Paternal Leadership and Its Impact on Employees’ Job Satisfaction in the Chinese Differential Mode of Association

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ABSTRACT

“Family culture” and “Guanxi circle” are two major features of Chinese traditional culture. Family culture penetrates the leadership process and forms paternal leadership which is rather common in China. Guanxi circle is a common Chinese structural phenomenon in the differential mode of association. It is China’s social structure under the deep Confucianism and affects organizational structure and behavior. The objectives of this study were to explore how paternal leadership influences job satisfaction in the Chinese context and the mediating role of Employee Guanxi. The researcher analyzed the direct effects of paternal leadership on job satisfaction from three sub-dimensions, including authoritarianism, benevolence, and morality of the paternal leadership on job satisfaction and further tested whether paternal leadership affected employees’ job satisfaction on Employee Guanxi. This study findings confirmed that benevolent leadership and moral leadership had positive effects on extrinsic satisfaction of Employee Guanxi which further influenced positive job satisfaction, while authoritarian leadership had negative effects on employees’ intrinsic satisfaction and no significant effect on Employee Guanxi. On the basis of the findings, the leaders were suggested to pay more attention to employee guanxi culture and adjust their leadership styles appropriately, showing more benevolence, great morality, and less authoritarianism according to the development stages of the organization.

KEYWORDS: Paternal Leadership, Job Satisfaction, Differential Mode of Association, Employee Guanxi

Introduction

With economic globalization and informatization, how can companies stay ahead in the long run, to face increasing competition and changing market? It is not enough to rely solely on the improvement of hardware such as technological progress, production growth, and cost reduction. The factor of human beings must be taken into consideration. Enterprises with high degrees of employee job satisfaction tend to show higher profitability and productivity (Sarwar, et al., 2015). Therefore, job satisfaction has long been a key concern topic regardless of locations, scales, or nature of the business. Job satisfaction can be influenced by a variety of factors including personal factors, the nature of jobs, and the working environment. Leadership style, as one of the core features of the working environment, plays an important role in

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motivating employees and reducing turnover intention.

Various researchers (Bhatti et al., 2012; Khajeh, 2018; Liu et al., 2013; Saleem, 2015) had explored the association between leadership styles and employee job satisfaction. Most of them were about the impacts of transformational leadership style and transactional leadership style under western leadership theory, and little was done in the context of Chinese culture. The flourish of western leadership theories promotes the development of Chinese leadership theory. Due to the differences of cultural values, the application of western leadership theories in China is like wearing shoes that don’t fit the individual at all (Cheng et al. 2000).

Family culture is the foundation of Chinese culture deeply rooted in Confucianism, emphasizing the authority, care, and kindness of elders to younger children, and the noble virtue of elders as role models. Family culture is penetrating every aspect of our life that leads to this unique “paternalistic leadership” in various organizations, which has led the Chinese economy to great success over the past three decades. The differential mode of association is another important feature of Chinese culture. Guanxi circle is a common Chinese structural phenomenon in the differential mode of association, and leaders apply different rules of social exchange to the core and peripheral members respectively. “Guanxi” is translated as “relationship” in English, it does express the relationship between one and another, but more importantly it means the social networks and connections which can be used as resources to facilitate business. Paternalistic leadership in the differential mode of association is the result of the Chinese context (Yu & Chen, 2013). Therefore, this paper is necessary to study the mechanism of leadership styles that influences job satisfaction in Chinese context.

This paper analyzes the direct effects of three dimensions including authoritarianism, benevolence, and morality of the paternal leadership on job satisfaction. On this basis, the paper further tests whether paternalistic leaders affect employee job satisfaction through Employee Guanxi. Taking job satisfaction as the foothold, this paper tries to find out ways to improve employee job satisfaction in the Chinese context, which is of significant reference to Chinese leadership practices.

Paternalistic Leadership in The Differential Mode of Association

The Definition of Paternal Leadership

Paternal leadership as a native leadership theory in China, is characterized by showing fatherly benevolence and authority and acting as a selfless model of morality in the atmosphere of “Rule by Man” (Farh & Cheng, 2000). With a rapid economic rise in China, many scholars both at home and abroad begin to pay attention to Chinese leadership practice, and research on the localized leadership theories. Some scholars notice that there are significant differences between Chinese and western leaders and summarize the typical Chinese characteristics, such as Silin (1976), Redding (1990), and Westwood (1997), whose research results advance the theory of paternal leadership. Taiwan scholar Cheng proposed a dualistic theory of paternalistic leadership in 1995. Then Farh & Cheng (2000) put forward the ternary mode comprising of authoritarianism, benevolence, and morality which are deeply rooted in traditional culture of Confucianism and Legalism. Cheng et al. (2000) continue to construct the ternary model of paternal leadership that comprised of benevolent leadership, moral leadership, and authoritarian leadership, and develop a Paternal Leadership Scale (PLS) with high validity; the
benevolent leadership which includes individual care, understanding and tolerance, moral leadership covers integrity and due diligence, without taking advantage, and selfless model; and authoritarian leadership covers “obedience,” “authoritarianism,” “concealment,” “severe,” and “teaching.”

Evidence supports that paternal leadership has higher validity than western leadership theory in Chinese situations, and can predict and explain at the individual and organizational levels (Ren et al., 2012). A series of studies are conducted to identify the effectiveness of the three dimensions of paternal leadership and the impacts on both the staff and organization that including employee job satisfaction, productivity, turnover intention, perception of differential atmosphere, and so on (Yu & Chen, 2013; Liu et al., 2013; Liu et al., 2014; Zhang et al., 2018).

The Differential Mode of Association

The differential mode of association is another major feature of Chinese culture; it is translated into English by the sociological term in Chinese “Cha xu ge ju”. The famous concept has been put forward by China’s sociologist Fei in his classic book “From the Soil -The Foundations of Chinese Society” in 1948. It means that people are separated into various grades and ranks in China and different approaches are taken according to mutual “guanxi” referring to connections, relationships, and social networks. Chinese people survive and develop in maintaining the differential mode of association and following the rules of “guanxi” that the pattern requires, and people also have a clear expectation of others’ behavior according to this set of rules. Cheng(2006) indicates that to understand the behavior of Chinese organizations, researchers shall start from the context of the differential mode of association. Ma (2007) declares that although the Chinese economic and basic political system has dramatically changed during the past decades, the differential mode of association is still applicable to current society.

Subsequently, many scholars have studied the connotation and extension of differential mode of association. Hwang (1987) points out the Chinese mode of face and favor emphasizing that resource allocation in China is often determined by “guanxi”, and the dynamics of guanxi consist of favor and face. “Guanxi” is translated as relationship in English, but its conception is a much richer meaning about connections and networks. Face in China means the perceived feeling of honor, dignity, self-esteem, and prestige which relates to social status. Hwang (1987) mentions that favor in China which points to the sense of obligation and indebtedness in the process of human social interaction. The following example illustrates the relationship between Guanxi, face, and favor: Mr. A is late, he should be fined ¥200 according to the rules. The manager Mr. B is in good Guanxi with Mr. A, so he gives a face to Mr. A and exempts the punishment. Then Mr. A owes Mr. B a favor and has to return the favor next time. According to Chan & Chan (1998) concludes that differential Guanxi is constructed of three dimensions including ethics, emotions, and interests. Luo & Cheng (2015) discovers that Chinese leaders categorize the Guanxi circle into core and peripheral members and apply different rules of social exchange to them. Therefore, Cheng (2018) emphasizes the mainstream of Chinese native culture is Guanxi.

Wang & Luo (2012) indicates that guanxi plays an important role in Chinese organizations: Leaders place a high trust on in-group members and a low trust on out-group members; leaders often ask for advice from in-group members based on individual decisions, reach consensus in the interaction with in-group members; Guanxi is usually more effective than rules except that the rules must be complied
with, and plays a great role in promotion though personal performance and abilities are the objective factors. This complex relationship between employees and leaders, employees and co-workers is called “Employee Guanxi”. Alwaheeb & Liao (2016) states that Employee Guanxi which is found positively related to job satisfaction and negatively related to turnover intentions, and Liu et al. (2013) explains that Employee guanxi can play a mediating role between leadership styles and job satisfaction.

**Paternal Leadership in Differential Mode of Association**

Lv (2015) states that the dimensions of paternal leadership are not universal and only when placed in the differential mode of association they can be correct. So this study tries to connect the above two major features to discuss leadership practices in the Chinese context. Paternalistic leadership in Chinese differential mode of association has the following characteristics.

Firstly, Guanxi circles and different rules of social exchange exist. Luo & Cheng (2015) indicate that Chinese leaders categorize employees into core and peripheral members and apply different rules of social exchange to them. Luo (2012) explains the criterion of employee classification is guanxi, loyalty, and talent, which are based on consanguinity and geography, instead of perceived similarity such as gender, religious belief, lifestyle, race, and other personal characteristics which are criteria in LMX theory (Graen et al., 1982). Leaders treat employees differently placing high trust in core members and low trust in peripheral members.

Secondly, leaders are the center of the whole organization. The leaders possess fatherly benevolence and authority and act as a moral model of employees, and deal with employees using the way to manage family members. The decision-making process is also dominated by leaders, which is different from American individual decision making or Japanese group decision making. Chinese leaders usually ask for advice from core members based on individual decisions, achieve consensus in the interaction with core members, and then make decisions.

Thirdly, great importance is attached to “guanxi”, face and favor. Both leaders and employees criticize delicately and never point out others’ errors in public. Respecting and valuing employees is a far more lasting and effective way to motivate them than material incentives. Besides, Wang (2012) states that “guanxi” is usually more effective than rules except that the rules must be complied with and plays a great role in promotion though personal performance and abilities are the objective factors of promotion.

Therefore, paternal leaders should pay attention to guanxi building in the workplace, emphasizing that the relationship between leaders and employees is not just a simple relationship of economic exchange, but a complex exchange relationship intertwined with emotions such as benevolence, authority, and morality. This complex relationship between employees and leaders, also between employees and organization which is called “Employee Guanxi”. The following part will study the mediating role of Employee Guanxi between leadership styles and job satisfaction.

**Job Satisfaction**

Job satisfaction is the key concern and foothold of this article. The concept is firstly mentioned by Hoppock (1935). It is considered that job satisfaction refers to the satisfaction of the environmental factors in psychological and physiological aspects of the staff and the influencing factors consist of fatigue, monotony, working styles, and leadership styles. Herzberg (1959) points out the double-factor theory (hygiene factor and motivation
factor) and claims that job satisfaction is mainly influenced by the physical environment, social factors, and personal factors. Weiss et al. (1967) develop the Minnesota Satisfaction Questionnaire (MSQ) comprised of 20 items (achievement, supervision-human relations, social status, working conditions, company policies, etc.), dividing job satisfaction into intrinsic satisfaction and extrinsic satisfaction. Intrinsic satisfaction mainly refers to the sense of accomplishment that the job itself can provide employees to use their abilities and show their talents. Extrinsic satisfaction mainly refers to the ways about supervisors treat subordinates, remuneration, working conditions, and interpersonal relationships at the workplace which is not the satisfaction brought by the job itself. Smith et al. (1969) develop the Job Descriptive Index (JDI) to judge job satisfaction from five aspects including coworkers, the work itself, payment, opportunities for promotion, and supervision; Spector (1985) develops “Job Satisfaction Survey” (JSS) which comprises of 36 items to evaluate the job satisfaction from nine dimensions: payment, promotion, supervision, fringe benefits, contingent rewards, operating procedures, coworkers, nature of work, and communication.

Leadership styles which are referring to the patterns of leaders’ behavior, is one of the important influencing factors. Various researchers have examined the association between leadership styles and employees’ job satisfaction, the conclusions are verified by some empirical studies (Voon et al., 2011; Bhatti et al., 2012; Liu et al., 2013; Saleem, 2015; Bekať, 2017). However, most of them are about the impacts of the transformational leadership style and transactional leadership style, aiming to find which leadership styles are more effective under the western situation. This article aims to study the impacts of paternal leadership on job satisfaction in the Chinese differential mode of association.

How does Paternal Leadership Affect Employee Job Satisfaction

The Influence Mechanism of Paternal Leadership on Employee Job Satisfaction

Through the previous analysis, the researcher has learned the concept of paternal leadership, employee guanxi, and job satisfaction. This part aims to study the mechanism influence of paternal leadership on employee job satisfaction including intrinsic and extrinsic satisfaction in the differential mode of association.

As mentioned before, various researchers have explored the association between leadership styles and employee job satisfaction under a western context. By contrast, only a few pieces of research have studied the relationship between the three dimensions of paternalistic leadership and employee job satisfaction (Cheng et al., 2000; Farh & Cheng, 2000). The differences in Employee Guanxi employees have perceived is a manifestation of the differential mode of association in the leadership process, Liu et al. (2013) analyze the mediating role of Employee Guanxi through paternal leadership affected employee job satisfaction indirectly. Therefore, the relationship model in this research is assumed to be as shown in Figure 1. The next step is to examine the direct effects of three sub-dimensions including authoritarianism, benevolence, and morality of the paternal leadership on job satisfaction, and test whether paternal leaders affect employee job satisfaction through Employee Guanxi.

The Impact of Paternal Leadership on Job Satisfaction
Intrinsic satisfaction mainly refers to the sense of accomplishment that the job itself can provide employees to use their abilities and show their talents, while extrinsic satisfaction mainly refers to the way about supervisors treat subordinates; the remuneration, working conditions, and interpersonal relationships at the workplace which are not the satisfaction brought by the job itself (Weiss et al., 1967).

The authoritarian leadership has a significant negative impact on employees’ intrinsic satisfaction, but it has little effect on employees’ extrinsic satisfaction. Authoritarian leaders emphasize obedience and absolute authorities over their subordinates, and they communicate downward and teach mainly. Subordinates have to fully obey the leaders’ instructions at work. In this case, it is difficult for subordinates to have their decision-making power, and they rarely have opportunities to do things by themselves, accordingly a possibility of gaining sense of accomplishment from work is relatively small. Therefore, authoritarian leadership affects employees’ intrinsic satisfaction negatively. However, under the long-term influence of Chinese culture, Chinese employees mostly have a certain tolerance for the high power distance between leaders and employees in the companies. Therefore, authoritarian leadership has little influence on extrinsic satisfaction.

Benevolent leadership has significant positive effects on extrinsic satisfaction of employees, but little effects on intrinsic satisfaction. Benevolent leaders emphasize comprehensive and personalized care for their subordinates and provide a sense of emotional belonging. Therefore, benevolent leadership has a very significant positive impact on extrinsic satisfaction of employees, however it does not involve the job itself, so it has no significant impact on intrinsic satisfaction.

Moral leadership has a significant positive effect on employees’ extrinsic satisfaction, but little effect on employees’ intrinsic satisfaction. Moral leaders set a role model of morality in the company, and the impartiality of leaders create a great atmosphere. Employees identify with and respect the virtues of leaders from the heart. The interpersonal relationship will also be more harmonious. Therefore, moral leadership has a significant positive effect on the employees’ extrinsic satisfaction. However moral leadership does not involve the work itself so that the effect on intrinsic satisfaction is not significant.

From the above analysis, authoritarian leadership affects employees’ intrinsic satisfaction negatively, while benevolent
leadership and moral leadership have a positive effect on extrinsic satisfaction.

The Mediating Role of Employee Guanxi

Leadership styles run through the entire operating process of the organization, and undoubtedly have a certain impact on Employee Guanxi. Employee Guanxi experienced and perceived by employees is reflected in the employees’ working attitude which ultimately affects job satisfaction. Employee Guanxi assumes a mediating role which between paternal leadership and job satisfaction. Cheng et al. (2000) describes that for authoritarian leadership, subordinates react showing awe and obedience; for benevolent leadership, the subordinates feel grateful and plan to repay; for morality leadership, subordinates identify with leaders and imitate. Therefore, benevolent leadership and moral leadership have a positive impact on Employee Guanxi; however the effect of authoritarian leadership is not significant.

Employee Guanxi which including supervisor-subordinate guanxi and guanxi with coworkers plays a very important role in improving employee job satisfaction in China. In other words, attaching more importance to Employee Guanxi helps to improve employee job satisfaction. Good Employee Guanxi benefits employees in many ways (Cheung et al., 2009). Firstly, subordinates with rapport Supervisor-Subordinate Guanxi gain high trust and care from their leaders, they feel valued and a sense of belonging. Secondly, good Employee Guanxi makes it much easier for the subordinates to complete their work tasks because they communicate effectively with their leaders and co-workers and possess more resources needed to complete the tasks, which helps arrive at more solutions. Thirdly, good Employee Guanxi gives employees more opportunities for rewards and promotion (Wei et al. 2010). Therefore, employees with better Employee Guanxi tend to be more positive towards their work, thus have a higher level of both intrinsic and extrinsic satisfaction.

Benevolent leadership and moral leadership have a positive effect on extrinsic satisfaction and Employee Guanxi which further influences job satisfaction positively; However, authoritarian leadership has negative effects on employees’ intrinsic satisfaction and no significant effect on Employee Guanxi. Overall, both benevolent leadership and moral leadership improves employee job satisfaction, but authoritarianism harms employee job satisfaction.

Recommendations

According to the above analysis on three dimensions of paternal leadership, the following measures should be taken to improve employee job satisfaction in the Chinese context.

Firstly, Chinese leaders need to pay more attention to Guanxi building with their subordinates, and give full play to positive effects and overcome negative ones of guanxi. To give full play to the positive effect of guanxi, the organization should make use of a high degree of trust, sense of responsibility for the organization, dedication of in-group members to maximize the benefits. Meanwhile, developing a relationship with out-group members using relationship with in-group members, to create an external environment which is conducive to the development of the organization. To overcome the negative influences of this deep culture based on guanxi, the organization should pay more attention to other factors such as ability and contribution to the organization during evaluating employees, which motivates out-group members to work harder.
Secondly, Chinese leaders should learn to use favor and face to motivate employees. The leaders care about employees based on the favor, then employees may work hard to return the favor. Special attention should be paid to emotional incentives in Chinese organizations. Giving employees face that including respect, esteem, honour and dignity makes them feel valued and that is an effective way to motivate them than material incentives.

Lastly, leaders should adjust their leadership styles appropriately according to the development stage of the company, showing more benevolence and great morality and less authoritarianism. It means that leaders should care about both employees’ lives and work, and set the example, in the meantime try to avoid engaging in privileges and partiality.

Conclusion
The main work and innovation points of this article are as follows: firstly, studying paternal leadership in differential mode of association and analyzing the mediating role of Employee Guanxi which based on Chinese culture, it can serve as a guideline for Chinese leadership practices. Secondly, this article shows that authoritarian leadership has negative effects on job satisfaction, while benevolent leadership and moral leadership have positive effects on job satisfaction. This helps leaders clearly understand the impacts of their leadership on their employees and integrate different leadership styles to achieve desired results.

References


