

# **THE IMPACT OF PATERNALISM AND DELEGATION ON COLLECTIVE ORGANIZATIONAL ENGAGEMENT AND PERFORMANCE**

PATERNALİZM VE DELEGASYONUN KOLLEKTİF ÖRGÜTSEL ADANMIŞLIK VE PERFORMANS ÜZERİNDEKİ ETKİSİ <sup>1</sup>

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## **Abstract**

The purpose of the study is to examine the relationship between paternalism, delegation collective organizational engagement and performance. The performance concept in this study consists of individual and organizational performance. Using quantitative analysis methods a study is conducted on the North Marmara Region of Turkey with a sample of 175 employees in different sectors. The result of the study show that there is a positive correlation between paternalism, delegation, collective organizational engagement, individual and organizational performance. Findings also show that paternalism and delegation has a positive direct effect on collective organizational engagement. Even though delegation and collective organizational engagement has a direct positive effect on individual performance paternalism only impacts performance indirectly through collective engagement. On the other hand results show that delegation and individual performance has a direct positive effect on organizational performance but collective organizational engagement and paternalism don't have a direct impact on organizational performance.

**Keywords:** Paternalism, delegation, collective organizational engagement, individual performance, organizational performance

## **Özet**

Bu araştırmanın amacı paternalizm, delegasyon, kolektif örgütsel adanmışlık ve performans arasındaki ilişkiyi incelemektir. Araştırmada kullanılan performans kavramı bireysel ve örgütsel performanstan oluşmaktadır. Nicel analiz yöntemleri kullanılarak Trakya bölgesinde gerçekleştirilen araştırma, farklı sektörlerde 175 çalışan üzerinde gerçekleştirilmiştir. Araştırmanın sonucunda paternalizm, delegasyon, kolektif örgütsel adanmışlık, bireysel ve örgütsel performans arasında pozitif yönde bir korelasyon olduğu görülmektedir. Analizler sonucu elde edilen bulgular delegasyon ve kolektif örgütsel adanmışlığın bireysel performans üzerinde doğrudan pozitif bir etkisinin olduğunu, paternalizmin ise bireysel performansı kolektif örgütsel adanmışlık aracılığı ile dolaylı olarak etkilediğini göstermektedir. Araştırmanın bulguları bu sonuçların yanı sıra delegasyon ve bireysel performansın örgütsel performans üzerinde doğrudan pozitif etkiye sahip olduğunu, fakat kolektif örgütsel adanmışlık ve paternalizmin örgütsel performans üzerinde doğrudan bir etkiye sahip olmadığını göstermektedir.

**Anahtar Sözcükler:** Paternalizm, delegasyon, kolektif örgütsel adanmışlık, bireysel performans, örgütsel performans

## **INTRODUCTION**

The evolution of society to industrialization from feudal systems and the new economic problems industrial society brought requires thinking on lacking aspects of existing systems. As a consequence of these new problems finally new ideas have been put forward which focuses on human behaviors and effective time management. The

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evolution to knowledge society the human-based management theories found ground in businesses and businesses started to deal with globalization and competition using human and time focused approaches. Paternalistic management style is a human-based approach within cultural management framework. Paternalism is usually adopted in societies which have a collective culture structure and have family owned businesses in comparison to institutionalized corporations. In the context of collective culture of employees paternalism is needed for effective leadership. Delegation also shows itself as an important element to increase the belonging of employees and to distribute authority. Today paternalism, delegation, engagement and employee performance are elements of business that worth examining. In this context this study focuses on the impact of paternalism, delegation and collective organizational engagement on individual and organizational performance.

### **Conceptual Framework**

There is a growing body of literature concerning paternalism and various definitions of paternalism can be seen.. The common characteristic of these definitions is that they are all about a leader treating his/her followers like an elder of the family (Wagstaff *et. al.* 2015). When it comes to paternalism leaders or managers take personal interest in the followers personal lives and attempt to promote their welfare (Pellegrini and Scandura, 2006). Paternalism is also about culture for example in a study involving different cultures Turkish culture showed very high paternalistic values (Aycan *et. al.* 2000). Pellegrini and Scandura (2006) commented on Turkey's high score on paternalism with the arguments derived from social life.

Delegation can be defined as leaving the decision-making, concerning a work responsibility to a subordinate (Leana 1986). Delegation definitions are similar to each other but before it gained attention delegation didn't arouse much interest and treated as a part of participative decision making (Leana 1986). But in delegation the shifting of risks and incentives is also an important part (Foss And Laursen, 2005).

Engagement theory has a rich body of literature which began with Kahn (1990). Kahn (1990) defines engagement as people investing themselves into their work roles. When employees are engaged in their work their physical, cognitive and emotional behaviors are focused on the task they are working on. Engagement found a lot of support in the research field as a motivational concept which increases individual performance outcomes (Barrick *et. al.* 2015). Engagement can similarly be defined as a positive and fulfilling motivational concept in which people dedicate themselves to their work with high energy and concentration (Salanova *et. al.* 2005).

### **Methodology**

#### **Past Research And Hypotheses**

The research of Salanova *et. al.* (2005) examines the relationship between organizational climate, engagement, customer loyalty and individual performance. According to the study organizational resources and engagement has an impact on service climate and climate has an impact on performance and customer loyalty. (Salanova *et. al.* 2005).

Albdour and Altarawneh (2014) focuses on the distinction of job engagement and organizational engagement and their impact on organizational commitment (Albdour and Altarawneh, 2014).

The research of Bhatnagar (2012) focuses on the impact of empowerment and engagement on turnover intention. The findings of the study include the positive impact of empowerment on work engagement.

Chen and Aryee (2007) developed a model linking delegation to work outcomes and revealed that delegation has an indirect influence on work outcomes.

Chen *et. al.* (2014) focuses on the impact of paternalism on in-role and extra role performance. Their findings reveal that 2 dimensions of paternalistic leadership behaviors have a positive effect on both in-role and extra-role performance.

The research of Cheng *et. al.* (2004) focuses on paternalistic leadership and subordinate responses. Their findings mostly supported their hypotheses and links were found between paternalism and subordinate responses.

Another research focuses on the impact of empowerment on work engagement and organizational commitment. Their findings further support that empowerment has an impact on engagement and organizational commitment (Cho *et. al.* 2006).

Another research also focuses on the impact of paternalistic behaviors and organizational commitment. The research of Erben and Güneşer (2008) supports the proposition that there is a positive relationship between paternalism and commitment.

Frenzen *et. al.* (2010) focuses on the delegation of pricing authority, its determinants and its impact on performance. Their findings indicate that there is a positive effect between delegation and firm performance.

The research of Inceoglu and Warr (2011) searches for links between personality and engagement. Their findings suggest that personality is an important predictor of engagement. Warr and Inceoglu (2012) also focused on how job engagement associated with job satisfaction and person-job fit. Their findings suggest that engagement and satisfaction has an impact on person-job fit.

The research of Kong (2009) investigates the relationship between individual characteristics and job engagement. The results suggest that there is a significant relationship between individual characteristics and job engagement (Kong, 2009).

Moers (2006) focuses on organizational design by investigating the relationship between delegation and the incentive problem. He suggests that if the performance measures are of high quality, sensitivity and precision then delegation is high and his findings supports this argument.

Öner (2012) focuses on the perceptions regarding servant leadership and paternalistic leadership. The result of the study suggests that there is a high correlation between these leadership styles (Öner, 2012).

As one of the important works in the literature the research of Pellegrini and Scandura (2008) focuses on paternalistic leadership reviewing the literature and making suggestions for future research.

The research of Rich *et. al.* (2010) focuses on the impact of engagement on job performance. They also use Kahn's (1990) engagement concept as a framework in this research (Rich *et. al.* 2010).

Schriesheim *et. al.* (1998) focuses on the effects, moderators and measurement issues of delegation and leader-member exchange.

It can be said that individually there is a rich body of literature concerning the concepts used in the framework of the study. For the purpose of examining their impact collectively the hypotheses proposed in the study are given below:

H1: Paternalism has a positive effect on collective organizational engagement.

H2: Delegation has a positive effect on collective organizational engagement.

H3: Paternalism has a positive effect on individual performance.

H4: Delegation has a positive effect on individual performance.

H5: Collective organizational engagement has a positive effect on individual performance.

H6: Paternalism has a positive effect on organizational performance.

H7: Delegation has a positive effect on organizational performance.

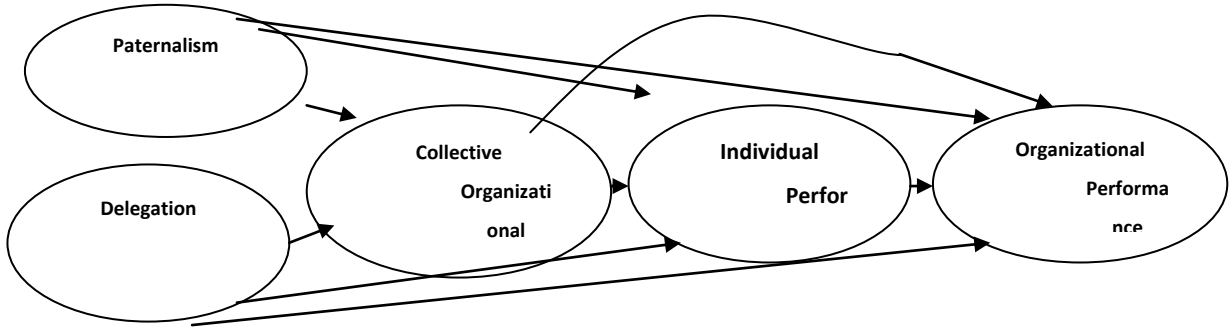
H8: Collective organizational engagement has a positive effect on organizational performance.

H9: Individual performance has a positive effect on organizational performance.

#### 1.1. Research Model And Method

Research has 9 hypotheses and it can be summarized as in the figure below.

**Figure 1.** General Research Model



To test the research model which can be seen above quantitative research methods are used. Factor analysis is used to validate the scales and to test the hypotheses correlation and regression analysis is used.

#### Data Collection

The data collection tool consists of 40 items including the demographic data. The first six items are collective organizational engagement scale from the research of Barrick et. al. [5]. The 7 items about delegation are taken from the scale of Yukl et. al. [13] and the paternalism scale is derived from the research of Pellegrini and Scandura [2]. The 13 item scale they used is reshaped according to the factor loads and a shortened 7 item paternalism scale is used in this study. To measure the individual performance the scale of Williams and Anderson [14] is used and the firm performance is measured via subjective methods with perceptions of costs, profits, sales, market share and customer loyalty.

Using the random sampling method a survey is conducted on the Marmara region of Turkey. Data collection took place both on the internet and via traditional face-to-face methods.

#### Analysis and Findings

##### Demographic Data

Research is conducted on 174 employees in different organizations throughout North Marmara Region. Regarding participants; 92 (53,8%) are female, 79 (46,2%) are male. 30 (17,6%) are between the age of 18-24, 64 (37,6%) are between 24-30, 29 (17,1%) are between 30-35, 24 (14,1%) are between 35-40 and 23 (13,5%) are over 40 years old. 46 (27,4%) of the participants are working at organizations focused on production

while 122 (72,6%) are working at organizations focused on service. Of the participants, 122 (70,9%) are at the employee level, 15 (8,7%) are at the low management level, 26 (15,1%) are at the middle management level and 9 (5,2%) are at the top management level. 74 (43,5%) have less than 2 years of experience, 47 (27,6%) have experience between 2-4 years, 28 (16,5%) have between 4-7 years of experience, 11 (6,5%) have between 7-10 years of experience and 10 (5,9%) have more than 10 years of experience. 76 (44,7%) have less than 2 years, 39 (22,9%) have between 2-4 years, 28 (16,5%) have between 4-7 years, 13 (7,6%) have between 7-10 years and 14 (8,2%) have more than 10 years of experience in their position. The average income level of the participants are twice the minimum wage in Turkey.

#### Factor Analysis And Cronbach's Alpha

As it can be seen in Table 1 below the results factor analysis are within acceptable ranges. Items regarding collective organizational engagement (COE) are gathered in 1 dimension and have a high reliability value ( $\alpha=0,851$ ). Items regarding delegation are gathered in 1 dimension and have a high reliability value ( $\alpha=0,874$ ). Again paternalism items are gathered in 1 dimension and have a high reliability value ( $\alpha=0,923$ ). Performance items are divided in their dimensions and their reliability values are ( $\alpha=0,806$ ) for individual performance and ( $\alpha=0,914$ ) for organizational performance.

**Table 1.** Results of Factor and Reliability Analysis

Items / Variable	COE	Delegation	Paternalism	Individual Performance	Organizational Performance	( $\alpha$ )
1	,779					0,851
2	,761					
3	,675					
4	,711					
5	,630					
6	,765					
7		,780				0,874
8		,674				
9		,857				
10		,760				
11		,632				
12		,768				0,923
14			,796			
15			,833			
16			,726			
17			,834			
18			,828			0,806
19			,829			
21				,830		
22				,793		
23				,874		
24				,809		0,914
25				,699		
28					,841	
29					,848	
30					,862	
31					,798	

### Correlation Analysis

As it can be seen in Table 2 results of the Pearson Correlation analysis show that there is a statistically significant relationship between all the variables.

**Table 2.** Mean, Standart Deviations and Correlation Analysis

Variables	Mean	Standart Deviation	Paternalism	Delegation	COE	Ind. Perf.	Org. Perf.
Paternalism	3,2946	1,10367	1				
Delegation	3,2875	0,98696	,506**	1			
COE	3,9911	0,76223	,397**	,334**	1		
Ind. Perf.	4,4161	0,70988	,239**	,316**	,420**	1	
Org. Perf.	3,6066	0,90229	,338**	,363**	,345**	,374**	1

\*\*.

Correlation is significant at 0.01 level (2-tailed).

### Regression Analysis

Regression analysis is used to test the hypotheses and findings are given below in Table 3, Table 4 and Table 5.

**Table 3.** Regression Model For H1 and H2

Variables			Hypothesis	S.Beta	t Value	F	P Sign.	R <sup>2</sup>	Test Result
Independent Variable	→	Dependent Variable							
Paternalism	→	COE	H1	0,306	2,231	18,824	0,000	0,172	Accepted
Delegation	→	COE	H2	0,179	3,803	18,824	0,027	0,172	Accepted

As it can be seen in Table 3 the results of the regression analysis show that both paternalism and delegation has a positive impact on collective organizational engagement. With these results H1 and H2 is accepted.

**Table 4.** Regression Model For H3, H4 and H5

Variables			Hypothesis	S.Beta	t Value	F	P Sign.	R <sup>2</sup>	Test Result
Independent Variable	→	Dependent Variable							
Paternalism	→	Individual Performance	H3	-0,001	-,013	22,057	0,990	0,197	Rejected
Delegation	→	Individual Performance	H4	0,197	2,455	22,057	0,015	0,197	Accepted
COE	→	Individual Performance	H5	0,355	4,696	22,057	0,000	0,197	Accepted

The results of the hierarchical regression model to analyze the impact of paternalism delegation and collective organizational engagement on individual performance can be seen in Table 4. Analysis show that paternalism has no impact on individual performance but delegation and collective organizational engagement increases individual performance. With these results H3 is rejected while H4 and H5 is accepted.

**Table 5.** Regression Model For H6, H7, H8, H8

Variables			Hypothesis	S.Beta	t Value	F	P Sign.	R <sup>2</sup>	Test Result
Independent Variable	→	Dependent Variable							



Independent Variable		Dependent Variable							
Paternalism	→	Organizational Performance	H6	0,141	1,741	13,613	0,084	0,227	Rejected
Delegation	→	Organizational Performance	H7	0,176	2,194	13,613	0,030	0,227	Accepted
COE	→	Organizational Performance	H8	0,134	1,705	13,613	0,090	0,227	Rejected
Individual Performance	→	Organizational Performance	H9	0,230	3,049	13,613	0,003	0,227	Accepted

The results of the hierarchical regression model to analyze the impact of paternalism, delegation, collective organizational engagement and individual performance on organizational performance can be seen in Table 5. Analysis shows that paternalism and collective organizational engagement don't have a direct impact on organizational performance but delegation and individual performance does. With these results H6 and H8 is rejected while H7 and H9 is accepted.

### CONCLUSION

The results of the analysis supports the literature. As a results of the study it can be seen that paternalism and delegation has an important relationship with collective organizational engagement. Also in collective cultures individuals need belonging, appropriation and direction. Also in societies with high power distance ideal manager should be a father figure (Hofstede, 2017). As a result of Turkish culture it is expected that paternalism increases engagement. While no relationship between paternalism and individual performance is found delegation and collective organizational engagement has a significant relationship. Similar findings can be seen in literature regarding delegation authority and individual performance. On the other hand according to the results of the study paternalism and collective organizational engagement has no direct impact on organizational performance while delegation and individual performance has direct impact. When the results are evaluated we can see that delegation has an impact on individual performance and organizational performance. In this context in can be seed that to increase engagement and performance delegation of authority carries a great importance. In future studies researches can focus on different cultures and the impact of paternalism and delegation on engagement and performance.

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