

**AUTHENTIC LEADERSHIP, LTO, RESISTANCE TO CHANGE, POJ, TPB,
BANKING SECTOR, PAKISTAN**

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DOI:

Keywords:

Authentic leadership, LTO, Resistance to change, POJ, TPB, Banking Sector, Pakistan

Article History

Received on 22 April, 2026

Accepted on 15 May, 2026

Published on 16 May, 2026

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Abstract

Objective – This paper targets to find a connection between validate Leadership and Employee's reluctant with change in the banking sector of Pakistan which is undergoing a speedy digitalization process. The paper, based on Theory of Planned Behavior (TPB), explores long term orientation (LTO) as a mediator and comprehend organizational justice (POJ) as a peer between validate leadership and employee reluctance to change. Design and approach – The population consisted of 256 employees from four national bank branches in Pakistan and a quantitative cross sectional survey was given. Two data waves were collected and this was one month apart. To test the proposed moderated mediation model, hierarchical regression analysis and bootstrapping (PROCESS macro, 5,000 resamples) were performed. Findings – Results of the study revealed that authentic leadership was strongly connected to reducing defiant to change from the perspective of the employees. Some of this is facilitated through LTO or long-term orientation, which are the mindsets of authentic leaders who have a forward-thinking approach that reduces resistance. Furthermore, the relationships between AL and LTO, and AL and resistance to change are moderated by the perceived organizational justice, with more intense relationship between AL and resistance to change at high POJ levels. Originality/value – This study has three original and valuable contributions. Firstly, it applies the TPB model as a way of understanding the cognitive processes that decrease resistance to change when an authentic leader is present, instead of social exchange mechanisms. Secondly, it presents long-term orientation as a new mediation mechanism that is little explored in change management literature, which is a cognitive construct. Third, it highlights the boundary condition of perceived organizational justice in banking sector change contexts in the emerging economy, culturally sensitive inputs into the international leadership literature.

Chapter 1: Introduction

In organizations change is a regular occurrence (Hanelt et al., 2021). Many change endeavours, however, fail and at times the failure rate is as high as 70% (Nevese et al., 2018; Webera et al., 2022). From this comes an important question to consider: What comprises success or failure in these changes? An important element is the attitude of the employees towards change, as they are likely to greatly affect the results (Agote et al., 2016). In this regard, research has pointed out the importance of employee attitude to change (Krügel & Traub, 2018). Therefore, it is essential to find out what steps can be taken to reduce this resistance from the employees.

This can be a great responsibility for leadership as leaders can impact the attitudes and behaviors of employees directly (Mester et al., 2003). This is especially true in banking where Pakistan's financial institutions are going through an unprecedented period of digital transformation (Ali & Khan, 2026). The trend was seen in increase of digital transactions, as 84 percent of banking transaction were made in fiscal 2023–24, compared to 76 percent in the previous year, demonstrating the changing nature of banking services (Digital Pakistan, 2025). When we consider this picture of fast institutional change, there are two points of interest. In this context there is a need for authentic leadership to play an important role in the acceptance of change by employees.

In this article, we suggest that the authentic leadership can help to lower the resistance of employee to change by creating the long-term orientation (LTO) in employees. But, for this long-term view to flourish, it is important for the employees to see the organizational environment as fair and just too. We think that the authentic leadership is capable of triggering positive cognitive processes among employees which can support them in a positive way to adapt and implement change. From a conceptual point of view, Avoliol et al. (2004) define authentic leaders as individuals who are 'highly successful in being true to themselves, their values, and their beliefs by living it out and sharing it openly with others' (p. 802).

Most of the research suggested that authentic leadership does affect the positive attitude and behaviors of the employees towards change, based on the previous following a review of the literature regarding research and authentic leadership. After exploring literature about authentic leadership and research. and the employee's attitude and behaviors toward change. Authentic leadership has been demonstrated to improve employees' willingness to embrace change (Hodson

& Meleady, 2023), to be receptive to new concepts (Bakarie et al., 2017), and to be open to change programs (Bakari et al., 2017). Recently, Zulkarnain et al. (2024) found that when companies invest in employee readiness for change and organizational culture with authentic leadership, it significantly enhances readiness. It also assists staff to react appropriately to structured changes in the organisation and minimises staff resistance to change. Although these studies provide important intellectual on the role of validate leadership in driving change to a successful organizational change, they do not explore how specific cognitions of authentic leadership influence employees' attitudes during organizational transition periods.

The cognitive perspective (Robinson et al., 2013), as an important internal process, has not been given much attention in research. Emotions typically happen because of irrational responses, and cognition is related to more reasonable thought processes (Liu & Gao, 2021). People will engage in logical thinking when faced with new or challenging situations at work as they would not do the same if they were in an emotional state. In fact, rational and comprehensive decision making shown by employees is more likely to cause resistance to change than emotional responses (Morris and Raben, 1995).

This paper suggests one of such cognitive mechanisms, long-term orientation (LTO). LTO is considered as the 'tendency to focus on the long-term effects and consequences that will emerge from decisions and actions that take place after a longer time delay' (Sulphrey, 2020). You can develop a more flexible, adaptable and strategically-minded team of employees by fostering the 'long-term mentality' within your team and thereby reduce resistance to change within your organization. In particular, Kamarova (2025) has recently shown that by systematically combining the behavior change and organizational change literatures, psychological mechanisms like cognitive reframing are crucial to change adoption and maintenance – which is directly relevant to the LTO construct in our model.

Therefore, the Theory of Planned Behavior (TPB) is used as the overall theory. The predicting of individual behavior is comprised of three factors, behaviors towards the behavior, subjective norms and perceived behavioral control (Ajzen, 2011). This model suggests that TPB is a mediator between authentic leadership, long-term orientation, and perceived organizational justice and the resistance or acceptance of organizational change. Over the past 40 years, the

theory has also gained considerable traction in organizational and management theory, research, and studies, as evidenced by a recent bibliometric analysis of the TPB literature that this theory is a strong predictor of behavioral intentions (Schiendorfer & Schiendorfer, 2025).

The present study is targeted at the employees of the national banking sector because of its particular relevance in the context of its quick digital transformation. The Pakistan Digital Authority (PDA) was introduced in January 2025 under the Digital Nation Pakistan Act, 2025 for digital governance and secure deployment of digital technologies across all sectors, which adds another layer of institutional change that will affect the banking sector staffs (Asian Development Bank, 2025). The macro level changes were very important; issues of resistance to change and the presumed moderating and mediating factors are provided with an empirical context.

According to the research model shown in figure 1, it is hypothesized that: (1) authentic leadership is negatively related to employee resistance to change; (2) the relationship between authentic leader and employee resistance to change is mediated by long term orientation; (3) the relationship between authentic leader and employee resistance to change is mediated by long term orientation; (3) the relationship between authentic leader and employee resistance to change is moderated by perceived organizational justice. In the mediation process, then, the approach is moderated and authors capture the "how" and "when" of the successful reduction of resistance to change with authentic leadership.

[Figure 1: Theoretical Model]

Authentic Leadership → Long-Term Orientation → Resistance to Change

(Perceived Organizational Justice-Moderated)

This research has three contributions to the theories. First, it introduces and applies the TPB framework to the authentic leadership – resistance to change relationship in a novel cognitive-theoretical way that validates the relationship between the two in a new light. Secondly, it introduces LT orientation as an intervening variable, not explored in the previous studies, which have mostly applied emotional or social exchange theory. Third, it emphasizes that perceived organizational justice is a boundary condition, and that authentic leadership's effectiveness in fostering long-term orientation and resistance reduction are dependent on fairness perceptions of employees.

Analysis Of Literature And Formulation Of a Hypothesis.

It is important to recognize that authentic leadership is mandatory for resisting change.2.1

Authentic leadership is key to resisting change.

As per to Black (2021), validate leadership has four aspects: self-recognition, relational clearance, equal processing, and internalized moral perspective. As described by Azanza et al. (2015), self-awareness refers to individuals' leaders' perceptions of their own strengths and weaknesses; relational transparency refers to the leaders' expression and sharing of thoughts, motives and information with other individuals; balanced processing refers to the openness of individuals' leaders to considering all information, options and possibilities before deciding, even when feeling pressured; and the internalized moral perspective refers to the openness of individuals' leaders to be guided by moral values regardless of pressure.

Leaders are in dominant roles in the workplace and shape employee's attitudes and behaviors to change (Redmond et al, 1993). Authentic leadership is about internalization and alignment of moral and ethic principles which are authentic, self-aware, and transparent (Avolio et al., 2004; Luthans & Avolio, 2003). Authentic leadership is seen as the 'root structure' of the other positive leadership types and has a positive impact on the individual, team and organization (Lemoine et al., 2019).

We suggest that there are two main ways in which authentic leadership can reduce employees' resistance to change. First, as a change leader, authentic leaders share information with employees necessary for making decisions, acknowledge others' points of view, and model for others their own values, motivations, emotions, that will help them to understand the context in which the change is occurring, and provide them with a replete knowledge of the alternate (Clappil-Smithe et al., 2009). This knowledge will help employees understand the dynamics of the change which will make them more receptive to it (van dein Heuivel et al., 2017). Second, authentic leaders, when faced with situations like adapting to change, are able to add an ethical dimension to their work with confidence, hope, optimism and resilience, guiding their employees to achieve positive results (Avolio et al., 2004).

Lux and Lowe (2024) found that the leaders of the organizational group perceived as authentic—those who are truly interested in the organizational group identity and values—are

perceived as more authentic and more convincing in their efforts to get individuals to accept the change. Likewise, in a number of organizational contexts, Chukwumas and Zondo (2024) discover that the leadership style that focuses on inspiring and clarifying moral principles is highly effective in reducing employee resistance to change. In fact, Zulkarnain et al. (2024) also discovered that investments in authentic leadership via continuous employee growth even further positively affect organizational change readiness. The study on navigating readiness for change by Sulaiman et al. (2024) also revealed that authentic leadership directly impacts learning and reduces resistance to change when there is a positive organizational culture. Based on the above arguments, we propose: Validate leadership has a negative association with its employee reluctant to change.

2.2 Long-Term Orientation is a Mediating Factor

Long term orientation (LTO) has been defined as a 'multidimensional construct involving continuity, futurity and perseverance' (Sulphrey, 2020). Long-term planning is favored for organizations that have a loftier approach towards their success, especially when they are faced with fast changing technology (Carnahan et al., 2010). Those cultures with LTO are more flexible and/or responsive to change as cited by Mojica et al., (2022), such a path of tradition is one that provides a practical way for organizations to change without their values being compromised.

Theory of Planned Behavior (TPB) explains that behaviour, subjective norms and comprehend behavioural control are the determinants of intention to adopt behaviours, which in turn determines behaviour (Ajzen, 2011). The more powerful the LTO, the more likely are individuals and organizations to bring practices that are oriented towards the future and sustainability. The more organizations are open to innovation, the more likely they are to have a culture that is conducive to transitions, as stated by Tsao et al. (2023).

Authentic leaders set an aspirational course for followers toward the future through a vision of the future based on values. Organizational transitions can bring about resistance from employees if leaders don't manage their expectations to ensure that the change is manageable, according to Sims et al. (2016). A long-term orientation that can help to increase employee perceived behavioral control by making them perceive change as a gradual process which is manageable instead of just a rupture (Handoyo, 2018). Remind them of the good things that can be

achieved through change and provide them with resources or training to help them with this can help them feel empowered and in control.

Kamarova (2025) found in his broad literature review on the psychological processes that underlie the internalization of organizational change that positive reappraisal and future orientation are important psychological mechanisms for internalizing change. Long term orientation just naturally embeds into those mechanisms; those who are more likely to be high on LTO are more likely to think of short term failures as being investments for the longer term “success” of the organization. In addition, studies on organizational resilience show that decision-making for the long-term can help organisations and their stakeholders to be more adaptive to disruptive change (Joussen et al., 2025).

Providing employees with more time to adjust to change, easing the uncertainty of what's to come, and reminding them that what is happening today is only a guess for the stability of tomorrow. This is the kind of long-term cognitive frame that can be shaped by authentic leaders whose communication and behavior are predictable. Authentic leaders with predictable behavior and communication are well suited to help create this longer-term cognitive frame in followers and reduce the unpleasant feeling of uncertainty that leads to resistance. Therefore, we propose:

The finding reveals a positive association between authentic leadership and employees' long-term orientation.

H3: LT oriented employees are less resistant to change.

Mediation effect between authentic leadership and employee resistance to change by long term orientation is hypothesized.

Perceived Organizational justice is the second moderating variable. The second moderating variable is the perceived organizational justice.

Perceived organizational justice (POJ) is the employee's feeling of organizational justice, which is composed of procedural justice, distributive justice, interpersonal and informational justice (Colquitte et al., 2012). When employees have access to resources they appreciate and feel that they have received more assistance from the organization, they form a positive impression of the organization and feel compelled to give positive attitudes and behaviors in return (Rhoades &

Eisenberger, 2002). Hence, employees will strive for better performance and provide positive attitudes and behaviours towards the organization (Yadav & Rangnekar, 2015).

The perceived organizational justice has been extensively studied and has positive relationships with organizational outcomes (Hülle et al., 2018). POJ is found to be positively related with organizational commitment (Kurtessis et al., 2017) and it has been proven that it directly relates with the employees' readiness and their responses to organizational change. Given that many people experience changes in their organizations, one of the most important findings from the recent research of Nordhall, et al. (2025) was that perceptions of justice only come into play when people are unsure about what is happening when their organizations change – when people feel that they have received accurate information and that they have been included in the change process, their reports of more positive change responses are significantly higher. This means that perceived organizational justice is directly related to change acceptance and a conditioning factor for it; and that it reinforces the influence of other change promoting factors.

From a TPB perspective, perceived organizational justice may have an impact on employees' subjective norm when it comes to change. If justice is perceived, positive norms are reinforced, such as when employees think that the organization is fair, they may think that the change in the organization is expected of them, and then follow the example of positive colleagues and leaders. Alqudah et al. (2025) found a significant relationship between organizational justice and affective commitment in the case of UAE government employees and extended to change-related commitments.

POJ has the potential to be a strong force for authentic leadership and long-term thinking. Long-term culture of change processes that authentic leaders create is more likely to be reflected in the behaviors of supporting process of change, if employees feel that the organization's change related decisions are procedural and distributive just. However, if the perception of fairness is low, even if the change vision is communicated from the source it is still possible that employees may doubt even the authenticity of the communicated change vision, which weakens the mediating pathway of long-term orientation. The literature in psychology of resistance confirms that there are three factors which can act as antidotes for resistance: organizational justice, perceived organizational support and leader-member exchange (Rehman et al., 2021).

Hence, it is important to take into account the moderating effect of POJ on the direct effect of AL on LT orientation and moderating effect of POJ on the indirect effect of AL on resistance to change through LT orientation. On these arguments we propose:

The relationship between authentic leadership and LTO is positive but is moderated by the perceived organizational justice, which when is high (low), the positive relationship between authentic leadership and LTO is stronger (weaker). The H6 is that the mediating effect of AL on RTC is contingent on perceived OJ, such that the indirect effect of AL on RTC via LTO is stronger when perceived OJ is high.

Chapter 3: Research Methodology

3.1 Research Design

The method of research used in this study is quantitative and research type used in this study is cross sectional survey method which is a type of survey method used to get measurable data from banking employees. The quantitative approach would be appropriate for testing hypothesized relationships between the constructs of authentic leadership, LT, POS, and RC as these relationships could be tested statistically through mediation and moderation effects as described by Hayes (2013). The focus of the study is on the employees of the banking sector in Pakistan, thereby providing insights into their perceptions of changes in the organization, leadership styles, and equity in the midst of a rapid digital transformation. A multi-source and multi-wave field study design is used to minimize common method bias and provide greater credibility and validity for the findings.

The multi-method design is used to test theoretical model. Multi-method designs are used when each design has its limitations and more than one study is done using different designs to test the theoretical design while testing the internal and external validity. In the paper I have two studies, one is an external validity study with a multi-source, multi-wave field study design; the other is an internal validity study, which is a scenario study with the adult participants. While ensuring other possible mechanisms are controlled for, Study 2 replicates the findings of Study 1, thereby enhancing the credibility and repeatability of the research findings (Zhu et al., 2023).

3.3 Research Objectives: General Objectives and Specific Objectives

Banking sector of Pakistan is an empirical and perfect setting for this study. There is a massive shift towards digital transformation across the country's financial institutions. In fact, the State Bank of Pakistan stated that 84 percent of all retail banking transactions in FY23 – 24 were digital transactions, as compared to the previous years (Digital Pakistan, 2025). The Pakistan Digital Authority was established through the enactment of the Digital Nation Pakistan Act 2025, which aims to set up a digital governance framework, encourage innovation, and streamline the safe utilization of digital technology in various sectors (Asian Development Bank, 2025). This regulatory regime has been driving the banking sector to a faster change.

In the Pakistani banking sector, digitisation has resulted in new organizational structures (hierarchical to flat), processes that carry out the tasks differently (offline to online), and changes in human resource management (HR) (the introduction of HR analytics and decision support systems based on artificial intelligence) (Ali & Khan, 2026). In such systemic changes, the problem of employee resistance to change is relevant and significant and where real leadership and perceived justice are hypothesized to be significant in resisting the change.

3.3 Population and Sample

The participants were the employees of National bank branches in Pakistan, which have faced major changes in their workplace, either in the system, policies or organizational changes. The employees of four national bank branches were sent a questionnaire. The 300 questionnaires were sent out and 285 of them were returned in this study at Time 1 and Time 2. The second questionnaire was sent out at Time 2 and 256 of these were returned (85.3% return).

The last sample consisted of 57.4% females with a mean age of 31.04 years (SD = 7.16) and a mean tenure of 55.02 months (SD = 58.46) in the organization. In the perspective of qualification, most of the workers were college or bachelors' degree holders, 34% and 44.9% respectively. The sample was varied in roles of the respondents (tellers, customer service, managers and executives) and across departments to capture the perspectives across the organisation.

3.4 Data Collection Procedure

Survey questionnaire was employed as a data collection technique using questionnaires as data collection tools and the data were collected in two stages one month apart. The authors first

contacted the arms of the country's banks and confirmed that all were in the process of digital transformation. Once approved the purpose of the research was shared with the branch leaders and it was agreed that the results of the research will be shared with the staff if they would like to participate. Second, we mailed letters to HR managers in each branch that requested their staff listings, acquired staff listings, and assigned each staff member a unique survey number to facilitate matching of the two waves of data collection. Questionnaires were sent electronically by e-mail and were given in person at bank branches.

All workers involved were informed that the survey was voluntary with no identification of workers or disclosure of information to other personnel with whom they are involved, and no data to be shared with managers or employer. Each participant was given a special number, a letter of introduction and a questionnaire. The completed survey was requested to be signed with the employee's survey number, to enable accurate matching of Time 1 and Time 2 responses.

During the first phase of the survey (Time 1), the participants answered the questions in the scales Authenticity, Transformational Leadership and Perceived Organizational Justice as well as the demographic data. In the second phase (Time 2) employees indicated their long-term orientation and resistance to change. Common method bias is minimized by the two waves of data collection separated by 1 month and an analysis of the prediction of Time 2 outcomes from Time 1 leadership perceptions is possible.

3.5 Measures

The Urdu questionnaire was prepared using back translation and translation procedure used by Brislin (1970) as all the scales used in this study were in English. Likert 5-point scale (1 = strongly disagree, 5 = strongly agree) was used to measure all variables.

3.5.2 Long-Term Orientation

The 8-item scale adapted from Hassan et al. (2011) was used to assess long-term orientation. Staff's attitudes towards rewards in the future and long term planning, e.g. 'You plan for the future', 'You work hard for success in the future'. The items were preceded by the statement 'Please consider the changes in the organizational change setting; "Do you agree that the following is true?"' for the organizational change setting. Coefficient alpha was 0.85.

3.5.3 Resistance to Change

The resistance to change scale was comprised of 10 items adapted from Oreg et al. (2019). These were: 'Methods used by people in the past tend to be the most effective', 'The accepted way of doing things should not be tampered with or eradicated' and 'Rapid or extreme change is bad and risky. The stem of the scale was 'Please consider the changes involved in the digital transformation and whether the following is agreeable or not'. Coefficient alpha was 0.93.

3.5.4 Perceived Organizational Justice

The Perceived Organizational Justice scale comprises an extended 20-item scale with four dimensions of perceived organizational justice: procedural justice (7 items); distributive justice (4 items); interpersonal justice (4 items); and informational justice (5 items) adapted by Hülle et al. (2018) from Colquitt (2001). Some of the procedural justice items in the sample were 'Have those procedures been applied consistently?', and 'Have those procedures been free of bias?'. Examples of items related to distributive justice were: 'Does your outcome reflect the effort you have put in your work?', and 'Is your outcome justified given your performance?'. Items were rated on a 5 point scale: 1 – to a small extent; 5 – to a large extent. Coefficient alpha was 0.92.

3.5.5 Control Variables

To control for the theoretically or empirically related variables according to previous best practice guidelines (Bernerth & Aguinis, 2016), the following variables were controlled: Employee demographics (gender, age, education and years of service) have been found to affect resistance to change (Furst & Cable, 2008; Liu et al., 2021) and were therefore controlled. Transformational leadership is also controlled for as this has been shown to have a negative association with resistance to change (Peng et al. 2021) and because of the theoretical and empirical association with authentic leadership. Transformational leadership is also controlled as it has been found to be negatively related to resistance to change by Peng et al. (2021) and has theoretical and empirical connection to authentic leadership. The four items from Carless et al. (2000) were used to measure transformational leadership. Coefficient alpha was 0.83.

3.6 Analytical Approach

Hierarchical regression analysis was used to test Hypotheses 1–3. The approach recommended by Hayes (2013) was followed to test the mediation hypotheses (H4) using 5,000 resamples of the bootstrapping-based approach in PROCESS macro 3.3. As seen in the testing of the moderation

hypotheses (H5) and the moderated mediation hypothesis (H6), conditional process analysis with bootstrapping as suggested by Edwards and Lambert (2007) was used. The discriminant validity of the main variables was tested using confirmatory factor analysis (CFA) in Mplus 7.4. The Harman single-factor test and the unmeasured latent method construct (ULMC) technique (Podsakoff et al., 2012) were used to test for common method bias.

4.1 Confirmatory Factor Analysis

Confirmatory factor analysis (CFA) was done using Mplus 7.4 to test the discriminant validity among the primary variables in this study. Because some variables have a lot of measurement items, the variables were repackaged as suggested by Little et al. (2002), in the interests of creating authentic leadership, long-term orientation and organizational justice variables. The other packages were randomly distributed to three parcels of equally three indicators for each of the other three dimensions: long-term orientation, organizational justice. The fit indices of the four-factor model met the academically recommended criteria ($\chi^2/df = 2.09 < 3$, CFI = 0.97 > 0.9, TLI = 0.96 > 0.9, RMSEA = 0.07 < 0.08, SRMR = 0.05 < 0.08) and were superior to all alternative models (see Table 1). All four variables studied (authentic leadership, LTO, Resistance to change and perceived organizational justice) had good discriminant validity.

Table 1 shows the results of Study 1.

Table 1 (to be inserted here) provides the CFA fit indices for 1 factor, 2 factor, 3 factor and 4 factor models.

4.2 Common Method Bias

Since the employees measured most of the variables of this study, common method bias was tested using Harman single factor method and ULMC technique. The rate of interpretation variance due to single factor is less than 40%, which is recommended by Podsakoff et al. (2012). The single factor was discovered through factor analysis with a cumulative variance interpretation rate of only 25.19% which was not near the required 40% or above. Also, a common method factor model for five factors did not fit the data in Mplus which further confirmed that common method bias was not serious (Chen et al., 2022; Liu et al., 2022).

Students interpret descriptive statistics and correlations. Students are introduced to descriptive statistics and correlation. Descriptive statistics and correlations between study variables is shown in Table 2. Authentic leadership was negatively and significantly correlated with LTO ($r = -0.26$, $p < 0.01$) and resistance to change ($r = -0.25$, $p < 0.01$), and LTO was negatively and significantly correlated with resistance to change ($r = -0.26$, $p < 0.01$). The following correlations are preliminary and confirm the hypotheses.

The table below displays the descriptive statistics and correlations obtained in Study 1. All of the means, standard deviations, and intercorrelations of the AL, LTO, POJ, and RC will be displayed in Table 2.

4.4 Hypothesis Testing

In order to test Hypotheses 1–3, a hierarchical regression analysis was used (see Table 3). Demographic variables were controlled and the significant negative relationship between employee resistance to change with the variable of authentic leadership was found ($\beta = -0.22$, $p < 0.01$) in support of hypothesis H1. The findings of Model 2 are in line with the above, as the authentic leadership had significant and positive impact on employee long term orientation ($\beta = 0.24$, $p < 0.01$). The results of model 6 confirmed that LTO had a significant and negative effect on the attitude of employee resistance to change ($\beta = -0.18$, $p < 0.01$), thus supporting the hypothesis H3.

The bootstrapping method (5,000 resamples) was used to test H4 via PROCESS 3.3. The relationship between authentic leadership and employee resistance to change through long term orientation was significant (estimate = -0.07, SE = 0.03, 95% CI = [-0.129, -0.015]). Hence, it was recommended to use H4.

Hierarchical regression analysis was used for testing H5. The interaction effect of AL and perceptions of organizational justice was significant and positive for LTO ($\beta = 0.15$, $p < 0.05$), indicating the more positive the relationship of AL to perceptions of organizational justice, the greater the effect of the interaction on LTO. With this in mind, support was given to H5. A simple slope test (Aiken et al., 1991) was performed to determine the pattern of the relationship between the perceived organizational justice and authentic leadership and long-term orientation; the result indicated that there was no significant pattern of the relationship between perceived organizational justice (low) and authentic leadership and long-term orientation (simple slope = 0.06, $p = 0.259$), while there was a significant pattern of the relationship between perceived organizational justice (high) and authentic leadership and long-term orientation (simple slope = 0.22, $p < 0.001$).

Edwards and Lambert's (2007) bootstrapping-based conditional indirect effects (CIE) approach was used (5,000 resamples for H6). The indirect effect of perceived organizational justice on resistance to change through long-term orientation was not significant (estimate = -0.02, SE = 0.03, 95% CI = [-0.071, 0.035]) when perceived organizational justice was at a low level (-1

SD). When perceived organizational justice was high (+1 SD), the indirect effect was significant (estimate = -0.09, SE = 0.04, 95% CI = [-0.164, -0.016]). The difference between the two conditions was significant (estimate = -0.07, SE = 0.04, 95% CI = [-0.157, -0.005]). Therefore, there was endorsement of H6.

The results of the regression analysis from study 1 are presented in table 3. Table 3 shows the results of the regression analysis for study 1.

The results of the hierarchical regression showed as in Table 3.

4.5 Study 1 Discussion

Study 1 used multi-source multi-wave data collection and preliminary tested the theoretical model. In addition to indirectly reducing resistance to change by having an indirect effect on long-term orientation, authentic leadership directly reduced resistance to change. The indirect relationship between organizational justice perceived high employee and organizational commitment was stronger in this study. However, there are some restrictions on Study 1. The design of the field study is good for external validity but not for experimental control. Study 1 was also limited in that the other potential mediators (trust, LMX, positive affect, or negative affect) were not controlled for. These are overcome in the scenario experiment of Study 2.

Chapter 5: Study 2 – Experimental Study

5.1 Participants and Procedures

The subjects were recruited from a data collection platform with 140 subjects being full-time working adults. Participants read an informed consent form, consented to participate freely on their own, and completed information on their perceptions of organizational justice and demographic information. They were then encouraged to consider what they would have to do in an imaginary situation. The subjects of the formal experiment were first informed about a company introducing a new 'pay system'. After completing the background reading, participants were randomly assigned to the high or low authentic leadership conditions, based on the manipulation materials used for this condition (adapted from Cianci et al., 2014).

After this task, participants filled out measures of mechanism (long-term orientation, trust in the leader, LMX, positive affect, negative affect), the dependent variable (resistance to change), and the manipulation check (authentic leadership). One hundred thirty samples were obtained of

which 10 samples did not pass the attention check, yielding 130 valid samples (65 for each condition). In the final sample, 70.8% were female, the average age was 32.51 years (SD = 9.21), and the average tenure was 8.56 years (SD = 7.58). Most of the participants were Bachelor's degree holders (66.2%). Industry composition included banking (40.8%), IT (13.1%), services (10%), finance (6.2%), sales (3.8%), and other sectors (26.2%).

5.2 Measures

In Study 2, unless otherwise indicated, all measurements were made using a 7-point Likert scale (1 = Strongly Disagree, 7 = Strongly Agree).

The long-term orientation scale developed by Kim et al. (2021) was adopted and modified for the pay system change situation. The following was one of the sample items: 'Even after the new pay system was announced, I still consider myself about what this change will mean for my future in this position'. Coefficient alpha was 0.90.

The same three-item scale as in Study 1, which was originally developed by Tyler (1999), was used to measure the resistance to change, but this time the evaluation was changed from a leader to self-report. Coefficient alpha was 0.92.

A scale identical to that used in Study 1 was used to assess perceived organizational justice. Coefficient alpha was 0.78.

The manipulation check was based on the 16 item authentic leadership scale of Walumbwa et al. (2008). Coefficient alpha was 0.98.

Alternative mechanisms controlled included: trust in the leader (Tepper & Henle, 2011; $\alpha = 0.94$), LMX (Graen & Uhl-Bien, 1995; $\alpha = 0.97$), positive affect (Watson et al., 1988; $\alpha = 0.97$), and negative affect (Watson et al., 1988; $\alpha = 0.95$).

5.3 Manipulation Check

In order to test Hypotheses 1–3, a hierarchical regression analysis was used (see Table 3). Demographic variables were controlled and the significant negative relationship between employee resistance to change with the variable of authentic leadership was found ($\beta = -0.22$, $p < 0.01$) in support of hypothesis H1. The findings of Model 2 are in line with the above, as the authentic leadership had significant and positive impact on employee long term orientation ($\beta = 0.24$,

$p < 0.01$). The results of model 6 confirmed that LTO had a significant and negative effect on the attitude of employee resistance to change ($\beta = -0.18, p < 0.01$), thus supporting the hypothesis H3. The bootstrapping method (5,000 resamples) was used to test H4 via PROCESS 3.3. The relationship between authentic leadership and employee resistance to change through long term orientation was significant (estimate = -0.07, SE = 0.03, 95% CI = [-0.129, -0.015]). Hence, it was recommended to use H4.

Hierarchical regression analysis was used for testing H5. The interaction effect of AL and perceptions of organizational justice was significant and positive for LTO ($\beta = 0.15, p < 0.05$), indicating the more positive the relationship of AL to perceptions of organizational justice, the greater the effect of the interaction on LTO. With this in mind, support was given to H5. A simple slope test (Aiken et al., 1991) was performed to determine the pattern of the relationship between the perceived organizational justice and authentic leadership and long-term orientation; the result indicated that there was no significant pattern of the relationship between perceived organizational justice (low) and authentic leadership and long-term orientation (simple slope = 0.06, $p = 0.259$), while there was a significant pattern of the relationship between perceived organizational justice (high) and authentic leadership and long-term orientation (simple slope = 0.22, $p < 0.001$).

Edwards and Lambert's (2007) bootstrapping-based conditional indirect effects (CIE) approach was used (5,000 resamples for H6). The indirect effect of perceived organizational justice on resistance to change through long-term orientation was not significant (estimate = -0.02, SE = 0.03, 95% CI = [-0.071, 0.035]) when perceived organizational justice was at a low level (-1 SD). When perceived organizational justice was high (+1 SD), the indirect effect was significant (estimate = -0.09, SE = 0.04, 95% CI = [-0.164, -0.016]). The difference between the two conditions was significant (estimate = -0.07, SE = 0.04, 95% CI = [-0.157, -0.005]). Therefore, there was endorsement of H6.

6.2 Practical Implications

First, the finding of this study is that organizational managers should be aware that having a long-term orientation among employees is one of the ways in which they can minimize resistance to change, which is a consequence of organizational employees' perceptions of authentic leadership. The first practical implication of this study is organizational managers' awareness of the

fact that the presence of employees with long term orientation is one of the alternative solutions to overcome resistance to change caused by their perception of employee's authentic leadership. Thus, managers must try their best to eliminate the short-termism that gives rise to resistance by establishing transparency, consistency and a shared long-term vision. Especially during critical moments in digital transformation of Pakistan's banking system, managers need to invest a lot in fostering an environment of openness, authenticity and fairness. Clear and fair communications can facilitate employee discussion of realistic future expectations and complete career paths within the evolving organization.

Second, the amplifying effect of perceived organizational justice should be acknowledged by organizational managers. Authentic leadership is a powerful tool for decreasing resistance but it is dependent on employees' perception of fairness in the organization. Therefore, managers should make sure that changes are undertaken in a consistent, transparent and bias-free process, when it comes to task reassignment, salary changes, access to training, and performance assessments. When the employees feel that the outcome of the digital transformation is shared equally, procedure is ethically managed and supported by real leaders with a long-term perspective within their work team, the support of digital transformation becomes more active than passive.

Thirdly, development of leadership skills should be focused on building leaders with authentic leadership styles among banking managers. Such programs should focus on self awareness practices, clear communication skills and information balance and ethics in uncertain scenarios within the organisation. The investments have evidence-based findings demonstrating that investing in leadership trust, expressed through disclosure and reliance behaviours, has a significant impact on improving the capability of an organisation to change in banking environments, as demonstrated by the studies conducted by Cao and Le (2024).

Fourth, in the backdrop of Pakistan's fast digital reforms, organizations should ensure that their leadership development programs fit in well with the drive for inclusive technological deployment and digital governance as outlined in the Digital Nation Pakistan Act 2025. Some managers, on the other hand, are more likely to be effective in navigating the human dimension of digital change if they engage in these authentic leadership behaviors along with regulatory reforms that invest in technology.

6.3 Restrictions and Suggestions for Further Study

This study has a number of limitations which future studies could include. First, the study was only conducted in the banking industry, thus affording good context-specific validity while limiting the generalizability of the results to other sectors/industries and/or cultural contexts. This type of model should be implemented in different organizational contexts like manufacturing, health care and public sector organizations and also in Eastern and Western culture for the purpose of studying its universality.

Second, the current study looked at long-term orientation as a cognitive mediating factor, but other cognitive and motivational factors may mediate the relationship between authentic leadership and resistance to change. Authentic leaders, for instance, can help employees feel more psychologically safe and have more positive self-efficacy beliefs (Rego et al., 2014) and so on, which could result in more positive attitudes toward change. In addition, the systematic review by Kamarova (2025) identified some other mechanisms that play an important role in the process of change adoption, such as change in self-efficacy and meaningful work and intrinsic motivation. In future studies the complementary mechanisms should be investigated.

Third, this study only included perceived organizational justice as a boundary condition. Additional situational factors (such as perceived organizational support, quality of change communication, and organizational climate) as well as individual difference factors (such as personality traits (openness to experience, emotional stability), career stage and cultural values (power distance orientation, collectivism)) might also moderate the relationships examined in this study. The boundary conditions in more complete models need to be developed for future research.

Fourthly, the cross-sectional design of Study 1 lacked two data waves to be able to get an overview of change processes over time. Longitudinal studies with multiple measures of authentic leadership perceptions, long-term orientations, and change resistance at several time points during a digital transformation initiative, however, could provide causal evidence. Finally, future studies should address whether the model is equally applicable to various phases of an organizational change (planning, implementation and stabilization) and if the process of LTO varies in strength with the different phases.