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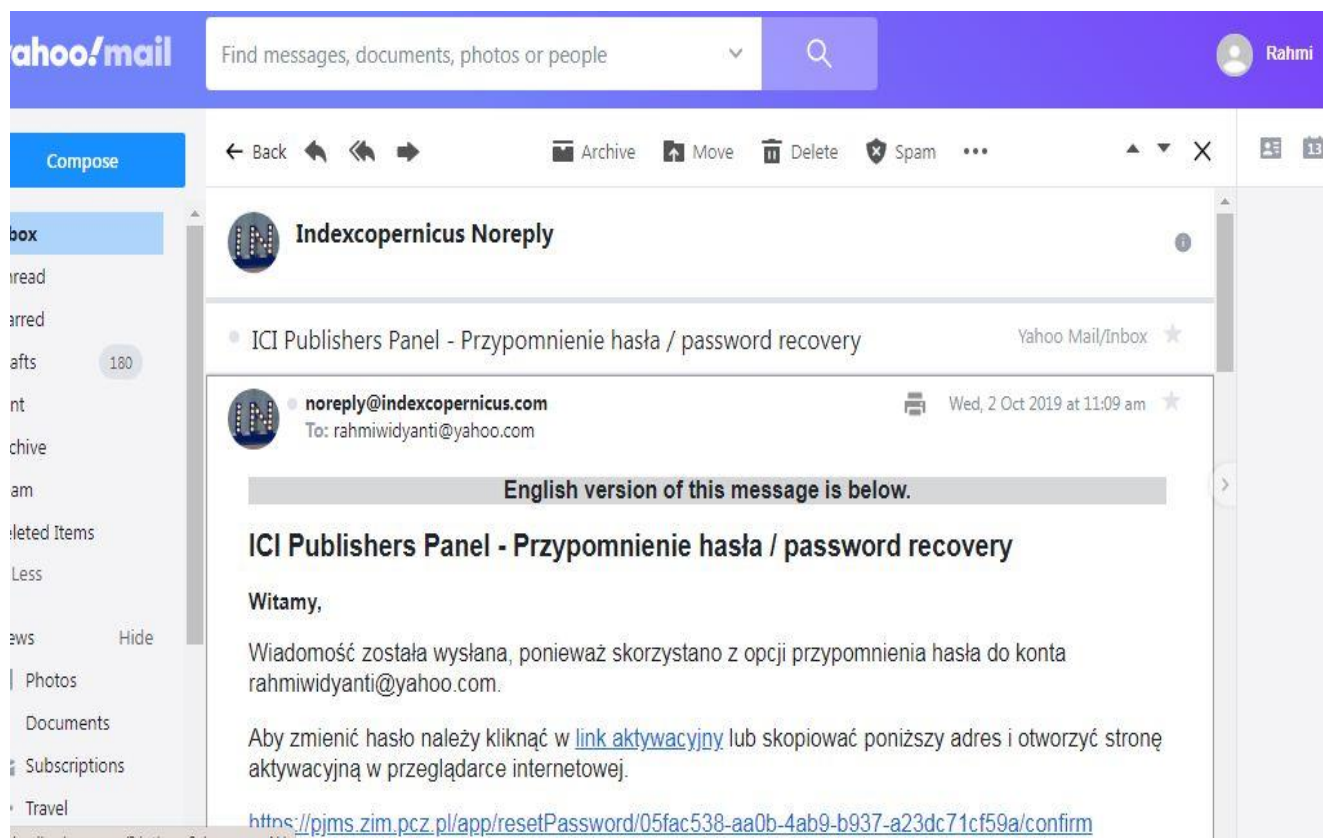
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ROLE OF ORGANIZATIONAL CULTURE**

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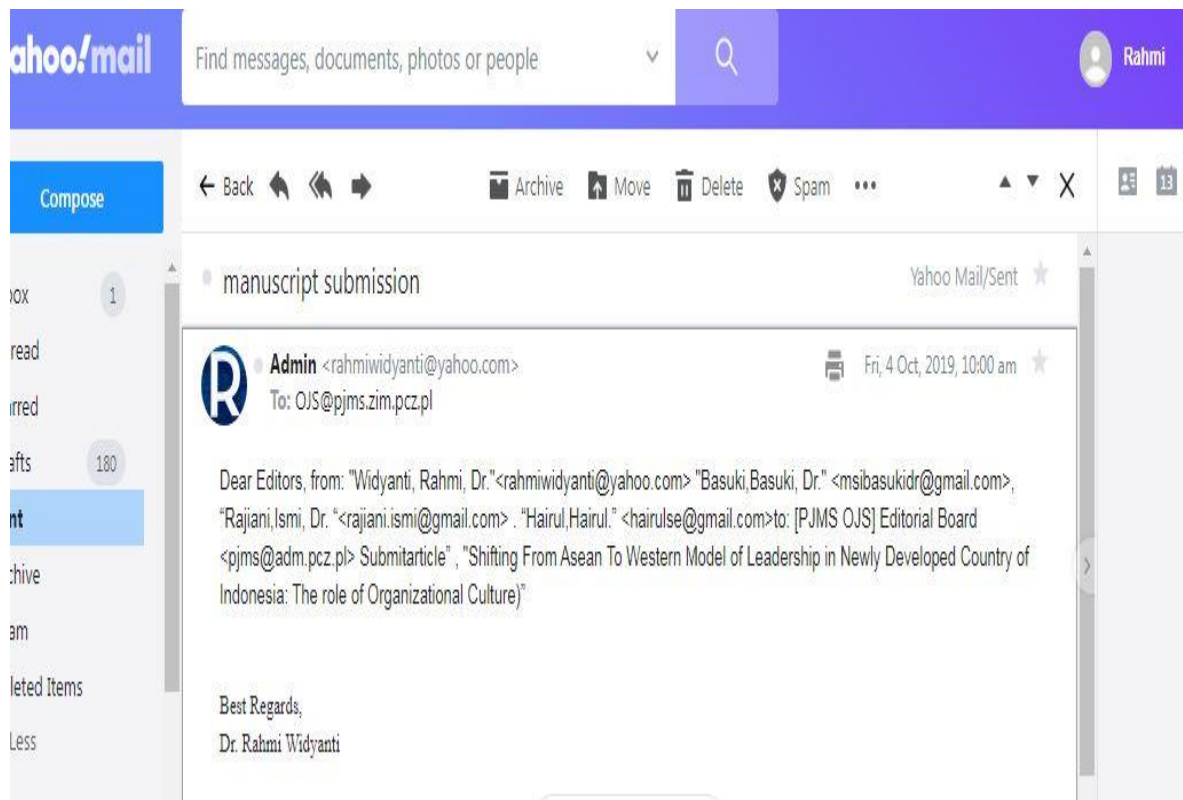
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No.3. Submission



SHIFTING FROM ASIAN TO WESTERN MODEL OF LEADERSHIP IN NEWLY DEVELOPED COUNTRY OF INDONESIA: THE ROLE OF ORGANIZATIONAL CULTURE

Widyanti R., Basuki, Hairul,¹ Rajiani I.²

Abstract: The status of newly developed country for Indonesia requires reformation in public sector management. While Indonesian political players maintain that the country is adhering to democratic principles and transitioning towards modernization, the link between democracy and modernization also stresses the importance of political and cultural renewal as Indonesia is still reflecting a traditional bureaucratic type culture in favour of paternalistic leadership. The Indonesian context, as described above, presents problems for transformational leadership - the concept well developed in the West. The prime objective of the current paper is to investigate the practice of paternalistic and transformational leadership and firm performance of the public sector organization in Indonesia mediated through organizational culture. The data were taken from the leaders and members of the public sector organization from South Kalimantan of Indonesia. The smart PLS was used for analysis. Although empirical insights into transformational leadership attempts most clearly indicate that Indonesian's ability to fit into this framework is problematical, but gradually, the concept is accepted. Thus, Indonesia can adopt western administrative models, critically scrutinize their potential benefits and adverse outcomes, and selectively use only those components of such models that are relevant to its own societal contexts and people's need. The implication of this study is that even as public sector reform becomes more differentiated in the future and a variety of governance reforms emerge, most of these reforms – whether law-driven, service driven, or citizen-driven – will be located within the context of a country's prevailing cultural dimensions.

Keywords: performance, paternalistic, leadership, culture, public organization.

Introduction

Recently, Indonesian public sectors are under pressures for improving the services and quality by innovating in management (Rajiani & Norain, 2019) to anticipate the current trend of effective and efficient organization. Consequently, the management innovation adopted with enthusiasm by the Western advanced industrialized countries is taken for granted as a superior approach that should be practiced (Abbas et al., 2018). The result is a series of dissatisfaction among the Indonesian public sector apparatus preferring to work with the old ways (Akhmad et al., 2020). This because public organizations are structured and run differently making public sector employees may have different views toward new ways of doing the job. Public organizations are designed and operated differently from the private sectors in terms of recruitment, career path, work environment, and political expectations (Asseburg & Homberg, 2020). Despite western public administration has been the leading paradigm due to the colonial and postcolonial imposition in Asia, there has emerged a flowering conviction that public administration in East and Southeast Asia represents typical uniqueness (Haque, 2019). As such, culturally and practically, public employees have different perspective and expectation toward their career.

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Besides, the main objectives of the two organizations are entirely dissimilar with the later is more profit-oriented. Given these differences, western concept of management might not be applicable in Asian setting.

In Indonesian context, the urgency of management reform in the public sector has commenced since the shift of government system from centralization to decentralization. Before reformation, the Indonesian business processes was still fully manual, slow, costly, and vulnerable to leakage (Turner et al., 2019). Several laws were imposed as the normative basis for local governments to innovate in administering governance in region and since then some provinces in Indonesia has become the best practice references in implementing innovation in public service for having institutional innovation through capacity building and the mindset changing from bureaucratic to entrepreneur mindset (Harun et al., 2020).

Leadership is one of the most significant factors contributing to the success of an organization. It has been argued that leadership paradigm has been shifted from power to empowerment (Fransen et al., 2020). Paternalistic and transformational leadership, an example of leadership style that fits in the empowerment leadership paradigm, was chosen to be the focus of this study.

Transformational leaderships concepts developed in the West are still in debate among leadership researchers whether its practice does exist in other contexts or not. Hofstede et al., (2015), emphasize that due to the different cultural and organizational characteristics as well unique situation in each country, no management or leadership theories wholly fit every part of the world in motivating employees to perform. Studies on paternalism emerging from Asia opposed Weber's purely authoritarian view and argued that paternalistic managers provide support, protection, and care to their subordinates (Selvarajah et al.,2020). Lau et al., (2020) defined paternalism as a fatherlike leadership style in which strong authority is combined with concern and considerateness. More recent research from Korea (Kim & Lee,2020), Turkey, India, and Pakistan (Dedahanov et al.,2019) also suggests that paternalism does not connote "authoritarianism" but rather a relationship in which subordinates willingly reciprocate the care and protection of paternal authority by showing conformity (Yeselitas et al., 2020). Recently, Bedi (2020)claimed that paternalism is never completely removed from even the most rational-legal organizations and that the benevolent aspect in paternalism may be underappreciated in the Western literature.

The transition that Indonesia experienced towards post new order era (*orde baru*) also witnessed new cultural norms. For instance, there is a growing emphasis in Indonesia's public sector on devolving service delivery to the private sector by launching program called *Layanan Prima* (Service Excellence) to improve public sector's services, converting public hospitals and universities into corporate type organization, and decentralizing the budget to operational units (Subiyakto et al.,2020). Further, the status of Indonesia as a newly developed country (IDN Financial, 2020) cannot be separated from the contribution of leadership practice in public service whose its official mission was largely portrayed as developmental, especially in terms of its increasing involvement of the public sector in economics development plans and social programs.

The objective of this study is to investigate transformational and paternalistic leadership effectiveness in boosting organizational performance of employees in Indonesian public sector when mediated with organizational culture.

Literature Review

The quest to define effective leadership has long been an important topic of discussion (Leithwood, 2019; Leithwood et al., 2020), but when these discussions drift into different cultural contexts, knowledge and insights appear rather limited (Adams & Velarde, 2020). One such area in leadership research is paternalistic leadership. Paternalistic leadership is a flourishing research area in management literature, but there is still considerable disparity among authors with respect to the definition and effectiveness of paternalistic practices. More recent research typically defines paternalistic leadership as “a style that combines strong discipline and authority with fatherly benevolence” (Wang et al., 2019). *Authoritarianism* refers to leader behaviors that assert authority and control, whereas *benevolence* refers to an individualized concern for subordinates’ personal well-being. This type of leadership is still prevalent and effective in many business cultures, such as in the Middle East, Pacific Asia, Latin America (Hiller et al., 2019), and Malaysia (Jaes et al., 2020) which notably has cultural proximity with Indonesia. However, it has increasingly been perceived negatively in Western management literature, which is reflected in descriptions of paternalism such as “benevolent dictatorship” (Mansur et al., 2017) and “a hidden and insidious form of discrimination” (Erden & Otken, 2019).

In the other hand, past and recent meta-analyses support the theorizing that transformational leaders inspire individual followers to transcend self-interest and focus on collective goals, promote their commitment, effort, and performance (Crede et al., 2019). In contrast to paternalistic leadership, which is characterized by an exchange process where leaders provide rewards in return for employee effort, transformational leaders rise above the exchange relationship by offering a purpose that transcends employee self-interest for the good of the group (Jackson, 2020). Rafferty & Griffin (2004) identified six dimensions of transformational leadership: identifying and articulating a vision, providing an appropriate model, fostering the acceptance of group goals, expecting high performance, providing individualized support, and intellectual stimulation. Yet, empirical evidence is still mixed, including positive (Buil et al., 2019), negative (Chen et al., 2019) and non-significant direct relationships between transformational leadership and performance (Nguyen et al., 2017).

Although paternalistic leadership is perceived as authoritative and manipulative in the Western context, it has positive implications in cultures in which it is rooted in indigenous Asian psychologies (Takeuchi et al., 2020). Furthermore, paternalism is congruent with the values of collectivistic and high-power distance cultures. This is because a paternalistic leader’s involvement in employees’ personal lives is desired and expected in collectivistic cultures, whereas it can be perceived as a violation of privacy in individualistic cultures. In paternalistic relations, the superior, at times, is like a father, a close friend, or a brother who is involved in employees’ personal lives and has the right to expect personal favors from them (Rajiani & Pypłacz, 2018). Also, this type of relationship is based on the assumption of a power inequality between a leader and his or her subordinates, which is accepted in high-power-distance societies.

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Oppression by colonialists such as the Spanish, the Portuguese, the British, the Dutch and the Japanese, the arrival of their merchants, the missionaries, and other nations i.e. the Arabs, the Indian, the Chinese, and the independence struggle, has caused the Indonesian to accept organizations with the authoritarian rule and gentle hints (Antlov, 2003), describing the attitude of the people who work for the superior with the spirit of the patron-clientele relations system. This way, organizational cultures in Indonesia tend to have a centralistic structure with bureaucratic configuration, and a paternalistic leadership style (Irawanto et al., 2011). Cultural constraint has rekindled the interest in the "old" bureaucratic paradigm in motivating the employees which was then an indispensable foundation in the field. It has not been easy to drastically change the past state-centric structure, including the legacies of colonial bureaucracy, postcolonial military rule- and embrace a market-oriented administrative model that have been practiced.

Considering the dynamics of the Indonesian context, boosting performance of government employees is best understood by considering Indonesian organizational culture and leadership style as the management process cannot be disentangled from its cultural context (Widyanti & Basuki, 2020). In view of Selvarajah & Meyer (2017), Indonesia has a mix of culture that does facilitate and does not facilitate transformational leadership. Collectivism, femininity, and low uncertainty avoidance are cultural characteristics that are in line with transformational leadership. High power distance and short-term orientation cultures of Indonesia are not in a favor for transformational leadership. On the other hand, Crede et al., (2019) claimed value of transformational leadership behaviors may be limited in developed economies such as Western Europe and North America, but is most effective in Africa, the Middle East, South America and parts of Southeast Asia. Paternalism is criticized in the Western literature mainly because of this unquestioned power inequality.

Dedahanov et al., (2019) suggested that conflicting practices in high-power-distance cultures have not been easy to reconcile for Western scholars and as a result, their perceptions of paternalism as combining benevolence with control of decision making have not been favorable. To prove which argument is correct, whether paternalistic and transformational leadership should have certain contexts (Selvarajah & Meyer, 2017), or they are universally practiced (Crede et al., 2019), the focus of this paper is on testing which types of leadership is more dominant when mediated with organizational culture to boost performance of public sector employees in specific Indonesian cultural milieu.

Methodology

The prime objective of the article is to investigate the relationship between leadership style and firm performance of the public organization in Indonesia with intervening role of organizational culture. The data were taken from the managers and members of the public sector organization from South Kalimantan of Indonesia and structural equation modelling (SEM) by smart PLS software was employed. The variable of firm performance (FP) is measured with 6 (six) items of Performance Measuring Scale (PMS) established by Podgórski, (2015). The items are labelled employees' satisfaction (FP1), employees' competence (FP2), employee's turnover (FP3), absenteeism (FP4), compliance with regulation (FP5), and productivity (FP6). Transformational leadership styles are measured with six dimensions of transformational leadership: identifying and articulating a vision (TFL1), providing an appropriate model (TFL2), fostering the acceptance of group goals (TFL3), expecting high performance (TFL4), providing individualized support (TFL5), and intellectual stimulation (TFL6) developed by Rafferty & Griffin (2004). Paternalistic leadership was examined with employees' respect for social hierarchy (PSL1), family-like organizational climates (PSL2), frequent interactions with decision makers (PSL3), high value for personal relationships (PSL4), and limited employee decision making (PSL5), adapted from Martinez (2003). Organizational culture was measured with 6 (six) items of Organizational Cultural Scales (OCS): established by Helms Mills & Mills, (2017). The indicators are value of organization (OC1), management support (OC2), assumptions (OC3), tolerance (OC4), work description (OC5), and unique environment (OC6).

The data were taken from employees of public sector organization from the South Kalimantan of Indonesia during the period of February 2019 until January 2020. The 600 questionnaires were distributed by personal visit to the government institution of South Kalimantan Province. 480 valid questionnaires were returned and used for analysis. Factors loading are employed to evaluate discriminant validity where only items with factors loading surpass 0.50 will stay in the model (Hair et al., 2020).

The following hypotheses will be tested:

1. Due to its well-established link with organizational culture, transformational leadership is positively related to firm performance.
2. Based on specific relationship with organizational culture, paternalistic leadership significantly affects firm performance.

Results

The result of calculation to the inner model depicted in Figure 1.

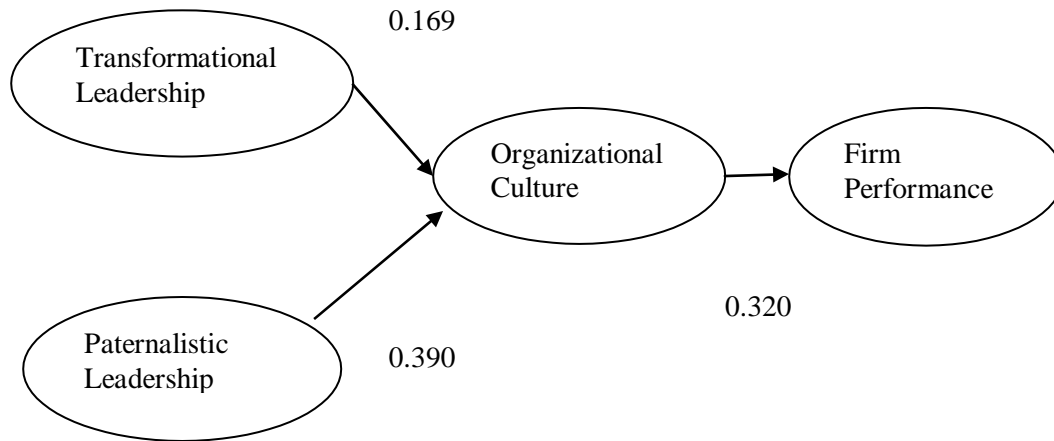


Figure 1. Inner Model

PLS-SEM requires reflective measurement models to assess reliability and validity by examining the average variance extracted (AVE). The value of 0.50 and higher denotes a sufficient degree of validity as this figure indicates that the latent variable justifies more than half of indicators' variance. The summary for reflective outer models of the research is displayed in Table 1.

Table 1. Average Variance Extracted (AVE)

Latent Variables	Indicators	Outer Loadings	Average Variance Extraction
Transformational leadership	Articulating a vision (TFL1)	0.806	0.774
	Providing an appropriate model (TFL2)	0.728	
	Fostering the acceptance of group goals (TFL3)	0.853	
	Expecting high performance (TFL4)	0.795	
	Providing individualized support (TFL5)	0.711	
	Intellectual stimulation (TFL6)	0.751	
Paternalistic leadership	Employees' respect for social hierarchy (PSL1)	0.883	0.802
	Family-like organizational climates (PSL2)	0.718	
	Frequent interactions with decision makers (PSL3)	0.865	
	High value for personal relationships (PSL4)	0.731	
	Limited employee decision making (PSL5)	0.811	
Organizational culture	Value of organization (OC1)	0.745	0.762
	Management support (OC2)	0.735	
	Assumptions (OC3)	0.777	
	Tolerance (OC4)	0.800	
	Work description (OC5)	0.752	
	Unique environment (OC6).	0.767	

Firm Performance	Employees' satisfaction (FP1)	0.806	0.774
	Employees' competence (FP2)	0.728	
	Employee's turnover (FP3)	0.853	
	Absenteeism (FP4)	0.795	
	Compliance with regulation (FP5)	0.711	
	Productivity (FP6)	0.751	

Table 1 shows that all values of Average Variance Extracted (AVE) are larger than 0.5 denoting high levels of convergent reliability among all reflective latent variables. The score for the path coefficient and p-values in the inner model are displayed in Table 2.

Table 2. The path coefficient

No.	Variables	Path Coefficient	R ²	P-Value	Remark
1.	Transformational leadership → Organizational culture	0.169	0.32	0.002	Significant
2.	Paternalistic leadership → Organizational culture	0.390	0.43	0.000	Significant
3.	Organizational culture → Firm Performance	0.320	0.51	0.000	Significant

The significant path from Transformational leadership → Organizational culture → Firm Performance indicates the acceptance of the first hypothesis that well-established link with between transformational leadership and organizational culture positively leads to firm performance. The practice of articulating a vision, providing an appropriate model, fostering the acceptance of group goals, expecting high performance, providing individualized support, and intellectual stimulation when ignited in supported organizational culture result in satisfied employees, competent employees, low employee's turnover, low absenteeism, compliance with regulation, and productive employees. Similarly, the significant path from Paternalistic leadership → Organizational culture → Firm Performance denotes the acceptance of the second hypothesis that the specific relationship between paternalistic leadership and organizational culture leads to firm performance. Thus the leadership style that combines strong discipline and authority with fatherly benevolence also boost employees performance alike transformational leadership which is mostly favored in western literature. Since both types of leadership exist in Indonesian setting, prediction on favorable model is based on the value of total effect, which is the total sum of the direct effect and the total indirect effects (Tofighi & MacKinnon, 2016). The model : Transformational leadership → Organizational culture → Firm Performance, generates the total effect of $0.169 \times 0.320 = 0.054$ indicating that only 0.0005 % of public sector employees' performance is predicted by transformational leadership mediated through organizational culture. In the other hand, the model: dependence on others > normative commitment loyalty generates total effect of $0.390 \times 0.320 = 0.124$ indicating that 12.4 % of public sector employees' performance is predicted by paternalistic leadership mediated through organizational culture. Thus, paternalistic leadership is still dominant script in Indonesian setting.

The goodness of fit of the model is examined with the Stone-Geisser Q-square test for predictive relevance (Chin, 2010) with the formula :

$$Q^2 = 1 - (1 - R_1^2)(1 - R_2^2) \dots (1 - R_n^2)$$

The coefficients of determination (R^2) for transformational leadership, paternalistic leadership, and organizational culture are 0.32, 0.43 and 0.51.

Thus, the Q-square predictive relevance is figured out as follows:

$$\begin{aligned} Q^2 &= 1 - (1 - R_1^2)(1 - R_2^2)(1 - R_3^2) \\ &= 1 - (1 - 0.32)(1 - 0.43)(1 - 0.51) \\ &= 1 - (0.68)(0.57)(0.49) \\ &= 1 - 0.189 = 0.811 \text{ (81.1\%)} \end{aligned}$$

Q-squares greater than 0.5 indicates the model is robust and the predictive relevance requirement has been fulfilled.

Discussion

It is confirmed to a certain extent that transformational leadership is prevalent in the Indonesian public sector setting. This result is contradictory to the wide belief that people from high power distance countries (e.g., Asian countries and Indonesia in particular) would prefer to be told what to do by their superiors. However, the findings are in line with Passakonjaras et al., (2019) study that transformational leadership is highly compatible in community-oriented culture, of which Indonesia is ranked very high on collectivism (Rajiani & Pyplacz, 2019).

Indonesian managers are commonly believed to practice so-called traditional, patrimonial, and hierarchically oriented management due to cultural effect. The practice of transformational leadership because recently managers have embraced more Western values either through education or other international experience that they tend to adopt the knowledge management (Arsawan et al., 2018) and different management style. Suyanto et al., (2020) also found a similar support that Indonesian managers are becoming more Westernized (those who were educated and trained overseas), and their taste and lifestyle are more like Westerners. The adoption in Indonesia of Western management techniques and the resulting need for education has supported the growth of a middle-class managerial group.

However paternalistic leadership is more effective in the Indonesian business context because it meets the "twin requirements" (compliance and harmony) of successful leadership. Selvarajah et al., (2020) suggested that the coexistence of benevolence and authority in paternalistic leadership stems from values in traditional societies pertaining to the father figure, who is nurturant, caring, and dependable but also authoritative, demanding, and a strict disciplinarian. The interaction between paternal authority and benevolence may also reflect what Lendvai-Bainton & Szelewa (2020) referred to as "velvet glove in iron fist" when criticizing paternalism. The traditional father-child relationship on which the term is based was one in which the father authoritatively dictated all the behaviors and significant life decisions of his children within a moral framework that credited the father with an unquestionable understanding of the needs and best interests of his children. Fathers were presumed to have genuine benevolent intentions toward their children, even as they exercised absolute authority over them.

The leader in organizations in Indonesia has a role as a father - "wise and honest", and according to Irawanto et al., (2011), also as a commander - "firm and brave", a mother - "receiving aspirations for decision making process, a "friend" - closely related, tolerant, willing to have dialogue and discussions, a "knight" - ashamed to carry out corruption, collusion and nepotism, an "educator" -

always learning, patient, has objectives, a "priest" - having moral, values and norms, and a "pioneer" - creative, intelligent, a good strategist, besides he or she is benevolent, beneficial, obedient and persistent. All of those characteristics are the combination of style, traits and behaviour, emphasizing rationalities without leaving subjectivities, having the power and being equipped with authority, the hierarchy, the status - ascribed, achieved and assigned status -, and the rights (Passakonjaras et al., 2019). Therefore, being a leader in Indonesia is hard. The leaders are reluctant because it is difficult to make decisions and solve problems justly and properly. The important issues are that the knowledge and skill of the leaders is based most on intuition and not the system, which means that the management is rarely realized and understood as a continuous activity. The relationship among the employees is close, but the relationship between the leader or manager and the employees is blocked by the values of hierarchy, position and status. The organizations in Indonesia are the bureaucratic and autocratic types with the patron-clientele and superior-subordinate leadership styles, and tend to be a centralized structure. Indonesian employees are good people in their jobs but they depend on the leader who must guide, be a father, give attention and advice, give fair rewards, protect and serve them.

Some scholars have argued that transformational leadership should have certain contexts (e.g., Takeuchi et al., 2020; Selvarajah & Meyer, 2017), while others claimed that transformational leadership is universally practiced (e.g., Jackson, 2020; Crede et al., 2019). The findings of this study show that transformational leadership is universally practiced but cultural values influence the practice of leadership and within Indonesian setting it is adjusted into paternalistic leadership in a new jersey. The new practice may refer to what Lendvai-Bainton & Szelewa (2020) coined as "velvet glove in iron fist" when they studied organizations in Poland and Hungary. One important implication for managers of this study is that Indonesian public sector organizations may increasingly support flatter structures and greater individuality and initiative among employees. Western management approaches may therefore become gradually more accepted and supported.

Conclusion

The process of adopting the market-based model, imported primarily through Western-trained Indonesian economists, has entailed the widespread application of Western management techniques in Indonesia and public sector has started to implement this model to some extent. As Indonesia has become a newly developed country, public sector managers have become increasingly focused on adopting Western management techniques to improve organizational efficiencies and to respond to regional and global competitive pressures and practices.

However, due to paternalistic culture, imported Western theories and strategies regarding public management must be cautiously implemented in contexts where economic and political environments are characterized by vast information asymmetries, weak democratic traditions and limited administrative capacities. As such, the successful implementation of Western theories requires compliance between the reform strategies that are adopted and the country's cultural characteristics.

Studying management and leadership styles in a country with many ethnics like Indonesia has to be done carefully since the results cannot be generalized across subcultures. This research is conducted in South Kalimantan Indonesia where even though people generally come from traditional society, they can move out by the spirit of outward-looking and able to survive independently. In this culture, the status of the people depended upon the skill and capability, not

on the heredity. Further research should be enlarged to wider territory of Indonesia to secure generalization.

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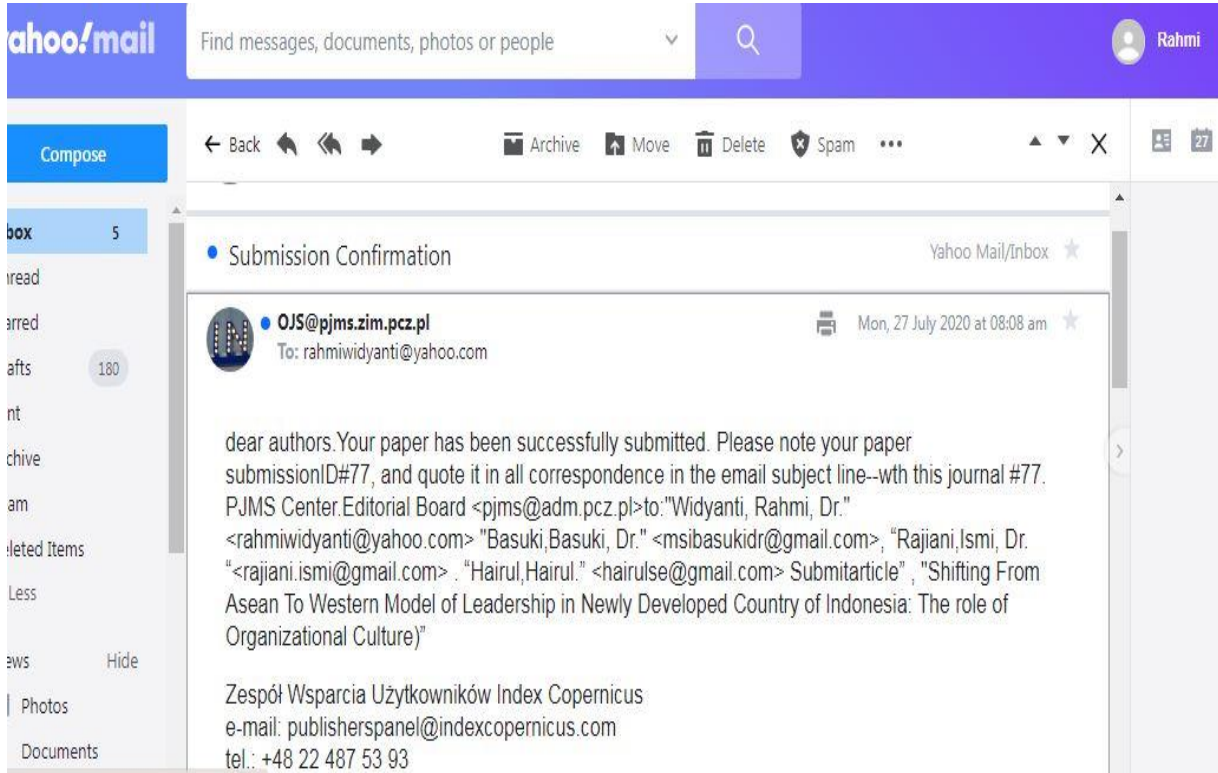
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No. 4. Submission Confirmation



The screenshot shows a Yahoo Mail interface. The top bar includes the 'yahoo!mail' logo, a search bar with the text 'Find messages, documents, photos or people', and a user profile icon for 'Rahmi'. Below the top bar is a navigation bar with buttons for 'Compose', 'Back', 'Archive', 'Move', 'Delete', and 'Spam'. The main content area displays an email titled 'Submission Confirmation' from 'OJS@pjms.zim.pcz.pl' to 'rahmiwidyanti@yahoo.com', dated 'Mon, 27 July 2020 at 08:08 am'. The email body contains the following text:

dear authors. Your paper has been successfully submitted. Please note your paper submissionID#77, and quote it in all correspondence in the email subject line--wth this journal #77. PJMS Center Editorial Board <pjms@adm.pcz.pl>to: "Widyanti, Rahmi, Dr." <rahmiwidyanti@yahoo.com> "Basuki,Basuki, Dr." <msibasukidr@gmail.com>, "Rajiani, Ismi, Dr." <rajiani.ismi@gmail.com> . "Hairul,Hairul." <hairulse@gmail.com> Submitarticle", "Shifting From Asean To Western Model of Leadership in Newly Developed Country of Indonesia: The role of Organizational Culture)"

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No. 5 Under Review

The screenshot shows a Yahoo Mail interface. At the top, there is a search bar with the text "Find messages, documents, photos or people" and a user profile for "Rahmi". Below the search bar is a navigation bar with buttons for "Compose", "Back", "Archive", "Move", "Delete", and "Spam". The main content area displays an email titled "Under Review Process" from "OJS@pjms.zim.pcz.pl" to "rahmiwidyanti@yahoo.com", dated "Mon, 19 July 2020 at 09:02 am". The email body contains the following text:

from:[PJMS OJS] Editorial Board <pjms@adm.pcz.pl>to:"Widyanti, Rahmi, Dr." <rahmiwidyanti@yahoo.com> "Basuki,Basuki, Dr." <msibasukidr@gmail.com>, "Rajiani,Ismi, Dr." <rajiani.ismi@gmail.com> . "Hairul,Hairul." <hairulse@gmail.com> Mon, July 19, 2020, 9:02 AMsubject: [PJMS] Article Review Processmailed-by:pjms.pcz.plsigned- by:pjms.pcz.plsecurity: Standard encryption (TLS) Learn more :Important according to Google magic. Submitarticle", "Shifting From Asean To Western Model of Leadership in Newly Developed Country of Indonesia: The role of Organizational Culture)" Zespół Wsparcia Uzytkownikow Index Copernicus e-mail: publisherspanel@indexcopernicus.com tel.: +48 22 487 53 93

A large, diagonal watermark reading "UNDER REVIEW" is overlaid across the bottom half of the page.

SHIFTING FROM ASIAN TO WESTERN MODEL OF LEADERSHIP IN NEWLY DEVELOPED COUNTRY OF INDONESIA: THE ROLE OF ORGANIZATIONAL CULTURE

Abstract: The status of newly developed country for Indonesia requires reformation in public sector management. While Indonesian political players maintain that the country is adhering to democratic principles and transitioning towards modernization, the link between democracy and modernization also stresses the importance of political and cultural renewal as Indonesia is still reflecting a traditional bureaucratic type culture in favour of paternalistic leadership. The Indonesian context, as described above, presents problems for transformational leadership - the concept well developed in the West. The prime objective of the current paper is to investigate the practice of paternalistic and transformational leadership and firm performance of the public sector organization in Indonesia mediated through organizational culture. The data were taken from the leaders and members of the public sector organization from South Kalimantan of Indonesia. The smart PLS was used for analysis. Although empirical insights into transformational leadership attempts most clearly indicate that Indonesian's ability to fit into this framework is problematical, but gradually, the concept is accepted. Thus, Indonesia can adopt western administrative models, critically scrutinize their potential benefits and adverse outcomes, and selectively use only those components of such models that are relevant to its own societal contexts and people's need. The implication of this study is that even as public sector reform becomes more differentiated in the future and a variety of governance reforms emerge, most of these reforms – whether law-driven, service driven, or citizen-driven – will be located within the context of a country's prevailing cultural dimensions.

Keywords: performance, paternalistic, leadership, culture, public organization.

Introduction

Recently, Indonesian public sectors are under pressures for improving the services and quality by innovating in management (Rajiani & Norain, 2019) to anticipate the current trend of effective and efficient organization. Consequently, the management innovation adopted with enthusiasm by the Western advanced industrialized countries is taken for granted as a superior approach that should be practiced (Abbas et al., 2018). The result is a series of dissatisfaction among the Indonesian public sector apparatus preferring to work with the old ways (Akhmad et al., 2020). This because public organizations are structured and run differently making public sector employees may have different views toward new ways of doing the job. Public organizations are designed and operated differently from the private sectors in terms of recruitment, career path, work environment, and political expectations (Asseburg & Homberg, 2020). Despite western public administration has been the leading paradigm due to the colonial and postcolonial imposition in Asia, there has emerged a flowering conviction that public administration in East and Southeast Asia represents typical uniqueness (Haque, 2019). As such, culturally and practically, public employees have different perspective and expectation toward their career.

Besides, the main objectives of the two organizations are entirely dissimilar with the later is more profit-oriented. Given these differences, western concept of management might not be applicable in Asian setting.

In Indonesian context, the urgency of management reform in the public sector has commenced since the shift of government system from centralization to decentralization. Before reformation, the Indonesian business processes was still fully manual, slow, costly, and vulnerable to leakage (Turner et al., 2019). Several laws were imposed as the normative basis for local governments to innovate in administering governance in region and since then some provinces in Indonesia has become the best practice references in implementing innovation in public service for having institutional innovation through capacity building and the mindset changing from bureaucratic to entrepreneur mindset (Harun et al., 2020).

Leadership is one of the most significant factors contributing to the success of an organization. It has been argued that leadership paradigm has been shifted from power to empowerment (Fransen et al., 2020). Paternalistic and transformational leadership, an example of leadership style that fits in the empowerment leadership paradigm, was chosen to be the focus of this study.

Transformational leaderships concepts developed in the West are still in debate among leadership researchers whether its practice does exist in other contexts or not. Hofstede et al., (2015), emphasize that due to the different cultural and organizational characteristics as well unique situation in each country, no management or leadership theories wholly fit every part of the world in motivating employees to perform. Studies on paternalism emerging from Asia opposed Weber's purely authoritarian view and argued that paternalistic managers provide support, protection, and care to their subordinates (Selvarajah et al.,2020). Lau et al., (2020) defined paternalism as a fatherlike leadership style in which strong authority is combined with concern and considerateness. More recent research from Korea (Kim & Lee,2020), Turkey, India, and Pakistan (Dedahanov et al.,2019) also suggests that paternalism does not connote "authoritarianism" but rather a relationship in which subordinates willingly reciprocate the care and protection of paternal authority by showing conformity (Yeselitas et al., 2020). Recently, Bedi (2020)claimed that paternalism is never completely removed from even the most rational- legal organizations and that the benevolent aspect in paternalism may be underappreciated in the Western literature.

The transition that Indonesia experienced towards post new order era (*orde baru*) also witnessed new cultural norms. For instance, there is a growing emphasis in Indonesia's public sector on devolving service delivery to the private sector by launching program called *Layanan Prima* (Service Excellence) to improve public sector's services, converting public hospitals and universities into corporate type organization, and decentralizing the budget to operational units (Subiyakto et al.,2020). Further, the status of Indonesia as a newly developed country (IDN Financial, 2020) cannot be separated from the contribution of leadership practice in public service whose its official mission was largely portrayed as developmental, especially in terms of its increasing involvement of the public sector in economics development plans and socialprograms.

The objective of this study is to investigate transformational and paternalistic leadership effectiveness in boosting organizational performance of employees in Indonesian public sector when mediated with organizational culture.

Literature Review

The quest to define effective leadership has long been an important topic of discussion (Leithwood, 2019; Leithwood et al., 2020), but when these discussions drift into different cultural

contexts, knowledge and insights appear rather limited (Adams & Velarde, 2020). One such area in leadership research is paternalistic leadership. Paternalistic leadership is a flourishing research area in management literature, but there is still considerable disparity among authors with respect to the definition and effectiveness of paternalistic practices. More recent research typically defines paternalistic leadership as “a style that combines strong discipline and authority with fatherly benevolence” (Wang et al., 2019). *Authoritarianism* refers to leader behaviors that assert authority and control, whereas *benevolence* refers to an individualized concern for subordinates’ personal well-being. This type of leadership is still prevalent and effective in many business cultures, such as in the Middle East, Pacific Asia, Latin America (Hiller et al., 2019), and Malaysia (Jaes et al., 2020) which notably has cultural proximity with Indonesia. However, it has increasingly been perceived negatively in Western management literature, which is reflected in descriptions of paternalism such as “benevolent dictatorship” (Mansur et al., 2017) and “a hidden and insidious form of discrimination” (Erden & Otken, 2019).

In the other hand, past and recent meta-analyses support the theorizing that transformational leaders inspire individual followers to transcend self-interest and focus on collective goals, promote their commitment, effort, and performance (Crede et al., 2019). In contrast to paternalistic leadership, which is characterized by an exchange process where leaders provide rewards in return for employee effort, transformational leaders rise above the exchange relationship by offering a purpose that transcends employee self-interest for the good of the group (Jackson, 2020). Rafferty & Griffin (2004) identified six dimensions of transformational leadership: identifying and articulating a vision, providing an appropriate model, fostering the acceptance of group goals, expecting high performance, providing individualized support, and intellectual stimulation. Yet, empirical evidence is still mixed, including positive (Buil et al., 2019), negative (Chen et al., 2019) and non-significant direct relationships between transformational leadership and performance (Nguyen et al., 2017).

Although paternalistic leadership is perceived as authoritative and manipulative in the Western context, it has positive implications in cultures in which it is rooted in indigenous Asian psychologies (Takeuchi et al., 2020). Furthermore, paternalism is congruent with the values of collectivistic and high-power distance cultures. This is because a paternalistic leader’s involvement in employees’ personal lives is desired and expected in collectivistic cultures, whereas it can be perceived as a violation of privacy in individualistic cultures. In paternalistic relations, the superior, at times, is like a father, a close friend, or a brother who is involved in employees’ personal lives and has the right to expect personal favors from them (Rajiani & Pyłacz, 2018). Also, this type of relationship is based on the assumption of a power inequality between a leader and his or her subordinates, which is accepted in high-power-distance societies.

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Oppression by colonialists such as the Spanish, the Portuguese, the British, the Dutch and the Japanese, the arrival of their merchants, the missionaries, and other nations i.e. the Arabs, the Indian,

the Chinese, and the independence struggle, has caused the Indonesian to accept organizations with the authoritarian rule and gentle hints (Antlov, 2003), describing the attitude of the people who work for the superior with the spirit of the patron-clientele relations system. This way, organizational cultures in Indonesia tend to have a centralistic structure with bureaucratic configuration, and a paternalistic leadership style (Irawanto et al., 2011). Cultural constraint has rekindled the interest in the “old” bureaucratic paradigm in motivating the employees which was then an indispensable foundation in the field. It has not been easy to drastically change the past state-centric structure, including the legacies of colonial bureaucracy, postcolonial military rule- and embrace a market-oriented administrative model that have been practiced.

Considering the dynamics of the Indonesian context, boosting performance of government employees is best understood by considering Indonesian organizational culture and leadership style as the management process cannot be disentangled from its cultural context (Widyanti & Basuki, 2020). In view of Selvarajah & Meyer (2017), Indonesia has a mix of culture that does facilitate and does not facilitate transformational leadership. Collectivism, femininity, and low uncertainty avoidance are cultural characteristics that are in line with transformational leadership. High power distance and short-term orientation cultures of Indonesia are not in a favor for transformational leadership. On the other hand, Crede et al., (2019) claimed value of transformational leadership behaviors may be limited in developed economies such as Western Europe and North America, but is most effective in Africa, the Middle East, South America and parts of Southeast Asia. Paternalism is criticized in the Western literature mainly because of this unquestioned power inequality. Dedahanov et al., (2019) suggested that conflicting practices in high-power-distance cultures have not been easy to reconcile for Western scholars and as a result, their perceptions of paternalism as combining benevolence with control of decision making have not been favorable. To prove which argument is correct, whether paternalistic and transformational leadership should have certain contexts (Selvarajah & Meyer, 2017), or they are universally practiced (Crede et al., 2019), the focus of this paper is on testing which types of leadership is more dominant when mediated with organizational culture to boost performance of public sector employees in specific Indonesian cultural milieu.

Methodology

The prime objective of the article is to investigate the relationship between leadership style and firm performance of the public organization in Indonesia with intervening role of organizational culture. The data were taken from the managers and members of the public sector organization from South Kalimantan of Indonesia and structural equation modelling (SEM) by smart PLS software was employed. The variable of firm performance (FP) is measured with 6 (six) items of Performance Measuring Scale (PMS) established by Podgórski, (2015). The items are labelled employees' satisfaction (FP1), employees' competence (FP2), employee's turnover (FP3), absenteeism (FP4), compliance with regulation (FP5), and productivity (FP6). Transformational leadership styles are measured with six dimensions of transformational leadership: identifying and articulating a vision (TFL1), providing an appropriate model (TFL2), fostering the acceptance of group goals (TFL3), expecting high performance (TFL4), providing individualized support (TFL5), and intellectual stimulation (TFL6) developed by Rafferty & Griffin (2004). Paternalistic leadership was examined with employees' respect for social hierarchy (PSL1), family-like organizational climates (PSL2), frequent interactions with decisionmakers (PSL3), high value for personal relationships (PSL4), and limited employee decision making (PSL5), adapted from Martinez (2003). Organizational culture was measured with 6 (six) items of Organizational Cultural Scales (OCS): established by Helms Mills & Mills, (2017). The indicators are value of organization (OC1), management support (OC2), assumptions (OC3), tolerance (OC4), work description (OC5), and unique environment (OC6). The data were taken from employees of public sector organization from the South Kalimantan of

Indonesia during the period of February 2019 until January 2020. The 600 questionnaires were distributed by personal visit to the government institution of South Kalimantan Province. 480 valid questionnaires were returned and used for analysis. Factors loading are employed to evaluate discriminant validity where only items with factors loading surpass 0.50 will stay in the model (Hair et al., 2020).

The following hypotheses will be tested:

1. Due to its well-established link with organizational culture, transformational leadership is positively related to firm performance.
2. Based on specific relationship with organizational culture, paternalistic leadership significantly affects firm performance.

Results

The result of calculation to the inner model depicted in Figure 1.

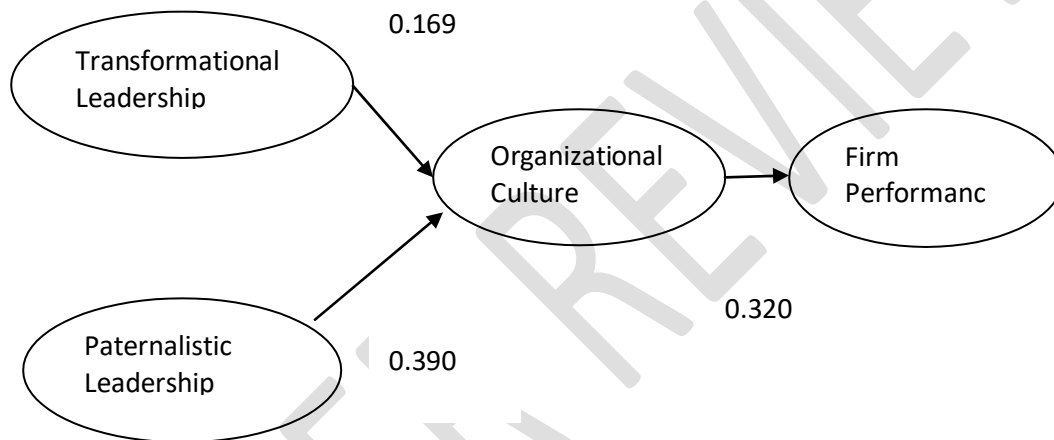


Figure 1. Inner Model

PLS-SEM requires reflective measurement models to assess reliability and validity by examining the average variance extracted (AVE). The value of 0.50 and higher denotes a sufficient degree of validity as this figure indicates that the latent variable justifies more than half of indicators' variance. The summary for reflective outer models of the research is displayed in Table 1.

Table 1. Average Variance Extracted (AVE)

Latent Variables	Indicators	Outer Loadings	Average Variance Extraction
Transformational leadership	Articulating a vision (TFL1)	0.806	0.774
	Providing an appropriate model (TFL2)	0.728	
	Fostering the acceptance of group goals (TFL3)	0.853	
	Expecting high performance (TFL4)	0.795	
	Providing individualized support (TFL5)	0.711	
	Intellectual stimulation (TFL6)	0.751	

Paternalistic leadership	Employees' respect for social hierarchy (PSL1)	0.883	0.802
	Family-like organizational climates (PSL2)	0.718	
	Frequent interactions with decision makers (PSL3)	0.865	
	High value for personal relationships (PSL4)	0.731	
	Limited employee decision making (PSL5)	0.811	
Organizational culture	Value of organization (OC1)	0.745	0.762
	Management support (OC2)	0.735	
	Assumptions (OC3)	0.777	
	Tolerance (OC4)	0.800	
	Work description (OC5)	0.752	
	Unique environment (OC6).	0.767	
Firm Performance	Employees' satisfaction (FP1)	0.806	0.774
	Employees' competence (FP2)	0.728	
	Employee's turnover (FP3)	0.853	
	Absenteeism (FP4)	0.795	
	Compliance with regulation (FP5)	0.711	
	Productivity (FP6)	0.751	

Table 1 shows that all values of Average Variance Extracted (AVE) are larger than 0.5 denoting high levels of convergent reliability among all reflective latent variables. The score for the path coefficient and p-values in the inner model are displayed in Table 2.

Table 2. The path coefficient

No.	Variables	Path Coefficient	R ²	P-Value	Remark
1.	Transformational leadership → Organizational culture	0.169	0.32	0.002	Significant
2.	Paternalistic leadership → Organizational culture	0.390	0.43	0.000	Significant
3.	Organizational culture → Firm Performance	0.320	0.51	0.000	Significant

The significant path from Transformational leadership → Organizational culture → Firm Performance indicates the acceptance of the first hypothesis that well-established link with between transformational leadership and organizational culture positively leads to firm performance. The practice of articulating a vision, providing an appropriate model, fostering the acceptance of group goals, expecting high performance, providing individualized support, and intellectual stimulation when ignited in supported organizational culture result in satisfied employees, competent employees, low employee's turnover, low absenteeism, compliance with regulation, and productive employees. Similarly, the significant path from Paternalistic leadership → Organizational culture → Firm Performance denotes the acceptance of the second hypothesis that the specific relationship between paternalistic leadership and organizational culture leads to firm performance. Thus the leadership style that combines strong discipline and authority with fatherly benevolence also boost employees performance alike transformational leadership which is mostly favored in western literature. Since

both types of leadership exist in Indonesian setting, prediction on favorable model is based on the value of total effect, which is the total sum of the direct effect and the total indirect effects (Tofighi & MacKinnon, 2016). The model : Transformational leadership → Organizational culture → Firm Performance, generates the total effect of $0.169 \times 0.320 = 0.054$ indicating that only 0.0005 % of public sector employees' performance is predicted by transformational leadership mediated through organizational culture. In the other hand, the model: dependence on others > normative commitment loyalty generates total effect of $0.390 \times 0.320 = 0.124$ indicating that 12.4 % of public sector employees' performance is predicted by paternalistic leadership mediated through organizational culture. Thus, paternalistic leadership is still dominant script in Indonesian setting.

The goodness of fit of the model is examined with the Stone–Geisser Q-square test for predictive relevance (Chin, 2010) with the formula :

$$Q^2 = 1 - (1 - R_1^2) (1 - R_2^2) \dots (1 - R_n^2)$$

The coefficients of determination (R^2) for transformational leadership, paternalistic leadership, and organizational culture are 0.32, 0.43 and 0.51.

Thus, the Q-square predictive relevance is figured out as follows:

$$\begin{aligned} Q^2 &= 1 - (1 - R_1^2) (1 - R_2^2) (1 - R_3^2) \\ &= 1 - (1 - 0.32) (1 - 0.43) (1 - 0.51) \\ &= 1 - (0.68) (0.57) (0.49) \\ &= 1 - 0.189 = 0.811 \text{ (81.1\%)} \end{aligned}$$

Q-squares greater than 0.5 indicates the model is robust and the predictive relevance requirement has been fulfilled.

Discussion

It is confirmed to a certain extent that transformational leadership is prevalent in the Indonesian public sector setting. This result is contradictory to the wide belief that people from high power distance countries (e.g., Asian countries and Indonesia in particular) would prefer to be told what to do by their superiors. However, the findings are in line with Passakonjaras et al.,(2019) study that transformational leadership is highly compatible in community-oriented culture, of which Indonesia is ranked very high on collectivism (Rajiani & Pyplacz, 2019).

Indonesian managers are commonly believed to practice so-called traditional, patrimonial, and hierarchically oriented management due to cultural effect. The practice of transformational leadership because recently managers have embraced more Western values either through education or other international experience that they tend to adopt the knowledge management (Arsawan et al.,2018) and different management style. Suyanto et al., (2020) also found a similar support that Indonesian managers are becoming more Westernized (those who were educated and trained overseas), and their taste and lifestyle are more like Westerners. The adoption in Indonesia of Western management techniques and the resulting need for education has supported the growth of a middle- class managerial group.

However paternalistic leadership is more effective in the Indonesian business context because it meets the “twin requirements” (compliance and harmony) of successful leadership. Selvarajah et al.,(2020) suggested that the coexistence of benevolence and authority in paternalistic leadership stems from values in traditional societies pertaining to the father figure, who is nurturant, caring, and

dependable but also authoritative, demanding, and a strict disciplinarian. The interaction between paternal authority and benevolence may also reflect what Lendvai-Bainton & Szelewa (2020) referred to as “velvet glove in iron fist” when criticizing paternalism. The traditional father-child relationship on which the term is based was one in which the father authoritatively dictated all the behaviors and significant life decisions of his children within a moral framework that credited the father with an unquestionable understanding of the needs and best interests of his children. Fathers were presumed to have genuine benevolent intentions toward their children, even as they exercised absolute authority over them.

The leader in organizations in Indonesia has a role as a father - "wise and honest", and according to Irawanto et al., (2011), also as a commander - "firm and brave", a mother - "receiving aspirations for decision making process, a "friend" - closely related, tolerant, willing to have dialogue and discussions, a "knight" - ashamed to carry out corruption, collusion and nepotism, an "educator" - always learning, patient, has objectives, a "priest" - having moral, values and norms, and a "pioneer" - creative, intelligent, a good strategist, besides he or she is benevolent, beneficial, obedient and persistent. All of those characteristics are the combination of style, traits and behaviour, emphasizing rationalities without leaving subjectivities, having the power and being equipped with authority, the hierarchy, the status - ascribed, achieved and assigned status -, and the rights (Passakonjaras et al., 2019). Therefore, being a leader in Indonesia is hard. The leaders are reluctant because it is difficult to make decisions and solve problems justly and properly. The important issues are that the knowledge and skill of the leaders is based most on intuition and not the system, which means that the management is rarely realized and understood as a continuous activity. The relationship among the employees is close, but the relationship between the leader or manager and the employees is blocked by the values of hierarchy, position and status. The organizations in Indonesia are the bureaucratic and autocratic types with the patron-clientele and superior-subordinate leadership styles, and tend to be a centralized structure. Indonesian employees are good people in their jobs but they depend on the leader who must guide, be a father, give attention and advice, give fair rewards, protect and serve them.

Some scholars have argued that transformational leadership should have certain contexts (e.g., Takeuchi et al., 2020; Selvarajah & Meyer, 2017), while others claimed that transformational leadership is universally practiced (e.g., Jackson, 2020; Crede et al., 2019). The findings of this study show that transformational leadership is universally practiced but cultural values influence the practice of leadership and within Indonesian setting it is adjusted into paternalistic leadership in a new jersey. The new practice may refer to what Lendvai-Bainton & Szelewa (2020) coined as “velvet glove in iron fist” when they studied organizations in Poland and Hungary. One important implication for managers of this study is that Indonesian public sector organizations may increasingly support flatter structures and greater individuality and initiative among employees. Western management approaches may therefore become gradually more accepted and supported.

Conclusion

The process of adopting the market-based model, imported primarily through Western-trained Indonesian economists, has entailed the widespread application of Western management techniques

in Indonesia and public sector has started to implement this model to some extent. As Indonesia has become a newly developed country, public sector managers have become increasingly focused on adopting Western management techniques to improve organizational efficiencies and to respond to regional and global competitive pressures and practices.

However, due to paternalistic culture, imported Western theories and strategies regarding public management must be cautiously implemented in contexts where economic and political environments are characterized by vast information asymmetries, weak democratic traditions and limited administrative capacities. As such, the successful implementation of Western theories requires compliance between the reform strategies that are adopted and the country's cultural characteristics. Studying management and leadership styles in a country with many ethnics like Indonesia has to be done carefully since the results cannot be generalized across subcultures. This research is conducted in South Kalimantan Indonesia where even though people generally come from traditional society, they can move out by the spirit of outward-looking and able to survive independently. In this culture, the status of the people depended upon the skill and capability, not

on the heredity. Further research should be enlarged to wider territory of Indonesia to secure generalization.

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No. 6 Koreksi dari Reviewer

The screenshot shows a Yahoo! Mail interface. The top bar includes the 'yahoo!mail' logo, a search bar with the text 'Find messages, documents, photos or people', and a user profile for 'Rahmi'. The left sidebar shows the 'Inbox' with 3 items, and other folders like 'Unread', 'Starred', 'Drafts' (180), 'Sent', 'Archive', 'Spam', 'Deleted Items', 'Less', 'Views' (Hide), 'Photos', 'Documents', and 'Subscriptions'. The main content area displays an email titled 'Correction Result' from 'OJS@pjms.zim.pcz.pl' to 'rahmiwidyanti@yahoo.com', dated 'Mon, 9 Aug 2020 at 10:02 am'. The email body contains the following text:

from:[PJMS OJS] ArticleID#77 <pjms@adm.pcz.pl>to:"Widyanti, Rahmi, Dr." <rahmiwidyanti@yahoo.com> "Basuki,Basuki, Dr." <msibasukidr@gmail.com>, "Rajjani,Ismi, Dr." <rajjani.ismi@gmail.com> . "Hairul,Hairul." <hairulse@gmail.com> Mon,Aug 9, 2020, 10:02 AMsubject:[PJMS] Correctionfromreviewermailed-by:pjms.pcz.plsigned- by:pjms.pcz.plsecurity: Standard encryption (TLS) Learn more :Important according to Google magic. Submitarticle", "Shifting From Asean To Western Model of Leadership in Newly Developed Country of Indonesia: The role of Organizational Culture". 1.Improve the title to avoid geographical named. 2.Focus on the study novelty, aim and methodology and results Please do not evaluate or describe Indonesian government performance ,3.Add some source from: <http://mnje.com/> <https://www.economics-sociology.eu/> <https://jois.eu> 4.Describe why you use this methodology not other methodology, 5.Hypotheses should be the result of literature critical review, 6.The result should be first present the respondent,7.The data in the table you should comment wider, 8.The conclusions, give some more recommendations, 9. Add some more practical recommendations "

SHIFTING FROM ASIAN TO WESTERN MODEL OF LEADERSHIP: THE ROLE OF ORGANIZATIONAL CULTURE

Widyanti R.,¹ Rajiani I.,² Basuki,¹ Hairul,¹

Abstract: Transformational leadership has been acknowledged as innovative means of empowering employees. However, its applicability in developing countries remains unproven due to the different perspective in organizational cultures. This article aims at investigating the practice of paternalistic and transformational leadership and firm performance of the public sector organization in Indonesia mediated through organizational culture. The data were taken from the leaders and members of the public sector organization from South Kalimantan of Indonesia. The smart PLS was used for analysis. As Indonesia is still reflecting a traditional bureaucratic type culture in favour of paternalistic leadership, implementation of transformational leadership is only partially applicable. Empirical insights into transformational leadership attempts most clearly indicate that Indonesian's ability to fit into this framework is problematical, but gradually, the concept is accepted. Thus, Indonesia can adopt the well-developed country administrative models, carefully examined their future and adversative effects, and selectively practice only those parts of such models that are appropriate to its societal contexts and people's need. This research implies that although public sector reform becomes more differentiated in the future and a variety of governance reforms emerge in the forms of law-driven, service-driven, or citizen-driven will be located within the context of a country's overall cultural dimensions.

Keywords: performance, paternalistic, leadership, culture, public organization.

Introduction

Recently, Indonesian public sectors are under pressures for improving the services and quality by innovating in management (Rajiani & Norain, 2019) to anticipate the current trend of effective and efficient organization. Consequently, the management model adopted with enthusiasm by the Western advanced industrialized countries is considered a panacea that should be practiced (Abbas et al., 2018). The result is a series of dissatisfaction among the Indonesian public sector apparatus preferring to work with the old ways (Akhdad et al., 2020). Public organizations are designed and managed differently from the private sectors in terms of recruitment, career path, work environment, and political expectations (Asseburg & Homberg, 2020). Even though western public administration has been the leading paradigm due to the colonial and postcolonial imposition in Asia, there has emerged a flowering conviction that public administration in East and Southeast Asia represents typical uniqueness (Haque, 2019). As such, culturally and practically, public employees have different perspective and expectation toward their career. Besides, the main objectives of the two organizations are entirely dissimilar with the later is more profit-oriented. Given these differences, the western concept of management might not be applicable in an Asian setting.

In the Indonesian circumstance, the insistence of management reform in the public sector has initiated since the shift of government system from centralization to decentralization. Before the

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reformation, the Indonesian business procedures were abundantly manual, slow, exorbitant, and susceptible to leakage (Turner et al., 2019). Several laws were enacted as the normative foundation for local governments to transform in administering governance regionally. Since then, some provinces in Indonesia has become the best practice references in implementing good practice in public service for having institutional policy through capacity building and the mindset shifting from bureaucracy to entrepreneur (Harun et al., 2020).

Leadership is one of the most significant factors contributing to the success of an organization. It has been contended that the leadership paradigm has been shifted from power to empowerment (Fransen et al., 2020). As such, paternalistic and transformational leadership, examples of leadership styles suitable in the shifted paradigm, were selected to be the concentration of this research. Transformational leaderships conceptions established in the West remain in dispute among leadership researchers whether its exercise does exist in other milieus or not. Hofstede et al., (2015), highlight that due to the different cultural and organizational characteristics, as well unique situation in each country, no management or leadership theories entirely fit every world hemisphere. Reviews on paternalism rising from Asia contrasted Weber's authoritarian sight and contended that paternalistic managers provide support, protection, and care to their subordinates (Selvarajah et al., 2020). Lau et al. (2020) defined paternalism as a fatherlike leadership style in which strong authority is combined with concern and consideration. More recent research from Korea (Kim & Lee, 2020), Turkey, India, and Pakistan (Dedahanov et al., 2019) also suggest that paternalism does not mean "authoritarianism" but rather a relationship in which subordinates willingly reciprocate the care and protection of paternal authority by delivering conformity (Yeselitas et al., 2020). Recently, Bedi (2020) claimed that paternalism is never entirely put away from even the most rational-legal organizations and that the benevolent aspect in paternalism may be underappreciated in the Western literature.

The transition that Indonesia experienced towards post new order era (*orde baru*) also witnessed new cultural norms. There is a growing tendency in Indonesia's public sector on improving service delivery by launching program called *Layanan Prima* (Service Excellence). This program is to improve public sector's services, converting public hospitals and universities into corporate type organization, and decentralizing the budget to operational units (Subiyakto et al., 2020). Further, the status of Indonesia as a newly developed country (IDN Financial, 2020) cannot be separated from the contribution of leadership practice in public service whose its official mission was portrayed mainly as developmental agents, especially in increasing involvement of the public sector in economic development plans and social programs.

The objective of this research is to examine transformational and paternalistic leadership effectiveness in boosting organizational performance of employees in Indonesian public sector when mediated with organizational culture.

Literature Review

The effort to define effective leadership has long been an essential topic of discussion (Leithwood, 2019; Leithwood et al., 2020), but when these discussions drift into different cultural contexts, knowledge and insights appear somewhat limited (Adams & Velarde, 2020). One area in leadership research is paternalistic leadership. Paternalistic leadership is a flourishing research area in management literature, but there is still considerable disparity among authors for the definition and effectiveness of paternalistic practices. Current studies describe paternalistic leadership as "a style that mixes strong discipline and authority with fatherly benevolence" (Wang et al., 2019). *Authoritarianism* denotes leader behaviors that exercise authority and control, whereas *benevolence* refers to personal attention for subordinates' well-being. This type of leadership is prevalent and significant in many business cultures in the Middle East, Pacific

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Asia, Latin America (Hiller et al., 2019), and Malaysia (Jaes et al., 2020) which notably has cultural proximity with Indonesia. However, this type of leadership has tremendously been viewed unfavourably in Western management literature considering paternalism as benevolent dictatorship” (Mansur et al., 2017) and a latent and insidious model of discrimination (Erden & Otken, 2019).

In the other hand, previous meta-analyses support the conjecturing that transformational leaders stimulate individual followers to surpass self-interest and emphasis on collective objectives, endorse their commitment, determination, and performance ((Nguyen & Luu, 2019; Crede et al., 2019). In contrast to paternalistic leadership, which is characterized by an exchange process where leaders provide rewards in return for employee effort, transformational leaders soar above the transactional relationship by offering an objective that goes over employees' self-interest for the benefit of the group (Aliekperova, 2018; Jackson, 2020). Rafferty & Griffin (2004) identified six dimensions of transformational leadership: identifying and articulating a vision, providing an appropriate model, fostering the acceptance of group goals, expecting a high performance, providing individualized support, and intellectual stimulation. Yet, empirical evidence is still mixed, including positive (Buil et al., 2019), negative (Chen et al., 2019) and non-significant direct relationships between transformational leadership and performance (Nguyen et al., 2017).

Although paternalistic leadership is viewed as authoritative and manipulative in the Western context, it has positive impact in cultures rooted in indigenous Asian psychologies (Takeuchi et al., 2020). Furthermore, paternalism is in line with the values of collectivistic and high-power distance cultures. This due to a paternalistic leader's involvement in employees' personal lives is desired and expected in collectivistic cultures. In contrast, it can be perceived as a violation of privacy in individualistic cultures. In paternalistic relationship, the superior serves as a father, a close friend, or a brother who itakes part in employees' personal lives and has the right to expect unique favors from them (Rajiani & Pyplacz, 2018). Also, this relationship is based on the assumption that power inequality between a leader and subordinates, which is accepted in high-power-distance societies.

Oppression by colonialists such as the Spanish, the Portuguese, the British, the Dutch and the Japanese, the arrival of their merchants, the missionaries, and other nations i.e. the Arabs, the Indian, the Chinese, and the independence struggle, has caused the Indonesian to accept organizations with the authoritarian rule and gentle hints (Antlov, 2003). As the result, organizational cultures in Indonesia tend to have a centralistic structure with bureaucratic configuration, and a paternalistic leadership style (Irawanto et al., 2011). The cultural constraint has rekindled the interest in the “old” bureaucratic paradigm in motivating the employees which was then an indispensable foundation in the field. It has not been easy to drastically change the past state-centric structure, including the legacies of colonial bureaucracy, postcolonial military rule- and embrace a market-oriented administrative model that has been practiced.

Considering the dynamics of the Indonesian context, boosting the performance of government employees is best understood by considering Indonesian organizational culture and leadership style as the management process cannot be disentangled from its cultural context (Mihaela, 2014; Widyanti & Basuki, 2020). Selvarajah & Meyer (2017) confirm that Indonesia has a mix of culture that does facilitate and does not facilitate transformational leadership. Collectivism, femininity, and low uncertainty avoidance are cultural characteristics that are in line with transformational leadership. High power distance and short-term orientation cultures of Indonesia are not in favor for transformational leadership. On the other hand, Crede et al., (2019) claimed value of transformational leadership behaviors might be restricted in developed economies like Western

Europe and North America, but is effective in less developed countries of Africa, the Middle East, South America including Southeast Asia. Paternalism is criticized in the Western script mainly because of this unquestioned power inequality. Dedahanov et al., (2019) suggested that conflicting practices in high-power-distance cultures have not been easy to reconcile for Western scholars. To prove which argument is correct, whether paternalistic and transformational leadership should have specific contexts (Selvarajah & Meyer, 2017), or they are universally practiced (Crede et al., 2019), the focus of this paper is on testing which types of leadership is more dominant when mediated with organizational culture to boost performance of public sector employees in specific Indonesian cultural milieu.

The following hypotheses will be tested:

2. Due to its well-established link with organizational culture, transformational leadership is positively related to firm performance.
3. Based on specific relationship with organizational culture, paternalistic leadership significantly affects firm performance.

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Methodology

The prime objective of the article is to investigate the relationship between leadership style and firm performance of the public organization in Indonesia with the intervening role of organizational culture. The data were taken from the managers and members of the public sector organization from South Kalimantan of Indonesia and structural equation modelling (SEM) by smart PLS software was employed. The variable of firm performance (FP) is measured with 6 (six) items of Performance Measuring Scale (PMS) established by Podgórski, (2015). The items are labelled employees' satisfaction (FP1), employees' competence (FP2), employee's turnover (FP3), absenteeism (FP4), compliance with regulation (FP5), and productivity (FP6). Transformational leadership styles are measured with six dimensions of transformational leadership: identifying and articulating a vision (TFL1), providing an appropriate model (TFL2), fostering the acceptance of group goals (TFL3), expecting high performance (TFL4), providing individualized support (TFL5), and intellectual stimulation (TFL6) developed by Rafferty & Griffin (2004). Paternalistic leadership was examined with employees' respect for social hierarchy (PSL1), family-like organizational climates (PSL2), frequent interactions with decision makers (PSL3), high value for personal relationships (PSL4), and limited employee decision making (PSL5), adapted from Martinez (2003). Organizational culture was measured with 6 (six) items of Organizational Cultural Scales (OCS): established by Helms Mills & Mills, (2017). The indicators are value of organization (OC1), management support (OC2), assumptions (OC3), tolerance (OC4), work description (OC5), and unique environment (OC6).

The data were taken from employees of public sector organization from the South Kalimantan of Indonesia during the period of February 2019 until January 2020. The 600 questionnaires were distributed by mail to the government institution of South Kalimantan Province. We utilized this technique instead of meetings in light of the fact that sent mails empower us to arrive at a more noteworthy number of respondents at a lower cost, put less weight for a prompt reaction on the expected witness, and gave respondents a more noteworthy sentiment of self-sufficiency. To diminish conceivable attractive quality predisposition, we guaranteed that we would keep every individual reaction totally secret. Five hundred (500) valid questionnaires were returned and used for analysis. Factors loading are employed to evaluate discriminant validity where only items with factors loading surpass 0.50 will stay in the model (Hair et al., 2020).

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Results

The respondents' age were 31-40 years (44.6%, 223), 41-50 years (27%, 31.4) and 51-60 years (24%, 120). Their formal educational degree were Bachelor (65.6%, 328), Masters (24.8%, 124) and Doctorate (9.6 %, 48). Their tenures inserving public stretched from 1-5 years (33%, 165), 5-10 years (52.4%, 262) to above 10 years (14.6%, 73).XXX

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The result of calculation to the inner model depicted in Figure 1.

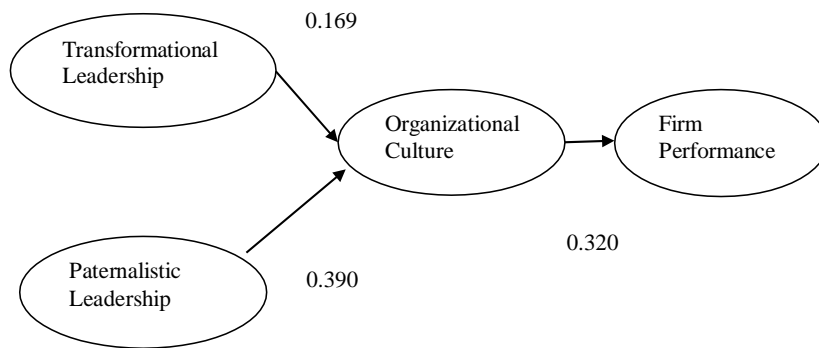


Figure 1. The Proposed Model

PLS-SEM needs reflective measurement models to evaluate reliability and validity by looking closer at the average variance extracted (AVE). The value of 0.50 and higher indicates an acceptable degree of validity. The summary for reflective outer models of the research is shown in Table 1.

Table 1. Average Variance Extracted (AVE)

Latent Variables	Indicators	Outer Loadings	Average Variance Extraction
Transformational leadership	Articulating a vision (TFL1)	0.896	0.789
	Providing an appropriate model (TFL2)	0.728	
	Fostering the acceptance of group goals (TFL3)	0.853	
	Expecting high performance (TFL4)	0.795	
	Providing individualized support (TFL5)	0.711	
	Intellectual stimulation (TFL6)	0.751	
Paternalistic leadership	Employees' respect for social hierarchy (PSL1)	0.883	0.802
	Family-like organizational climates (PSL2)	0.718	
	Frequent interactions with decision-makers (PSL3)	0.865	
	High value for personal relationships (PSL4)	0.731	
	Limited employee decision making (PSL5)	0.811	

Organizational culture	Value of organization (OC1)	0.745	0.762
	Management support (OC2)	0.735	
	Assumptions (OC3)	0.777	
	Tolerance (OC4)	0.800	
	Work description (OC5)	0.752	
	Unique environment (OC6)	0.767	
Firm Performance	Employees' satisfaction (FP1)	0.806	0.765
	Employees' competence (FP2)	0.728	
	Employee's turnover (FP3)	0.853	
	Absenteeism (FP4)	0.795	
	Compliance with regulation (FP5)	0.711	
	Productivity (FP6)	0.701	

The data were analyzed using PLS-3.0 software with a second-order approach, starting from evaluation of the measurement model for the purpose of examining the validity and reliability of the indicators of the dimensions proposed, and afterwards testing the inner model.

The convergent validity was used to measure the validity of the indicator as a measure of a construct indicated by the value of the outer loading factor. The loading factor value of 0.50-0.60 is considered adequate. In this research, the outer loading value of each indicator was between 0.701 and 0.896, fulfilling the convergent validity requirement. Average Variance Extracted (AVE) which is the average percentage of variation explained by the items in a construct was employed to determine reliability. Table 1 displays that all values of Average Variance Extracted (AVE) are larger than 0.5 confirming high levels of convergent reliability. The score for the path coefficient and p-values in the inner model are displayed in Table 2.

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Table 2. The path coefficient

No.	Variables	Path Coefficient	R ²	P-Value	Remark
1.	Transformational leadership → Organizational culture	0.169	0.32	0.002	Significant
2.	Paternalistic leadership → Organizational culture	0.390	0.43	0.000	Significant
3.	Organizational culture → Firm Performance	0.320	0.51	0.000	Significant

The significant path from Transformational leadership → Organizational culture → Firm Performance indicates the acceptance of the first hypothesis that well-established link with between transformational leadership and organizational culture positively leads to firm performance. The practice of articulating a vision, providing an appropriate model, fostering the acceptance of group goals, expecting a high performance, providing individualized support, and intellectual stimulation when ignited in supported organizational culture result in satisfied employees, competent employees, low employee's turnover, low absenteeism, compliance with regulation, and productive employees.

Similarly, the significant path from Paternalistic leadership → Organizational culture → Firm Performance denotes the acceptance of the second hypothesis that the specific relationship between paternalistic leadership and organizational culture leads to firm performance. Thus the leadership style that combines strong discipline and authority with fatherly benevolence also boost employees performance alike transformational leadership which is mostly favored in

western literature. Since both types of leadership exist in Indonesian setting, prediction on favorable model is based on the value of total effect, which is the total sum of the direct effect and the total indirect effects (Tofighi & MacKinnon, 2016). The model: Transformational leadership → Organizational culture → Firm Performance, generates the total effect of $0.169 \times 0.320 = 0.054$ indicating that only 0.0005 % of public sector employees' performance is predicted by transformational leadership mediated through organizational culture. In the other hand, the model: dependence on others > normative commitment loyalty generates the total effect of $0.390 \times 0.320 = 0.124$ indicating that 12.4 % of public sector employees' performance is predicted by paternalistic leadership mediated through organizational culture. Thus, paternalistic leadership is still dominant script in Indonesian setting.

The goodness of fit of the model is examined with the Stone–Geisser Q-square test for predictive relevance (Chin, 2010) with the formula :

$$Q^2 = 1 - (1 - R_1^2) (1 - R_2^2) \dots (1 - R_n^2)$$

The coefficients of determination (R^2) for transformational leadership, paternalistic leadership, and organizational culture are 0.32, 0.43 and 0.51.

Thus, the Q-square predictive relevance is figured out as follows:

$$\begin{aligned} Q^2 &= 1 - (1 - R_1^2) (1 - R_2^2) (1 - R_3^2) \\ &= 1 - (1 - 0.32) (1 - 0.43) (1 - 0.51) \\ &= 1 - (0.68) (0.57) (0.49) \\ &= 1 - 0.189 = 0.811 (81.1\%) \end{aligned}$$

Q-squares greater than 0.5 indicates the model is robust, and the predictive relevance requirement has been fulfilled.

Discussion

It is confirmed to a certain extent that transformational leadership is prevalent in the Indonesian public sector setting. This result is contradictory to the unquestioning belief that people from high power distance countries (e.g., Asian countries and Indonesia in particular) would prefer to be told what to do by their superiors. However, the findings are in line with Passakonjaras et al., (2019) study that transformational leadership is highly compatible in community-oriented culture, of which Indonesia is ranked very high on collectivism (Rajiani & Pyplacz, 2019).

Indonesian managers commonly hold to practice so-called traditional, patrimonial, and hierarchically oriented management. The practice of transformational leadership because recently managers have embraced more Western values obtained through education or knowledge management (Arsawan et al., 2018) from international experience. Suyanto et al., (2020) also found a similar support that Indonesian managers are becoming more Westernized (those who were educated and trained overseas), and their taste and lifestyle are more like Westerners. The adoption in Indonesia of Western management techniques and the resulting need for education has supported the growth of a middle-class managerial group.

However, paternalistic leadership is more effective in the Indonesian business setting for it meets the “twin requirements” (compliance and harmony) of successful leadership. Selvarajah et al., (2020) suggested that the coexistence of benevolence and authority in paternalistic leadership stems from values in traditional societies of the *bapak* (father) figure. *Bapak* means father but can also mean a charismatic figure that cares for community members. *Bapak* demands respect,

obedience and loyalty from subordinates. He can claim protection, gifts and help when needed but he must listen to, empathize with and proffer advice. Giving compliments is important: his proper and constant delivery motivates subordinates and commands respect. There are however, frequent tendencies in which people will merely please the boss for the sake of saving their socio-economic positions. The popular term for this behavior is *Asal Bapak Senang* (Keeping Fathers Happy) - ABS-syndrome.

The leader in organizations in Indonesia has a role as a father - "wise and honest", and according to Irawanto et al., (2011), also as a commander - "firm and brave", a mother - "receiving aspirations for the decision-making process, a "friend" - closely related, tolerant, willing to have dialogue and discussions, a "knight" - ashamed to carry out corruption, collusion and nepotism, an "educator" - always learning, patient, has objectives, a "priest" - having moral, values and norms, and a "pioneer" - creative, intelligent, a good strategist, besides he or she is benevolent, beneficial, obedient and persistent. All of those characteristics are the combination of style, traits and behaviour, emphasizing rationalities without leaving subjectivities, having the power and being equipped with authority, the hierarchy, the status - ascribed, achieved and assigned level -, and the rights (Passakonjaras et al., 2019). Therefore, being a leader in Indonesia is hard. The leaders are reluctant because it is difficult to make decisions and solve problems justly and adequately. The critical issues are that the knowledge and skill of the leaders are based most on intuition and not the system, which means that the management is rarely realized and understood as a continuous activity. The relationship among employees is close, but relationship between leader or manager and employees is blocked by the values of hierarchy, position and status. The organizations in Indonesia are the bureaucratic and autocratic types with the patron-clientele and superior-subordinate leadership styles and tend to be a centralized structure. Indonesian employees are good people in their jobs but they depend on the leader who must guide, be a father, give attention and advice, give fair rewards, protect and serve them.

Some scholars have argued that transformational leadership should have certain contexts (e.g., Takeuchi et al., 2020; Selvarajah & Meyer, 2017), while others claimed that transformational leadership is universally practiced (e.g., Jackson, 2020; Crede et al., 2019). The findings of this study show that transformational leadership is universally practiced, but cultural values influence the practice of leadership and within Indonesian setting, it is adjusted into paternalistic leadership in a new jersey. The new approach may refer to what Lendvai-Bainton & Szelewa (2020) coined as "velvet glove in iron fist" when they studied organizations in Poland and Hungary. A critical implication for managers of this study is that Indonesian public sector organizations may increasingly support flatter structures and greater individuality and initiative among employees. Western management approaches may therefore become gradually more accepted and supported.

Conclusion

The process of adopting the market-based model, imported primarily through Western-trained Indonesian economists, has entailed the widespread application of Western management techniques in Indonesia and the public sector has started to implement this model to some extent. As Indonesia has become a newly developed country, public sector managers have become increasingly focused on adopting Western management techniques to improve organizational efficiencies and to respond to regional and global competitive pressures and practices.

However, due to paternalistic culture, imported Western theories and strategies regarding public management must be cautiously implemented in contexts where economic and political environments are characterized by vast information asymmetries, weak democratic traditions and

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limited administrative capacities. As such, the successful implementation of Western theories requires compliance between the reform strategies that are adopted and the country's cultural characteristics.

Studying management and leadership styles in a country with many ethnics like Indonesia has to be done carefully since the results cannot be generalized across subcultures. This research is conducted in South Kalimantan Indonesia where even though people generally come from traditional society, they can move out by the spirit of outward-looking and able to survive independently. In this culture, the status of the people depended upon the skill and capability, not on the heredity. Further research should be enlarged to the more expansive territory of Indonesia to secure generalization.

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7. Revised Article

The screenshot displays the Yahoo! Mail web interface. At the top, there is a search bar with the text "Find messages, documents, photos or people" and a magnifying glass icon. The user's name "Rahmi" is visible in the top right corner. Below the search bar, there is a navigation bar with buttons for "Compose", "Back", "Archive", "Move", "Delete", "Spam", and a calendar icon showing "15". The main content area shows an email titled "Article Revised" with a "4" next to it, indicating four attachments. The email is from "Rahmi Widyanti" (rahmiwidyanti@yahoo.com) to "OJS@pjms.zim.pcz.pl", dated "Tue, 15 Sept 2020 at 08:09 am". The email body contains the following text:

PJMS [ArticleID#77]
Here I am sending revised article according to the reviewer's correction. Hopefully the improvement are as intended by the reviewer's. "Basuki,Basuki, Dr." <msibasukidr@gmail.com>, "Rajiani,Ismi, Dr." <rajiani.ismi@gmail.com> . "Hairul,Hairul." <hairulse@gmail.com>

Best Regards,
Rahmi Widyanti

Below the text, there is a placeholder for a document attachment, represented by a blue icon of a document with a white 'W' on it.

Title: SHIFTING FROM ASIAN TO WESTERN MODEL OF LEADERSHIP IN NEWLY DEVELOPED COUNTRY OF INDONESIA: THE ROLE OF ORGANIZATIONAL CULTURE

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Comment from Reviewer:	Correction Made:
1.Improve the title to avoid geographical named	SHIFTING FROM ASIAN TO WESTERN MODEL OF LEADERSHIP: THE ROLE OF ORGANIZATIONAL CULTURE...
2.Focus on the study novelty, aim and methodology and results Please do not evaluate or describe Indonesian government performance	Transformational leadership has been acknowledged as innovative means of empowering employees. However, its applicability in developing countries remains unproven due to the different perspective in organizational cultures.
3.Add some source from: http://mnje.com/ https://www.economics-sociology.eu/ https://jois.eu	Aliekperova, N. (2018). Pharmaceutical leadership in Ukraine: Transformational and transactional. <i>Economics and Sociology</i> , 11(4), 265-279. Mihaela, H. (2014). A synergistic approach of cross-cultural management and leadership style. <i>Journal of International Studies</i> , 7(2), 106-115. Nguyen, T. T. N., & Luu, T. M. N. (2019). Linking Transformational Leadership and Organizational Performance: an Empirical Investigation of Manufacturing Firms in Vietnam. <i>Economics & Sociology</i> , 12(2), 170.
4.Describe why you use this methodology not other methodology	We utilized this technique instead of meetings in light of the fact that sent mails empower us to arrive at a more noteworthy number of respondents at a lower cost, put less weight for a prompt reaction on the expected witness, and gave respondents a more noteworthy sentiment of self-sufficiency
5.Hypotheses should be the result of literature critical review	The following hypotheses will be tested: 1. Due to its well-established link with

	<p>organizational culture,</p> <p>2. transformational leadership is positively related to firm performance.</p> <p>3. Based on specific relationship with organizational culture,</p> <p>4. paternalistic leadership significantly affects firm performance</p>
6.The result should be first present the respondent	<p>The respondents' age were 31-40 years (44.6%, 223), 41-50 years (27%, 31.4) and 51-60 years (24%, 120). Their formal educational degree were Bachelor (65.6%, 328), Masters (24.8%, 124) and Doctorate (9.6 %, 48). Their tenures inserving public stretched from 1-5 years (33%, 165), 5-10 years (52.4%, 262) to above 10 years (14.6%, 73)</p>
7.The data in the table you should comment wider	<p>The data were analyzed using PLS-3.0 software with a second-order approach, starting from evaluation of the measurement model for the purpose of examining the validity and reliability of the indicators of the dimensions proposed, and afterwards testing the inner model.</p> <p>The convergent validity was used to measure the validity of the indicator as a measure of a construct indicated by the value of the outer loading factor. The loading factor value of 0.50-0.60 is considered adequate. In this research, the outer loading value of each indicator was between 0.701 and 0.896, fulfilling the convergent validity requirement.Average Variance Extracted (AVE) which is the average percentage of variation explained by the items in a construct was employed to determine reliability</p>
8.The conclusions, give some more recommendations	<p>Studying management and leadership styles in a country with many ethnics like Indonesia has to be done carefully since the results cannot be generalized across subcultures. This research is conducted in South Kalimantan Indonesia where even though people generally come from traditional society, they can move out by the spirit of outward-looking and able to survive independently. In this culture, the status of the people depended upon the skill and capability, not on the heredity. Further</p>

	<p>research should be enlarged to the more expansive territory of Indonesia to secure generalization.</p>
<p>9. Add some more practical recommendations</p>	<p>The addition: The process of adopting the market-based model, imported primarily through Western-trained Indonesian economists, has entailed the wide spread application of Western Management techniques in Indonesia and the public sector has started to implement this model to some extent. As Indonesia has become a newly developed country, public sector managers have become increasingly focused on adopting Western management techniques to improve organizational efficiencies and to respond to regional and global competitive pressures and practices.</p>

SHIFTING FROM ASIAN TO WESTERN MODEL OF LEADERSHIP: THE ROLE OF ORGANIZATIONAL CULTURE

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Abstract: Transformational leadership has been acknowledged as innovative means of empowering employees. However, its applicability in developing countries remains unproven due to the different perspective in organizational cultures. This article aims at investigating the practice of paternalistic and transformational leadership and firm performance of the public sector organization in Indonesia mediated through organizational culture. The data were taken from the leaders and members of the public sector organization from South Kalimantan of Indonesia. The smart PLS was used for analysis. As Indonesia is still reflecting a traditional bureaucratic type culture in favour of paternalistic leadership, implementation of transformational leadership is only partially applicable. Empirical insights into transformational leadership attempts most clearly indicate that Indonesian's ability to fit into this framework is problematical, but gradually, the concept is accepted. Thus, Indonesia can adopt the well-developed country administrative models, carefully examined their future and adversative effects, and selectively practice only those parts of such models that are appropriate to its societal contexts and people's need. This research implies that although public sector reform becomes more differentiated in the future and a variety of governance reform emerge in the forms of law-driven, service-driven, or citizen-driven will be located within the context of a country's overall cultural dimensions.

Keywords: performance, paternalistic, leadership, culture, public organization.

Introduction

Recently, Indonesian public sectors are under pressures for improving the services and quality by innovating in management (Rajjani & Norain, 2019) to anticipate the current trend of effective and efficient organization. Consequently, the management model adopted with enthusiasm by the Western advanced industrialized countries is considered a panacea that should be practiced (Abbas et al., 2018). The result is a series of dissatisfaction among the Indonesian public sector apparatus preferring to work with the old ways (Akhmad et al., 2020). Public organizations are designed and managed differently from the private sectors in terms of recruitment, career path, work environment, and political expectations (Asseburg & Homberg, 2020). Even though western public administration has been the leading paradigm due to the colonial and postcolonial imposition in Asia, there has emerged a flowering conviction that public administration in East and Southeast Asia represents typical uniqueness (Haque, 2019). As such, culturally and practically, public employees have different perspective and expectation toward their career. Besides, the main objectives of the two organizations are entirely dissimilar with the later is more profit-oriented. Given these differences, the western concept of management might not be applicable in an Asian setting.

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In the Indonesian circumstance, the insistence of management reform in the public sector has initiated since the shift of government system from centralization to decentralization. Before the reformation, the Indonesian business procedures were abundantly manual, slow, exorbitant, and susceptible to leakage (Turner et al., 2019). Several laws were enacted as the normative foundation for local governments to transform in administering governance regionally. Since then, some provinces in Indonesia has become the best practice references in implementing good practice in public service for having institutional policy through capacity building and the mindset shifting from bureaucracy to entrepreneur (Harun et al., 2020).

Leadership is one of the most significant factors contributing to the success of an organization. It has been contended that the leadership paradigm has been shifted from power to empowerment (Fransen et al., 2020). As such, paternalistic and transformational leadership, examples of leadership styles suitable in the shifted paradigm, were selected to be the concentration of this research. Transformational leaderships conceptions established in the West remain in dispute among leadership researchers whether its exercise does exist in other milieus or not. Hofstede et al., (2015), highlight that due to the different cultural and organizational characteristics, as well unique situation in each country, no management or leadership theories entirely fit every world hemisphere. Reviews on paternalism rising from Asia contrasted Weber's authoritarian sight and contended that paternalistic managers provide support, protection, and care to their subordinates (Selvarajah et al., 2020). Lau et al. (2020) defined paternalism as a fatherlike leadership style in which strong authority is combined with concern and considerateness. More recent research from Korea (Kim & Lee, 2020), Turkey, India, and Pakistan (Dedahanov et al., 2019) also suggest that paternalism does not mean "authoritarianism" but rather a relationship in which subordinates willingly reciprocate the care and protection of paternal authority by delivering conformity (Yeselitas et al., 2020). Recently, Bedi (2020) claimed that paternalism is never entirely put away from even the most rational-legal organizations and that the benevolent aspect in paternalism may be under appreciated in the Western literature.

The transition that Indonesia experienced towards post new order era (*orde baru*) also witnessed new cultural norms. There is a growing tendency in Indonesia's public sector on improving service delivery by launching program called *Layanan Prima* (Service Excellence). This program is to improve public sector's services, converting public hospitals and universities into corporate type organization, and decentralizing the budget to operational units (Subiyakto et al., 2020). Further, the status of Indonesia as a newly developed country (IDN Financial, 2020) cannot be separated from the contribution of leadership practice in public service whose its official mission was portrayed mainly as developmental agents, especially in increasing involvement of the public sector in economic development plans and social programs.

The objective of this research is to examine transformational and paternalistic leadership effectiveness in boosting organizational performance of employees in Indonesian public sector when mediated with organizational culture.

Literature Review

The effort to define effective leadership has long been an essential topic of discussion (Leithwood, 2019; Leithwood et al., 2020), but when these discussions drift into different cultural contexts, knowledge and insights appear somewhat limited (Adams & Velarde, 2020). One area in leadership research is paternalistic leadership. Paternalistic leadership is a flourishing research area in management literature, but there is still considerable disparity among authors for the definition and effectiveness of paternalistic practices. Current studies describe paternalistic leadership as "a style that mixes strong discipline and authority with fatherly benevolence" (Wang et al., 2019). *Authoritarianism* denotes leader behaviors that exercise authority and control,

whereas *benevolence* refers to personal attention for subordinates' well-being. This type of leadership is prevalent and significant in many business cultures in the Middle East, Pacific Asia, Latin America (Hiller et al., 2019), and Malaysia (Jaes et al., 2020) which notably has cultural proximity with Indonesia. However, this type of leadership has tremendously been viewed unfavourably in Western management literature considering paternalism as "benevolent dictatorship" (Mansur et al., 2017) and a latent and insidious model of discrimination (Erden & Otken, 2019).

In the other hand, previous meta-analyses support the conjecturing that transformational leaders stimulate individual followers to surpass self-interest and emphasis on collective objectives, endorse their commitment, determination, and performance ((Nguyen & Luu, 2019; Crede et al., 2019). In contrast to paternalistic leadership, which is characterized by an exchange process where leaders provide rewards in return for employee effort, transformational leaders soar above the transactional relationship by offering an objective that goes over employees' self-interest for the benefit of the group (Aliekperova, 2018; Jackson, 2020). Rafferty & Griffin (2004) identified six dimensions of transformational leadership: identifying and articulating a vision, providing an appropriate model, fostering the acceptance of group goals, expecting a high performance, providing individualized support, and intellectual stimulation. Yet, empirical evidence is still mixed, including positive (Buil et al., 2019), negative (Chen et al., 2019) and non-significant direct relationships between transformational leadership and performance (Nguyen et al., 2017).

Although paternalistic leadership is viewed as authoritative and manipulative in the Western context, it has positive impact in cultures rooted in indigenous Asian psychologies (Takeuchi et al., 2020). Furthermore, paternalism is in line with the values of collectivistic and high-power distance cultures. This due to a paternalistic leader's involvement in employees' personal lives is desired and expected in collectivistic cultures. In contrast, it can be perceived as a violation of privacy in individualistic cultures. In paternalistic relationship, the superior serves as a father, a close friend, or a brother who takes part in employees' personal lives and has the right to expect unique favors from them (Rajiani & Pyłacz, 2018). Also, this relationship is based on the assumption that power inequality between a leader and subordinates, which is accepted in high-power-distance societies.

Oppression by colonialists such as the Spanish, the Portuguese, the British, the Dutch and the Japanese, the arrival of their merchants, the missionaries, and other nations i.e. the Arabs, the Indian, the Chinese, and the independence struggle, has caused the Indonesian to accept organizations with the authoritarian rule and gentle hints (Antlov, 2003). As the result, organizational cultures in Indonesia tend to have a centralistic structure with bureaucratic configuration, and a paternalistic leadership style (Irawanto et al., 2011). The cultural constraint has rekindled the interest in the "old" bureaucratic paradigm in motivating the employees which was then an indispensable foundation in the field. It has not been easy to drastically change the past state-centric structure, including the legacies of colonial bureaucracy, postcolonial military rule- and embrace a market-oriented administrative model that has been practiced.

Considering the dynamics of the Indonesian context, boosting the performance of government employees is best understood by considering Indonesian organizational culture and leadership style as the management process cannot be disentangled from its cultural context (Mihaela, 2014; Widyanti & Basuki, 2020). Selvarajah & Meyer (2017) confirm that Indonesia has a mix of culture that does facilitate and does not facilitate transformational leadership. Collectivism, femininity, and low uncertainty avoidance are cultural characteristics that are in line with transformational leadership. High power distance and short-term orientation cultures of Indonesia are not in favor

for transformational leadership. On the other hand, Crede et al., (2019) claimed value of transformational leadership behaviors might be restricted in developed economies like Western Europe and North America, but is effective in less developed countries of Africa, the Middle East, South America including Southeast Asia. Paternalism is criticized in the Western script mainly because of this unquestioned power inequality. Dedahanov et al., (2019) suggested that conflicting practices in high-power-distance cultures have not been easy to reconcile for Western scholars. To prove which argument is correct, whether paternalistic and transformational leadership should have specific contexts (Selvarajah & Meyer, 2017), or they are universally practiced (Crede et al., 2019), the focus of this paper is on testing which types of leadership is more dominant when mediated with organizational culture to boost performance of public sector employees in specific Indonesian cultural milieu.

The following hypotheses will be tested:

1. Due to its well-established link with organizational culture, transformational leadership is positively related to firm performance.
2. Based on specific relationship with organizational culture, paternalistic leadership significantly affects firm performance.

Methodology

The prime objective of the article is to investigate the relationship between leadership style and firm performance of the public organization in Indonesia with the intervening role of organizational culture. The data were taken from the managers and members of the public sector organization from South Kalimantan of Indonesia and structural equation modelling (SEM) by smart PLS software was employed. The variable of firm performance (FP) is measured with 6 (six) items of Performance Measuring Scale (PMS) established by Podgórski, (2015). The items are labelled employees' satisfaction (FP1), employees' competence (FP2), employee's turnover (FP3), absenteeism (FP4), compliance with regulation (FP5), and productivity (FP6). Transformational leadership styles are measured with six dimensions of transformational leadership: identifying and articulating a vision (TFL1), providing an appropriate model (TFL2), fostering the acceptance of group goals (TFL3), expecting high performance (TFL4), providing individualized support (TFL5), and intellectual stimulation (TFL6) developed by Rafferty & Griffin (2004). Paternalistic leadership was examined with employees' respect for social hierarchy (PSL1), family-like organizational climates (PSL2), frequent interactions with decision makers (PSL3), high value for personal relationships (PSL4), and limited employee decision making (PSL5), adapted from Martinez (2003). Organizational culture was measured with 6 (six) items of Organizational Cultural Scales (OCS): established by Helms Mills & Mills, (2017). The indicators are value of organization (OC1), management support (OC2), assumptions (OC3), tolerance (OC4), work description (OC5), and unique environment (OC6).

The data were taken from employees of public sector organization from the South Kalimantan of Indonesia during the period of February 2019 until January 2020. The 600 questionnaires were distributed by mail to the government institution of South Kalimantan Province. We utilized this technique instead of meetings in light of the fact that sent mails empower us to arrive at a more noteworthy number of respondents at a lower cost, put less weight for a prompt reaction on the expected witness, and gave respondents a more noteworthy sentiment of self-sufficiency. To diminish conceivable attractive quality predisposition, we guaranteed that we would keep every individual reaction totally secret. Five hundred (500) valid questionnaires were returned and used

for analysis. Factors loading are employed to evaluate discriminant validity where only items with factors loading surpass 0.50 will stay in the model (Hair et al., 2020).

Results

The respondents' age were 31-40 years (44.6%, 223), 41-50 years (27%, 31.4) and 51-60 years (24%, 120). Their formal educational degree were Bachelor (65.6%, 328), Masters (24.8%, 124) and Doctorate (9.6 %, 48). Their tenures inserving public stretched from 1-5 years (33%, 165), 5-10 years (52.4%, 262) to above 10 years (14.6%, 73).XXX

The result of calculation to the inner model depicted in Figure 1.

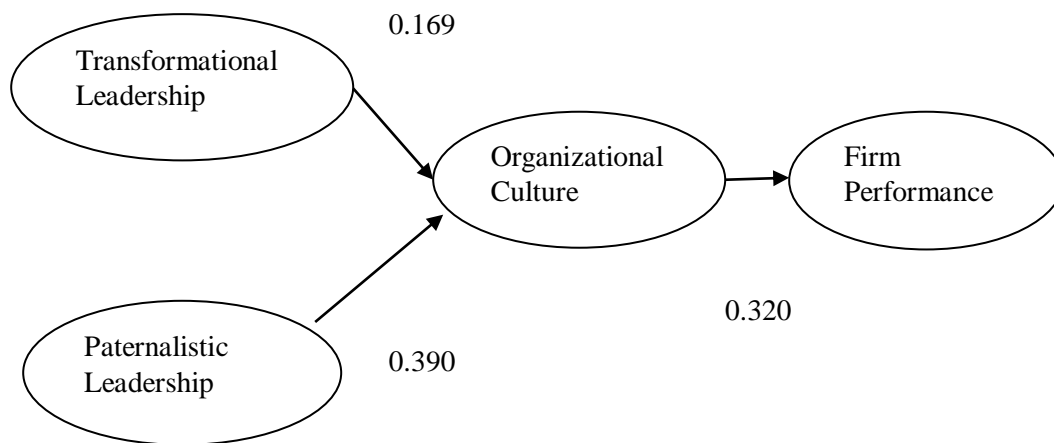


Figure 1. The Proposed Model

PLS-SEM needs reflective measurement models to evaluate reliability and validity by looking closer at the average variance extracted (AVE). The value of 0.50 and higher indicates an acceptable degree of validity. The summary for reflective outer models of the research is shown in Table 1.

Table 1. Average Variance Extracted (AVE)

Latent Variables	Indicators	Outer Loadings	Average Variance Extraction
Transformational leadership	Articulating a vision (TFL1)	0.896	0.789
	Providing an appropriate model (TFL2)	0.728	
	Fostering the acceptance of group goals (TFL3)	0.853	
	Expecting high performance (TFL4)	0.795	
	Providing individualized support (TFL5)	0.711	
	Intellectual stimulation (TFL6)	0.751	
Paternalistic leadership	Employees' respect for social hierarchy (PSL1)	0.883	0.802
	Family-like organizational climates (PSL2)	0.718	

	Frequent interactions with decision-makers (PSL3)	0.865	
	High value for personal relationships (PSL4)	0.731	
	Limited employee decision making (PSL5)	0.811	
Organizational culture	Value of organization (OC1)	0.745	0.762
	Management support (OC2)	0.735	
	Assumptions (OC3)	0.777	
	Tolerance (OC4)	0.800	
	Work description (OC5)	0.752	
	Unique environment (OC6).	0.767	
Firm Performance	Employees' satisfaction (FP1)	0.806	0.765
	Employees' competence (FP2)	0.728	
	Employee's turnover (FP3)	0.853	
	Absenteeism (FP4)	0.795	
	Compliance with regulation (FP5)	0.711	
	Productivity (FP6)	0.701	

The data were analyzed using PLS-3.0 software with a second-order approach, starting from evaluation of the measurement model for the purpose of examining the validity and reliability of the indicators of the dimensions proposed, and afterwards testing the inner model. The convergent validity was used to measure the validity of the indicator as a measure of a construct indicated by the value of the outer loading factor. The loading factor value of 0.50-0.60 is considered adequate. In this research, the outer loading value of each indicator was between 0.701 and 0.896, fulfilling the convergent validity requirement. Average Variance Extracted (AVE) which is the average percentage of variation explained by the items in a construct was employed to determine reliability. Table 1 displays that all values of Average Variance Extracted (AVE) are larger than 0.5 confirming high levels of convergent reliability. The score for the path coefficient and p-values in the inner model are displayed in Table 2.

Table 2. The path coefficient

No.	Variables	Path Coefficient	R ²	P-Value	Remark
1.	Transformational leadership →Organizational culture	0.169	0.32	0.002	Significant
2.	Paternalistic leadership →Organizational culture	0.390	0.43	0.000	Significant
3.	Organizational culture →Firm Performance	0.320	0.51	0.000	Significant

The significant path from Transformational leadership →Organizational culture→Firm Performance indicates the acceptance of the first hypothesis that well-established link with between transformational leadership and organizational culture positively leads to firm performance. The practice of articulating a vision, providing an appropriate model, fostering the acceptance of group goals, expecting a high performance, providing individualized support, and intellectual stimulation when ignited in supported organizational culture result in satisfied employees, competent employees, low employee's turnover, low absenteeism, compliance with regulation, and productive employees.

Similarly, the significant path from Paternalistic leadership → Organizational culture →Firm Performance denotes the acceptance of the second hypothesis that the specific relationship

between paternalistic leadership and organizational culture leads to firm performance. Thus the leadership style that combines strong discipline and authority with fatherly benevolence also boost employees performance alike transformational leadership which is mostly favored in western literature. Since both types of leadership exist in Indonesian setting, prediction on favorable model is based on the value of total effect, which is the total sum of the direct effect and the total indirect effects (Tofighi & MacKinnon, 2016). The model: Transformational leadership → Organizational culture → Firm Performance, generates the total effect of $0.169 \times 0.320 = 0.054$ indicating that only 0.0005 % of public sector employees' performance is predicted by transformational leadership mediated through organizational culture. In the other hand, the model: dependence on others > normative commitment loyalty generates the total effect of $0.390 \times 0.320 = 0.124$ indicating that 12.4 % of public sector employees' performance is predicted by paternalistic leadership mediated through organizational culture. Thus, paternalistic leadership is still dominant script in Indonesian setting.

The goodness of fit of the model is examined with the Stone–Geisser Q-square test for predictive relevance (Chin, 2010) with the formula :

$$Q^2 = 1 - (1 - R_1^2) (1 - R_2^2) \dots (1 - R_n^2)$$

The coefficients of determination (R^2) for transformational leadership, paternalistic leadership, and organizational culture are 0.32, 0.43 and 0.51.

Thus, the Q-square predictive relevance is figured out as follows:

$$\begin{aligned} Q^2 &= 1 - (1 - R_1^2) (1 - R_2^2) (1 - R_3^2) \\ &= 1 - (1 - 0.32) (1 - 0.43) (1 - 0.51) \\ &= 1 - (0.68) (0.57) (0.49) \\ &= 1 - 0.189 = 0.811 \text{ (81.1\%)} \end{aligned}$$

Q-squares greater than 0.5 indicates the model is robust, and the predictive relevance requirement has been fulfilled.

Discussion

It is confirmed to a certain extent that transformational leadership is prevalent in the Indonesian public sector setting. This result is contradictory to the unquestioning belief that people from high power distance countries (e.g., Asian countries and Indonesia in particular) would prefer to be told what to do by their superiors. However, the findings are in line with Passakonjaras et al., (2019) study that transformational leadership is highly compatible in community-oriented culture, of which Indonesia is ranked very high on collectivism (Rajiani & Pyplacz, 2019).

Indonesian managers commonly hold to practice so-called traditional, patrimonial, and hierarchically oriented management. The practice of transformational leadership because recently managers have embraced more Western values obtained through education or knowledge management (Arsawan et al., 2018) from international experience. Suyanto et al., (2020) also found a similar support that Indonesian managers are becoming more Westernized (those who were educated and trained overseas), and their taste and lifestyle are more like Westerners. The adoption in Indonesia of Western management techniques and the resulting need for education has supported the growth of a middle-class managerial group.

However, paternalistic leadership is more effective in the Indonesian business setting for it meets the “twin requirements” (compliance and harmony) of successful leadership. Selvarajah et

al.,(2020) suggested that the coexistence of benevolence and authority in paternalistic leadership stems from values in traditional societies of the *bapak* (father) figure. *Bapak* means father but can also mean a charismatic figure that cares for community members. *Bapak* demands respect, obedience and loyalty from subordinates. He can claim protection, gifts and help when needed but he must listen to, empathize with and proffer advice. Giving compliments is important: his proper and constant delivery motivates subordinates and commands respect. There are however, frequent tendencies in which people will merely please the boss for the sake of saving their socio-economic positions. The popular term for this behavior is *Asal Bapak Senang* (Keeping Fathers Happy) - ABS-syndrome.

The leader in organizations in Indonesia has a role as a father - "wise and honest", and according to Irawanto et al., (2011), also as a commander- "firm and brave", a mother - "receiving aspirations for the decision-making process, a "friend" - closely related, tolerant, willing to have dialogue and discussions, a "knight" - ashamed to carry out corruption, collusion and nepotism, an "educator" - always learning, patient, has objectives, a "priest" - having moral, values and norms, and a "pioneer" - creative, intelligent, a good strategist, besides he or she is benevolent, beneficial, obedient and persistent. All of those characteristics are the combination of style, traits and behaviour, emphasizing rationalities without leaving subjectivities, having the power and being equipped with authority, the hierarchy, the status - ascribed, achieved and assigned level -, and the rights (Passakonjaras et al., 2019). Therefore, being a leader in Indonesia is hard. The leaders are reluctant because it is difficult to make decisions and solve problems justly and adequately. The critical issues are that the knowledge and skill of the leaders are based most on intuition and not the system, which means that the management is rarely realized and understood as a continuous activity. The relationship among employees is close, but relationship between leader or manager and employees is blocked by the values of hierarchy, position and status. The organizations in Indonesia are the bureaucratic and autocratic types with the patron-clientele and superior-subordinate leadership styles and tend to be a centralized structure. Indonesian employees are good people in their jobs but they depend on the leader who must guide, be a father, give attention and advice, give fair rewards, protect and serve them.

Some scholars have argued that transformational leadership should have certain contexts (e.g., Takeuchi et al., 2020; Selvarajah & Meyer, 2017), while others claimed that transformational leadership is universally practiced (e.g., Jackson, 2020; Crede et al., 2019). The findings of this study show that transformational leadership is universally practiced, but cultural values influence the practice of leadership and within Indonesian setting, it is adjusted into paternalistic leadership in a new jersey. The new approach may refer to what Lendvai-Bainton & Szelewa (2020) coined as "velvet glove in iron fist" when they studied organizations in Poland and Hungary. A critical implication for managers of this study is that Indonesian public sector organizations may increasingly support flatter structures and greater individuality and initiative among employees. Western management approaches may therefore become gradually more accepted and supported.

Conclusion

The process of adopting the market-based model, imported primarily through Western-trained Indonesian economists, has entailed the widespread application of Western management techniques in Indonesia and the public sector has started to implement this model to some extent. As Indonesia has become a newly developed country, public sector managers have become increasingly focused on adopting Western management techniques to improve organizational efficiencies and to respond to regional and global competitive pressures and practices.

However, due to paternalistic culture, imported Western theories and strategies regarding public management must be cautiously implemented in contexts where economic and political environments are characterized by vast information asymmetries, weak democratic traditions and limited administrative capacities. As such, the successful implementation of Western theories requires compliance between the reform strategies that are adopted and the country's cultural characteristics.

Studying management and leadership styles in a country with many ethnics like Indonesia has to be done carefully since the results cannot be generalized across subcultures. This research is conducted in South Kalimantan Indonesia where even though people generally come from traditional society, they can move out by the spirit of outward-looking and able to survive independently. In this culture, the status of the people depended upon the skill and capability, not on the heredity. Further research should be enlarged to the more expansive territory of Indonesia to secure generalization.

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No. 8 Accepted article

The screenshot shows a Yahoo Mail interface. At the top, there is a search bar with the text "Find messages, documents, photos or people" and a user profile for "Rahmi". Below the search bar is a navigation bar with buttons for "Compose", "Back", "Archive", "Move", "Delete", "Spam", and a calendar icon for "30". On the left side, there is a sidebar with a "Inbox" dropdown and a list of folders: "read", "unread", "drafts" (with a count of 180), "trash", "archive", "spam", "deleted items", "less", "news", and "photos". The main content area displays an email titled "Accepted Article" from "OJS@pjms.zim.pcz.pl" to "rahmiwidyanti@yahoo.com", dated "Wed, 30 Sept 2020 at 11:47 am". The email body contains the following text:

from [PJMS OJS] ID#77dear authors. Your article it was accepted for publication in journal of Polish Journal Management Studies, Volume 22(1), on December 2020. PJMS Center.Editorial Board <pjms@adm.pcz.pl>to:"Widyanti, Rahmi, Dr." <rahmiwidyanti@yahoo.com> "Basuki,Basuki, Dr." <msibasukidr@gmail.com>, "Rajiani,Ismi, Dr." <rajiani.ismi@gmail.com>. "Hairul,Hairul." <hairulse@gmail.com>

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SHIFTING FROM ASIAN TO WESTERN MODEL OF LEADERSHIP: THE ROLE OF ORGANIZATIONAL CULTURE

Widyanti R., Rajiani I., Basuki, Hairul*

Abstract: Transformational leadership has been acknowledged as innovative means of empowering employees. However, its applicability in developing countries remains unproven due to the different perspective in organizational cultures. This article aims at investigating the practice of paternalistic and transformational leadership and firm performance of the public sector organization in Indonesia mediated through organizational culture. The data were taken from the leaders and members of the public sector organization from South Kalimantan of Indonesia. The smart PLS was used for analysis. As Indonesia is still reflecting a traditional bureaucratic type culture in favour of paternalistic leadership, implementation of transformational leadership is only partially applicable. Empirical insights into transformational leadership attempts most clearly indicate that Indonesian's ability to fit into this framework is problematical, but gradually, the concept is accepted. Thus, Indonesia can adopt the well-developed country administrative models, carefully examine their future and adversative effects, and selectively practice only those parts of such models that are appropriate to its societal contexts and people's need. This research implies that although public sector reform becomes more differentiated in the future and a variety of governance reforms emerge in the forms of law-driven, service-driven, or citizen-driven will be located within the context of a country's overall cultural dimensions.

Keywords: performance, paternalistic, leadership, culture, public organization.

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Introduction

Recently, Indonesian public sectors are under pressures for improving the services and quality by innovating in management (Rajiani and Norain, 2019) to anticipate the current trend of effective and efficient organization. Consequently, the management model adopted with enthusiasm by the Western advanced industrialized countries is considered a panacea that should be practiced (Abbas et al., 2018). The result is a

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series of dissatisfaction among the Indonesian public sector apparatus preferring to work with the old ways (Akhmad et al., 2020). Public organizations are designed and managed differently from the private sectors in terms of recruitment, career path, work environment, and political expectations (Asseburg and Homberg, 2020). Even though western public administration has been the leading paradigm due to the colonial and postcolonial imposition in Asia, there has emerged a flowering conviction that public administration in East and Southeast Asia represents typical uniqueness (Haque, 2019). As such, culturally and practically, public employees have different perspective and expectation toward their career. Besides, the main objectives of the two organizations are entirely dissimilar with the later is more profit-oriented. Given these differences, the western concept of management might not be applicable in an Asian setting.

In the Indonesian circumstance, the insistence of management reform in the public sector has initiated since the shift of government system from centralization to decentralization. Before the reformation, the Indonesian business procedures were abundantly manual, slow, exorbitant and susceptible to leakage (Turner et al., 2019). Several laws were enacted as the normative foundation for local governments to transform in administering governance regionally. Since then, some provinces in Indonesia have become the best practice references in implementing good practice in public service for having institutional policy through capacity building and the mindset shifting from bureaucracy to entrepreneur (Harun et al., 2020).

Leadership is one of the most significant factors contributing to the success of an organization. It has been contended that the leadership paradigm has been shifted from power to empowerment (Fransen et al., 2020). As such, paternalistic and transformational leadership, examples of leadership styles suitable in the shifted paradigm, were selected to concentrate in this research. Transformational leadership conceptions established in the West remain in dispute among leadership researchers whether its exercise does exist in other milieus or not. Hofstede et al., (2015) highlight that due to the different cultural and organizational characteristics and unique situation in each country, no management or leadership theories entirely fit every world hemisphere. Reviews on paternalism rising from Asia contrasted Weber's authoritarian sight and contended that paternalistic managers provide support, protection, and care to their subordinates (Selvarajah et al., 2020). Lau et al. (2020) defined paternalism as a fatherlike leadership style in which strong authority is combined with concern and considerateness. More recent research from Korea (Kim & Lee, 2020), Turkey, India and Pakistan (Dedahanov et al., 2019) also suggests that paternalism does not mean "authoritarianism" but rather a relationship in which subordinates willingly reciprocate the care and protection of paternal authority by delivering conformity (Yeselitas et al., 2020). Recently, Bedi (2020) claimed that paternalism is never entirely put away from

even the most rational-legal organizations and that the benevolent aspect in paternalism may be under-appreciated in the Western literature.

The transition that Indonesia experienced towards post new order era (*orde baru*) also witnessed new cultural norms. Indonesia's public sector has a growing tendency to improve service delivery by launching a program called *Layanan Prima* (Service Excellence). This program aims to improve public sector's services, convert public hospitals and universities into corporate type organization, and decentralise the budget to operational units (Subiyakto et al.,2020). Further, the status of Indonesia as a newly developed country (IDN Financial, 2020) cannot be separated from the contribution of leadership practice in public service whose its official mission was portrayed mainly as developmental agents, especially in increasing involvement of the public sector in economic development plans and social programs.

The objective of this research is to examine transformational and paternalistic leadership effectiveness in boosting organizational performance of employees in Indonesian public sector when mediated with organizational culture.

Literature Review

The effort to define effective leadership has long been an essential topic of discussion (Leithwood, 2019; Leithwood et al., 2020), but, when these discussions drift into different cultural contexts, knowledge and insights appear somewhat limited (Adams and Velarde, 2020). One area in leadership research is paternalistic leadership. Paternalistic leadership is a flourishing research area in management literature, but there is still considerable disparity among authors for the definition and effectiveness of paternalistic practices. Current studies describe paternalistic leadership as “a style that mixes strong discipline and authority with fatherly benevolence” (Wang et al., 2019). *Authoritarianism* denotes leader behaviors that exercise authority and control, whereas *benevolence* refers to personal attention for subordinates' well-being. This type of leadership is prevalent and significant in many business cultures in the Middle East, Pacific Asia, Latin America (Hiller et al.,2019) and Malaysia (Jaes et al., 2020), and it notably has cultural proximity with Indonesia. However, this type of leadership has tremendously been viewed unfavourably in Western management literature considering paternalism as a “benevolent dictatorship” (Mansur et al.,2017)and a latent and insidious model of discrimination (Erden and Otken, 2019).

On the other hand, previous meta-analyses support the conjecturing that transformational leaders stimulate individual followers to surpass self-interest and emphasise collective objectives, endorse their commitment, determination, and performance (Nguyen and Luu, 2019; Crede et al., 2019). In contrast to paternalistic leadership, which is characterized by an exchange process where leaders provide

rewards in return for employee effort, transformational leaders soar above the transactional relationship by offering an objective that goes over employee self-interest for the benefit of the group (Aliekperova, 2018; Jackson, 2020). Rafferty and Griffin (2004) identified six dimensions of transformational leadership: identifying and articulating a vision, providing an appropriate model, fostering the acceptance of group goals, expecting a high performance, providing individualized support, and intellectual stimulation. However, empirical evidence is still mixed, including positive (Buil et al., 2019), negative (Chen et al., 2019) and non-significant direct relationships between transformational leadership and performance (Nguyen et al., 2017).

Although paternalistic leadership is viewed as authoritative and manipulative in the Western context, it positively impacts cultures rooted in indigenous Asian psychologies (Takeuchi et al., 2020; 39. Rajiani and Kot, 2020). Furthermore, paternalism is in line with the values of collectivistic and high-power distance cultures. This, due to a paternalistic leader's involvement in employees' personal lives, is desired and expected in collectivistic cultures. In contrast, it can be perceived as a violation of privacy in individualistic cultures. In a paternalistic relationship, the superior serves as a father, a close friend, or a brother who takes part in employees' personal lives and has the right to expect unique favors from them (Rajiani and Pypłacz, 2018). This relationship is also based on the assumption that power inequality between a leader and subordinates is accepted in high-power-distance societies.

Oppression by colonialists such as the Spanish, the Portuguese, the British, the Dutch and the Japanese, the arrival of their merchants, the missionaries, and other nations, i.e. the Arabs, the Indian, the Chinese, and the independence struggle, has caused the Indonesian to accept organizations with the authoritarian rule and gentle hints (Antlov, 2003). As a result, organizational cultures in Indonesia tend to have a centralistic structure with bureaucratic configuration, and a paternalistic leadership style (Irawanto et al., 2011). The cultural constraint has rekindled the interest in the "old" bureaucratic paradigm in motivating the employees which was then an indispensable foundation in the field. It has not been easy to drastically change the past state-centric structure, including the legacies of colonial bureaucracy, postcolonial military rule- and embrace a market-oriented administrative model that has been practiced.

Considering the dynamics of the Indonesian context, boosting the performance of government employees is best understood by considering Indonesian organizational culture and leadership style as the management process cannot be disentangled from its cultural context (Mihaela, 2014; Widyanti and Basuki, 2020). Selvarajah and Meyer (2017) confirm that Indonesia has a mix of culture that does not facilitate transformational leadership. Collectivism, femininity, and low uncertainty avoidance are cultural characteristics that are in line with transformational leadership. High power

distance and short-term orientation cultures of Indonesia are not in favor of transformational leadership. On the other hand, Crede et al., (2019) claimed value of transformational leadership behaviors might be restricted in developed economies like Western Europe and North America, but is effective in less developed countries of Africa, the Middle East, South America including Southeast Asia. Paternalism is criticized in the Western script mainly because of this unquestioned power inequality. Dedahanov et al. (2019) suggested that conflicting practices in high-power-distance cultures have not been easy to reconcile for Western scholars. To prove which argument is correct, whether paternalistic and transformational leadership should have specific contexts (Selvarajah and Meyer, 2017), or they are universally practiced (Crede et al., 2019), the focus of this paper is on testing which types of leadership is more dominant when mediated with organizational culture to boost the performance of public sector employees in specific Indonesian cultural milieu.

The following hypotheses will be tested:

Due to its well-established link with organizational culture, transformational leadership is positively related to firm performance.

Based on specific relationship with organizational culture, paternalistic leadership significantly affects firm performance.

Methodology

The prime objective of the article is to investigate the relationship between leadership style and firm performance of the public organization in Indonesia with the intervening role of organizational culture. The data were taken from the managers, and members of the public sector organization from South Kalimantan of Indonesia and structural equation modelling (SEM) by smart PLS software was employed. The variable of firm performance (FP) is measured with 6 (six) items of Performance Measuring Scale (PMS) established by Podgórski, (2015). The items are labelled employees' satisfaction (FP1), employees' competence (FP2), employee's turnover (FP3), absenteeism (FP4), compliance with regulation (FP5), and productivity (FP6). Transformational leadership styles are measured with six dimensions of transformational leadership: identifying and articulating a vision (TFL1), providing an appropriate model (TFL2), fostering the acceptance of group goals (TFL3), expecting high performance (TFL4), providing individualized support (TFL5), and intellectual stimulation (TFL6) developed by Rafferty and Griffin (2004). Paternalistic leadership was examined with employees' respect for social hierarchy (PSL1), family-like organizational climates (PSL2), frequent interactions with decision-makers (PSL3), high value for personal relationships (PSL4), and limited employee decision making (PSL5), adapted from Martinez (2003). Organizational culture was measured with 6 (six) items of

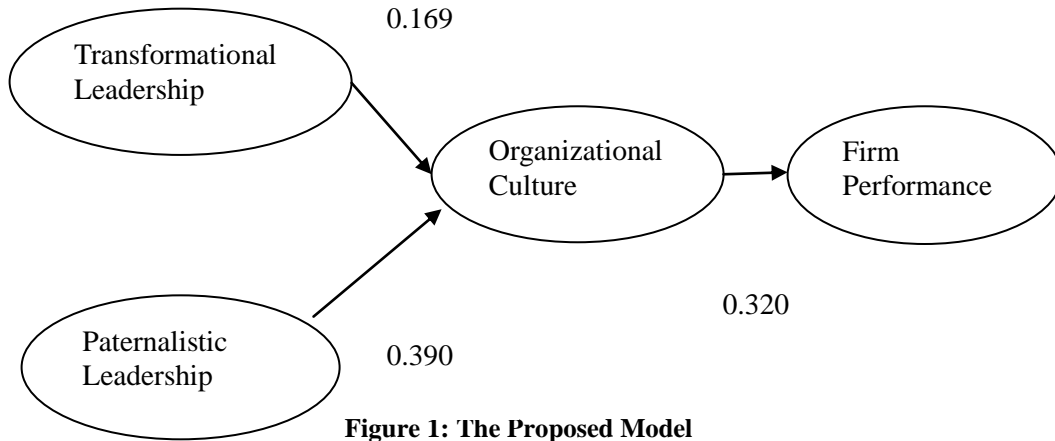
Organizational Cultural Scales (OCS): established by Helms Mills & Mills, (2017). The indicators are the value of organization (OC1), management support (OC2), assumptions (OC3), tolerance (OC4), work description (OC5), and unique environment (OC6).

The data were taken from employees of public sector organization from the South Kalimantan of Indonesia from February 2019 to January 2020. The 600 questionnaires were distributed by mail to the government institution of South Kalimantan Province. The authors utilized this technique instead of meetings in light of the fact that sent mails empower us to arrive at a more noteworthy number of respondents at a lower cost, put less weight for a prompt reaction on the expected witness, and give respondents a more noteworthy sentiment of self-sufficiency. To diminish conceivable attractive quality predisposition, we guaranteed that we would keep every individual reaction totally secret. Five hundred (500) valid questionnaires were returned and used for analysis. Factors loading are employed to evaluate discriminant validity where only items with factors loading surpass 0.50 will stay in the model (Hair et al., 2020).

Results

The respondents' ages were 31-40 years (44.6%, 223), 41-50 years (27%, 31.4) and 51-60 years (24%, 120). Their formal educational degrees were Bachelor (65.6%, 328), Masters (24.8%, 124) and Doctorate (9.6 %, 48). Their tenures in serving public stretched from 1-5 years (33%, 165), 5-10 years (52.4%, 262) to above 10 years (14.6%, 73).

The result of calculation to the inner model depicted in Figure 1.



PLS-SEM needs reflective measurement models to evaluate reliability and validity by looking closer at the average variance extracted (AVE). The value of 0.50 and higher indicates an acceptable degree of validity. The summary for reflective outer models of the research is shown in Table 1.

Table 1. Average Variance Extracted (AVE)

Latent Variables	Indicators	Outer Loadings	Average Variance Extraction
Transformational leadership	Articulating a vision (TFL1)	0.896	0.789
	Providing an appropriate model (TFL2)	0.728	
	Fostering the acceptance of group goals (TFL3)	0.853	
	Expecting high performance (TFL4)	0.795	
	Providing individualized support (TFL5)	0.711	
	Intellectual stimulation (TFL6)	0.751	
Paternalistic leadership	Employees' respect for social hierarchy (PSL1)	0.883	0.802
	Family-like organizational climates (PSL2)	0.718	
	Frequent interactions with decision-makers (PSL3)	0.865	
	High value for personal relationships (PSL4)	0.731	
	Limited employee decision making (PSL5)	0.811	

Organizational culture	Value of organization (OC1)	0.745	0.762
	Management support (OC2)	0.735	
	Assumptions (OC3)	0.777	
	Tolerance (OC4)	0.800	
	Work description (OC5)	0.752	
	Unique environment (OC6).	0.767	
Firm Performance	Employees' satisfaction (FP1)	0.806	0.765
	Employees' competence (FP2)	0.728	
	Employee's turnover (FP3)	0.853	
	Absenteeism (FP4)	0.795	
	Compliance with regulation (FP5)	0.711	
	Productivity (FP6)	0.701	

The data were analyzed using PLS-3.0 software with a second-order approach, starting from evaluation of the measurement model for the purpose of examining the validity and reliability of the indicators of the dimensions proposed, and afterwards testing the inner model.

The convergent validity was used to measure the validity of the indicator as a measure of a construct indicated by the value of the outer loading factor. The loading factor value of 0.50-0.60 is considered adequate. In this research, the outer loading value of each indicator was between 0.701 and 0.896, fulfilling the convergent validity requirement. Average Variance Extracted (AVE), which is the average percentage of variation explained by the items in a construct was employed to determine reliability. Table 1 displays that all values of Average Variance Extracted (AVE) are larger than 0.5 confirming high levels of convergent reliability. The score for the path coefficient and p-values in the inner model are displayed in Table 2.

Table 2. The path coefficient

No.	Variables	Path Coefficient	R ²	P-Value	Remark
1.	Transformational leadership → Organizational culture	0.169	0.32	0.002	Significant
2.	Paternalistic leadership → Organizational culture	0.390	0.43	0.000	Significant
3.	Organizational culture → Firm Performance	0.320	0.51	0.000	Significant

The significant path from Transformational leadership → Organizational culture → Firm Performance indicates the acceptance of the first hypothesis that a well-

established link between transformational leadership and organizational culture positively leads to firm performance. The practice of articulating a vision, providing an appropriate model, fostering the acceptance of group goals, expecting a high performance, providing individualized support, and intellectual stimulation when ignited in supported organizational culture result in satisfied employees, competent employees, low employee's turnover, low absenteeism, compliance with regulation, and productive employees.

Similarly, the significant path from Paternalistic leadership → Organizational culture → Firm Performance denotes the acceptance of the second hypothesis that the specific relationship between paternalistic leadership and organizational culture leads to firm performance. Thus the leadership style that combines strong discipline and authority with fatherly benevolence also boost employees performance alike transformational leadership which is mostly favored in western literature. Since both types of leadership exist in Indonesian setting, prediction on favorable model is based on the value of total effect, which is the total sum of the direct effect and the total indirect effects (Tofighi & MacKinnon, 2016). The model: Transformational leadership → Organizational culture → Firm Performance, generates the total effect of $0.169 \times 0.320 = 0.054$ indicating that only 0.0005 % of public sector employees' performance is predicted by transformational leadership mediated through organizational culture. On the other hand, the model: dependence on others > normative commitment loyalty generates the total effect of $0.390 \times 0.320 = 0.124$ indicating that 12.4 % of public sector employees' performance is predicted by paternalistic leadership mediated through organizational culture. Thus, paternalistic leadership is still dominant script in Indonesian setting.

The goodness of fit of the model is examined with the Stone–Geisser Q-square test for predictive relevance (Chin, 2010) with the formula:

$$Q^2 = 1 - (1 - R_1^2)(1 - R_2^2) \dots (1 - R_n^2)$$

The coefficients of determination (R^2) for transformational leadership, paternalistic leadership, and organizational culture are 0.32, 0.43 and 0.51.

Thus, the Q-square predictive relevance is figured out as follows:

$$\begin{aligned} Q^2 &= 1 - (1 - R_1^2)(1 - R_2^2)(1 - R_3^2) \\ &= 1 - (1 - 0.32)(1 - 0.43)(1 - 0.51) \\ &= 1 - (0.68)(0.57)(0.49) \\ &= 1 - 0.189 = 0.811 (81.1\%) \end{aligned}$$

Q-squares greater than 0.5 indicates the model is robust, and the predictive relevance requirement has been fulfilled.

Discussion

It is confirmed to a certain extent that transformational leadership is prevalent in the Indonesian public sector setting. This result is contradictory to the unquestioning belief that people from high power distance countries (e.g., Asian countries and Indonesia in particular) would prefer to be told what to do by their superiors. However, the findings are in line with Passakonjaras et al.,(2019) study that transformational leadership is highly compatible in community-oriented culture, of which Indonesia is ranked very high on collectivism (Rajiani and Pyplacz, 2019).

Indonesian managers commonly hold to practice so-called traditional, patrimonial, and hierarchically oriented management. The practice of transformational leadership because recently, managers have embraced more Western values obtained through education or knowledge management (Arsawan et al., 2018; Dacko-Pikiewicz and Walancik, 2016) from international experience. Suyanto et al., (2020) also found similar support that Indonesian managers are becoming more Westernized (those who were educated and trained overseas), and their taste and lifestyle are more like Westerners. The adoption in Indonesia of Western management techniques and the resulting need for education has supported the growth of a middle- class managerial group.

However, paternalistic leadership is more effective in the Indonesian business setting for it meets the “twin requirements” (compliance and harmony) of successful leadership. Selvarajah et al.,(2020) suggested that the coexistence of benevolence and authority in paternalistic leadership stems from values in traditional societies of the *bapak* (father) figure. *Bapak* means father but can also mean a charismatic figure that cares for community members. *Bapak* demands respect, obedience and loyalty from subordinates. He can claim protection, gifts and help when needed, but he must listen to, empathize with and proffer advice. Giving compliments is important: his proper and constant delivery motivates subordinates and commands respect. There are, however, frequent tendencies in which people will merely please the boss for the sake of saving their socio-economic positions. The popular term for this behavior is *Asal Bapak Senang* (Keeping Fathers Happy) - ABS-syndrome.

The leader in organizations in Indonesia has a role as a father - "wise and honest", and according to Irawanto et al., (2011), also as a commander - "firm and brave", a mother - receiving aspirations for the decision-making process, a "friend" - closely related, tolerant, willing to have dialogue and discussions, a "knight" - ashamed to carry out corruption, collusion and nepotism, an "educator" - always learning, patient, has objectives, a "priest" - having moral, values and norms, and a "pioneer" - creative, intelligent, a good strategist, besides he or she is benevolent, beneficial, obedient and persistent. All of those characteristics are the combination of style, traits and

behaviour, emphasizing rationalities without leaving subjectivities, having the power and being equipped with authority, the hierarchy, the status -- ascribed, achieved and assigned level -- and the rights (Passakonjaras et al., 2019). Therefore, being a leader in Indonesia is hard. The leaders are reluctant because it is difficult to make decisions and solve problems justly and adequately. The critical issues are that the knowledge and skill of the leaders are based mostly on intuition and not the system, which means that the management is rarely realized and understood as a continuous activity. The relationship among employees is close, but the relationship between leader or manager and employees is blocked by the values of hierarchy, position and status. The organizations in Indonesia are the bureaucratic and autocratic types with the patron-clientele and superior-subordinate leadership styles and tend to be a centralized structure. Indonesian employees are good people in their jobs, but they depend on the leader who must guide, be a father, give attention and advice, give fair rewards, protect and serve them.

Some scholars have argued that transformational leadership should have certain contexts (e.g., Takeuchi et al., 2020; Selvarajah and Meyer, 2017), while others claimed that transformational leadership is universally practiced (e.g., Jackson, 2020; Crede et al., 2019; Ismail et al., 2020). The findings of this study show that transformational leadership is universally practiced, but cultural values influence the practice of leadership and within the Indonesian setting, it is adjusted into paternalistic leadership in a new jersey. The new approach may refer to what Lendvai Bainton and Szelewa (2020) coined as “velvet glove in iron fist” when they studied organizations in Poland and Hungary. A critical implication for managers of this study is that Indonesian public sector organizations may increasingly support flatter structures and greater individuality and initiative among employees. Western management approaches may, therefore, become gradually more accepted and supported.

Conclusion

The process of adopting the market-based model, imported primarily through Western-trained Indonesian economists, has entailed the widespread application of Western management techniques in Indonesia and the public sector has started to implement this model to some extent. As Indonesia has become a newly developed country, public sector managers have become increasingly focused on adopting Western management techniques to improve organizational efficiencies and respond to regional and global competitive pressures and practices.

However, due to paternalistic culture, imported Western theories and strategies regarding public management must be cautiously implemented in contexts where economic and political environments are characterized by vast information

asymmetries, weak democratic traditions and limited administrative capacities. As such, the successful implementation of Western theories requires compliance between the reform strategies that are adopted and the country's cultural characteristics.

Studying management and leadership styles in a country with many ethnics like Indonesia has to be done carefully since the results cannot be generalized across subcultures. This research is conducted in South Kalimantan Indonesia, where even though people generally come from traditional society, they can move out by the spirit of outward-looking and able to survive independently. In this culture, the status of the people depended upon the skill and capability, not on the heredity. Further research should be enlarged to the more expansive territory of Indonesia to secure generalization.

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PRZESUNIĘCIE Z AZJATYCKIEGO NA ZACHODNI MODEL PRZYWÓDZTWA: ROLA KULTURY ORGANIZACYJNEJ

Streszczenie: Przywództwo transformacyjne zostało uznane za innowacyjny sposób wzmacniania pracowników. Jednak jego zastosowanie w krajach rozwijających się pozostaje nieudowodnione z powodu odmiennej perspektywy kultur organizacyjnych. Artykuł ma na celu zbadanie praktyki przywództwa paternalistycznego i transformacyjnego oraz zdecydowanych działań organizacji sektora publicznego w Indonezji, w których pośredniczy kultura organizacyjna. Dane zostały pobrane od liderów i członków organizacji sektora publicznego z południowego Kalimantanu w Indonezji. Do analizy wykorzystano inteligentny PLS. Ponieważ Indonezja nadal odzwierciedla tradycyjną kulturę biurokratyczną na rzecz paternalistycznego przywództwa, wdrażanie przywództwa transformacyjnego ma zastosowanie tylko częściowo. Empiryczne spostrzeżenia na temat prób przywództwa transformacyjnego najwyraźniej wskazują, że zdolność Indonezji do dopasowania się do tych ram jest problematyczna, ale stopniowo koncepcja jest akceptowana. W ten sposób Indonezja może przyjąć dobrze rozwinięte modele administracyjne kraju, dokładnie zbadać ich przyszłość i negatywne skutki i wybiórczo praktykować tylko te części takich modeli, które są odpowiednie dla jej kontekstu społecznego i potrzeb ludzi. Badania te sugerują, że chociaż

reforma sektora publicznego będzie w przyszłości bardziej zróżnicowana i pojawi się wiele różnych reform zarządzania, w formie zorientowanych na prawo, usługi lub obywateli, będą one osadzone w kontekście ogólnych wymiarów kulturowych kraju.

Słowa kluczowe: performans, paternalistyczność, przywództwo, kultura, organizacja publiczna.

从亚洲领导模式向西方领导模式转变:组织文化的作用

摘要:变革型领导已被公认为是赋予员工权力的创新手段。但是,由于组织文化的观点不同,其在发展中国家的适用性仍未得到证实。本文旨在调查通过组织文化介导的印度尼西亚公共部门组织的家长式和变革型领导以及企业绩效的实践。数据取自印度尼西亚南加里曼丹省公共部门组织的领导人和成员。智能PLS用于分析。由于印度尼西亚仍在反映一种传统的官僚型文化,以家长式领导为主导,因此实施变革型领导仅部分适用。对变革型领导尝试的经验见解最清楚地表明,印尼人适应这一框架的能力是有问题的,但逐渐地,这一概念被接受。因此,印度尼西亚可以采用发达的国家行政管理模式,仔细检查其未来和不利影响,并有选择地仅实践适合于其社会背景和人民需要的这些模式的那些部分。这项研究表明,尽管公共部门的改革在将来变得更加差异化,并且各种治理改革将以法律驱动,服务驱动或公民驱动的形式出现在一个国家的整体文化范围内。

关键词:绩效, 家长式, 领导, 文化, 公共组织。