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In search of Chinese paternalistic leadership conflicting evidence from samples of mainland China and Hong Kong's small family businesses

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In Search of Chinese Paternalistic Leadership: Conflicting Evidence from Samples of

Mainland China and Hong Kong's Small Family Businesses

Abstract

Extant empirical research fails to support the popular belief that paternalistic leadership (PL) style is a basic characteristic in Chinese organizations. In search of empirical evidence of PL as a practicing style, surveys were conducted with employees from small Chinese family businesses (CFBs) in mainland China ($n = 275$) and Hong Kong ($n = 251$). In the China sample, PL's three dimensions (authoritarianism, benevolence, and morality) were internally convergent, managers exhibited reasonably high levels of PL, and PL as a whole predicted positive employee-perceived outcomes. In the Hong Kong sample, however, PL's three dimensions showed inconsistent correlations, greatly similar to the extant findings. Consequently, PL as a whole could not be analyzed for that sample. Findings suggest that PL may be restricted only to CFBs in China. Management communication implications are discussed.

Keywords: paternalistic leadership, authoritarianism, benevolence, morality, Chinese family business

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In today's global economy, the differences emerging among various cultural

leadership styles is garnering increased attention (Muczyk & Holt, 2008). Findings from such

research serve to promote mutual understanding, enhance intercultural communication, and

nurture interdependence among organizations engaging in international outsourcing and other

exchange activities (Lin, 2008). As China is rapidly becoming the next economic center,

research interest in the nature and impact of Chinese leadership styles is also on the rise

globally (Pittinsky & Zhu, 2005). The present study examines whether the theoretically

prominent Chinese paternalistic leadership (PL) is a practiced style in Chinese family

businesses (CFBs) (i.e., businesses owned by one or more member[s] of a family/families).

An analysis of the behavioral patterns of PL is provided to probe how that leadership style

may or may not be effective. Findings can offer empirical evidence for evaluating

paternalistic leadership as a theoretical construct and contribute to developing culture-specific

leadership theories. Findings can, too, serve as a basis for implications in understanding

leadership communication processes.

Communication is broadly defined as the processes of human encounters, interactions,

and relationship management that include (but are not limited to) message exchanges

(Ashman & Lawler, 2008). The style approach to leadership (in contrast to the trait approach

or the situation approach) emphasizes a leader's predictable behavioral patterns in

influencing employees and achieving organizational outcomes (Barge & Horkawa, 1989;

Northouse, 2009). Communication plays a determining part in leadership behavior (Flauto,

1999; Hackman & Johnson, 2000). Using a broad definition of communication, Husband

(1985) published an essay on organizational leadership behavior in *Quarterly Journal of*

Speech, a vintage speech journal in the communication discipline. In that essay, he focused

on behavioral patterns/dimensions (e.g., centralized/decentralized and task/relationship) rather than explicitly linguistic attributes. Consistent with the same broad definition of communication, this study examines the validity of the paternalistic leadership style and its impact on employee outcomes.

Overview of the State of the Paternalistic Leadership Literature

Scholars contend that paternalistic leadership is a basic or traditional characteristic in Chinese organizations (e.g., Cheng, Chou, Wu, Hang, & Farh, 2004; Tsui, Wang, Xin, Zhang, & Fu, 2004; Zhou & Long, 2005). However, most of the current literature on paternalism is characterized by philosophical debates and conceptual discussions while little empirical research has been conducted to validate the conceptual arguments (Pellegrini & Scandura, 2008). Among the few empirical studies aiming to uncover evidence supportive of PL's important role in Chinese organizations, the findings present cause for concern. First, PL, operationalized as consisting of authoritarianism, benevolence, and morality in most extant studies, has shown positive, negative, and no correlations among the three dimensions (see Sheer, 2010, for a literature review), which indicates a lack of convergence with regard to construct validity. Second, PL has never subsequently been used *as a whole* to predict outcomes. The empirical findings cast doubt on whether (a) PL is a viable, internally consistent concept; (b) paternalism as *one* leadership style is actually practiced in modern Chinese organizations; and (3) PL, if practiced, is predictive of desired employee outcomes.

Despite unsupportive and sometimes contrary evidence, declaring paternalism as a defunct leadership style in Chinese organizations is premature, as the samples used in the extant studies were drawn from government and nongovernment agencies, education sectors, and public corporations. These organizations exhibit cultures quite different from those in Chinese family businesses where PL was first conceived (Redding, 1990; Silin, 1976). Thus, this study examines whether PL is a practicing leadership style among managers (including

owner-managers) in Chinese family businesses, specifically those in Hong Kong and mainland China. In organizational studies, managers, because they are in supervisory positions, are examined in terms of leadership style and the degree to which the behavioral and communication patterns they exhibit pertain to the examined leadership style. Managers can be strong or weak leaders.

Academic Discovery of Chinese Paternalistic Leadership

The claim of Chinese-specific paternalism began with Silin's (1976) qualitative study of leadership behaviors of Chinese owners and business managers in companies in Taiwan. He found that leadership behaviors in those organizations were quite different from what was typically observed in Western corporations. These managers were directive, had centralized power, preserved ambiguity about their intentions, exercised implicit personal control tactics, and maintained social distance from subordinates. The label of paternalistic leadership as an explicitly Chinese management style came from Redding's (1990) report of his interviews with owners and/or managers of Chinese family businesses in the US. He discovered that authoritarianism accompanied by benevolence and personal loyalty was an important control aspect of paternalism. The works of Silin and Redding established the initial descriptive conceptual foundation for much of the later literature on Chinese organizational paternalism. Westwood and Chan (1992) and Westwood (1997) proposed a model of paternalistic leadership but imposed some restrictions in the applicability of that model in that the PL model was only to fit Chinese family-business organizations that are characterized by centralization, low formalization, harmony, and personalism.

Conceptualization of Chinese Paternalism

Influenced heavily by Silin's (1976) and Redding's (1990) work, Cheng and his colleagues (e.g., Cheng, 1995; Cheng et al., 2004; Farh & Cheng, 2000) have brought forth the most influential conceptualization of Chinese paternalism, such that the majority of

published articles, theoretical debates, and empirical studies are grounded in or otherwise cite their works. Having examined PL in various "indigenous" Chinese contexts (e.g., local Chinese organizations), Farh and Cheng (2000) discovered a new paternalistic element, morality. They added morality to authoritarianism and benevolence, which they extracted from the works by Silin and Redding, and made PL a three dimensional construct. Authoritarianism refers to the practice through which the leader, with absolute power over followers, makes all decisions and controls their actions. Benevolence shows a soft side of the leader, who cares about followers' personal wellbeing and shows personal concerns for them. Morality requires that the leader demonstrate high moral values, show good citizenship behaviors, be unselfish, and set a good example of superior personal virtues and self-discipline for followers. Farh and Cheng later created a corresponding three-dimensional PL measure, used extensively by researchers.

Farh and Chen (2000) traced the historic origins of the three paternalistic dimensions and explain them in terms of Chinese cultural values. 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 (Yang, 1996; Fernandez, 2004). Legalism values control and political manipulation. Authoritarian leadership is a manifestation of the historical development of these values. Benevolence also reflects the Confucian hierarchy of the cardinal relationships and the norm of reciprocity (e.g., a superior's benevolence and the subordinate's loyalty to him) (Kang & Chang, 2001). 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 dyad then mirrors the father-child relationship. Morality, too, originates in Confucianism and Legalism, as both stipulate that leaders must show *dexin* (moral behaviors) and set examples for followers.

The Paternalistic Leadership Style and its Communicative Characteristics

Although no previous research has explicitly addressed PL's communicative

characteristics, one may infer such characteristics via an examination of the paternalism

notion and the high power distance characteristic of Chinese culture. In Chinese

organizations, characterized by the norm of high power distance, employees, with little

autonomy, expect managers to make decisions for them (Carl, Gupta, & Javidan, 2004). Thus,

a paternalistic manager can easily exercise authority by ordering employees to perform tasks

with little need for persuasion. When exercising a benevolent act (*shi en*), the manager needs

to provide little explanation to employees (Sheer, 2007). Morality is about setting a good

example and avoiding immoral behavior, and a moral leader is not known for communicating

moral values (Zhou & Long, 2005). Thus from the analysis of its three aspects, the

paternalistic leadership style is unlikely to be communicatively expressive (e.g., leaders tend

not to discuss or explain their vision with subordinates). The communication content likely is

about executing tasks (but not why) or soliciting loyalty when in need (Harrison, 1995).

Regarding relationship management, a fundamental communication competency (Barge &

Hirokawa, 1989), the paternalistic leader can resort mainly to benevolence in exchange for

respect and unquestioned trust from subordinates (Zhou & Long, 2005). Yet, little is known

thus far as to whether benevolence can help the leader succeed in maintaining good employee

relationships.

Presumed Organizational Prevalence of Paternalistic Leadership

Not bound by the constraint of family-business environments prescribed by

Westwood (1997), Cheng and colleagues hold that paternalism, rooted in the broad

Confucian values, is generally applicable in Chinese organizations. Many scholars

subsequently adopt that general approach to organizational paternalism (e.g., Aycan, 2006;

Cheng et al., 2004; Tsui et al., 2004; Zhou & Long, 2005). Tjosvold and Fang (2003), too,

describe paternalism as a general leadership style, not restricted to any particular types of organizations. In a review of the PL literature published mainly in Chinese language journals, Zhou and Long (2005) conclude that paternalism is popular and seems effective in various types of organizations.

Based on the assumption of its broad applicability, paternalistic leadership has been examined in qualitative studies that investigated professional basketball teams in Taiwan and mainland China (Chau, 2003), Taiwan's postal offices (Lin & Cai, 2002), a research and technology institute (Yan, 2002), and Taiwan military units (Chang, 2001). Quantitative studies also have examined PL in Taiwanese companies (Lin & Cheng, 2007), mainland Chinese management training facilities (Li, Meng, & Shi, 2007), mainland Chinese government organizations, corporations, and middle schools (Zhou & Long, 2007), and organizations in Hong Kong (Man, 2007). These studies share the same conceptual basis reviewed earlier in this paper.

Problematic Empirical Evidence for Organizational Paternalism

Despite the popular belief that paternalistic leadership is prevalent in Chinese organizations, empirical findings thus far have provided little support for such belief. Specifically, Chinese paternalism has encountered problems with construct validity and ecological validity. These problems have been ignored by researchers of paternalistic leadership.

Problems with construct validity. PL has exhibited internal inconsistency among the three dimensions as they were negatively *and* positively correlated, and sometimes unrelated. Correlations among the three dimensions from five studies found in the literature search are summarized in Table 1. None of these empirical studies has produced a reliability for paternalistic leadership, which clearly points to the lack of consistency among these three dimensions. In these studies, the total paternalism measure was never used to predict

employee outcomes. Paternalism was examined only via the three separate, internally inconsistent individual dimensions.

Problems with ecological validity. Ecological validity refers to the degree to which behaviors recorded in a study reflect the behaviors that actually occur in real-life settings. In order for PL to possess ecological validity, research must demonstrate that all three dimensions of paternalistic behaviors do occur in leaders in Chinese organizations. That is, a paternalistic leader must exhibit authoritarianism, benevolence, *and* morality. Sheer (2010) discovered, in her Hong Kong sample of employees from various organizations, that only 1.70% of the managers who scored 5 or higher (of a maximum of 7) on all three paternalistic dimensions were qualified as paternalistic leaders. This clearly manifests the weak ecological validity of paternalism.

Need to Examine Conditions for Paternalism

The construct and ecological validity problems raise the question as to whether paternalism is a practiced leadership style in today's Chinese organizations. The samples in the extant 3-dimensional paternalism studies were drawn from various untargeted organizations, as explained in the Presumed Prevalence of PL section above. With these samples, studies have gleaned little empirical evidence of the practice of paternalism. Likely, modern organizations are based on rational rules and hierarchical systems, in which the inconsistent carrot-and-stick (i.e., benevolence and authoritarianism) behaviors can severely undermine a manager's credibility and render him/her ineffective. This lack of evidence points to the need to examine the specific conditions under which paternalism might still exist and thrive. One such condition, the environment of a family business organization, as prescribed by Westwood (1997), may serve as a starting point for the search of practicing paternalism. Thus RQ1 and RQ2 were posed.

RQ1: Is the three-dimensional paternalism an internally convergent construct in Hong Kong

and mainland small Chinese family businesses?

RQ2: Is paternalistic leadership exhibited differently in small Chinese family businesses in

Hong Kong compared to those in mainland China?

Culture of Chinese Family Business (CFB)

As the discovery of practicing organizational paternalism came from Chinese family

businesses of decades ago, organizations with a culture that resemble these early CFBs still

may be a nurturing ground for paternalism. Based on past observations (e.g, Davies & Ma,

2003; Fu, Wu, Yang, & Ye, 2008; Redding, 1990; Silin, 1976; Whitley, 1992; Wong, 1995),

Chinese family businesses share a few dominant cultural traits. First, power is highly

centralized in the hands of only a few people. Decisions are conceived and made by top

management. Low-level management and employees rarely participate in decision making.

Second, hierarchy and power distance are deliberately maintained as a control mechanism.

People on the lower end of the hierarchy obey orders from more powerful persons. Third,

guanxi (i.e., personal networks) is highly valued. Loyalty to the superior is an important

criterion for promotion. Fourth, the lack of formalization leads to low transparency as

employees' responsibilities are not clearly defined. Finally, harmony is the essence of

interpersonal relationships. Conflict is suppressed and is not dealt with publicly. These traits

characterize Chinese family business in the context of leading, managing, and controlling

employees. Likely, paternalistic leaders will thrive in organizations with these CFB traits, and

Chinese small family businesses are promising venues for researchers to examine PL.

Small CFBs tend *not* to have elaborate, rational structures or well-established policies

and rules, and leaders/managers tend to exert strong individual influences. Any large

organizations, family-owned or not, likely require elaborate, formal management systems,

strong legal-rational authority, and low personalism. Thus, small CFBs were targeted for the

current study. To achieve greater generalizability, two samples respectively of mainland

China and Hong Kong (HK) were compared. In this context, H1 was proposed to investigate

the relationship between family business culture and paternalistic leadership.

H1:   Family business culture likely is related to paternalistic leadership exhibited in small

Chinese family businesses in Hong Kong and those in mainland China.

PL and Employee-Perceived Outcomes: Culture and Communication

Leadership as a goal-oriented process is grounded in task accomplishment (Robinson,

2001). The practice of a leadership style can be evaluated in terms of outcomes (Hede, 2001).

In the predominantly Western literature, communication is considered a requirement of

effective leadership as leaders must communicate to motivate and persuade followers to act

(e.g., Ashman & Lawler, 2009; Flauto, 1999; Hackman & Johnson, 2000). Yet the analysis of

the Chinese paternalistic leadership style early in this article indicates that PL is a power-

based, communicatively inexpressive style. Can an inexpressive leadership style lead to

desired employee outcomes?

To examine whether PL is an effective practicing style, its relationships with key

employee outcomes must be established. Seven employee-perceived outcomes are identified

based on measures used in a published study (Sheer, 2010) so that the current findings can be

compared with earlier findings. The three outcomes specifically relevant to PL entail personal

loyalty, organizational loyalty, and compliance (e.g., Cheng & Lin, 2010; Lin & Cai, 2002;

Pellegrini & Scandura, 2008), whereas, four typical employee outcomes relevant to any given

leadership include commitment, job satisfaction, leadership satisfaction, and relationship

satisfaction (e.g., De Cuyper & De Witte, 2006; Joo & Lim, 2009; Kaptein & Schwartz,

2008; Walumbwa, Cropanzano, & Hartnell, 2009).

The culture-based literature shows that a paternalistic leader often uses benevolence

to cultivate employees' personal loyalty to him/her and to the organization; yet, such loyalty

can be compromised when the leader exercises authoritarianism (Cheng, Chou, & Farh, 2000). The person focus (e.g., personal relationship, individual power over system rules) by the leader can also motivate subordinates to view loyalty to the leader as more important than loyalty to the organization (Sheer, 2007). Compliance, or sometimes obedience, is an often-measured outcome of paternalism. A manager's benevolence and morality can result in willing compliance. Authoritarianism theoretically leads to unwilling or habitual obedience (Fleming, 2005). Yet, empirical evidence from non-CFBs shows a negative correlation between authoritarianism and compliance (e.g., Cheng et al., 2004), which raises the issue of PL's ineffectiveness in gaining employee compliance.

From a communication perspective, managers' communication predicts employee outcomes (Madlock, 2008). Communication interactions between managers and employees can increase employees' self-worth (Orpen, 1997), enhance mutual understanding and trust (Mackenzie, 2010), and satisfy individuals' needs of pleasure and inclusion (Madlock, 2008). In fact, when managers spend time giving information, providing feedback, explaining the vision to subordinates, discussing tasks, and/or otherwise socializing with subordinates, employees reported increased organizational commitment and satisfaction with the job, the relationship, and the leadership style (e.g., Abu Bakar, Dillbeck, & McCroskey, 2010; Mackenzie, 2010).

Paternalistic leadership, however, is a power-based style that uses little persuasion. Paternalistic managers often do not identify self-direction as a key corporate value (Sarros & Santora, 2001) and discourage employee participation in decision making (Sheer, 2010). In collectivist culture, high power distance, little autonomy, and low employee participation have consistently predicted low job satisfaction (Bowen & Lawler, 1995; Hui, Au, & Fock, 2004), and poor manager-employee communication results in low trust, low-quality relationships, low commitment, and high job tension among employees (e.g., Harrison, 1995,

Huff & Kelley, 2003). In this vein, paternalistic leadership style, characterized by anemic communication, may lead to low employee outcomes such as low commitment and low job, relationship, and leadership satisfaction. However, two aspects of PL, benevolence and morality, albeit non communicative, may still positively contribute to organizational outcomes. Will PL's benevolence and morality overcome the problems associated with paternalistic leaders' poor communication and result in positive employee outcomes? RQ3 specifically addresses whether PL leads to desired organizational outcomes in the current context of small family businesses in Hong Kong and Mainland China.

RQ3:   To what degree, does paternalistic leadership as a whole relate to employee-perceived outcomes in personal loyalty, organizational loyalty, compliance, and satisfactions in job, leadership style, and leader relationship in small Chinese family businesses in Hong Kong compared to those in mainland China?

Methods

Sample and Procedures

The Hong Kong sample consisted of 251 full-time employees from 48 small family businesses with 200 people or fewer. A team of graduate students was trained to make contacts, distribute, and collect questionnaires at various small CFBs in Hong Kong (HK). An instruction sheet attached to each questionnaire stressed voluntary and anonymous participation and asked respondents to complete the questionnaire independently without any discussion with other people and to seal the questionnaire in the attached envelope. To collect data in China, a mainland scholar with connections in a mid-sized city in Jiangsu Province was hired and trained as the data collection coordinator. With the instructions being the same as those used for the HK sample, the scholar then trained a team of university students as field data collectors. These students gathered questionnaires on the sites of 37 small businesses with 200 people or fewer. The final sample size for the mainland study was 275.

The characteristics of both samples are reported in Table 2. The two samples appeared

generally compatible.

Questionnaire and Measurement

Because field survey was the main data collection method, the questionnaire length

was kept necessarily short in order to increase the probability that all questions were

answered. The questionnaire consisted mainly of previously tested measures: family business

culture (Man, 2007), paternalistic leadership (Cheng et al., 2004; Sheer, 2010), and

employee-perceived outcomes (Sheer & Chen, 2003; Sheer, 2010). These items, originally

designed in English, have a comparable Chinese version (which was derived through back-

and-forth translation procedures in the respective cited studies). The Chinese version was

used in the current study. The questionnaire first tapped respondents' perceptions of the

immediate supervisor's paternalistic leadership style, followed by family business culture.

Then respondents rated perceived employee outcomes. The rating scale for all items ranged

from 1 (very untrue) to 7 (very true). Last, factual information was gathered regarding

respondent demographics and organization characteristics.

Paternalistic leadership consisted of 3 dimensions: authoritarianism, benevolence,

and morality. A measure of 12 items, adapted from Cheng et al.'s (2004) version and used in

an earlier study with a Hong Kong sample (Sheer, 2010), tapped each dimension with four

items. For the Hong Kong sample, a principal component factor analysis yielded three

distinct factors that converged with the three conceptual dimensions. However, one morality

item had loadings below the .50 cutoff level (see Kaiser, 1970) on all three factors (i.e., .13

to .34) and was dropped from further analyses. The dropped item was "My supervisor uses

guanxi (personal networks) to solicit personal gains." A rerun of the remaining items

produced three clear-cut factors, each with an Eigen value greater than 1, accounting for

69.91% of the variance. See Table 3 for details. Reliability analysis showed that

authoritarianism, benevolence, and morality had Cronbach's alphas of .80, .85 and .75 respectively. Yet the reliability for the total scale was only .60, unreliable for further statistical tests.

For the China sample, a similar factor analysis procedure was performed, resulting in three interwoven factors. An authoritarianism item, "My supervisor demands obedience from subordinates," and a morality item, "My supervisor uses *guanxi* to solicit personal gains," manifested double loadings. A rerun of the factor analysis without these two items generated three conceptually consistent factors, each with an Eigen value greater than 1. The total variance accounted for was 69.29% (see Table 3 for details). The subsequent reliability analysis yielded Cronbach's alphas of .72, .84 and .82 for authoritarianism, benevolence, and morality respectively. The reliability for the total PL scale was .73.

PL's benevolence and morality carried identical items in both samples, but authoritarianism had four items in the Hong Kong sample and three in the China sample. Any analysis of authoritarianism involving both samples demanded identical items. Thus, the item, "My supervisor demands obedience from subordinates," was dropped from the authoritarianism measure for the Hong Kong sample; the remaining three items identical to the ones used for the China sample yielded a Cronbach's alpha of .78.

Chinese family business culture. With a basis in the extant literature, Man (2007) created and tested the ten items measuring Chinese family business culture. These ten items exhibited high internal consistency (Cronbach's alpha = .85). In the current study, these items yielded a Cronbach's alpha of .87 and .88 for the respective Hong Kong and China samples. See Table 4 for the specific items.

Employee-perceived outcomes were examined through the reviewed seven overall aspects: personal loyalty to supervisor, organizational loyalty, compliance, commitment, job satisfaction, leadership satisfaction, and satisfaction with the relationship with the supervisor.

Single items used in the early field studies (Man, 2007; Sheer, 2010) measured these seven

aspects:

> I am loyal to my supervisor (personal loyalty).
>
> I am loyal to my organization (organizational loyalty).
>
> I fully comply with my supervisor's work-related requests (compliance).
>
> I can see myself staying in my organization for a long, long time (commitment).
>
> I am happy with my job (job satisfaction).
>
> I am satisfied with my supervisor's leadership style (leadership satisfaction).
>
> I am satisfied with the relationship with my supervisor (supervisor relationship
>
> > satisfaction).

Single items are superior to multi-item measures in capturing cumulative, overall

perceptions for samples with respondents of heterogeneous backgrounds (as in the current

samples), as multi-items scales often include specific attributes that may differ in relevance to

differed populations (Olsen & Johnson, 2003; Scarpello & Campbell, 1983; Wanous,

Reichers, & Hudy, 1997).

Results

Paternalistic Leadership and Its Dimensions (RQ1)

The factor analyses detailed in the measurement section showed that PL's

authoritarianism, benevolence, and morality held up well as three distinct facets for both the

HK and China samples. Benevolence explained more variance than did either of the other

two factors in both samples (see Table 3). Regarding inter-correlations (i.e., Pearson's r's),

the two samples showed different patterns. For the HK sample ($n = 251$), authoritarianism

was negatively related with benevolence ($r = -.26$, $p < .01$) and morality ($r = -.15$, $p < .05$),

and benevolence was positively correlated with morality ($r = .20$, $p < .01$). The total PL scale

(i.e., all three dimensions included) was unreliable (Cronbach's alpha = .60). For the China

sample ($n = 275$), authoritarianism was positively correlated with both benevolence ($r = .46$, $p < .01$) and morality ($r = .16$, $p < .01$), but morality was not related to benevolence (see Table 5 for details). The total PL scale was reliable (Cronbach's alpha $= .73$) for the China sample.

In answering RQ1, for the Hong Kong sample, paternalism did not hold as a coherent, internally consistent construct due to a lack of consistent directions of correlations among the three dimensions, and the total PL score could not be calculated due to the low reliability for the total scale. For the China sample, paternalism generally held as an internally consistent construct except for the lone non-significant relationship between morality and benevolence. As a result, paternalism of the Hong Kong sample could be examined only through its individual dimensions.

Exhibited Levels of Paternalism (RQ2)

The three paternalism dimensions were compared between the Hong Kong and China samples with independent-samples t-tests. For authoritarianism, China managers scored higher ($M[SD] = 5.13[1.12]$) than did the Hong Kong counterparts ($M[SD] = 4.61[1.19]$), $t(df) = 5.12$ (524), $p(2\text{-}tailed) < .001$. For benevolence, managers in China again scored higher ($M[SD] = 4.71[1.23]$) than did the Hong Kong managers ($M[SD] = 4.33[1.26]$), $t(df) = 3.52$ (522), $p(2\text{-}tailed) < .001$. However, China managers displayed much lower morality ($M[SD] = 3.86[1.54]$) than did the Hong Kong counterparts (M[SD] = 5.38[.81]), $t(df) = -5.12$ (524), $p(2\text{-}tailed) < .001$. The overall paternalism for the China sample had a mean of 5.22 (SD $=1.34$).

To answer RQ2, paternalism as a whole for the Hong Kong sample could not be assessed because the total PL scale (consisting of all three dimensions) could not produce an acceptable reliability; the China sample showed relatively high paternalism. For the individual dimensions, Chinese managers were rated higher on authoritarianism and

benevolence, but lower on morality than were the Hong Kong counterparts.

Paternalism and Family Business Culture (H1)

An independent-samples t-test produced no statistical difference in levels of family business culture between the two samples. For the HK sample ($n = 251$), family business culture was positively correlated only with authoritarianism ($r = .38, p < .01$). For the China sample ($n = 275$), family business culture positively correlated with overall paternalism, authoritarianism, and morality (but not benevolence). Thus, H1, which predicted an association between family business culture and paternalistic leadership, was largely supported. See Table 5 for details.

Paternalism and Employee-Perceived Outcomes: HK versus China (RQ3)

For RQ3, overall paternalism for the China sample correlated positively to all measured outcomes, with Pearson's r's ranging from .36 to .46 (see Table 6). Due to its unreliability, paternalism as a whole for the Hong Kong sample could not be used.

For additional information, standardized correlation coefficients were calculated as multiple correlations between employee outcomes and the dimensions of paternalistic leadership. Authoritarianism in the HK sample was negatively related with organizational loyalty (standardized $r = -.17, p < .05$) and positively related with compliance (standardized $r = 16, p < .05$). For the China sample, authoritarianism was positively related to personal loyalty, organizational loyalty, compliance, and job satisfaction. See Table 6 for details.

Benevolence in the HK sample was positively related to all outcome variables (see Table 6). For the China sample, benevolence exhibited positive correlations with all employee-perceived outcomes (Table 6).

Morality for the HK sample had significant standardized correlation coefficients with job satisfaction and relationship satisfaction (Table 6). For the China sample, morality showed weak, negative correlations with personal loyalty and organizational loyalty (see

Table 6).

Finally, independent-samples *t*-tests were computed to compare the HK and China samples with regard to the seven measured outcomes. Mainland respondents perceived greater organizational loyalty, compliance, commitment, job satisfaction, leadership satisfaction, and supervisor relationship satisfaction than did their HK counterparts. See Table 7 for detailed statistics.

Discussion

With a sample of China's small family businesses (CFBs), the current study likely was the first to discover that the three-dimensional paternalistic leadership measure as a whole was a reliable scale. The Hong Kong sample showed patterns consistent with the extant findings unsupportive of paternalism.

Paternalistic Leadership Held in China but Not in Hong Kong

The three dimensions, authoritarianism, benevolence, and morality, were mostly positively correlated in the China sample. More importantly, the total scale for paternalism reached a reliability of .73. Mainland Chinese respondents observed that their supervisors exhibited relatively high authoritarian and benevolent behaviors, but showed low moral acts (i.e., below the scale midpoint of 4). Paternalistic leadership style, despite its communicative inexpressiveness, was quite effective in these small family businesses. Specifically, PL positively predicted subordinates' personal and organizational loyalties, organizational commitment, compliance, and satisfactions with the job, the leadership, and the relationship with the manager. Standardized correlation coefficients showed that benevolence, among the three dimensions, was the strongest predictor of positive employee outcomes. Perhaps benevolence was able to overcome communication deficiency. These findings lend some validity to the prevalent claim that Chinese paternalistic leadership is a practiced style (see the literature review), albeit only in small family businesses in mainland China.

Findings regarding paternalistic leadership from the Hong Kong sample were quite similar to the extant empirical evidence; the three internally inconsistent dimensions rendered paternalism un-analyzable as a whole. Specifically, authoritarianism predicted (based on standardized correlations) only compliance gaining positively and organizational loyalty negatively, but revealed no relationships with the remaining employee-perceived outcomes. Benevolence bore moderate positive correlations with all outcomes; morality exhibited weak positive correlations with job satisfaction and relationship satisfaction. Clearly, benevolence stood out as the most effective element of the three dimensions, and authoritarianism was the least effective.

When the HK and China findings were compared with regard to PL's three dimensions, benevolence appeared to be the aspect that worked the best in both samples. Authoritarianism seemed effective to a certain degree in the China sample, but entirely ineffective in the Hong Kong respondents. Morality, showing few statistically significant relationships with outcomes, was the weakest dimension of the three in both samples. Further, Chinese managers were rated slightly higher on authoritarianism and benevolence, but much lower on morality than were their HK counterparts. Nonetheless, mainland managers' low morality did not seem to discourage their subordinates, who surprisingly reported greater loyalty, commitment, and satisfaction with the leadership than did their HK counterparts. The unexpected findings deserve further inquiry.

Conditions for Paternalism: Beyond Family Business Culture

The current findings provide initial evidence that paternalistic leadership exists in small family businesses in mainland China. However, given the similar levels of family business culture, a question arises as to why the three dimensions of paternalistic leadership held as a coherent construct in the China sample but not in the Hong Kong sample. Further, the HK sample validated authoritarianism as a negative contributor or non-contributor to

employee-perceived outcomes; yet, authoritarianism and overall paternalism generally were positive contributors to the same employee-perceived outcomes in the China sample. In examining the evolution of businesses, Wren (2005) concluded that paternalistic leadership is historically a prevalent management style in the early capitalistic businesses in which rules and commands dominated organizational activities and persuasion was not needed. Perhaps CFBs' characteristics (e.g., vertical power structure and person-orientation) largely resemble the conditions that nurtured paternalism in the early stage of industrialization, whereas small businesses in Hong Kong possibly have advanced beyond the early historical business model of paternalism.

Further, PL may, regardless of culture, require certain follower characteristics, those of a needy child with a sense of dependency. Follower characteristics (other than the demographics) in China's small family businesses may differ from those in Hong Kong. Possibly, other conditions such as organizational history, business laws, and external environment may play a role. Future studies can examine conditions beyond family business culture. To understand further why paternalistic leadership appeared effective in CFBs such as the ones sampled in China in the current study, researchers need to uncover the intrinsic leadership process of communication.

Possible Role of Communication in Paternalistic Leadership Processes

The extant empirical findings are not supportive of the existence of paternalistic leadership as *one* coherent leadership style, which has rendered research on the communication process of that style unnecessary. The results supportive of the existence of paternalistic leadership make investigating communication as the intrinsic leadership process a meaningful task—but only in small CFBs in China. Specifically, the current findings call for future research endeavors into examining the communication processes of paternalistic leaders in terms of identifying the types of organizations in which PL is likely practiced,

raising questions about the role of communication, and recognizing possible unique leadership-member interaction patterns. Paradoxically, the PL's effectiveness suggests diminished need of communication in completing essential organizational tasks (e.g., production).

High power distance tends to lower managers' need for persuasion. With a great deal of power over employees, paternalistic leaders seemed quite effective in the mainland CFBs. Possibly, communication was directive in task situations and the overall level of communication was not high in those CFBs. As no published study has examined the intrinsic communication processes of paternalistic leaders in mainland CFBs, qualitative studies are warranted in order to discover (a) communication themes in daily manager-employee interactions; (b) how these themes may fit into the PL framework of authoritarianism, benevolence, and morality; (c) situations in which these themes occur and recur; and (d) a possible series of events in which authoritarian, benevolent, *and* moral communication acts occur. These qualitative studies potentially can explain why the three PL dimensions, perceived as inconsistent elsewhere, may be reconciled by employees in mainland CFBs.

Equally important, research needs to probe how paternalistic managers interact with subordinates; particularly, how subordinates react to managers' paternalistic behaviors and then act. Reciprocity, upward communication, dependence and interdependence, and their effects are relevant aspects in this context. Via such research efforts, communication patterns unique in paternalistic organizations are likely to emerge.

Implications

Theoretically, paternalism as a general leadership construct is further called into question due to the lack of empirical support from the Hong Kong sample. Thus, the scope of Chinese paternalistic leadership may be restricted to only small Chinese family businesses.

That benevolence, rather than authoritarianism, was the most salient aspect for paternalism warrants further theorizing in terms of the weight and the inter-relationships of the PL dimensions. Practically, that PL worked in mainland CFBs probably does not warrant PL training for such organizations, as PL has not worked in other types of Chinese organizations. Although overall paternalistic leadership was positively correlated with all employee outcomes, benevolence, among the three PL dimensions, exhibited the strongest standardized correlation coefficients with these outcomes. The strong showing of benevolence may have contributed to the positive employee outcomes despite inadequate communication by paternalistic leaders. Perhaps benevolent acts enable employees to feel good and become motivated to complete tasks without much persuasion or explanation from managers. The practical benefits of paternalism may rise mostly from a leader's benevolent behaviors.

Limitations

Obviously, any study with a convenience sample is limited in the generalizability of its findings, and this study is no exception. Particularly, the findings supportive of paternalistic leadership as a coherent style were from one lone sample of mainland CFBs. With the extant studies considered, one needs to exercise caution in generalizing current findings to other settings. Furthermore, only the employees' perspective was examined, which may have painted a partial picture. Future research needs to investigate managers' accounts of paternalistic leadership. Although mainland Chinese respondents reported accepting of and even being satisfied with inconsistent paternalistic behaviors, a longitudinal study is needed to track whether and how employees' attitudes may change when the internal and external conditions change. Worthy efforts can be spent in exploring communication processes in mainland Chinese family-owned businesses.

Conclusion

Previous empirical findings do not support Chinese paternalistic leadership as a

coherent, three-dimensional construct. With targeted samples of small Chinese family businesses (CFBs), the current study likely is the first that discovered that paternalistic leadership was coherent and practiced (but only in mainland CFBs). However, much the same as the existing findings, evidence gleaned from the sample of Hong Kong CFBs still did not validate paternalistic leadership as a coherent style. Thus, the relevance of paternalistic leadership may be restricted to the likes of the mainland CFBs in the present sample. To understand further the driving forces behind Chinese paternalistic leadership in those CFBs, researchers can examine the intrinsic communication processes involving the leader and the followers.

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Table 1

Correlations among the Three Dimensions of Paternalistic Leadership in Previous Studies

Study	Sample Description	*n*	A-B	A-M	B-M
Cheng & Lin (2010)	Managers from 70 Chinese businesses in Taiwan and mainland China	376	-.29**	-.29**	.46**
Cheng et al. (2004)	Low- and mid-level managers from 60 enterprises in Taiwan	605	-.35**	-.54**	.64**
Li et al. (2007)	Students, full-time employees of unspecified organizations, in management training classes in mainland China	288	-.17*	-.24**	.58**
Sheer (2010)	Full-time employees from approximately 36 Chinese organizations in Hong Kong	176	.06	-.17*	.35**
Zhou & Long (2007)	Employees from 14 nonprofit organizations and enterprises in mainland China	428	.01	-.24**	.38**

Notes. 1. A-B, A-M, and B-M represent respective correlations between authoritarianism and benevolence, authoritarianism and morality, and benevolence and morality
2. * and ** indicate respective 2-tailed significance at .05 and .001.

Table 2

Sample Characteristics

	HK M(SD)	China M(SD)
Sample Size (*n*)	251	275
Respondent Sex		
Male	45.4%	53.6%
Female	54.6%	44.6%
Respondent Tenure (years)	5.93(5.36)	5.73(5.36)
Organization Type		
Manufacturing	10.4%	20.7%
Service	45.6	31.2%
Retail	10.4%	6.7%
Construction	5.2%	12.7%
Banking/Finance	8.4%	8.7%
Real Estate	4.8%	5.1%
Education	4.8%	2.2%
Other	10.4%	12.7%
Supervisor Sex		
Male	58.8%	70.3%
Female	41.8%	29.4%
Supervisor Position		
Low-level	26.7%	26.1%
Mid-level	50.6%	59%
High-level	22.7%	14.9%
Supervisor Tenure (years)	10.60(7.61)	9.16(6.45)
Years under Supervisor	4.05(3.62)	4.06(3.72)

Table 3

Factor Analysis of Paternalistic Leadership Items

Scales	Factor Loadings	
	HK	China

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1. *Authoritarianism*

My supervisor insists that subordinates follow his/her rules.	.76	.73
My supervisor makes most of the decisions for our work unit.	.79	.75
My supervisor exercises strict discipline over subordinates.	.77	.81
My supervisor demands obedience from subordinates. *	.80	
Eigen Value	2.21	3.43
Variance Explained	.192	.108

2. *Benevolence*

My supervisor devotes his energy to taking care of subordinates.	.86	.81
My supervisor does not mind spending a long time with subordinates.	.76	.66
My supervisor will take care of a subordinate's family members as well, if needed.	.81	.79
My supervisor will help me when I am in an emergency	.84	.84
Eigen Value	3.67	1.08
Variance Explained	.318	.336

3. *Morality***

My supervisor sometimes takes advantage of subordinates for personal gains.	.76	.80
My supervisor used his/her authority to seek special privileges.	.84	.89
My supervisor sometimes takes credit for the things he/she didn't do.	.83	.92
Eigen Value	1.83	2.97
Variance Explained	.162	.250

Note. * This item, dropped in the China sample, was also dropped in the Hong Kong sample for comparisons of both samples. ** indicates that all items were reverse-coded.

Table 4

Family Business Culture

_____

Scale

_____

In my organization, the power is held in the hands of only a few people.
Decisions are made by the top management.
Personal *guanxi* networks are very important in order to get promoted.
Managers often keep distance from their subordinates.
Organizational operations are determined by power individuals.
To be promoted, personal loyalty to supervisors is more important than work performance.
The organizational culture is not transparent.
Individual employees' responsibilities are not clearly defined.
Harmony is highly valued.
Conflict is suppressed.

_____

Table 5

Intercorrelations of Dimensions of Paternalistic Leadership and Family Business Culture

	PA	PB	PM	P
HK Sample				
Authoritarianism (PA)				
Benevolence (PB)	-.26**			
Morality (PM)	-.15*	.20**		
Family Business Culture	.38**	.01	.07	
China Sample				
Authoritarianism (PA)				
Benevolence (PB)	.46**			
Morality (PM)	.16**	-.09		
Paternalism (P)	.75**	.71**	.55**	
Family Business Culture	.21**	-.05	.61**	.38**

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

Table 6

Standardized Correlation Coefficients between Employee Outcomes and Paternalistic Dimensions

Employee Outcomes	Hong Kong				China				
	PA	PB	PM	R^2	PA	PB	PM	R^2	PL
Personal Loyalty	-.07	.51**	.04	.263	.16*	.55**	-.16*	.437	.42**
Organizational Loyalty	-.17*	.40**	.09	.173	.32**	.40**	-.20**	.412	.42**
Compliance	.16*	.43**	.02	.167	.28**	.25**	-.04	.203	.36**
Commitment	.09	.30**	.01	.08	.10	.44**	-.05	.247	.36**
Job Satisfaction	-.03	.42**	.12*	.214	.18*	.49*	-.09	.363	.44**
Leadership Satisfaction	-.07	.53**	.10	.334	.07	.63**	-.07	.447	.46**
Relationship Satisfaction	-.05	.55**	.13*	.363	.10	.58**	-.06	.400	45**

Notes. 1. PA, PB, PM and P represent authoritarianism, benevolence, morality and paternalism respectively.
2. * and ** indicate respective 2-tailed significance at .05 and .001.
3. PL represents paternalistic leadership as a whole (only possible for the China sample). Correlations in this column are Pearson's r's.

Table 7

Independent Samples t-tests Comparing HK and China Samples

Variables	HK *M(SD)*	China *M(SD)*	*t*	*df*	*2-tailed p<*
Family Business Culture	4.83(.82)	4.71(1.34)	1.214	454.31	ns
Personal Loyalty	4.70(1.44)	4.92(1.42)	-1.76	524	ns
Organizational Loyalty	4.80(1.38)	5.07(1.29)	-2.239	524	.05
Compliance	4.57(1.36)	5.03(1.23)	-4.08	505.5	.001
Commitment	4.76(1.52)	5.07(1.32)	-2.53	497.81	.05
Job Satisfaction	4.71(1.41)	4.98(1.32)	-2.27	523	.05
Leadership Satisfaction	4.43(1.62)	4.91(1.46)	-3.59	524	. 001
Relationship Satisfaction	4.71(1.40)	4.99(1.39)	-2.30	523	.05