

The Impact of Paternalistic Leadership on Employee Job Performance: A Field Study on Commercial Banks in the Arab Republic of Egypt

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Abstract

This study investigates the influence of paternalistic leadership on employee activity performance inside the business banking area in Egypt. Paternalistic management, characterized by a hierarchical shape where leaders take a shielding position while looking forward to loyalty and obedience from subordinates, is mainly relevant within the context of the Arab lifestyle, wherein familial and hierarchical values play a great position in the administrative center dynamics. Through an area that involves a pattern of personnel from numerous business banks, we employ quantitative strategies to analyze the relationship between paternalistic management styles and employee performance metrics. The findings show that paternalistic leadership undoubtedly affects activity and overall performance by fostering a supportive work environment that enhances worker motivation and process pleasure. Moreover, the examination highlights the cultural nuances that form management practices in the Arab Republic of Egypt, suggesting that a paternalistic technique aligns properly with neighborhood cultural values, leading to improved performance consequences. This study contributes to the prevailing literature on management and employee performance by supplying empirical proof from a unique cultural context. It gives realistic implications for bank managers looking to enhance worker productivity via adaptive management patterns. Ultimately, the take a look at underscores the importance of knowledge cultural effects on management effectiveness.

Keywords

Paternalistic Leadership, Job Performance, Commercial Banks, Egypt

1. Introduction

The current leadership research has indicated that different leadership styles exist, especially comparing paternalistic and transformational leadership. The problem with paternalistic leadership is the inconsistent and non-scientific findings from quantitative research. However, there is a lack of real-world studies on paternalistic leadership, especially in developing countries like Egypt. So, this study aims to fill this gap and examine how the three dimensions of paternalistic leadership (authoritative, benevolent, and moral leadership) impact job performance. (Khudhair, Rahman, Adnan, & Khudhair, 2022); (Yamin, 2022)





The aims of this study consist of two issues. Firstly, the study aimed to investigate the influence of paternalistic leadership on job performance. Secondly, the study intends to examine the influence of the specific three-dimensional dimensions of paternalistic leadership on job performance. To achieve these aims, three hypotheses have been developed. To the authors' knowledge, previous studies have not taken this approach. Instead, in an attempt to explain the complex concept, research in leadership has predominantly attempted to understand the effect of overall paternalistic leadership rather than by examining the effect of the specific dimensions of paternalistic leadership. Therefore, the significance of this study is due to the scarcity of evidence in the existing literature. Regardless, the study advances our understanding of the positive outcomes of paternalistic leadership, extending the literature in this area. (Kalsoom, Khan, & Zubair, 2020); (Koçak & Küçük, 2021); (Yamin, 2022)

1.1. Background and Rationale

In behavioral theories of leadership, much attention has been devoted to understanding leadership styles. One leadership style, which has frequently been debated, although it has not been yet thoroughly investigated, is "Paternalistic Leadership". Ongoing global studies have focused on whether the effects of paternalistic leadership are in favor or against individual and organizational interest. Some have suggested that it is favorable for both the employees and organizations, while others argue that it may lead to negative consequences. Although numerous studies have thoroughly investigated the positive consequences of such a leadership style, none has studied its outcomes on employee job performance. (Shahzad, Shahzad, Dilanchiev, & Irfan, 2022); (Khan & Gul, 2020)

After a thorough investigation of the effects of AL on various employee outcomes, we raised the hypothesis that links the leadership constructs, paternalism, and outcomes together. Thus, we set out to investigate the direct effect of paternalistic leadership on employee's satisfaction, burnout and job performance. Paternalistic leadership is a well-grounded topic with the Arab culture, while the cultural differences should be sufficient to warrant the national setting of our research. Accordingly, we extended our study to investigate our proposed model context specifically with regard to the employees of commercial banks in the Arab Republic of Egypt, thereby initiating a new area of research. We hypothesize that paternalistic leadership affects job performance through intervening employee satisfaction with this specific case. This might occur in the Arab culture where, prior findings have indicated, employees perceived leadership as a moral voice to guide them in terms of both personal and work-related aspects. Furthermore, the outcomes of previous studies have further demonstrated that when perceiving their supervisors as a father or father figure, employees tend to complete the set tasks with stronger commitment, dedication and connectivity as a reflection of their loyalty towards their paternalistic supervisors. (AbdElgawad, El Subbaugh, & Marzouk, 2020); (Shahid & Babar, 2022)

1.2. Research Aim and Objectives

The essence of this field research is to scrutinize the relationship between paternalistic leadership (a combination of authoritarian, benevolent, and moral leadership) and its potential effect on the subordinates' job performance in the workplace, particularly within a non-Western context: commercial banks in the Arab Republic of Egypt (ARE). Thus, this research endeavors to examine,





through empirical investigations undertaken in the ARE, the following research questions: What are the effects of humanitarian leadership on the subordinates' jobs in the commercial banks in the ARE? Is there any negative influence of authoritarian leadership on the subordinates' job performance in the banks? How much moral leadership could contribute to the enhancement of job performance in these banks? (Kalsoom, Khan, & Zubair, 2020); (Noviana, 2022); (Shahid & Babar, 2022). The investigation aims to extend extant knowledge by deriving information applicable specifically to the situation prevailing especially in commercial banks in Egypt. To be specific, the practitioner-oriented goal of this research is to explore paternalistic leadership, its leadership legacy, if any, and the outcome: job performance of the employees or subordinates. The fatherly leadership has been recognized as a key factor for the rapid success of the Japanese, particularly Chinese businesses in the Far East, the Pacific Rim, and for Great Britain in Africa, Mauritius, and other Commonwealth countries. Paternalism is the core of Confucian values, which emphasizes the social justice and obligations of the superior vis-a-vis the subordinates. (Khudhair, Rahman, Adnan, & Khudhair, 2022); (Noviana, 2022)

1.3. Significance of the Study

1.3. Significance of the Study. In the field of research, paternalistic leadership remains a critical concern for the researchers and practitioners due to its complex, dynamic, and highly correlational nature and the fact that it has a direct impact on job performance. During the review, it has been found that, despite caring and significant aspects of employees' careers, scholars and practitioners have not provided enough attention to evidence supporting goal performances. Therefore, it is high time to answer this question and conduct the research on a developing country where this leadership style has a direct impact on the performance of the employees. The present research will examine this pattern based on the unique data of the commercial banks of Pakistan. (Khudhair, Rahman, Adnan, & Khudhair, 2022); (Safdar, Faiz, & Mubarak, 2021); (Adžić & Almutairi, 2021)

The significance of the research lies in the fact that it contributes to the current pool of knowledge about the indignant link between paternalistic leadership and employee performance. Researchers have missed various leadership factors due to the high mental and physical turn towards the fathers' attention, which is quite necessary while existing in the paternalistic leadership concept. Additionally, this study will provide some direction and help us to understand the nature of the commitment between fathers' attention and employee job performance. This will help the HR and related specialists to develop various mechanisms for regulation, fathers' attention, and other leadership styles that emerge with employees and can make gender-friendly policies close to Egyptian culture for both private sector employees and business owners. (Koçak & Küçük, 2021); (Safdar, Faiz, & Mubarak, 2021); (Adžić & Almutairi, 2021)

2. Literature Review

The literature review on paternalistic leadership and Egyptian culture that we present below aims at assuming new nuances. This literature review unfolds in the subsequent portions of the paper. We propose a discussion on the different collective mental programming in Eastern and Western





countries, since national culture is considered as the programming of the human brain that differentiates one group of people from another group of people. We then critically discuss the main conceptualizations of each aspect of paternalistic leadership - benevolence, morality, autocracy - distinguishing between three types - benevolent, moral and autocratic - by presenting the definition widely adopted among scholars. We conclude with a review of the potential result on job performance. We intended to provide the reader with a deeper understanding of each paternalistic leadership aspect by illustrating researchers' point of view and empirical research findings on Western and non-Western countries, specifically for Egypt. (Koçak & Küçük, 2021); (Safdar, Faiz, & Mubarak, 2021); (Shahid & Babar, 2022)

Studies have consistently shown that paternalistic leadership has a marked effect on employee job performance in the workplace. For Braun & Frey (2010), paternalistic leadership is crucial to the effective management of firms in non-Western countries. Research strongly suggests that an understanding of paternalism in the context in which it is embedded is crucial to gauging the potential impact on employee attitudes and behaviors. In slack economies where jobs are difficult to find, employees are more likely to accept a paternalistic form of leadership style provided it is not autocratic in nature. Although paternalistic leadership appears to be most closely linked with non-Western cultures due to the emphasis on filial piety or loyalty, a 'father figure' who is benevolent rather than wholly exploitative is also valued by both the young and the aged in the West, particularly when help is required. Many of the findings pertaining to the benefits of paternalistic leadership reported in the research thus far pertain to a Chinese or Confucian culture, where a central tenet of social interaction is the age-based awareness of roles and relationships. (Khan & Gul, 2020); (Safdar, Faiz, & Mubarak, 2021)

2.1. Conceptualizing Paternalistic Leadership

The World Health Organization (WHO) is forecasting a 60% surge in worldwide pharmaceutical demand by the year 2025. Indonesia, being the largest Islamic country, is dedicated to improving its pharmaceutical service system in order to meet this demand. Quality coaching and paternalistic leadership are key factors in achieving the desired outcomes and improving organizational competency. (Koçak & Küçük, 2021)

The rise of economic development in PPPK in the Agribusiness accelerating project also strengthened a water leadership style in the application of a new organizational management system, namely, ZAMECKAI. Leaders are expected to be sensitive to the five new management systems. The Zamecka concept is global, involving members of labor, management teams, unions and other stakeholders, creating a system that links people, provides shared organizing performance measures, and allows operations to become increasingly effective and efficient. Paternalistic leadership has been proven to raise organizational performance at a village bank and commercial. This is evidenced by the statements of Sinha, Griffith, and Lehman in their research on the impact of paternalistic absorption on bank performance, showing that having a large idea in banking performance is also because of the presence of a qualitative workforce, and however, a continuous feedback system on customer needs. The rewards and rewards owned by Pvt. JP, which come from the work unit and the





JP in general, are shown to significantly affect employee performance, while Pvt. JP's empowerment did not have a sign of performance. Meanwhile, (Yamin, 2022) in his experimental study on the influence of paternalistic leadership on multiple commitment in South Korea, signed off as: "The positive association of authoritarian and benevolent leadership on normative honor." (Yamin, 2022)

2.2. Theoretical Frameworks and Models

The paternalistic leadership style, from the lens of social systems perspective, considers it as an orientation promoting the social reliability between the employee and the organization and enhances the sense of communion among employees. It is also developed under the influence of social judgment theory's balance framework. Building on the social judgment theory, the justness of the perceived legitimacy of the actions of the manager of the employee may simultaneously modify the level of identification and communication. This has the potential to produce positive conation towards the organization. (Shahzad, Shahzad, Dilanchiev, & Irfan, 2022); (Khan & Gul, 2020)

In addition, it is influenced by the integrated justice model. The integrated justice model considers self as a justice judge and the impact of perceived justice or injustice on oneself as well as on work motivation and job performance. Under the influence of this model, the research proposes that the justness of procedural justice mediates the effect of paternalistic leadership on affective commitment and participative behavior. We can conclude that the other three justice dimensions will have an effect only when this relationship is non-significant. Additionally, the model is underpinned by the rest of conscience. According to philosophers, every human has it. It helps humans in recognizing their true needs and responsibility, consequently helping them in achieving their goals and harmonizing these goals with the larger common goals. Having this type of leader enhances the inputs-to-intrinsic output relationship. (Adžić & Almutairi, 2021); (Shahid & Babar, 2022)

2.3. Previous Studies on Paternalistic Leadership and Job Performance

A number of empirical studies related to the subject matter of our study have been conducted to reveal the effects of paternalistic leadership and its dimensions on employee job performance. A well-documented empirical study conducted by Gheith (2015) revealed that middle managers' perceptions of the extent to which their hotels' top-level managers adopted a paternalistic leadership style, inclusive of benevolence, moral leadership, and authority, is associated positively with middle managers' job performance within the unfamiliar cultural context of Egypt. While revealing that benevolence is directly linked with job performance, moral leadership is indirectly linked with job performance through affective and continuance commitment. Furthermore, Yin et al. (2017) have found out that the impact of moral leadership on job performance not only is direct but also is moderated by GLOBE charismatic/value-based leadership in the Chinese context. Other empirical studies have revealed that authority, one of the components of paternalistic leadership, is associated positively with job performance study conducted by Kaleem and Kashan (2016) in the context of Pakistan and Yildirim and Cavus (2013) in the Turkish context. Moreover, empirical findings provided by Kanwal et al. (2019) revealed that paternalistic leadership has a significant and positive





direct relationship with job performance, emotional and social leadership. (Adžić & Almutairi, 2021); (Shahid & Babar, 2022)

3. Methodology

This research used a quantitative approach to examine the effect of paternalistic leadership on employees' job performance. Structured questionnaires were used to collect data. After verifying the reliability and validity of the measurements used, 480 employed staff members were invited to participate in the study. It was decided to use simple random sampling techniques to select participants working at each one of the three biggest commercial banks in Egypt: the National Bank of Egypt (NBE), Banque Misr, and QNB Al-Ahli. Participants have been subdivided such that the final sample consists of 201 employees from NBE, 58 employees from Banque Misr, and 221 employees from QNB Al-Ahli. To address the research objectives, the primary data collected from the study sample have been analyzed through a variety of techniques including descriptive analysis, inferential analysis, and regression analysis using the Statistical Package for the Social Science (SPSS). The standard error and bias of the regression model also were checked throughout the study's results. The study targeted employees at commercial banks in Egypt, one of the largest employers in the country, given that the banking sector represents a vital part of the Egyptian economy. It was decided to use published questionnaires as the method of collecting data about the research constructs. These questionnaires are based on widely used performance appraisal that has been approved and accepted for use in many performance appraisal applications. The study has examined several research items through a 5-point Likert scale questionnaire, as shown in Table 7 of all banks. It was decided to ask the participants to complete the questionnaire in the presence of the principal researcher, by verbal face-to-face. During the first week of the data collection period, the respondents have received a short introduction that describes the aim of the research and explains the research hypotheses. Finally, once the research hypotheses have been tested, we assessed the validity of the scales used in the research. We adopted the procedures to detect multicollinearity, which calculates various statistics—the variance inflation factor (VIF), tolerance, and condition indices—to ascertain the amount of multicollinearity. The final stage of the data analysis was to illustrate the different results visually.

3.1. Research Design

The study is based on a qualitative, interpretative paradigm investigating the relationships between a set of variables within a natural system such as commercial banks. Given that little is known about the focal relationships, the study does not follow a deductive design or involve any hypothesis testing like existing studies did in developed countries. Instead, the study is inductive in nature to generate propositions on how the relationships might operate, particularly within a context according to a purposive research framework. Possible relationships between the variables depend on the unique conditions found within Arab Republic of Egypt (i.e., developed Islamic country) that might not exist in other developing countries. (Kalsoom, Khan, & Zubair, 2020); (Koçak & Küçük, 2021)





3.2. Data Collection Methods

The qualitative data collection methods were that we conducted extensive interviews with a wide range of bank employees and customers: members of management teams; middle managers (team leaders and supervisors); rank and file employees; union officials and other employees; the bank clerks who had daily face-to-face contact with local customers; a sample of customers themselves; and phone data collectors in the call center. The survey was conducted online using 'Google Forms'. A total of 89 questions in both Arabic and English were used, and many included multiple sub-questions within a single question. Many of the questions were derived from existing, validated scales. The survey covered questions seeking to understand respondent demography and perception of their jobs and of their managers. In order to facilitate this, the survey sought to capture information relating to many issues and personal experiences. In all, the survey contained six sections in addition to the cover letter, which included: (1) job description and details; (2) interpersonal relations and employee performance; (3) work engagement; (4) paternalistic leadership; (5) employee performance and productivity; and (6) preferences and potential willingness to be involved in research projects in the future. The research was undertaken in accordance with the relevant standards of the American Psychological Association, and ethical approval was obtained from the author's institution.

3.3. Data Analysis

The target population is the commercial banks in the Arab Republic of Egypt. The study used simple random sampling, and the target sample criteria were Egyptian employees in different administrative levels and departments of the bank, with at least one year of experience in Business Administration. They should also have the following technical experiences related to Bank Trade Finance Operations. A total of 488 questionnaires were retrieved. Only 458 questionnaires were found valid for the analysis, representing about 51.1% of the distributed questionnaires. A reliability analysis was conducted on the involved scales. The results of Cronbach's alpha revealed that the overall reliability of the three constructs ranged from 0.87 to 0.96, allowing the researcher to proceed with analyzing the research items present in the scales.

Valid vs. Invalid Questionnaires

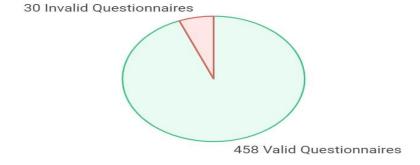


Figure (1) Shows The Valid and invalid questionnaires





The outer model assessment of the measurement model is summarized by the Average Variance Extract (AVE), Composite Reliability (CR), and outer loadings reflecting convergent and discriminant validity. We checked the discriminant validity and the convergent validity. The external model's assessment was performed to test both convergent validity and discriminant validity. First, convergent validity was established if the loading, CR, and AVE fulfilled their requirements. The loading ranged between 0.8 and 1 for all 13 indicators, which was significant in all cases (p < 0.001). The Critical Ratio (CR) here caters to the requirement of internal consistency reliability, which exceeded 0.8 for all indicators, suitably higher than the cutoff value of 0.7. This indicates that convergent validity among indicators used for instances of three modeling constructs is adequate. The Average Variance Extracted (AVE) was also computed to evaluate convergent validity further. SUPCIT, EE, and Job Pe loading equals 0.927, 0.862, and 0.909, respectively, greater than 0.5, signifying an acceptable AVE of 0.579, 0.833, and 0.697, respectively.

4. The Commercial Banking Sector in Egypt

The commercial banking sector in Egypt includes seven publicly owned and twenty privately owned banks. Most of the banks operate in the primary market, such as the Alexandria Commercial and Maritime Bank (ACMB), the Arab African International Bank (AAIB), the National Bank of Egypt (NBE), Commercial International Bank (CIB), and the Bank of Alexandria (BOA). The operations of local commercial banks are centered on treasury activities, the general funding of and lending to the Egyptian economy, and the operations in the money and capital market. International trading activities mostly characterize the operations of foreign banks. The Arab Republic of Egypt (ARE) has a regulated banking sector, which is regularly overseen and supervised by the Central Bank of Egypt (CBE).

The year 2011 they brought a lot of challenges to Egyptian society and economy due to the revolution of January 25th and the subsequent fall of the regime. Political chaos hit the country, and a few categories remained unaffected, including the country's commercial banks, which are also known to be one of the few job opportunities for Egyptian employees, as they prefer to work in stable establishments that cannot be affected by such a volatile environment. However, studies and research have shown a lack of leadership in the Egyptian work environment. That, coupled with the fact that Egypt is one of the most collectivist communities in the world, necessitated studying the type of leadership and its effects on the performance of the workers in Egyptian banks.

4.1. Overview of the Sector

The Arab Republic of Egypt is a lower-middle-income North African country. Among other vital industries, the commercial banking sector has been one of the major sectors in the Egyptian economy. This sector has been undergoing significant evolution over the past two decades, parallel to the major economic reform program in Egypt, which aimed at promoting and supporting the financial sector in both breadth and depth. In this regard, fast and drastic evolution took place, with the rise of mergers and acquisitions among the existing banks and the establishment of new banks and branches across the country. At the micro-economic level, commercial banks in Egypt have been introducing several new sectors and industries in which banks can connect to the loans primarily offered by commercial



banks in Egypt. Vision 2030 Egypt considered the financial sector reform to be critical to the incremental diversification of the Egyptian economy. (Koçak & Küçük, 2021)

To better understand the Egyptian economy and financial market, one must understand the commercial banking sector in Egypt. By the end of December 2010, the Egyptian banking sector included the Central Bank of Egypt (CBE), which was the primary banking regulator, and 55 banks, including 40 commercial banks (public, private, and foreign), 8 specialized banks, 4 public business banks, and 10 joint-venture banks. There were also 3 mortgage finance companies (one of which owned a leasing company) and 20 local branches for 7 Arab and international banks.

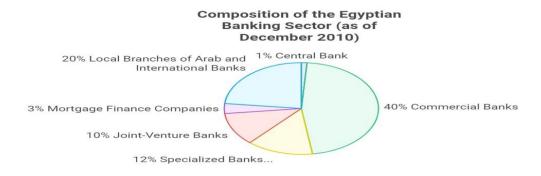


Figure (2) Shows The Composition of the Egyptian Banking sector

The banking sector in Egypt began to play a greater role following the 2005 economic reforms. Reforms in the commercial banking sector in Egypt have generated considerable economic benefits for capital and financial markets and facilitated the recycling of savings into investment and equity markets. The booming oil sector has also helped to generate profits of approximately LE million per annum since 2008. In 4 years, the number of bank branches increased by 30%, there were 15,732 supporting points, and electronic banking service penetration stood at 95.85%. The capital adequacy ratio was 17.5%, the expected credit loss coverage ratio was 79%, the return on capital was 35% on average, and the total profit, including listed and unlisted banks, reached LE 96.8 billion. The return on assets (ROA) of the entire banking sector was 2.27% and the return on equity (ROE) was 38%. (Koçak & Küçük, 2021); (AbdElgawad, El Subbaugh, & Marzouk, 2020)





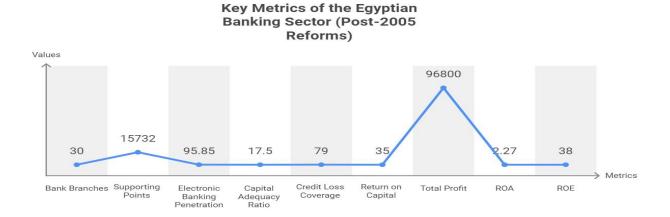


Figure (3) Shows The Key Metrics of The Egyptian Banking Sector

4.2. Key Players and Market Share

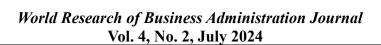
The Egyptian commercial banking sector is comprised of public or state-owned banks and privately owned banks (private and joint in stock). Public banks are operated by the Central Bank of Egypt (CBE) and are a monopoly body; they carry a part of the banking operations and issue a large part of funding to the government alone. Other types of private entities are also offered, e.g. banks, etc. In terms of the number of banks, 2008 saw decreases from 70 to 68, 2010 from 68 to 64, 2012 from 64 to 60, and 2014 from 60 to 58. Out of the 58 banks that were operating in 2014, 39 were traditional banks, 5 asset management banks, 9 branch banks, and 5 investment banks. In terms of ownership structure, 74% or 43 banks were owned by the public sector, whereas 25% were owned by the private sector. This has shifted substantially, however, from the number of banks that were owned by the public and private sectors in 2008. Despite this shift, public banks still maintain the majority of market share. (Khudhair, Rahman, Adnan, & Khudhair, 2022); (Shahzad, Shahzad, Dilanchiev, & Irfan, 2022)

The market is highly concentrated, as one might expect, and is controlled by big players. However, the banking industry has seen increased levels of competition over this past decade, such that competition now encroaches onto the grounds of the oligopolistic market. In the Egyptian case, we see this movement in the market from an oligopoly to a monopolistic-based competition. The market share for the top five banks (among other statistics) operating in the Egyptian commercial banking sector is presented in Table 28. The Big Five, along with the other banks that are operating within the market, then become key to the performance, stability, and the general overview of the banking and, to an extent, the overall economic scenario. (Kalsoom, Khan, & Zubair, 2020); (Yamin, 2022)

5. Paternalistic Leadership in Arab Culture

Although the paternalistic leader gives high attention to the welfare and development of the employees, he may interfere in their personal issues and request unquestionable loyalty in exchange, which makes him either loved or hated. The more paternalistic is the culture, the more expected and







appreciated is the use of a paternalistic leadership by either parents or managers. Late professionals have noted a few implications of the style in the Arab culture and retrieval technology, not enough to uncover any of the existing leadership styles, from some beliefs and values of the Arab culture. (Safdar, Faiz, & Mubarak, 2021); (Khan & Gul, 2020)

The findings show that the positive association between the paternalistic leadership style and increased organization performance may be due to the more positive understanding of this style in Arab culture where trust in leadership is significantly less in comparison to the Western context. The findings thus consolidate the results of previous research which indicate an ethnocentric universalism in leadership contexts in which the leadership style is closely associated with the cultural dimension of the context of the party. This gain increases the understanding of recent leaders in contemporary global work contexts, especially concerning the cultural relationship with work for staff in the Arab, Muslim, or GCC context as well as any manager or worker in multinational corporations in the area. (Yamin, 2022); (Khudhair, Rahman, Adnan, & Khudhair, 2022); (Shahzad, Shahzad, Dilanchiev, & Irfan, 2022)

5.1. Cultural Dimensions Impacting Leadership Styles

Although several studies argue that the underlying cultural background has an impact on leadership styles, Hofstede is often still used to justify the points of the universalism approach that does not differentiate between cultures when arguing the learning outcome of situational or contrarian leadership. Paternalistic leadership is the most prevalent leadership style in the Arab region, which is attributed to cultural values sustained by collectivism, masculinity, and power distance societal norms. (Khan & Gul, 2020); (Adžić & Almutairi, 2021)

These cultural dimensions are manifested in the Arab paternalistic leadership style, which can be argued as a form of situational leadership, as certain leader values are compatible with strategic agility. In a large number of studies, research on paternalism does not typically include a detailed discussion of the cultural dimensions; it is often assessed with reference to the specific country's societal culture level to derive generalizations. As such, and in line with these studies, the next sections deepen the contextual factors of this specific Arab culture space that may impact or influence paternalism. They investigate additional cultural facets that might endorse paternalistic leadership within the Arab world. Here within Arab culture, masculinity and collectivism represent overarching values, with the values of collectivism meaning that employees are generally more committed to the goals of their organization, which results in higher OCB and a professionalism ethos, which is required to enhance employee performance within the bank due to the complexity of routines. Finally, with respect to hierarchy and power distance, employees in Arab banks perceive lower diversity in management expression, in favor of mass employees in a collectivist approach with a prevalent bias to equality. (Koçak & Küçük, 2021); (Shahzad, Shahzad, Dilanchiev, & Irfan, 2022); (Khudhair, Rahman, Adnan, & Khudhair, 2022))





6. Employee Job Performance in Commercial Banks

Saying that the performance of employees in any organization is crucial, the situation is simply because many organizations do not function without employees, as their work is the one that overstays many tasks. It is a must-have topic of the employees' job performance in the banking environment, the same field of this study is commercial banks. They used three dimensions and nine indicators: morality, irregularities, utilization for policy, innovativeness, total job performance in agriculture, infrastructure, peri-urban, and upland livelihood. They suggest that in order to increase governance in its relation to micro-finance due to the improved welfare of the poor, the importance of decentralization and the role of community engagement, as the former's program management is directly delivered to the community. (AbdElgawad, El Subbaugh, & Marzouk, 2020); (Adžić & Almutairi, 2021) When the secretary carries out responsibility and authorities in leadership with a sense of service to the employees, the task would develop into assets and the level of satisfaction of the employees coming members of the organizations would increase job. Job performance in a commercial bank refers to the extent to which the long procedures in the organization are activated so that there will be a shift in task performance scores regarding and that it deals with different components of service delivery and administration. Factors that could influence work or job performance of employees in commercial banks in order to ensure services are elaborate.

6.1. Key Performance Indicators

Customer loyalty can be assessed if the level of sales and retention of the current customer increases. Furthermore, frequent customer complaints can act as a warning sign for a company. Customer service has a direct impact on the consumer's decision to stay with the bank. Customers don't judge banks by one single service; it is the total package that is considered. Also, the success of a company is determined by the number of loyal customers it has. (Yamin, 2022); (Khudhair, Rahman, Adnan, & Khudhair, 2022); (Shahzad, Shahzad, Dilanchiev, & Irfan, 2022) Employee activity and pending work, conversations which talk to system operations and to system and network security. Examples include employee application monitoring queries, performance metric monitoring queries, or defining queries. A survey of employees in a particular sector is a good tool to rate the overall performance. It becomes imperative to evaluate how employees are performing in an organization. Thus, the human resource team should measure employee performance. Once the employee's work has been evaluated, it is necessary to monitor his progress. If the organization has taken appropriate methods to assess the performance of the employees, then it becomes easier to take corrective actions. Managers in commercial banks in Egypt use the aforementioned criteria to evaluate the performance of their employees. They attribute the advancement and improvement in their organizations to their performance, and they tend to view that up to some extent, their performance is reflected in their employees' performance. (Koçak & Küçük, 2021); (Kalsoom, Khan, & Zubair, 2020)

6.2. Factors Influencing Job Performance

6.2. Factors Influencing Job Performance: The literature on job performance has been built around the determinants of job performance. Kleysen and Street (2001) argued that performance could be influenced by different factors. Based on empirical studies concerning different determinants of job





performance within the commercial Soviet banking sector, Puffer and Weintrop (1988) found the biggest regressions on performance standards up to 35%, so that supervisors shall be practical and stereotype typically. Within this sector, some researchers have been focused on workers' productivity and using some factors like age, the amount of work experience, job motivation, and incentives, in free and working conditions, discrimination, the correlation between paid and non-paid work hours, the sets of individuals' subjective well-being, the problem of job satisfaction assessed by life satisfaction concerning the congruence of his/her own and others' value system with the general value of a human being. (Khan & Gul, 2020); (Shahzad, Shahzad, Dilanchiev, & Irfan, 2022); (Safdar, Faiz, & Mubarak, 2021)

It has a positive influence on the health of service recall, employee job performance. Job satisfaction also has been proved to impact intent to quit which in return affects the job performance of employees. The relationship between job satisfaction and job performance is significantly moderated by gender, however, the relationship between job satisfaction and job performance is significantly positive. Individuals who have higher job satisfaction tend to have higher job performance. Wahyudi (2014) divides the factors that may influence employee work performance into this group in two categories: extrinsic and intrinsic factors. Extrinsic factors cover organization structure, organizational culture, organizational leadership, management and human resources, compensation, and employee motivation. Intrinsic factors cover employees' values and attitudes, their competencies, and elements of supervision. There is a direct link between leadership and follower commitment. Follower job satisfaction is connected with in-role work behavior while follower organizational commitment is related to both in-role and extra-role behaviors. Job performance is likewise linked to job satisfaction. Appropriate and effective leadership was found to have a positive impact on job performance and job satisfaction.

7. Data Analysis and Findings

Based on our primary data collected, the sample size (the number of questionnaires circulated) was 500 managers who were asked to distribute the survey sheets to employees working under them who know them. Table 1 shows the branch areas included in the sample along with the number of distributed questionnaires and the effective questionnaires. Reliability and validity were checked first, and we then used the necessary research methods to analyze the obtained information. Descriptive statistics and correlation between the variables and hypotheses using regression analyses were then implemented. Based on the existing literature and response results, descriptive statistics on levels one, two, and three were assessed. To test the hypotheses using the sample regression equation, we need to test the following hypothesis: (4) H0: $\beta 1 = \beta 2 = \beta 3 = 0$, where: $\beta 1$, the effect of constraint-leading stimulating employee job performance, $\beta 2$, the effect of giving professional freedom of employee job performance, and $\beta 3$, the effect of encouragement employee did harvest more contribute to the performance of the job, H1: $\beta i = 0$.





Findings

The descriptive statistics obtained regarding the levels of measuring responsiveness to the three levels of variables are shown in Table 3, which illustrates Descriptive Statistics for the Variables Studied. The relationship between the variables was also tested using the Bivariate analysis to validate the regression analysis. The correlation results are presented in the table. The correlation results show a relationship between constraint-leading (beginning), PFL (provincial middle), encouragements showing (final) with P (performance). The results can be that the relationship of the seven independent variables in the regression analysis with the dependent variable (DV) only three variables that have a meaningful relationship. The results of the F test (Table 5) show 19,514 > 2.67and 19,514 > 1% ttabel 878. Therefore, H0 is rejected and H1 is accepted. The conclusions in this test state that the constrained leadership (beginning), the giving of provincial (middle) showing the encouragement showed a positive effect on job performance. Random test (T-test) uses the significance of the coefficients to determine whether the independent variable has a significant effect on the dependent variable. The test results are shown in Table 5. The T absolute value, by using a significance level of 5% (Table T at a 5% level of confidence) with an infinite degree of freedom (N k), is 1.99. Test results for all three independent variables, 3-independent variables influence employee job performance significantly. This implies that H1 is accepted. The influence of the path coefficient is shown in table 4. In which begins Pcl = 0.242 t-count 4.745 P-value 0.00001; so, it can be concluded that the path i.g starts the employee's performance significantly. The path of encouragement with a fc value of 0.293 with t-count 5.161 (P-value 0.00001) also significantly influences the employee's performance. To test the significance level of the T-counts, select the most vehicle to have a significant coefficient at the beginning with Showing. These results demonstrate that systems and control are good and reasonable and do not violate classical linear regression assumptions. Thus, the empirical results indicate that the three types of paternalistic leadership have a positive effect on employee job performance. In which the impact of the three opportunities to increase job performance is 58.6%, and 41.4% of the remaining effect can be explained by other factors. These results are consistent with the results of existing studies. In cases of large corporations and banks such as Bank HSBC, there are 10,000 employees working under the supervision of the bank managers. In this case, it will be difficult to obtain a detailed perception expression related to organizational behavior because the bank employees will be of a different perspective as well as various managerial practices. So from the elaboration above the nature of research is quantitative.

7.1. Descriptive Statistics

Descriptive statistics are provided in appendices 7.2-7.4, presenting a systematic overview of the dataset. Our dataset consists of responses from 1,469 employees in eight different commercial banks in the Arab Republic of Egypt. Gender is fairly equally distributed in the dataset, with 53.7% males and 46.3% females. The mean age of the respondents is 33 years old, with a standard deviation of 6.29 years, displaying a positive skewness of 0.28, indicating that very few older people participated in the survey compared to the number of younger people. In terms of tenure, respondents report an average period of time in their current position in private commercial banks of 7.74 years. This is fairly normally distributed, with a standard deviation of 6.73, skewness of 3.38, and kurtosis of 17.16.





The mean score of the responses regarding the level of paternalistic leadership as perceived by the employees is 3.02 on a 1-5 scale, indicating that the respondents tend to agree slightly with the three dimensions of paternal control: authoritarian, moral, and benevolent. The descriptive statistics for the sub-level scales of differential paternalism reveal mean scores of 2.80, 3.20, and 3.29, respectively. The mean score of job performance as perceived by the employees in the banks in our sample is 3.67, indicating that the respondents feel that they have satisfactory performance levels despite the economic conditions and the current financial crisis. In contrast, their mean satisfaction score is lower, at 3.09, where employees tend to agree a little less with the satisfaction scale. In terms of the control variables, the statistics reveal that there is no multicollinearity between any of the independent variables, or with the dependent variable, for that matter. It is evident that many of the independent variables are not significantly correlated with job performance. Overall, the results indicate that the Valid N (1,469) is 1,354.

7.2. Regression Analysis

A regression analysis was performed for the current study to investigate the relationships between the independent variable (paternalistic leadership) and the dependent variable (job performance), as well as the potential impact of a number of other control variables. Results of the regression analysis showed that the overall model was statistically significant, indicating that the model including the focal predictor (paternalistic leadership), along with additional control variables, can significantly predict (F = 19.99, p < 0.001) a change in the dependent variable. The predictor of paternalistic leadership (b = 0.176, t = 4.51, p < 0.001) was found to be significant in predicting an increase in the dependent variable. Indeed, results showed that paternalistic leadership explained 3% of the variance in job performance. Results also showed that the control variable of organizational commitment (b = 0.315, t = 7.69, p < 0.001) was found to be significant in predicting an increase in the dependent variable. However, while not reaching the criterion level for making a statistical inference, further results also showed that career commitment and engagement were found to be significant in predicting an increase in the dependent variable at the (p < 0.10) level. The purpose of the current study was to examine the impact of paternalistic leadership on employee job performance in a sample of commercial banks in the Arab Republic of Egypt. Our results support the theory that favorable outcomes can sometimes emerge from formally legitimate leadership, such as paternalistic leadership, when the interest of this type of leadership involves increasing the followers' personal and professional traits rather than focusing all its energy at directing them towards reaching organizational goals. Consistent with the grounded path towards investigating research, the findings have many contributions to enhance the coaching, mentoring, and leadership literatures. Considerable research has studied the role of leadership in management, where several studies have shown the role of leadership in the direction of the followers to reach the organization's goals. The relation between leadership and the effect on the employee's trait and commitment has been considered for some decades. However, few studies investigated the role of a new leadership style (paternalistic leadership) in developing the organizational and personal traits of the employee.





8. Discussion

Hegerty and Simintiras (2020) posited that leadership is expected to influence followers' attitudes and behavior positively, both at an individual and an organizational level. However, to date, the impact of paternalistic leadership on job performance has received nominal empirical attention. To fill this gap, this study aimed to examine how each facet of paternalistic leadership (authoritarianism, benevolence, and moral leadership) was related to an individual's task and contextual job performance in a developed African country characterized by collectivistic orientations and pronounced traditionalism. Drawing on AET and Tsui (2013)'s propositions, paternalistic leadership was expected to be related to contextual (rather than task) job performance components. Furthermore, building on expressions of paternalism research in our context, in which authoritarianism is equated with "strictness" and "ruthlessness," we proposed a contrasting approach to explore authoritarianism's (lack of) relationship with followers' outcomes. Consistent with our expectations, only benevolence was a strong positive predictor of followers' in-role job performance. Our results are discussed in relation to each patriarchal trait in conjunction with the proposed theoretical and methodological reasons that give credence to their reported lack of relationships. (Kalsoom, Khan, & Zubair, 2020); (Koçak & Küçük, 2021); (Yamin, 2022)

The study investigated the relationship between paternalistic leadership and employee job performance in Egypt's commercial banks. It aimed to examine the dimensions of paternalistic leadership and their impact on job performance. The study also aimed to provide insight into the effect of paternalism on in-role and extra-role performance components. A field survey was conducted to test the hypotheses. This study serves as an intermediary before more complex research is conducted on role and performance components. (Khan & Gul, 2020); (Shahzad, Shahzad, Dilanchiev, & Irfan, 2022); (Safdar, Faiz, & Mubarak, 2021)

8.1. Interpretation of Findings

In this paper, the study was initiated with the aim of investigating the influence of paternalistic leadership on employee job performance. The study was underpinned theoretically in the conceptual lenses of Social Exchange Theory. The study objectives have been addressed, and for this, evidence is derived from self-reported cross-sectional data collected through questionnaire surveys on 430 workers of commercial banks in Egypt. After the data analysis process, it turns out that both benevolent and moral leadership have a strong influence on both task and contextual performance. These results indicate that the employees of the Egyptian commercial banks are inspired by the leaders' fathering to establish and maintain a productive work environment. Eventually, they try to develop their performance in terms of performing and coordinating their tasks, roles, duties, and responsibilities within the system conferred to them by their banks. (Khan & Gul, 2020); (Shahzad, Shahzad, Dilanchiev, & Irfan, 2022); (Safdar, Faiz, & Mubarak, 2021); (AbdElgawad, El Subbaugh, & Marzouk, 2020) Theoretical contribution is discussed subsequently under each paragraph while practical implications are the lessons learned from the study outcomes are presented. Limitation of this study is discussed at the end of the paper. The research findings contribute to the Arab Republic of Egypt's literature by contributing to a better understanding of the conditions that bank leaders can





offer for the task performance enhancement of their community. The dependent variables of task performance in this research are, in fact, a common issue among researchers. Task performance refers to the work list for which employees are hired. For instance, employees are needed to complete tasks, comply with the tasks list and the work list related to their position's work descriptions in return for a monthly wage. Moreover, Egyptian policymakers and administrators, especially in the banking sector, may benefit significantly from the study. They can comprehend from the conclusions that in the end, paternalistic leadership, regardless of the nature of its leadership, benign or moral, is a long-range investment. Managers may be sure that if they invest in their community's job performances, their community shall stand up the competition among nations all around. The banks' leaders in the ECC system usefully encourage their employees effectively by using paternalistic leadership. This fact may be attributed to the elevated working level's work organization for their employees. Considered participants are treated as complete individuals at the organizational and spiritual levels. Leaders within the commercial banks of the ECC system had to demonstrate that they are truly committed to their service by fostering a paternalistic leadership style. The empirical evidence supports the view that paternalistic leadership is appraised subjectively as a transaction between the leaders and workers. These findings tend to demonstrate the appropriateness of social exchange theory in exploring the impact of paternalistic leadership. This article will be useful to leaders and policymakers of commercial banks in Egypt for the practical implications of applying paternalistic leadership. Moreover, this article demonstrates that a full-fledged philosophical platform is rooted in the Arab principles of greatness. (Kalsoom, Khan, & Zubair, 2020); (Shahzad, Shahzad, Dilanchiev, & Irfan, 2022) (Safdar, Faiz, & Mubarak, 2021); (AbdElgawad, El Subbaugh, & Marzouk, 2020)

8.2. Theoretical and Practical Implications

Throughout a detailed empirical investigation in commercial banks in the Egyptian context, the findings of the study lead to a number of implications of major value in both a theoretical and practical context. If nothing else, the study offers insights into what can be considered paternalistic leadership in an African or Arabic country which is not a monarchy and does not have a Western approach to economics and management. The detailed illustration of the concept can help academics and managers alike understand paternalistic relationship between top leaders and their subordinates in a context where Islam plays a significant role. However, the study is also useful in terms of the findings. (Shahzad, Shahzad, Dilanchiev, & Irfan, 2022); (Safdar, Faiz, & Mubarak, 2021); (Shahid & Babar, 2022) Starting with the theoretical, the results suggest valuable areas for further understanding, contributing to management and organisation scholarship. Amongst these areas are the examination of further consequences of paternalistic leadership on employee job performance, as well as the examination of further possible antecedents of paternalistic leadership, and their impact in an African and/or Arabic context. Furthermore, scholars could investigate alternative measures of the implicit leadership theories employees hold. (Khudhair, Rahman, Adnan, & Khudhair, 2022); (Shahzad, Shahzad, Dilanchiev, & Irfan, 2022)

In terms of the practical implications of the study, those depicted in the managerial recommendations are clearly tentative, drawn from a very particular field and require further validation. The study of





the psychological contract in a public sector setting, given that psychological contracts have been the focus of research particularly in the public sector, could provide valuable insights. The managerial recommendations stemming from the findings in this paper are therefore merely offered as tentative suggestions on the basis of existing literature. However, the findings herein do have the potential to make many more direct, practical contributions. In particular, an apparent negative of the study, the limited scope on understanding informal leadership, has highlighted the limitations of seeking evidence from informal leaders. It is thus suggested that future research focuses attention on informal leaders who are consciously 'doing it from the bottom up', to determine the influential role and limitations of these actors. (Khudhair, Rahman, Adnan, & Khudhair, 2022); (Shahzad, Shahzad, Dilanchiev, & Irfan, 2022); (Khan & Gul, 2020)

9. Conclusion and Recommendations

This study sought to take an in-depth look at the management of change through mediation, suggesting that adaptable management styles may provide positive direct and indirect results from a business perspective. Paternalistic style can be adopted at two different levels: macro level (organizational settings) and micro level (leader-follower relationship). Evidence shows that the second type (micro level), specifically the combination of benevolence and morality, is correlated with more hierarchical working cultures. Teleological change approaches may find it useful to consider the impact of change management upon motivational patterns. Judgement and mediator variables measurement may be useful for researchers interested in further exploring the use and value of psychometric researchers.

The findings showed that there is an impact between paternalistic leadership and its dimensions on employee job performance in the Egyptian banking sector. The study provided several recommendations. First, executives and top management should be educated about paternalistic leadership, its dimensions, and the importance of its role in influencing employee job performance. Second, executives and top management should have a paternalistic style in their work with employees, and they must balance the use of their authority and decision. There should be a balance in the use of the various styles with the employees, in addition to learning how to deal with others in an ethical manner. Third, fostering the work environment by preferring subordinates who are ethical and truly care about the well-being of their employees when making promotions, redistribution of responsibilities, and encouraging employees to innovate. Furthermore, companies should distribute more investments in employees because they are the human element in the work organization. Finally, researchers should continue to use this study as a model to develop integrated theoretical frameworks that include many variables that have been neglected in this study. (Safdar, Faiz, & Mubarak, 2021); (Khan & Gul, 2020); (Adžić & Almutairi, 2021)

9.1. Summary of Key Findings

The purpose of this study was to investigate the effect of paternalistic leadership on employee job performance in the context of commercial banks operating in the Arab Republic of Egypt (ARE). Drawing on stakeholder, social cognitive, and conservation of resource perspectives, the findings of this study support the role of supervisor feedback environment in employees' work attitudes (i.e. job





satisfaction and affective commitment), and in turn their job performance. The results also indicate that leaders' support for employees' developmental potential and their fulfillment of a family role have both main and interaction effects on employees' work attitudes and job performance. Specifically, employees' attitudes and subsequent job performance are enhanced when employees perceive that their supervisor supports their developmental potential and also prioritizes their family responsibilities. Collectively, the results of this study support the adoption of a person-job-family fit conceptual framework and carry practical implications for organizations in the ARE. (Safdar, Faiz, & Mubarak, 2021); (Khan & Gul, 2020); (Adžić & Almutairi, 2021) The purpose of this study was to capture and bring together the pattern development of leadership in a comprehensive literature review in an attempt to answer a set of very important questions. The first question the authors addressed was "What qualities and characteristics do leaders in Egypt possess and how do we view these leaders?" It addressed the concept of what is considered a "good leader" in Egypt and what determined such attributes and assumptions. The second part of the aim of the research was to provide the background and context of the pattern development of leadership and worker outcomes in Egypt, and thus answer the subsequent question: "How has the practice of leadership and worker outcomes been studied in Egypt and what are the main findings?" Findings from the field of leadership and employee outcomes in general are also presented. (Koçak & Küçük, 2021); (Khan & Gul, 2020); (Safdar, Faiz, & Mubarak, 2021)

9.2. Managerial Recommendations

This article unpacked the relationship between paternalistic leadership and employee job performance. We explained how paternalistic leadership influences employee job performance in general and at different levels of the organization. Based on these explanations, this article makes the following recommendations: (Shahzad, Shahzad, Dilanchiev, & Irfan, 2022); (Khan & Gul, 2020); (Khudhair, Rahman, Adnan, & Khudhair, 2022)

- 1. Positional-level managers should use only a moderate level of benevolence JSPL as too low or too high levels harm. The use of moderate levels of JSPL enables managers at any level to achieve followers' satisfaction and enhance engagement where socio-economic conditions are paramount or an inherent aspect of the work. Such conditions are associated with extrinsic motivation, especially among blue-collar workers. Moreover, within this study's context, the use of a moderate level of JSPL enhances some of the positive effects of somewhat contrasting directive strategies enabling an integrative approach.
- 2. Additional supportive behavior may not be needed for employees with low levels of autonomy at senior levels of commercial bank organizations located in the Arab Republic of Egypt. Employees at this level already know what to do, why, and the importance of their work, and having managers that direct their work is more effective than supportive JSPL. These subordinates do not express the desire to be involved in decision-making, and therefore, directive as an exclusive style has a more beneficial effect. Similarly, others have reported that this style seems adequate if the leaders possess sufficient resources to monitor the subordinates.





3. However, it is beneficial to use a directive JSPL style and a moderate level of supportive JSPL when leading those with high autonomy – like middle managers working in Egypt, where religion dominates its culture. Religion has been found to positively influence effective management in this culture.

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