Chinese immigrants’ occupational well-being in Finland: the role of paternalistic leadership

Nie, Dan; Lämsä, Anna-Maija

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Abstract

Purpose—The primary aim of this study is to enhance understanding of paternalistic leadership behaviour in the Finnish organisational context by investigating how this behaviour relates to the occupational well-being of immigrant Chinese employees.

Method—A survey of 117 Chinese immigrants working in Finland employed the snowball sampling method.

Findings—Paternalistic leadership behaviours, especially benevolent leadership behaviour, were found to influence the occupational well-being of immigrant Chinese knowledge workers in the Finnish organisational context.

Implications—The paternalistic leadership style is likely to prove fruitful in Western organisational contexts, especially for the well-being of immigrant employees from China or other Asian countries.

Value—Misunderstanding of paternalistic leadership behaviours in Western societies may impede the theory’s further development. The study enhances understanding of paternalism in the Finnish organisational context by illuminating the effect of paternalistic leadership on the occupational well-being of immigrant Chinese employees.

Keywords: Chinese immigrant, Finland, leadership behaviour, paternalistic leadership, occupational well-being

Paper type: Research paper
Introduction
The Chinese have migrated internationally for centuries (Ma, 2003). In Finland, where the present study was set, the ethnic Chinese presence has increased from 300 in 1990 to 8,900 in 2013 to become the country’s fourth largest immigrant group (Official Statistics Finland, 2014). However, because of some obvious cultural differences between Chinese immigrants and local Finns (House et al. 2004), social integration has proved challenging for leaders in organizations. Integration depends crucially on managers’ leadership skills and strategies in helping ethnic Chinese employees to cope with the local cultural environment.

From an Eastern perspective, paternalistic leadership research seems likely to provide deeper insights into this issue, as research emerging from Asia suggests that leadership in the East differs somewhat in this regard (Farh & Cheng, 2000). Like the father figure in a family context, leaders in paternalistic cultures take responsibility for the protection and personal care of their employees while exercising absolute power; in exchange, these leaders expect loyalty and deference (Aycan et al., 1999). Although paternalism is found in many cultures, it is considered particularly effective as a leadership style in certain non-Western countries that are characterised by high power distance, including China (Farh & Cheng, 2000), Japan (Uhl-Bien et al., 1990) and Malaysia (Ansari et al., 2004). In the West, however, paternalistic leadership is often regarded as a form of dictatorship (Uhl-Bien & Maslyn, 2005).

A number of studies have identified the need for more research on the effects of paternalistic leadership on employee outcomes such as occupational well-being (e.g. Van De Voorde et al., 2012) because of differences in cultural background that are more likely to cause strain for immigrants than for the domestic workforce. The primary aim of the present study is to enhance understanding of paternalistic leadership behaviour in a Finnish organizational context by investigating its relationship to the occupational well-being of immigrant Chinese employees. In light of Finland’s cultural similarity to other Western countries ranked as top immigration destinations by Chinese workers, such as the U.S., and Canada (Hofstede, 1980), we hope that the present findings can also illuminate immigrants’ problem in these societies.

For the purposes of this study, we drew on the following theoretical constructs. First, Cheng et al.’s (2004) model informed our understanding of paternalistic leadership. In relation to immigrant employees’ occupational well-being, we referred to Van De Voorde et al.’s (2012) extensive review, which concluded that the three dimensions of well-being were happiness-
related, health-related and social. In the present study, these three dimensions were examined as separate outcomes. The research model is depicted in Figure 1.

/The Three-Dimensional Model of Paternalistic Leadership/

Paternalistic leadership has attracted increasing interest in the Eastern management and leadership literature (Chen et al., 2011). Traditional Chinese thinking views fathers as authoritative in dictating all of their children’s significant life decisions. In paternalistic relationships (as with the father figure in a family), organizational superiors are commonly presumed to have the right to exercise authority over their subordinates and to command unquestioning personal respect and deference (Jackman, 1994; Aycan et al., 1999; Aycan, 2006).

Currently the most widely used model in this area of research, Cheng et al.’s (2004) model of paternalistic leadership comprises three dimensions: benevolence, morality and authoritarianism. Benevolence refers to leadership behaviour that exhibits individualized and holistic concern for subordinates’ work and personal well-being. However, while one might view benevolence as a universal value (Kanungo & Mendonca, 1996), the emotional concern inherent in paternalistic leadership differs from that of Western approaches such as transformational leadership, where concern for followers is considered a key dimension. A critical distinction here is the extent to which managers are concerned about subordinates’ personal welfare beyond working life. For example, it is not uncommon for managers in China to be aware of their subordinates’ financial situation and to provide help when needed (Chen & Peng, 2008), or to help an unmarried subordinate older than the usual matrimonial age to find a significant other. In a Western context, such behaviours might be seen as a violation of the subordinate’s privacy.

In a leadership context, morality can broadly be characterised as behaviour that demonstrates a manager’s personal moral virtues, such as integrity and unselfishness, causing subordinates to identify with the manager. Although this dimension overlaps to some extent with Western ethical leadership, there is also a clear difference. While the Western approach places emphasis on ethical leaders as role models to be emulated by followers through two-way communication (Brown & Treviño, 2006), the Chinese morality dimension does not include this
social learning process. Rather, the emphasis is on one-way communication, where managers make decisions while subordinates are expected to obey (Chen et al., 2011).

The third dimension, authoritarianism, refers to how a manager’s behaviour asserts authority and control over subordinates, demanding their unquestioning respect and deference. Under a direct authoritarian leadership style, subordinates acknowledge managers’ father-like role and comply with their requests and orders without dissent (Peng et al., 2001). This authoritarianism has its origins in the hierarchical nature of Chinese society and so differs significantly from contemporary Western concepts of leadership (see e.g. Bryman et al., 2011).

**The Three Dimensions of Employee Well-Being**

Most of the existing research on paternalistic leadership has focused on outcomes related to employees’ work attitudes and behaviours at organizational and management levels (Pellegrini et al., 2007; Chen et al., 2011; Wu et al., 2012). We extend the scope of this research by focusing in particular on the outcomes of paternalistic leadership for employee well-being at the individual level. In management research, employee well-being is important not only in terms of ensuring that workers are happy and productive (Wright & Staw, 1999; Robertson & Cooper, 2011; Oswald et al., 2015) but also because low levels of well-being may result in negative psychological outcomes such as depression and physical problems such as cardiovascular disease (Siu et al., 2007).

The present study draws on the framework of Van De Voorde et al. (2012), which assigns well-being to three dimensions: happiness, health and social relationships. Here, *happiness* refers to an employee’s subjective experiences and functioning at work (Grant et al., 2007). We focus on job satisfaction as the main factor in happiness at work, as this is frequently referenced in theoretical and empirical research (Appelbaum et al., 2000; Gould-Williams, 2003). In relation to *health-related well-being*, we focus in particular on *stress*. This reflects the dominant approach in the occupational health literature, investigating employees’ subjective responses (e.g. stress) to their workload. The third dimension is *social well-being*. Positive relationships have been identified as among the most important aspects of well-being (Ryff, 1989); unlike happiness- and health-related well-being, which focus on the individual, social well-being refers to the relationships between employees in the workplace.
For present purposes, social well-being is examined in terms of the relationships between employees and their managers; more specifically, we investigated leader-member exchange (LMX) and Chinese guanxi. LMX focuses on the dyadic relationship between leader and follower in a formal working context, stressing that each relationship is unique and can vary in quality (Graen, 1976). Low-LMX relationships emphasise economic exchange and are based mainly on formal assets, such as employment contracts (Blau, 1964). In contrast, high-quality relationships are built on such values as mutual trust, obligation and respect (Uhl-Bien & Maslyn, 2003). Guanxi is an important social value that is deeply embedded in Chinese society; in Chinese, the term means interpersonal relationship. A common explanation of guanxi is that it is a highly specific relationship between two parties, which may vary in degree (Hui & Graen, 1997). In the relationship between leader and follower, guanxi is also thought to play a key role in personal effectiveness. Building guanxi is considered a foundation for effective leadership, even when managers and employees come from different cultures (Chen & Tjosvold, 2006). Additionally, unlike LMX, guanxi highlights the relationship’s development in non-working contexts and personal time (Nie & Lämsä, 2015).

**Paternalistic Leadership and Well-Being among Immigrant Chinese Knowledge Workers**

The present study argues that the extent to which leaders exhibit paternalistic leadership behaviours is likely to affect the occupational well-being of immigrant Chinese knowledge workers. Specifically, we propose that benevolent leadership behaviours, referred to in China as shi-en (granting favours), and moral leadership behaviours, referred to as shu-de (setting an example), are likely to be positively associated with happiness, health and social well-being among immigrant Chinese knowledge workers.

Research in China has identified benevolence as an indispensable component of effective leadership (Farh & Cheng, 2000). Forming an intimate leader-follower relationship, in which a leader acts like a kind father and provides followers with support, protection and care, aligns with the Confucian value of relationalism (Chen et al., 2011), which does much to relieve employee tension (Kerfoot & Knights, 1993; Pellegrini & Scandura, 2008) and prompts feelings of gratitude to the leader. Benevolent leadership is also thought to be effective among knowledge workers, as managers’ emotional concern and empathy counteracts negative feelings about their work such as guilt or other destructive emotions (Emmerich, 2001). Moral leadership behaviours
are usually seen as an expression of superior integrity and concern for the ‘collective good’, which Chinese employees view as ideal leadership (Niu et al., 2009). Additionally, there is evidence that most knowledge workers are especially motivated by communitarian loyalty (Alvesson, 2000)—the perceived common interests of a certain group. On that basis, it is argued that moral leadership behaviours of this kind will prompt positive feelings and experiences among Chinese knowledge workers in the workplace. In light of the above discussion, we propose the following hypotheses.

**Hypothesis 1:** Leader benevolence is positively related to immigrant Chinese knowledge workers’ well-being in terms of happiness, health and social relationships.

**Hypothesis 2:** Leader morality is positively related to immigrant Chinese knowledge workers’ well-being in terms of happiness, health and social relationships.

Conversely, authoritarian leadership behaviours, referred to in China as *li-wei* (awe- and fear-inspiring), are known to be negatively associated with employee outcomes (e.g. job-related satisfaction) (Farh et al., 2006; Chen et al., 2011). However, authoritarian leadership remains a pervasive leadership style in China, as it aligns with the Confucian value system of hierarchy, in which higher ranking leaders exercise power and control over their followers (Beamer, 1998). Under this form of leadership, employees are less likely to be allowed to voice their concerns and have less scope for personal control. From a Western point of view, authoritarian leadership may seem to conflict with the positive correlation between employee autonomy and well-being (Ryan & Deci, 2000; Gilbreath & Benson, 2004). Strict discipline and control of employee behaviours may cause employees to feel monitored (George & Zhou, 2001), as well as uncertain, oppressed and irritated (Bono et al., 2007; Wu et al., 2012), ultimately impacting negatively on their everyday well-being at work. In light of the value assigned to equality in many Western cultural contexts (including Finland), immigrant Chinese knowledge workers working and living in this environment might be expected to be less tolerant of the traditional Chinese values of hierarchy and authoritarianism (Liu, 2003; Niu et al., 2009). It is conceivable, then, that more authoritarian leadership in a Western context will diminish the well-being of Chinese employees at work. Based on the above discussion, we propose the following hypothesis.

**Hypothesis 3:** Authoritarian leadership is negatively related to immigrant Chinese knowledge workers’ well-being in terms of happiness, health and social relationships.
Method

Participants and Procedure
The study participants were Chinese immigrants who were fluent in English and used it as their main working language. A questionnaire survey was therefore conducted by email and post in its original English language version, without translation into Chinese. All participants were assured that all of the information collected would remain confidential. To recruit participants, we employed the snowball sampling method, identifying individuals who qualified to participate and asking them to recommend others with the characteristics we were looking for (Denscombe, 1997; Platzer & James, 1997). The inclusion criteria specified persons who (1) were originally from China; (2) were currently working in knowledge-based organizations in Finland and (3) held Finnish citizenship, a Permanent Resident Permit or a Work Permit. In total, 117 participants completed and returned the questionnaire. Respondents ranged in age from 23 to 47 years; the largest age group was 26–30 years, followed by 31–35. Female participants comprised 41% of the total sample. As 65% of participants had a PhD, 34% had a master’s degree, and 1% had a bachelor’s degree, the sample was dominated by highly educated and relatively young participants.

Measurements

Paternalistic leadership. The three-dimensional model of paternalistic leadership has been developed through a series of qualitative and quantitative studies by Farh, Cheng and colleagues (Cheng, 1995; Farh & Cheng, 2000). For present purposes, we adopted measures of paternalistic leadership from the widely cited study by Cheng et al. (2004). Participants were asked to indicate on the same 6-point scale how they felt when, for example, their supervisor ‘expresses concern about my daily life beyond work relations’ (benevolence); (2) ‘uses his/her authority to seek special privileges for himself/herself’ (morality) and (3) ‘exercises strict discipline over subordinates’ (authoritarianism). For each dimension, internal consistency (Cronbach’s alpha) was .70, .86, and .82, respectively.

Employee well-being. Three dimensions of employee well-being—happiness, health and social well-being—were examined as separate outcomes.

Satisfaction. For happiness-related well-being, we used Cammann et al.’s (1979) model to test employee job-related satisfaction. This scale measures the employee’s overall affective
responses to their job and has been widely applied in a variety of research settings (e.g. Slemp & Vella-Brodrick, 2013; Tang et al., 2014). Sample items included ‘In general, I like working here’. Following Cammann et al.’s procedures, the three items were averaged to yield an overall job satisfaction score (α = .86).

**Stress.** A common way to approach well-being is to investigate the topic from a negative viewpoint such as stress (e.g. Huhtala et al. 2010; Brauchli et al. (2013). In this study, we used stress to measure the health wellbeing: the higher the stress, the lower quality of the health wellbeing. With regard to this dimension, we used measures adapted from Maslach and Jackson (1981). For more than a decade, this scale has been acknowledged as the leading measure of emotional exhaustion, depersonalisation and reduced personal accomplishment, incorporating extensive research conducted over more than two decades since its initial publication. Sample items included ‘I feel fatigued when I get up in the morning and have to face another day on the job’. Cronbach’s alpha for this scale is .91.

**LMX and guanxi.** For the social component of well-being, we focused in particular on the relationship between employees and their managers in terms of LMX and Chinese guanxi. LMX was measured here on the scale developed by Scandura and Graen (1984). Sample items included ‘My leader understands my job problems and needs’. Cronbach’s alpha for this scale is .86. To measure guanxi, we adopted the model developed by Chen et al. (2009). Sample items included ‘After office hours, I engage in social activities with my supervisor, such as having dinner or entertainment together, which go beyond work duties’. Cronbach’s alpha for this scale is .83.

**Control variables.** Employees’ gender and age were included as control variables.

**Results**

**Descriptive Analysis**

Means, standard deviations and correlations among variables are shown in Table 1, which confirms that benevolence is positively related to employee satisfaction (r = .57, p < .01), LMX (r = .71, p < .01) and guanxi (r = .61, p < .01) and negatively related to employee stress (r = -.36, p < .05). Morality is positively related to LMX (r = .43, p < .01). Authoritarianism is positively related to employee stress (r = .16, p < .01).
Hypotheses Testing

To test Hypotheses 1, 2, and 3, we simultaneously entered the three dimensions of paternalistic leadership and employee well-being in the structural equation model and entered employee gender and age as control variables. The results are presented in Figure 2. For clarity, the control variables are not shown.

A positive relationship were found between benevolent leadership and happiness-related well-being ($\beta_{\text{satisfaction}} = 0.57$, $p < .01$), negative relationship between leader benevolence and stress ($\beta_{\text{stress}} = -0.36$, $p < .05$) (negative value between benevolent leadership and stress means that such leadership supports the health wellbeing by decreasing stress), and positive relationship between benevolent leadership and social social relationship-related well-being ($\beta_{\text{LMX}} = 0.71$, $p < .01$; $\beta_{\text{guanxi}} = 0.61$, $p < .01$), fully supporting Hypothesis 1. Morality was found to be positively and significantly related to social relationship-related well-being only in terms of LMX ($\beta_{\text{LMX}} = 0.44$, $p < .01$), providing partial support for Hypothesis 2. The proposed negative relationships between authoritarian leadership and happiness-related well-being ($\beta_{\text{satisfaction}} = -0.20$, ns) and social relationship-related well-being ($\beta_{\text{LMX}} = -0.23$, ns; $\beta_{\text{guanxi}} = -0.24$, ns) were not supported. However, the negative linear relationship between authoritarian leadership and health well-being was supported ($\beta_{\text{stress}} = 0.16$, $p < .05$), providing partial support for Hypothesis 3.

Discussion

As hypothesized, relationships were found between all three dimensions of paternalistic leadership and the well-being of immigrant Chinese knowledge workers. Specifically, we found that, in a Finnish organizational context, benevolence has significant effects on these workers’ satisfaction and on the quality of their relationships with supervisors in terms of LMX and private guanxi while reducing their stress at work context. Morality in paternalistic leadership was shown to be associated with Chinese LMX relationships, indicating that a superior’s
morality in terms of integrity and concern for the collective good are highly valued by Chinese employees, with positive implications for high-quality LMX relationships. Authoritarianism was found to be slightly related to Chinese workers’ stress, which was increased by more authoritarian leadership.

Overall, the findings indicate that the dimensions of paternalistic leadership—specifically, benevolent leadership behaviour—can influence the occupational well-being of immigrant Chinese knowledge workers in the Finnish organizational context. Despite the prevalence of negative framings of paternalistic leadership such as ‘benevolent dictatorship’ (Northouse, 1997, p. 39) in Western societies (Uhl-Bien & Maslyn, 2005), the present findings confirm that this Eastern leadership style can also make sense in the Finnish organizational context. As social integration has proved challenging in many Western countries with large populations of ethnic Chinese, including the U.S., Canada and Australia, we hope that these findings will be of practical use in the integration of employees from China or other Asian countries rooted in Confucian social values.

**Theoretical and Practical Implications**

Corroborating research on paternalistic leadership more generally (Cheng et al., 2004; Chen & Kao, 2009; Pellegrini et al., 2010), the present study provides additional evidence of the significant effect of paternalistic leadership on employee-centred outcomes, with some important theoretical and practical implications. First, the study provides additional support for benevolent leadership. Broadly defined, ‘benevolence’ is a value often referred to in discussions of altruism (Kanungo & Mendonca, 1996). However, there is substantial disagreement in the paternalistic leadership literature concerning the extent to which benevolent paternalistic behaviours reflect genuinely benevolent intentions (Aycan, 2006). In one such critique, Goodell (1985) suggested that a leader’s benevolent act is in fact an invisible form of non-coercive exploitation, as such leadership behaviour seeks something in return (e.g. deference) from employees (Uhl-Bien & Maslyn, 2005).

However, such criticism represents a one-sided view in failing to take account of the positive aspects of benevolent leadership. The present study confirms that the effect of benevolent leadership behaviour in improving immigrant employees’ well-being is significant and all-pervasive. This aligns with Theory Z as proposed by Ouchi (1981), which integrates
paternalism as a major dimension of leadership, increasing employee loyalty by emphasising their well-being, both on and off the job. Ouchi claimed that such a leadership approach is not necessarily incompatible with Western organizations, and it may be sensible for Finnish managers (and perhaps managers in other Western contexts) to learn more about this form of benevolent leadership in support of the well-being of their Chinese employees. More specifically, this means showing emotional concern for and a personal interest in employees’ lives, both on and off the job. However, it may prove challenging for Finnish managers to practise such leadership, especially with regard to employees’ personal and private life, as Finland is characterised by a high level of individualism and self-reliance (House et al., 2004).

Previous studies have indicated a relationship between authoritarian leadership and employee outcomes (e.g. Farh et al., 2006; Chen et al., 2011). However, despite a minor association between authoritarian leadership and employees’ health-related well-being, the present study found no significant negative effect of authoritarian leadership on employees’ happiness and social well-being. These findings imply that the Chinese—even Chinese migrants overseas—may be unique in how they perceive this leadership behaviour, which warrants further discussion. The role of moral social values in people’s lives offers one possible explanation, as moral values are highly context-relative. In the case of honesty, for example, we may find that different social cultures place varying emphasis on the relative importance of this value (Bass & Steidlmeier, 1999). As indicated by Bass and Steidlmeier (1999), Chinese migrants overseas remain influenced by such values, where unequal power distributions are not considered improper. Traditional Chinese values entailing ‘the natural acceptance of hierarchical structuring and legitimization for unequal superior-subordinate relationships, the dutiful fulfilment of role duties, and tendencies toward deference, compliance and conformity to authority’ (Westwood & Leung, 1996, p. 390) may mean that the Chinese take authoritarian leadership for granted and are more tolerant of such leadership behaviour than people from other parts of the world (Wu et al., 2012).

Another possible explanation relates to the characteristics of our study sample. As indicated earlier, most respondents were aged between 26 and 35 years and were highly educated. As educated employees in this age range are generally at an early career stage, they may not perceive more demanding and disciplinary leader behaviours as unacceptable. Indeed, more professional and adequate supervisory guidance may be needed by such employees working in
knowledge-based organizations, as such leadership behaviours may relieve some of the psychological tension associated with a lack of knowledge and skill.

Finally, although authoritarian leadership seems to increase employees’ stress level to some extent, some modest level of stress may not be entirely unfavourable. According to Westman and Eden (1996), there is an inverted U-shaped relationship between stress and employee performance (Westman & Eden, 1996), which means that stress can be effective in improving employee performance to some extent, provided it does not exceed an appropriate threshold. Overall, then, we would suggest that Finnish managers may benefit from reconsidering the meaning of authoritarianism in their leadership behaviour, and that Western participative leadership and Chinese authoritarian leadership are not necessarily incompatible. However, we would also caution managers about the negative effect of excessive authoritarianism, especially in the case of knowledge workers (Amar, 2004), as too much discipline or control would limit their motivation and capabilities while increasing their sense of burden. For many managers, finding a modest and appropriate version of authoritarian leadership is a critical issue worthy of serious consideration.

Limitations
The data here were collected through self-report measures, raising questions of common method bias. However, our interest in employees’ perceptions meant that self-report measures were appropriate for the purposes of this study (see Levin & Cross, 2004; Greenbaum et al., 2015). In addition, as in other recent studies of organizational behaviour (e.g. Loi et al., 2012), we employed procedural remedies in the research design, such as assuring response anonymity and reminding respondents that there was no right or wrong answer. Such procedures are known to reduce the threat of common method bias (Podsakoff et al., 2003).

A second concern is that the present study assumed a linear relationship between paternalistic leadership and stress between paternalistic leadership and workers’ well-being. Some studies have reported also nonlinear patterns in this regard. For example, Morin et al. (2013) argued for a U-shaped relationship between workplace affective commitment and stress. Moreover, Fisher et al. (2016) found a non-linear relationship between LMX and anxiety stress. Although the linear assumption as adopted in this study is widely used in research, we think that
further exploration is therefore needed to clarify a possible non-linear relationship between leadership and employee stress.

Finally, to investigate paternalism, we focused here on the superior-subordinate relationship. In future research, it would be fruitful to incorporate more insights on gender, class and race (Jackman, 1994) to achieve a deeper understanding of paternalism, as well as extending the research to other organizational contexts.

**Conclusion**

Rooted in Chinese Confucian values, paternalistic leadership has been shown to have significant positive effects in many Asian countries. However, misunderstanding of this form of leadership behaviour in Western societies may impede its further development. The present study enhances understanding of paternalism in a Finnish organisational context by illuminating the effect of such leadership on the occupational well-being of immigrant Chinese knowledge workers. The findings indicate that some aspects of paternalism may have beneficial outcomes for these employees. Specifically, we showed that benevolence as a form of paternalistic leadership has a positive effect on the occupational well-being of Chinese immigrants in a knowledge-intensive organizational context in Finland. We contend that it may be appropriate for Finnish managers to consider benevolence as a leadership strategy to advance occupational well-being and to address challenges in this regard among immigrant Chinese employees.

**References**


