PRIMARY RESEARCH

Interactive Effects of Paternalistic Leadership and Islamic Work Ethics on Employees’ Psychological Safety: Evidence from Pakistan

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Abstract. The current study is a contribution in a research area of paternalistic leadership. It examines the relationship between paternalistic leadership and employees’ psychological safety with the moderating role of Islamic work ethics. A sample of 359 employees was selected to collect the data from the banking sector of Pakistan by using convenient sampling technique. Time lag design was used to get the data to reduce the common method bias. The results of the study confirmed the positive main effects of paternalistic leadership style and Islamic work ethics on employee psychological safety. However, no support was found for the interactive effects of Islamic work ethics in relationship between paternalistic leadership and psychological safety. Study limitations have also been discussed along with future research directions. In addition, this study includes some useful theoretical as well as practical implications.

KAUJIE Classification: H54, P2, T6
JEL Classification: D23, Z12

INTRODUCTION

Leadership is a fundamental feature for smooth functioning and success of any organization (Manzoor et al., 2019). Therefore, it is an important topic for research in many disciplines like management, history, communication and psychology (Rast, Hogg, & Randsley de Moura, 2018). Previously, researchers have defined leadership in many ways, e.g. Ndalambe, Caldwell and Anderson (2018) defined leadership as to having an influence on the subordinates by performing the ethical and moral duties by using the cognitive abilities and to put the plans into actions. According to Ekstrand et al. (2018), leadership is the ability to influence the subordinates in order to achieve the goals and help to facilitate the organizational environment and circumstances to achieve those goals.

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Among many leadership styles, interest in paternalistic leadership style has grown in last two decades which has aroused attention of many researchers towards this style (Chen, Zhou, & Klyver, 2019; Wang, Tang, Naumann, & Wang, 2019). It is considered as the most significant style in developing and Asian countries to influence the behaviors of employees (Chen et al., 2019; Otken & Cenkci, 2012; Rawat & Lyndon, 2016). Paternalistic leadership style is an emerging topic of research (Kalwani & Mahesh, 2020) and an important leadership style to develop conducive working conditions (Khuwaja, Ahmed, Abid, & Adeel, 2020).

In work settings, it is expected from the leaders to act as role models by showing ethical behaviors and any lack in this regard can be harmful for the organization (De Hoogh & Den Hartog, 2008). Paternalistic leadership can play an important role because of its focus on authority, discipline and ethics, that too with a fatherly benevolence (Silin, 1976). Accordingly, paternalistic leadership focuses on three basic elements namely benevolence, authority and moral leadership or direction. Authority shows the leader’s behavior towards his/her subordinates in the form of control and obedience from them. Benevolence is the concern of the leader for the wellbeing of employees. Finally, moral leadership talks about the leader’s self-discipline, personal virtues and unselfish behaviors (Cheng, Chou, Wu, Huang, & Farh, 2004). Previously, this leadership style has been studied with various job outcomes including loyalty, employees’ commitment and team-based productivity (Otken & Cenkci, 2012), employee’s performance and trust (Chen, Eberly, Chiang, Farh, & Cheng, 2011), leader member relationship (Rehman & Afsar, 2012), collectivism and power distance (Aycan, Schyns, Sun, Felfe, & Saher, 2013; Gelfand, Erez, & Aycan, 2007) and affective motivation, trust and group harmony (Saher et al., 2013).

Although, various researchers have studied the relationship between paternalistic leadership and job related outcomes, yet there is a need of research to be done on paternalistic leadership in relationship to different job outcomes (Hafeez & Hayat, 2017; Hiller et al., 2018; Nie & Lamsa, 2018). It has been argued that research on psychological safety has been neglected and therefore the relationship between paternalistic leadership and psychological safety needs to be explored for better understanding of its benefits for employees as well for organizations (Alzghoul, Elreihail, Emeagwali, & AlShboul, 2018; Zhang, Fang, Wei, & Chen, 2010).

According to social exchange theory, people in exchange relationships provide favors to the other party in exchange to some benefits provided by that party (Blau, 1964). As social exchange theory focuses on the process of reciprocity (Rasool & Rajpoot, 2017) and is widely used to discuss employees’ attitudes (Chou & Hsu, 2016) and workplace behavior (Croppanzano & Mitchell, 2005), thus we believe that when leaders focus on paternalistic leadership style, the employees in exchange feel sense of worth and feel psychologically safe. Research shows that leaders who express their concerns for employees by focusing on self-discipline and selflessness and treat employees fairly, employees try to reciprocate the favors of their leaders in the form of psychological safety (Dedahanov, Lee, Rhee, & Yoon, 2016). In this case, the employee and employer are engaged in the relationship of trust, loyalty and care (Liu, Loi, & Ngo, 2018). Thus, the social exchange theory has been used to discuss the psychological safety and its impact on different outcomes (Newman, Donohue, & Eva,
employees having a supportive leadership would reciprocate the supportive behavior by creating a psychologically safe environment for the rest of the employees (Schaubroeck, Lam, & Peng, 2011).

Focusing on the ethical aspect of work, Islamic work ethics may play an important role because these ethics are crucial for proper functioning of a job; so need to be taken into consideration for answering many questions (Javed, Bashir, Rawwas, & Arjoon, 2017). In contemporary literature, work ethics have roots in Weber’s (1958) theory of Protestant work ethics, but Islamic Work Ethics (IWE) are based on the Qur’anic teachings and Sunnah. Hence, the IWE concept is not limited to any specific field, and provides ethical guidelines for all individuals, societies and professions (Fozia, Rehman, & Farooq, 2016; Javed, Fatima, Yasin, Jahanzeb, & Rawwas, 2019; Marri, Sadozai, Zaman, & Ramay, 2012). Islam emphasizes on good practices and positive gestures towards the society, and hence in Muslim cultures the good managers are likely to demonstrate support and cooperative work behavior (Javaid, Abdullah, Zeb, & Hussain, 2018; Mohammad, Quoquab, & Omar, 2016) as well as show dedication towards the work and support towards their employees (Ali, 1992).

Jamil (2015) suggests that Qur’ān gives a complete code of conduct for the leaders; so they should show trust, accountability and responsibility that results in effective leadership. As per Qur’ān (21:73), Allah has made the leaders to guide others in accordance to the Allah’s command, as the leaders have been inspired to follow good deeds, establish prayers, give zakāh and to worship Allah. Also, Qur’ān (3:159) states that because of Allah’s mercy He made Prophet (PBUH) to be lenient with others, and in case he as a leader would act hard and rough, the people would scatter and move far from him, so the leader should involve the people in important decision making matters. Thus, in the current study, IWE has been taken as moderator due to the key interest of researchers to study the relationship between employee’s attitudes and behavior (Usman, Shahzad, & Khan, 2015).

Overall, there is a little research on the relationship between paternalistic leadership and psychological safety. In addition, to the best of researcher’s knowledge, no research has been found on Islamic work ethics and its impact on psychological safety. Based on the identified research gap, the aim of the current research is to accomplish the following objectives:

- To investigate the relationship between paternalistic leadership style and employee’s psychological safety.
- To investigate the relationship between IWE and the employee’s psychological safety.
- To investigate the moderating effect of IWE in relationship between paternalistic leadership and employee’s psychological safety.

**LITERATURE REVIEW**

**Paternalistic Leadership Style and Psychological Safety**

Paternalistic leadership style is the common leadership style followed in Asian countries (Chen et al., 2018) and is vibrant feature in organizational behavior (Rehman & Afsar, 2012).
The model of paternalistic leadership was developed by Farh and Cheng (2000), where paternalistic leadership is defined as a combination of moral integrity, authority and discipline, and fatherly benevolence.

The eastern definition of paternalistic leadership is different where paternalistic leaders provide support, care, morality, protection to the subordinates, father’s benevolence, self-respect, (Fikret Pasa, Kabasakal, & Bodur, 2001; Pellegrini & Scandura, 2008), show concern towards the employees’ personal life, and encourage employees’ personal and familial wellbeing (Gelfand et al., 2007). In paternalistic cultures, the leaders consider it as their compulsion to be considerate towards their subordinates, and in exchange, expect loyalty from the subordinates (Aycan, 2006; Pellegrini & Scandura, 2008).

Paternalistic leadership has been studied so far with different variables like organizational commitment, trust, motivation and group harmony (Saher et al., 2013; Uhl-Bien, Tierney, Graen, and Wakabayashi, 1990), employee commitment, loyalty (Hayek, Novicevic, Humphreys, 2010), and knowledge sharing (Lee, Jang, & Lee 2018; Chen et al., 2018). Although, previously this leadership style has been explored many times, but still some questions remain unanswered in relationship between paternalistic leadership and different job outcomes (Hafeez & Hayat, 2017; Hiller et al., 2018).

In this regard, psychological safety is an important outcome because it is the perception of employees about the organization where they feel free and comfortable in an environment to express their feelings and to raise their voice (Carmeli, Sheaffer, Binyamin, Reiter-Palmon, & Shimoni, 2014). Psychological safety is an individual’s perception of being able to feel psychologically safe and does not have a fear of negative consequences to self-image or status (Chrobot-Manson & Aramovich, 2004; Ling, Duan, & Zhu 2010).

Leadership plays a vital role in developing the psychological safe environment for the employees. Different researches have highlighted the relationship between different leadership styles with psychological safety. For example, if a leader shows support, acts as a coach to the employees, welcomes the questions from the employees and follows the non-defensive approach to give the response to the employees, then the employees would feel to have a safe environment to work (Edmondson, 1999). Similarly, Leadership is considered as one of the key features affecting employee psychological safety (Walumbwa & Schaubroeck, 2009) because employees having quality relationships feel psychologically safer and valuable (Carmeli, Brueller, Dulton, 2009).

Furthermore, Bienefeld and Grote (2014b) discussed that leaders can influence psychological safety of the employees by ensuring the relationship of trust among the leader and the employees, where the employees can take initiative without the fear of any punishment. When leader creates a conducive environment which provides support to the employees, it helps in developing psychological safety among employees (Carmeli et al., 2014). Detert and Burris (2007) also concluded that the leader who is more into inspirational motivation and is more considerate towards the individual employees, enhances the psychological safety of the employees. Researchers have also explored that benevolent leaders have a significant impact on psychological safety (Edmondson, 1999; Erkutlu & Chafra, 2016; Lu, Li, Leung, Savani, & Morris, 2018; May, Gilson, & Harter, 2004). Research has also highlighted that good
quality leadership is one that is consistent and important predictor of psychological safety (Barling, Akers, & Beiko, 2018; Nemhard & Edmondson; 2006; Roussin & Webber, 2012). Therefore, based on the above discussion, we hypothesize;

**Hypothesis 1:** Paternalistic leadership is positively related to psychological safety.

**Islamic Work Ethics and Psychological Safety**

Religion plays an important role in developing the attitudes, values, habit and lifestyles of the individuals that ultimately shapes the individuals’ behavior (Delener, 1994). ‘Ethics’ have been derived from ethikos (A Greek work), that means a habit, custom or a moral character and is also linked with moral theory and philosophical morals, a branch of philosophy that illuminate the perception of what is good or bad in individuals’ behavior (Athar, Shahzad, Ahmad, & Ijaz, 2016).

Islamic work ethics have not yet received due attention in the field of research, as protestant work ethics have been the key area of research in the western culture (Khadijah, Kamaluddin, & Salin, 2015). Work ethics is an important topic for research because the same have a direct effect on the business practices (Mursaleen, Saqib, Roberts, & Asif, 2015). The first research on the IWE, which attracted the attention of the researchers was conducted by Ali (1988).

IWE have deep roots in teachings of Qur’ān and Sunnah. As such, this concept is not limited to the certain field; IWE are for all individuals, societies and professions (Javed et al., 2019). Ethics, in Islam are defined as moral norms, while Islamic work ethics are the principles of doing right or wrong while on job (Husin & Kernain, 2019). Islam puts great emphasis to practice good and positive gestures and the managers who follow IWE demonstrate cooperative work behavior (Hussain, Shahzad, Khan, & Ahmad, 2018). IWE enforce the employees to show dedication towards the work and support towards the employees as well as the organization (Ali, 1992). Similarly, Mohammad et al. (2016) supported the viewpoint that Islam encourages the relationship building that enforces the element of support and cooperation towards the co-workers and organization.

Islam is a religion that gives a comprehensive and complete guidance to the individuals towards the way of living. Islam also suggests work ethics by emphasizing that one should follow the right conduct and prohibit doing any evil, and one must have a strong believe in Allah (3:110). Thus the belief of accountability to Allah requires that one-employees or the employees, should be fair and honest to others at another point Allah says that there must be a group from you that should invite all others towards good, and ask them to do what is right and stay away from the wrong (3:104).

Previously, IWE have been discussed with various job outcomes including organizational citizenship behavior, knowledge sharing (Abbasi & Rana, 2012; Alhyasat, 2012; Murtaza et al., 2016), job satisfaction, organizational commitment (Athar et al., 2016; Marri et al., 2012; Mohamed, Karim, & Hussein, 2010; Hayati & Caniago, 2012), and employee satisfaction (Imam, Abbasi, & Muneer, 2013).

The organizational conditions play an important role in developing psychological safety in the organization as the employees are more comfortable in expressing their feelings (Carmeli et al., 2014). The leaders should encourage employees by giving them job autonomy and
by promoting innovations based on Islamic values for developing psychologically safe environment for employees (Javaid et al., 2018). The main principals of IWE as identified by Khadijah et al. (2015) are cooperation, equity, spirituality, consultation and unity, which, develop the culture where employees feel comfortable to work and can create the culture of trust and honesty. May et al. (2004) identified the significant relationship between trust and psychological safety while Madjar and Ortiz-Walters (2009) indicated that the organization must provide the environment to the employees where they would feel trust and security to show good performance.

Islamic teachings also put emphasis on the practices of truth and honesty. As Allah says in Qur’an, "Believers! Have fear of Allah and stand with those that are truthful" (9:119). Similarly, Prophet Muhammad (PBUH) directed that a man should speak truth as truthfulness is the path to Paradise whereas speaking a lie leads to wickedness that ultimately leads to hell (Muslim, 6308). It has also been highlighted in Qur’an that Allah commands to do justice and to show good behavior towards others, and also stops you to follow the evil and indecent act and Allah has warned you so that you may be careful (16:90).

As psychological safety highlights the importance of co-workers support, Qur’an also emphasizes on co-workers relationships. As Allah says that the believers should not make fun of others, a women should not ridicule another women, one should not insult or call others with nicknames as all these acts are considered as shameful acts and are forbidden (49:11).

On the above discussion, it has been generalized that Islamic work ethics may help to develop the culture that enhances the environment of trust, safety and friendly relationships with leaders and co-worker. Hence, we can hypothesize;

Hypothesis 2: Islamic work ethics are positively related to employees’ psychological safety.

Moderating Role of Islamic Work Ethics

In any society, ethics play a vital role in developing the good characters of the individuals, and the leaders are required to develop and establish the moral standards among the employees (Qing, Asif, Hussain, & Jameel, 2019). Qur’an says to be lenient with others and do involve them in in important matters, "if you will be rude to other they will be scattered and will move away from you", Qur’an tells the Prophet. (3:159).

A leader plays the vital role to create the ethical culture in the organization (Otken, Cenkci, 2012; Schminke, Ambrose, & Neubaum, 2005). Trust among leaders and employees has been studied extensively and found to have a significant impact on different job outcomes. It is also considered as vital aspect in different leadership theories (DeConinck, 2011). The leaders must develop the trustworthy relationship with the employees, and have a firm belief (Solomon & Flores, 2003). Trevino and Weaver (2001) indicate that the ethical culture of the organization and the employee trust on the leader are related to each other. High Islamic work ethics enable the employees to be helpful towards other employees (Rice, 1999) and to show dedication towards the work and make employees more supportive to each other (Ali, 1992).

According to Islamic work ethics, work is an obligation which is required to have a balance
in the lives of people on individual and group bases (Ali & Owaihan, 2008). High work ethics help organization to develop the culture where employees are supportive to each other (Mohammad et al., 2016). When the employees are engaged in high Islamic values and work ethics, they feel more motivated and develop better peer collaboration (Murtaza et al., 2016). Employees with high IWE are able to do better work, when they are supervised by someone who shows care like a father, who has authority and can control behavior of subordinates with strong ethical standards. Employees may feel more psychological safety under the supervision of such paternalistic leader when they have high orientation towards Islamic work ethics. Based on the above discussion, we hypothesize;

**Hypothesis 3:** Islamic work ethics moderate the positive relationship between paternalistic leadership and psychological safety, such that relationship will be stronger for employees who are high on IWE.

![Research Model Diagram](image)

**FIGURE 1. RESEARCH MODEL**

**Research Methodology**

**Sample and Data Collection Procedures**
For the current study, we tested our hypotheses by formulating a questionnaire which was filled by employees working in the banking sector of Pakistan. Self-reported data was collected using the convenient sampling technique from the participants through the personal and professional contacts of the first author. In many researches, convenience sampling technique has been used because sometimes it is impossible for the researcher to capture the full population, and mostly the population is not finite (Etikan, Musa, & Alkassim, 2016). This technique is also used when the researcher has easy accessibility to the respondents or where the respondents are willing to participate by giving the time to the researcher (Dornyei, 2007).

In the current study, time lag design was used to reduce the common method bias in data collection process (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Data was collected in two time lags. At time 1, employees filled the questionnaires about paternalistic leadership...
and IWE. At time 2, employees filled the data about psychological safety. Out of 400 questionnaires, 359 usable questionnaires were received back making a response rate of 90%. The high level of response rate is common for the studies conducted in Asian context (Abbas, Raja, Darr, & Bouckenooghe, 2014).

**Measures**

*Paternalistic Leadership*
We used a 26-item scale to measure paternalistic leadership on a 5-point scale (1 = highly dissatisfied, 5 = highly satisfied). The scale for this construct was developed by Aycan (2006). The sample items include, "My supervisor is like a family member when he/she gets along with us" and "My supervisor does not take advantage of me for personal gain". The Cronbach’s alpha for paternalistic leadership was 0.92.

*Islamic Work Ethics*
We used a 17-item scale developed by Ali (1992) to measure IWE on a 5-point scale (1 = highly dissatisfied, 5 = highly satisfied). Examples of items include, "One should carry work out to best of his ability", and "A man who works is more likely to get ahead in life". Cronbach’s alpha was 0.83.

*Psychological Safety*
We used a 6-item scale to measure psychological safety which was developed by Edmondson and Woolley (2003). The responses for the scale, were accessed on a 5-point scale from 1 = highly dissatisfied to 5 = highly satisfied. Example of items include, "If I make a mistake in this job, it is often held against me" and "It is difficult to ask others in this department for help". The reliability of psychological safety was 0.77.

**RESULTS**

**Correlations and Descriptive Statistics**
Correlation results in Table 1 reveal that the relationship of paternalistic leadership is significant and positive for psychological safety (r = 0.75, p < 0.01). Correlation results of Islamic work ethics are also significant and positive for psychological safety (r = 0.77, p < 0.01). Both of the results are in expected direction.

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Paternalistic leadership</td>
<td>4.09</td>
<td>0.49</td>
<td>(0.92)</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Islamic work ethics</td>
<td>4.12</td>
<td>0.43</td>
<td>0.66**</td>
<td>(0.83)</td>
</tr>
<tr>
<td>3.</td>
<td>Psychological safety</td>
<td>4.04</td>
<td>0.62</td>
<td>0.75**</td>
<td>0.77**</td>
</tr>
</tbody>
</table>

N = 359; Cronbach’s alpha presented in parenthesis; ** p < 0.01
Regression Analysis

TABLE 2

<table>
<thead>
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<th></th>
<th>Psychological Safety</th>
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<tr>
<td></td>
<td>β</td>
</tr>
<tr>
<td>Step 1</td>
<td></td>
</tr>
<tr>
<td>Paternalistic leadership</td>
<td>0.43***</td>
</tr>
<tr>
<td>Islamic work ethics</td>
<td>0.49***</td>
</tr>
<tr>
<td>Step 2</td>
<td></td>
</tr>
<tr>
<td>PL x IWE</td>
<td>-0.54</td>
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</tbody>
</table>

N = 359, PL = Paternalistic leadership, IWE = Islamic work ethics *** p < 0.001

Regression results for the main effects of paternalistic leadership, IWE, and psychological safety are shown in table 2. All the independent variables were entered in first step to check the main effects. Results revealed the significant effect of paternalistic leadership on psychological safety (β = 0.43, p < 0.001) providing a support for the hypothesis 1. In same way, results of table 2 show that IWE have significant and positive effect on psychological safety (β = 0.49, p < 0.001). These results provide support for hypothesis 2 of the study.

We used moderated regression analysis (Cohen, Cohen, West, & Aiken, 2003) to test Hypothesis 3. In the first step, we entered independent and moderating variables to perform moderated regression analysis. In second step, we entered the interaction term (paternalistic leadership x IWE) which confirmed moderation if significant. Results showed that the interaction term of paternalistic leadership and IWE was not significant for psychological safety (β = -0.54, n.s.). These results fail to provide support for hypothesis 3 of the study.

Discussion

The current study brings some interesting findings for outcome (i.e. psychological safety) of paternalistic leadership and IWE. The results of the hypothesis 1 are in line with the previous findings (Walumbwa & Schaubroeck, 2009; Bienefeld & Grote, 2014a) suggesting that role of leadership is one of the key features affecting employees’ psychological safety. When employees have paternalistic leader around them, they feel safer psychologically because benevolent leaders try to create familial culture for the employees to interact in a team and to have more sense of psychological safety (Lu et al., 2018).

Furthermore, findings of the study revealed a positive and significant relationship between IWE and psychological safety. According to Carmeli et al. (2014), organizational conditions play an important role in developing psychological safety climate in the organization because in this case employees are more comfortable in expressing their feelings. In line with the previous discussion, employees having high Islamic work ethics are more able to exert positive energies in their work and complete their tasks at their best by avoiding any type of negligence or malpractices. Therefore, such employees may feel psychologically safer.

In addition to main effects, results for the moderation analysis are not confirmed for the
current study. These findings contradict our assertion that the relationship between paternalistic leadership and psychological safety is stronger for the employees who are high on IWE. There can be multiple reasons for these findings. First, as Pakistan is a Muslim country, people here have a very strong believe in Allah. It does not matter what leadership style, or cultural environment is present; due to the firm belief in Allah, employees feel psychologically safe while working in the organizations irrespective of their IWE level. We can argue that employees try to do their best because they know that their job is obligation on them and they will be asked about it. As Allah says in Qur’ān that "man is in great loss except the ones who have a strong faith in Allah and do righteous deeds, and follow the others in the truth and patience" (103: 2-3). Secondly, according to the world happiness index, Pakistan has been ranked at 67th position as compare to its neighboring countries like India at 140, China at 93, Iran at 117, Iraq at 126, Afghanistan at 154, and Bangladesh at 125 (Helliwell, Layard, & Sachs, 2019). This also shows that despite of several issues like terrorism, unemployment and poverty, individuals still feel happy and satisfied. Same is applicable in the organizations meaning that what so ever the conditions are in the organizations regarding management style, culture, or religious orientation, employees feel happy and satisfied, which may lead to better psychological safety.

Theoretical Implications
There is a theoretical significance of this research. Chen et al. (2018) indicated that paternalistic leadership was still an important and exciting topic of research, and a lot more was to be researched in order to develop the knowledge about the core spirit of this leadership style. Similarly, Wang et al. (2018) point out that paternalistic leadership is capturing increasing research attention. The research also highlights that there is a need to do more research on relationship between paternalistic leadership and other variables to identify its benefits for the employee as well for organizations (Alzghoul et al., 2018).

In addition, most of the studies in context of leadership have been done in the western context (Lau, 2012). Thus, there is a need to establish a rigorous and relevant research stream as well as a sound methodology in paternalistic leadership (Pellegrini & Scandura, 2008). This research tries to develop the relationship of paternalistic leadership in eastern culture with psychological safety and IWE as moderator by studying the population from Pakistan’s banking sector.

Practical Implications
This research has a practical significance for the managers as well. Leadership behavior has a significant impact on employees’ performance, behavior and well-being as discussed by (Inceoglu, Thomas, Chu, Plans, & Gerbasi, 2018). The early behaviorist theories suggested that managers should have more focus towards the employees than to the mechanistic procedures which in turn would lead the employees to be more productive and satisfied. For this purpose, the leaders need to be more paternalistic in nature in order to have more satisfied and productive employees (Pellegrini & Scandura, 2008).

Similarly, IWE is an important element to improve employees’ satisfaction, performance,
productivity, and commitment to the organizations (Britt, Adler & Bartone, 2001; Bedarkar & Pandita, 2014; Mohammad et al., 2016; Sadozai et al., 2013). In this regard, this research highlights the significance of the paternalistic leadership and its impact on the psychological safety of the employees within the organizations. Therefore, it is important to develop the culture that emphasizes IWE to enhance the psychological safety of the employees. Furthermore, leaders should encourage employees by giving them job autonomy and by promoting innovations based on Islamic values which may help to develop the psychologically safe environment for employees (Javaid et al., 2018).

**Limitations and Directions for Future Research**

The current research has some limitations that need to be taken into consideration. First, data was gathered through self-reported questionnaires which can yield bias (Podsakoff et al., 2003). Second, future studies should consider more variables with IWE for research in the area as IWE is an important variable to study regarding organizational performance. Third, this research was done by taking the sample of 359 employees from banking sector of Pakistan. The same variables might be studied in different industrial/services sectors or even in different cultural settings. Fourth, future researchers should focus on other moderators including job autonomy, psychological capital, perceived organization support, and leaders’ personality dimensions.

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