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A Comparison between the Styles of Transformational Leaders and Authentic Leaders in Crisis Management

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Abstract

Crisis leadership research is important owing to the unpredictability, cost, duration and intensity of the crisis. Leaders all around the world struggle with the challenges of crisis (Prewitt & Weil, 2014), which demonstrates the undeniable fact that leadership and crisis are closely intertwined. Therefore, the reaction of the leader towards the crisis is of utmost importance. Crises, which are simply defined as "unexpected and unpredictable circumstances that threaten the key mechanisms of a firm" (Barton, 1994), are an indispensable part of the workplace. Hence, managing crises has become a key responsibility of business leaders of the 21st century. Although there are various modern and postmodern leadership styles, this paper focuses on the styles of transformational and authentic leaders during crises. Though there is plenty of research on crisis and leadership, few studies and books were found which shed light upon transformational and authentic leaders' behaviour in crisis situations. This study attempts to make a theoretical analysis of how transformational and authentic leaders behave during a crisis and make some inferences based on research on leadership styles and crisis leadership.

1. INTRODUCTION

Leading in the twenty-first century is fairly different from leading in the twentieth century. Employees have changed dramatically — they no longer tolerate the classic "command and control leaders" of the previous century. Likewise, they are not impressed by charismatic leaders whose leadership is based primarily on personal ego (Craig et al., 2015). Crisis leadership research is important owing to the unpredictability, cost, duration and intensity. Leaders all around the world struggle with the challenges of crisis (Prewitt & Weil, 2014).

Crises are unexpected and unpredictable circumstances that threaten the key mechanisms of a firm (Barton, 1994). Crises are an indispensable part of the workplace. Therefore, managing crises has become a key responsibility of business leaders of the 21st century. Although there are various modern and postmodern leadership styles, this paper focuses on the styles of transformational and authentic leaders during crises for two reasons. The first reason is that they are among the most prominent leadership styles studied in the literature (Kim & Yoon, 2015). Besides, Avolio and Gardner (2005) argue that authentic leadership contains several aspects from transformational leaders. Another reason for choosing transformational and authentic leadership is that these two leadership styles are the only styles that have been combined under a single style called "authentic transformational leadership" (Nichols, 2008). Besides, it is necessary that a leader be authentic in order to be viewed as transformational in both Bass' (1985) and Burns' (1978) conceptualizations. Transformational leaders have been described as being hopeful, optimistic, developmentally-oriented, and of high moral character, all of which describe authentic leaders (Avolio & Gardner, 2005; Nichols, 2008).

The paper aims to analyse the managerial styles of transformational and authentic leaders through a theoretical analysis of relevant research and draw conclusions regarding from the perspective of crisis leadership. The paper starts with the concept and scope of *crisis* and *crisis management*. Then, *transformational* and *authentic* leadership are covered in detail based relevant literature. Next, the styles of transformational and authentic leaders during crisis are handled, with examples and inferences based on previous research on contemporary leadership styles crisis leadership. The final part of the paper involves several implications and suggestions for further research.

2. THE CONCEPT, SCOPE AND DIMENSIONS OF CRISIS

From a historical perspective, the concept of "crisis" can be classified into *pre-industrial revolution period, industrial society period* and *knowledge-information era*. In the societies prior to the industrial revolution; yield loss, wars and epidemics were the primary sources of crisis. Cash flow problems posed a threat for the newly-established banks in *pre-industrial revolution period*, which brought about numerous crises especially after 1825 (Seligman & Johnson, 1933). Economic crises resulted in social crises as well, which can be seen in some cases in certain European countries. The 1825 stock market crisis, 1836 financial crisis and Panic of 1847 were distinctive examples of such crises (Rosier, 1991). Nevertheless, developments in production management, reconstruction in industrial enterprises, increases in transportation opportunities, international interactions in the banking system and the acquisition of new

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assets such as the gold mines in California and Australia changed the size of the pre-industrial revolution crises. After the 1950s, the emergence of continuous manufacturing, developments in the mining sector and the rapid change in transportation and energy systems brought a new dimension in the concept of crisis called *industrial society period*. As a result of decrease in consumption, insufficient production of gold, fall in the stock market and other financial problems, City Bank of Glasgow, Western Bank of Scotland and The Banks of Maryland and of Pennsylvania experienced serious crises in the year of 1857. A decade later, in 1866 and 1867, Overand Gurney and Cre'dit Mobilier went through crises respectively during what is called "Black Friday" (Rosier, 1991). Finally, in the *knowledge-information era,* the US Motor Industry confronted crises. Also, energy crisis came up as a result of growth crisis and the deflection of conjuncture. Meanwhile, the underdeveloped countries which increasingly preferred to borrow money were not able to perform more export, which gave rise to difficulties in repayment (Balkan, 1994). In this last era of crisis conjuncture, the Stock Market Crash of 1987 has an important position as well. Having occurred in October 1987, this crisis caused serious financial problems. The negative effects of the crisis were diminished to a certain extent thanks to reflation policies, rebalancing mechanisms and especially liquidity increase (Rosier, 1991).

2.1.   The Concept and Scope of Crisis

Etymologically derived from the Greek word "krisis", the concept of "crisis" was used to indicate indecision, but afterwards the word became commonly used in many fields of medical and social sciences (Seligman & Johnson, 1933). Various scholars proposed different definitions of the term "crisis". For instance, Ezzamel and Bourn (1990) defined crisis as "a moment when surprises occur, time pressure is felt and a dangerous atmosphere is about to come up". Celik and Ozdevecioglu (2002) defined crisis as a state whose symptoms are, for some reason, misunderstood although it sends warning signals beforehand. Steven On the other hand, Steven Fink (1996) defined crisis from an organizational perspective. He suggested that if disagreements are getting deeper and deeper, the pressure from the government and the media is rising, activities are becoming inefficient, firm image is being harmed and it is becoming more and more unlikely for the firm to achieve its purposes, then it means a crisis has showed up. Alan Weiss (1990) proposed a more broad definition. He claimed that the concept of crisis is closely linked to certain negative situations and the effects they might have on the organizational structure. Therefore, it would be reasonable to state that the concept of crisis is quite related to negative interactions among organizational structure, intra-organizational groups, employees and other environmental factors (Kaufman et al., 1994).

Milburn et al. (1983) state three important processes regarding the scope of crisis and the formation of organizational crisis:

- The atmosphere that lead to crisis: external and internal environment
- Reactions towards crisis: individual and organizational reactions
- Measures to be taken against crisis: steps that are taken in order to both prevent and eliminate the crisis.

Among the problems that might lead to organizational crises are product loss, factory-equipment losses, major industrial accidents, computer losses or damages, being subject to

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hostile attacks, negative competition, sabotage, gossip, slander, bribery, managers' quitting the job and transferring to the competitors, insufficient staff management, terrorism and inefficient communication (Mitroff, 1988). Certain characteristics of crises are stated as follows (Kuklan, 1986):

- Crisis resembles a severe disease.
- Often crises might bring about negative organizational outcomes such as uncertainty, anxiety, panic, etc.
- Crises might bear quite different characteristics. It must be taken into consideration that every crisis has its own unique beginning, development and final stages.
- The solution to certain crises might take a lot longer than estimated.
- Crises might affect managers, employees, customers, suppliers, credit institutions as well as states, tax payers and NGOs.
- Not all stressful circumstances (temporary competition, insignificant environmental pressures) must be considered as crises.
- Many organizational and environmental developments might be considered as cause of crisis even if they do not pose a financial threat.
- A solution for a crisis might not be valid for another possible future crisis. Therefore, developing a single crisis model that could be used in every crisis situation is quite challenging.
- Crises are more likely to occur depending on some circumstances such as the type of industry, competition, technological advancements, risk strategies, etc.
- Much as crises are sources of threat for organizational life, enterprises that can successfully overcome crises not only gain experience but attain a more strong and healthy organizational structure as well. While an unsolved crisis contributes to the destruction of an organization, another crisis that is managed effectively may bring about various unexpected opportunities.

2.2. The Concept and Scope of Crisis Management

Crises are circumstances that are unexpected and unpredictable, require rapid response, and that threatens the values, goals and assumptions by neutralizing the prevention and adaptation mechanisms of the firm (Barton, 1994). Crisis management can be defined as the process of perception and assessment of crisis signals and implementation of necessary measures to overcome the crisis with minimum loss (Can, 1994).

Crisis management practices involve activities such as the preparation of plans that will eliminate the negative factors that exist in the internal and external environment, arrangements that make it possible for the organizational structure to function in harmony and the formation of decision making processes (Armstrong 1993). The main principles of crisis management (CM) are stated as follows (Barton, 1994):

- CM is an activity of planning.
- CM is related to strategic management.
- CM is related to marketing and public relations.
- CM involves risk management.

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- CM requires not only the employment of crisis experts but also collecting information from relevant institutions.
- CM involves training programs.
- CM requires effective communication and coordination.

Crises send out certain warning signals before they occur. Since these signals involve details about the existence and the severity of the approaching crisis, managers must be extremely mindful of these signals. Crises might come up due to the failure to follow the warning signals (Can, 1994). Many incidents that might result in devastating consequences demonstrate themselves in a clear or tacit way beforehand. Several warning signals include ineffective cash management, lack of communication between shareholders and managers, transfer of management to rival firms, etc. (Regester, 1989). Another possible source of crisis is failure to predict the amount of future demands. In order to predict future demand, firms can conduct surveys, get suggestions from managers or interview with key staff (Uslu, 1989). The best thing to do in an environment of uncertainty is to be prepared against crises at all times. Organizations must be able to respond to crises in the quickest way. All personnel, from the bottom to the top, must have the ability to stand up even after the strongest strikes (Silver, 1990).

3. THE CONCEPT AND SCOPE OF TRANSFORMATIONAL LEADERSHIP

Leadership, which is a social phenomenon, is influenced by change, like all other social phenomena. It is known today that conventional leadership approach is not sufficient for managing change effectively. Therefore, it has become inevitable that an understanding of leadership that is based on change should be formed, and thus studies on leadership has put forward "transformational leadership". Due to its innovative and people oriented nature, transformational leadership is regarded as a quite effective leadership style (Sabuncuoglu and Tuz, 2008). Transformational leadership is open to innovation and it involves radical changes in the organization. Transformational leaders consider themselves as change agents and they motivate people. Unlike transactional leaders, who exercise their power by rewarding the employees and giving them money and status, transformational leaders inspire their followers and lead them towards a dream or vision (Beduk, 2012).

3.1. The Concept of Transformational Leadership

Transformational leadership theory is one of the most influential theories of studies on leadership (Kim and Yoon 2015). The reason why the concept has become one of the most exceptional theories of organizational behaviour is because organizations need excellent leaders who have the ability to steer the firm's goals. In order to create high-performance workforce, business leaders must be able to motivate organizational members to go beyond their task requirements (Trmal et al., 2015).

Transformational leadership theory was initially put forward by the political scientist James McGregor Burns in 1978. Burns divided leadership into two categories called *transactional leadership* and *transformational leadership*. Transactional leadership involves an exchange between the leader and his followers based on economic or political factors. On the
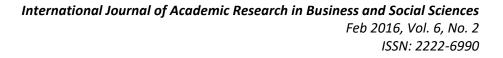
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other hand, in transformational leadership theory, parties are committed to each other psychologically in the long term, the leader changes the beliefs, values and needs of his followers and they act collaboratively in order to achieve a certain vision (Tetik, 2014). According to Bass (1985), the social exchange process involved in transformational leadership is different from the economic exchange involved in transactional leadership. Transformational leaders empower their followers and care about their individual needs (Zhu & Akhtar, 2014).

3.2. The Characteristics of Transformational Leadership

Bass (1985) defined transformational leadership as "a set of interrelated behaviours including idealized influence, inspirational motivation, intellectual stimulation, and individual consideration" (Dust et al., 2014). The concept focuses on the satisfaction of basic needs and meeting desires through encouraging followers to come up with new solutions and create a better work environment (Ghasabeh et al., 2015). There are four dimensions of transformational leadership called *idealized influence, individualized consideration, intellectual stimulation,* and *inspirational motivation* (Ghasabeh et al., 2015; Trmal et al., 2015; Dust et al., 2014). Transformational leaders must demonstrate these four characteristics that are commonly known as the four "I"s to make a considerable difference (Trmal et al., 2015):

- *Idealized influence* aims develop a shared vision and improve relationships with followers (Ghasabeh et al., 2015). By providing idealized influence, leaders role model a commitment to high standards and achieving the organization's vision (Dust et al., 2014). Transformational leaders put great importance on ethical values and they seek to meet followers' needs rather than their own. In such an atmosphere, followers associate themselves with the leader and they accept the leader's values and beliefs without questioning (Sabuncuoglu and Tuz 2008).

- *Individualized consideration* acknowledges the exclusive needs and desires of the group members in an organization and attends to it positively (Trmal et al., 2015; Ghasabeh, 2015). Transformational leaders are people who care about their followers' individual development. This dimension of transformational leadership enables every group member to feel important (Sabuncuoglu & Tuz, 2008). Individualized consideration concentrates on empowering followers so that a learning climate can be built (Ghasabeh, 2015).

- *Intellectual stimulation* motivates followers to rise against the status quo and to solve problems using novel ideas (Dust et al., 2014). The leader gives support to his followers by helping them and involving them in the decision-making process and motivates their efforts to be creative and innovative (Trmal et al., 2015). Intellectual stimulation also promotes knowledge sharing in the company to let followers create more innovative ideas and solutions (Ghasabeh, 2015).

- *Inspirational motivation* concentrates on inspiring the group members and setting a higher level of expectations for them (Ghasabeh, 2015). The transformational leader acts collaboratively with the followers and takes into consideration their emotions, opinions, interests and demands (Sabuncuoglu & Tuz, 2008). Inspirational

motivation offers a challenging vision of the future and inspires followers to stick to a shared vision (Dust et al., 2014).

Bass (1985) argued that transformational leadership occurs when the leader changes his/her followers in terms of these three aspects (Sabuncuoğlu & Tüz, 2008):

- The leader makes the followers realize their performance matters greatly for the organization's success.
- The leader initially examines the potential of the employees and determines what is necessary to increase their performance, individual development and success.
- The leader guides and motivates the employees so that they can gain a perspective of group aims, beyond their own aims.

4. THE CONCEPT AND SCOPE OF AUTHENTIC LEADERSHIP

Not long ago I was meeting with a group of high-talent young executives at Medtronic. We were discussing career development when the leader of the group asked me to list the most important characteristics one has to have to be a leader in Medtronic. I said, "I can summarize it in a single word: authenticity." – Bill George, the former CEO of Medtronic, 2003.

Authentic leadership has attracted increasing attention in the leadership literature, and most empirical studies have revealed positive workplace outcomes in the past 10 years. For instance, authentic leadership has been associated with promoting positive workplace outcomes such as trust, positive emotions, organizational commitment and organizational citizenship behaviour (Dasborough et al., 2014; Liu et al., 2015). Leadership scholars have sought to reveal more positive forms of leadership. The leadership scholars were particularly interested in the positive character strength of authenticity. Authentic leadership theory was conceived from this point and that authenticity became the management buzzword it is today (Dasborough et al., 2014). Craig et al. (2015) suggest that people in modern organizations seek authentic leaders whom they can trust, but they do not offer their trust so easily. Especially knowledge workers in today's business environment often know more than their bosses. They want the opportunity to step forward and have an influence. They are motivated to work really hard, but will do so only for an organization whose purpose they actually believe in. They are seeking meaning and significance in their work. They are willing to trust their leaders only if they prove themselves worthy of their trust: in other words, "authentic leaders".

4.1. The Concept of *Authenticity*

Although the concept of authenticity had been around since Aristotle, it was only in the last decade that authentic leadership started receiving attention among scholars (Peus et al., 2012). The concept of authenticity was originated in Greek philosophy, which is also demonstrated in the saying ''To thine own self to be true'' (Avolio & Gardner, 2005). This concept attracted much attention of 20th century humanistic psychology scholars such as Rogers (1951, 1959, 1961) and Maslow (1968, 1970, 1971), who argued authenticity is a prominent factor to the development of a fully functioning person, as Rogers called, and of self-

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actualization, as Maslow called it (Rahimnia & Sharifirad, 2015). According to Harter (2002), authenticity can be defined as "owning one's personal experiences, be they thoughts, emotions, needs, preferences, or beliefs, processes captured by the injunction to know oneself" and behaving in accordance with the true self (Datta 2015). On the other hand, Avolio and Gardner (2005) draw attention to the fact that *authenticity* and *sincerity* are two different concepts and should not be mistaken for one another. They argue that sincerity refers to the extent to which one's expression of feelings and thoughts are in accordance with the reality experienced by the self. Therefore, *sincerity* is judged by the extent to which the self is represented honestly to *others*, rather than the extent to which one is true to the self. They further state that *authenticity*, or *"one's relationship with oneself"* refers to owning one's personal experiences, emotions, thoughts, needs, beliefs etc. These processes are related to *knowing oneself* and acting "in accord with the true self, expressing oneself in ways that are consistent with inner thoughts and feelings". Besides, Nichols (2008) suggests that it is important to identify what authenticity is *not.* He states that authenticity is different from sincerity, impression management and self-monitoring. On the other hand, Dotlich et al. (2009) draw attention to the difference between authenticity and genuineness. They state that authenticity is attributed to a person by others rather than created by the person himself. Being genuine is something the person can control, authenticity is the perception that other people have regarding the person.

4.2. The Fundamentals of Authentic Leadership

Avolio et al. (2004) define authentic leaders as "those who are deeply aware of how they think and behave and are perceived by others as being aware of their own and others' values/moral perspectives, knowledge, and strengths; aware of the context in which they operate; and who are confident, hopeful, optimistic, resilient, and of high moral character" (Avolio & Gardner, 2005). According to Walumbwa et al. (2008), authentic leadership can be defined as leader behaviour that promotes positive psychological capacities and a positive ethical climate and "to foster greater self-awareness, an internalized moral perspective, balanced processing of information, and relational transparency on the part of leaders working with followers, fostering positive self-development".

Bill George (2003), the former Chairman and CEO of Medtronic, suggests in his book *Authentic Leadership: Rediscovering the Secrets to Creating Lasting Value* that "authentic leaders genuinely desire to serve others through their leadership. They are more interested in empowering the people they lead to make a difference than they are in power, money, or prestige for themselves. They are as guided by qualities of the heart, by passion and compassion, as they are by qualities of the mind". He also suggests that authentic leaders demonstrate the following five qualities: *understanding their purpose, practicing solid values, leading with heart, establishing connected relationships* and *demonstrating self-discipline*. Craig et al. (2015) refer to four main characteristics of authentic leaders:

- They align people around a common goal that inspires them to peak their performance.

- They unite followers around a common set of values so that everyone knows precisely what is expected.
- They empower people to step up so that they are highly motivated and do their best.
- They are communicate constantly with all constituencies. As leaders, they bear the responsibility of engaging.

George (2003) attributes a supra-categorical role to authenticity. He claims that the type of leadership style is not what matters. He suggests that all leadership styles can involve authenticity in them. Great world leaders— Abraham Lincoln, George Washington, Margaret Thatcher, Winston Churchill, Franklin Roosevelt, John F. Kennedy, Martin Luther King, Mother Theresa — they all had very different styles. Nevertheless, each leader was an entirely authentic human being.

Based on the literature, there are four widely accepted components of authentic leadership, which are balanced processing, internalized moral perspective, relational transparency and self-awareness. ***Balanced processing*** refers to the objective analysis of all relevant data by the leader before making decisions (Peus et al., 2012). Such leaders encourage views that challenge their deeply held positions so that the best ideas can be expressed (Gatling & Harrah, 2014). ***Internalized moral perspective*** refers to an internalized and integrated form of self-regulation (Walumbwa et al., 2008). It describes the fact that the leader is guided by internal moral standards and values and acts according to these, even against group, organizational, or societal pressures (Peus et al., 2012). ***Relational transparency*** refers to presenting the leaders' authentic self, their true feelings, and thoughts to followers (Leroy et al., 2012). It impacts the willingness to hold oneself open for inspection and feedback, thereby facilitating a more effective learning process (Gatling & Harrah, 2014). Lastly, ***self-awareness*** refers to showing an understanding of one's strengths and weaknesses and the multifaceted nature of the self, which includes gaining insight into the self through exposure to others (Walumbwa et al.i 2008). It also involves the demonstration of behaviours that indicate that leaders are aware of personal needs, preferences, motivations and wants (Leroy et al. 2012).

5. THE COMPARISON BETWEEN THE STYLES OF TRANSFORMATIONAL LEADERS AND AUTHENTIC LEADERS IN CRISIS MANAGEMENT

Recent economic crises as well as other disasters such as nuclear disaster in Japan or the oil spill in the Mexican Gulf has brought about the need for leaders who do not deny responsibility, deceive others, or hide information, but lead with authenticity (Peus et al., 2012). This brings us to the undeniable fact that leadership and crisis are closely intertwined. Crises threaten an organization's viability and is characterized by ambiguity and uncertainty. During a crisis, therefore, it is unavoidable that everybody will look to leaders to "do something" (Zhang et al., 2012). Therefore, the reaction of the leader towards the crisis is of utmost importance. In this section, we focus on how transformational and authentic leaders behave during a crisis and make some inferences based on research on leadership styles and crisis leadership.

Dirks and Ferrin (2002) argue that "value congruence" plays a significant role for the transformational leader during a crisis. Developing a shared vision through internalized values is an effective way of motivating the followers (Zhang et al., 2012). Likewise, authentic leaders also inspire their followers to commit to a shared vision (Ghasabeh et al., 2015; Dust et al., 2014). Through the development of a shared vision, both transformational and authentic leaders might have the ability to motivate their followers during crisis. Hence, it would be sensible to conclude that both transformational and authentic leaders inspire their followers during crisis through developing a shared vision. Furthermore, Zhang et al. (2012) state that the transformational leader's vision acts as a "unifying force" which facilitates the harmony between the values, beliefs and thoughts of the leader and the followers. They argue that this is especially true for the Chinese context, whose society has norms that are deeply rooted in traditional values. They also emphasize the "collectivism" concept which involves in-group harmony, loyalty and collaboration for collective goals. Based on the Chinese context, it could be further argued that "value congruence", "shared vision" and "collectivism" also mark many other Eastern cultures. Luo (2008) gives an example from Asian and Western businessmen. He states that Asian businessmen have strong group consciousness, but the Western negotiants always pay attention to individual consciousness. During the decision-making process, the Japanese need to consult with other departments in the company before negotiation, and the items of the contract are decided through collective research. However, Western businessmen think Japanese decision-making time is too long because of group consciousness. Canadians, Italians and the French all adopt an individualistic perspective, and Americans have the most representative approach. Based on this perspective, it could be suggested that the effectiveness of transformational leaders during crisis depends largely upon value congruence and collectivism especially in the Eastern context. Another similar characteristic of transformational and authentic leaders is that they both empower their followers and foster their positive self-development (Walumbwa et al., 2008; Zhu & Akhtar, 2014; Craig et al., 2015). This way, both leaders might be able to navigate through the crisis thanks to better collaboration with their followers.

When things are going well, it is easy to practice one's values in a consistent way. The real test comes "when things are not going your way or when you can see years of success being threatened". People who develop a clear sense of their principles, values and ethical boundaries before they end up in the middle of a crisis are better prepared to find their way through difficult decisions and dilemmas when there is a lot of pressure on them (Craig et al., 2015). When dealing with a crisis, leaders realize that they can move forward by being authentic. Authentic leaders demonstrate transparent values and emotions that result from their self-awareness. This self-awareness allows them to act in an unbiased way when evaluating information and to place their ego aside (Wooten et al., 2013). Therefore, one can further claim that authentic leaders are not easily deceived by disinformation especially during crisis situations. Thus, they can handle the crisis in a coldblooded manner and evaluate the options more objectively.

Bill George (2003), the former Chairman and CEO of Medtronic, illustrates the importance of authenticity in a crisis situation with a real example from his own career. Shortly

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after he becomes the president of Medtronic, he attends a meeting where he understands that his new colleagues has prepared a strategy to settle a major patent dispute against Siemens. Intuitively, he knows the strategy is doomed to fail, so he stands alone against the entire group and refuses to go along. He states that his position may not have made him popular with his new teammates, but it was the right thing to do. He further informs that they later negotiated a settlement with Siemens for more than $400 million which at the time the second-largest patent settlement ever.

6. CONCLUSION AND RECOMMENDATIONS FOR FUTURE RESEARCH

The world is changing, so are the people and organizations. The world in the 21st century is hosting an unprecedented competition among business firms and organizations. Even to exist, let alone having strategic advantage, firms must struggle more than ever. In such a tough competitive environment, crises are an indispensable part of the workplace. Therefore, managing crises has become a key responsibility of business leaders of the 21st century.

Crisis leadership research is important owing to the unpredictability, cost, duration and intensity. Leaders all around the world struggle with the challenges of crisis (Prewitt & Weil, 2014). Employees have changed a lot as well. They no longer tolerate the classic "command and control leaders" of the previous century or charismatic leaders whose leadership is based primarily on personal ego (Craig et al., 2015). Therefore, more genuine, inspirational and empowering leaders such as transformational and authentic leaders are needed in today's organizations.

Due to its innovative and people oriented nature, transformational leadership is regarded as a quite effective leadership style (Sabuncuoglu & Tuz, 2008). Transformational leadership is open to innovation and it involves radical changes in the organization. Transformational leaders consider themselves as change agents and they motivate people. Unlike transactional leaders, who exercise their power by rewarding the employees and giving them money and status, transformational leaders inspire their followers and lead them towards a dream or vision (Beduk 2012). Similarly, authentic leadership, which has attracted increasing attention in the leadership literature, promotes positive psychological capacities and a positive ethical climate, which are key concepts of the positive organizational behaviour literature (Walumbwa et al., 2008).

It is an undeniable fact that leadership and crisis are closely intertwined. Crises threaten an organization's viability and is characterized by ambiguity and uncertainty. During a crisis, therefore, it is unavoidable that everybody will look to leaders to "do something" (Zhang et al., 2012). From this perspective, how transformational and authentic leaders behave during crisis situation constitutes the primary focus of this paper. Through the analysis of current research on transformational and authentic leaders, it is evident that both leadership styles involve developing a shared vision and encouraging the followers for the attainment of this vision (Zhang et al., 2012; Dust et al., 2014; Ghasabeh et al., 2015). On the other hand, this may be true for only Eastern context, which is more collective than the West (Luo, 2008; Zhang et al., 2012). Based on this view, it could be argued that the effectiveness of transformational leaders during crisis depends largely upon value congruence and collectivism especially in the Eastern

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context. Another similarity between transformational and authentic leaders is that they both empower their followers and care about their individual needs (Walumbwa et al., 2008; Zhu & Akhtar, 2014; Craig et al., 2015). This way, both leaders might be able to navigate through the crisis thanks to better collaboration with their followers. Also, authentic leaders demonstrate transparent values and emotions that result from their self-awareness, which allows them to act in an unbiased way when evaluating information and to place their ego aside (Wooten et al., 2013). Therefore, one can claim that authentic leaders are not easily deceived by disinformation especially during crisis situations. Thus, they can handle the crisis in a coldblooded manner and evaluate the options more objectively. Although there is plenty of research on leadership and crisis management, research on transformational and authentic leadership during crisis still needs more attraction. Case studies involving transformational and authentic leaders are recommended. Cross-cultural empirical studies regarding post-modern leadership styles during crisis should be considered as well.

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