



Leader–member exchange (LMX), paternalism, and delegation in the Turkish business culture: An empirical investigation

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Abstract

Although businesses increasingly operate across cultures, there is a paucity of research that examines the influence of national culture on leadership practices. This study uses a structural equation modeling approach to investigate relationships among leader–member exchange (LMX), delegation, paternalism, and job satisfaction in Turkish business organizations. Results from a survey study of $N=185$ full-time employees from Turkish companies support the relationship of LMX to delegation and job satisfaction. However, the effect of LMX on job satisfaction is mediated by paternalism, an emic cultural dimension. Results suggest that delegation might not be an effective management tool in the Middle Eastern context.

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Introduction

Almost 200 years ago, Alexandre Ledru-Rollin, one of the leaders of the French Revolution, stated ‘There go the people. I must follow them, for I am their leader’ (Platt, 1993). Ledru-Rollin’s comment may have had relevance at that place and time, but the dilemma for today’s leaders is whether or not to follow culturally diverse subordinates. Published studies adopt mainly ‘North American research templates’, an issue that Tung (2003) refers to as ‘diverse homogeneity’ (p. 3). Understanding a diversified workforce is a particularly challenging element of global business with the advent of increasing emphasis on teamwork, innovation, customer relations, change management, and offshore outsourcing. Practitioners and academicians often gain knowledge of practices socialized into the North American mindset, but difficulties may arise when they apply these practices to different cultures. For example, delegation is widely accepted to be an essential element of effective management (Yukl, 2002), but our understanding of delegation in non-US cultures is limited.

Delegation might be effective in some cultures and not in others. Still, research has yet to examine delegation in a cross-cultural context. Although this omission has been noted (Scandura *et al.*, 1999; Yukl, 2002), research that examines the cultural context of leader–member exchange (LMX) relationships has focused primarily on Asian cultures (Wakabayashi *et al.*, 1988; Graen and

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Wakabayashi, 1994; Hui *et al.*, 1999). Researchers have only recently begun to study LMX relations in the Middle Eastern context (Pillai *et al.*, 1999; Erdogan and Liden, 2002; Erdogan *et al.*, 2003). Yet, more research on leadership in the Middle East is needed (Thomas *et al.*, 1994; House *et al.*, 1999; Scandura *et al.*, 1999), given its growing potential for business ventures.

Cultural differences are conceptualized as differences in shared values, and are defined as 'broad tendencies to prefer certain states of affairs over others' (Hofstede 1994, p. 8). Therefore, multicultural work environments require the effective management of diverse values. The impact of cultural values on work-related attitudes has recently been recognized, and has resulted in more research on leadership in cross-cultural contexts (House *et al.*, 1999; Dickson *et al.*, 2003).

The purpose of this study is to examine the relationships among LMX, delegation, and job satisfaction in Turkish business organizations. We also introduce and examine the effects of a relatively new cultural dimension, referred to as *paternalism* (James *et al.*, 1996; Aycan, 2005). First, we introduce the Turkish cultural context, briefly summarize relevant literatures, and introduce our hypotheses. Next, we test our hypotheses and discuss specific cultural differences that might lead to discrepancies between American and Turkish employees' work-related preferences.

Theoretical development

Cultural dimensions

Culture is defined in terms of shared ways of thinking, feeling, and reacting; shared socially constructed environments and commonly experienced events including the history, language, and religion of their members (Triandis, 1972; Schein, 1992). Hofstede (1980) defines culture as 'the collective mental programming of the people in an environment' (p. 16), and asserts that cultural values have significant impact on organizational behavior. Cross-cultural researchers study value dimensions that are argued to moderate the effects of managerial practices on employee behavior (Erez, 1994). For example, Hui *et al.* (2004) found power distance to moderate the effect of empowerment on job satisfaction, such that empowerment had a stronger effect on job satisfaction in low-power distance cultures (Canada) than in high-power distance cultures (China).

Hofstede (1980) identified four dimensions that distinguish national cultures. *Uncertainty avoidance* refers to the extent to which individuals feel threatened by and try to avoid uncertain and ambiguous situations. *Power distance* is the degree to which individuals expect and agree that power should be distributed unequally in the society. The Turkish cultural system is classified as being high on power distance and uncertainty avoidance, whereas the United States is low on both of these cultural dimensions (Hofstede, 1980; House *et al.*, 1999). In Turkey, organization charts resemble a pyramid-like structure, and there is almost no formal horizontal communication among employees (Sargut, 2001). In these systems, uncertainty is reduced through high-power distance, and each member accepts authority without question. This uncertainty avoidance reflects the society (or organization), as the boss' directives are accepted without question. In situations where uncertainty cannot be avoided, individuals then turn to God or the military to reduce the negative impact of uncertainty on the society (Sargut, 2001). Thus, Turkish society must maintain its high-power distance structure to overcome uncertain circumstances.

In Turkey, owing to high power differences, organizations (and society at large) maintain inequality among members by stratification of individuals and groups with respect to power, prestige, status, wealth, and authority. Titles are used when addressing others who are not intimate friends. In business organizations, dining places, parking spaces, and restrooms are generally separated according to the status of the employees. In addition, benefits such as private health insurance coverage are allocated on a hierarchical basis (e.g., management's families are covered whereas employees' families are not). The way people address each other in society also reflects status differences. Lower-status people are addressed by their first names, whereas for higher-status people different prefixes are added before their first names (e.g., John, a blue-collar worker, will refer to Susan, a secretary, as Ms. Susan whereas Susan will call him simply John). Socioeconomic status is so critical in the Turkish culture that it is a more important status source than gender; women from high socioeconomic status families are often employed in high-status jobs (Kabasakal and Bodur, in press).

The third dimension that Hofstede (1980) identified is *masculinity*. It is also referred to as *assertiveness* (House *et al.*, 1999), which focuses on



competition, success, confrontational social relationships, and limited emotional involvement with others. Turkey and the US are again at opposite poles. Turkey is low and the US is high on assertiveness (Hofstede, 1980; House *et al.*, 1999). This might explain why Turkish managers try to build close relationships and avoid conflicting situations with their subordinates. For Turkish managers, it is important that subordinates have positive feelings toward them, reflecting what Hofstede refers to as a feminine culture (Sargut, 2001).

The fourth dimension is *collectivism* (vs individualism), which reflects the degree to which the society encourages and rewards collective action. In collectivistic cultures, the identity of members is shaped primarily by the groups to which they belong, in comparison with individualistic cultures, where personal choices and achievements shape the identity of members. Turkey is a collectivistic culture, whereas the US is an individualistic culture (Hofstede, 1980; House *et al.*, 1999). Interestingly, in Hofstede's study (1980) the cultural values of 40 different countries were measured, yet there was no collectivistic country that was low on power distance. This suggests that low-power distance may not be consistent with collectivistic value systems, which might explain the difficulties that many collectivistic countries face in sustaining democracy, given that collectivism creates a climate that thwarts the practice of individual liberties (Sargut, 2001).

The collectivistic nature of Turkish culture has also been attributed to the religion of the population. In Turkey, 99.8% of the population are Muslims (World Fact Book, 2004), and 90% of them belong to the Sunni sect (Kabasakal and Bodur, 2002). The social and ethical obligations of a Muslim are based on the belief that the Islamic community is a brotherhood, and this notion of collectivity is stressed in the Sunni doctrine. Furthermore, according to a recent study conducted by Taylor (2003), religion might explain the high scores on power distance and uncertainty avoidance in many Arabic countries. The Muslim cluster in the study included Egypt, Indonesia, Iran, Iraq, Kuwait, Lebanon, Libya, Malaysia, Saudi Arabia, Turkey, United Arab Emirates, and Pakistan. Taylor's results suggested a high correlation between the Muslim religion and the dimensions of power distance and uncertainty avoidance. The combination of these two dimensions fosters a climate in which leaders have ultimate power and

authority. Also, rules, laws, and regulations developed by those in power reinforce their own power and control.

The findings of Bond (1988) and Schwartz (1994) introduced another dimension, referred to as *long-term orientation*, which was later added as a fifth dimension of national culture (Hofstede and Bond, 1988). This dimension refers to the fostering of values oriented toward future rewards, and perseverance and thrift in particular. Its opposite pole, *short-term orientation*, refers to fostering of values related to the past and present, specifically respect for tradition and the fulfillment of social obligations (Hofstede, 2001). Hofstede (2001) reports that the US is low on long-term orientation. Kabasakal and Bodur (in press) report that Turkey is also below the world average on a similar dimension, which they refer to as *future orientation*. Future orientation was defined as the extent to which the society encourages and rewards future-oriented behaviors, such as delaying gratification, planning, and investing in the future. As discussed in the next section, these cultural differences have implications for leadership in Turkish organizations.

LMX and delegation in the Turkish context

Given the above discussion of the cultural context of Turkey, there appears to be some implications for LMX and delegation. In Turkey, the dyadic relationship between a supervisor and a subordinate may reflect the influence of collectivism. Collectivists place a premium on maintaining relationships, and place more emphasis on obligation and loyalty (Sullivan *et al.*, 2003). For collectivists, relationships have a normative component, whereas principles of exchange are more operational for individualists (Wasti, 2003). Thus, collectivists may have greater tolerance and may feel more compelled to maintain a high-quality exchange despite minor violations of trust by the leader. Also, LMX may be related to delegation; however, the supervisors' power-sharing behavior may not result in job satisfaction as it does in the US (Schriesheim *et al.*, 1998). This is because, in high-power distance cultures, employees are accustomed to taking orders from their supervisors and may neither expect nor desire to be delegated (Hui *et al.*, 2004). With respect to job attitudes, we expect that paternalism will be related to job satisfaction. In the Turkish context, paternalism might be more salient to employees than LMX or delegation of authority by the boss. Our model is summarized in Figure 1, and next we

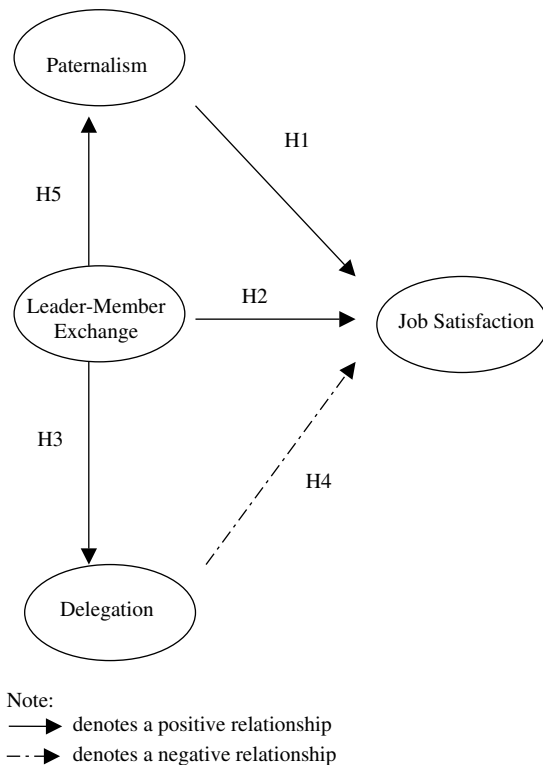


Figure 1 Model summarizing hypothesized relationships.

derive specific hypotheses about paternalism, LMX, and delegation.

Paternalism

One important task for cross-cultural leadership researchers is to identify universal (etic) and culturally contingent (emic) aspects of leadership theory (Dickson *et al.*, 2003). Therefore, in addition to the etic research described above, it is also important to identify and examine emic (culture-specific) dimensions. The ideal way to develop universal theories is to conduct emic research in different cultures, and then examine the extent to which the dimensions seem sensible in other cultures (Sargut, 2001). Accordingly, this paper will also study the effects of a sixth dimension referred to as *paternalism*, which has recently been added to the discussion of cultural value dimensions (James *et al.*, 1996; Aycan, 2005). Paternalism indicates that managers take a personal interest in the workers' off-the-job lives and attempt to promote workers' personal welfare (Pasa *et al.*, 2001). In paternalistic cultures, people in authority assume the role of parents and consider it an obligation to provide protection to others under their care. Subordinates, in turn, reciprocate such care and

protection of the paternal authority by showing loyalty, deference, and compliance. In a paternalistic relationship, the follower voluntarily depends on the leader, and because compliance with authority cannot be perceived as something to be done voluntarily, paternalism has been perceived negatively in the Western context. This has been reflected in metaphors regarding paternalistic leadership, such as 'benevolent dictatorship' (Northouse, 1997, 39), 'cradle to grave management' (Fitzsimons, 1991, 48), 'country club management style' (Winning, 1994), and 'noncoercive exploitation' (Goodell, 1985, 252). However, in Turkey this type of relationship is based on the assumption of power inequality between the leader and the follower, which is socially accepted and not resented by those lower in the hierarchy.

In a cross-cultural study involving 10 nations, Turkey scored very high on paternalistic values (Aycan *et al.*, 2000). This might be due to the Turkish family structure, where members are expected to comply with the decisions and directions of the father without question. Norms that are created in the family are extended to other institutions in society and promote acceptance of inequalities in power distribution. Also, in the Middle East the concept of leadership is rooted in traditional military concepts of leadership (Scandura *et al.*, 1999). The effectiveness of paternalistic leadership in the Turkish business culture, which stems mainly from acceptance of power inequalities, can be attributed to the influence of military culture in creating and sustaining hierarchical relationships in social institutions, including the workplace. For example, during the last four decades there have been two major military *coups d'état* (in 1960 and 1980). Furthermore, the legacy of a highly structured bureaucracy left by the Ottoman Empire is superimposed on every aspect of social life, which reinforces authoritarian management practices (Dorfman and House, 2004).

The inconsistencies of a developing economy also add to the need for a paternalistic leadership style. As compared with many century-old companies in the US (e.g., Ford Motor Company, The Coca-Cola Company, Levi Strauss & Co.), the lifetime of companies in Turkey is rather limited. In Turkey, such enduring establishments are generally state-owned businesses, such as the postal service and the police force. Therefore, the business environment and the relationship between leaders and employees are significantly different between the two countries. In an economically unstable

environment, it is important for employees to feel secure, protected, and cared for, which makes the paternalistic style of leadership an effective strategy in developing countries, such as Turkey.

In her study of Mexican organizations, Martinez (2005) suggests that, in paternalistic cultures, managers are seen as the caretakers and family of the workers. Employees expect their manager to act as a caring and protective head of the industrial household (Kerfoot and Knights, 1993). Further, in collectivistic societies personal relationships are highly valued, and employees expect frequent contact. As Martinez (2005, 84) states: 'Workers require very special treatment.' Therefore, based upon high expectations for paternalism and the collectivistic nature of the Turkish society, we expect to find paternalistic managerial behavior to be positively associated with employee job satisfaction (see Figure 1).

Hypothesis 1: Managerial paternalistic behavior will be positively associated with employee job satisfaction.

Leader-member exchange

Researchers have identified a need for more studies of LMX in the Middle Eastern context (Thomas *et al.*, 1994). Scandura *et al.* (1999) called for more studies focusing on specific countries in the Middle East to move beyond the assumption of the region as having a unified culture. For example, language plays an important part in the formation of a collective culture. In Turkey, the official language is Turkish (uses the Latin alphabet), whereas its neighboring countries, such as Iraq and Syria, speak Arabic. On the other hand, Iran, Turkey's eastern neighbor, speaks predominantly Persian (World Fact Book, 2004).

The unifying role of Islam in this region plays an important role in creating a common culture in the Middle East. In addition, the presence of Ottoman influence over the region has been a driving force towards commonalities in socio-cultural values and practices in these societies. However, differences exist between the various countries, and leadership practices may vary across the Middle Eastern region (Kabasakal and Bodur, 2002). This study addresses this call, and studies LMX relationships specifically in Turkey.

According to LMX theory, effective leadership occurs when leaders and followers maintain a high-quality exchange relationship characterized by a

high degree of mutual trust, respect, and obligation (Graen and Scandura, 1987; Graen and Uhl-Bien, 1995). In the US, LMX researchers have reported positive outcomes of high-quality relationships for leaders, followers, and organizations, including higher performance ratings, higher job satisfaction, greater satisfaction with supervisor, stronger organizational commitment, and more positive role perceptions (Gerstner and Day, 1997; Liden *et al.*, 1997). Graen and Uhl-Bien (1995) state that leaders should develop high-quality exchanges with all subordinates, rather than with just a few, thus making the entire work unit an 'in-group'. However, researchers should test the fit of basic LMX assumptions in cultures other than the United States before moving on to later stages in LMX theorizing.

Previous research has found the quality of the LMX relationship to be positively associated with employee job satisfaction (Pillai *et al.*, 1999; Liden *et al.*, 2000; Masterson *et al.*, 2000). In the Turkish context, we also expect to see a positive association, owing to the pervasive influence of paternalism in Turkish organizations, where the employees expect frequent and close contact, care, and protection. In fact, Uhl-Bien *et al.* (1990) suggest that managerial paternalism in Japanese business organizations may originate from a high-quality exchange (LMX) relationship between the paternalistic manager and the employee.

Hypothesis 2: LMX will be positively associated with employee job satisfaction in the Turkish context.

LMX researchers have also conceptualized delegation to be a consequence of high-quality LMX relationships, and empirical studies have indeed found delegation to be a significant correlate of LMX quality (Scandura *et al.*, 1986; Graen and Scandura, 1987; Sparrowe, 1994; Bauer and Green, 1996; Liden *et al.*, 1997; Schriesheim *et al.*, 1998; Yukl and Fu, 1999). Delegation involves taking risks (Leana, 1987), and high-quality exchanges characterized by mutual trust and obligation create a suitable environment for the leader to delegate authority. Subordinates who have high-quality exchange relationships with their supervisors are more likely to be receiving the trust, resources, and authority that are prerequisites of delegation (Schriesheim *et al.*, 1998; Yukl and Fu, 1999).

Following previous research findings, we also expect to find higher levels of delegation in

high-quality LMX relationships. In paternalistic cultures, decision-making is authoritative rather than empowering (Uhl-Bien and Maslyn, 2005). In fact, as one Turkish manager in our sample stated: 'I listen to everyone's point of view. That's how democratic I am. In the end, I always proceed with my initial decision.' In such authoritative business contexts, managers may be willing to show paternalistic treatment to the employees with whom they have a favorable exchange relationship. In fact, Bass (1990) suggests that, in paternalistic cultures, high-quality LMX relationships may be manifested in the development of paternalistic leadership. In paternalistic cultures, managers control decision-making, and may delegate their decision-making authority only to those with whom they have a favorable exchange relationship.

Hypothesis 3: LMX will be positively associated with delegation in the Turkish context.

As stated in Hypothesis 3, this study does not expect to find differences between Turkey and the US in terms of the positive relationship between LMX and delegation, because delegation is considered essential to reduce overload for the manager (Yukl and Fu, 1999). Thus, we suggest that, regardless of the cultural context, managers will seek to delegate, and will be more likely to delegate authority to those with whom they have a favorable exchange relationship. However, there may be cultural differences in the way employees *perceive* participative decision-making, which is the focus of our study.

According to Bass (2004), delegation remains a relatively unexplored management option despite evidence of its importance to organizational effectiveness. According to Bass, countries with low-power distance favored and accepted participative management, whereas those with high-power distance favored and accepted autocratic styles. However, studies on delegation have relied on Western samples and pointed to the direction that more delegation would yield positive effects on subordinates. In the area of decision-making, cross-cultural researchers have examined the use of empowerment, but research has yet to examine the cross-cultural effectiveness of delegation (Sim *et al.*, 2004).

According to Offerman (2004), the US culture is consistent with empowerment because of low-power distance, low uncertainty avoidance, and high individualism. She states that followers from

authoritarian societies may view empowerment as neglect of leader duty or a short coming of leadership. Therefore, we question whether empowerment is too distinctly Western to be successful in different cultural environments. According to Hui *et al.* (2004), in high-power distance nations employees are accustomed to taking orders from their supervisors, and may neither expect nor desire delegation. In India, for example, a high-power distance cultural setting, Robert *et al.* (2000) found that empowerment was negatively associated with job satisfaction. They also found no significant association between empowerment and job satisfaction in Mexico and Poland, which also represent high-power distance cultures. Recently, Hui *et al.* (2004) found that empowerment significantly affects job satisfaction in low-power distance cultures, but not in high-power distance cultures. This is not unexpected, because in high-power distance cultures employees expect leaders to take charge, to be in control, and to give orders rather than share or delegate decision-making authority.

Further, in paternalistic cultures, employees expect their leaders to control decision-making. Martinez (2005) notes that, although paternalistic managers possess benevolent intent and an understanding of their subordinates' best interests, their acts decrease subordinates' decision-making capacity. Morris and Pavett (1992, 178) refer to paternalistic management as 'benevolent authoritative'. They state that the employees in paternalistic cultures are very dependent on the authority figure to make the decisions. Workers expect supervisors to make the decisions, take responsibility, and assume all accountability. Therefore, based on these emic considerations, we expect that:

Hypothesis 4: Delegation will be negatively related to employee job satisfaction in the Turkish context.

Finally, paternalism might also be a significant correlate of high-quality leader-member relations, especially in the traditional Turkish business environment. In a paternalistic relationship, the role of the leader is to provide care and nurturance, and the follower obeys the superior. It is common that paternalistic leaders would cover the tuition and other school expenses of employees' children who are in need, either from their personal incomes or from the company budget. A paternalistic leader is like a father, and takes care of the employees as a father would. Paternalism is congruent with the

values of collectivistic cultures such as Turkey because the leader's involvement in employees' personal life is desired. This involvement is expected in collectivistic cultures; however, it might be perceived as violation of privacy in individualistic cultures. In the Turkish context, being concerned with the personal problems of employees is an important aspect of effective leadership; however, some emic manifestations of this construct may not be acceptable in many Western societies. For example, taking the initiative to decide for an employee (as a father would) may not be an acceptable behavior in some parts of the world (Pasa *et al.*, 2001).

In the Western literature, paternalism is criticized because of its unquestioned power inequality, and has often been equated with authoritarianism (Ayca, 2005). Kim (1994, p. 257) observes that: 'Westerners are usually surprised when they see that this dependency is not resented, but usually appreciated by employees.' Given that paternalism implies voluntary compliance and conformity, followers who experience high levels of trust and respect in their relations with the leader may be more likely to accept the manager's authority as a father figure. Further, high-quality LMX relationships involve greater sensitivity, attention, and support (Liden and Graen, 1980), which are important in paternalistic relationships. As the fundamental characteristics of high-quality LMX relations (i.e., trust, respect, obligation, support, attention, and sensitivity) are determinants of paternalistic relationships, based upon the need for paternalism in the Turkish society, we expect to find higher levels of paternalistic behavior to be associated with higher-quality LMX relationships.

Hypothesis 5: LMX will be positively associated with managerial paternalistic behavior in the Turkish context.

Methodology

Translation procedures

One of the most pressing issues in cross-cultural research has been establishing construct comparability in different samples (Little, 1997). To establish measurement equivalence, the translation procedure included several steps, utilizing four different translators. The questionnaire was prepared in English, except for the paternalism scale, which was originally developed in Turkish (Ayca,

2005). The entire questionnaire (including the items, introduction, and instructions) was translated from English to Turkish by a bilingual Turkish linguistics professor. The translated version was then back-translated to English by a Turkish manager with 6 years of work experience in the United States (Brislin, 1980). The two translators then met to resolve the discrepancies. The final Turkish survey was then given to two bilingual Turkish managers, working in the United States, who answered both the English and the Turkish versions of the survey and inspected the content equivalence of items. In situations in which these managers found discrepancies between the English and Turkish versions of the items, the first two translators were consulted as well as the Turkish member of the research team to select the best terminology for the intended meaning.

Sample

Employees from five different companies in Istanbul and Gebze participated in the study. The data were collected from Turkish companies and not from the subsidiaries of multinational corporations (MNCs). These companies were chosen based upon the first author's personal connections in upper management, which enabled relatively easier access to data collection. The first author visited each company and collected data on-site. Self-administered surveys were given to all white-collar employees. Participation was completely anonymous (no individual identification information was collected on the questionnaire). The response rate was 94%.

Fifty-four percent of the respondents were male, and most had at least a bachelor's degree (83%). Respondents worked in the manufacturing industry (59%), telecommunications (19%), legal services (11%), or financial services (11%). The average age of the respondents was 33.1 years (s.d.=9.1), with an average tenure in their current organization of 5.5 years (s.d.=6.3). As shown in Tables 1 and 2, respondents showed no significant variation in terms of the study variables, either across companies or across industries.

Measures

LMX was measured with the 12-item LMX-MDM scale (Liden and Maslyn, 1998). This measure was developed to capture the affect, contribution, loyalty, and professional respect dimensions of LMX. Liden and Maslyn (1998) demonstrated that these four dimensions fell under a second-order

Table 1 Means, standard deviations, and one-way analyses of variance (ANOVA) results for effects of industry on employee age, years of education, tenure, LMX, delegation, and paternalism

Variable	Manufacturing (N=109)		Telecommunication (N=35)		Legal (N=21)		Finance (N=20)		ANOVA		
	M	s.d.	M	s.d.	M	s.d.	M	s.d.	F	P	η^2
Age	34.29	10.02	30.64	7.66	30.67	5.69	31.32	6.46	2.06	0.11	0.04
Years of education	16.20	1.22	15.65	1.34	16.4	1.12	15.9	1.21	2.22	0.09	0.04
Tenure (in months)	80.92	77.55	25.14	24.94	51.46	29.95	55.65	53.45	5.41	0.00	0.08
LMX	5.17	1.19	5.30	1.02	5.50	1.30	5.65	0.58	1.28	0.29	0.02
Delegation	3.49	0.85	3.52	0.68	3.28	0.96	3.73	0.63	0.93	0.43	0.02
Paternalism	3.48	0.58	3.25	0.58	3.60	0.71	3.43	0.64	1.67	0.18	0.03

Table 2 Means, standard deviations, and one-way analyses of variance (ANOVA) results for effects of company on employee age, years of education, tenure, LMX, delegation, and paternalism

Variable	Company 1 (N=64)		Company 2 (N=45)		Company 3 (N=35)		Company 4 (N=21)		Company 5 (N=20)		ANOVA		
	M	s.d.	M	s.d.	M	s.d.	M	s.d.	M	s.d.	F	P	η^2
Age	33.26	10.33	35.88	9.40	30.72	7.76	30.67	5.69	31.32	6.46	2.03	0.09	0.04
Years of education	15.96	1.29	16.55	1.00	15.63	1.36	16.40	1.12	15.90	1.21	3.23	0.01	0.07
Tenure (in months)	59.32	76.45	114.33	91.43	24.99	26.33	51.46	29.95	55.65	58.45	8.31	0.00	0.16
LMX	5.34	0.90	4.91	1.51	5.34	1.01	5.49	1.29	5.65	0.58	1.98	0.09	0.04
Delegation	3.61	0.74	3.29	0.97	3.51	0.68	3.27	0.96	3.72	0.62	1.76	0.14	0.04
Paternalism	3.50	0.50	3.42	0.66	3.23	0.58	3.59	0.71	3.42	0.64	1.47	0.21	0.03

factor, which makes the scale suitable to measure overall LMX as well as LMX dimensions (Erdogan *et al.*, 2004). Because we were interested in an overall measure of LMX, we averaged all items to capture overall LMX quality. A sample item from this scale is 'I do not mind working my hardest for my supervisor.' All survey items had a seven-point response format, with higher scores representing higher exchange quality. Coefficient alpha for the scale scores was 0.90, and the mean was 5.27 (s.d.=2.54).

Paternalism was measured with 13 items based upon Aycan's initial item pool from the preliminary stages of her scale development (Aycan, 2005). All survey items had a five-point response format, with higher scores representing higher paternalism. Two sample items from this scale are 'My manager is like an elder family member (father/mother, elder brother/sister) for his employees' and 'My manager knows each of his employees intimately (e.g., personal problems, family life, etc.).' Internal consistency reliability (alpha coefficient) for the scale scores was 0.86, and the mean was 3.46 (s.d.=1.14).

Delegation was measured using the seven-item instrument developed by Yukl *et al.* (1990). A sample item from this scale is 'My boss delegates to me the authority to make important decisions and implement them without his/her prior approval.' Coefficient alpha for the scale scores was 0.87, and the mean was 3.50 (s.d.=1.16).

Finally, job satisfaction was measured by the 20-item short version of the Minnesota Satisfaction Questionnaire (Weiss *et al.*, 1967). All survey items had a five-point response format, with higher scores representing higher job satisfaction. Respondents were provided with a sentence stem that read: 'On my present job, this is how I feel about...', and a sample sentence completion is 'the way my boss handles his/her employees'. Coefficient alpha for the scale scores was 0.86, and the mean was 3.65 (s.d.=0.93).

This is the first study that has examined the relations among these variables in a Turkish business context. Therefore, we examined discriminant validity through an exploratory factor analysis using principal axis factoring and varimax rotation. Four distinct factors (LMX, paternalism, delegation,

and job satisfaction) emerged from the data (see Table 3).

Results

Table 4 shows the intercorrelations among the control variables and study variables. Consistent with previous research in the US, LMX scores were significantly and positively related to delegation ($r=0.55$, $P<0.01$), indicating that leaders in high-quality LMX relationships delegate authority regardless of the cultural context in which the relationship is embedded.

We tested the proposed model (Figure 1) using a structural equation modeling (SEM) approach. The raw data were used to create a covariance matrix, which was analyzed using LISREL 8.51 (Jöreskog and Sörbom, 1993). Assessment of overall fit was based on minimum fit function χ^2 in conjunction with root mean square error of approximation (RMSEA), standardized root mean square residual (SRMR), and the comparative fit index (CFI). Steiger (1989, 1990) developed RMSEA, and proposed that values below 0.10 indicate a reasonable fit. Hu and Bentler (1999), based on their power analyses of RMSEA, recommended an RMSEA of 0.06 or lower for a well-fitting model. Nevertheless, RMSEA quantifies the degree of model misfit per degrees of freedom, and therefore a model with small degrees of freedom inflates the RMSEA. This shows the importance of holistic fit assessment in SEM. In this analysis, because our model has only one degree of freedom, we expect RMSEA to be inflated, and therefore used the CFI and SRMR in conjunction with RMSEA to assess the overall fit of our hypothesized model. SRMR quantifies the average residual covariance matrix in standardized form, and is especially sensitive to simple model misspecification. Hu and Bentler (1999) recommended a cutoff of 0.08 or less for SRMR and a cutoff of 0.95 or above for CFI for a well-fitting model.

As shown in Figure 2, the hypothesized model fitted the sample data well ($SRMR=0.03$, $CFI=0.98$, $RMSEA=0.15$, $\chi^2_1=5.17$, $P<0.05$). The paths from LMX to delegation, from LMX to paternalism, and from paternalism to job satisfaction were statistically significant, providing support for Hypotheses 1, 3, and 5. However, counter to what we expected for Hypothesis 4, delegation and job satisfaction were not significantly negatively associated ($\beta=0.16$, $P>0.05$). In addition, the direct path from LMX to job satisfaction was not statistically significant, thus failing to support Hypothesis 2. The results suggest that LMX has an indirect effect on

job satisfaction, which is mediated by managerial paternalistic behavior.

Taken together, the results indicate that this model is theoretically meaningful and provides an adequate fit to the data. However, SEM analysis provides information regarding the adequacy of the fit of a proposed model only. This information suggests that the model is consistent with the data, but it does not alone lead us to conclude that it is the 'correct' model. Therefore, two plausible alternative models were tested, and their fit to the data was compared with the proposed model. Our choice of the rival models was informed by the fact that paternalism is a relatively recent addition to cultural value dimensions, and this is the first study to examine its effect on job satisfaction in a Turkish business environment. Therefore, it may also be reasonable to expect that paternalism will not exert any significant influence on job satisfaction. Thus, the first alternative model we tested did not have the path from paternalism to job satisfaction. Although this model is a plausible rival model, it did not have adequate fit to the data ($RMSEA=0.16$, $SRMR=0.07$, $CFI=0.96$, $\chi^2_2=11.35$, $P<0.01$). The difference in the χ^2 -values between the original and the alternative model ($\Delta\chi^2_{2-1}=6.18$) also suggests that the fit of the original model is significantly better than that of the alternative model. The second rival model did not include the path from LMX to paternalism. This is a plausible model, because the effect of paternalism on LMX has not yet been studied. However, this model also had a poor fit to sample data ($RMSEA=0.16$, $SRMR=0.08$, $CFI=0.95$, $\chi^2_1=5.96$, $P<0.05$) compared with the fit of the proposed model depicted in Figure 2.

Further, to eliminate competing explanations, we conducted a regression analysis and controlled for the effects of industry, company, employee gender, tenure, and years of education (see Table 5). The results suggest that all study variables (LMX, delegation, and paternalism) were significant even after controlling for the effects of company, industry, and demographic variables.

Discussion

This study provides insight into leadership processes in a country that has a very different culture from that of the US, where most of the research on LMX and delegation has been conducted. The results from this study are interesting for both practical and theoretical reasons. Delegation has long been assumed to be an essential element of effective management, yet this study shows that

Table 3 Exploratory factor analysis results

Item	Eigenvalues	Factor loadings			
		1	2	3	4
<i>LMX</i>	12.66				
1. I like my supervisor very much as a person.		0.61			
2. My supervisor defends my work actions to a superior, even without complete knowledge of the issue in question.		0.46			
3. I do work for my supervisor that goes beyond what is specified in my job description.				0.19	
4. I am impressed with my supervisor's knowledge of his job.		0.74			
5. My supervisor is the kind of person one would like to have as a friend.		0.65			
6. My supervisor would come to my defense if I were 'attacked' by others.		0.69			
7. I am willing to apply extra efforts, beyond those normally required, to meet my supervisor's goals for our organization.		0.39			
8. I respect my supervisor's knowledge of and competence on the job.		0.73			
9. My supervisor is a lot of fun to work with.		0.75			
10. My supervisor would defend me to others in the organization if I made an honest mistake.		0.61			
11. I admire my supervisor's professional skills.		0.79			
12. I do not mind working my hardest for my supervisor.		0.56			
<i>Delegation</i>	40.36				
1. My boss encourages me to determine for myself the best way to carry out an assignment or accomplish a task.			0.60		
2. My boss encourages me to take the initiative to resolve work problems on my own.			0.36		
3. My boss delegates to me the authority to make important decisions and implement them without his/her prior approval.			0.70		
4. My boss asks me to take primary responsibility for planning a major activity or project for the work unit.			0.74		
5. My boss delegates to me the responsibility for an administrative task previously handled by himself or herself.			0.69		
6. My boss allows me to decide when to do the different work activities in my job.			0.60		
7. My boss lets me monitor the quality of my work and correct any errors or defects by myself.			0.63		
<i>Paternalism</i>	30.24				
My manager:					
1. Is interested in every aspect of his/her employees' lives.				0.67	
2. Creates a family environment in the workplace.				0.71	
3. Consults his/her employees on job matters.				0.53	
4. Is like an elder family member (father/mother, elder brother/sister) for his employees.				0.69	
5. Gives advice to his/her employees on different matters as if he were an elder family member.				0.72	
6. Makes decisions on behalf of his employees without asking for their approval.				0.50	
7. Knows each of his employees intimately (e.g., personal problems, family life, etc.)				0.52	
8. Exhibits emotional reactions in his relations with the employees; doesn't refrain from showing emotions such as joy, grief, anger.				0.49	
9. Participates in his/her employees' special days (e.g., weddings, funerals, etc.)				0.36	
10. Tries his/her best to find a way for the company to help his employees whenever they need help on issues outside work (e.g., setting up home, paying for children's tuition).				0.44	
11. Expects his/her employees to be devoted and loyal, in return for the attention and concern he shows them.				0.48	
12. Gives his/her employees a chance to develop themselves when they display low performance.				0.31	
13. Believes he/she is the only one who knows what is best for his employees.				0.31	



Table 3 Continued

Item	Eigenvalues	Factor loadings			
		1	2	3	4
<i>Job satisfaction</i>	20.98				
On my present job this is how I feel about:					
1. Being able to keep busy at all times					0.40
2. The chance to work alone on the job					0.37
3. The chance to do different things from time to time					0.47
4. The chance to be somebody in the community					0.56
5. The way my boss handles his/her employees					0.28
6. The competence of my supervisor in making decisions					0.27
7. Being able to do things that don't go against my conscience					0.33
8. The way my job provides for steady employment					0.41
9. The chance to do things for other people					0.47
10. The chance to tell people what to do					0.39
11. The chance to do something that makes use of my abilities					0.65
12. The way this organization's policies are put into practice					0.59
13. My pay and the amount of work I do					0.47
14. The chances for advancement on this job					0.45
15. The freedom to use my own judgment					0.51
16. The chance to try my own methods of doing the job					0.64
17. The working conditions					0.48
18. The way my co-workers get along with each other					0.28
19. The praise I get for doing a good job					0.39
20. The feeling of accomplishment I get from doing the job					0.62

Table 4 Intercorrelations among the control variables and study variables

Variable name	1	2	3	4	5	6	7
1. LMX	—						
2. Delegation	0.55**	—					
3. Paternalism	0.59**	0.44**	—				
4. Job satisfaction	0.39**	0.36**	0.39**	—			
5. Age	0.03	0.17*	0.05	0.19*	—		
6. Years of education	0.03	0.05	0.01	0.12	0.13	—	
7. Tenure in the organization	0.02	0.11	0.08	0.18*	0.76*	0.04	—

Note: * $P < 0.05$; ** $P < 0.01$.

its effectiveness may be contingent on national culture. Employees in high-power distance cultures may expect the leader to take charge and give orders, rather than delegate decision-making authority to the subordinate. Turkey is high on uncertainty avoidance, which suggests that employees may prefer to be told exactly what to do instead of the ambiguity of being delegated a challenging task. Our results suggest that, with respect to job satisfaction, followers in the Turkish business context may be disinterested in delegation. Clearly, this is an important finding for future research and managerial practice, because it may be a mistake to apply delegation as an effective manage-

ment tool without taking the cultural context into consideration.

Another meaningful result is that LMX influences job satisfaction via its effect on paternalism. As mentioned before, some emic manifestations of this construct may not be acceptable in many Western societies, such as taking the initiative to decide personal issues for an employee, as a father would. However, in the traditional Turkish business environment paternalism is clearly a salient dimension influencing both high-quality LMX relations and employee job satisfaction. This finding may be generalized to business organizations in similar societal cultures. For example, Bass (1990) suggests

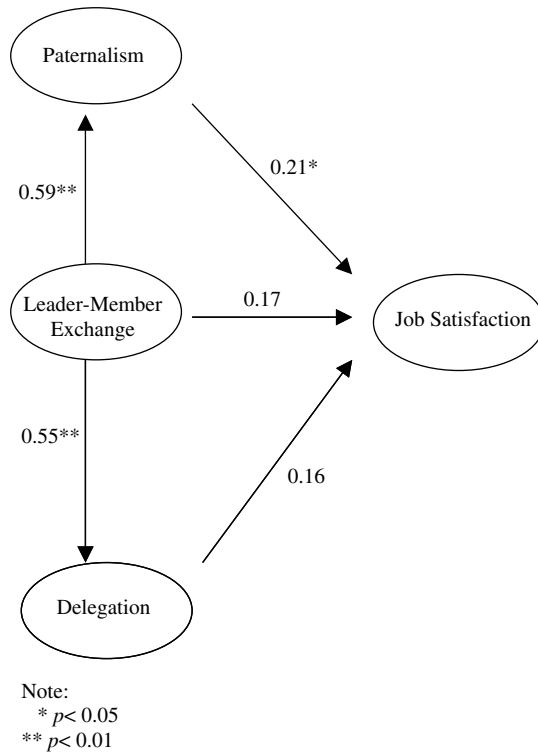


Figure 2 Standardized parameter estimates, based on maximum likelihood estimation. * $P < 0.05$; ** $P < 0.01$.

Table 5 Regression analysis summary for LMX, delegation, paternalism, industry, company, employee gender, years of education, and tenure

Variable	B	SEB	β
Industry	0.06	0.01	0.30**
Company	0.15	0.04	0.39**
Gender	0.13	0.07	0.13
Years of education	0.06	0.03	0.15*
Tenure	0.01	0.00	0.16**
LMX	0.10	0.04	0.22**
Delegation	0.11	0.05	0.18*
Paternalism	0.12	0.07	0.15*

Note: 'Age' was excluded from the regression model owing to its high correlation ($r=0.76$, $P < 0.01$) with 'tenure'. The results did not change when 'age' was replaced by 'tenure'.
 $R^2=0.31$ ($N=172$, $P < 0.01$).
 Note: * $P < 0.05$; ** $P < 0.01$.

that in Latin American cultures LMX may be manifested in the development of a paternalistic relationship between the leader and the subordinate. Further, empirical research has found paternalism to be a valuable management tool in collectivistic countries with high-power distance, such as Mexico (Martinez, 2005), China, Pakistan,

India (Aycan *et al.*, 2000), and Japan (Uhl-Bien *et al.*, 1990).

From the manager's view, paternalism ensures employee loyalty, deference, and compliance. Subordinates, on the other hand, may feel security, protection, and a family-like environment, which are critical in a collectivistic society with an unstable economy. In paternalistic cultures, employees expect their managers to be present on their special days (e.g., weddings, funerals), and they reciprocate the same behavior to their manager. Thus, the work unit functions like a traditional family, where the manager earns respect through providing care, protection, and interest in the employees' off-the-job lives, whereas the employee gains credibility by being dependable and responsible. Overall, results from this study underscore the importance of managerial paternalistic behavior in collectivistic business cultures with high-power distance, which is an important finding with relevance for both research and practice.

Another theoretical contribution is that leaders in high-quality exchange relationships may delegate authority regardless of the cultural context in which the relationship is embedded. This is indicated by the significant and positive relationship between LMX and delegation in the Turkish context. However, future research should continue to examine the potential universality of the LMX–delegation linkage.

Limitations and alternative explanations

Despite substantive and theoretical contributions, our study had some limitations. The data were cross-sectional, which limits any conclusions that can be made about the causal relations between LMX, paternalism, and delegation. Also, we measured LMX and delegation only from the subordinate's perspective. Future research might assess these variables from both the leader's and the member's perspective to examine whether measurement perspective may act as a moderator of the relationship between LMX, delegation, and their correlates. In addition, all variables were obtained from the same source, which might raise concerns about common-method bias, particularly a consistency motif, where respondents try to maintain consistency between their cognitions and attitudes. However, inspection of the correlation coefficients does not indicate inflated correlations, as would be expected if such a bias was having an impact on the data (Podsakoff *et al.*, 2003). We also conducted Harman's one-factor test, often used to investigate

the prevalence of method effects (Podsakoff and Organ, 1986), and the results suggested that no method factor was apparent. Although this test does not completely rule out the existence of common method variance, it does increase confidence in the substantive interpretations made on the basis of the results (Judge *et al.*, 1994).

The sample used in this study was collected from four different industries: manufacturing, telecommunications, legal, and finance. Therefore the results may not be generalizable to other industries. However, the analysis of variance results (see Table 1) suggested no significant industry differences across the four industries. In addition, our regression analysis (Table 5) showed that the study variables were still significant even after controlling for the effects of demographic variables as well as industry and company. Therefore, industry differences might be ruled out as a competing explanation for this study's results.

In addition, what is potentially interesting about the control variables is the effects that we did not find for variables such as age and gender. One might expect males to be more self-reliant, self-determining, and independent, owing to cultural socialization. Therefore, males might be less likely to expect paternalistic treatment from their managers. On the other hand, females might expect to be taken care of by the organization. However, our regression analysis did not find a significant difference between male and female workers in their attitude toward managerial paternalism. This might be related to Hofstede's (1980) findings that Turkey is a 'feminine society' in which social gender roles overlap (i.e., both men and women are often modest and tender) and warm relationships are important. Males in feminine societies are expected to be as nurturing as females, and therefore paternalism (also referred to as 'maternalism' by Winning, 1994) may be valued equally by males and females.

Further, the regression analysis did not find an effect for age. This is also surprising, as one might expect older people to adhere more to traditional values and be more supportive of paternalistic practices than younger employees. However, our regression analysis suggested that younger employees do not significantly differ from older ones in terms of paternalistic values. This is an interesting finding, because it shows the significance of paternalism in the Turkish culture, which is carried on to future generations and may not show 'cohort effects' across generations. Research has indeed

found 'cohort effects' in other cultures in materialism (Kyvelidis, 2001) and libertarianism (Tilley, 2005). Our findings are consistent with the results of the Pew Global Attitudes Project (2003) conducted among more than 66,000 people in 49 nations. According to this project's results, people living in the Middle East are generally more concerned than Americans and Europeans about a pernicious foreign influence on their way of life, and that concern is broadly shared across generations. In the Middle Eastern context, generations may unite in their desire to maintain their identity. Paternalism may thus be a cultural and a generational constant in Turkey. Research is needed to investigate this interesting question further.

The study data were collected only from Turkish companies and not from the subsidiaries of MNCs. Further research is needed on paternalism and delegation in MNCs. We were particularly interested in the effects of national culture, and these effects might be less pronounced in MNCs. In addition, all companies we surveyed were private enterprises, and therefore the results may not represent the leader-follower relationships in state-owned businesses.

We did not examine the effects of paternalism and delegation in cross-race (or cross-ethnic) dyads. However, our findings may have implications for expatriates who are working for paternalistic organizations or paternalistic managers. Those from the US might misinterpret the behavior of their supervisors owing to cultural values. For example, a Turkish manager might ask questions about the family of a US expatriate and this might be seen as intrusive, as the US is a less collectivistic culture. Western conceptions of paternalism are more negative than in the Middle East, and therefore the behavior of Turkish managers may be viewed negatively. Research is clearly needed on supervisor-subordinate relationships in which one party is from a Western culture and the other is from the Middle East.

We believe that our findings have application to the domestic context of the US as well. At present, there is little research on paternalism in the US. However, the US workforce is increasingly diverse, and there may be within-culture differences in perceptions of paternalism that affect delegation and other processes. There may be regional differences as well. For example, paternalism may have more of an effect on delegation in the southern region of the United States than in the Northeast. As paternalism is generally viewed more negatively



in Western cultures, research is needed that explores the assumptions that form the basis of such perceptions. We have proposed that these perceptions are rooted in cultural differences. However, our research did not explore competing explanations such as individual differences (e.g., personality variables) or organizational culture effects. Some organizations may be more paternalistic than others, and this may affect the perceptions of paternalism and the effects that it has on outcomes such as job satisfaction.

Our findings may have relevance for other organizational processes in addition to delegation. For example, participative decision-making and empowerment may be viewed very differently depending upon cultural views of paternalism. Paternalism may be related to perceptions of transformational and/or charismatic leadership. A leader who is perceived to be transformational may communicate to employees that he or she is a parental figure. In addition to leadership, paternalism may be related to patterns of communication, decision-making, and motivation of employees. These perceptions may vary across cultures as well.

Also, additional outcomes need to be examined, such as the relationship of paternalism to individual, group, and organizational performance.

Despite its potential limitations, this study offers an important contribution to the international management literature. The findings isolate the significant role of national culture in employees' work-related preferences. Additionally, there is clearly a lack of data on Middle Eastern cultures (Scandura *et al.*, 1999), yet it is an increasingly important region, with thousands of US expatriates working in the region and millions of Middle Eastern employees working in the United States. Additional research on other Middle Eastern countries is warranted to further understand the contingencies of effective managerial practices, particularly given the region's growing potential to draw foreign investment.

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