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**SEEKING THE BALANCE BETWEEN BENEVOLENCE AND
AUTHORITARIANISM IN EMPLOYEE MANAGEMENT**

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AUTHORSHIP STATEMENT

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INTRODUCTION

“All courses of action are risky, so prudence is not in avoiding danger (it is impossible), but calculating risk and acting decisively.” – Niccolò Machiavelli (1532)

The general goals of contemporary business organisations tend to focus on their survival and maintenance of presence in the market through competitive edge (Peterson, Smith, Martorana, & Owens, 2003). Leadership is a functional component in business which enables the pursuit of these desired objectives by enlisting aid and support of employees (Chemers, 1997; Chin, 2015). Summerfield (2014) summarises the leadership role as being a component which influences the actions of a team toward change that everyone in the team agrees to be making things better. Depending on desired objectives, those in charge may adapt different leadership styles (Chin, 2015).

This thesis will explore the authoritarian and the benevolent styles of leadership. Wang & Guan (2018) explain that the authoritarian approach puts the leader in a place of absolute power. Such leadership brings the team closer to the desired goals through direct control and obedience of subordinates, regardless of their welfare. On the other hand, Arnold, Connelly, Walsh, & Martin Ginis (2015) explain that in the cases of a benevolent style, leaders display care and emotions to employees with the purpose of achieving organisational goals and having employee welfare well considered in the process. Furthermore, researchers such as Chan, Huang, Snape, & Lam (2012) and Sinha (1990) suggest that although with contrasting elements, authoritarian and benevolent leadership styles could be considered two ends of a single continuum rather than two separate constructs, with the leader employing components of the two styles through consideration of which style may have the most practical application in the moment.

The nature of the two styles of leadership and their inter-relationship raise several questions. Can leaders achieve similar outcomes, regardless of the preferred leadership style? Are there any existing factors that may impact the outcome-attaining efficiency of the two styles? Are there outcomes that are limited to only one of the two styles?

To answer these questions, I will conduct an examination and interpretation of books and journal articles that explore the two leadership styles. The gathered information will be a combination of management theory-based information and data-based findings from practical application of the two styles in various organisations around the globe. A 20-year old information standard will be used to make this thesis represent the two leadership styles' presence in the 21st century organisations. While certain definitions, terminology and methodology may be taken from sources that are 20 years or older, the data-based findings, including the two styles' impact on organisations and the impact of individual cultures will be collected from sources that are no older than 20 years.

The purpose of this thesis is to explore the authoritarian style and the benevolent style of leadership and draw an understanding of how contemporary leaders can perform their role in the most effective manner through nuanced and adaptive action.

My goal of this thesis is to lay a foundation for understanding how leadership impacts contemporary organisations and implement the gained knowledge in team-based practical environments. It is to acknowledge the distinct differences and commonalities of the two approaches to leadership, enabling me to recognise opportunities for a more effective pursuit of desired outcomes, based on team culture and business stability. I aim to attain knowledge on how to utilise either one or a combination of the two styles in pursuit of improving performance in team-based environments. My objective is also to provide a guidance on how other contemporary leaders may be able to fulfil their role in the team-based environment using the authoritarian and/or benevolent styles of leadership.

The first and second chapter of this thesis will present the authoritarian and the benevolent leadership as two purely independent styles, laying out their defining features, originating foundations and outcomes in contemporary business environments. They will draw contrasts and similarities between the two styles and separately explain their causes. Based on cultural dimensions (Hofstede, 2001), the third chapter will present power distance (PD) and Individualism/Collectivism, connecting the median and mean high/low scores of the two cultural dimensions in selected geographical regions with the authoritarian and/or benevolent leadership style. I will point out the presence of favourable and negative aspects of the two leadership styles under the polar opposite scores of the two cultural dimensions. Lastly, the fourth chapter will combine the gathered information from the three chapters and discuss under which conditions the authoritarian and benevolent approaches are most effective, then explore which of the two is most optimal for achievement of certain desired goals, outline the theoretical contributions and practical implications of this thesis, as well as include limitations and future research directions.

1 AUTHORITARIAN LEADERSHIP

1.1 Definition and Characteristics of the Authoritarian Leadership

When defining the authoritarian style of leadership, the research literature repeatedly describes it as leader behaviours, which impose absolute authority and control over subordinates and demand unquestioning obedience (Farh & Cheng, 2000a; Cheng, Chou, Wu, Huang, & Farh, 2004; Pellegrini & Scandura, 2008; Chan & Mak, 2012; Zhang & Xie, 2017; Wang & Guan, 2018). This style of leadership has its origins in the cultural traditions of Confucianism and Legalism. Under these principles, the leader directly holds absolute authority and power over the subordinates, with a centralised hierarchy, assuming a father-like role, typically insisting on adherence to high standards and imposing punishment for

poor performance (Peng, Lu, Shenkar, & Wang, 2001; Wang, Chiang, Tsai, Lin, & Cheng, 2013; Chen, Eberly, Chiang, Farh, & Cheng, 2014; Cheng & Wang, 2014).

Such leaders establish a strict top-down hierarchy, control the flow of information and do not make decisions based on their subordinates' contributions and suggestions, but rather base their courses of action on their sole considerations only (Guo et al., 2018). They are consequently in complete and direct control over the teams they manage and the goals they pursue. Because they always have the last say, authoritarian leaders provide a singular mission and clear direction on how to pursue it, enabling subordinates to focus on their job responsibilities without uncertainty (Cheng, Chou, & Farh, 2000; Schaubroeck, Shen, & Chong, 2017; Wang & Guan, 2018). Subordinates under this style therefore act as additional hands of their leaders, reacting to set demands and expectations rather than being involved in the proactive parts of the organisational goal-attaining process, such as decision-making. If subordinates choose to act proactively, their behaviour may be interpreted as a threat to the functionality of the team by their leader and is therefore discouraged with punishment.

1.2 Outcomes of the Authoritarian Leadership

To explain how the authoritarian leadership produces favourable outcomes, researchers refer to the impact that the style has on subordinates' learning goal orientation and performance goal orientation from achievement goal theory, which suggests that the goal orientation of an individual determines how they interpret and respond to everyday situations and challenges (Poortvliet, Janssen, Yperen, & Vliert, 2007; Wang & Guan, 2018).

Researchers argue that authoritarian style can have a positive effect on subordinate performance by strengthening their learning goal orientation and performance goal orientation simultaneously (Button, Mathieu, & Zajac, 1996; Anderson & Lawton, 2009). Learning goal orientation is described as subordinates' consistent pursuit of increasing their competence by mastering skills or tasks. Performance goal orientation is a motivating factor for subordinates to seek to attain favourable judgments of their competence while avoiding negative judgments (Nicholls, 1984). Payne, Youngcourt, & Beaubien (2007) also found that goal-oriented subordinates are highly efficient in applying self-regulating strategies and have a greater tendency of on-task attention.

Companies and organisations with such a workforce achieve and maintain higher subordinate and managerial performance levels over time as a result (Dweck & Leggett, 1988; Heslin & Latham, 2004; Taing, Smith, Singla, Johnson, & Chang, 2013). The positive relationship between authoritarian leadership and goal orientation is enhanced when subordinates have higher levels of PD, with researchers arguing that the norms and values of such subordinates are associated with greater personal influence of the leader (Schaubroeck, Lam, & Cha, 2007; Daniels & Greguras, 2014; Schaubroeck, Shen, & Chong,

2017; Wang & Guan, 2018). This is reflected during the hiring process, where it is optimal to assess the candidates' PD to attain a workforce that can attain high performance under an authoritarian leader. Consequently, the leader has the ability to structure the team culture to own standards and preferences.

Because of high competitiveness and the setting of high team expectations, typical for authoritarian leaders (Wang, Chiang, Tsai, Lin, & Cheng, 2013; Zhang & Xie, 2017), Wang & Guan (2018) suggest that it is highly likely for subordinates to work hard and build up their competence through working and learning as a means of meeting the high-level goals, set by their leaders. With team leaders expecting their subordinates to be the best within the organisation, a highly competitive culture develops between the individual teams, with subordinates continuously seeking to achieve best performance through self-development under the threat of punishment (Cheng, Chou, & Farh, 2000; Gong, Wang, Huang, & Cheung, 2017; Wang & Guan, 2018). This process leaves only the most resilient and highly competent subordinates in the organisation, while removing and replacing those who could not manage to live up to the set standards.

Lastly, authoritarian leaders are highly successful at providing certainty and strength to their subordinates, especially during the times of business instability, which typically has high levels of uncertainty (Schoel, Bluemke, Mueller, & Stahlberg, 2011; Huang, Xu, Chiu, Lam & Farh, 2015; Rast, Hogg, & Giessner, 2013). Such conditions are caused by business risks, which can originate within (e.g. industry experience, operating costs, business design, etc.) or outside (e.g. business climate, government regulation constraints, global competition, etc.) of the organisation (Miles, 2010). When individuals are experiencing high levels of uncertainty, they tend to favourably evaluate and support leaders who are more directive and authoritative (Hogg, 2007). With the leader setting unambiguous goals, subordinates understand their position and expectations within a team and are thus more comfortable with confronting and overcoming uncertainties through self-development (Hogg & Adelman, 2013; Schaubroeck, Shen, & Chong, 2017).

Researchers conducted studies, which explored how subordinates respond to authoritarian leaders when their organisation is under such conditions (Schoel, Bluemke, Mueller, & Stahlberg, 2011; Rast, Hogg, & Giessner, 2013). When asked, subordinates with high uncertainty levels considered their authoritarian leader to be highly supportive and trustworthy. In contrast, it was found that under such conditions, benevolent leaders, who are typically more consultative, inclusive and less directive, were also less effective and thus less favourable to employees with high uncertainty levels in terms of trust in their leader and perceived leader support. By being effective at putting their subordinates' minds at ease during the times of high uncertainty, authoritarian leaders are able to overcome difficult challenges, procuring opportunities and harbouring innovation and creativity (Rast, 2015).

2 BENEVOLENT LEADERSHIP

2.1 Definition and Characteristics of the Benevolent Leadership

The benevolent leadership style is characterised by individualised, holistic concern for personal and familial well-being of employees from the leader (Farh & Cheng, 2000a; Chen, Eberly, Chiang, Farh, & Cheng, 2014; Yeh, 2019). It is often described that such leaders create a work environment that is comfortable, supportive, respectful and trusting (Cheng, Chou, & Farh, 2000; Wang & Cheng, 2010; Karakas & Sarigollu, 2012). They show concern for employees' career development and performance, as well as offer coaching, mentoring and tolerate mistakes if employees demonstrates effort to correct them (Farh & Cheng, 2000b; Farh, Liang, Chou, & Cheng, 2008; Pellegrini & Scandura, 2008).

At the same time, they show consideration for their employees' non-work domain by treating their employees as family members, helping them during personal emergencies and being willing to take care of employees' family members (Cheng, Chou, & Farh, 2000; Farh & Cheng, 2000b; Farh, Liang, Chou, & Cheng, 2008). In contrast to the subordinates under the authoritarian leadership, employees under the benevolent leadership act as independent proactive minds of the larger team, having their individual thoughts and suggestions considered and actively encouraged by the leader in the decision-making process.

2.2 Outcomes of the Benevolent Leadership

There are observable benefits to a business organisation from such leadership style, including positive attitudes and desirable behaviours from employees, who demonstrate a feeling of obligation and reciprocity, leading to work unit and organisational success (Lin, Ma, Zhang, Li, & Jiang, 2016).

Because benevolent leaders are considerate of the impact of their behaviour on employees' affective states, they trigger positive affectivity in employees at work (Ünler & Kılıç, 2019). Positive affectivity is a trait that describes the level of positive affects, experienced by individuals and how they consequently interact with their environment (Ashby, Isen, & Turken, 1999). Employees with high positive affectivity have been found to be highly self-efficient, meaning they evaluate and approach uncertain and challenging situations with a positive attitude and come up with effective problem-solving strategies (Chiu & Francesco, 2003).

Positive affectivity then leads to an increase of the levels of employee job satisfaction (Cheng, Huang, & Chou, 2002; Ünler & Kılıç, 2019). Using the job diagnostic survey model by Hackman & Oldham (1974), employees under such conditions were found to perceive their work as highly meaningful, having good opportunities for personal growth and

development, having a perception of their co-workers feeling equally satisfied and in general finding their job highly satisfactory (Ünler & Kılıç, 2019).

Furthermore, the positive influence of benevolent leadership on positive affectivity has been linked to a higher affective commitment of employees (Cheng, Shieh, & Chou, 2002; Karakas & Sarigollu, 2012; Ünler & Kılıç, 2019). Affective commitment indicates employees' positive emotional attachment to the organisation (Meyer & Allen, 1991). Using the affective commitment Scale by Meyer, Allen, & Smith (1993), employees have been found to be satisfied with the prospect of spending the rest of their career in their respective organisation, felt obliged to act as organisational problem solvers and applied a high level of personal and familial belonging to their organisation (Karakas & Sarigollu, 2012; Ünler & Kılıç, 2019).

Benevolent leadership is also positively associated with employees' organisational citizenship behaviour (Liang, Ling, & Hsieh, 2007; Chan & Mak, 2012; Karakas & Sarigollu, 2012; Ghosh, 2015). Consequently, employees are highly likely to discretionarily go beyond existing role expectations and benefits in the interest of their organisation (Organ, 1988). This includes employees' inclination to tolerate inconveniences of work without complaining, their responsive and constructive involvement in the organisation, going well beyond the minimally required standards and voluntarily being willing to help other members of the organisation (Netemeyer, Boles, Mckee, & Mcmurrian, 1997; Podsakoff, Mackenzie, Paine, & Bachrach, 2000; Karakas & Sarigollu, 2012).

Next, employee performance has been found to be enhanced by the benevolent leadership style (Cheng & Jiang, 2000; Farh & Cheng, 2000a; Farh & Cheng, 2000b; Farh, Cheng, Chou, & Chu, 2006; Farh, Liang, Chou, & Cheng, 2008). This outcome relates to employees' required work role and their completion of tasks (Williams & Anderson, 1991). A benevolent leader achieves this through the leader-member exchange (LMX), which is a mutual trust, respect, influence and obligation with employees (Graen & Uhl-Bien, 1995).

Studies have found that higher LMX levels indicate employees are being better at performing their tasks by having established unique relationships with their leaders (Liden, Wayne, & Sparrowe, 2000; Kraimer, Wayne, & Jaworski, 2001; Chan & Mak, 2012). If leaders fulfil their role obligation in front of subordinates and thus lead by example, they are able to build a more productive work group, having employees being more accepting of their job role (Pellegrini & Scandura, 2008).

Lastly, benevolent leadership has been increasingly linked to employee creativity (Wang, Chiang, Tsai, Lin, & Cheng, 2013; Chen, Zhang, & Wang, 2014; Lin, Ma, Zhang, Li, & Jiang, 2016). When leaders demonstrate personal care, support and guidance towards their employees, they increase a level of LMX, which has been established as a proximal predictor

of employee creativity. Employees under benevolent leaders were found to be highly likely to come up with new and practical ideas to improve performance (Zhou & George, 2001; Lin, Ma, Zhang, Li, & Jiang, 2016). It is possible for organisations to further boost this process by training the appointed leaders on how to exercise benevolent leadership style and also by creating social activities in which leaders and employees have more opportunities of engaging in deep interaction with one another (Schriesheim, Castro, & Cogliser, 1999; Sparrowe & Liden, 1997).

Unlike the benevolent leadership, the authoritarian leaders' control of information and threat of punishment lead to a lesser positive affectivity and therefore lower affective commitment (Guo et al., 2018; Wang, Liu, & Liu, 2019). The relationship that the subordinates have with their leaders under such conditions are submission-based, rather than commitment-based.

Subordinates are therefore also less likely to identify with their leaders, with less communication and interaction between the two apart from having established expectations and standards. Consequently, there are also lower levels of LMX in the organisation. This means that subordinates cannot reach the LMX-based performance levels and are less likely or even discouraged to engage in creative behaviours.

3 POWER DISTANCE AND INDIVIDUALISM

Researchers suggest that the impact of the leadership style on the team depends on the values that team members hold (Tyler, Lind, & Huo, 2000; Wang & Guan, 2018). The held values can be interpreted using cultural dimensions (Hofstede, 2001). Specifically, researchers that study authoritarian and benevolent styles of leadership focus on the levels of PD and Individualism/Collectivism of a specific culture, while finding other cultural dimensions, namely Masculinity/Femininity, Uncertainty Avoidance, Long/Short Term Orientation and Indulgence/Restraint to be negligible when determining the most optimal leadership style (Lin et al, 2016; Wang & Guan, 2018, Yeh, 2019).

3.1 High Power Distance and Collectivism (Low Individualism)

There is a consensus that authoritarian style of leadership is particularly popular in business organizations in the regions of Asia-Pacific, Latin America and the Middle East (Martínez, 2003; Pellegrini & Scandura, 2008). These geographical regions are often referenced in contemporary studies when discussing authoritarian leadership and its impact on subordinates (Chan & Mak, 2012; Wang & Guan, 2018; Yeh, 2019; Khuwaja, Ahmed, Abid, & Adeel, 2020; Aguinis et al., 2020).

Wang & Guan (2018) found that organisations tend to successfully apply authoritarian leadership when subordinates have high PD and low Individualism scores, based on the data

of cultural dimensions, gathered by Hofstede (2001). In this context, the high score of PD means that the culture has a tendency of accepting inequalities amongst people, resulting in the population ultimately submitting to the perceived superiors who typically hold ultimate authority over the population.

Meanwhile, the low Individualism score implies that the people who associate with it highly prioritise interests of the group over themselves, resulting in the population investing itself in loyalty to the family, organisation and the nation they find themselves belonging to.

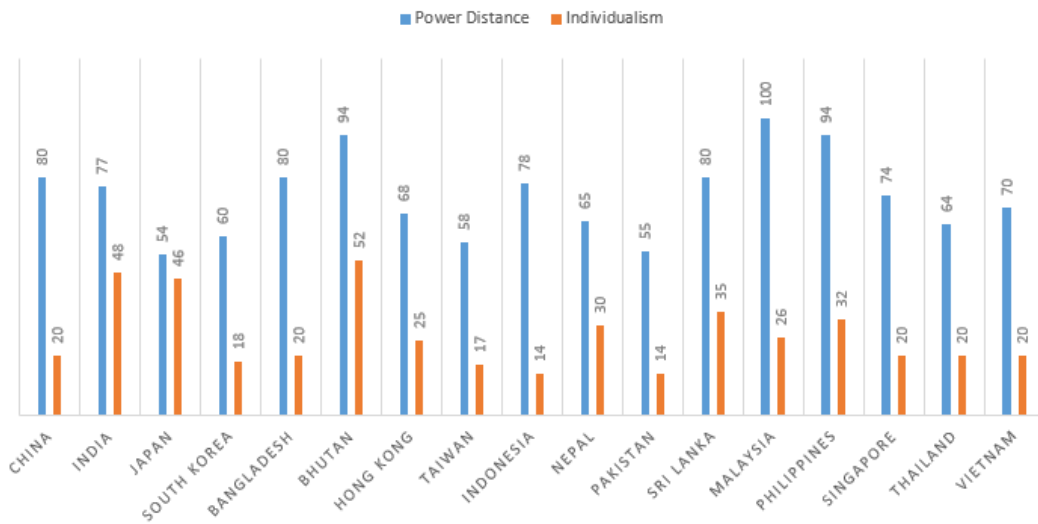
Figure 1 contains the data, gathered by Hofstede (2001) and Hofstede, Hofstede, & Minkov (2010), showing the scores of individual Asia-Pacific countries. When looking at PD, Malaysia scores the highest (100), while Pakistan scores the lowest (55). Next, the Individualism metric shows Bhutan scoring the highest (52) and both Indonesia and Pakistan having an even lowest score (14). The median score for PD is 74 and 20 for Individualism. The mean score is 73.6 for PD and 26.9 for Individualism. These scores establish a narrative that the countries in the Asia-Pacific region have high PD, and low Individualism.

This indicates that the members of these countries possess an overall tendency to hold a high regard for a top-down hierarchical system of power, respect strong leaders with a singular vision and highly value the groups they find themselves belonging to (e.g. family, organisation, nation, etc.) over themselves as individuals.

These tendencies can be observed by directly looking at individual countries. For example, China, which has a long-standing tradition of the authoritarian style of leadership, with roots of the tradition in the ancient Chinese philosophies of Confucianism and Legalism (Wang & Guan, 2018), has a high PD score (80) and a low Individualism score (20).

This is reflected in how the country governs itself, with a high prioritisation of continuously striving towards growth and improvement of the nation as a whole under the leadership of a strict and authoritative single-party regime (He, 2013). Due to these general cultural behaviours, Chinese business organisations also predominantly behave in accordance with these values, attaining desired goals through hierarchical divide between strong leadership and a submissive workforce (Cheng, Chou, Wu, Huang, & Farh, 2004; Chan, Huang, Snape & Lam, 2012).

Figure 1: Power Distance and Individualism scores of countries in Asia-Pacific



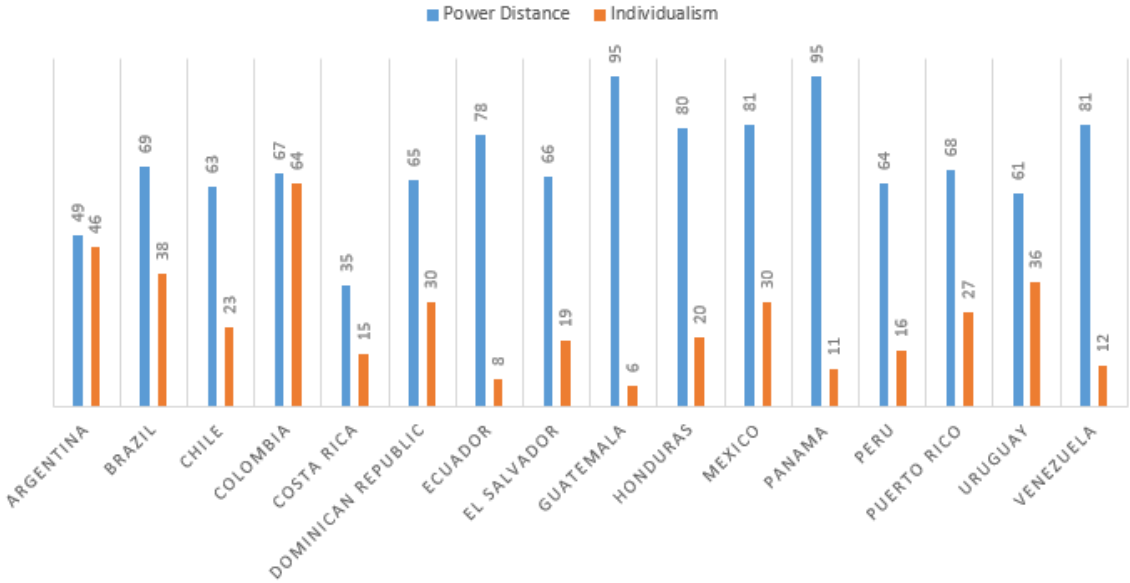
Source: Hofstede (2001); Hofstede, Hofstede, & Minkov (2010).

Similarly to Asia-Pacific, the researchers who studied Latin America (Martínez, 2005; Elvira & Davila, 2005; Pellegrini & Scandura, 2008; Davila & Elvira, 2012; Aguinis et al., 2020) agree that cultures and societies within the latter region share a characteristic of being positively oriented toward authoritarian leadership. When looking at the data in Figure 2, the countries with the highest PD scores are Guatemala and Panama with an even score (95), while Argentina scores the lowest (49). On the other hand, the highest Individualism score in the region is in Colombia (64) and the lowest in Guatemala (6). The median score is 67.5 for PD and 21.5 for Individualism. The mean score for PD is 69.8 and 25.1 for Individualism. The resulting scores suggest there to be a high PD, and low Individualism in Latin America.

This means that much like in Asia-Pacific, the cultures in Latin America have a tendency of holding a high regard for the authoritarian system of leadership and highly prioritise the well-being of groups over an individual. Mexico for example, with a high PD score (81) and a low Individualism score (30) has traditionally had a so-called “machismo” culture, which dominates the leadership spectrum in the country (Escandón, 2000; Martínez, 2003). Similarly to the cultural impact on business organisations in China (Cheng, Chou, Wu, Huang, & Farh, 2004; Chan, Huang, Snape & Lam, 2012), Mexican business organisations have a tradition of subordinates being devoted to their leader, who typically earns the position by demonstrating strength and determination (Escandón, 2000; Martínez, 2003). Furthermore, the traditional family values that have been established by Catholic precepts in

the country make subordinates highly cherish the groups they belong to, including families and business organisations.

Figure 2: Power Distance and Individualism scores of countries in Latin America

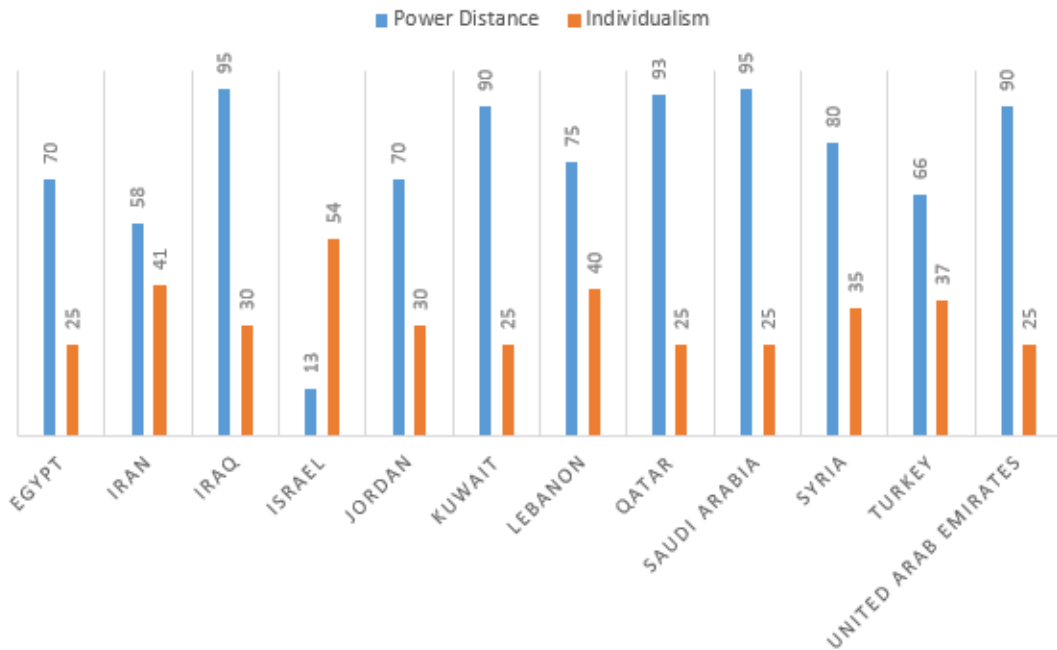


Source: Hofstede (2001); Hofstede, Hofstede, & Minkov (2010).

Lastly, the cultures in the Middle East are generally perceived as one with a preference for authoritarian leaders, resulting from the cultural traditions and a fluctuating political and economic stability of the countries in the region (Bölme, n.d.; Bellin, 2004; Pellegrini & Scandura, 2008). The data in Figure 3 shows the highest PD score (95) being present in both Iraq and Saudi Arabia. Israel has the lowest score of PD (13). The highest Individualism score is in Israel (54) and the lowest (25) in Egypt, Kuwait, Qatar, Saudi Arabia and United Arab Emirates simultaneously. The median PD score is 77.5 and 30 for Individualism. The mean PD score is 74.6 and 32.7 for Individualism. From the scores, it is interpreted that there is a high PD, and low Individualism in the Middle East.

The predominate tradition of practicing the Islamic religion and its values in the countries of the region combined with uncertainty due to instability have made the population generally value leaders who possess authoritarian characteristics while also putting a significant emphasis on group identity, including family, nationality and religious beliefs, all of which are reflected in Middle-Eastern business organisations (Bellin, 2004; Pellegrini & Scandura, 2008).

Figure 3: Power Distance and Individualism scores of countries in the Middle East



Source: Hofstede (2001); Hofstede, Hofstede, & Minkov (2010).

When looking at organisations, these dimensions are reflected in employee behaviour. Employees in high PD and low Individualism environments have a tendency of being more dependable on their leader, from whom they expect to have goals clearly set to them (Cole, Carter, & Zhang, 2013). Superiors and subordinates in such environments develop formal and less personalised relationships, leading to a higher chance of employees holding a belief that they should not challenge their leaders and therefore have a tendency of being submissive and receptive to their superiors (Tyler, Lind, & Huo, 2000).

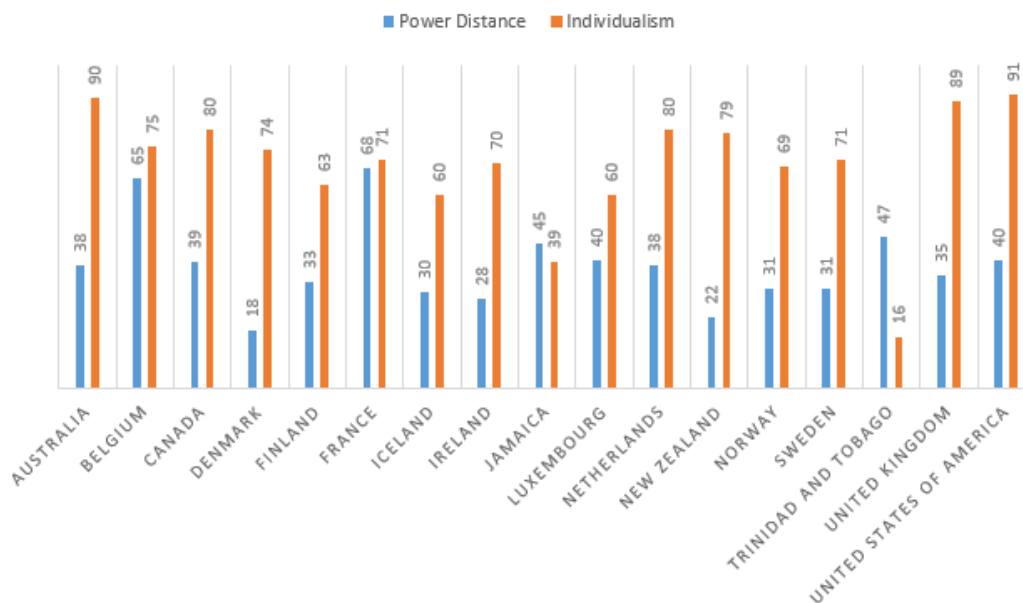
Although these characteristics indicate high dependency of subordinates on their leaders, researchers point out that subordinates in such environments also possess a certain level of independence, being less likely to receive consultations and information about their work from their superiors and therefore taking their own initiative to achieve the goals, set by their leaders (Schaubroeck, Shen, & Chong, 2017). They instead perceive the set standards and management control as signs of consideration and support, which motivates them to continuously develop their skills and focus on their jobs (Chen, Zhang, & Wang, 2014).

3.2 Low Power Distance and High Individualism

In contrast to high PD and low Individualism cultures, Gumusluoglu, Karakitapoğlu-Aygün, & Hu (2019) discovered that the benevolent leadership is most favourable when employees have low PD and high Individualism scores, based on cultural dimensions data (Hofstede, 2001). The relationship between leaders and employees in a culture with a low PD score has a tendency of having a more decentralised power structure, which leads to more interdependence and a higher delegation of power from leaders to subordinates. High Individualism score indicates a culture where people are encouraged to exchange their ideas, as well as respect the privacy of others, avoiding the mixing of work life and social life. Consequently, leaders are more likely to listen to their employees while the latter are more likely to challenge or give suggestions to the former. It is suggested that this develops a deeper mutual concern and consideration (Tyler, Lind, & Huo, 2000), typical of the benevolent leadership style (Cheng, Chou, & Farh, 2000; Karakas & Sarigollu, 2012; Wang & Cheng, 2010).

Figure 4 shows PD and Individualism scores from Western countries, including Western Europe, Scandinavia, Anglo-America and Australasia. France has the highest PD score (68) and the lowest score (18) applies to Denmark. United States of America (USA) scores the highest (91) for Individualism while Trinidad and Tobago score is the lowest (16). The median score for PD is 38 and for Individualism 71. The mean score for PD is 38.1 and for Individualism 69.2. The scores indicate low PD and high Individualism in these regions.

Figure 4: Power Distance and Individualism scores of Western countries



Source: Hofstede (2001); Hofstede, Hofstede, & Minkov (2010).

It can be therefore observed from the scores provided by Hofstede (2001) and Hofstede, Hofstede, & Minkov (2010) that benevolent leadership is generally preferable in the regions of Western Europe, Scandinavia, Anglo-America and Australasia. When the present literature is studying the leadership styles and its implications on business organisations, the general preference for the benevolent leadership from employees in these countries is consequently acknowledged (Karakas & Sarigollu, 2012; Lin, Wang, & Hu, 2012; Gumusluoglu, Karakitapoğlu-Aygün, & Scandura, 2017; Gumusluoglu, Karakitapoğlu-Aygün, & Hu, 2019).

At the same time, due to highly Individualistic cultures' high regard for privacy and work-life separation of an individual, the consideration that leaders may have about their employees' non-work aspects component of the benevolent leadership is to be avoided (Gumusluoglu, Karakitapoğlu-Aygün, & Hu, 2019). Although Figure 4 shows USA to have a low PD score (40), the high Individualism score (90) indicates that people in the country are likely to perceive care and consideration for employees' non-work domain as inappropriate and intrusive.

4 DISCUSSION: FINDING THE BALANCE

Based on the information, presented in previous chapters, it is evident that to successfully fulfil their role, contemporary leaders require highly efficient skills of adaption to the current circumstances and to any changes to their immediate surroundings. If the leader is seeking to impact their employees in a positive way, one must firstly understand the employee culture, which numerous researchers (Tyler, Lind, & Huo, 2000; Martínez, 2003; Schaubroeck, Lam, & Cha, 2007, 2007; Chan & Mak, 2012; Gumusluoglu, Karakitapoğlu-Aygün, & Scandura, 2017; Aguinis et al., 2020) suggest is a factor that enhances the organisational performance.

The culture within different geographical regions can be determined by measuring PD and Individualism levels (Hofstede, 2001). These present a general picture of what kind of leadership is more effective, such as a more authoritarian-friendly culture in Asia-Pacific (Wang & Guan, 2018) or, in contrast, a culture that is more benevolent-friendly, as is the case in Western Europe (Hofstede, 2001; Karakas & Sarigollu, 2012).

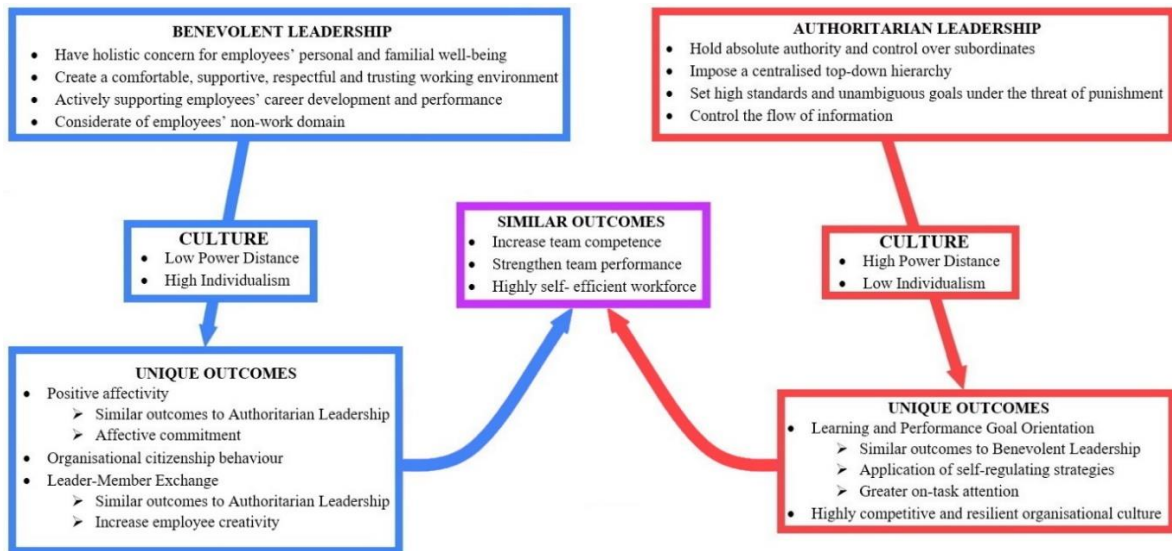
However, such a broad view does present some limitations. As visible from the cultural dimensions data in Figures 1, 2, 3 and 4, gathered by Hofstede (2001) and Hofstede, Hofstede, & Minkov (2010), there are outliers in regions, as is the case with Israel, which has a notably lower PD score (13) and higher Individualism score (54), or France which, although with a high Individualism score (68), it also has a high PD score (71). This indicates that although a geographical region may provide an initial direction on deciding the most effective style of leadership, it may be necessary to acknowledge individual countries.

Moreover, the situation of individual organisations may necessitate inspection of their culture, as their immediate situation may require a different approach than that, typical of the country. For example, although the benevolent leadership is generally preferable in countries with low PD and high Individualism scores, employees with such characteristics will prefer elements of authoritarian leadership over the benevolent style under certain conditions (Chan & Mak, 2012; Lin, Ma, Zhang, Li, & Jiang, 2016). Figure 4 shows the United Kingdom to have a low PD score (35) and a high Individualism score (89), which creates an expectation that organisations lean towards the benevolent leadership style (Tyler, Lind, & Huo, 2000; Hofstede, 2001; Hofstede, Hofstede, & Minkov, 2010; Wang & Guan, 2018). However, Rast, Hogg, & Giessner (2013) found that the state of high uncertainty made authoritarian leadership in UK-based organisations more favourable.

On the other hand, employees in organisations, which may typically prefer authoritarian leadership due to high PD and low Individualism (Chan & Mak, 2012; Wang & Guan, 2018; Yeh, 2019; Khuwaja, Ahmed, Abid, & Adeel, 2020; Aguinis et al., 2020), are more inclined to positively perceive the non-work element of the benevolent leadership. For instance, Figure 1 shows that Taiwan has a high PD score (58) and low Individualism score (17). Although the culture of the country in question has a high PD and therefore a high regard for authority figures, the low Individualism means employees also highly value the family business model and therefore positively perceive the non-work consideration of their leaders (Gumusluoglu, Karakitapoğlu-Aygün, & Hu, 2019).

It may therefore be necessary for the leader to collect data within the organisation to analyse the culture rather than base their decision-making on geographical-level data. If leaders choose to do so, they will have a more accurate representation of what kind of culture their team has but may spend more time and resources on obtaining the necessary information. After considering employees' culture, the leader can start looking at desired outcomes and features. Figure 5 shows how the features and outcomes of the authoritarian and benevolent leadership styles when set in their most compatible cultural environments.

Figure 5: Features and outcomes of the Authoritarian and Benevolent Leadership



Own Work.

Both styles may lead to similar outcomes. Authoritarian leaders can rapidly increase employees' competence and performance by directly setting the highest standards of excellence under the threat of punishment (Cheng et al, 2000; Payne, Youngcourt, & Beaubien, 2007; Gong, Wang, Huang, & Cheung, 2017; Wang & Guan, 2018). Benevolent leaders achieve this outcome through positive affectivity, LMX and a proactive concern for employees' performance and development (Farh & Cheng, 2000b; Chiu & Francesco, 2003; Farh, Liang, Chou, & Cheng, 2008; Pellegrini & Scandura, 2008).

Although this outcome is similar however, it is bound by the different circumstances. In the case of the authoritarian leaders, the high PD scores of subordinates indicate that they are predisposed towards perceiving the high setting of standards and absolute control over them as a positive (Wang & Guan, 2018). It is what inspires them to become goal-oriented and therefore push themselves towards the desired goals of their leader. Although the show of work and non-work related care for employees by the benevolent leaders may be a feature that such subordinates may relate to due to low Individualism, the more horizontal distribution of decision-making powers may be perceived negatively in a high PD culture and therefore not achieve the same result.

Similarly, because employees with low PD scores are fundamentally driven by the engagement and involvement in decision-making they share with their leader (Liden, Wayne, & Sparrowe, 2000; Kraimer, Wayne, & Jaworski, 2001; Chan & Mak, 2012), the reception of active discouragement of that engagement by the authoritarian leaders is therefore negative, preventing the team from successfully realising the desired outcome

(Wang & Guan, 2018). This indicates that although leaders may be ultimately pursuing similar outcomes, the success of attaining them highly depends on how much a specific leadership style fits into an immediate team culture.

At the same time, there are outcomes that leaders are more likely to achieve when they practice one leadership style over another. When it comes to mitigating uncertainty and establishing a clear direction for the team, authoritarian leaders' method of solely setting the goals and enacting how they will be pursued tends to be more effective than their benevolent counterparts' openness to ideas of their subordinates (Schoel, Bluemke, Mueller, & Stahlberg, 2011; Rast, Hogg, & Giessner, 2013; Rast, 2015). Due to the continuous pursuit of excellence, it can be argued that authoritarian leaders are also more effective at attaining competitive edge at a faster rate (Wang, Chiang, Tsai, Lin, & Cheng, 2013; Zhang & Xie, 2017). Although benevolent leaders can also motivate employees to attain similar results (Farh & Cheng, 2000b; Farh, Liang, Chou, & Cheng, 2008; Pellegrini & Scandura, 2008), their tolerance of mistakes and a sense of holistic adaption puts extra lengthy steps into the process compared to the threat of punishment, typical of an authoritarian leader (Cheng et al., 2000; Gong, Wang, Huang, & Cheung, 2017; Wang & Guan, 2018).

On the other hand, the consideration of employees' affective states from benevolent leaders positively impacts positive affectivity leading to higher levels of job satisfaction (Cheng, Huang, & Chou, 2002; Ünler & Kılıç, 2019). Authoritarian leaders do not display such consideration and approach their workers with fear-based motivators, which negatively impacts positive affectivity (Guo et al., 2018; Wang, Liu, & Liu, 2019). Furthermore, positive affectivity leads to higher levels of affective commitment and organisational citizenship behaviour, meaning employees are voluntarily willing surpass expectations for the benefit of the organisation (Organ, 1988; Liang, Ling, & Hsieh, 2007; Chan & Mak, 2012; Karakas & Sarigollu, 2012; Ghosh, 2015).

Because authoritarian leaders negatively impact PA, they also have a negative influence on affective commitment and organisational citizenship behaviour, with subordinates working because they need to, rather than because they want to (Guo et al., 2018; Wang, Liu, & Liu, 2019). Benevolent leaders also achieve LMX-based performance and increased levels of employee creativity within an organisation by offering employees assistance and being open to their ideas (Liden, Wayne, & Sparrowe, 2000; Kraimer, Wayne, & Jaworski, 2001; Chan & Mak, 2012; Wang, Chiang, Tsai, Lin, & Cheng, 2013; Chen, Zhang, & Wang, 2014; Lin, Ma, Zhang, Li, & Jiang, 2016). Authoritarian leaders negatively impact LMX by controlling information, having a strict hierarchy, not acknowledging subordinates' ideas, instilling fear and coming off as less relatable. This prevents them from achieving the LMX-based performance and employee creativity, both of which are actively discouraged and suppressed.

4.1 Theoretical Contributions

Following the view on leadership as presented by the likes of Chan, Huang, Snape & Lam (2012) and Sinha (1990), the theoretical contribution of this thesis is recognising the authoritarian and benevolent leadership styles as managerial tools, the components of which may be used by any leader, depending on which style is most practical when considering the present circumstances. Much of the existing academic literature focuses on one of the two styles and specific outcomes that the style in question leads to in the context of business organisations. For example, Wang & Guan (2018) focus on evaluating the positive effect of the authoritarian leadership style on employee performance. On the other hand, Rast (2015) explores the style's effectiveness in times of business uncertainty. Similarly, in the case of the benevolent leadership style, Ünler & Kılıç, (2019) are exploring how the style in question leads to positive affectivity, while Lin, Ma, Zhang, Li, & Jiang (2016) are linking the said leadership style to employee creativity.

By compiling the academic literature from both authoritarian-focused and benevolent-focused leadership styles, I presented a variety of unique and similar organisational outcomes, stemming from the application of the two styles under their most favourable cultural circumstances. By creating an overarching view of their features and outcomes, leaders in contemporary business organisations have an analytical model for their role, pointing out the most optimal style of leadership, depending on the individual culture, desired outcomes and unfavourable outcomes.

4.2 Practical Implications

Because the two styles of leadership are limited to achieving their individual range of outcomes, the leader may consider changing from authoritarian to benevolent style and vice versa. However, as discussed before, the effectiveness of the two leadership styles heavily depends on team culture and business stability. If the required style for the desired objective does not fit the current team culture, the leader has the option to change it and replace the team members who respond to it negatively with more suitable ones through a selective hiring process (Wang & Guan, 2018).

To minimise the business risks that come with this typically lengthy and costly process, the leader must initiate it as soon as the need arises (Miles, 2010). One must assess both the existing and potential business risks to evaluate the most immediate priorities. For example, the leader wishes to increase team members' creativity, which means a more benevolent style of leadership will have to be implemented (Wang, Chiang, Tsai, Lin, & Cheng, 2013; Chen, Zhang, & Wang, 2014; Lin, Ma, Zhang, Li, & Jiang, 2016). They are currently practicing the authoritarian style during highly uncertain conditions, thus mitigating subordinates' levels of uncertainty (Schoel, Bluemke, Mueller, & Stahlberg, 2011; Huang,

Xu, Chiu, Lam & Farh, 2015; Rast, Hogg, & Giessner, 2013). In such cases, the leader must evaluate the outcomes and prioritise. If the team is capable of transitioning to a benevolent style of leadership while maintaining low levels of uncertainty, it is rational for the leader to go through with the action. If the existing business risk would cause the levels of uncertainty to rise due to this change, it is more practical for the leader to maintain the authoritarian style until the influence of the existing business risks on team uncertainty levels is reduced.

A key first step to effective leadership is therefore a recognition of the authoritarian and benevolent leadership styles as independent concepts. This way, the leader is able to comprehend the unique approaches and achievable outcomes of the two styles. Next, one must observe the current environment, including team culture and business stability. These factors may pose advantageous or challenging conditions for pursuing the desired outcomes. At this point, one is in possession of the information concerning the desired outcomes, means on how to obtain them and potential current environment-based advantages or pitfalls. Based on these considerations, the leader can formulate a plan on how to best lead a team while driving it towards the desired outcomes.

4.3 Limitations and Future Research Directions

As stated in the introduction, this thesis explores the leadership role in contemporary organisations by looking at the existing data-based findings regarding the benevolent and authoritarian leadership over the past 20 years. The approach to understanding leadership in this manner is holistic in nature and therefore depends on the findings being empirically verifiable. As outlined by the examples in the Theoretical Contributions chapter of this thesis, the existing research predominately focuses on specific outcomes of the two styles within select countries. More consensus could be gained on an individual leadership style achieving a particular set of outcomes beyond having achieved it in those very specific cultural circumstances. It is therefore recommended for future researchers to find how well the two leadership styles achieve specific outcomes in other countries or organisations with relatively similar power distance and individualism scores, that of the ones found in existing literature.

Furthermore, existing research mainly focuses on one of the two styles individually when exploring their outcomes. To continue expanding the contemporary understanding of the effectiveness of the two styles, it is recommended for future research to explore how organisations perform when leaders combine elements of the two and what outcomes they produce, as described by Chan, Huang, Snape & Lam (2012) and Sinha (1990).

CONCLUSION

Contemporary leaders operate in highly intricate environments. The foremost question I posited at the beginning of this thesis was whether or not both authoritarian and benevolent approaches to leadership can achieve similar outcomes. Both types of leadership are ultimately able to increase team competence and performance (Farh, Cheng, Chou, & Chu, 2006; Poortvliet, Janssen, Yperen, & Vliert, 2007; Farh, Liang, Chou, & Cheng, 2008; Wang & Guan, 2018). However, the two styles achieve these outcomes using contrasting means. All outcomes are highly impacted by team culture and business stability, which call for different approaches in leadership (Wang & Guan, 2018; Miles, 2010).

In the case of increasing team competence and performance, authoritarian leaders obtain this outcome through despotic control and by enacting demand for excellence (Cheng et al, 2000; Payne, Youngcourt, & Beaubien, 2007; Gong, Wang, Huang, & Cheung, 2017; Wang & Guan, 2018), while leaders that are practicing the benevolent style gain the desired outcome by actively tutoring and liberally treating their employees (Farh & Cheng, 2000b; Chiu & Francesco, 2003; Farh, Liang, Chou, & Cheng, 2008; Pellegrini & Scandura, 2008). These differences indicate that leaders are only achieving this outcome so long as they continue to practice the style of leadership, most fit for their immediate team culture and business stability. The outcome-attaining efficiency of the two styles is therefore contingent on understanding how an individual style is perceived by the team and how business risks are impacting the uncertainty levels of the organisation.

To understand team culture, the leader can evaluate their PD and Individualism (Hofstede, 2001; Wang & Guan, 2018). While geographic data indicates the general trends of the two cultural dimensions, a direct analysis of own team provides more accurate information but costs the leader time and resources to gather. Furthermore, one can analyse the existing business risks (e.g. industry experience, operating costs, business design, etc.) and measure the levels of uncertainty within the organisation (Miles, 2010; Schoel, Bluemke, Mueller, & Stahlberg, 2011; Huang, Xu, Chiu, Lam & Farh, 2015; Rast, Hogg, & Giessner, 2013). By understanding these two factors, the leader is able to decide which of the two leadership styles will most likely have a positive influence on the team.

Another question that was posed in the introductory part of the thesis asked if there are any factors that may impact the outcome-attaining efficiency of the two styles. The difference in how the outcomes are achieved due to the contrasts in team culture and business stability levels indicates that there are indeed factors that may impact the attainability of desired outcomes and therefore influence a decision of choosing the appropriate course of action. One may prioritise the outcomes that are being obtained by the current leadership style or change the team culture to fit the leadership style that will drive the team towards the desired outcomes (Wang & Guan, 2018). The fact that there are indeed certain outcomes, more

obtainable through authoritarian (e.g. uncertainty mitigation) and benevolent (e.g. creativity) styles of leadership makes the aforementioned decision even more critical.

Essentially, the effectiveness of the leader in attaining desirable outcomes depends on one considering and understanding how these elements react to each other within an individual environment. Based on these considerations, the leader can formulate a plan on how to best lead a team while driving it towards the desired outcomes.

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APPENDIX

Appendix 1: Povzetek

Naloga ustvarja vpogled v sočutni in avtoritarni pristop vodenja zaposlenih v sodobnih podjetjih. Izvedel sem pregled literature, ki se je delila na razlage delovanja dveh pristopov iz teoretičnih gradiv ter na empirične ugotovitve učinkov, ki jih pristopa imata na zaposlene ter posledično na podjetja. Za ohranjanje časovne relevantnosti ugotovitev v praktičnem okolju so informacije, ki izhajajo iz empiričnih raziskav učinka vodilnih pristopov na zaposlene stare do 20 let ali manj. Ta standard ne velja razlage definicij, terminologije in preiskovalnih metodologij, ki ne temeljijo na empiričnih preiskavah.

Po pregledu informacij sem ugotovil, da lahko tako avtoritarni kot sočutni pristop vodita do enakih izidov, specifično do povečanja sposobnosti in delovanja ekipe (Farh, Cheng, Chou, & Chu, 2006; Poortvliet, Janssen, Yperen, & Vliert, 2007; Farh, Liang, Chou, & Cheng, 2008; Wang & Guan, 2018). Ugotovil sem tudi, da kultura ekipe in poslovna stabilnost izrazito vplivata na določitev najbolj učinkovitega vodilnega pristopa za učinkovito doseganje omenjenega izida (Wang & Guan, 2018; Miles, 2010). Za ugotavljanje kulturne naklonjenosti ekipe do enega pristopa v primerjavi z drugim lahko vodje uporabijo Hofstedove (2001) kulturne dimenzije, specifično razdaljo v moči ter individualizem, ki lahko prikazujeta bolj točne značilnosti kulture ekipe, če je preiskava izvedena na nivoju podjetja namesto na nivoju geografske regije ali države, vendar pa takšen pregled vodjo tudi stane več časa in sredstev za izvedbo. Poslovna stabilnost je ugotovljena preko preučitve obstoječih poslovnih tveganj, kot na primer panožne izkušnje, stroški poslovanja, poslovna zasnova, itd. (Miles, 2010; Schoel, Bluemke, Mueller, & Stahlberg, 2011; Huang, Xu, Chiu, Lam & Farh, 2015; Rast, Hogg, & Giessner, 2013). Glede na upoštevanje vplivov ekipe kulture, poslovne stabilnosti ter ob enem pomembnosti določenih zaželenih ciljev se vodja lahko odloči za najbolj učinkovit pristop k vodenju. V nekaterih primerih se pristop, ki bo vodji omogočil doseg zaželenih ciljev že pozitivno ujema s kulturo ekipe ter s poslovno stabilnostjo, v drugih primerih pa se mora vodja odločiti ali je zaželen cilj tako pomemben, da zahteva vodilni pristop, ki se ne ujema z omenjenima vplivnima dejavnikoma in je pripravljen ter sposoben ekipo preorganizirati, da se bo ujemala z zaželenim pristopom (Wang & Guan, 2018). To je še posebej pomembno za doseganje ciljev, ki so dosegljivi zgolj preko avtoritarnega (npr. zniževanje negotovosti) ali sočutnega (npr. ustvarjalnost) pristopa.

Če povzamem vloga vodje zahteva prožnost, saj mora namreč pristop prilagoditi glede na zaželeno cilje, kulturo ekipe in poslovno stabilnost. Posledično je potrebno, da se je vodja sposoben pretvoriti iz avtoritarnega v sočutnega voditelja ekipe in obratno. S tem ekipi omogoča, da dosega želene cilje ter posledično usmerja organizacijo do večje konkurenčne prednosti na trgu.