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Leadership behavior and subordinate effectiveness of Chinese hospitality: Mediating process of loyalty

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Leaders play vital roles in hospitality. However, former studies made on leaders of domestic hospitality mainly verified the leadership theories developed by western scholars, without considering the potential problems possibly brought about by cultural differences. In view of this point, our study utilizes the paternalistic leadership, an indigenous leadership style in Chinese societies. This study explored the relationship between leadership behavior and member's effectiveness, and use organizational citizenship behaviors (OCB) as criteria variable. The "loyalty" was adopted as a mediator variable to inspect its mediating effect between leadership behavior and leadership effectiveness. Therefore, this study had taken 110 leaders and 220 subordinates of hospitality as the research object, finding that (1) the benevolent and moral leadership in paternalistic leadership had positive impact on subordinate's organizational citizenship behavior while authoritarian leadership had a negative impact; (2) the relationship between moral/authoritarian leadership and OCB would be mediated by loyalty. Finally, it discusses the research limitations, future direction in research and the connotation in leadership theory and management practices.

Key words: Hospitality, paternalistic leadership, loyalty, OCB.

INTRODUCTION

Leadership research has always been a principal subject in organizational behavior (Sanders et al., 2011). A review on management practices and academic findings in the past two decades indicates, many researchers admit that the connotation of leadership does receive considerable impact from culture and they emphasize that leadership may be a global common phenomenon as a social impacting process. However, the content of leadership is embedded in culture; connotations, styles and effectiveness of leadership differ along with cultural differences (for example, Chemers, 1993; Hofstede, 1980). Therefore, some researchers begin to adopt

emic approach to explore leadership subjects in Chinese family business (CFB) in Hong Kong, Indonesia, Singapore, Taiwan etc. (Cheng, 1995a; Redding, 1990) and they specify that leaders of Chinese business have distinct and vivid characteristics which can be called paternalistic leadership. The so-called paternalistic leadership is a kind of style similar to paternity, holding clear and powerful authority but containing concerns and understanding of members as well as moral leadership components at the same time (Westwood and Chan, 1992; Farh and Cheng, 2000).

Then what is leadership effectiveness actually? This study would take organizational citizenship behavior (OCB) as an indicator. For Chinese hospitality organizations, none organizational design is faultless under a fast-changing circumstance. Therefore, member behaviors in the system or his role alone cannot achieve the goal of an organization effectively, but depending on member's initiative execution of behaviors other than particular roles (Katz and Kahn, 1978).

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Abbreviations: OCB, organizational citizenship behaviors; CFB, Chinese family business.

The so-called OCB refers to member's unconditional and spontaneous behavioral performance which is not formal or necessary behavior required directly by the organization but can facilitate it to achieve goals. In hospitality, it is of great importance that members conduct "out-duty" altruistic behaviors besides accomplishing their "in-duty" work to promote management efficiency and enhance performance. Therefore, this study intends to learn about the relationship between leader-member exchange quality and member OCB in the process how leaders affect member's attitude and behavior. That is, when a leader uses his unique personal charm, extraordinary demeanor or appropriate circumstance to affect member's attitude and thus lead to OCB favorable for organization development, what is the role that leader-member exchange quality plays? Some researches regard it as situational factor (Yu et al., 2002); this study regards loyalty as a mediator variable between leadership behavior and OCB, observing and comparing its mediating effect on leadership behavior and OCB while describing leader's affecting process specifically and completely.

Based on the above discussions, the purposes of this study were: (1) to learn about the degree of impact of leader's paternalistic leadership on member's OCB. (2) To explore the relationship between paternalistic leadership and loyalty. (3) To observe the mediating effect of loyalty on paternalistic leadership and member's OCB.

LITERATURE REVIEW

Paternalistic leadership

In line with the thinking trend of emic approach, researchers of leadership find that leader's behaviors show distinct and vivid characteristics in Chinese business or organizations, which can be called paternalistic leadership (Cheng, 1995a; Redding, 1990; Pellegrini and Scandura, 2008; Pellegrini et al., 2010). After reviewing the studies on Chinese leaders since Silin (1976) Farh and Cheng (2000) have defined paternalistic leadership as the style of leadership consisting of strict discipline and authority, paternal benevolent and moral probity displayed under the atmosphere of rule of man. In this definition, paternalistic leadership comprises of three important dimensions, that is, authoritarian, benevolent and moral leadership.

Paternalistic leadership and member effectiveness

In an organization, organizational citizenship behavior (also named as extra-role performance) is regarded as a considerably important indicator of member effectiveness, paralleled with task performance (also named as in-role performance) as principal performance indicators

(Colbert et al., 2004). Therefore this study would further explore the relationship between member effectiveness and paternalistic leadership behavior in hospitality. "Organizational citizenship behavior" was defined by scholars Smith, Organ and Near in 1983. Organ (1988) has defined the aforementioned third kind of behavior and attitude of Katz as "organizational citizenship behavior" and specified it more definitely as "explicitly recognized by organization's formal reward system". Domestic scholar Lin Shu-Chi (1992) has defined "organizational citizenship behavior" as behaviors that are beneficial to the organization and that organization members must represent to comply with the following two conditions: "Such behavior is exclusive from basic duty requirements, on members own discretion and unaffected by leaders through formal organization" and "organization would not offer financial reward to such behavior but may consider about it when making decisions on salary or promotion. Generally speaking, such behavior has no apparent relation with rewards". Thus she divided "organizational citizenship behavior" into six dimensions for measurement (1992), including "identification of organization", "self-enhancement", "making no troubles and not fighting for interests", "clear distinction between public and private interests", "assistance to colleagues" and "dedication to work and obedience to law" etc. Thus this paper hypothesizes, if a worker of hospitality under hierarchal organization can perform more altruistic behaviors on his existing role and position, he will contribute positively to the achievement of organizational performance.

On such basis, this study intends to explore the impact of different paternalistic leadership behaviors of supervisors on member effectiveness in domestic hospitality organizations. Thus this study made the following hypotheses:

H₁: Paternalistic leadership mode has significant effect on member's effectiveness OCB in hospitality.

H_{1a}: Leader's benevolent leadership has positive effect on member's effectiveness, that is, when a leader adopts benevolent leadership style, members will display more effectiveness.

H_{1b}: Leader's moral leadership has positive effect on member's effectiveness, that is, when a leader adopts moral leadership style, members will display more effectiveness.

H_{1c}: Leader's authoritarian leadership has negative effect on member's effectiveness, that is, when a leader adopts authoritarian leadership style, members will display less effectiveness.

Paternalistic leadership and loyalty

The role norm and order of leader-member exchange emphasized in Chinese traditional culture are: the

subordinate must be subject to the superior's requirements, showing that the regulative principle of the interactive parties' precedence and intimacy is most important. Such attitude or behavior is named as "loyalty", which is the most important variable in different kinds of industries nowadays. When members show "loyalty" to the organization or superior and ensure behaviors and thoughts indicating high and low, noble and humble, old and young as well as hierarchal control, the industry will achieve extraordinary performance. The industry achievements that Taiwan was proud of in past years most came from conveying such spirits to all members of the corporation. This study thus took it as the observing perspective of leader-member exchange quality. "Loyalty" is a critical ethic in traditional Chinese society, one of the cores of Confucianism, and also regarded as a universal social ethic. It refers to a proper or appropriate psychological condition or attitude when facing advance and retreat. Therefore we can obtain Hypothesis 2:

H₂: The paternalistic leadership of a leader has significant impact on member's loyalty.

H_{2a}: Leader's benevolent leadership has positive effect on member's loyalty.

H_{2b}: Leader's moral leadership has positive effect on member's loyalty.

H_{2c}: Leader's authoritarian leadership has negative effect on member's loyalty.

The mediating effect of loyalty on paternalistic leadership and organizational leadership behavior

In the discussion of how transformational leadership affects member's OCB, Yukl (1998) has pointed out: "Through member's trust and respect in leaders, transformational leaders can inspire members to perform ultra-level working behaviors". There were similar opinions in the analyses of paternalistic leadership and member reaction: paternalistic leadership would cause members to develop the attitude of identification, imitation, gratefulness, requital, reverence and obedience, further to promote member's personal OCB and task effectiveness (Cheng et al., 2001). It can be concluded from the foregoing that leader-member exchange quality (including member's trust in and satisfaction of hospitality leaders) might bring about mediating effect on leadership behavior and member's OCB. According to the aforementioned analyses, the following hypotheses are proposed:

H₃: The loyalty has mediating effect on paternalistic leadership and member's OCB.

H_{3a}: The loyalty has mediating effect on benevolent leadership and member's OCB.

H_{3b}: The loyalty has mediating effect on moral leadership and member's OCB.

H_{3c}: The loyalty has mediating effect on authoritarian

leadership and member's OCB.

In a word, this study would take leaders and members of hospitality as the object to verify the impact of paternalistic leadership on member's OCB and leader-member exchange quality, along with the mediating effect of leader-member exchange quality on paternalistic leadership and OCB. By combining the above inferences and hypotheses, the research framework of this study are shown in Figure 1

METHODOLOGY

Research object and process

This study took the dyad of leader and member of hospitality as research object. Theoretically, for the purpose of ensuring the generalization of findings, random sampling method should be applied to select samples. However, restricted by the wide distribution of hospitality industries in Taiwan, purposive sampling was applied to seek samples. In order to increase the representativeness of samples, this study made every possible effort to cover different kinds of hospitality industries and tasks of various natures (supervisor and member). After filtering and removing unsuitable samples, there were totally 330 persons, that is, 110 leaders and 220 corresponding members (every leader corresponds to every two members) of hospitality. 220 dyads were research objects. Questionnaires were pretest before the formal release and reliability analysis of pretest was also conducted in the hope of complying with the existing circumstance of hospitality.

Variable measurement

The measuring tools of this study include two kinds - "member questionnaire" and "supervisor questionnaire". The former would be completed by members and the content of questionnaire included three parts: supervisor's leadership behavior, member perceived loyalty and background data. The latter would be completed by supervisors and the content was to describe the two parts: selected member's OCB and personal background information. All scales have undergone editorial amendment to fit for the use in hospitality.

Member's questionnaire

Paternalistic leadership

The questionnaire (42 questions) used the paternalistic scale developed by Cheng et al. (2000). The scale used to measure three aspects of benevolent, moral and authoritarian leadership and past researches proved that the scale had good confidence and validity. A six-point Likert's scale measured the degree of agreement on subordinates to the leadership behaviors shown by the leader from the lowest (1 score) to highest scores (6 scores), representing "extremely disagree", "quite not agree", "a little not agree", "a little agree", "quite agree" and "extremely agree". The Cronbach's α in the scales of three types of leadership are 0.95, 0.91 and 0.88, respectively.

Loyalty

The questionnaire (36 questions) used the loyalty to supervisor scale developed by Cheng and Chou (1999). The Cronbach's α in

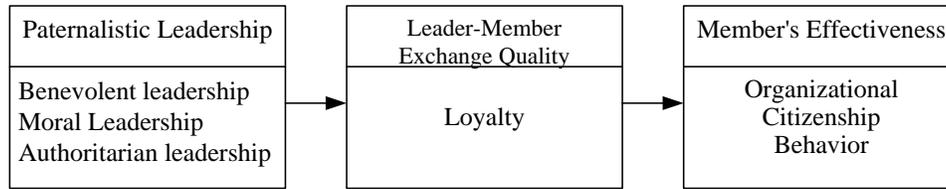


Figure 1. Research framework.

the scale was 0.89.

Control variable

This study took age, sex, educational level and seniority as control variables, those could have potential influent effects on loyalty and OCB, which will be discussed in this study (Yang and Cheng, 1987; Organ, 1988).

Supervisor's questionnaire

Subordinate's OCB organizational citizenship behaviors were measured by OCB scales that were developed by Farh (1997) and Lin (1992). The scale included questions of self-realization, identifying oneself to organization, helping colleagues, conscientiousness, not struggling for gain and making clear distinction between public and private interests. It consisted of 22 items and the Cronbach's α was 0.95. All the aforementioned measuring tools were pretest in advance, words and phrases revised into terms suitable for hospitality in the hope of having face validity. Except for demographic background variable which may be particularly explained, all other variables applied Likert-type six-point scale for scoring. The reason why the scoring method of even number point was applied was to avoid the keeping-middle response tendency without bias to both sides that Chinese respondents usually have during completing questionnaires (Chiu and Yang, 1987).

Analysis method

In order to learn about the factor structure of paternalistic leadership, loyalty and OCB, this study first conducted factor analysis and then carried out the reliability analysis of every variable to find out the internal consistency of each scale. Then it calculated the correlation among every variable to learn about the relationship among control variable, paternalistic leadership, loyalty and OCB. Thereafter, this study planned to explain the impact of paternalistic leadership on member's OCB and leader-member exchange quality through the affecting process of mediating model, and also the role that leader-member exchange quality played in this leadership affecting process. Therefore, this study applied hierarchy multiple regression to put control variable, leadership types (benevolent, authoritarian and moral), OCB and loyalty into regression model one by one to calculate the explanatory power (R^2) and unique explanatory power (ΔR^2) of consequential variable.

RESULTS

Descriptive statistics and correlation analysis

Table 1 reflects the mean value, standard deviation and

correlation coefficient matrix of every variable in this study. From Table 1, we could learn that the average number of OCB is 4.3 (SD =0.8). Both show middle-high degree that means most of hospitality leaders have felt subordinate's OCB and the variation is not great. For the loyalty of subordinates, the average scores are 3.90. That means the surveyed (subordinates) are loyalty by their leaders. Thus they have a certain centripetal force and identification with the leaders and organizations so they show higher degree of organizational citizenship behaviors. Regarding paternalistic leadership benevolent, moral and authoritarian leadership, the average of moral leadership is the highest (4.15), but it is not significantly different from benevolence (3.57) and authority (3.45) and all three numbers incline to scale 4. It indicates that paternalistic leadership has certain representativeness in domestic hospitality. In terms of control variable, what requires more concern is the low level of the educational level of members (mean value 2.85), between senior high school and vocational school.

Secondly, in terms of correlation coefficient, the correlations among every dimension of paternalistic leadership fall in the scope of $r=.60$ ($p<0.001$) and $r=.75$ ($p<0.001$); authoritarian leadership has negative correlation with the other two leadership behaviors; benevolent and moral leaderships have positive correlation; as are of no difference to former studies on paternalistic leadership. The correlation between paternalistic leadership and leader-member exchange quality falls between $r=.39$ ($p<0.001$) and $r=.76$ ($p<0.001$); authoritarian leadership and leader-member exchange quality have significant negative correlation ($r=-0.39$, $p<0.001$ ~ $r=-0.45$, $p<0.001$) while leadership and moral leadership have significant positive correlation ($r=0.57$, $p<.001$ ~ $r=0.76$, $p<.001$). Regarding the correlation between paternalistic leadership and OCB, benevolent leadership and moral leadership have significant positive correlation with OCB ($r=0.46$, $p<0.001$, $r=.36$, $p<0.001$) while authoritarian leadership and OCB show significant negative correlation ($r=-0.28$, $p<0.001$), also echoing to former literature.

Paternalistic leadership and organizational citizenship behaviors (OCB)

In Table 2, M3 and M6 indicate that benevolent leadership and moral leadership of paternalistic leadership have

Table 1. Correlation analysis of variables (N=330).

Variable	Means	SD	1	2	3	4	5	6	7	8	9
Control variable											
Age of member	2.16	0.62									
Education of member	2.86	0.83	0.31***	0.08							
Seniority of member	2.16	1.42	0.73***	0.08	-0.04						
Type of paternalistic leadership											
Benevolent leadership	3.57	1.05	0.09	0.04	0.12*	0.08	(0.96)				
Moral leadership	4.15	1.03	0.07	0.06	0.11*	0.02	0.75***	(0.89)			
Authoritarian leadership	3.45	1.00	-0.14**	-0.09	-0.17***	-0.08	-0.60***	-0.60***	(0.92)		
Leader-member exchange quality											
Loyalty	3.90	1.10	0.14**	0.03	0.11*	0.10*	0.76***	0.69***	-0.045***	(0.92)	
Dependent variable											
Organizational citizenship behavior	4.33	0.80	0.20***	0.14**	0.18***	0.17**	0.46***	0.36***	-0.28***	0.39***	(0.96)

Note: 1. * p<0.05, ** p<0.01, *** p<0.001; The value in brackets is the dimension Cronbach's α of the scale.

Table 2. The mediating effect of loyalty and organizational citizenship behaviors (OCB).

Variable	Leader-member exchange quality						Organizational citizenship behavior						
	Loyalty						M5	M6	M7	M8	M9	M10	M11
	M1	M2	M3	M4	M5	M6							
Control variable													
Age of member	-	-	-	-	-	-	-	-	-	-	-	-	-
Gender of member	-	-0.10*	-0.11*	-0.10*	-0.10*	-0.11*	-0.10*	-0.10*	-0.10*	-0.11*	-0.10*	-0.10*	-0.09*
Education of member	-	-0.13*	-0.12*	-0.11*	-0.11*	-0.11*	-0.14*	-0.13*	-0.12*	-0.14*	-0.12*	-0.11*	-0.11*
Seniority of member	-	-	-	-	-	-	-	-	-	-	-	-	-
ΔR^2	0.04	0.08	0.09	0.08	0.08	0.09	0.08	0.08	0.08	0.09	0.08	0.08	0.08
Paternalistic leadership													
Benevolent leadership	0.59***		0.44***	0.38***	0.39***								
Moral leadership	0.31***					0.34***	0.17**	0.16***					
Authoritarian leadership	-0.07									-0.25***	-0.11*	-0.13*	
ΔR^2	0.60		0.19	0.16	0.16	0.12	.09	0.09	0.07	0.05	0.05		

Table 2. Contd.

Leader-member exchange quality											
Loyalty	0.26***			-			0.25***			0.32***	
ΔR^2	0.13			0.02			0.05			0.09*	
R^2	0.62	0.21	0.27	0.26	0.27	0.20	0.22	0.22	0.14	0.21	0.20
Adjusted R^2	0.62	0.20	0.26	0.25	0.25	0.19	0.21	0.21	0.13	0.20	0.19
<i>F</i> value	94.79	52.76	29.98	25.19	25.36	19.44	19.63	19.41	12.94	18.87	17.65

significant positive effects on member's OCB, respectively ($\beta=0.44$, $\Delta R^2=0.19$, $p<.001$; $\beta=0.34$, $\Delta R^2=0.12$, $p<.001$), that is, when leaders adopt benevolent or moral leadership style, members will present more OCB; while M9 shows that authoritarian leadership has significant negative effect on member's OCB ($\beta=-0.25$, $\Delta R^2=0.07$, $p<0.001$), that is, when leaders adopt authoritarian leadership style, members will present less OCB. The above findings show H_{1a} , H_{1b} and H_{1c} are all supported.

Paternalistic leadership and Loyalty

In respect of loyalty, the member background effect is not significant, but M1 shows that the effect of paternalistic leadership is extremely significant (ΔR^2 is 0.60, $p<.001$), the effect of which mainly come from benevolent leadership ($\beta=0.59$, $p<0.001$) and moral leadership ($\beta=0.31$, $p<0.001$). It can be found from the above outcome, H_{2a} : Leader's benevolent leadership and H_{2b} : Leader's moral leadership has positive effect on loyalty. It is both supported, and H_{2c} : Leader's authoritarian leadership is not significant.

The loyalty on paternalistic leadership and organizational citizenship behaviors (OCB)

Table 2 shows all regression analysis results of

loyalty, paternalistic leadership and OCB. But if we consider at the same time the effects of paternalistic leadership and loyalty on subordinate's organizational citizenship behaviors, the mediating effects were not consistent. For benevolent leadership, despite the value of β slightly reduced (from 0.44 to 0.38 and 0.39), the effects were not significant. For moral leadership and authoritarian leadership, the value of β reduced significantly (from 0.34 to 0.17 and 0.16 and from -0.25 to -0.11 and -0.13) and reached the level of significance ($p<0.001$). The integral explanatory power slight increased. It can be found from the above results that the hypothesis that loyalty on paternalistic leadership and OCB is partially supported. That is, loyalty has mediating effect on moral leadership, authoritarian leadership and member's OCB. That is, loyalty has mediating effect on moral and authoritarian leadership and member's OCB. H_{3b} and H_{3c} are supported. H_{3a} is not supported.

DISCUSSION

This study has three purposes: (1) To learn about the impact of leader's paternalistic leadership on member's OCB in hospitality; (2) To explore the relationship between paternalistic leadership and loyalty; and (3) To observe the mediating effect of loyalty on paternalistic leadership and member's OCB. Findings show, besides achieving the three

research objectives of this study, researchers have gained several discoveries in the research process and this study plans to put forward a few proposals on theoretical connotation and management practices accordingly.

Theoretical connotation

(1) The finding that member's OCB will differ significantly with the types of leader's paternalistic leadership indicates, paternalistic leadership has significant impact on OCB and its affecting direction will differ along with the types of paternalistic leadership (Cheng et al., 2004).

Basically, benevolent and moral leadership had positive effects on subordinate's organizational citizenship behaviors, that is, when a leader adopted benevolent or moral leadership style, their subordinates would show more organizational citizenship behaviors. On the contrary, if a leader adopted authoritarian leadership style, their subordinates would show less organizational citizenship behaviors. That means when a leader adopts benevolent leadership of taking care of subordinates or moral leadership of making himself as an example and making clear distinction between public interests and private interests, subordinates will identify themselves to the leader and follow him, wish to return leader's kindness, respect him and comply to his order that will further to enhance subordinates' personal OCB

and work efficiency. But when a leader adopts authoritarian leadership of controlling subordinates, the subordinates will often reduce OCB due to fears and indignation. (2) The mediating effect of loyalty on paternalistic leadership and OCB. The empirical outcome indicates that H_3 is partially supported, that is, loyalty has mediating effect on moral and authoritarian leadership and member's OCB, but has no mediating effect on benevolent leadership and member's OCB. From above results, we could see that hospitality organizations are different from business organizations. In traditional hospitality organizations, they stress on authoritarian leadership in which leader should "act as a monarchy" of subordinates and moral leadership in which a leader should "act as a teacher" of subordinates. May be "mentoring" is the most important factor. A leadership should have absolute authority on their subordinates while the subordinates have to absolutely obey the order from leaders. Therefore, in hospitality organizations, such as two leadership behaviors are much easy to affect subordinates' perception of loyalty on leadership behaviors and further to affect subordinate's organizational citizenship behaviors.

Suggestions to management practices

The relationship between paternalistic leadership and organizational citizenship behaviors (OCB)

Leaders of hospitality should perceive the reason why paternalistic leadership is applicable in the leadership management practices of domestic hospitality is not only because the theory of paternalistic leadership is rooted in the principle of respecting the respectable in traditional Chinese culture, but more importantly because the content of its theory dimensions such as benevolence, morality and authoritarianism can be accepted by members of hospitality and then lead members to perform OCB favorable for organization development (Cheng et al., 2002).

Association between members perceived loyalty and leader effectiveness

Leaders of hospitality should understand that leader effectiveness will be affected by member perceived loyalty (Cheng, 2009); the current hospitality leaders may not treat subordinates with one leadership theory, therefore, leaders of hospitality should pay attention to member's attitude and consciousness at any moment and then adjust fit leadership type accordingly so as to promote leader effectiveness.

The connotation of demographic background variable

Several messages relevant to population background

variable can be seen from relevant analysis: First, the higher member's educational attainment is, the more they prefer leaders adopt benevolent and moral leadership while the more they reject authoritarian leadership; secondly, the elder the member's age, the higher his educational attainment and the longer his seniority are, the better loyalty they can perceive; finally, the member's age, gender, educational attainment and seniority show high positive correlation with OCB. The above messages can provide important reference to leaders of hospitality in their leadership management practices on how to adjust leadership behaviors.

Further research

The suggested directions of further studies include the following: First, because none set of leadership theory applicable to our hospitality industries is developed so far, future researchers can further introduce western leadership theories such as transformational leadership and transactional leadership theory to compare and explore the impact of cultural factors on leader effectiveness, in addition to using the paternalistic leadership theory developed on the basis of Chinese culture to explore and establish the most suitable leadership model. Secondly, OCB is only one of the indicators evaluating leader effectiveness of leadership, it cannot represent leader effectiveness of leadership in hospitality completely, future studies can collect overall effectiveness of units more completely, for example, annual comprehensive evaluation, business performance and overall organization image, etc. in the hope of evaluating effectiveness of leadership correctly and properly. In the end, the level of studies should be promoted with efforts in order to acknowledge the overall existing circumstance of hospitality completely and accurately as well as to make reasonable explanations. Certainly, future researchers can also utilize this theoretical framework in other Industries so as to fully understand the difference of explanatory ability between the paternalistic leadership focused on Chinese culture and the transformational leadership or transactional leadership theories based on western theories on the effectiveness of leadership of leaders in different industries in Taiwan, and then to explore the impact of culture on leaders.

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