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Angels and devils?: How do benevolent and authoritarian leaders differ in shaping ethical climate via justice perceptions across cultures?

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Abstract

The current study examines the effects of two major dimensions of Paternalistic Leadership (PL), authoritarian and benevolent leadership, on the perceived workplace ethical climate in different cultural contexts. Based on social influence and organizational justice theories, we illuminate the processes underlying the effects of these leadership styles on ethical climate by proposing perceived procedural and interactional justice as potential mediators. We also test how these mediating effects vary in three different countries: Taiwan, Turkey, and the United States. Based on a sample of 674 Taiwanese, 409 Turkish, and 479 American employees, we identified several interesting mediation and moderation results on leadership-justice-ethical climate paths. To our surprise, while procedural justice was an important mechanism linking benevolent leadership and ethical climate in all three countries, it mediated the relationship between authoritarian leadership and ethical climate only in Turkey. However, interactional justice was found to be a significant mediating mechanism only in the United States and for both authoritarian and benevolent leadership. In addition, cultural context moderated the PL-justice link such that the strongest positive benevolent leadership and interactional justice relationship, as well as the strongest negative association between authoritarian leadership and both types of justice, were observed in Turkey.

1 | INTRODUCTION

Establishing a desirable ethical climate is crucial to induce ethical behavior in organizations (Newman, Round, Bhattacharya, & Roy, 2017; Simha & Cullen, 2012). Ethical climate refers to employee's general perception of an organization's operations and procedures that are designed to promote ethical behavior (Victor & Cullen, 1988). Previous research has suggested that organizational leaders are the key players in creating an ethical climate (Mayer, Kuenzi, & Greenbaum, 2010; Nie, Lämsä, & Pučėtaitė, 2018; Ötken & Cenkci, 2012; Schroeder, 2002). In that regard, it is necessary to understand which leadership styles can produce a desired ethical climate. However, cultural differences can complicate leadership choices as

well as the mechanisms they use to boost ethical climate (Brunton & Eweje, 2010; Stedham & Beekun, 2013). That is, how leaders influence perceptions of ethical climate depends on cultural acceptance of the leadership style since values of some national cultures may impede or promote the influence of a particular leadership style on employees' perceptions. One such leadership style that may be controversial in some cultures is Paternalistic Leadership (PL), which includes authority and parental benevolence. As Aycan (2006) mentioned, "Paternalism remains as an issue that evokes opinions in almost opposite directions in Eastern and Western cultures" (p. 446). To this end, this study aims to address the potential controversies of PL in the cross-cultural ethics context and examine how *authoritarian* and *benevolent* leadership impair or foster perceptions

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of workplace ethical climate across three countries: Taiwan, Turkey, and the United States.

Leaders can influence ethical climate directly or indirectly. Most of the research based on social learning theory suggested that ethical leadership would *directly* affect ethical climate through role modeling and the communication of the ethical issues (e.g., Mayer et al., 2010; Neubert, Carlson, Kacmar, Roberts, & Chonko, 2009). However, leaders can also shape the climate *indirectly* through social influences, which has rarely been studied (McAllister, Ellen, & Ferris, 2018). For example, leaders can set a social environment that promotes ethical climate, such as making the workplace a fair place (Brown, Treviño, & Harrison, 2005). Since climate is often communicated and shaped through interaction with social and physical environment (Katz & Kahn, 1978), the informal influence of interpersonal interactions and behaviors are potentially more penetrable than formal systems in shaping ethical climate (Neubert et al., 2009). Indeed, from the perspective of social influence theory, climate perceptions are socially constructed and leaders, being the authority of social principles of justice and fairness, have a critical role in shaping ethical climate in organizations (Ashforth, 1985). Specifically, leaders pose both informational and normative social influence on employees and set the boundaries for acceptable behaviors within the workplace (Ashforth, 1985; Ferris, Perrewé, Daniels, Lawong, & Holmes, 2017). From this standpoint, we propose that, due to their power over employees, leaders shape employees' justice perceptions (Brown et al., 2005). By consistently conveying information and norms, leaders influence employees' perceptions of justice and collective moral judgements for policies and practices, that is, ethical climate. Taking the social influence perspective, this study fills in the literature gap of how leadership indirectly shapes ethical climate, and proposes justice perceptions as a mediating mechanism in this relationship (Byun, Karau, Dai, & Lee, 2018; Hiller, Sin, Ponnapalli, & Ozgen, 2019).

Drawing on organizational justice theory, we propose both *interactional* and *procedural justice* as potential mediating mechanisms in PL-ethical climate relationships. Leaders are responsible for delivering organizational justice, namely procedural justice, by communicating organizational rules and procedures (Naumann & Bennett, 2000). Furthermore, leaders cultivate interactional justice perceptions among employees by treating them fairly and sensitively (Cohen-Charash & Spector, 2001). Given that the nature of PL involves a top-down process and employees are in a reactive rather than an active role in the process, we argue that PL may act as a double-edged sword in shaping ethical climate. Specifically, while benevolent leaders may foster ethical climate via increased justice perceptions, authoritarian leaders may impair ethical climate by harming justice perceptions (Wu, Huang, Li, & Liu, 2012).

Since PL has a strong cultural root, it is necessary to examine the boundary conditions of the PL-justice-ethical climate relationships. We, therefore, posit that how these leaders influence perceptions of justice and ethical climate will vary depending on the national cultural context. Paternalistic leaders who behave like merciful and controlling parents are more effective in collectivistic and high power distant Eastern-Asian countries (Aycan, 2006; Aycan,

Schyns, Sun, Felfe, & Saher, 2013; Chan, Huang, Snape, & Lam, 2013; Cheng, Chou, Wu, Huang, & Farh, 2004). However, during the era of industrial paternalism, exemplary leaders in the United States also displayed a softer, less coercive form of paternalism, libertarian paternalism (Humphreys, Randolph-Seng, Pane Haden, & Novicevic, 2015; Thaler & Sunstein, 2003). Similarly, Pellegrini, Scandura, and Jayaraman (2010) showed that paternalism may have some positive effects in the United States. Hence, it is obvious that PL is a leadership style that should be examined with the consideration of cultural context (Mansur, Sobral, & Goldszmidt, 2017).

To address the above research gaps, drawing on social influence and organizational justice theories, the aim of this study is to explore how the bright (benevolent) and the dark (authoritarian) side of PL influence ethical climate through justice perceptions in different cultural contexts: Taiwan, Turkey, and the United States. Taiwan and Turkey are high in paternalism, power distance, and collectivism, whereas the United States is at the opposite end of these dimensions (Hofstede, 2001). Additionally, Taiwan and Turkey are the two cultural contexts in which PL dimensions were *first* conceptualized and developed (Aycan, 2006; Cheng, Chou, & Farh, 2000). Therefore, the choice of these three countries enables us to not only examine the potential moderating role of national culture, but also the potential differences between two seemingly similar cultures.

This study contributes to ethics and leadership literatures in two ways: First, it advances our understanding of how leadership shapes ethical climate in different cultural contexts, which is an issue of increasing importance in today's global economy. More specifically, we contribute to the cross-cultural leadership and ethics literatures by studying authoritarian and benevolent leadership for their ethical implications not only in collectivistic and power distant countries (i.e., Taiwan and Turkey), but also in an individualistic and low power distant country (i.e., the United States), where PL is an emerging area that has yet to be examined. Second, using the social influence theory, we extend the mechanisms through which leadership shapes the ethical climate of the workplace. In doing so, we attempt to identify the dual roles of PL, as authoritarian leaders may demote ethical climate by hurting justice perceptions, whereas benevolent leaders may promote ethical climate through enhanced justice perceptions. Examining the processes through which authoritarian and benevolent PL influence ethical climate can address the recent calls in the ethics field for a better understanding of mechanisms by which leadership fosters or harms ethical climate (Brown & Trevino, 2006; Byun et al., 2018; Grojean, Resick, Dickson, & Smith, 2004; Mayer, Aquino, Greenbaum, & Kuenzi, 2012).

2 | LITERATURE REVIEW AND HYPOTHESES

2.1 | PL and ethical climate

Paternalistic leaders exert authority and power with parental benevolence, and expect loyalty and deference in return (Aycan, 2006;

Cheng et al., 2004). Accordingly, the two major aspects of PL are control (i.e., authoritarianism) and care (i.e., benevolence). While authoritarian leadership (dark side of PL) includes exercising power, and control over subordinates, benevolent dimension (bright side of PL) includes showing individualized and holistic concern for subordinates' professional and personal welfare (Mansur et al., 2017). Cheng et al. (2000) introduced moral leadership as a third dimension of PL, but it is peculiar to Asian contexts, and its universality and generalizability is unclear (Aycan, 2006; Hiller et al., 2019; Pellegrini & Scandura, 2008). Furthermore, as mentioned before, moral leadership has an obvious and direct effect on ethical climate through social learning while both authoritarian and benevolent leadership influence subordinates in a subtle and indirect way through social influence process. Therefore, our study employs a conceptualization that captures the two major dimensions of PL: authoritarian and benevolent leadership.

Ethical climate is a type of organizational climate which represents the organizational normative systems, policies, and procedures in regards to how ethical issues are resolved (Victor & Cullen, 1988). Ethical climate acts as a guide when handling and making decisions about ethical dilemmas, and it positively affects numerous workplace outcomes (Demirtas, Hannah, Gok, Arslan, & Capar, 2017; Jamali, Lund-Thomsen, & Khara, 2017; Martin & Cullen, 2006; Newman et al., 2017; Shin, Sung, Choi, & Kim, 2015). Understanding the antecedents of ethical climate is crucial for individual and organizational effectiveness. Research has categorized antecedents of workplace ethical climate into three general classifications: external organizational context, organizational form/structure, and managerial orientations or styles (Martin & Cullen, 2006; Newman et al., 2017; Simha & Cullen, 2012; Victor & Cullen, 1988). Among the three categories, managerial styles tend to have the highest level of influence on subordinates' perceptions of ethical climate based on the frequent interactions between the two parties. In other words, leaders have enormous power to create and maintain an ethical climate by communicating the organizational procedures to subordinates, as well as showing them fair interpersonal treatment.

According to the social influence perspective (Ashforth, 1985; Ferris et al., 2017), leaders can shape their followers' perceptions through informational and normative social influence. The informational social influence is "an influence to accept information obtained from another as evidence about reality," whereas normative social influence is an influence to confirm the expectation of others (Deutsch & Gerard, 1955, p. 629). Through frequent interactions with their followers, leaders shape the ethical tone by making employees accept the reality in the workplace (informational social influence), and then, followers act according to the expectations of the leaders (normative social influence). These social influences may either result in a genuine change in attitudes or at least public compliance, both of which foster ethical practices at the workplace.

But, how paternalistic leaders shape ethical climate still remains an unanswered question. We argue that paternalistic leaders shape ethical climate through influencing employees' justice perceptions. Since the focus of authoritarian leadership is to gain control, these leaders are less likely to engage in open communication with employees, and more likely to use a top-down approach in decision making. Followers may feel that authoritarian leader is manipulative and has a hidden agenda, and consequently perceive unfair treatment (Kurdoglu, 2019). Under consistent interaction with authoritarian leaders, followers realize that being submissive and obedient, and not questioning the leader are the expected and preferred behaviors (Cheng et al., 2004). In contrast, benevolent leaders show genuine concern for their employees and provide them with professional and personal support. These behaviors not only increase the commitment, teamwork, and retention of the employees (Hiller et al., 2019; Karakitapoğlu-Aygün & Gumusluoglu, 2013b), but also set an open and caring working environment, which may promote ethical climate. According to Erben and Güneşer (2008), benevolent leadership has a positive and moderate correlation with ethical climate, while authoritarian leadership has a negative and weak association. However, it is not clear through which mediating mechanisms these dimensions influence climate. Below, we provide procedural and interactional justice as potential mediating mechanisms in these relationships.

2.2 | Organizational justice as a mediating mechanism

Crawshaw, Cropanzano, Bell, and Nadisic (2013) consider organizational justice as practice and ethics as normative standards, and argue that they can "affect or be related to each other in interesting and informative ways" (p. 887). Hence, recent studies started to integrate these closely related research areas (Neubert et al., 2009; Shin et al., 2015). In this study, we focus on two types of justice perceptions, procedural and interactional, which are suggested to predict perceptions of ethical climate and provide a nice mapping to social influence processes as we suggested early. Procedural justice is about the justice in organizational procedures and processes, and is dependent on the extent to which certain types of normatively accepted principles exist and are shared within the organization (Lind & Tyler, 1988). Interactional justice, however, refers to the extent to which the communication between the actor (managers) and the recipients (employees) involves aspects such as politeness, honesty, and respect (Bies & Moag, 1986). As managers are agents of an organization, they have important roles in shaping justice perceptions at all levels of the organizations (Li, Laurence, & Blume, 2018; Wu et al., 2012). Based on the social influence perspective, we suggest that employees forge their perceptions of justice through daily interactions with their managers. These specific, event-based perceptions gradually and accumulatively form a generic, attitude-based perception of the work environment, an organizational climate perception concerning ethics.

In one study, examining the linkages between ethical leadership, procedural justice, and ethical climate, Shin et al. (2015) suggested that top management ethical leadership predicts generic ethical climate in an organization, which then results in a more specific form of procedural justice climate. In our case, however, we propose that procedural and interactional justice are the mediators which predict the

generic ethical climate. Since their study is conducted at the firm level, they found a cascading effect of top management ethical leadership on more proximal generic ethical climate. Yet, in our study, because we focus on front-line and middle-level managers who interact with their employees on a day-to-day basis, we argue that leaders' behaviors will influence the more proximal justice perceptions, which then influence perceptions of the generic ethical climate. From the social influence perspective, it is plausible to expect that immediate supervisors can directly influence the justice perceptions of their employees through daily interactions, as compared to distal and generic ethical climate perceptions. Indeed, empirical studies support our argument that perceived justice acts as an antecedent of ethical climate perceptions, rather than vice versa (Neubert et al., 2009). Yet, how do benevolent and authoritarian leaders differ in shaping their employees' perceptions of justice and in turn, the ethical climate? Are they angels (have positive influences on justice and ethical climate) or devils (have negative influences on justice and ethical climate) in the eyes of their employees? How do these bright and dark sides of paternalism differ in shaping ethical climate across cultures? While addressing these questions, we provide the literature and our hypotheses below.

2.3 | Benevolent leadership and perceived ethical climate: The mediating role of justice

As the manifestation of the care aspect of PL, benevolent leadership involves caring and nurturing behaviors, and has positive relationships with many subordinate outcomes such as high levels of trust and comfort (Lleo de Nalda, Guillen, & Gil Pechuan, 2016). Benevolent leaders who act like parental figures support their followers personally and professionally. They show nurturance and goodwill to subordinates, and show interest in all aspects of their lives (e.g., attending their wedding ceremonies, funerals, special days, etc.). These behaviors create a supportive atmosphere where the leader provides the follower with support and advice on different matters, and the follower, in return, feels comfortable to voice his suggestions. The follower experiences honesty, genuine care, and respect from the leader, all of which are elements of interactional justice. In other words, based on the social influence perspective, benevolent leaders are expected to positively influence perceptions of interactional justice, and in turn, ethical climate (Wu et al., 2012).

Benevolent leaders may also cultivate procedural justice perceptions as these leaders are more likely to clarify expectations and responsibilities with employees, and encourage them to participate in decision making (Li et al., 2018). By engaging in participative decision making, benevolent leaders act as climate engineers in their units, and, in-line with their focus on "we-ness," are able to promote the well-being of their followers and organizations. Thus, they are likely to listen, support, and solicit ideas from their followers, as well as explaining the policies, and decisions which will improve individual and organizational effectiveness. All these leadership behaviors are critical contributors to procedural justice (Cohen-Charash & Spector, 2001). Hence, it is clear that the caring behaviors of benevolent

leaders not only create a respectful working environment, but also offer followers the opportunity to participate in decisions, which can enhance levels of both interactional and procedural justice and the resulting ethical climate perceptions.

Hypothesis 1 *Interactional (H1a) and procedural justice perceptions (H1b) will mediate the positive relationship between benevolent leadership and the perceived ethical climate.*

2.4 | Authoritarian leadership and perceived ethical climate: The mediating role of justice

Authoritarian leaders are dictatorial leaders who exert power and control over followers, expect absolute conformity, and punish them when they do not follow the instructions (Aycan, 2006; Cheng et al., 2000, 2004). Rooted in the "father" figure of paternalistic culture, the major responsibility of the father is to be the "primary income provider." As a result, the leader may perform manipulative behaviors that help them gain control over the employees (such as despising followers' abilities and values, and disrespecting them to let the employees know who is the boss). Consequently, authoritarian leaders may behave in such a commanding fashion and that they show no concern for employees' rights. Under such behaviors, employees experience feelings of oppression, distrust, fear, and uncertainty (Wu et al., 2012). Since interpersonal mistreatment involves rudeness and insensitivity, it is likely that employees under these authoritarian leaders will perceive high levels of interactional injustice (Wang, Mao, Wu, & Liu, 2012).

As the purpose of authoritarian leadership is to gain control over decisions and activities, it may also decrease followers' procedural justice perceptions. These leaders are less likely to provide information, delegate authority, and involve employees in decision making, therefore, instill a one-way communication atmosphere. They tend to be the sole decision makers rather than listening to suggestions from their subordinates. Since employees are required to obey these leaders' instructions completely, they cannot challenge decisions at all. In sum, these leaders emphasize gaining power and authority by engaging in interpersonal mistreatment, and being reluctant to share information and communicate openly. Based on social influence perspective, these behaviors will lead to a decrease in both justice types which will impair perceptions of ethical climate.

Hypothesis 2 *Interactional (H2a) and procedural justice perceptions (H2b) will mediate the negative relationship between authoritarian leadership and the perceived ethical climate.*

2.5 | PL-Ethical climate: The moderating role of national culture

Cross-cultural literature suggests that while it may be possible to generalize leadership styles across cultures, its effects and enactment are culture-specific (Den Hartog et al., 1999). Unique cultural

characteristics such as values, beliefs, religion, and history call for distinct leadership forms and processes in different nations (Hofstede, 2001). For instance, PL is recognized as an effective leadership style in cultures high on power distance and collectivism, but criticized in cultures low on these dimensions (Aycan, 2006; Mansur et al., 2017). In this study, we examine how dimensions of PL shape the ethical climate of the workplace across three cultural settings: Taiwan, Turkey, and the United States. We deliberately chose these three national cultures since Taiwan and Turkey are high on both collectivism (individualism score is 17 for Taiwan and 37 for Turkey) and power distance (58 for Taiwan and 66 for Turkey), whereas the United States is very high on individualism (91), but low on power distance (40) (Hofstede, 2001). Similarly, in terms of PL dimensions, Mansur et al. (2017) categorized Taiwan and Turkey as similar to each other representing high authority and high benevolence, while they considered the United States as low in authority and mediocre in benevolence.

Paternalistic Leadership is a prevalent management style in the traditional business context of Taiwan. Familism, as well as human-oriented leadership strongly affect management practices where leaders build both directive and considerate relationships with their followers. Within the collectivistic cultural values, the family business model is quite dominant; leaders and followers maintain emotional relationships that function like that of a family. Due to the high power distance between the upper and lower levels of the hierarchy, there is strong deference to authority figures. Managers judge followers' worth based on their loyalty more than on their objective performance. In this vertical relationship, based on dependence and compliance, subordinates tolerate authoritarianism and perceive leaders less negatively (Wang et al., 2012).

Similarly, paternalism is an effective leadership style in the Turkish context (Berkman & Özen, 2007; Erben & Güneşer, 2008). Even in non-traditional professional contexts, consistent with the collectivistic and high-power distant characteristics of the culture (Hofstede, 2001; Kabasakal & Bodur, 2002), Turkish leaders are expected to behave like parent figures (Gumusluoglu, Karakitapoğlu-Aygün, & Scandura, 2017; Karakitapoğlu-Aygün & Gumusluoglu, 2013a, 2013b). In the Turkish society, the father of the family is expected to play numerous roles (e.g., bread winner, economic decision maker, and head of the family). Indeed, in Turkish folklore, the word "Devlet Baba" ("Papa State") refers to the father-son relationship between citizens and the state. Although Turkey is presently transitioning from a traditional to a modern society, close interpersonal relations still prevail (Imamoğlu & Karakitapoğlu-Aygün, 2004). Despite this high level of care and nurturance, Turkish leaders are still likely to make unilateral decisions and act autocratically.

In Western cultures, however, short-term, task-based, and democratic relationships between leaders and followers are more common where an effective leader is egalitarian, and appears to be "one of the boys" (Den Hartog et al., 1999). In the United States, a culture with high individualism and low power distance (Hofstede, 2001), effectiveness of paternalism is controversial.

Benevolence and authoritarianism in such a context may not necessarily be perceived as effective ways to lead. For example, it could be considered a violation of privacy for a benevolent leader to be involved in their employees' personal and family lives. In a similar vein, employees in the United States may not feel comfortable with authoritarian leaders while carrying out their tasks. Employees prefer participative leadership behaviors, such as asking followers' suggestions, and implementing plans in accordance with their expectations (Den Hartog et al., 1999). Consequently, in the United States, authoritarianism was shown to be negatively associated with subordinate outcomes such as loyalty, trust, and commitment (Pellegrini & Scandura, 2008).

In the light of this literature, we can conclude that compared with employees from individualistic cultures, people from collectivistic cultures pay more attention to the quality, and outcome of their relationships with leaders. Since in collectivistic cultures, interdependence and responsibility-taking for others at the workplace are heavily valued, people view benevolence more positively (Aycan, 2006). In individualistic cultures, however, because relatedness and dependency are contradictory to individualistic values of autonomy and self-determination, benevolent paternalism is not much desirable. Therefore, people-oriented benevolent leaders are expected to have stronger positive effects on workplace ethical climate through influencing their followers' perceptions of fairness in Turkey and Taiwan, as compared to those in the United States.

Hypothesis 3 *National culture will moderate the strength of the mediated relationships between benevolent leadership and ethical climate via interactional (H3a) and procedural justice (H3b), such that these positively mediated relationships will be stronger in Taiwan and Turkey than in the U.S.*

Moreover, as mentioned before, authoritarianism is more likely to be tolerated in high power distance countries. In these cultures, subordinates willingly accept the leader's authority since the leader's status is ascribed by the virtue of his/her position, age, and experience (Aycan, 2006). On the contrary, in low power distance cultures, subordinates do not tolerate authority, since they view themselves as equals of their leaders and want to exercise autonomy (Mansur et al., 2017). Hence, we argue that leaders who treat employees with rudeness and insensitivity will be seen as more unfair in the United States than in Turkey and Taiwan. Likewise, authoritarian leaders who do not let employees voice their concerns or take part in decision-making processes will have stronger negative effects on justice perceptions, and consequently, on ethical climate in the United States.

Hypothesis 4 *National culture will moderate the strength of the mediated relationships between authoritarian leadership and ethical climate via interactional (H4a) and procedural justice (H4b), such that these negatively mediated relationships will be stronger in the U.S. than in Taiwan and Turkey.*

3 | METHOD

3.1 | Sample and procedure

Data were collected from 383 private organizations in Taiwan. Participants were full time employees enrolled in the Executive MBA and continuous education programs at a public university. We distributed the survey packages in prepaid postage envelopes to assure confidentiality which were mailed directly to the researcher. The overall response rate was 90%, and the final sample consisted of 674 employees. Of the participants, 37% are male. The average age of the employees is 34.84 (SD = 8.33). The average tenure with the leader and company is 4.03 (SD = 4.45), and 6.39 years (SD = 6.33), respectively.

We collected the Turkish data from a sample of 24 private and public organizations in Turkey. We contacted the managers at the organizations and they provided us with the names of the employees who agreed to participate. The surveys were distributed in envelopes to assure confidentiality and respondents completed them in their offices. The overall response rate was 74.36%. The sample consisted of 409 employees. Of the participants, 60% are male, around 72% are from public, and 28% from private organizations. The average age of the employees is 35 (SD = 8.79). The average tenure with the leader and company is 4.25 (SD = 4.77), and 7.06 years (SD = 7.85), respectively.

In the United States, the sample consisted of 479 full-time employees who enrolled in Executive MBA program of a southern university. The surveys were distributed in prepaid postage envelopes to assure confidentiality which were mailed directly to the researcher. Of the participants, 56% are male. The average age of the employees is 32 (SD = 13.53). The average tenure with the leader and company is 3.48 (SD = 5.22), and 4.41 years (SD = 6.00), respectively.

3.2 | Measures

With the exception of the U.S. sample, we used the back-translation procedure to translate the English scale into Traditional Chinese and Turkish in the survey forms. Native speakers of Turkish and Taiwanese also checked the scales for wording, accuracy, and clarity of items. All items were rated on a 5-point scale ranging from 1 ("Strongly disagree") to 5 ("Strongly agree").

3.2.1 | Benevolent and authoritarian leadership

Benevolent and authoritarian leadership were measured by six-item scales from Scandura (2017) which were used in previous research (Karakitapoğlu-Aygün, Gumusluoglu, & Scandura). Indeed, benevolence dimension included items similar to Aycan's (2006) conceptualization of benevolence which emphasize family atmosphere at work, and involvement in employee's professional and personal lives. Authoritarian leadership items paralleled the measure of Cheng et al. (2000). Sample items for benevolence are "S/he attends special events of employees (e.g., weddings or funeral ceremonies)" and "S/

he behaves like a family member (father/mother or elder brother/sister) towards me;" for authoritarian leadership, the sample items are "He/She asks me to obey his/her instructions completely," and "He/She scolds me when I can't accomplish my tasks."

3.2.2 | Procedural justice

Procedural justice was measured with six items from Lamertz's scale (2002). Sample items are "My company uses procedures designed to collect accurate information necessary for making decisions," and "My company uses procedures designed to provide opportunities to appeal or challenge the decision."

3.2.3 | Interactional justice

Interactional justice included six items from Moorman (1991) and one item from Oldham and Cummings (1996). Sample items include "My supervisor was able to suppress personal biases," and "My supervisor provided me with timely feedback about the decisions and their implications."

3.2.4 | Ethical climate

Ethical climate consists of the shared perceptions which affect the perceived rightness or wrongness in an organizational setting. We measured ethical climate by six items from Mayer et al. (2010). Sample items include "Employees have a lot of skills in recognizing ethical issues," and "Employees continually strive to maintain high ethical standards."

3.2.5 | Control variables

Employees' gender, age, and tenure with leader and company were used as control variables. Leadership styles were also controlled in all analyses.

4 | RESULTS

4.1 | Test of mediation and moderation effects

Before hypothesis testing, we conducted confirmatory factor analyses (CFA) for each country to examine the construct validity of the studied variables. A five-factor model was examined for each sample. For the all three samples, the overall model fit was acceptable (Taiwan: $\chi^2_{(424)}$ = 1,384.06, p < .01; SRMR = .05; RMSEA = .06; NNFI = .96; CFI = .97; Turkey: $\chi^2_{(424)}$ = 1,321.76, p < .01; SRMR = .07; RMSEA = .08; NNFI = .96; CFI = .97; the United States: $\chi^2_{(424)}$ = 950.78, p < .01; SRMR = .06; RMSEA = .05; NNFI = .96; CFI = .97,

Hu & Bentler, 1999). All factor loadings were significant and none of the confidence intervals of the correlations between latent variables included the value of 1, providing support for convergent and discriminant validities of the studied variables (Anderson & Gerbing, 1988). Because Hypotheses 3 and 4 concern comparisons of structural coefficients among three countries, a prerequisite of at least partial metric invariance between the samples to be compared is required for hypothesis testing (Steenkamp & Baumgartner, 1998). The three samples showed full configural invariance, indicating that the five-factor model holds summarily well across all three samples. However, partial metric invariance was only supported between the Turkish and the U.S. samples, not in the comparison between Taiwanese and Turkish or the U.S. samples. Since partial metric invariance across the samples to be compared is the necessary prerequisite for comparing structural coefficients, the Taiwanese sample

was excluded from moderation analyses (Hypotheses 3 and 4). As a result, while we tested our mediation hypotheses (Hypotheses 1 and 2) for each country separately, for the moderation hypotheses (Hypotheses 3 and 4), only the Turkish and the U.S. samples were used.

Furthermore, given the cross-sectional nature of our data, we conducted two additional CFAs, with and without an unmeasured method factor, to examine the potential impact of common method variance (CMV) on the findings (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). In the constrained model, the factor loadings from the method factor to the items are constrained to be equal, whereas in the unconstrained model, all the method factor loadings are free to be estimated. Our results show that the unconstrained model failed to converge. Although the constrained model showed that adding the common factor has some impact on the factor loadings of the measured items, the changes

TABLE 1 Means, standard deviations, and correlations of the study variables across cultures

	Mean	SD	1	2	3	4	5	6	7	8	9
Taiwan											
1. Sex	1.63	.48	–								
2. Age	34.89	8.32	−.06								
3. Company tenure	77.23	76.23	.01	.64**							
4. Length of relationship	48.72	53.70	.01	.48**	.60						
5. Benevolent leadership	3.66	.78	.00	−.10**	−.05	.08*	(.89)				
6. Authoritarian leadership	2.44	.75	−.11**	.10**	.05	−.01	−.25**	(.86)			
7. Procedural justice	3.86	.59	−.03	−.18**	−.14**	−.07	.53**	−.33**	(.90)		
8. Interactional justice	3.43	.71	−.07	−.08	−.02	−.05	.29**	−.08*	.34**	(.90)	
9. Ethical climate	3.64	.56	−.05	−.04	−.03	−.02	.27**	−.02	.27**	.55**	(.79)
Turkey											
1. Sex	1.37	.48	–								
2. Age	34.93	19.24	−.09								
3. Company tenure	80.17	87.03	−.03	.29**							
4. Length of relationship	49.66	53.17	−.18**	.26**	.57**						
5. Benevolent leadership	3.16	.98	.04	−.04	−.19**	−.08	(.77)				
6. Authoritarian leadership	2.57	.69	.02	.17*	.14*	.08	−.38**	(.76)			
7. Procedural justice	3.84	.94	−.14*	−.11	−.19**	−.06	.57**	−.50**	(.96)		
8. Interactional justice	3.69	.85	−.17**	−.07	−.15*	.00	.27**	−.39**	.64**	(.75)	
9. Ethical climate	3.69	.80	−.21**	−.06	−.11	.00	.29**	−.35**	.57**	.81**	(.92)
United States											
1. Sex	1.43	.50	–								
2. Age	32.05	13.24	−.10								
3. Company tenure	52.66	72.94	.04	.54**							
4. Length of relationship	42.27	63.25	.04	.50**	.86**						
5. Benevolent leadership	3.51	1.01	−.10*	.00	.04	.08	(.88)				
6. Authoritarian leadership	2.74	1.04	−.05	−.09	−.06	−.01	.05	(.75)			
7. Procedural justice	4.22	.64	−.02	.03	.12*	.10*	.44**	−.18**	(.89)		
8. Interactional justice	3.85	.73	.06	−.03	.05	.01	.31**	.07	.45**	(.90)	
9. Ethical climate	3.98	.76	−.03	.05	.09*	.04	.22**	−.05	.44**	.46**	(.89)

Note: Sex: 1 = male, 2 = female; Cronbach alphas are reported in the parentheses. N = 670 for Taiwan, 409 for Turkey and 479 for the Unites States.
*p < .05; **p < .01.

in factor loadings were small (Taiwan: ranged from .01 to .06; Turkey ranged from .02 to .04; the U.S. ranged .03 to .18). The overall fit of the original models and the model with the unmeasured CMV were almost identical (unmeasured model fit for Taiwan: NNFI = .97, CFI = .97, RMSEA = .06, SRMR = .04; for Turkey: NNFI = .97, CFI = .98, RMSEA = .07, SRMR = .07; and for United States: NNFI = .97, CFI = .97, RMSEA = .05, SRMR = .06). These results suggested that impact of CMV was not severe and should not pose a major threat to the internal validity of our study.

Table 1 shows the means, standard deviations, correlations, and reliability coefficients of the variables for each country. The PROCESS procedure (Hayes, 2015) was used for all hypothesis testing. Hypotheses 1 and 2 were tested with Model 4, and Hypotheses 3 and 4 were tested with Model 59. In all analyses, the untested effect of the other leadership style and justice perceptions were controlled. Table 2 and Figure 1 show the path coefficients of the relationships for each country.

Hypothesis 1a examined the positive mediating role of interactional justice on the benevolence-ethical climate link. Hypothesis 1a was supported for the U.S. sample (indirect effect = .10, p < .01, 95% CI = [.06: .15]), but not for the Taiwanese (indirect effect = .02, p = .14, 95% CI= [−.01: .05]) or the Turkish samples (indirect effect = .01, p = .59, 95% CI = [−.04: .06]). Hypothesis 1b examined the

positive mediating role of procedural justice on the relationship between benevolent leadership and ethical climate. It was supported for all three countries (Taiwan: indirect effect = .11, p < .01, 95% CI= [.07: .15]; Turkey: indirect effect = .08; p < .01; 95% CI = [.01: .17]; the United States: indirect effect = .08; p < .01; 95% CI= [.05: .12]).

Hypothesis 2a examined the negative mediating role of interactional justice on the relationship between authoritarian leadership and ethical climate. It was supported for the U.S. sample (indirect effect = −.04; p < .01; 95% CI = [−.08: −.02]), but not for the Taiwanese (indirect effect = −.01, p = .15, 95% CI = [−.02: .00]) or the Turkish samples (β = −.01, p = .59; 95% CI = [−.06: .04]). Hypothesis 2b examined the negative mediating role of procedural justice on the relationship between authoritarian leadership and ethical climate. It was supported for Turkey (indirect effect = −.28, p < .01, 95%, CI = [−.40: −.17]), but not for Taiwan (indirect effect = −.00, p = .77, 95% CI= [−.04: .03]) or the United States. (indirect effect = .02, p = .14, 95% CI= [.00: .04]).

Hypothesis 3a (tested for the Turkish and the U.S. samples) was not supported as the positive mediating effect of interactional justice in benevolence-ethical climate link was stronger in the United States than in Turkey (Index of Moderated Mediation = .08, 95% CI = [.01: .15]). Hypothesis 3b was not supported as no difference was found between Turkey and the United States in terms

TABLE 2 The results of bootstrapping analyses

Predictors	Taiwan			Turkey			The United States		
	IJ	PJ	EC	IJ	PJ	EC	IJ	PJ	EC
Sex	−.08	−.12*	−.01	−.31**	−.28**	−.13*	.00	.13*	−.06
Age	.00	−.01	.00	−.00	.00	.00	−.00	−.00	.00
Company tenure	.00	.00	−.00	−.00	−.00	.00	.00	.00	.00
Length of relationship	.00	.00	.00	.00	.00	.00	.00	.00	.00
Benevolent leadership	.36**	.26**	.08**	.42**	.12*	.06	.28**	.24**	−.01
Authoritarian leadership	−.16**	−.01	.05	−.42**	−.39**	−.02	−.12**	.05	−.01
Interactional justice			.06			.03			.36**
Procedural justice			.40**			.72**			.34**
R^2	.34**	.10**	.33**	.45**	.21**	.67**	.24**	.12**	.30**
F	57.14	12.13	40.20	38.93	12.66	74.05	25.35	10.64	29.09

Abbreviations: EC, ethical climate; IJ, interactional justice; PJ, procedural justice.
*p < .05; **p < .01.

FIGURE 1 Summary of mediation findings across countries (The first coefficient refers to Taiwan, the second refers to Turkey, and the last one refers to the United States)
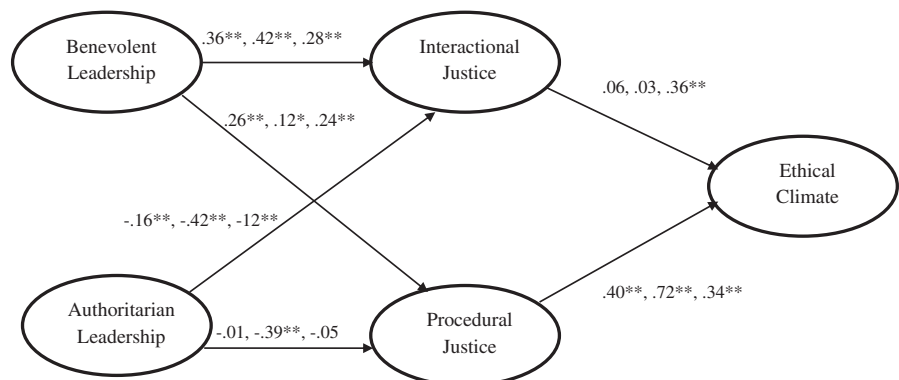
of the mediating effects of procedural justice in this link (Index of Moderated Mediation = −.08, 95% CI = [−.17: .01]).

Hypothesis 4a (tested for the Turkish and the U.S samples) was not supported since there was no difference between Turkey and the United States regarding the mediating effect of interactional justice in authoritarianism-ethical climate relationship (Index of Moderated Mediation = −.01, 95% CI = [−.07: .05]). Hypothesis 4b was not supported as the negative mediating effect of procedural justice was stronger in Turkey than in the United States (Index of Moderated Mediation = .23, 95% CI = [.17: .39]).

In order to further delineate the differences between Turkey and the United States, we conducted post hoc moderation analyses on two paths: the leadership-justice and justice-ethical climate paths.

4.2 | Post Hoc moderation analyses on individual paths across Turkey and the United States

First, we conducted moderation analyses on the relationship between leadership dimensions and justice perceptions across Turkey and the United States. These analyses showed that culture moderated the positive relationship between benevolent leadership and interactional justice (ß = −.21; p < .01), such that the positive relationship was stronger in Turkey (ß = .42; p < .01) than in the United States (ß = .28; p < .01), as shown in Figure 2. However, culture failed to moderate the relationship between benevolent leadership and procedural justice (ß = .01; p = .85). As shown in
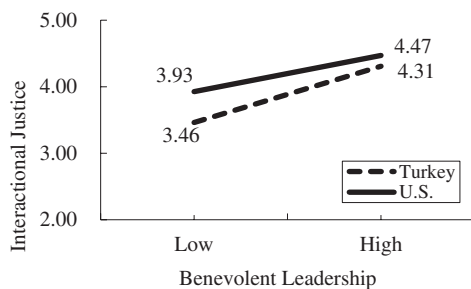
Figure 3, country moderated the negative relationship between authoritarian leadership and interactional justice (ß = .36; p < .01) such that the relationship was stronger in Turkey (ß = −.42; p < .01) than in the United States (ß = −.12; p < .01). Culture also moderated the negative link between authoritarian leadership and procedural justice (ß = .41; p < .01), such that this relationship was stronger in Turkey (ß = −.39; p < .01) than in the United States (ß = .05; p = .23) (Figure 4).

Second, we ran moderation analyses on justice perceptions and ethical climate linkage. The results revealed that culture moderated the positive relationship between interactional justice and ethical climate (ß = .13; p < .01), such that the positive relationship was weaker in Turkey (ß = .03; p = .58) than in the United States (ß = .36; p < .01) (Figure 5). As shown in Figure 6, culture

FIGURE 4 The moderating effect of national culture on the relationship between authoritarian leadership and procedural justice

FIGURE 2 The moderating effect of national culture on the relationship between benevolent leadership and interactional justice

FIGURE 5 The moderating effect of national culture on the relationship between interactional justice and ethical climate
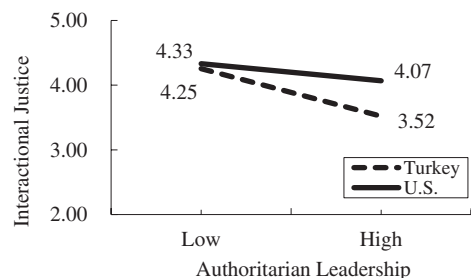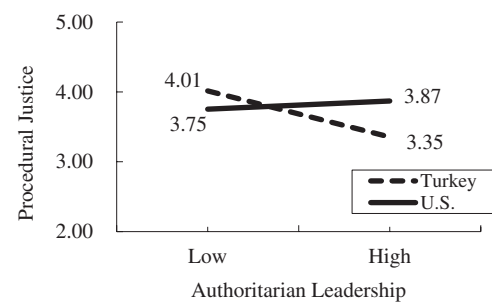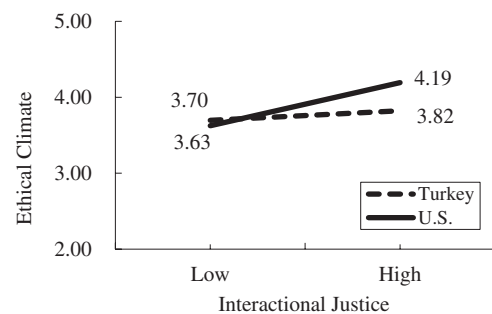
FIGURE 3 The moderating effect of national culture on the relationship between authoritarian leadership and interactional justice
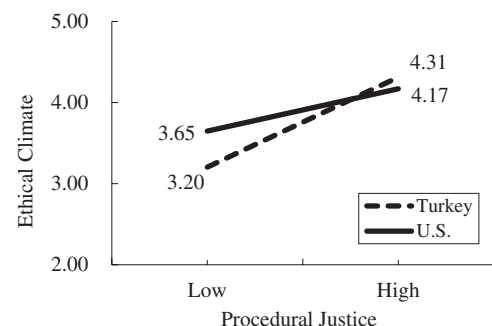
FIGURE 6 The moderating effect of national culture on the relationship between procedural justice and ethical climate

also moderated the positive link between procedural justice and ethical climate (ß = −.18; *p* < .01) such that the positive relationship was stronger in Turkey (ß = .72; *p*< .01) than in the United States (ß = .34; *p*< .01).

5 | DISCUSSION

Our study makes two primary contributions to ethics and leadership literatures. *First,* using the social influence perspective, the study advances our understanding of how benevolent and authoritarian leaders indirectly influence the workplace ethical climate. We contribute to the ethics literature by showing that these leadership dimensions play important roles in shaping ethical climate through justice perceptions. We reveal that PL can act as a double-edged sword in shaping the workplace ethical climate as benevolent leadership promotes ethical climate through enhanced justice perceptions, whereas authoritarian leadership impairs it by weakened justice perceptions. Furthermore, we show that the pattern of the abovementioned relationships varies in the three counties. For example, our findings reveal that benevolent leaders seem to be angels in all three countries. Moreover, authoritarian leaders seem to be devils only in the United States and in Turkey, although the mechanisms through which they influence ethical climate differ across these two countries. *Second,* we demonstrate that national culture is an important moderator when studying the effects of leadership on justice and ethics. More specifically, by comparing the effects of benevolent and authoritarian leadership on justice and ethical climate between Turkey, and the United States, we show that while trying to understand the role of leadership plays in creating justice and ethical climate, we need to take into account the unique value systems of each cultural context. Our findings concerning the mediating effects of justice in leadership-ethical climate link, and the moderating effect of national culture in these relationships are further explained below.

5.1 | Mediating roles of justice in the leadership-ethical climate relationship

5.1.1 | Benevolent leadership and ethical climate

Across all three cultural contexts, procedural justice was a meaningful mediator for the benevolence-ethical climate relationship. Although benevolent leadership was also positively related to interactional justice, to our surprise, the mediating effect of interactional justice was significant only in the United States. That is, interactional justice was not related to ethical climate in Taiwan or Turkey. These findings point to the role of social influence process in leadership, and imply that the caring nature of benevolent leaders instills followers with the good intentions of management. In Turkey and Taiwan, benevolent leaders shape ethical climate through enhancing perceptions of procedural justice, which becomes the social norm that promotes ethical climate. One potential explanation for this finding

may be that in collectivistic societies, there are no clear rules or ethical norms that can apply to every individual and context as the proper way to interact with a certain target individual depends on the relationship between the actor and the target. Given that ethical practices often involve ambiguous situations, there is a need for employees to construct a sense of social norms as the procedures guiding ethical behavior in the workplace. In other words, leaders play an important roles in shaping the social norms and rules in these cultures. Moreover, one possible reason for interactional justice not being a mechanism for benevolent leaders in boosting ethical climate may be that in such collectivistic societies, showing care is itself a social norm in interpersonal interactions. Hence, this finding may imply that in these cultures, it is necessary, but perhaps not sufficient, for leaders to treat employees with dignity when building an ethical climate. Mansur et al. (2017) categorized both Taiwan and Turkey as highly benevolent societies. Thus, in these cultural contexts, followers may take the justice shown by their leaders for granted.

In contrast, in the United States we found that benevolent leaders create an ethical climate through enhancing interactional justice perceptions. Previous leadership research has suggested that leaders in such individualistic contexts typically show task-oriented behaviors which encourage employee initiative and ignore the relational and supportive components (Aycan et al., 2013). In such contexts, employees may *idealize* a leader's kindness and sensitivity to their needs and aspirations, and perceive the work climate to be ethical based on this high-quality interpersonal treatment. Supporting these contentions, Pellegrini et al. (2010) reported that some of the positive effects of paternalism may generalize to individualistic cultures such as the United States, as well. Similarly, a libertarian paternalistic leader, who trusts his/her followers and builds quality relationships with them, similar to a benevolent leader, may be desirable in the United States (Cheng et al., 2004; Humphreys et al., 2015). Hence, this positive effect of benevolence on interactional justice and climate perceptions in the United States can be extended to this softer form of PL in future research.

5.1.2 | Authoritarian leadership and ethical climate

The relationships between authoritarian leadership and ethical climate were more complicated than the benevolence-ethical climate linkage. Our mediation findings for authoritarian leadership show that while these leaders negatively affect ethical climate via procedural justice in Turkey and via interactional justice in the United States, they do not have any significant negative effects on ethical climate either via interactional or procedural justice in Taiwan. These findings for Turkey imply that PL is a double-edged sword for Turkish managers, who were found to exercise the highest authoritarian behaviors among the three cultural settings (Mansur et al., 2017). That is, in the Turkish context, since authoritarian leadership is a strongly endorsed leadership style, even more so than benevolence, PL may result in negative consequences at the workplace by

deteriorating perceptions of both the fairness of the system and the ethical climate.

In Taiwan, similar to the case in the United States, which will be discussed in the next section, authoritarian leaders have no effect on perceptions of procedural justice. This may be because Taiwan has built itself in America's image both economically and politically (Thomas, 2001). Taiwanese economic structures and processes witnessed a major change as a result of rapid "industrialization" and "Westernization." Supporting this view, House and colleagues illustrate that both Taiwan and the United States show higher levels of performance orientation (House, Hanges, Javidan, Dorfman, & Gupta, 2004). Leaders in these performance-oriented societies tend to stress high and objective standards to increase organizational effectiveness which does not allow for arbitrary and subjective procedures and expectations. In other words, reconfigurations in the organizational structures and processes in Taiwanese companies may affect leadership orientations as related to ethical behavior (Martin & Cullen, 2006). Leaders in Taiwanese organizations, which are moving toward more impersonal and well-established organizational systems, cannot dictate their own rules and systems.

So, given these mediation findings, are benevolent leaders angels, and authoritarian leaders devils in creating ethical work climates in the eyes of their employees in Taiwan, Turkey, and the United States? Do benevolent leaders positively influence justice perceptions, and in turn ethical climate (i.e., angels)? Do authoritarian leaders negatively influence justice perceptions, and in turn ethical climate (i.e., devils)? Our results illustrate that, in all three countries, benevolent leaders are akin to angels in that they boost ethical climate perceptions via procedural justice. Indeed, benevolence and procedural justice philosophies have a common concern for the collective welfare of the organization. When leaders question the appropriateness of the criteria used in organizational decisions, explain the reasons underlying those decisions, and enhance employee voice, they increase their employees' control over decisions and enhance group solidarity in the long run (Greenberg, 1995). Since benevolent leaders intend to establish a we-ness/family spirit and communicate the decisions and rules of the organization in a way that takes the employees into account, they create a culture of justice among employees and an ethical climate at the workplace.

While benevolent leaders resemble angels in all three cultures, authoritarian leaders seem to be perceived as devils only in the United States and Turkey. In these countries, authoritarian leaders represent the dark side of leadership in terms of impairing ethical work climate. However, they impair ethical climate through different mechanisms in each of these societies; through harming interactional justice perceptions in the United States, whereas through harming procedural justice perceptions in Turkey. In other words, it seems that authoritarian leaders who are dominating and undermining their followers' abilities resemble devils or "bosses from Hell" in the United States because they pose negative social influences on their followers and impair perceptions of interactional

justice. In Turkey, however, these "devils" damage employees' perceptions about the fairness of the system that is procedural justice; we will elaborate further on these differences between Turkey and the United States in the discussion of our moderation findings below.

In Taiwan, however, authoritarian leaders cannot be considered devils as they do not negatively affect ethical climate either through interactional or procedural justice. Perhaps it is because these leaders do not use power for their personal interests and benefits, but rather use it to serve their followers implying the "socialized power" of McClelland (1975). Taiwan is a society under the influence of Confucianism, which emphasizes the importance of family and social harmony. Authority figures are expected to act as moral exemplars. Therefore, Taiwanese people have a strict view about ethics, where means and ends should be based on good virtues to be considered ethical representing the moral character. Moral integrity, personal virtues, and unselfishness are rooted in the Confucian emphasis on moral principles in governance where leaders are expected to have high moral standards (Wang, Li, & Sun, 2018). This emphasis on Confucian ideology and the notion of collective welfare in Asian countries seems to neutralize the potentially detrimental impacts of authoritarian leaders.

5.2 | Moderating effects of national culture on leadership-justice and justice-ethical climate links

As mentioned in the results section, partial metric invariance was only supported in the comparison between the Turkish and the U.S. samples, hence, we were only able to run moderation analyses with these two samples. Our cross-cultural comparisons between the Turkish and the U.S. samples address two important questions: To what extent do benevolent and authoritarian leaders influence justice perceptions across these two different cultural contexts? And to what extent do interactional and procedural justice affect ethical climate across Turkey and the United States?

Consistent with our prediction, our moderation findings on leadership and justice paths illustrated that Turkish employees reported more positive effects of benevolence on fair interpersonal treatment as compared to American employees. Surprisingly, we also found stronger negative effects of authoritarian leaders on both justice perceptions in Turkey than in the United States. This finding is contrary to our expectations and to the previous literature, which suggests that followers in high power distant cultures perceive such leaders less negatively (Wang et al., 2012). These stronger negative perceptions of authoritarian leader behaviors, as well as the stronger positive perceptions of benevolent leader behaviors in Turkey, as compared to those in the United States, may be explained by the emotional attachment of Turkish followers to their leaders which is often polarized across the spectrum of love and hate (Özbilgin, 2011). Özbilgin claims that in Turkey "While the leaders, who are currently worshipped are loved and elevated to a super-human status, leaders who fall from grace also receive strong emotional

reactions as they are often metaphorically cannibalized, their past achievements and failures were tarred with the same broad brush" (2011, p. 280). Hence, our results imply that Turkish professional and white-collar employees, which constituted the sample of this study, love benevolent leaders, while they hate authoritarian leaders. One explanation for this hate toward authoritarian leaders may be that these leaders use their power only for their personal goals and vision, and set standards that suit their self-interest reminding personalized power of McClelland (1975). Such leaders may especially earn the hatred of educated and professional employees who emphasize autonomy and discretion. Supporting these contentions, previous research indicated that educated groups of Turkish society have more modern values in contrast to uneducated groups who are characterized by traditionalism representing a dual set of values in the Turkish context (Imamoğlu & Karakitapoğlu-Aygün, 2004). This embodies "the duality between east and west, tradition and modernity, religious and secular" (Kabasakal & Bodur, 2002, p. 51) in a changing society like Turkey. Hence, the professional employees in our study seem to be more uncomfortable working with authoritarian leaders as compared to the less educated group in Turkey, who may have more positive perceptions of authoritarianism. Future research that incorporate cultural orientations at the individual level may provide answers to this issue.

Why do authoritarian leaders have no effect on employees' perceptions of procedural justice in the United States? This may be because participative workplace climate and well-developed legal system in American organizations may partially neutralize leaders' defectiveness and substitute the role of leaders (Resick et al., 2011). Compared to Taiwan and Turkey, unions and employment laws are well-developed in the United States, where the rules are clear, fairly enforced, and specified independently of the personal characteristics of the people in power. Hence, an authoritarian leader may mistreat his/her followers, but cannot impersonalize the rules. This may explain why authoritarian leader behaviors may affect interactional justice in the United States, but not procedural justice, which is more related to universal rules in the organization and fairness of the system.

Our moderation findings on the justice-ethical climate paths showed that procedural justice-ethical climate link was stronger in Turkey than in the United States. Turkey is an emerging country and has a volatile economy. Although Turkish businesses are in the process of institutionalization, many of them still have centralized structures and there is limited delegation of authority (Berkman & Özen, 2007). Turkey has the typical institutional challenges of emerging economies, such as less structured and less formalized organizational systems, and inconsistencies in legal frameworks (Alpay, Bodur, Yılmaz, Cetinkaya, & Arıkan, 2008). Hence, the significant effect of fairness of the system on ethical climate may be interpreted as an idealized situation on the part of Turkish employees. It may reflect their preferences for formalized and transparent procedures instead of personalized systems.

All in all, several themes emerged from this cross-cultural study. First, benevolent leaders are angels in shaping ethical climate in all three cultural contexts, whereas authoritarian leaders are devils in

Turkey and the United States. Second, procedural justice is the critical mechanism through which benevolence shapes ethical climate in all three cultural contexts, more so for Taiwan and Turkey, which are high in power distance and collectivism. Finally, underlying mechanisms linking authoritarian leadership to ethical climate are more complicated than those for benevolence.

5.3 | Limitations and future research directions

Several limitations of our study should be noted. First, the current study used a cross-sectional design. Although the results suggest the impact of CMV may not be severe, future studies using a longitudinal design will be able to provide a more robust test of the causal relationships. Second, this study was conducted with well-educated urban professionals, hence, the findings cannot be generalized to blue-collar less educated groups. Third, we did not include moral leadership in this study since its generalizability is unclear. Future research can compare the relative importance of these three leadership styles on ethical climate while including justice as a mediator. Future research can also examine the effectiveness of benevolent and authoritarian leaders in countries which score high or low in other cultural dimensions such as uncertainty avoidance or masculinity-femininity (Den Hartog et al., 1999).

5.4 | Managerial implications

Despite these limitations, the findings of this study suggest some practical implications for international companies operating or planning to operate in Taiwan, Turkey, and the United States. Training programs in these countries should include both the bright and dark sides of paternalism. Such programs may help leaders to show personal care, support, and guidance in both work and non-work domains, while avoiding oppressive and restrictive behaviors. More specifically, we show that benevolent leaders can create an ethical climate through communicating organizational policies and procedures. Hence, the emphasis on procedural justice should be part of these ethics-related training programs. Such programs in the United States should also emphasize that leaders' interpersonal treatment of employees is an important component of ethics trainings. Having concern for followers' personal and professional well-being, as well as maintaining high quality interactions with followers, may be especially critical in highly impersonal and competitive environments. By the same token, managers in Turkey and Taiwan, should be aware that showing fair interpersonal treatment is not sufficient to build a culture of justice, but they do need to enhance procedural fairness perceptions among their followers to create an ethical climate at the workplace. In Turkey in particular, authoritarian leaders are perceived very negatively by professional employees since they impair the fairness of the system. Therefore, managers should pay attention to building impersonal systems in which the rules are transparent, and enforced fairly.

6 | CONCLUSION

Organizations with a reputation for being ethical have an advantage in terms of hiring and motivating employees, partnering, and building strong relationships with stakeholders. Taking a cross-cultural approach, this study extends leadership and ethics literatures by suggesting organizational justice as an important mechanism; it sheds light on the effectiveness of benevolent and authoritarian leaders in three different countries. We hope that the findings of the study stimulate future research on the bright and dark sides of paternalism and their ethical consequences at the workplace, and provide some insight into the leadership behaviors that are necessary to create ethical organizations.

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