology, 72, 441-461.

Bass, B. M., & Stogdill, R. M. (1985). Handbook of Leadership. New York: Free Press.

Braun, S., Peus, C., Weisweiler, S., Frey, D., ., & . (2012). Transformational leadership, job satisfaction, and team performance: A Multilevel mediation model of trust. The Leadership Quartely, 24, 270-283. doi:10.1016/j.leaqua.2012.11.006

Brown, M. E., & Trevino, L. K. (2006). Ethical leadership : A review and future directions. The Leadership Quartely, 595-616. doi:10.1016/j.leaqua.2006.10.004

Brown, M. E., Trevino, L. K., & Harrison, D. A. (2005). Ethical leadership : A social learning perspective for construct development and testing. Organizational Behavior and Human Decision Process, 97, 117-134. doi:10.1016/j.obhdp.2005.03.002

Carson, M. A. (2011). Antecedents Of Effective Leadership: The Relationships Between Social Skills, Transformational Leadership, Leader Effectiveness, And Trust In The Leader. New York: EDU.

Copeland, M. K. (2014). The Emerging Significance of Values Based Leadership : A Literature Review. International Journal of Leadership Studies, 8(2), 106-135.

Copeland, M. K. (2015). The Importance of Ethics and Ethical Leadership in Accounting Profession. Research on Professional Responsibility and Ethics in Accounting, 19, 61-98. doi:10.1108/S1574-076520150000019012

Copeland, M. K. (2016). The Impact of Authentic, Ethical, Transformational Leadership on Leader Effectiveness. Journal of Leadership, Accountability and Ethics, 13(3), 79-97.

Datta, B. (2015). Assesing The Effectiveness of Authentic Leadership. International Journal of Leadership Studies, 9(1), 63-75.

Dirks, K. T. (2000). Trust In Leadership and Team Performance : Evidence from NCAA BAsketball. Journal of Applied Psychology , 1004-1012.

Ehrhart, M. G., & Klein, K. J. (2001). Predicting followers' preferences for charismatic leadership: the influence of follower values and personality. The Leadership Quartely, 153-179.

Engelbrecht, A. S. (2015). The influence of integrity and ethical leadership on trust in the leader. Management Dynamics: Journal of the Southern African Institute for Management Scientists, 24(1), 2-10.

Ferdinand, A. (2014). Metode Penelitian Manajemen Pedoman Penelitian untuk Penulisan Skripsi, Tesis dan Disertasi Ilmu Manajemen (5 ed.). Semarang: BP Undip.

Hassan, A., & Ahmed, F. (2011). Authentic leadership, trust and work engagement. International Journal of Human and Social Sciences, 6(3), 164-170.

Hassan, S., Mahsud, R., Yukl, G., Prussia, G. E., ., & . (2013). Ethical and empowering leadership and leader effectiveness. Journal of Managerial Psychology, 28(2), 133-146. doi:10.118/02683941311300252

Hersey, P., & Blanchard, K. (1995). Manajemen Perilaku Organisasi : Pendayagunaan Sumber Daya Manusia (4 ed.). (A. Dharma, Penerj.) Jakarta: Erlangga.

Jogiyanto. (2011). Konsep dan Aplikasi Structural Equation Modelling Berbasis Varian Dalam Penelitian Bisnis (1 ed.). Yogyakarta: Unit Penerbit dan Percetakan STIM YKPN.

Juniartha, I. M., Wardana, I., & Putra, M. S. (2016). Pengaruh Kepemimpinan Transformasional Terhadap Organizational Citizenship Behavior (OCB) Melalui Mediasi Kepercayaan Kepada Atasan dan Kepuasan Kerja. Jurnal Buletin Studi Ekonomi, 21(2), 181-196.

Kasali, R. (2010). Myelin Mobilisasi Intangibles Menjadi Kekuatan Perubahan. Jakarta: Gramedia.

Latan, H., & Ghozali, I. (2014). Partial Least Squares Konsep, Teknik dan Aplikasi Smart PLS 3.0 M3. Semarang: Badan Penerbit Universitas Diponegoro.

Madanchian, M., Husein, N., Noordin, F., & Taherdoost, H. (2017). Leadership Effectiveness Measurement and Its Effects On Organizational Outcomes. Procedia Engineering, 1043-1048. doi:10.1016/j.proeng.2017.02.505

Mittal, S., & Dhar, R. L. (2015). Transformational leadership and employee creativity Mediating role of creative self-efficacy and moderating role of knowledge. Management Decision, 53(5), 894-910. doi:10.1108/MD-07-2014-0464

Neider, L. L., & Schriesheim, C. A. (2011). The Authentic Leadership Inventory (ALI): Development and empirical tests. The Leadership Quartely, 22, 1146-1164. doi:10.1016/j.leaqua.2011.09.008

Newstrom, J. W., & Davis, K. (2002). Organizational Behavior Human Behavior at Work (11 ed.). New York: McGraw-Hill.

Northouse, P. G. (2013). Kepemimpinan. Jakarta: Indeks.

O'Toole, J. (2003). Leadership A to Z Panduan Berambisi Secara Positif. (N. Mahanani, Penyunt., & N. Natalina, Penerj.) Jakarta: Erlangga.

Podsakoff, P. M., Mackenzie, S. B., Moorman, R. H., & Fetter, R. (1990). Transformational Leader Behaviors and Their Effects On Followers' Trust in Leader, Satisfaction, and Organizational Citizenhip Behaviors. Leadership Quarterly, 1(2), 107-142.

Puls, T. R. (2014). Authentic leadership and its relationship to ministerial effectiveness. Journal of Applied Christian Leadership, 8(1), 55-75.

Riggio, R. E., Zhu, W., Reina, C., & Maroosis, J. A. (2010). Virtue-Based Measurement of Ethical LEadership: The Leadership Virtues Questionnaire. Consulting Psychology Journal: Practice and Research, 62(4), 235-250. doi:10.1037/a0022286

Robbins, S. P., & Judge, T. A. (2017). Perilaku Organisasi (16 ed.). (R. Saraswati, & F. Sirait, Penerj.) Jakarta: Salemba Empat.

Sugiyono. (2014). Metode Penelitian Administrasi. Bandung: Alfabeta.

Walumba, F., Avolio, B., Gardner, W., Wernsing, T., & Peterson, S. (2008). Authentic Leadership : Development and Validation of a Theory-Based Measure. Journal of Management, 34, 89-126. doi:10.1177/0149206307308913

Yukl, G. (2008). How Leaders Influence Organizational Effectiveness. The Leadership Quartely , 708-722.

Yukl, G. (2013). Leadership In Organizations (8 ed.). New Jersey: Pearson Education.