

## **Transformational and Paternalistic Leaderships in Chinese Organizations: Construct, Predictive, and Ecological Validities Compared in a Hong Kong Sample**

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With a sample of 176 employees from organizations in Hong Kong, transformational leadership (TL) (a Western concept), and paternalistic leadership (PL) (a traditional Chinese notion) were compared regarding their construct, predictive, and ecological validities. For construct validity, TL had a high convergent validity and a low discriminant validity; whereas PL exhibited no convergent validity and a suspect discriminant validity due to inconsistent relationships among PL's three dimensions (i.e., morality, authority, and benevolence). PL was then examined via its individual dimensions. For predictive validity, TL consistently predicted all measured managerial outcomes (e.g., work unit innovativeness, performance, cohesion, individual job satisfaction, and commitment), whereas PL's separately examined dimensions inconsistently predicted only a small percentage of the outcomes. For ecological validity (i.e., the degree to which a leadership actually exists), TL was widely exhibited in organizations while PL was not. TL appears superior, pragmatically sound, and capable of a universal appeal. PL's inconsistent conceptualization renders itself a nonfunctional concept with limited utility as a leadership construct. Scholars may need to reconsider whether PL, earmarked as the traditional Chinese leadership, actually still exists in modern Chinese organizations.

Leadership is inherently communicative (Jablin, 2006). Transformational and paternalistic leaderships are two much-buzzed leadership styles in Chinese management in recent years. Transformational leadership (TL) is empirically examined in various cultures, while paternalistic leadership (PL) is frequently discussed conceptually with little empirical examination. Transformational leadership is a communicative management style, hailed as a contemporary leadership approach for effective management possibly in both individualistic and collectivistic cultures (e.g., Bass, 1997; Jung, Chow, & Wu, 2003; Kang & Chang, 2001; Leung & Bozionelos, 2004). Consistent with findings from individualistic cultures, TL was reported as having positive impact on interpersonal relationships, managerial effectiveness, and other organizational outcomes in Chinese organizations (e.g., Jung, Chow, & Wu, 2003; Leung & Bozionelos, 2004). Paternalistic leadership, on the other hand, is considered a traditional Chinese style (e.g., Farh & Cheng, 2000; Redding, 1990; Westwood, 1992; Westwood & Chan, 1992).

Published studies on TL and PL in Chinese organizations, however, are too scanty to obtain a meaningful comparison of the compatibility and commensurability of the two styles or to ascertain their conceptual complementarities. Keyword searches of the PsycInfo and ProQuest Asian Business databases using "transformational or paternalistic leadership and Chinese" returned zero studies that compared TL and PL. A study that investigates both TL and PL in Chinese culture thus can offer much insight to organizational and intercultural

communications. To that end, this study investigates organizational leadership in Hong Kong to specifically achieve these objectives: (1) to examine TL and PL as constructs, (2) to compare TL and PL in their relationships with managerial/employee outcomes, a form of predictive validity, and (3) to compare levels of transformational leadership and paternalistic leadership exhibited in organizations, a matter of ecological validity. An examination of the two leaderships is needed to establish a basis for the assessment of each in terms of construct, predictive, and ecological validities, which can shed light on leadership communication, particularly in terms of adopting effective leadership styles that fit Chinese organizational culture.

## Literature Review

### *Transformational Leadership*

Transformational leadership in early writings refers to the process in which a leader engages and connects with others, which inspires motivation in both the self and the follower (e.g., Burns, 1978; Downton, 1973). Bass (1985) expands transformational leadership into a follower-oriented model. He argues that transformational leaders motivate followers to exert high performance by (a) raising followers' understanding of important goals, (b) getting followers to transcend their own self-interests for the sake of the team and the organization, and (c) moving followers to address higher-level needs such as affiliation, respect, recognition, and the realization of full potential. Transformational leadership is typically conceptualized and operationalized via four dimensions (i.e., the four I's): idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (e.g., Bass, 1985, 1997; Bass & Avolio, 1992).

*Idealized influence*, also called charisma, describes leaders who exhibit strong role model behaviors, move others to follow them, and are capable of communicating vision and sense of mission. *Inspirational motivation* characterizes leaders who use persuasion, such as rational arguments and particularly emotional talks, to inspire followers to become committed to the tasks and the organization, and articulate a vision in such a way that it is convincingly shared by followers. *Intellectual stimulation* refers to leadership that stimulates followers to be creative and innovative, and to participate in problem solving and decision making. *Individualized consideration* showcases leaders who are concerned with followers' individual needs and feelings, engage in supportive communication with them, and give them individualized attention. Empathy is stressed over sympathy in understanding and solving subordinates' problems. TL is deemed an empowering style that motivates subordinates to achieve goals beyond the call of duty (Kark & Israel, 2004). In essence, transformational leaders see employees as those with free choice and develop follower autonomy within the realm of the vision. Thus true transformational leadership requires employee empowerment, not employee dependence.

TL, generally regarded as desirable, is endorsed universally. Based on a large data set, collected from more than 17,000 middle managers in 951 organizations in 62 countries, Dorfman, Hanges, and Brodbeck (2004) reported that charisma, team-orientation, and

follower-participation, similar to the description of transformational leadership, were the three strongest culturally endorsed leadership dimensions in the famed Global Leadership and Organizational Behavior Effectiveness research program (GLOBE), which spans 10 years beginning in the mid-1990s.

### *Paternalistic Leadership*

Paternalistic leadership was historically a prevalent management style in early capitalistic businesses (Wren, 2005). The claim of PL as specific to Chinese culture began with Silin's (1976) qualitative study of leadership behaviors of owners and business managers in large companies in Taiwan. He found that leadership behavior in that organization was quite different from what was typically observed in Western organizations. These managers were directive, wielded centralized authority, were ambiguous about their intentions, exercised implicit control tactics, and maintained social distance from subordinates. Silin's conclusions had established the conceptual foundation for Chinese PL. The label of paternalistic leadership explicitly for Chinese management style came from Redding's (1990) report of his interviews with owners and/or managers of Chinese family-owned businesses in the U.S. His observation, largely similar to Silin's, was that Chinese managers and owners tended to incorporate personal factors in decision making and demanded personal loyalty from subordinates. Redding additionally discovered that authoritarianism was accompanied with benevolence. Westwood and Chan (1992) and Westwood (1997) proposed a model of paternalistic leadership with some restrictions in the applicability of that model, such that the PL model was only to fit Chinese family businesses characterized by centralization, low formalization, harmony, and personalism.

The conceptualization of PL was further developed mainly through the admirable efforts of Cheng and colleagues (e.g., Cheng, 1995; Cheng, Chou, Wu, Huang, & Farh, 2004; Farh & Cheng, 2000). Cheng's (1995) early work generated two dimensions for the PL construct, authority and benevolence, much like Silin's (1976) and Redding's (1990) descriptions of a paternalistic leader, but in a more succinct, operable manner. Farh and Cheng's (2000) later extensive literature review revised their two-dimension construct of PL into three dimensions with morality as the newcomer. Most of the research on and reviews of PL, often published in Chinese, center on that three-dimensional construct of PL. However, till this day, a concise definition of PL is still glaringly missing. PL is typically used to refer to a "father-like" leadership style, followed by a long description of specific behaviors similar to those reviewed so far. Clearly, Chinese PL and the PL in the context of early Western management share a salient commonality in authority/authoritarianism.

Since Redding's work (1990), PL has been widely applied to various managerial contexts beyond family businesses. PL has been proclaimed as the basic or traditional character in organizations in Chinese culture (e.g., Cheng, Chou, Wu, et al., 2004; Tsui, Wang, Xin, Zhang, & Fu, 2004; Zhou & Long, 2005). Accordingly, the three-dimensional PL in this study is regarded as a typical, traditional leadership style prevalent in Chinese organizations. The three PL dimensions, as proposed by Farh and Cheng (2000), are authoritarianism, benevolence, and morality. Authoritarianism refers to the practice in which the leader, with

absolute power over followers, makes all decisions and controls followers' actions. Benevolence shows a soft side of the leader who cares about followers' personal well-being and shows personal concerns for followers. Morality requires the leader to demonstrate high moral values, show good citizenship behaviors, be unselfish, and set a good example of superior personal virtues and self-discipline for followers.

The three dimensions are deeply rooted in Chinese cultural values. According to Farh and Chen (2000), authoritarianism comes from Confucianism and Legalism. In the Confucian cardinal relationship of father-and-son, a father has legitimate authority over his children and all other family members. In the Legalist school, control and political manipulation were highly valued and emphasized during the imperial period in China. Authoritarian leadership was a manifestation of the historical development of these values. Benevolence also reflects the Confucian hierarchy of the five cardinal relationships and the norm of reciprocity. Implied in the hierarchical order, the father should show kindness to children, who in turn should fulfill their filial piety by respecting and obeying the father. The subordinate-superior relationship mirrors the father-children relationship. Morality originates in Confucianism and Legalism. Moral behaviors (*dexin*) of a leader set examples for followers.

The literature review so far indicates that transformational and paternalistic leaderships differ conceptually in several aspects, the former associating with the contemporary western style and the latter with the traditional Chinese way of life. Given that TL is established in conceptualization and measurement, and that the same cannot be said of PL, a research question is raised about PL as a construct. The lack of comparison between TL and PL in empirical studies gives rise to a second research question about the relationship between these two constructs:

RQ1. To what degree, does paternalistic leadership demonstrate construct validity in comparison with transformational leadership?

RQ2. How are PL and TL related to each other?

#### *TL and PL in Practice*

In a leadership literature view, Sheer (2007) discovers that, although transformational leadership has many positive influences on organizational outcomes, the level of such leadership practice has been rather low in Chinese organizations. Specifically, Chinese managers' scores of TL and its dimensions approximated the mid-point of the measuring scale (e.g., Jung, Chow, & Wu, 2003; Sheer & Chen, 2003; Zhu, Chew, & Spangler, 2005). On the other hand, the degree to which paternalistic leadership is exhibited in Chinese organizations has not yet been studied empirically. In theorization, Zhou and Long (2005) argue that paternalism is a basic character of organizations in Chinese culture and thus should be a prevalent phenomenon. Tsui, Wang, Xin, et al. (2004) surmise that Confucian values are a force in shaping Chinese managers' behaviors and thus traditional Chinese business leaders tend to exhibit a high degree of authoritarianism while also showing benevolence to subordinates and demonstrating moral character in their actions and decisions. Yet paternalism maybe be restricted to traditional Chinese business leaders, and may not have

been as prevalent in modern Chinese organizations. The examination of the levels at which TL and PL are exhibited should shed light on the level of their ecological validity, the degree to which the behaviors observed or theorized reflect the behaviors that actually occur in natural settings, the relevant “real organizational settings” in the current context. A third question thus follows:

RQ3. To what degree is PL exhibited, compared to TL, in Chinese organizations?

#### *TL, PL, and Managerial Outcomes*

Transformational and paternalistic leaderships differ conceptually. But, would they differ in managerial effects (i.e., predictive validity) as well? Research indicates that transformational leadership behaviors are well received in individualistic as well as in collectivistic countries (e.g., Jung, Chow, & Wu, 2003; Kang & Chang, 2001; Leung & Bozionelos, 2004). Many past studies have shown that TL has predicted positive managerial effects and outcomes (e.g., Lowe, Kroeck, & Sivasubramaniam, 1996; Whittinton, Goodwin, & Murray, 2004). Rafferty and Griffin (2004) found that TL was related positively to employee commitment and negatively to bureaucracy (see also Basu & Green, 1997). TL positively predicted employee performance, affective commitment, and organizational citizen behavior (Whittinton, Goodwin, & Murray 2004). With a sample of 400 fire rescue workers, Pillai and Williams (2004) discovered that transformational leaders built committed work groups by enhancing employee self-efficacy and cohesiveness, which, in turn, directly boosted unit performance. TL’s impact on group performance was evidenced in DeGroot, Kiker, and Cross’ (2000) meta-analysis which showed that TL’s effect size on group performance was rather large. Further, transformational leadership is positively related to subordinate satisfaction (Ross & Offermann, 1997), organizational support for innovation (Jung et al., 2003), and a firm’s past three-year performance in planning, selecting, and training (Zhu, Chew, & Spangler, 2005). TL’s four dimensions, however, did not differentiate the way each predicted managerial effects in the studies reviewed.

The impact of paternalistic leadership on managerial outcomes so far has only limited empirical documentation, sparked by Cheng and his colleagues’ initial conceptualization and operationalization of PL (Cheng, Chou, & Farh, 2000). As a matter of fact, the only internationally available PL study was by Cheng, Chou, Wu, et al. (2004). In that study, the three measured managerial outcome variables were employee responses in compliance, gratitude and repayment, and identification/imitation. Although PL was discussed as a construct, no reliability for the total PL scale was provided, and PL was analyzed through its three dimensions separately. Authority was negatively related to all three measured employee responses, although authority was supposed to positively correlate with compliance. Benevolence and morality were both positively correlated to all of the three employee response variables.

Further, benevolence and morality, consistent with Confucian values, may guide managers to evoke trust and satisfaction from subordinates and thus manager effectiveness (Fernandez, 2004; Sarros & Santora, 2001) and affective commitment (Cheng et al., 2004).

Authoritarianism or traditional Chinese authority likely results in compliance and obedience (Cheng et al, 2004; Redding, 1990). Redding suggests that as long as the hierarchy of the relationship between leaders and followers is firmly held, PL should enhance stable managerial effectiveness and employee productivity. However, little research has been conducted to test these inferred effects of PL. Thus, an empirical examination is warranted to uncover how PL, compared to TL, predicts managerial outcomes. RQ4 was asked:

RQ4. Do TL and PL differ in their relationship with managerial outcomes?

## Methods

### *Sample and Procedures*

Full-time employees in organizations in Hong Kong were recruited via a “snowball” sampling method. Snowball methods are especially effective in collective cultures (e.g., Hong Kong) where people accomplish tasks through interwoven interpersonal networks. The questionnaire was sent out via email attachments to 36 full-time employees who graduated from the researcher’s university two years ago. Each of them was asked to forward the questionnaire to a minimum of five coworkers for participation and then complete and submit the questionnaire. Three rounds of emails were sent. For the second round only those who had not responded received the email and questionnaire attachment. For the third round, those who had not responded on the original contact list and an additional eight new contacts received emails and questionnaire attachments. The questionnaire was constructed in English and translated into Chinese. For a few difficult phrases, back translation was used for greater appropriateness.

The questionnaire actually administered was bilingual with dominant Chinese characters and fine print in English for more accuracy. One hundred seventy-six usable, completed questionnaires were returned through attachments to an email address designated by the researcher.

Of all respondents, 46.6% were male and 53.4% female. Approximately 82% (i.e., 81.8%) were in the 20-31 age group, 13.2% in the 31-40 age group, 4% in the 41-50 group, and 1.1% in the 51-60 group. The respondents had worked for the current organization for an average of 2.98 years, a minimum of one year and a maximum of 22 years. Respondents were from various industry sectors such as service, manufacturing, government agency, construction, and nonprofit organizations. They had worked for the current supervisor for an average of 2.08 years. The supervisors were estimated to have worked for the organization for an average of 9.03 years and been in charge of an average of nine supervisees. Of all the supervisors respondents recalled, 55.7% were male and 44.3% female.

### *Measurement*

The questionnaire consisted of three sections. The first section tapped respondents’ perceptions of their immediate supervisor’s transformational and paternalistic leadership

styles. The second section contained items that examined the degree to which supervisors influenced respondents in various managerial outcomes. The last section contained questions regarding respondents' demographic information, factual information about their supervisor, and the characteristics of the organization.

*Transformational leadership* consists of four dimensions: idealized influence (also charisma), inspirational motivation, intellectual stimulation, and individualized consideration. Each dimension was measured by four items. Measures of transformational leadership were modified from the original transformational measures of the Multifactor Leadership Questionnaire-6S (MLQ-6s) (Bass & Avolio, 1992). The modified 16 items had a Pearson's  $r$  of .93 with the original 12 transformational items from the data of an early study utilizing Hong Kong employees (Yuen, 2006), but had a better face validity due to the modifications as follows. Some of the original MLQ items tapped leadership effects rather than behavior recall, such as "The leader is satisfied when others meet agreed-upon criteria," "Followers have complete faith in the leader," and "Followers are proud to be associated with the leader." Such "effect-like" items were deleted, and new items appropriate for the conceptualization were added. Each of the four TL dimensions was measured by four items on a scale from 1 (strongly disagree) to 7 (strongly agree). Reliability analysis yielded a Cronbach's alpha of .83 for idealized influence, .86 for individualized consideration, .87 for inspirational motivation, and .80 for intellectual stimulation. The total transformational scale had a Cronbach's alpha of .94. See Table 1 for specific items.

*Paternalistic leadership* consists of three dimensions: authoritarianism, benevolence, and morality. A scale of 12 items, shortened and modified from Farh and Cheng's (2000) original 26 items, established a correlation of .87, .84, and .95 respectively for the benevolence, morality, and authoritarianism dimensions between the shortened subscales and the corresponding original subscales (Yuen, 2006). The rating scale was from 1 (strongly disagree) to 7 (strongly agree). The four authoritarianism items achieved a reliability of .79. Benevolence and morality had a Cronbach's alpha of .78 and .76, respectively. See Table 2 for details. The total scale with all three dimensions included was unreliable, showing a Cronbach's alpha of .45.

*Managerial outcomes* derived from the literature review fell into two categories: those pertaining to the work unit and those to individual employees. An item was created for each of the following: work unit innovativeness, friendliness, cohesiveness, initiative taking, and team decision making (see below):

- (1) We are an innovative work unit (innovativeness),
- (2) People in my work unit are friendly (friendliness),
- (3) We are a cohesive work unit (cohesiveness),
- (4) People in my work unit are not afraid of taking initiatives (initiative-taking), and
- (5) My coworkers often participate in decision making in team project situations (decision making).

Table 1.  
*Reliability Analysis for Transformational Dimensions*

Scales	Reliability
<p>1. <i>Idealized Influence</i></p> <p>My supervisor abides by a high ethical/moral standards.  My supervisor can be counted on to do the right thing.  My supervisor is charismatic.  My supervisor has a great vision or foresight.</p>	.83
<p>2. <i>Individualized Consideration</i></p> <p>My supervisor listens to the individual needs of subordinates.  My supervisor helps subordinates to develop and grow.  My supervisor respects subordinate personal feelings.  My supervisor pays attention to subordinates' personal problems.</p>	.86
<p>3. <i>Inspirational Motivation</i></p> <p>My supervisor communicates high but achievable expectations.  My supervisor provides encouraging directions for subordinates to follow.  My supervisor inspires subordinates' work motivation.  My supervisor helps subordinate find meaning in the work.</p>	.87
<p>4. <i>Intellectual Stimulation</i></p> <p>My supervisor encourages subordinates to be creative.  My supervisor supports innovative approaches to problem solving.  My supervisor promotes initiative-taking.  My supervisor fosters independent thinking and problem solving.</p>	.80
Total Transformational Scale	.94

Table 2.  
*Reliability Analysis for Paternalistic Dimensions*

Scales	Reliability
1. <i>Authority</i> My supervisor insists that subordinates follow his/her rules. My supervisor makes most of the decisions for our work unit. My supervisor exercises strict discipline over subordinates. My supervisor demands obedience from subordinates.	.79
2. <i>Benevolence</i> My supervisor devotes his energy to take care of subordinates. My supervisor does not mind spending a long time with subordinates. My supervisor will take care of a subordinate's family members as well, if needed. My supervisor will help me when I am in an emergency.	.78
3. <i>Morality</i> My supervisor sometimes takes advantage of subordinates for personal gains. My supervisor uses his/her authority to seek special privileges. My supervisor sometimes takes credit for the things he/she didn't do. My supervisor does not use <i>guanxi</i> to solicit personal gains.	.76

Individual employee outcomes were measured by the following:

- (1) I can see myself staying in my organization for a long, long time (commitment),
- (2) I often fully comply with my supervisor (compliance),
- (3) I am happy with my job (job satisfaction),
- (4) I am satisfied with my supervisor's leadership style (leadership satisfaction),
- (5) I am satisfied with the relationship with my supervisor (supervisor relationship satisfaction), and
- (6) I enjoy the relationships with my coworkers (coworker relationship satisfaction).

The rating scale for the above items was from 1 (strongly disagree) to 7 (strongly agree). Work unit performance was measured via "I rate my work unit performance from 1 (poor) to 7 (excellent)." Similarly, an individual's performance was measured by "I rate my own performance from 1 (poor) to 7 (excellent)." Single items were justified as they were used to measure overall perceptions rather than latent constructs. Further, single items allowed shortened length of the questionnaire, reducing the threat to validity resulting from respondent habitual answers and skipped answers due to tedium.

## Results

### *Construct Validity (RQ1)*

*Construct validity* refers to the logic of items that comprise measures of social concepts. A good construct has a theoretical basis, which is translated through clear operational definitions involving measurable indicators. Construct validity consists of *convergent* and *discriminant validities*. The most common way to assess construct validity in a single study is internal consistency (i.e., adequate reliability of the scale). For a multi-dimensional or multi-factorial construct, the subscales for respective dimensions need to show adequate reliability *and* reasonable but not high correlations among the dimensions. Discriminant validity, on the other hand, refers to the principle that the indicators for different constructs or dimensions of a construct should not be highly correlated as high correlations suggest that the constructs or dimensions of a construct overlap and could, in fact, measure the same thing. The correlational method for discriminant validity would lead a researcher to reject an indicator if it correlates highly with another construct/dimension. An advanced correlational method for discriminant validity is *factor analysis*. If a construct's discriminant validity is high, factor analysis will generate factors analogous to the conceptual dimensions, with items measuring each dimension loaded on one factor. These factors should show moderate inter-correlations to signify that the dimensions are related but relatively unique.

*Transformational Leadership*. For convergent validity, the TL's four dimensions all achieved a reliability greater than .80. Further, the total transformational leadership scale comprising these four dimensions attained a reliability of .94. TL appeared to have a high convergent validity. Regarding discriminant validity, all TL dimensions were positively correlated at Pearson's  $r$ 's ranging from .63 to .78, slightly lower than their reliabilities that ranged from .80 to .87. However, the correlations between any given dimension and the total TL scale were fairly high, ranging from .83 to .90. See Table 3 for detailed inter-correlations of TL dimensions. Simple correlational analysis thus demonstrated that the dimensions of transformational leadership had a low degree of discriminant validity.

An additional principal-component factor analysis was conducted to further examine the structure of transformational leadership. The sample size of 176 should be adequate for a factor analysis of TL's 16 items as the ratio of sample size: number of items was above 10:1. With the factor number set at four, the factor analysis did not support the four-dimension structure as many items had multiple loadings on the four undistinguishable dimensions. Among the 16 items, 3 items had double loadings, 7 triple, 4 quadruple, and only 2 single loadings. TL's discriminant validity was problematic. Thus, TL appeared to have high construct validity as a total scale due to high internal consistency; but low, problematic discriminant validity for the four-dimension structure.

*Paternalistic Leadership*. For convergent validity, each of the three PL dimensions showed an adequate reliability of .76 or above, which means that items measuring each dimension were internally consistent with each other. However, correlations among the three dimensions were quite chaotic. Authority and morality had a correlation of -.17, authority had no significant correlation with benevolence, and morality had a positive correlation of .35

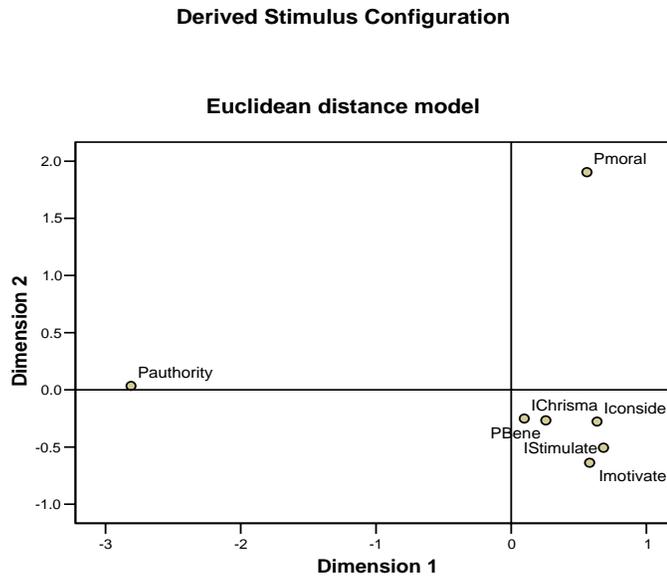


Figure 1. Multidimensional Scaling Analysis of Dimensions of Transformational and Paternalistic Leaderships.

with benevolence. The chaotic correlations among the three dimensions indicated serious problems of PL’s convergent validity, or rather the lack of it. Regarding discriminant validity, the lack of consistent correlations renders the discussion of discriminant validity an impossible task, as discriminant validity demands moderate but not high correlations.

Next, with the factor number set at three, principal-component analysis was conducted to seek further information of the structure of PL. All four authority items cleanly loaded on one factor, with loading values ranging from .56 to .80. All four morality items cleanly loaded on the second factor, with a minimum value of .65 and a maximum of .82. All four benevolence items, too, cleanly loaded on the last factor, with values ranging from .67 to .74. No double loading occurred and the minimum differential in loading was .15. The three dimensions were stable but did not appear to belong together to measure one construct. Thus, the construct validity of paternalism was problematic due to the lack of consistency among the three dimensions.

*Mapping PL against TL (RQ2)*

To answer the question as to how TL and PL might relate to each other, *multidimensional scaling* (MDS), a conceptual mapping method, was used to provide a visual representation of the pattern of proximity among TL and PL’s dimensions. A Euclidean model yielded an  $R^2$  of .9926, much higher than the minimum .6 level. This means that the 99.26% of the variance of the scaled data was accounted for by the MDS procedure. Figure 1 reveals the patterns

Table 3.  
*Intercorrelations among Dimensions of Transformational and Paternalistic Leadership Styles*

	1	2	3	4	5	6	7
<i>TL Dimensions</i>							
1. Icharimsa <sup>a</sup>							
2. Iconsider	.72**						
3. Istimulate	.67**	.66**					
4. Imotivate	.76**	.78**	.63**				
5. TLTotal	.90**	.90**	.83**	.90**			
<i>PL Dimensions</i>							
6. Pauthority	.15	-.03	-.09	-.04	.010		
7. Pmoral	.37**	.39**	.29**	.28**	.38**	-.17*	
8. Pbenevlt	.65**	.63**	.52**	.61**	.69**	.06	.35**

\* and \*\* indicate respective 2-tailed significance at .05 and .001.

<sup>a</sup> Iinflce is abbreviated label for idealized influence, Iconsider for individualized consideration, Istimulate for intellectual stimulation, Imotivate for inspirational motivation, Pauthority for PL authority, Pmoral for PL morality, and Pbenevlt for PL benevolence. These abbreviations are used consistently for all tables and figures thereafter.

regarding how dimensions of PL and TL were related. TL's dimensions were closely located to each other, within a scale-distance of 1. This further confirms the high convergent validity but low discriminant validity for transformational leadership as a four-dimensional construct.

PL's three dimensions were scattered from each other: 2.2 between morality and benevolence, and 3.6 between authority and morality. Once again, the three dimensions of PL did not converge. As a matter of fact, benevolence was more closely linked to the TL dimensions than to the other two PL dimensions. PL-TL correlations showed similar patterns. Specifically, PL authority was not related to any TL dimensions, morality had moderate-low positive correlations with all TL dimensions, and benevolence had moderate-high correlations with all TL dimensions. See Table 3 for details. Benevolence seemed to belong with TL rather than with PL.

#### *Levels of TL versus PL (RQ3)*

To answer the question regarding the degree to which PL and TL were exhibited in Hong Kong organizations, means for all seven dimensions were calculated. Respondents had a mean rating of 4.43 (SD = 1.17) for their immediate supervisors' total TL score, 4.84 (SD = 1.23) for intellectual stimulation, 4.44 (SD = 1.32) for individualized consideration, 4.40 (SD = 1.38) for idealized influence, and 4.02 (SD = 1.40) for inspirational motivation. For PL,

respondents rated their immediate supervisor an average of 4.80 (SD = 1.23) for morality, 4.36 (SD = 1.19) for benevolence, and 4.36 (SD = 1.19) for authority. The rank-order of the seven dimensions were intellectual stimulation (TL), morality (PL), individualized consideration (TL), idealized influence or charisma (TL), authority (PL), inspirational motivation (TL), and benevolence (PL). Managers did not display aspects of TL and PL with drastic differences.

#### *TL versus PL in Predicting Managerial Outcomes (RQ4)*

Given high convergent validity and low discriminant validity, an efficient method for analyzing TL and its managerial correlates was to combine its dimensions into one total scale. On the other hand, PL showed low convergent validity and high uniqueness (but little discriminant validity, nonetheless) of each dimension. Authority, morality, and benevolence were separately examined. Table 4 reports correlations between leadership styles (TL and PL) and managerial outcome variables. Transformational leadership was positively correlated to all outcome variables. The correlations between TL and work unit variables were from .35 to .53; the correlations between TL and individual employee outcomes ranged from .19 to .61.

PL authority was negatively related to work unit performance and innovativeness, and individual employee commitment, but showed no significant correlation with the remaining outcome variables. PL benevolence, which appeared in much closer proximity to TL benevolence than to other PL dimensions in the MDS analysis, revealed a similar pattern in correlational analysis. PL morality was positively correlated to all work unit outcomes, but was so with only two individual outcome variables (i.e., satisfaction with leadership style and satisfaction with leader relationship). Clearly transformational leadership exerted positive impact on the managerial outcomes. PL benevolence showed positive impact on the work unit as a whole but had very limited impact on individual employees. PL authority negatively contributed to work unit performance and innovativeness, and individual commitment, and was irrelevant to the rest of the outcome variables.

#### *Identifying Paternalistic and Transformational Leaders*

Identifying paternalistic and transformational leaders can provide information regarding the ecological validity of PL and TL; that is, how PL and TL, the two theorized leadership styles, actually occur in real organizations. The lack of convergent validity of paternalistic leadership suggests that the three categories of behaviors are not likely to occur consistently in one individual. By definition, a paternalistic leader must show all three behaviors consistently. PL's lack of convergent validity evoked questions as to whether paternalistic leaders actually existed; and if so, who they were. On a scale of 1-7 in the current sample, paternalistic leaders were operationalized as those who scored at least 5.00 on all three dimensions. To take an in-depth look, observable, demographic characteristics of such leaders within the sample were probed. Of the 176 recalled managers, only 3 individuals qualified as paternalistic leaders. One was a female frontline supervisor who had worked for a 50-employee manufacturing company for 17 years and supervised six people. A second was a

Table 4.  
*Correlations between Transformational and Paternalistic Leadership Styles and Variables of Managerial Outcomes*

	Transformational Leadership	PL Authority	PL Morality	PL Benevolence
<i>Work Unit Outcomes</i>				
Performance	.36**	-.21**	.20**	.36**
Innovativeness	.47**	-.21**	.20**	.31**
Friendliness	.35**	-.01	.18*	.19*
Cohesiveness	.53**	-.10.	.23**	.35**
Initiative-Taking	.42**	.02	.32**	.24**
Participative Decision	.51**	-.03	.36**	.40**
<i>Individual Outcomes</i>				
Performance	.37**	-.03	.05	.29**
Compliance	.35**	-.16*	.18*	.22**
Commitment	.37**	-.20**	.06	.27**
Job Satisfaction	.22**	-.04.	.14	.17*
Leadership Satisfaction	.61**	-.07	.42**	.53**
Leader Relationship Satisfaction	.59**	-.13	.40**	.48**
Coworker Relationship Satisfaction	.19*	-.01	-.11	.13

\* and \*\* indicate respective 2-tailed significance at .05 and .001.

male frontline supervisor who worked for a 3800-employee manufacturing company for five years and had 13 people under his supervision. The last was a male middle manager who worked for a 70-employee nonprofit organization for six years and had 15 supervisees.

Likewise, transformational leaders were identified with the same quantifying criterion for paternalistic leaders. Thirty-eight, or 21.6%, of the recalled managers were transformational leaders. Among the 38 transformational leaders, 52.6% were male and 47.4% female; additionally, 36.8% were frontline supervisors, 55.3% middle managers, and 7.9% top-level officers. These transformational managers had a mean tenure of 8.53 years, and a mean span of control over 10.79 people. These leaders worked in organizations that had a mean size of 313.55 employees.

## Discussion

Transformational leadership has been much studied and well endorsed in various national cultures in recent years. Paternalistic leadership, the traditional Chinese leadership, has frequently been regarded as influential in Chinese organizations. The current study compared the two leadership styles in a sample of Chinese respondents who worked for diverse organizations in Hong Kong. Construct validity was examined for both TL and PL.

### *Transformational Leadership as a Construct*

Transformational leadership appeared to have high convergent validity but low discriminant validity, which is consistent with some of the criticisms levied against TL (e.g., Antonakis, Avolio, & Sivasubramaniam, 2003). The high correlations among idealized influence, inspirational motivations, intellectual stimulation, and individualized consideration in the sample were consistent with the existent research and meta-research (e.g., Carless, 1998; Lowe, Kroeck, & Sivasubramaniam, 1996; Rafferty & Griffin, 2004; Whittinton, Goodwin, & Murray, 2004). That is, if an individual exhibits one of the four Is, an individual likely does the other three as well. In other words, a transformation leader is most likely to be charismatic and intellectually stimulating, motivating via inspiration, and considerate to others. The extant literature, together with the current findings, points to the fact the four Is cannot differentiate from one another in predicting managerial outcomes. All four Is basically predict the same outcomes, together or alone. Thus, TL was treated as a one-dimensional construct operationally and analyses were conducted accordingly. Future studies may benefit from measuring TL as a one-dimensional construct and trimming the number of measuring items for economy and efficiency.

### *Paternalistic Leadership Unjustified as a Construct*

Paternalistic leadership, often taken for granted as a traditional Chinese leadership style, appears quite problematic as a construct. From the data, PL's three dimensions had little convergent validity, as the three possible inter-correlations: one negative, one positive, and one insignificant, exhibited no pattern. As a matter of fact, benevolence was mapped in multidimensional scaling far more closely with TL dimensions than with either morality or authority, showing no correlation with authority at all. These three dimensions seemed to measure three unrelated things. In Cheng, Chou, and Wu et al.'s (2004) now-widely-cited PL study that used a sample of 543 low- to mid-level managers from 60 Taiwanese companies, benevolence had a correlation of .61 with morality and -.35 with authority, and authority had a correlation of -.54 with morality. The negative correlations among the three dimensions, too, pose threats to convergent validity, as the directions of the correlations did not "converge."

Conceptually, authority, in contrast to both benevolence and morality, represents a focus on the leader as the center who has no regard for others in decisions or in related actions. With a moderate positive correlation, benevolence and morality however differ conceptually.

Benevolence pertains to directing attention and care to subordinates as human beings, whereas morality is about integrity and doing the right thing. More interesting is the contrast between authority and morality in this light. The negative correlation seems to implicate traditional authority as being immoral.

A paternalistic leader is by definition someone who exhibits behavior in traditional authority, morality, and benevolence. The lack of any relationship pattern among the three PL dimensions (positive, negative, and no correlations in the present sample, and negative and positive relations in Cheng et al.'s (2004) sample) spells difficulty in identifying paternalistic leaders, who are supposedly high on all three dimensions. Not surprisingly, only 3 out of 176, or 1.70%, of the recalled managers could be classified as paternalistic leaders, compared to 38, or 21.6%, qualified transformational leaders identified based on the same cut-off criterion. The three paternalistic leaders showed varied characteristics in gender, size, and type of their organizations, level of management positions, span of control, and organizational tenure. The author thus argues that paternalistic leadership, as currently conceptualized, may not be a viable concept in organizational psychology, contrary to what many scholars might have believed. In the end, the lack of convergent validity problem renders paternalistic leadership an unusable construct. Any of the planned examinations of PL as a construct had to be broken into separate analyses of each of the three dimensions.

The current PL conceptualization is perhaps problematic for today's organizations where consistency is essential to a manager's credibility. Obviously during day-to-day management, a contemporary organizational supervisor who sometimes bestows benevolence to followers and at other times dictates to subordinates, lacks behavioral consistency and would have low credibility. Such personal inconsistency is incompatible with modern organizations' rational design. Regarding construct validity, the official inception of PL by Redding (1990) was based on conclusions inferred from his observations of Chinese family businesses in the U.S., which he did not test empirically. Cheng et al.'s (2004) and the current data, drawn from organizations other than Chinese family businesses, clearly yielded internal inconsistency of paternalistic leadership. Thus PL may not be a functional concept for organizational leadership even in Chinese culture.

#### *TL and PL's Predictive Validity: Employee Outcomes*

Transformational leadership, which predicted all managerial outcomes positively, appeared to be a leadership style regarded quite effective by respondents in the current sample. Paternalistic leadership, however, was largely the opposite. Traditional Chinese authority or authoritarianism was negatively related to work unit performance and innovativeness, and individual compliance and commitment, but had no impact on other outcome variables. Authority did not lead to positive outcomes. Surprisingly, authority, supposed to evoke compliance, was negatively correlated to employee compliance. Further, TL had a greater positive correlation with compliance than did PL benevolence and morality. This finding draws attention to the possible incompatibility of the authoritative approach with today's rational organizational design. This authoritarian style of communication may well provoke resistance and in compliance, which could result in either weak or irrelevant

outcomes from both work unit and individual employees alike. Morality had low positive correlations with most of the variables, as did benevolence. Thus transformational leadership exhibited a high degree of predictive validity. PL's three dimensions had lower predictive validity, and authority the lowest. Once again, transformational leadership appeared to be a superior construct to paternalistic leadership in predicting managerial outcomes measured in this study.

#### *Ecological Validity: TL and PL in Practice*

An average recalled manager in the current sample scored over 4.0, above the 3.5 mid-point of the total TL scale and its dimensions. Transformational leadership appeared to be a practicing style by Chinese managers in the current sample. As a matter of fact, approximately 22% of the recalled managers were transformational leaders, who scored 5.0 or higher on all transformational dimensions. Contrarily, paternalistic leadership, due to its construct problem, could not be analyzed as a leadership style. Traditional Chinese aspects of authority, benevolence, and morality each were also practiced, likely by different individuals. In the sample, only three individuals, who scored 5.0 or higher on all three PL dimensions, qualified as paternalistic leaders. The few similarities found among the three paternalistic leaders testify against PL as a practicing leadership style in the sampled Hong Kong organizations.

#### *Paternalistic Leadership: The Chinese Leadership?*

Paternalism has served a prominent historical role in the early industrialization era in the West, but exerts marginal impact in modern organizations (Fleming, 2005). Paternalism, however, has still been regarded as a basic leadership form in Chinese organizations by many (e.g., Cheng et al., 2004; Zhou & Long, 2005). The present data suggest that PL is psychologically inconsistent and does not qualify as a rational construct. The most salient dimension, traditional authority, was evidently ineffective or rather, counter-effective. Particularly, PL authority evoked negative compliance or resistance, contrary to the claim of PL strength in compliance gaining (see literature review). PL is obviously not as pervasive a leadership practice as surmised from the literature. Paternalism probably is no longer a fit leadership style for modern, rational Chinese organizations, the current Hong Kong sample and Cheng et al.'s (2004) Taiwan sample included. Paternalism undermines individuals' fundamental need for self-respect and dignity, whereas transformational leadership cultivates just that and, in turn, results in better outcomes and employee cooperation.

However, rather than declaring organizational paternalism dead, scholars should explore PL's possible contemporary forms in Chinese organization. PL dimensions in this study received scores quite comparable to those of TL, which provides evidence of the relevance of each of PL's dimensions. One issue of concern is how these dimensions fit in with modern Chinese organizational leadership. Perhaps, these dimensions could represent an inventory of Chinese leadership behaviors rather than one single construct that delineates related leadership traits.

On the other hand, conditions may still exist to induce paternalistic leaders in Chinese organizations. For example, the moody PL may find a nurturing ground as long as an organization embraces irrational management systems similar to those in the early industrial times, when managerial power was held in the hands of a few paternal figures, or when CEOs and managers had enormous power over subordinates and did not have to be accountable for rationality and consistency. Also, PL may require certain follower characteristics, those of a needy child with a sense of dependency. More, PL may also be a matter of individual differences. For example, those who are high on Machiavellianism likely experience no dissonance wielding both a carrot and a stick. The three paternalistic leaders identified in the current study perhaps were driven by their individual tendencies rather than by organizational characteristics.

### Conclusion

Transformational leadership, with high convergent validity, appears to be an effective style in contemporary Chinese organizations in every aspect measured. Paternalistic leadership, however, failed to hold as a cohesive construct. Contemporary organizations seem to favor rationality and consistency, and ill-tolerate inconsistent leadership behaviors typified in the carrot-and-stick method of paternalism. Although the findings from the current Hong Kong sample point to limited utility of PL as a general leadership construct, similar studies must be conducted with samples from various types of organizations in mainland China to cross-validate the current findings. Conditions that facilitate the emergence of paternalistic leaders may still exist in organizations in mainland China, where political, economic, and legal systems are markedly different from those in Hong Kong. Such differences likely lead to organizational cultures dissimilar to those in Hong Kong. Further empirical studies can be devised to examine whether and why paternalistic leadership is or is not practiced in organizations in mainland China.

### Acknowledgment

This study was supported by a faculty research grant of Hong Kong Baptist University.

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