

PATERNALISTIC LEADERSHIP APPROACH TO ENSURE EMPLOYEE PERFORMANCE THROUGH EMPLOYEE ENGAGEMENT AT FRONTLINE PRIVATE BANKING EMPLOYEES IN PUNJAB

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Abstract

The prime objective of this research effort is to explain the phenomenon of paternalistic leadership approach to harvest employee performance. The purpose of conducting research on the banking sector is to highlight the concerns of employees related to leadership approaches that hinder performance. The research effort focuses on leadership approaches including authoritarian, benevolent, and moral leadership that predict employee voice which ultimately impacts performance. The researcher also investigated the mediation effect of employee engagement. This research effort contributes in explaining the effect of paternalistic leadership dimensions including authoritarian, benevolent and moral leadership approaches in achieving employee performance through engagement at the workplace. The study was conducted on frontline employees of private banks of South Punjab as data was collected randomly from 301 frontline employees to understand their point of view about different leadership approaches to predict behavior of employees in engagement and performance perspective. The collected data was analyzed on Smart-PLS 4 for assessing hypothesized relationships. The result of a study reported that the authoritarian leadership approach was insignificant in predicting employee engagement which further leads to enhanced performance. Benevolent and moral leadership was found to be significant in explaining employee performance through engagement. In a nutshell, the authoritarian leadership approach was reported as insignificant. However, benevolent and moral leadership were reported as significantly influential towards achieving higher employee performance through effective employee engagement. The implications, limitations and future research avenues are given at the end of this paper.

Keywords: Employee Performance, Employee Engagement, Authoritarian Leadership, Benevolent leadership, Moral Leadership, Frontline Employees, Banking Sector

Introduction and Background

Employee performance contributes to value creation through intensive workforce efforts for achieving organizational success and effectiveness. The researchers have explained performance in financial and non-financial perspectives that ensure the firm's success. Employee performance is an effective and efficient act of workers while carrying out working obligations, and scholars have expressed performance as a complex concept that is accepted universally (Sulich et al., 2021). Employee performance is also expressed as the level of productivity of an individual in comparison of their peers during several job-related behaviors and outcomes (Trivellas et al., 2015; Zaim et al., 2021). The research efforts have been made to reveal employee performance based on the working environment, time, load, and cost-effectiveness. Employee performance is reportedly significant through unique skills, of employees, motivational level of employees, and determined by their level of participation (Pahos & Galanaki, 2019). The phenomenon of employee performance is required for organizational sustainability as it relates to the employee

performance that enhances the productivity level and contributes to work success through an effective utilization of knowledge, skills, and abilities of employees. It is also related to the work accomplishment of employees that is aligned with organizational objectives, goals, and plans while achieving the required standards determined by firms. It is positively related to firms' effectiveness that often measured on the base of attendance, punctuality, quality of work, and ability to work along with peers, by ensuring profitability, productivity, and satisfaction (Udin et al., 2022).

Leadership style plays a crucial role in shaping the behavior of employees and influences at workplace to achieve firms' objectives and goals. The leaders must possess the appropriate style for managing workplace assistance that significantly influences organizational success. Leadership approach endorse reward policies for employees to attract, retain and motivate for achievement of organizational goals and ensure democratic approach for decision-making to take employees on board before such crucial decisions (Fein et al., 2023). Appropriate leadership style leads to an increase in the motivational level that excels capabilities and enhances performance (Super, 2020). Employee performance is influenced by diverse leadership styles, including transformational approach, level of motivation, intellectual stimulation and organizational citizenship behavior and courtesy, sportsmanship and conscientiousness. The study reported a significant relationship between transformational leadership and employee performance, and between organizational citizenship behavior and employee performance. Further, the mediation is evident in the relation of transformational leadership and performance through citizenship (Budur & Demir, 2022).

Another research effort explained link among spiritual leadership and performance of employees, between the quality of employee performance and between job satisfaction and employee performance. The study was conducted on a sample from private hospitals. The findings reported that spiritual leadership is not significant directly to employee performance, but the quality of work life relates to employee performance and mediation effect is evident. Similarly, job satisfaction is significant to employee performance, and a significant mediator of satisfaction is also determined between spiritual leadership and employee performance (Pio, 2022). Another research study described link of transformational leadership approach with performance with effective organizational learning. The study argued that transformational leadership is significant to employee performance, and organizational learning culture plays a significant mediation effect between relationship. The result reported a significant mediation effect and moderation effect of organizational learning culture (Udin, 2023).

Another research effort has been made to determine employee performance predicted by leadership style, employee motivation and commitment. It is found that appropriate leadership style, employee commitment, work motivation and work climate significantly and positively effect employee performance through job satisfaction, however leadership style directly has no relationship with employee performance. Employee performance is depicted by motivation and commitment of workers significantly through the mediation effect of job satisfaction (Megawaty et al., 2022). The prior literature has argued that toxic leadership reduces employee performance, reduces work motivation and job satisfaction. The study was conducted on Indonesian employees and reported that negative leaders impact performance such as toxic element however, motivation and satisfaction collectively increase performance but motivation alone remains insignificant (Wolor et al., 2022).

Previously, the research has been conducted to predict employee creativity influenced by participative leadership and authoritarian leadership. The leadership style influences creativity of employees in the presence of citizenship behavior among Malaysian higher education. Similarly, participative leadership depicts same results on creative perspective of the workforce. Further, the mediating effect of OCB is reported between participative leadership and employee creativity, but no moderation effect has been observed between authoritarian approach and creativity of the workforce (Hanaysha, 2023). The authoritarian leadership is also determined in expressing the concept of followership behavior with the moderating effect of interdependence and cooperation and behavioral integrity at mediating factor. It is also reported that authoritarian approach enhances followership behavior (Wang et al., 2022). Researchers have explained the role of the leadership approach in case of an authoritarian mindset safety compliance is affected through trust level. Locus of control moderates the relationship to describe trust in leadership influenced by the leadership approach. The sample was taken from petroleum enterprises and results depicted authoritarian leadership as negatively significant to employee behavior. The study also revealed that trust in leadership mediate authoritarian leadership and safety compliance behavior. Locus of control was found to be a significant moderator in predicting leadership trust influenced by authoritarian approach (Wang et al., 2022).

Task performance by supervisor, and affective organizational commitment are explained by the role of authoritarian leadership and leader effectiveness evaluations as mediator and leader capability reportedly as a mediation construct. The study argued that task performance and commitment are influenced due to authoritarian approach with the mediating effect of leadership effectiveness. Further, the leader's capability is reported as a significant moderator to predict task performance due to authoritarian leadership approach. The study claimed that authoritarian leadership impact workplace behavior lesser as compare to other factors (Huang et al., 2022).

The concept of benevolent leadership is characterized by individuals who demonstrate kindness, empathy and concern for welfare towards subordinates. These leaders prefer to establish interpersonal relationships, foster trust, and create a supportive working environment (Yu et al., 2023). Research scholars have highlighted similarities between transformational, servant and benevolent leadership styles. However, the distinction is prominent due to the emphasis on the emotional and social well-being of employees. The association between benevolent leadership and job performance has gained attention as benevolent leadership found to be a significant predictor of employee attitudes and behaviors. It often refers to paternalism that is rooted in genuine care by a leader for the welfare and development of their subordinates. It is explained that psychological perspective influences benevolent leadership which predicts performance. The association of benevolent leadership and employee performance is evident (Chan, 2017).

According to report published by The World Bank (Pakistan development update report of 2023) shows current situation of unsuitability of Pakistan and that effect every business especially financial sectors. According to this report currently we face critically low foreign reserves and high inflation, Pakistan's economy continues to be negatively impacted by recent flooding as well as the expansive and ineffective policy response. The government has implemented ad hoc administrative procedures to protect limited resources. Nevertheless, these actions have reduced investor and consumer trust in the country's foreign exchange reserves. Import and dollar outflow restrictions, rising borrowing and gasoline prices, and ongoing policy uncertainty have all had a significant negative impact on the private sector, which has resulted in drastically slowed growth. Banking sector is one of them. Leaders have a special responsibility to foster a

positive work environment, inspire staff members, raise job satisfaction, and improve employee attitudes. They all affect how productive a workplace is; therefore, leadership is the capacity to persuade people to accomplish organizational objectives and realize organizational vision through a variety of tactics, including influencing workers (Aldoseri & Almaamari, 2020).

In nutshell, banks operate in a complicated environment where leadership has a direct impact on worker productivity, client happiness, and overall organizational resilience. A proactive approach to people management and leadership development is necessary to meet these difficulties.

The results of the present study provide guidelines for top managers for the betterment of the organization. By using results of the present study manager will achieve organizational goals, it will also helpful for energizing the workforce. This study provide guidelines for ethical and moral activities of employees and by using these strategies they find solution that how to enhance employee performance.

This study also incorporated the third most crucial and important dimension of leadership named as moral leadership which enriches the prosperity among employees at the workplace. The conduct of personal and interpersonal actions that reinforce decision-making by promoting two-way communication is expressed as ethical perspective of leadership (Kieserling, 2019). Ethical style of leading has become essential to lead the workplace towards achievement of goals and objectives. The ethical values of the institution and ethical leading approach cultivate positive employee behavior. Ethical and moral leadership has gained attention due to its unique attributes to tap the positive behavior of employees. It has been well discussed in the literature that the leadership approach influences the attitude and behavior of employees with various ethical implications (Ashfaq et al., 2021).

This paper determine the front-line employee performance of the private banks that can be fostered through the mediating role of employee engagement and predicted by paternalistic leadership style.

Literature Review

Authoritarian leadership and Employee Engagement

The authoritarian leadership style involves a higher level of control on subordinates and tends to impose authority by ensuring hierarchy and demanding absolute obedience of employees or subordinates (Chiang et al., 2021). Strategic apex and higher management adopt a specific leadership style to centralize the power and accentuate distance power between different levels of hierarchy. The literature has shown that authoritarian leaders exert pressure on subordinates to achieve objectives and follow the rules. It has been also argued that leadership style can't ensure a supportive work environment or facilitate higher performance (Karakitapoğlu-Aygün et al., 2021). The status of employee creativity that brings change and innovation to the workplace. The lack of organizational citizenship behavior and lack of enthusiasm for engaging in creative activities causes negative emotions among employees. The extreme authoritarian leadership drive employees for reciprocating good conduct and reduce the degree of citizenship behavior and negatively impacts positive behaviors. It employees don't feel secure or face unfavourable situations due to the authoritarian approach reduces the engagement of employees, negatively affects emotional reward and faces a lack of social and emotional attachment (Ahmad Bodla et al., 2019).

Another research paper explained the concept of followership behavior among SMEs of China which is argued to be influenced by authoritarian leadership and goal interdependence moderated

relationship with followship behavior. The study also incorporated the moderating role of leader behavioral integrity between cooperative goal interdependence and followship behavior (Wang et al., 2022). The results revealed that followship behavior is predicted by authoritarian approach in the presence of higher integrity (Wang et al., 2022).

The mediating effect of leadership trust is reported that is influenced by authoritarian leadership and safety behavior. The study was conducted on the employees of petroleum enterprises. The authoritarian approach negatively impact safety behavior and importantly leadership trust mediates relationship. Locus of control found to be a significant moderator for the relation of authoritarian leadership and leadership trust (Wang et al., 2022). Further, leader capability moderates authoritarian leadership and employee task performance. The study established that leader capability tends to reduce the detrimental impact of authoritarian approach (Huang et al., 2022).

Benevolent Leadership and Employee Engagement

Benevolent leadership referred as benevolent paternalism is rooted in genuine care of leader for welfare and development of their subordinates. The benevolence leadership approach build strong interpersonal relationship, increase the level of trust, create supportive work environment and depict workplace harmony. Benevolent leadership relates to kindness, fairness, willingness and empathy to imbue supportive environment for employees. The benevolence impact on employee job satisfaction, it has been reported that employees under benevolent leadership perform higher level of job satisfaction (Yu et al., 2013). The research scholars have focused on other factors including self-efficacy, knowledge, climate, leadership and insecurity (Zhang et al., 2021).

There is a natural response of employees towards external factors as emotional state of employees is influenced by external and internal factors that impact the safety behavior. Benevolent leadership is expressed as predictor of safety behavior through subordinates' moqi. The relationship between subordinates' moqi and safety behavior is moderated by safety climate. This study claims that benevolent leadership impact the safety behavior through the mediating effect of subordinates' moqi. The study also argued that safety climate tends to moderate subordinates' moqi and safety behavior. The results of the study depicted benevolent leadership positively impact safety behavior of employees, and subordinates' moqi also significantly mediates benevolent leadership and safety behavior. The significant moderating effect of safety climate is reported between subordinates' moqi and employees' behavior safety (Wang et al., 2023).

Benevolent leadership is explained with employee performance and citizenship behavior through harmonious passion. The construct of trust climate is incorporated as a moderating variable between harmonious passion and job performance and organizational citizenship behavior. The study argued that benevolent leadership predicts harmonious passion and collectively increase performance and citizenship behavior. Further, the trust climate is introduced as the moderating effect between harmonious passion, job performance and organizational citizenship behavior. The results indicated that trust climate significantly moderates the relationship by trust climate. The positive impact of benevolent leadership is evident that it significantly impact job performance, and organizational citizenship behavior through harmonious passion (Shen et al., 2023).

Another research study has been conducted by focusing employee gratitude influenced by leadership approach and moderates by trust and work care to explain employee gratitude. This

paper also explained the outcomes such loyal behavior, participation behaviors and service delivery behavior influenced by employee gratitude (Huang, 2022). Previous research studies also explained the relationship between benevolent leadership and Leader-Member exchange to predict organizational OCB. Further, benevolent leadership is expressed as an influential factor as an affective commitment that on an individual basis OCB. The moderating effect of attachment and anxiety is determined for the relation between leadership and affective commitment (Nguyen et al., 2023).

Moral Leadership and Employee Engagement

Leadership has various aspects to lead the firm and influence the required behavioral outcomes of employees. Ethical conduct of leadership through interpersonal relationships and promoting, reinforcing and making decisions through two-way communication. The research scholars focused on the phenomenon of employee engagement that increases behavioral values and depicts the commitment of employees. Significant efforts have been made to assess employee engagement and establish to align appropriate leadership approach to foster employee engagement (Breevaart et al., 2014). It has been argued that the ethical style of leaders impacts performance; however, there is lot of work has to be done on assessing the role of moral leadership that influences the outcomes related to higher performance. The understanding of appropriate leadership is required to address the existing gap to predict performance and behavioral-related outcomes including employee engagement that further influences employee performance (Mo & Shi, 2017).

Previously, research has been conducted to examine the relationship between self-efficacy and organizational commitment that is sequentially mediated. The data collection was made on employees of private and public sector to assess the relationship significance. The results depicted that ethical leadership has significantly related to employee engagement. The results provided an understanding of employee behavior in the presence of moral leadership (Ashfaq et al., 2021). Research effort has been made to assess the relationship between ethical leadership and work engagement through the mediating role of trust in leaders and the moderating effect of harmonious work passion. The researcher argued that ethical leadership tends to influence work engagement, and trust is an essential element in establishing the relationship between ethical perspective and work engagement. The moderating effect of harmonious work passion is introduced as the moderating variable that strengthens the relationship between ethical leadership and work engagement. The result depicted the significant relationship between ethical leadership and work engagement, the trust in leadership among employees increases the strength of the relation between the ethical perspective of leaders and higher engagement. The harmonious work passion significantly moderates the relationship between ethical leadership and work engagement (Islam et al., 2024).

Another study explained the dimensions of paternalistic leadership including benevolent, moral, autocratic and strict leadership. The study explained five items for benevolent leadership, five items for moral leadership, six items for autocratic leadership and six items for strict leadership. Further, the dimensions of paternalistic leadership individually was examined for the significance of the relationship with employee engagement and psychological capital, whereas employee engagement is determined as a mediating effect between independent and dependent variables. The study reported that benevolence, moral, autocratic, and strict leadership approaches significantly correlated with psychological capital and engagement. Autocracy depicted a negative relationship and employee engagement significantly mediated the

relationship between paternalistic leadership and psychological capital (Chen et al., 2023). The study explained the relationship between ethical leadership and psychological capital that predicts work engagement and job satisfaction. The moderating role of moral identity is explained in the model and psychological capital is explained as the mediating effect between independent and dependent variables. The study reported a statistically significant moderation role of moral identity between ethical leadership and psychological capital (Shu-Ling & Zikani, 2023).

Underpinning theory and Research Gaps

In the present study our aim to test the model with the help of Social exchange theory as an underpinning theory. Theoretically, social exchange has been widely used to link employee outcomes with leadership behaviors (Herman, Dasborough, & Ashkanasy, 2008; Kacmar, Bachrach, Harris, & Zivnuska, 2011), and it is especially relevant to the Chinese setting, where relationships are highly valued and reciprocity values are firmly encouraged (Y.-R. Chen, Chen, & Portnoy, 2009).

As per the theory of social exchange, the employer and employee, who make up the two parties in the organization, are interdependent on one another and engage in a series of transactions. These interactions result in the growth of Particular objectives (Saks, 2006). Such duties are hypothetical and indefinite (Konovsky & Pugh, 1994). Two transaction are involved in SET the actor and the target, consist on the rule of reciprocity (Gouldner, 1960). When an actor does anything good or terrible with a target, the target responds in the same way. This reciprocity consist on two types positive and negative (Cropanzano & Mitchell, 2005). For example the three leadership style discussed in the present study authoritarian benevolent and moral, the good or bad act of these leaders with employees comes in the response of employee performance.

Research Framework and Hypothesized Statements

Figure 1 demonstrates the research framework as discussed in the literature review. Employee performance is the dependent variable, employee engagement is the mediating variable and paternalistic leadership has three dimensions including authoritarian, benevolent and moral leadership that increase employee engagement and further influence employee performance. The hypothesized statements are given and shown in Figure 1.

H1: Authoritarian leadership approach increases employee engagement among front-line baking employees

H2: Benevolent leadership predicts the engagement level of employees for front-line baking employees

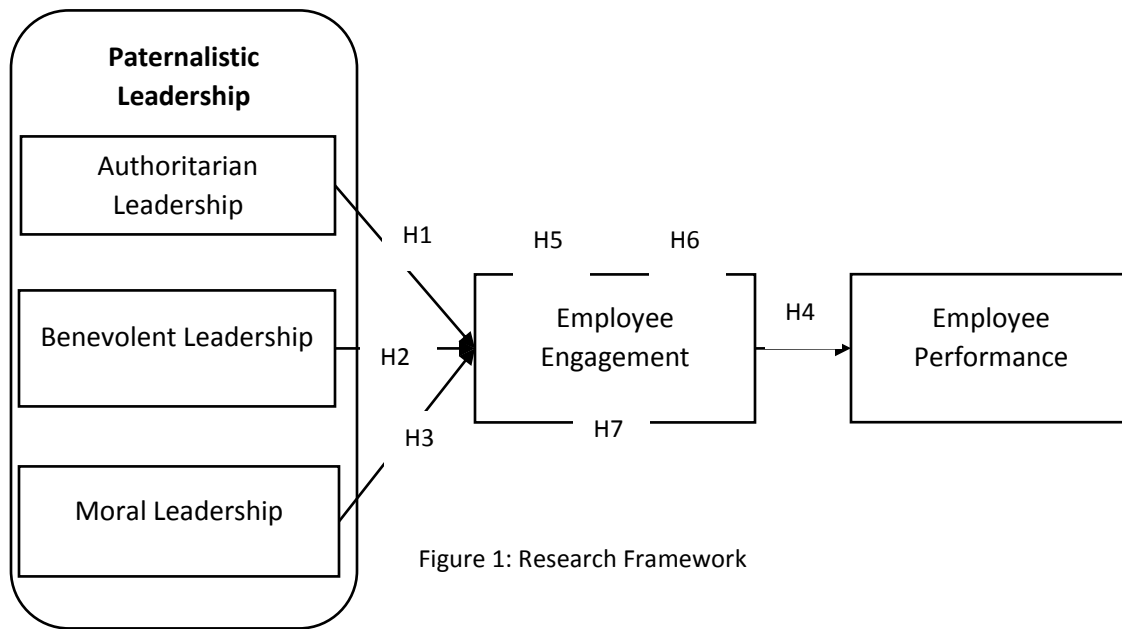
H3: Moral leadership approach increases engagement for employees for front-line baking employees of Punjab

H4: Employee Engagement influences employee performance among front-line baking employees

H5: Employee engagement has mediation effect between authoritarian leadership and employee performance of front-line employees

H6: Employee engagement has mediation effect between Benevolent leadership and employee performance of front-line employees of banks

H7: Employee engagement and mediating effect between Moral leadership and employee performance of front-line employees of banks



Research Methodology

The study is quantitative in nature as data was collected through a questionnaire on cross-sectional grounds to determine the relationship between variables and hypothesized statements are assessed on collected data. According to state bank of Pakistan figure banking industry in Pakistan consist of 33 banks. Public sector commercial banks are five, specialized banks are four, local private banks are fifteen, Islamic banks are five and foreign banks are four. The study was conducted on front-line employees of private banks in different cities of South Punjab including Bahawalnagar, Bahawalpur, Multan, Rahim Yar Khan, Chistian, Sahiwal and Sadiq-Abad. The different banks were targeted for data collection from front-line employees, including Al-Falaha Bank, Habib Bank, Bank Al Habib, MCB Bank, Allied Bank and United Bank Limited. According to the annual reports of these banks, there are approximately 1600 employees in different banks associated with front-line employment. The sample size was 310 derived from (Krejcie & Morgan, 1970) table.

Measurement Instrument

The measurement scale of each item was adopted from previous studies to assess significance. The five-item measurement scale of authoritarian leadership was taken from research paper of (Hanaysha, 2023). Five items are stated for benevolent leadership that is used in (Wang et al., 2023). The five-item measurement scale of moral leadership is taken from (Godbless, 2021). Employee engagement contains nine items (Islam et al., 2024). Employee performance consists of four items (Li et al., 2019).

Data Analysis

This section of the current research paper entails the analysis sections including model assessment for reliability and convergent validity, second phase relates to relationship significance. The measurement model assessment assists in determining the reliability and validity of all constructs based on the collected data. The structural equation model assists in

determining the relationship significance between variables as depicted in hypothesized relationships.

Measurement Model Assessment

This section entails testing of reliable and valid variable source for measurement, the PLS-algorithm is executed for reliability and validity assessment. The reliability is examined based on the Cronbach alpha and composite reliability. The convergent validity is assessed on the base of the average variance extracted (AVE). The discriminant validity is also determined in this section to ensure the distinction of items of each variable.

The Tabel 1 demonstrates the values of alpha and CR to determine reliability, and AVE for assessment of convergent validity. Minimum acceptable value for alpha and CR is 0.70 and higher values considered as good and excellent reliability. The convergent validity is determined on the base of AVE value which should be higher than 0.50 for acceptable convergent validity as per suggested criteria of (Hair Jr et al., 2014).

Table 1

Constructs	Cronbach alpha	CR	AVE
EP	0.749	0.825	0.568
ALs	0.871	0.891	0.666
BLs	0.829	0.842	0.596
MLs	0.841	0.841	0.612
EE	0.930	0.934	0.642

Note: EP (Employee performance), ALs (Authoritarian Leadership), BLs (Benevolent Leadership), MLs (Moral Leadership), EE (Employee engagement)

The values in above table satisfies the criteria of reliability and validity, the values for Cronbach for each variable observed to be higher than 0.70 cutoff point and CR is also reported higher than cutoff point that satisfies the reliability. The value for AVE is also reported higher than cutoff point and satisfies the criteria for convergent validity.

Discriminant Validity

At this stage of analysis discrimination among variables is examined by observing square root of AVE that should remain higher. According to the criteria of (Fornell & Larcker, 1981) the intersectional value of self-correlation value should be higher than other correlational values of same column for satisfied discriminant validity. The table 2 presents the result of discriminant validity.

Table 2

Constructs	ALs	BLs	EE	EP	MLs
ALs	0.816				
BLs	0.713	0.772			
EE	0.490	0.576	0.801		
EP	0.301	0.477	0.494	0.754	
MLs	0.605	0.734	0.559	0.483	0.783

Note: EP (Employee performance), ALs (Authoritarian Leadership), BLs (Benevolent Leadership), MLs (Moral Leadership), EE (Employee engagement)

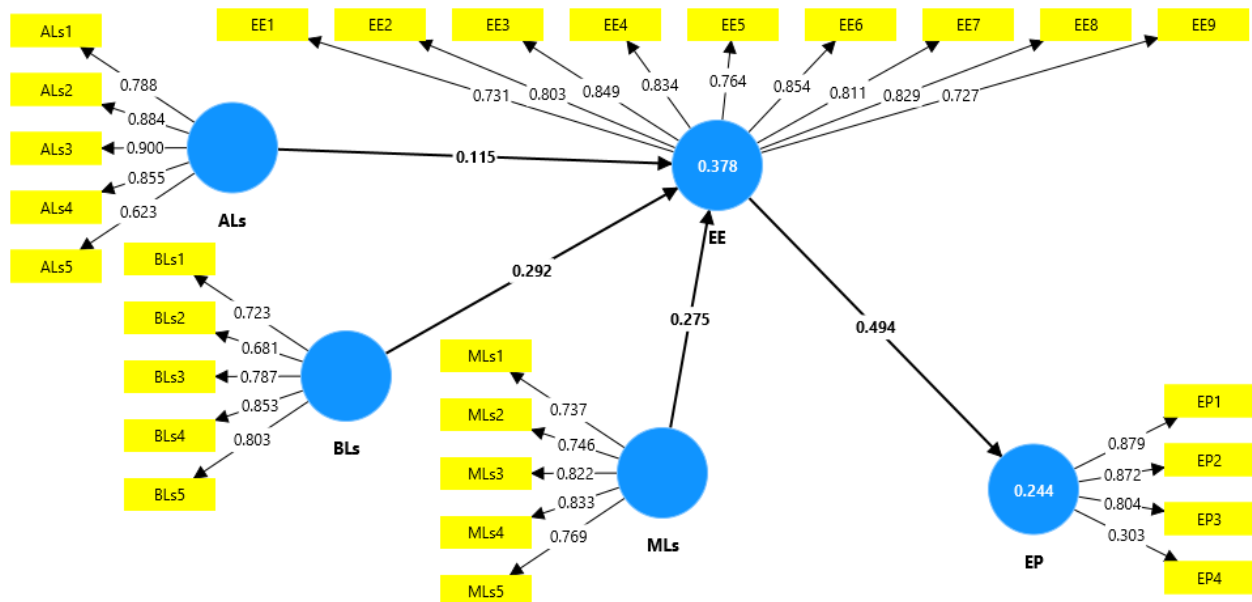


Figure 2. Measurement model assessment

Note: EP (Employee performance), ALs (Authoritarian Leadership), BLs (Benevolent Leadership), MLs (Moral Leadership), EE (Employee engagement)

Structural Equation Model (SEM)

This analysis stage incorporates the assessment of relationship significance. The bootstrapping method is utilised for SEM. The results are given in Table 3 below for direct and indirect relationships. The significance of the relationship is assessed based on β -value, t-value and p-value. The t-value should be higher than 1.96 with a confidence interval of 95% and the p-value should be lower than 0.05 for an acceptable significance level (Hair Jr et al., 2014).

The first hypothesis H1 investigated the association among authoritarian approach and employees' engagement, relationship is insignificant as results shown in Table 3 as t-value and p-value do not meet the required criteria. Hence, the hypothesis H1 is rejected.

The second hypothesis H2 assessed relation among benevolence approach of leading and the engagement of employees, the relation is significant as shown in result table. Hence, hypothesis H2 is accepted.

The third hypothesis H3 investigates influences of moral leadership approach on the engagement of employees, the significance of the relationship is evident by t-value and p-value. Therefore, the hypothesis H3 is statistically significant and accepted.

The fourth hypothesis H4 assessed the relationship between employee engagement and employee performance. The result in table 3 presents statistical significance as per values of t-stat and p-value. Hence, the hypothesis H4 is accepted.

Table 3

S#	Hypotheses	β	t-value	p-value
H1	ALs→EE	0.115	1.364	0.173
H2	BLs→EE	0.292	3.526	0.000
H3	MLs→EE	0.275	3.539	0.000
H4	EE→EP	0.494	8.454	0.000
Mediating Effect				
H5	ALs→EE→EP	0.057	1.335	0.182

H6	BLs→EE→EP	0.144	3.068	0.002
H7	MLs→EE→EP	0.136	2.982	0.003

Note: EP (Employee performance), ALs (Authoritarian Leadership), BLs (Benevolent Leadership), MLs (Moral Leadership), EE (Employee engagement)

The mediating hypotheses are investigated for relationship significance. There are three mediating hypotheses that examine the mediating effect of employee engagement between independent and dependent variables.

Hypothesis H5 examined the mediating effect of employee engagement between authoritarian leadership and employee performance. The direct relationship between authoritarian leadership and employee performance was also insignificant. So, therefore, the mediating effect of employee engagement is also reported as insignificant based on the t-value and p-value as both values do not satisfy the criteria for significance. Hence, hypothesis H5 is rejected.

Hypothesis H6 examined the mediating effect of employee engagement between benevolent leadership and employee performance. The results in Table 3 depict that benevolent leadership influence employee performance through the mediating effect of employee engagement. That means employee engagement tends to establish the relationship between benevolent leadership and employee performance. Hence, H6 is accepted on statistical grounds.

Lastly, hypothesis H7 examined the mediating effect of employee engagement between moral leadership and employee performance. The direct effect of moral leadership on employee engagement is significant. The result in Table 3 depicts that the mediating effect of employee engagement is evident between moral leadership and employee performance. Hence, the hypothesis H7 is accepted.

Figure 3 below demonstrates the SEM extracted from Smart-PLS

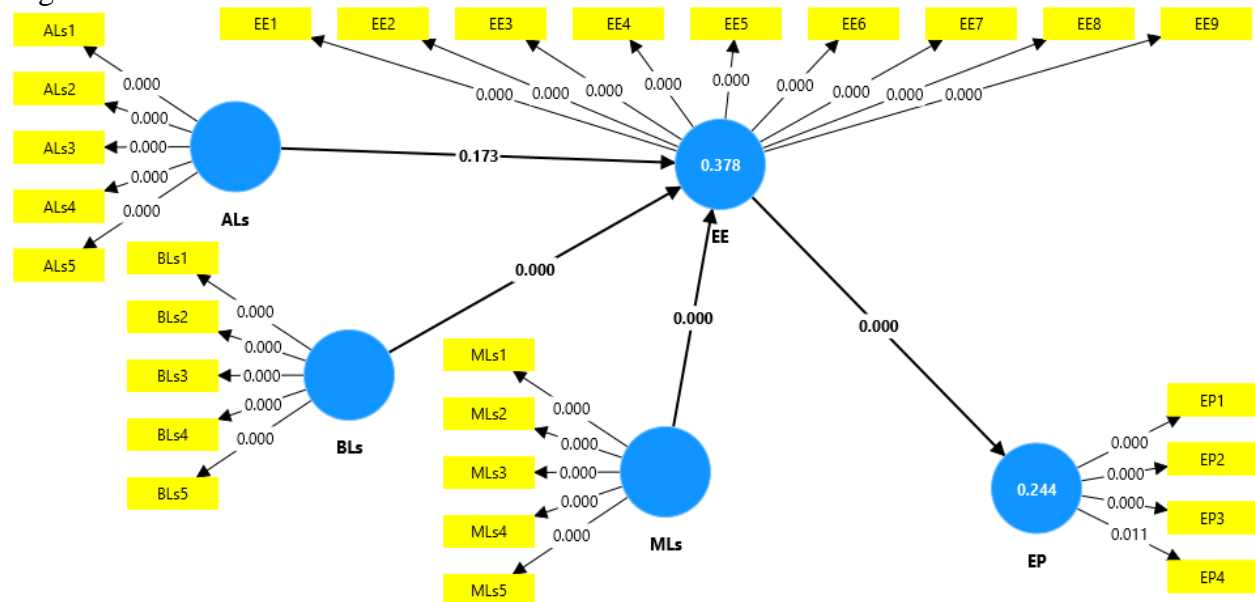


Figure 3: Structural equation model

Note: EP (Employee performance), ALs (Authoritarian Leadership), BLs (Benevolent Leadership), MLs (Moral Leadership), EE (Employee engagement)

The findings of the study show that authoritarian leadership was found to be insignificant, which means a negative approach reduces performance and drains employee engagement. Benevolent leadership is considered as soft leadership approach that increases employee engagement and

enable to fosters employee performance. Similarly, moral leadership is significantly influential in predicting employee engagement and further contributes to harvesting higher employee performance.

Implications and Future Research Avenue

This research has various implications that private banks should consider for frontline employees. The banks should devise strategies for harvesting employees' positive behavioral outcomes by placing appropriate leadership approaches to unit employees and achieving targets. Authoritarian leadership is not welcomed in the banking sector which reduces performance and causes negative emotions among employees. Benevolent leadership is welcomed due to its positive outcome and contributes in increasing employee engagement which further leads to higher employee performance. Moral leadership is an essential element at the workplace, morality enables individuals to ensure a harmonious workplace environment that assists in increasing employee engagement which further leads to ensuring employee performance. The study is limited only in assessing the leadership approaches under paternalistic leadership for fostering employee engagement and ensuring employee performance. In future, researchers should consider other diverse leadership styles and higher managerial levels in assessing employee performance and appropriate leadership approaches. The researchers should also consider explaining the role of employee engagement and performance influenced by diverse leadership approaches.

Conclusion

This research effort incorporated a paternalistic leadership approach with three dimensions including authoritarian, benevolent, and moral leadership to predict employee performance through employee engagement. The argument of the study is based on the notion that the leadership approach impacts employee's related outcomes including engagement and performance. This study contributes to the body of knowledge by explaining the role of diverse leadership approaches in predicting employee performance through the mediating effect of employee engagement. The sample was taken from frontline banking employees from different banks to establish the generalized findings. The results of the study has shown that authoritarian leadership reduces employee engagement which further harms employee performance. Benevolent leadership was found to be significant in harvesting employee engagement which further increases employee performance. Moral leadership tends to affect performance-related outcomes, the findings of the study reported that moral leadership contributes to harvesting employee engagement which further increases employee performance. Authoritarian leadership was found to be insignificant in increasing employee engagement and employee performance, benevolent leadership is reported as a statistically significant predictor of increasing employee engagement and performance. Moral leadership contributes in achieving employee engagement which further leads to enhance performance of employees. In future, the studies should be conducted on diverse samples and group studies while taking the point of view of middle and higher management for devising better strategies at frontline banking employees to enhance performance through engaging employees.

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