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Cross-Cultural Generalizability of Paternalistic Leadership: An Expansion of Leader–Member Exchange Theory

Ekin K. Pellegrini¹, Terri A. Scandura², and Vaidyanathan Jayaraman²

Abstract
Paternalism is an emerging concept with significant potential for international leadership research. Paternalistic leaders combine benevolence with authority. Paternalism is a prevalent leadership style in non-Western business organizations. In this article, the authors extend research on paternalism to the Western business context. They compare the attitudes of employees from the United States (N = 215) and India (N = 207) with respect to paternalistic leadership and its correlates. Paternalism had a significant positive effect on job satisfaction in India, but the relationship was not significant in the United States. In both cultural contexts, paternalistic leadership was positively related to leader–member exchange and organizational commitment. Results suggest paternalistic leadership may generalize across cultures.

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Despite an increasingly global business environment, international management knowledge is still sparse. In addition, published literature is still scant beyond the North American context (Tsui, Nifadkar, & Ou, 2007). Paternalistic leadership is a research area that is experiencing increasing attention in non-Western management literature (Aycan, 2006; Farh, Liang, Chou, & Cheng, 2008; Pellegrini & Scandura, 2008). Paternalism indicates that managers take a personal interest in the workers’ off-the-job lives and attempt to promote workers’ personal welfare while offering career-related support (Gelfand, Erez, & Aycan, 2007). Paternalistic leaders combine benevolence with control of subordinates’ decision making (Martinez, 2005).

Paternalism evokes conflicting perceptions in Western and non-Western cultures, and therefore, as a construct, it has significant potential to yield variation in cross-cultural research (Aycan, 2006). However, research has yet to examine paternalistic leadership in the Western context. Research has also yet to study how paternalistic leadership is related to employee attitudes across diverse business contexts. A growing body of theoretical literature on paternalistic leadership has emerged in the past two decades; however, empirical research has lagged behind (Pellegrini & Scandura, 2008).

U.S.-based literature portrays paternalism as “benevolent dictatorship” (Northouse, 1997, p. 39); however, research suggests it has long been considered to be an effective management approach in Latin American, Asian, and Middle Eastern organizations (Cheng, Chou, Wu, Huang, & Farh, 2004; Osland, Franco, & Osland, 1999; Pellegrini & Scandura, 2006). Paternalistic leadership is an emerging area in leadership research where the need for construct clarification is now critical. Uhl-Bien and Maslyn (2005) argue that the unidirectional downward influence of the paternalistic leader is undesirable and should be avoided. Colella & Garcia (2004) framed paternalism as a possible form of workplace discrimination. They suggested that, through its emphasis on power differentials, paternalistic relations may create a disadvantage for subordinates. Yet research on paternalism is still developing, and we are aware of no cross-cultural empirical research that examined how paternalistic leadership relates to employee outcomes.

Typically, theoretical approaches take a U.S.-based perspective, and then researchers study whether they generalize to other cultural contexts (Tung, 2003). The Global Leadership and Organizational Behavior Effectiveness
(GLOBE) study (House, Hanges, Javidan, Dorfman, & Gupta, 2004) found paternalism to be strong in high-power distance and collectivistic countries (such as Mexico, Iran, China); however, they employed a U.S.-based theoretical perspective as a starting point. The present study attempts to increase understanding of paternalism by adopting an approach that begins with a non-U.S. concept and then study the extent to which its associations may generalize to the U.S. business context. First, we provide construct clarification of paternalistic leadership by delineating its distinction from the well-researched construct of leader–member exchange (LMX). Both paternalism and LMX are relational leadership constructs and it is essential to differentiate paternalistic leadership from related constructs to provide theoretical as well as empirical clarification. We then explore the unique influence of paternalistic leadership on job satisfaction and organizational commitment, above and beyond the influence of LMX, which has well-established relationships with these employee attitudes.

Accordingly, the primary objective of this study is to test the associations among paternalism, LMX, organizational commitment, and job satisfaction in a Western business setting and a non-Western business setting. The results of this study aim to extend the nomological network of paternalistic leadership, which is essential specifically in an emerging research area. To attain practical significance from future research, pioneer research on paternalistic leadership should strive to build strong theoretical frameworks via testing and extending theory. Further, this study will also extend LMX theory by studying the augmenting effects of paternalistic leadership, which may offer a wider range of leadership behaviors consistent with the LMX model. Finally, we examine whether the relationships among our four study variables will show comparable associations across diverse cultures.

Previous research suggests paternalism is congruent with the values of collectivistic and high-power distance cultures (Aycan, 2006). Accordingly, we chose countries that provide variation on the cultural dimensions of collectivism and power distance. Our samples include employees from India and the United States. We specifically chose to compare these business contexts as previous research suggests paternalism to be a prevalent management practice in India (Aycan et al., 2000; Mathur, Aycan, & Kanungo, 1996), but paternalism in the U.S. context has yet to be examined. Furthermore, India is an understudied region in the leadership literature despite numerous calls for more research to understand the leadership dynamics in this region (Kirkman & Law, 2005; Pillai, Scandura, & Williams, 1999). Recently, Chhokar (2007) noted that, in spite of the widespread interest in global perspectives on leadership, there is still a dearth of rigorous academic research from the Indian business context.
Paternalistic Leadership

Gelfand et al. (2007) define paternalism as a “hierarchical relationship in which a leader guides professional and personal lives of subordinates in a manner resembling a parent, and in exchange expects loyalty and deference” (p. 493). Paternalism is a prevalent managerial style in Asian, Middle-Eastern and Latin American cultures (Ali, 1993; Kim, 1994; Osland et al., 1999). In an empirical study, Aycan et al. (2000) found India, China, Pakistan, and Turkey to be higher on paternalistic values as compared with more individualistic cultures such as Germany and Israel. According to Sinha (1990), the high scores in India may be because of the traditional family structure where members are expected to comply with the decisions of the father. In her ethnographic study of families from India, Seymour (1999) reported that children are taught very early that their needs do not come first and that they must submit to the authority of others in order to foster family coherence and harmony. In Indian organizations, there are strong norms that define who is expected to communicate with whom. Junior employees follow these norms and do not simply approach senior employees (Zaidman & Brock, 2009). Consequently, in the workplace, leaders maintain strong authority whereas subordinates are expected to accept the leader’s values as if they were their own (Cheng & Jiang, 2000).

Notwithstanding increasing urbanization and education, India continues to be a traditional, male-dominated society (Chhokar, 2007). Although the number of women in the workforce has been increasing in urban areas, caring professions such as nursing and teaching are considered more appropriate (Chhokar, 2007). Given the extent of gender inegalitarianism in Indian society (House et al., 2004), working women may not have similar access to the care and protection provided by paternalistic leaders. Thus, in India, the practice of paternalistic leadership may further enforce the hierarchical structure and gender inegalitarianism in work organizations.

Paternalistic leadership suggests people in authority assume the role of parents. The leader’s benevolence is coupled with a controlling authority, which requires loyalty to the authority figure (James, Chen, & Cropanzano, 1996; Pasa, Kabasakal, & Bodur, 2001). Farh and Cheng (2000) define paternalistic leadership as “a style that combines strong discipline and authority with fatherly benevolence” (p. 91). Sinha (1990) suggests that the coexistence between benevolence and authority stems from values in traditional societies pertaining to the father figure who is nurturing, caring, dependable, and yet authoritative, demanding, and a disciplinarian. In paternalistic relations, subordinates reciprocate the leader’s benevolent care and protection by showing
loyalty, deference, and compliance. Followers are expected to be devoted to their leaders in exchange for the resources and the holistic concern that the leader provides. However, loyalty and obedience do not necessarily entail authoritarian decision making. In fact, if leaders ignored their paternalistic duties to their close circle, the followers would criticize their leadership. In other words, when paternalism transforms into autocratic leadership, leaders would be criticized for lack of concern for their followers and lose their loyalty (Kabasakal & Bodur, 2007).

Paternal benevolence shown by the leader may seem similar to “individualized consideration” in the Western leadership literature (Bass, 1985). However, the two constructs differ in important ways. According to Cheng et al. (2004), benevolent leadership is more long-term oriented and extends beyond being considerate on the job to the subordinate’s personal issues. Further, individualized consideration in the Western context is displayed in the context of equal treatment and equivalent rights, whereas benevolent leadership is enacted with a large difference in authority and power distance between leaders and followers.

Paternalistic leadership is congruent with the values of collectivistic cultures (e.g., the Middle East, Latin America, Asia). In collectivistic cultures, such as India, individuals are integrated into strong, cohesive in-groups that continue protecting them in exchange for loyalty, whereas in individualistic cultures, such as the United States, personal choices and achievements shape the identity of members (Hofstede, 2001). Although a paternalistic leader’s involvement in an employee’s personal life is the norm in collectivistic cultures, it may be perceived as violation of privacy in individualistic cultures, such as the United States (Aycan, 2006).

Paternalistic relationships are also based on the assumption of power inequality between the leader and subordinates. Power distance reflects the degree to which individuals agree power should be distributed unequally in the society (Hofstede, 2001). Indian culture is higher whereas the United States is lower on power distance (Hofstede, 2001; House et al., 1999). In India, work titles are displayed on doors, dining places for workers and managers are different, and employment benefits reflect one’s status in the organization (Chhokar, 2007). Interestingly, acceptance of high-power distance does not vary with status; the power distance index in GLOBE study (House et al., 2004) was large for all respondents from India, regardless of social status. Paternalism is often misunderstood in the Western literature because of this power inequality, which is the norm in high-power distance cultures (Aycan, 2006). Unfavorable perceptions of paternalism may result in the Western context because compliance to authority is inconsistent with Western
values such as egalitarianism and the acceptance of and openness to new ideas (Yang, 1996). According to Aycan (2006), the conflicting practices in high-power distance cultures have not been easy to reconcile for U.S. scholars, and as a result, their perceptions of paternalism as combining benevolence with control of decision making have not been favorable.

Nagpal (2003) suggests Indians carry on a lifelong search for a guru who blends maternal with paternal images. In his studies of Indian society, Kakar (1978) also reports a tendency for a lifelong search for a leader or a guru, who will provide intimacy as well as authority (i.e., paternalism). In his recent interview with Jahanbegloo (2009), Kakar suggests that the differential meaning of ‘autonomy’ creates cultural divergence between East and West. He states:

In India, the opposite of autonomy is seen to be ‘connectedness’, which is highly valued, while in the West, the opposite of autonomy is generally thought as dependence, which has very negative connotations. (Jahanbegloo, 2009, p. 43)

India has a rich family tradition of unconditional love and acceptance of the young child, which coexists with firmness and strict discipline (Kakar, 2008). Research suggests personalized dependency relationships, power distance, care, and familial attachment are important characteristics of successful leadership in Indian organizations (Sinha, 1994). Interviews conducted as part of the GLOBE research project (House et al., 2004) revealed that Indian respondents described effective leaders as “knowing the pulse of the people,” having an intuitive understanding of people,” and “caring almost like a parent” (Chhokar, 2007, p. 983). Leader behaviors that significantly increase employees’ motivation and commitment were described as “uses love and willingness;” “attaches a lot of value to work, also to people;” and “gets involved in things outside the work environment” (Chhokar, 2007, p. 986). Further, when comparing Indian managers with American managers, respondents suggested that Indian managers were “more relationship oriented,” “more trusting,” “emotion oriented,” “formal,” and had a “greater human touch.”

As apparent in above discussions, paternalistic leadership takes a relationship-based approach to studying leadership, unlike traditional theories that study leadership as a function of leaders’ personal attributes. In current leadership literature, LMX is unique with its focus on the dyadic relationship between a leader and a member (Gerstner & Day, 1997). Therefore, studying the nomological network of paternalistic leadership first necessitates a theoretical and empirical differentiation of these two seemingly similar approaches to leadership (i.e., LMX and paternalism).
According to LMX theory, effective leadership occurs when leaders and followers maintain a high-quality relationship characterized by mutual trust, respect, and obligation (Graen & Uhl-Bien, 1995). From the follower’s perspective, the quality of the exchange relationship is based on the degree of leader’s emotional support and exchange of valued resources, which may be pivotal in determining the member’s fate within the organization (Sparrowe & Liden, 1997). In high LMX relations, leaders count on their followers to provide them with assistance and followers rely on their leaders for support and career investment (Graen & Uhl-Bien, 1995). These behavioral and emotional exchanges between the leader and follower have been found to be related to numerous positive outcomes, including employee’s satisfaction with work, satisfaction with supervision, performance, and organizational commitment (Gerstner & Day, 1997). According to Pellegrini and Scandura (2006), high-quality LMX relationships may also positively influence the protection and care provided in paternalistic leadership.

**Differentiating Paternalism and Leader–Member Exchange**

There appear to be several key distinctions between paternalism and LMX. First, LMX is focused on employee’s career development, whereas paternalism is focused on the employee’s overall welfare both in work and off-the-job domains. In paternalistic relations, the leader is expected to invest both positional and personal resources and behave like an elder family member interested in the overall welfare of subordinates. Further, Graen and Scandura (1987) stated that even high ratings on LMX may not necessarily imply that the manager is committed to the long-term development of a subordinate, whereas in paternalistic relations, indebtedness and obligation are the key drivers of a longer commitment to the relationship (Uhl-Bien & Maslyn, 2005).

**Basis of exchange.** Scandura and Schriesheim (1994) suggest leaders in LMX relations pursue a cost-benefit calculation and use positional resources (e.g., delegation, promotion) to meet subordinate’s needs in return for services rendered by the subordinate (e.g., performance), which exemplifies an economic transaction in a social exchange relationship. Dienesch and Liden (1986) also referred to the four dimensions of LMX (i.e., affect, loyalty, contribution, professional respect) as “currencies of exchange” (p. 625).

Graen and Scandura (1987) posited that the quality of the LMX relationship is largely determined on the basis of the contributions members make to impress the leader, such as engaging in tasks and duties that extend beyond what is required in the formal employment contract (Liden & Graen, 1980). Even in high-LMX relations, equivalence and immediacy in exchange are
expected, which suggests LMX relations involve an economic component (Liden, Sparrowe, & Wayne, 1997). In fact, Graen’s (1976) original formulation of LMX development relies on a description of the “contribution function,” a bargaining process whereby the “immediate supervisor trades legitimate influence” in return for the member’s effort “over and above that specified by the employment bargain” (p. 1224). Dulebohn, Brouer, Bommer, Ferris, and Kato (2009) state that the recurrent evaluative process is central to LMX development.

Cropanzano and Mitchell (2005) distinguished between two types of social exchange relationships. *Relationships as interpersonal attachment* are social exchange relations involving social transactions. *Relationships as transactions* are also social exchange relations, but they involve economic transactions that consist of a series of interdependent exchanges. We suggest LMX relates to “relationships as transactions” because they involve economic transactions. Graen and Scandura (1987) suggest that leaders provide the first signal of a desire for a closer relationship to subordinates, such as an implicit offer (e.g., desirable task). The leader attends to the worker’s response, and, if the employee responds favorably, the leader may then initiate another role-making sequence. Through a series of such signal-response interactions, high-quality LMX relationships develop (Graen & Uhl-Bien, 1995). Further, as Scandura (1999) suggested, the quality of the LMX relationship may mediate economic outcomes (e.g., performance ratings and pay increases). Therefore, high-LMX relationships involve a transactional (i.e., calculative) component that may render the relationship to be vulnerable even in high-quality relationships (Scandura & Pellegrini, 2008). In paternalistic relations, however, the outcome does not necessarily involve economic transactions. The relationship is based on personal commitment that is driven by obligation and loyalty that goes beyond work transactions. Accordingly, we suggest that paternalism belongs to the “relationships as interpersonal attachment” category that primarily involves social transactions.

**Decision making.** Another major distinction between LMX and paternalistic leadership involves the employee’s decision-making latitude. In paternalistic leadership, decision making is directive rather than empowering (Uhl-Bien & Maslyn, 2005). Paternalistic managers may be reluctant to delegate their decision-making authority, because employees in high-power distance societies may interpret delegation as a shortcoming of leadership (Offermann, 2004). In contrast to the directive decision making in paternalistic leadership, LMX employs participative management, such as empowerment and delegation to advance the decision-making skills of the subordinate (Schriesheim, Neider, & Scandura, 1998).
The directive decision making in paternalistic leadership is traditional in high-power distance business contexts, such as India. An interesting question is to what extent high-power distance is inherited from India’s colonial past. According to Hosftede (2001), as the colonial heritage fades away, it becomes more apparent that the large power distance in India is innate. The continued, though dynamic, existence of the caste system is one of the major sources of high-power distance as suggested by Hofstede (2001) as well as the India-specific findings of the GLOBE research project. Though the origins and the rationale of the caste system are unclear, it gradually evolved into a social and economic structuring of Indian society (Chhokar, 2007). Castes as they existed formally in preindependence India are organized associations of extended families, membership in which determines a person’s rank in all areas of life. In modern India, castes have formally been abolished, but they continue to affect daily life (Hofstede, 2001). The caste system, being the basis of social structuring of Indian society, has influenced the practice of leadership for centuries, including the strong influence of paternalistic leadership (Sinha, 1994).

**Research Hypotheses**

The primary goal of our study is to extend the nomological network of paternalistic leadership and examine whether the associations would generalize to the U.S. business context. We study paternalistic leadership within the context of LMX relations because LMX is also a dyadic, relational construct and is one of the increasingly researched leadership constructs in the international leadership literature (see Erdogan, Liden, & Kraimer, 2006; Lee, Lee, Lee, & Park, 2005).

Previous research suggests LMX to be positively related to job satisfaction and organizational commitment across diverse business cultures (Erdogan, Kraimer, & Liden, 2004; Law, Wong, Wang, & Wang, 2000; Pillai et al., 1999). In this study we also examine these outcome variables, given their relationship to employee effectiveness (Harrison, Newman, & Roth, 2006). Research suggests one third of turnover in the United States stems from dissatisfaction with work (Vallen, 1993). Job satisfaction is also important in developing countries where it is related to employee motivation, absenteeism, and performance (Koh & Boo, 2001). Further, organizational commitment has increasingly become an important outcome variable because of its influence on employee performance (Meyer et al., 1989), absenteeism, and turnover (Meyer & Allen, 1991). Given the significance of job satisfaction and organizational commitment in leadership research, focusing on what happens at the
individual level when employees are involved in paternalistic relations, as compared with LMX relations, may transfer novel insights from organizations in international context to the United States. Accordingly, following consistent research findings from numerous cultural settings (Erdogan et al., 2004; Hung, Ansari, & Aafaqi, 2004; Pellegrini & Scandura, 2006), in this study, we also expect LMX to be positively related to job satisfaction and organizational commitment across cultural contexts.

Hypothesis 1: LMX and job satisfaction will be positively related in (a) India and (b) the United States.

Hypothesis 2: LMX and organizational commitment will be positively related in (a) India and (b) the United States.

Regarding paternalistic leadership, research on paternalism has yet to study how paternalistic leadership relates to job attitudes in the U.S. context (i.e., an individualistic culture with low-power distance). On the other hand, research from international contexts suggests that in collectivistic cultures with high-power distance (such as India), the personal attention and care in paternalistic relations may positively influence employees’ work-related attitudes (Aycan, 2006; Martinez, 2005; Pellegrini & Scandura, 2006). Further, Eastern religions are primarily focused on duties and obligations within hierarchical structures (Gelfand, Bhawuk, Nishii, & Bechtold, 2004). Thus, paternalistic style of leadership in India may appear to be dictatorial to a foreign observer; however, Indian employees are conscious of their place in the hierarchy and each level of promotion carries its own set of formalities, obligations, and respective duties to superiors. Managers often direct orders in a manner that may be unacceptable to employees from the United States (Kobayashi-Hillary, 2004). Therefore, we argue paternalism will be negatively related to job satisfaction in the United States:

Hypothesis 3a: Paternalism and job satisfaction will be positively related in India.

Hypothesis 3b: Paternalism and job satisfaction will be negatively related in the United States.

In developing traditional societies, people of higher age and social status are treated with respect and deference. In India, it is common for seniors to be addressed formally by their last name. Further, in keeping with the traditional nature of the Indian society, paternalism may be sustained through a spiritual value system that may be reflected in karma being a dominant value
orientation. If one assumes justice prevails over numerous lifetimes, it may not be necessary to equalize opportunities among people. Thus, the belief in *karma* may promote acceptance of status quo with an emphasis on “hereafter” in preference to the “here and now” (Chhokar, 2007).

Further, Indian culture stresses the importance of interpersonal interdependence and social obligations (Kakar, 2008). Because paternalism also values obligation, indebtedness, and loyalty; paternalistic behavior may positively influence employee attitudes. In such traditional paternalistic contexts loyalty, commitment, and obligation are the basis of interpersonal relationships that may transfer to the organization in the form of organizational commitment. However, these emic expressions of paternalistic leadership may not be acceptable in an individualistic context such as the United States. Accordingly, previous research suggested a negative outcome in the U.S. context (Northouse, 1997; Uhl-Bien & Maslyn, 2005).

**Hypothesis 4a:** Paternalism and organizational commitment will be positively related in India.

**Hypothesis 4b:** Paternalism and organizational commitment will be negatively related in the United States.

According to Hofstede (1994), in individualistic societies such as the United States, “the ties between individuals are loose: everyone is expected to look after himself or herself and his or her immediate family only” (p. 261). On the other hand, in collectivistic societies, “people from birth onwards are integrated into strong cohesive in-groups, which throughout people’s lifetime continue to protect them in exchange for unquestioning loyalty” (p. 260). Accordingly, the manager’s paternalistic interest in employee’s personal life maybe desired in collectivistic business cultures, but it may not be equally valued in individualistic societies. Also, in high-power distance societies the boss–subordinate relationship is strictly ruled and dependent on the decisions of the boss. However, power inequality and the ultimate power leaders have in high-power distance societies are inconsistent with the U.S. values of equality and freedom of choice.

In collectivistic societies such as India, close interpersonal relationships as well as being concerned with the personal problems of employees is an important aspect of effective leadership. India is high on power distance, which is consistent with the hierarchical structure in paternalistic relations. Therefore, based on high expectations for paternalism in the Indian business context, we expect paternalism to be positively related to the quality of leader–member relations in India. In contrast, because of its emphasis on
power differentials (Colella, Garcia, Triana, & Riedel, 2005), unidirectional downward influence (Uhl-Bien & Maslyn, 2005), and control of decision making (Martinez, 2005) Western researchers suggested paternalistic leadership is undesirable in the U.S. business context. Thus, given the unfavorable perceptions of paternalism in the U.S. context, we expect that:

Hypothesis 5a: LMX and paternalism will be positively related in India.
Hypothesis 5b: LMX and paternalism will be negatively related in the United States.

Method

Samples

The Indian data (N = 207) were collected from working professionals enrolled in an executive MBA program at a large university in South India. The survey was administered in English. The local member of the research team visited the university and personally administered 212 surveys. Participation was voluntary and responses were anonymous. The final sample consisted of 207 respondents. Of the respondents, 75% were male, and the majority worked in information technology (44%), followed by manufacturing (22%), and finance (13%). The average age of the respondents was 30.4 years with an average tenure in their current organization of 3.1 years.

Data from the United States (N = 215) were collected from working professionals enrolled in an executive MBA program at a large southeastern university. Participation was voluntary and responses were anonymous. We administered surveys to 280 employees and received 269 completed surveys. Fifty-four respondents indicated their nationality as European, Asian, Middle Eastern, or Latin American. We removed the responses by non-U.S. employees, and the final sample size was 215. Of the 215 employees, 66% was male, 50% was Caucasian, followed by 36% Hispanic, and 14% African American. The majority of the respondents worked in the aerospace industry (28%), followed by manufacturing (25%) and finance (20%). The average age of the respondents was 32.6 years with an average tenure in their current organization of 3.7 years.

Measures

LMX was measured with the 12-item multidimensional scale (LMX-MDM) developed by Liden and Maslyn (1998). Sample items from this scale are
“I do not mind working my hardest for my supervisor” and “My supervisor would come to my defense if I were ‘attacked’ by others.” All survey items had a 7-point response format with higher scores representing higher exchange quality. Coefficient $\alpha$ for the scale scores was .94 in India and .93 in the United States.

Paternalism was measured with 13 items from Pellegrini and Scandura (2006) that were originally developed by Aycan (2006). All survey items had a 5-point response format with higher scores representing higher paternalism. Two sample items from this scale are “My manager makes decisions on behalf of his/her employees without asking for their approval” and “My manager tries his/her best to find a way for the company to help his/her employees whenever they need help on issues outside work (e.g., setting up home, paying for children’s tuition).” Internal consistency reliability for the scale scores was .91 in India and .82 in the United States.

Affective organizational commitment was measured with the 8-item scale developed by Allen and Meyer (1990). All survey items had a 5-point response format with higher scores representing higher commitment. A sample item from this scale is “I would be very happy to spend the rest of my career with this organization.” Coefficient $\alpha$ for the scale scores was .70 in India and .83 in the United States.

Job satisfaction was measured with 20 items (Minnesota Satisfaction Questionnaire; Weiss, Dawis, England, & Lofquist, 1967). All survey items had a 5-point response format ranging from 1 (very dissatisfied) to 5 (very satisfied). A sample item from this scale is “On my present job, this is how I feel about the way my boss handles his/her employees.” Coefficient $\alpha$ for the scale scores was .92 in India and .87 in the United States. Given the length of this scale, we ran confirmatory factor analyses (CFAs) in both cultural contexts to examine unidimensionality. We hypothesized a priori that employee job satisfaction could be explained by one factor. The goodness-of-fit indices for the unconstrained one-factor model suggested acceptable fit (comparative fit index [CFI]$_{U.S.} = .91$, standardized root mean square residual [SRMR]$_{U.S.} = .07$; CFI$_{INDIA} = .88$, SRMR$_{INDIA} = .08$).

**Results**

Table 1 shows the intercorrelations among the study variables separately for the two samples. Consistent with previous research, LMX was significantly and positively related to job satisfaction and organizational commitment both in India and the United States. LMX was also positively related to paternalism in India ($r = .67$, $p < .01$) and the United States ($r = .57$, $p < .01$),
indicating the potential influence of LMX on paternalistic relations across diverse cultural contexts.

Prior to data analysis, we compared the samples on demographic variables to establish that the observed differences between the two groups may be isolated to cultural differences. As shown in Table 2, respondents from India and the United States showed no significant differences in age, tenure, or years of education. With respect to gender, the Indian sample included significantly more male respondents compared with the U.S. sample ($\chi^2 = 4.10, p < .05$). Also the two most-frequently represented industries in India were information technology (44%) and manufacturing (22%) compared with aerospace (28%) and manufacturing (25%) in the United States. As expected, the two culturally diverse samples showed significant differences in some of the study variables. Paternalistic leadership was significantly higher in Indian organizations as compared with the U.S. context. In addition, Indian employees reported significantly higher affective organizational commitment, whereas LMX was significantly higher in the United States context.

To examine the empirical distinctiveness of LMX and paternalistic leadership as independent constructs, we conducted confirmatory factor analyses using Lisrel 8 (Jöreskog & Sörbom, 1993) to establish baseline models in both cultural contexts. The method of assessing construct independence involved examining the “disattenuated” (corrected for measurement error) factor correlations. Following Scandura and Schriesheim (1994), we refrained from inflating model fit and avoided cross-loadings and constrained each item to only load on

| Table 1. Intercorrelations Among the Study Variables |
|---|---|---|---|---|
|  | 1 | 2 | 3 | 4 |
| India | | | | |
| 1. Paternalism | — | | | |
| 2. LMX | .67** | — | | |
| 3. Job Satisfaction | .38** | .53** | — | |
| 4. Organizational Commitment | .53** | .44** | .37** | — |
| United States | | | | |
| 1. Paternalism | — | | | |
| 2. LMX | .57** | — | | |
| 3. Job Satisfaction | .36** | .59** | — | |
| 4. Organizational Commitment | .41** | .48** | .56** | — |

Note: LMX = leader–member exchange.

**p < .01.
the factor representing its construct. We also specified the error terms as being uncorrelated among themselves or with the latent variables to avoid inflating model fit. As shown in Table 3, the fit of the two-factor model (i.e., LMX and paternalism as distinct constructs) was significantly better than the one-factor model as indicated by the substantial decrease in $\chi^2$ in both samples. In both samples, model fit was significantly improved with the introduction of the second factor (India: $\Delta \chi^2 = 507.1, p < .001$; United States: $\Delta \chi^2 = 287.2, p < .001$), and all 25 items loaded on their respective constructs (i.e., paternalism or LMX).

**Cross-Cultural Measurement Equivalence**

One of the most pressing issues in cross-cultural research is establishing construct comparability in different samples (Cheung, 2008). However, measurement invariance is rarely tested in organizational research (Vandenberg & Lance, 2000). Accordingly, prior to testing our hypotheses we examined measurement equivalence as called for by previous research. First, we conducted an omnibus test of the equality of factor loadings (i.e., configural invariance). This is a test of the null hypothesis in which the same pattern of factor loadings is specified for each group. It is a necessary condition for cross-cultural comparisons because if configural invariance is not demonstrated, then it makes no sense to conduct tests of group differences when the constructs differ across groups (Vandenberg & Lance, 2000).

Liden and Maslyn’s (1998) LMX scale is increasingly used in international settings, however, empirical studies have yet to examine measurement
equivalence (see Erdogan et al., 2006; Lee et al., 2005). The results of this analysis suggest configural invariance is plausible across the two samples ($\chi^2_8 = 23.48$, SRMR = .03, root mean square error of approximation [RMSEA] = .08, CFI = .96). With respect to paternalistic leadership, the results indicate the factor structure is comparable across the two samples ($\chi^2_{139} = 445.31$, SRMR = .05, RMSEA = .08, CFI = .91). Therefore, overall results support factorial invariance, which suggests LMX and paternalism represent comparable constructs across the two groups (i.e., the cognitive domains are the same).

Measurement models examine the mapping of measures onto theoretical constructs that must be established before the structural models are interpreted. Based on these analyses, measurement equivalence is plausible across the two samples. Next, we examine the structural model, which involves the correlational links between theoretical variables.

### Assessing the Fit of the Structural Model

To find the best-fitting and theoretically meaningful model, four alternative models were fit to the data. In the first model (Model A), we constrained all path coefficients to be equivalent across the two samples (Model A). The fit indices suggested that Model A may be plausible ($\chi^2_{10} = 66.42$, SRMR = .10, RMSEA = .08, CFI = .91). However, it may not be theoretically reasonable to assume that all paths behave equivalently across the two samples. Second,
and more important, constraining all paths to be invariant may mask important cultural differences in relationships among the variables of interest.

In Model B, all paths were allowed to vary across the two samples. That is, each of the paths indicated in the structural model (see Figure 1) was estimated freely in both samples. Model B suggests that all relationships among the variables of interest differ across the two cultures. The fit indices suggested that Model B was not plausible ($\chi^2 = 58.17$, SRMR = .10, RMSEA = .11, CFI = .91). As hypothesized, it may not be meaningful to assume that all relationships differ across cultures.

In Model C, consistent with our hypotheses, we constrained the paths from LMX to job satisfaction (Hypothesis 1) and LMX to organizational commitment (Hypothesis 2) to be invariant (i.e., equivalent), whereas the remaining three paths were allowed to vary across the two samples. The three unrestricted
(i.e., different) paths were the ones from paternalism to job satisfaction (Hypothesis 3), paternalism to organizational commitment (Hypothesis 4), and LMX to paternalism (Hypothesis 5). The results suggested a better fit with respect to Models A and B ($\chi^2 = 62.83$, SRMR = .09, RMSEA = .11, CFI = .92). The modification indices suggested an unrestricted path from LMX to organizational commitment, which makes theoretical sense. In the Indian business context, loyalty and commitment appear to be key drivers of relationships, and in our sample, Indian employees reported significantly higher affective organizational commitment, which may have implications for LMX relationships. Therefore, we freed this path, and the next structural model (Model D) included an unrestricted path from LMX to organizational commitment. The change in $\chi^2$ was significant ($\Delta \chi^2 = 4.56, p < .05$, SRMR = .05, RMSEA = .09, CFI = .92), suggesting a significantly better fit with respect to Model C. Accordingly, Model D was selected as the most theoretically and statistically meaningful model (see Figure 1 for path coefficients).

As shown in Figure 1, the main effect of LMX on job satisfaction was positive, significant, and invariant across the two samples ($\beta = .27, p < .01$). Thus, Hypotheses 1a and 1b were supported. However, the main effect of LMX on organizational commitment was significant only in the U.S. context. In India, LMX influenced organizational commitment only indirectly: via its positive effect on paternalism. Thus, Hypothesis 2a was not supported.

As suggested by Hypothesis 3a, paternalism was positively and significantly related to job satisfaction in the Indian ($\beta = .09, p < .05$) business context. However, the association between paternalism and job satisfaction was not statistically significant in the United States ($\beta = .06, p > .05$), thus failing to support Hypothesis 3b. Paternalistic leadership was significantly and positively related to organizational commitment both in the U.S. context ($\beta = .27, p < .01$) as well as the Indian context ($\beta = .53, p < .01$), lending support to Hypothesis 4a. However, Hypothesis 4b was not supported because the direct effect of paternalism on organizational commitment was significant and positive in the United States as well. With respect to the relationship between LMX and paternalism, results suggest significant and positive associations in both samples, which support Hypothesis 5a but fail to support Hypothesis 5b. In contrast to Hypothesis 5b, paternalism was positively related to LMX both in the U.S. business context ($\beta = 26, p < .01$) as well as the Indian ($\beta = .39, p < .01$) business context.

Results suggest that, in the Indian sample, once paternalism was introduced into the model, the direct path between LMX and organizational commitment became statistically nonsignificant ($\beta_{\text{India}} = .08, p > .05$), which may illustrate the significance of paternalistic behavior in the Indian work context.
Further, the significant and positive association between paternalism and organizational commitment in the U.S. context is an important finding because it challenges previous assumptions concerning the potential role of paternalistic leadership in the Western business context.

Discussion

Paternalistic leadership research has generated controversial discussions with respect to its generalizability across cultures (Pellegrini & Scandura, 2008). The results of this study support the positive influence of paternalistic behavior in the U.S. business context, specifically with respect to affective organizational commitment. We found paternalistic leadership to complement the influence of LMX with respect to organizational commitment. LMX, on the other hand, had a significant augmenting effect over paternalism with respect to job satisfaction. The positive associations were significant in the U.S. as well as the Indian business context. Thus, the results of this study signal the need for further empirical work before we continue building an unbridgeable dualism between East and West.

Leadership research on cultural value diversity is still scarce despite the fact that value differences are increasingly important for employee work attitudes and effective performance in organizations (Kirkman, Lowe, & Gibson, 2006). The current study is one of the first studies to empirically test the effectiveness of a non-U.S. leadership construct in the United States. Typically, theoretical approaches first take a U.S.-based approach and then examine whether they generalize to other cultures, such as “transformational leadership” (Bass, 1985), LMX (Graen & Scandura, 1987; Liden & Graen, 1980), and even the GLOBE studies (with the exception of the qualitative chapters; House et al., 2004). Research suggests that paternalistic leadership is valued in developing nations (Dorfman & Howell, 1988). According to Dickson, Den Hartog, and Mitchelson (2003), cultures of developing countries share such characteristics as being high on power distance, having strong family bonds, and expecting organizations to take care of their workers as well as the workers’ families. However, this study found paternalistic leadership to be significantly and positively related to organizational commitment in the U.S. context as well.

Theoretical and Managerial Implications

Our results suggest paternalistic leadership may have a significant positive effect on organizational commitment above and beyond the influence of
LMX quality. In both cultural contexts, employees reported paternalistic leadership was significantly related to affective commitment to their respective organizations. This is a significant finding that suggests that via paternalistic management, organizations may increase competitive advantage by integrating employees as lifetime members who are dedicated to the long-term goals of the organization.

Paternalism, as a philosophy of management, entails treating employees much like family members. This is especially important in India where family continues to be the basic unit of Indian society. Children are socialized to first depend on and subsequently support the family (Chhokar, 2007). Help of family members is often sought, and provided, in dealing with personal problems. It is common for older members of the family to arrange marriages for younger members, even when the latter are professionally and economically independent (Yelsma & Athappilly, 1988). In India, the focus on long-term relational commitments with friends and family is also reflected in human resource practices in organizations. In terms of compensation, important considerations involve what is equitable for the group as well as seniority (Erez, 1994). Selection is generally influenced by the relationships applicants have with other members in the organization. Hiring the “most qualified” person often involves hiring a person with the best contacts and relationships (Gelfand et al., 2004).

Our results suggest some of the positive effects of managerial paternalism may generalize to individualistic cultures as well. In contrast to previous assumptions about the potential negative impact of paternalism in the U.S. context, current study found paternalism to be a significant correlate of organizational commitment regardless of the cultural context. This is an important finding for practitioners as well as academicians. Paternalistic leadership may be an essential element of effective management because of its positive influence on affective organizational commitment. In the current U.S. context, increased downsizing and outsourcing coupled with organizational restructuring that replaces permanent employees with temporary contractors may lead to low morale, diminished motivation, and less loyalty toward the organization. In such business contexts, paternalistic management may address the need for human interaction, which may be effective in an increasingly impersonal and competitive business environment. Because of the increasing need to retain talent in today’s knowledge-based economy, it is important for managers to be open to leadership styles that may affect organizational commitment as these behaviors are often under the manager’s control.

Further, this study extends LMX theory and facilitates the integration of LMX and paternalistic leadership to develop a more integrated theoretical...
perspective. Current findings extend the nomological network of LMX and demonstrate empirical support for its positive association with paternalistic leadership. Whereas paternalism supplemented LMX on organizational commitment, LMX explained additional variance in job satisfaction in both cultural contexts. This may be because LMX is focused on the employee’s career advancement, whereas paternalism is focused on the employee’s overall welfare. In a high-quality LMX relationship, the leader provides the follower with positional resources, such as assignment of challenging tasks, which in turn help the employee’s short-term career advancement (Bauer & Green, 1996; Schriesheim et al., 1998). Paternalism is a longer term construct that may translate into higher organizational commitment. A paternalistic leader invests both positional and personal resources and behaves like an elder family member interested in the overall welfare of his subordinates (Martinez, 2005; Uhl-Bien, Tierney, Graen, & Wakabayashi, 1990). Thus, the bond between the paternalistic manager and the follower is a heavily emotional one that creates a sense of indebtedness (Uhl-Bien & Maslyn, 2005) similar to affective organizational commitment. Such loyalty develops through positive experiences at work (Allen & Meyer, 1990), one of which may involve paternalistic care and protection.

Limitations and Directions for Future Research

Notwithstanding substantive contributions, our findings have some limitations. With respect to the demographics, Indian sample included significantly more males compared with the U.S. sample. However, this sample characteristic is consistent with previous research from India. For example, 86% of GLOBE study’s Indian sample was male (Chhokar, 2007). The study conducted by Pillai et al. (1999) also reported a sample largely represented by males (70%).

We measured LMX and paternalism from the subordinate’s perspective. Future research should assess these variables from both the leader’s and the member’s perspective to examine whether the perspective may influence the relationship between LMX and paternalism. In addition, responses were obtained from the same source, which may raise concerns about same-source bias. However, our purpose was to compare paternalism, LMX, and their relationship to outcomes across diverse cultural contexts. Same-source bias would not compromise our ability to do so.

Further, the significant positive effect of paternalism on organizational commitment in the United States may be because of the specific region in which the sample was collected. This study was conducted in the
southeastern region of the United States and there may be between-region cultural differences in the way employees respond to paternalistic practices. Thus, more research from the United States is needed to further our understanding of the generalizability of the relationship we found between paternalistic leadership and affective organizational commitment.

In addition, India is a diverse society and our results may not generalize to all Indian organizations. For example, the nature of the organizations (i.e., public vs. private) the respondents worked for may have influenced their responses on job satisfaction and organizational commitment. Future studies should assess this information and control for its potential influence to rule out competing explanations. Further, differences in social status and religion may have different impact on attitudes toward paternalism. Future research should study social status, religion, and regional background of Indian samples to examine whether demographic variables act as moderators in the effectiveness of paternalistic leadership practices. However, despite the multiple forms of life that coexist in India, Kakar (in his interview with Jahanbegloo, 2009) suggests there is an underlying unity, a superordinate Indian identity. He characterizes the concept of an overall Indian identity or “Indianness” as placing high emphasis on connectedness to others and having a hierarchical vision of social relations. Further, Jahanbegloo (2009) argues that the hierarchical nature of the Indian mind applies to all ethnic groups in India.

A recurring debate in international culture research is whether there will be a global narrowing of the differences in cultural dimensions because of increased Western exposure. If national cultures begin to converge more closely toward lower levels of power distance (i.e., less hierarchical structures), that may affect the definition and content of effective paternalistic practices. However, it is difficult to assess whether convergence with regard to leadership practices may take place because of lack of historical baseline data (Dorfman & House, 2004). Although research from India suggests cultural change in management practices such as labor turnover (Yiu & Saner, 2008), Hofstede (2001) argues that fundamental cultural values (i.e., power distance) are quite resistant to convergence forces. According to Dorfman and House (2004), although some convergence with respect to management practices will likely take place, a great deal of stability will remain regarding the more fundamental aspects of psychological commonalities and cultural practices.

Notwithstanding these limitations, this study offers an important contribution to the international management literature as well as managerial practice in the United States and abroad. The findings suggest paternalistic leadership may be a significant correlate of employee commitment. Despite its significance, few studies have examined paternalistic leadership across cultures.
Our research is the first empirical study of paternalistic leadership in the
United States, and therefore many questions still remain to be explored. For
eexample, the U.S. workforce is increasingly diverse, and there may be within-
culture differences in perceptions of paternalism that affect job attitudes and
employee behavior, such as organizational commitment, voluntary turnover,
and stress. Future research should continue to examine the paternalistic
leadership–organizational commitment linkage in the U.S. context.

Furthermore, given the global trend in increasing number of women enter-
ing the workforce, a fruitful area for future research would be to study the
moderating effect of subordinates’ gender on the effectiveness of paternal-
istic leadership. Research from India suggests that, in Indian organizations,
women are still commonly excluded from the daily routine of informal
knowledge transfer (Zaidman & Brock, 2009). Therefore, in hierarchical
social contexts, women may particularly welcome the care and protection a
“father figure” provides. It may also be interesting to study the moderating
effect of leader’s gender because in traditional, male-dominated societies,
“authoritative” female leadership may not be well received especially by
male subordinates. In this study, we ran a univariate analysis of variance and
the initial results suggested some interesting findings. In the United States
\((p > .10, \eta^2 = .001)\), there was no significant difference among male \((M = 3.03, SD = .78)\) and female \((M = 2.97, SD = .55)\) subordinates regarding their
perceptions of paternalistic behaviors. In contrast, in India \((p < .01, \eta^2 = .05)\)
male employees \((M = 3.48, SD = .69)\) reported significantly higher paternal-
istic treatment from their managers as compared with female employees
\((M = 3.06, SD = .84)\). These results may reflect gender inegalitarianism in
Indian organizations. Because of cultural expectations for appropriate gender
roles in India, working women may receive less attention from their managers.
Furthermore, the content of care and protection provided by paternalistic lead-
ers may be different for female versus male employees in gender-inegalitarian
cultures. In addition, the “paternalistic leadership” scale we used in this study
only assesses perceptions of paternalistic behavior and therefore we cannot
infer which gender group is more satisfied under paternalistic leadership.
This line of gender research merits attention and would be a fruitful direction
for future research.

Another potential area for future research is to differentiate other leader-
ship constructs from paternalism. Paternalistic relations are long term with an
emphasis on employee’s overall welfare, similar to mentoring or transforma-
tional leadership that are concerned with employees’ career advancement as
well personal well-being over time (Bass, 1985; Kram, 1985). Future research
should continue to differentiate paternalism from other leadership constructs
and examine how they relate to long-term and short-term employee attitudes, performance, and career outcomes. Furthermore, future theoretical work and empirical research should continue to integrate concepts from the leadership literature and study their augmenting effects on important organizational outcome variables. Theoretical integration with abusive supervision (Wu & Hu, 2009; Zellars, Tepper, & Duffy, 2002) and altruistic leadership (Sosik, Jung, & Dinger, 2009) may be fruitful venues for future research. For example, the question of whether paternalistic leadership is less likely to be abusive or more likely to be altruistic than LMX relationships is an interesting one. Also, recently researchers introduced authentic leadership, which is conceptualized as a “root construct” underlying all positive approaches to leadership (Avolio & Gardner, 2005). It may be interesting to study the points of convergence between authentic leadership and paternalistic leadership and examine their unique effects on organizational outcomes.

**Conclusion**

The results of this study indicate that paternalistic leadership may significantly influence organizational commitment across diverse cultural contexts. When paternalistic leadership is studied jointly with other leadership constructs, it may provide a more complete picture of leadership dynamics both in the domestic U.S. context as well as in other cultures. The current results suggest that for too long, negative perceptions of paternalism may have limited theory and research, which may have limited the potential that paternalistic leadership may hold to better understand the full spectrum of leadership.

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