PRIMARY RESEARCH

# Impact of Paternalistic Leadership on Organizational Readiness for Change: Mediating Role of Employee Engagement and Moderating Role of Islamic Work Ethics

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## Abstract.
**Purpose:** This study aims to investigate the impact of paternalistic leadership on organizational readiness for change: mediation of employee engagement and moderation of Islamic work ethics (IWE).
**Methodology:** The sample size for this research is 203. The data were collected from faculty of private and public sector educational institutes that were in process of change. SPSS has been utilized for data analysis.
**Findings:** Using Leader-Member Exchange (LMX) as a theoretical lens, the results indicate paternalistic leadership significantly positively impacts organizational readiness for change; employee engagement acts as a mediating agent between paternalistic leadership and organizational readiness for change; IWE moderates between the relationship of paternalistic leadership and employee engagement.
**Significance:** The mediation of employee engagement and moderation of IWE between paternalistic leadership and organizational readiness for change is still under research so this makes our research a unique contribution.
**Limitations:** This research shall add to the Islamic ethical principles of employees alongside output which will advantage the organization as well as employees.
**Implications:** This research has managerial implications for change agents, organizational development (OD) consultants; policymakers of educational institutions, and professionals regarding change strategies, benefits, and the Islamic business environment.

**KAUJIE Classification:** H48, T6
**JEL Classification:** M12, M5

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# INTRODUCTION

Knowledge to manage organizational change and successful execution of change programs can be simplified by analysis of individual willingness to change. Armenakis and Fredenberger (1997) defined readiness as "a mindset that exists among employees during the implementation of organizational changes. It comprises of belief, attitude and intention of change target members regarding the need for and capability of implementing organizational change" (p. 144). The perception of readiness is exciting for workforce' feedbacks to change, it plays a significant part in organizational change (Bartunek & Rousseu, 2006; Oreg & Vocalla, 2011). Moreover, readiness is a prime factor, intricate in preliminary support of employees for change imaginations (Armenakis & Fredenberger, 1993; Holt *et al.,* 2007). Organizational readiness for change is a multidimensional concept influenced by opinions in the mindset of employees that they have skills to execute a future change because it is good for the organization, moreover, they have management support and the proposed change is beneficial for employees (Armenakis *et al.,* 2007). Leadership is a central issue for discussion (House *et al.,* 2004). Our zone of attention is paternalistic leadership, paternalistic is a prosperous part of management literature, but there is still debate between researchers that how to describe paternalistic leadership and its success. Despite, different authors have different definitions of paternalistic leadership, but the recent definition of paternalistic leadership is "a style that combines strong discipline and authority with fatherly benevolence" (Farh & Cheng, 2000).

The human relation effort indicates that if leaders are team-focused, instead of instrumentalization, workers would be more mollified and more creative (Bassu & Green, 1997). So, when a manager becomes paternalistic and has good behavior with his employees then it's easy to bring change in the organization and employees are ready for the change. Studies on paternalistic evolution from Asia disparate Weber's controlling idea and claimed that paternalistic leaders be responsible for cooperation and look after their dependents (Redding *et al.,* 1994). Mostly work on paternalistic leadership has been done in the Asia region but with different variables, here we examine that how readiness of change in an organization occurs when a leader is paternalistic. As per the literature, most research studies have been done on organization change for readiness by taking different leadership styles, but here in this research paper we took paternalistic leadership style and examined its impact on organization readiness for change, moreover added Islamic work ethics and employee engagement.

Though, the majority of research work in this domain, as well as in the larger subject field of business ethics, has been carried out on the experiences in the American and few European countries (Lim, 2003; Rizk, 2008). In Muslim countries, this concept is still under-researched. Islam e.g. has its code of conduct that is derivative from the Holy Qur'ān and *Sunnah*. In a manner alike Weberian Protestantism, Islam gives the conceptual basis for a range of individual qualities that endorse financial growth (Ali, 1992). Up to now, only a few scholars have worked on IWE (Ali, 1992; Ali & Al-Kazemi, 2007; Rahman *et al.,* 2006). Since Pakistan is an Islamic republic, where most of the organizational work is based on Islamic principles. Therefore based on this contextual reality, it is essential to explore the effect of IWE. The studies by multiple authors have highlighted that Islamic work ethics

impact most of the organizational decisions concerning their precursors (Ahmad *et al.,* 2019; Din *et al.,* 2019; Nasution & Rafiki, 2019). As per the literature, there exists a gap to address IWE as a moderator between leadership style and change management.

Employee engagement is another construct that needs to be focused on during the process of organizational change. It is defined as "a positive, fulfilling, work-related state of mind that is characterized by vigordin, dedication, and absorption" (Schaufeli *et al.,* 2002). Modern organizations need to rely on those employees who put in extra effort, are committed, and give their best. Previous studies show that employee engagement is key to a competitive edge from an organizational point of view (Bakker & Schaufeli, 2008; Macey & Schneider, 2008). Employee engagement has a critical role in organizational readiness to change; this importance has been highlighted by many researchers that this relationship needs to be explored (Makikangas *et al.,* 2019; Mitra *et al.,* 2019; Roczniewska & Higgins, 2019). The creativity embedded in the paternalistic leadership leads to organizational readiness to change and this aspect is currently missing in the literature (Du & Luo, 2020; Karakitapoglu-Aygun *et al.,* 2020; Nazir *et al.,* 2020; Soomro *et al.,* 2020). Using LMX as a theoretical lens, the objective of our research is to address the research gap to inspect the association between paternalistic leadership and organizational readiness to change with the mediation of employee engagement and moderation of IWE (Khan & Gul, 2020). This all literature evidence highlights the gap which still exists in the literature and this study will contribute to fulfilling this gap.

The target sector chosen for our research is public and private universities. The rationale behind choosing public and private universities is that now educational institutions are moving towards enterprise resource planning (ERP) from traditional/ conventional learning management systems. Secondly, to suggest implications for change agents; OD consultants, policymakers of educational institutions, and professionals regarding change strategies, benefits, and Islamic business environment. This research paper contributes knowledge about the crucial role of paternalistic leadership during organizational change as change is a must for survival and growth in the 21st century.

## LITERATURE REVIEW

### Paternalistic Leadership

Paternalistic leadership is a form of fatherly managerial style, which is used to manage and protect employees who are expected to be faithful and respectful. A paternalistic leader is appropriate for an organization where the structure is the formal and hierarchical and creative thinking of subordinates is not required. Gelfand et al. (2007) defined paternalism as "a hierarchical relationship in which a leader guides professional and personal lives of subordinates in a manner resembling a parent and in exchange expects loyalty and admiration". Paternalistic leadership is "a style that combines strong discipline and authority with fatherly benevolence" (Farh & Cheng, 2000). Researches point out that paternalistic leadership is not a cohesive concept; it has 03 dimensions: authoritarianism, benevolence, and morality (Aycan, 2006; Farh & Cheng, 2000). Authoritarianism speaks of a leader's behavior that has strong control & authority over its assistants and wants undisputed respect from them.

Chinese managers set up a centralized structure to frequently ratify these standards and assume a father-like role with a straight & commanding leadership style (Peng *et al.,* 2001). Benevolence indicates that a leader shows apprehension for his assistant's personal and family life. Mortality defined a leader's behavior that shows greater ethical charisma and honesty by acting generously and leading from the front. Allah directs a leader to show the power of his examples instead of the examples of his power (3:51). Leader-Member Exchange (LMX) theory gives details about paternalistic leadership and recent research from Turkey found LMX to be an important link of paternalistic leadership. According to Pellegrini and Scandura (2006), paternalism indicates voluntary obedience, then, an assistant who practices high levels of belief, responsibility, and obedience in their dealings with a leader (i.e. LMX) may admit the leader's power as a father. Moreover, paternalism requires a significant investment by a leader, & for that reason, leaders may be keener to involve in paternalistic activities with followers with whom they have good-quality LMX relationships. Overall, paternalistic leadership is a father-like role and provides protection, care, and safety to the workers' professional and individual lives demanding faithfulness and obedience (Pelegrini & Scandura, 2008).

**Organization Readiness for Change**

Readiness is debatably one of the major issues intricate in workers' preliminary support for change steps and activities (Armenakis *et al.,* 1999). However the idea of readiness might be initially presented by Jacobson (1957) the basis for readiness as a distinctive concept has been inserted within numerous conceptual frameworks of the procedure by which change dissolve. For this purpose, over the past few years, vast numbers of research studies were conducted in this area of change management to examine the predictive elements of employee's readiness towards organizational change and its diverse levels of effect (Armenakis *et al.,* 1993; Chawla & Kelloway, 2004; Cinite *et al.,* 2009; Cunningham *et al.,* 2002; Erturk, 2008; Madsen *et al.,* 2005; Peach *et al.,* 2005; Rafferty & Simon, 2006). Various theories, theoretical frameworks, and empirical research studies have been applied to examine numerous features of organizational change. Therefore, literature implies that employee's readiness is more effective for the successful execution of organizational change programs (Eby *et al.,* 2000; Madsen *et al.,* 2005; Rafferty & Simon, 2006). A researcher has shown that the support of employees for the execution of organizational change will direct an organization to develop dynamic change (Cinite *et al.,* 2009; Jones *et al.,* 2005). However, literature also explains that employees in an organization are further multifaceted henceforth, their awareness views, and attitude turns into serious and competitive in successfully implementing change programs (Armenakis *et al.,* 1993; Weber & Weber, 2001). So, change experts, are working to discover a possible diverse grouping of positive employee readiness aspects to motivate employees' readiness for successfully executing organizational change (Cunningham *et al.,* 2002; Madsen *et al.,* 2005).

**Paternalistic Leadership and Organizational Readiness for Change**

Schneider et al. (1996) highlighted the significance of establishing an atmosphere for organizational change. If people don't agree on the change that exists in the organization then

the organization can't go for change (Schneider *et al.,* 1996). Lewin's (1951) several papers discussed a three-step process to implement change. First organization unfreeze their current system and then in the second phase in which an organization moves where it wants to go and third Re-freeze stage in which organization currently at most wanted state and changes become established. Research shows that readiness for change is like Lewin's un-freezing concept (Armenakis *et al.,* 2009). A message for change should revolve among members of the organization and employees should have self-assurance that they have the aptitude to bring changes (Armenakis & Harris, 2002). It is explained that Readiness-creating message will have more effect if the person is more honest, and genuine that convey a message (Armenakis & Harris, 2009). So concerning leadership, if the leader acts as a change representative, as in many circumstances, then change readiness takes place in the organization as workers trust and respect their leader. As in the introduction, it shows that that first time we see the impact of paternalistic leadership on readiness for change so, here we see the impact of transformational and transactional leadership on readiness for change because transforma-tional and transactional leaders are the same as Paternalistic Leaders. As per Bass (1985), transactional leadership is a process in which leaders are responsible for reward and punish for employees' performance as in one dimension of paternalistic leadership authoritarianism also speaks about how leaders have strong control or authority over their assistants. Bass (1985) also shows that transformational leadership has positive qualities like charisma, care about the individual, aptitude, and willingness to provide intellectual motivation as other dimensions of paternalistic leadership benevolence: leader shows care for his assistants and mortality defined a leader's that have charismatic personality and honesty through acting generously and leading by example. As explained by definition that transformational leaders pay more attention to change. A real transformational leader transforms the thinking, views, and attitude of supporters (Podsakoff *et al.,* 1990). At the corporate level, a transformational leader is who brings initiation, implement new ways in the organizations (Northouse, 2004). Therefore, an efficient transformational leader is capable to bring change to the organization. Previous studies support this concept. For example, Graetz (2000) used a qualitative case study and his result shows that a leader must have the vision, authorized, and strengthen his or her followers. The distinctiveness that Graetz (2000) explained is the dimensions of the transformational leader as well as paternalistic leader behavior. It is showed that the transformational leader's behavior was linked with lower-level worker's cynicism as regards organizational change. Transactional leadership will also be significantly positively related to organizational readiness for change but less. So transactional leaders don't provide a vision for the organization so employees are uncertain and feel hesitant to involve in change activates. Based on the above arguments, we hypothesize that

**H1:** Paternalistic leadership significantly positively affects Organization readiness for change.

**Paternalistic Leadership and Organization Readiness for Change: Mediating Role of Employee Engagement**

The term employee engagement is established mainly by researchers of business studies, management, organizational behavior (OB) discipline, and psychology (Welch, 2011). Many

researchers described Employee engagement as a "satisfying, positive job-related skill, state of mind and it also existed as a good health and positive work affect at the workplace" (Schaufeli & Bakker, 2004; Sonnentag, 2003). Employee engagement has 03 dimensions: vigor, dedication, and absorption (Schaufeli *et al.,* 2002). It shows a significant impact on output and employee retention by executing employee engagement (Bhatnagar, 2007). Engaged employees tend to be more concerned about their organization's success and go the extra mile to achieve success (Glaspie & Nesbitt 2004, James *et al.,* 2011). Leadership is deliberated in relation to help employee's engagement in the literature (Suharti & Suliyanto, 2012). The behavior of a leader with its subordinates affects employee's engagement in the organization (Saks, 2006). Moreover, leaders' support and care for employees is set up of a positive relationship on employee engagement. If the leader shows more concern and welcomes the opinion of its subordinates, the work engagement is higher than expected to be (Suharti & Suliyanto, 2012). Furthermore, there is a positive influence of benevolent and moral leadership on the outcomes of employees (Wang & Cheng, 2010). It is found in a study that there exists a significant positive association between these dimensions and subordinate performance (Wang *et al.,* 2011). However, authoritarian leadership style contains control over their subordinates, so a lot of research has found that there is a negative relationship between authoritarian leadership style and employee job attitudes (Chan *et al.,* 2013). However, numerous studies have revealed that leader authorizing behavior towards employees has a positive impact on their work engagement (Mendes & Stander, 2011). It is found that employee engagement has a role in organizational readiness for change. Employee engagement shows a vital role in employee acceptance of the change (Iverson, 1996; Yousef, 2000). It is also found that highly committed workers are more ready to accept organizational change if it is beneficial for them (Lau & Woodman 1995). Studies show that employees who are highly engaged in their work are more willing to put effort to bring change to the organization, so it is showed that they develop a positive attitude towards organizational change (Iverson, 1996).

**H2:** Employee engagement significantly and positively affects organization readiness for change.

**H3:** Employee engagement mediates the relationship between Paternalistic leadership and Organization readiness for change.

## Paternalistic Leadership and Employee Engagement: Moderation of Islamic Work Ethics

The word "ethics" is derived from the Greek word "ethos" which means "character" (Ahmet & Akdogan, 2012). The terminology "IWE" is drawn from Weber"s theory of protestant work ethics (Qayyum *et al.,* 2018). Islamic work ethics is the behavior that's either forbidden or encouraged for employees at the workplace in overcoming hurdles delaying the success of an organization (Yousef, 2000). Islamic work ethics forbid idleness, laziness at the workplace, and wasting time in unproductive work, it is believed that the person who has done these kinds of action at the workplace is usually unproductive and fails in life because of their attitude. It is a new aspect of business ethics to improve the workplace environment in an

organization. Employees who implement Islamic work ethics in their workplace not only perform better but also have good behavior with their colleagues (Khan *et al.,* 2015).

Employees face many problems related to ethics at their workplace like corruption, lying, bullying, stealing, and monetary cons. Islam shows the standards of success for Muslims that do their daily activities and business activates according to Qur'ān and Hadith and it is openly detected that only those get success who invite others towards good (Yousef, 2000). The Holy Qur'ān puts too much emphasis on ethics as "You are the best nation has been raised for mankind; you enjoin right conduct, forbid evil and believe in Allah" (3:110). "And let there be from you a group inviting to all to that is good (Khair), enjoining what is right (maruf), and forbidding what is wrong (munkar)" (3:104). The eventual message of the Holy Qur'ān and *Sunnah* teaches and orders the best of ethics in the personal as well as professional life of an individual (Athar *et al.,* 2016). Islamic values have its impact on leadership styles. It is showed that the spiritual abilities of managers affect transformational and charismatic leadership and paternalistic leadership (Bekis, 2006). In Middle East countries, leadership styles tend to be highly strict as Islam supports loyalty, respect, and obedience for superiority to work-related values (Yeganeh & Su, 2008). Thus in western countries, management styles lead towards high performance. In the Arab world, significances are classically focused on family safety, family coordination, and paternalism while in the United States of America effort is on independence, liberty, and self-assurance.

**H4:** Islamic work ethics moderates the relationship between Paternalistic leadership and employee engagement in such a way that this relationship gets stronger when IWE is high.
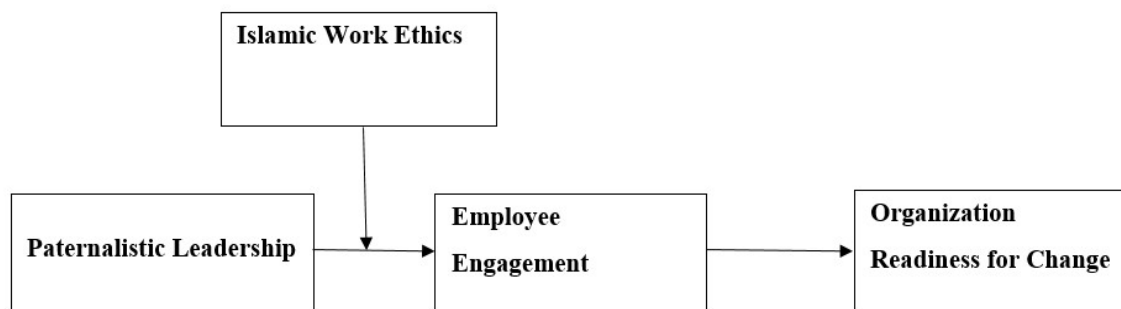


**FIGURE 1.** Research Model

## METHODOLOGY

*Participants of the Study*

In Pakistan, now most organizations bring technology and new methods to survive in this competitive environment, so for that purpose employee readiness is more effective for the

successful execution of organizational change program. Leadership is the most important element for an employee's readiness, when employees have faith in their leaders they can easily go for a change. This can be experimental in most of the organizations in Pakistan. Therefore, the data is collected from two educational institutions that recently went through the technological change process. The convenience sampling technique has been used to collect data from the teaching faculty of private and public sector educational institutions of Pakistan. Total 400 questionnaires were distributed from which 253 were completed and returned, 50 were partially filled and thus not utilizable making the response rate 50.75%. As part of research ethics, all members were guaranteed privacy and confidentiality to guarantee the rationality of their reactions. As far as demographics are concerned, most of the participants were married (70%) males (83.3%) with an average age from 26 to 40 years (67.5%). The majority of them were Assistant professors and administrative jobs (46.8%) and as far as experience is concerned, 57.5% of respondents were having less than 10 years of experience.

### Scales/ Measures Used
All variables of study in hand have been measured using a 5 point Likert scale where 1 symbolized Strongly Disagree and 5 symbolized Strongly Agree.

### Paternalistic Leadership
PL was measured using a 17 item scale developed by Cheng et al. (2000). Sample item contained "My supervisor handles what is difficult to do or manage in everyday life for me". The Cronbach alpha for this variable was 0.753.

### Islamic Work Ethics
IWE was measured using a 17 item scale developed by Ali (1992). Sample items included "Dedication to work is a virtue." The alpha for this scale was 0.941.

### Employee Engagement
Employee Engagement has been measured using a 09 item scale developed by Schaufeli et al. (2006). Sample items included "Today, I was proud of work that I do". The Cronbach's alpha reliability for this variable is 0.877.

### Readiness for Change
Readiness for change was measured by using 6 item scale developed by Holt et al. (2007). Sample items included "I usually try to convince people in my company to accept change". The Cronbach's alpha for this scale was 0.748.

**TABLE 1**
**One-way ANOVA**

|  | Readiness for Change | |
| --- | --- | --- |
|  | F. Statistics | P-Value |
| Gender | 9.37 | .01 |
| Age | 6.29 | .00 |
| Marital Status | 5.85 | .02 |
| Position | 38.15 | .00 |
| Job Tenure | 9.18 | .00 |

## Control Variables

A one-way ANOVA test was done to resist the disparity in readiness for change based on demographic variables used in the study. Findings showed that one-way ANOVA (see Table 1) point out important variances in the readiness for change i.e. dependent variable through gender ($F= 9.37, p < .01$), age ($F= 6.29, p < .00$), marital status($F= 5.85, p < .02$), position ($F=38.15, p < .00$) and job tenure ($F=9.18, p <.00$). After that, factors recognized as significant were moved as control variables in step one of regression analysis.

# RESULTS

Mean, Standard deviation, and Correlation results are presented in Table 2.

### TABLE 2
### Mean, S.D and correlation

|       | Mean | S.D  | 1      | 2      | 3      | 4 |
|-------|------|------|--------|--------|--------|---|
| PL    | 3.44 | .403 |        |        |        |   |
| ROC   | 3.67 | .535 | .259** |        |        |   |
| IWE   | 3.66 | .778 | .231** | .589** |        |   |
| EE    | 3.58 | .532 | .356** | .451** | .577** | 1 |

** Correlation is significant at the 0.01 level (2-tailed).

*N*= 203, PL=Paternalistic Leadership, ROC= Readiness for Change

IWE= Islamic Work Ethics, EE= Employee Engagement

The table point toward that Paternalistic leadership has a significant positive correlation with organization readiness for change ($0.259, p \leq 0.05$) which gives preliminary support for hypothesis 1. On the other hand, paternalistic leadership has significant positive relationship with IWE ($0.231, p \leq 0.05$), & EE ($0.356, p \leq 0.05$). IWE displayed a positive association with ROC ($0.581, p \leq 0.05$). EE showed positive correlation with ROC ($0.451, p \leq 0.05$).

## Regression Analysis Moderation

Regression analysis was performed to check the variation in the dependent variable because of demographics, independent, mediator, and moderator. The findings got from the regression analysis are presented in Table 3.

**TABLE 3**
**Regression analysis-moderation**

| | Readiness for Change | | |
|---|---|---|---|
| Step 1 | $\beta$ | $R^2$ | $\Delta R^2$ |
| Control Variable | | 0.127 | |
| Step 2 | | | |
| PL | .126** | | |
| IWE | .464** | 0.470 | 0.343 |
| Step 3 | | | |
| PLxIWE | .983** | 0.605 | 0.135 |

N=203, Pl = Paternalistic Leadership, IWE= Islamic
work ethic and EE = Employee Engagement = $p < .00$**

Hypothesis 4 was tested by using moderated regression analysis; where the control variable was entered in Step One. In step two, Independent and moderator variables were entered. At the end of step three, the interaction term (product of IV and moderator variable) was entered, which if comes significant, verifies moderation.

The result of moderated regression analysis is presented Table 3 (Step 3) indicate that IWE moderates the relationship between PL and employee engagement ($\beta = 0.983, p < 0.05; \Delta R^2$ 0.135), and as a result hypothesis H4 is supported.

## Mediation Analysis

As for the H3 is concerned, it was supposed that employee engagement mediates the relationship between PL and ORC. The mediation method as proposed by Preacher and Hayes (2008) is used for this analysis.

**TABLE 4**
**Mediated regression analysis**

| | B | SE | T | p |
|---|---|---|---|---|
| PL $\rightarrow$ ORC | .3450 | .0906 | 3.8070 | .0002 |
| PL $\rightarrow$ EE | .4704 | .0871 | 5.4003 | .0000 |
| EE $\rightarrow$ ORC | .1504 | .0892 | 1.6856 | .0000 |
| PL$\rightarrow$ EE $\rightarrow$ ORC | .4138 | .0675 | 6.1306 | .0000 |
| Bootstrap results for an indirect effect | | | | |
| | Indirect effect | LL 95% CI | UL 95% CI | |
| | .1947 | .1129 | .2822 | |

Table 4 gives a summary of the mediation analysis performed. Initially, it was found that PL is positively related to ORC ($\beta = .3450, p < 0.05$); H1 is supported. It is found that PL is positively related to EE ($\beta = 0.4704, p < 0.05$); EE is positively related to ORC ($\beta = .1504, p < 0.05$) indicates H2 is supported. And finally, it is found that the PL to ORC in the

presence of mediator ($\beta = .4138$, $p< 0.05$). Both LL and UL have the same positive sign and don't contain zero in between, which indicates that partial mediation exists. Hence H3 is supported.

## DISCUSSION

The analysis supported all hypotheses of this study. Paternalistic leadership was found to have a positive effect on organizational readiness for change of the employee. When an organization introduces new technologies and wants a change in the organization, it is only possible when employees are ready for the change. So, concerning leadership, people respect and trust their leader, and if the leader represents a change agent that change is possible. That means when companies changing processes, want loyalty and attachment of worker and want to bring the change they should follow a paternalistic leader style to bring positive employee reactions rather than bring change without any planning which may have a negative impact on employees. These findings are in line with previous studies (Podsakoff *et al.,* 1990, Northouse, 2004), researchers have long suggested that PL May develop ROC. Employee engagement has a significant positive relation with paternalistic leadership and organizational readiness for change. Actions of a leader with his assistant's effect employee's engagement in the organization. Moreover, employee engagement shows a very important role in employee acceptance of the change. It is meant that when companies want to change then they also have a look at employee engagement in their organization because it is very easy for managers to bring change after those findings. Past studies also support that EE positively affects PL and ROC (Wang & Cheng 2010).

Employee engagement shows a vital role in employee acceptance of the change (Yousef, 2000; Iverson 1996). Studies show that employees who are highly engaged with the organization are more willing to put effort to bring change to the organization, so it is showed that they develop a positive attitude towards organizational change (Iverson, 1996).

Islamic Work Ethics indicates that it has a significant positive relationship with paternalistic leadership and employee engagement. These results are reliable with our view that the Islamic code of conduct inspires followers to obtain and share their knowledge with their colleagues. The Holy Qur'ān shows the importance of being polite, modest, and helpful in both personal and professional life. Islam shows the values of achievement for Muslims that do in their daily actions and occupation activates according to Qur'ān and Hadith, only those get success who invite others towards good (Yousef, 2000). Islamic values have its impact on leadership styles. It is showed that the spiritual abilities of managers affect transformational and charismatic leadership (paternalistic leadership) (Bekis, 2006). In Middle East countries, leadership styles tend to be highly strict as Islam supports loyalty, respect, and obedience for superiority to work-related values (Yeganeh & Su, 2008). Therefore, the results of the study in hand support the preceding intellectual arguments on the role of IWE in affecting PL and EE.

## Theoretical Implications

Using LMX as a theoretical lens, the present study tested the mediating role of employee engagement and the moderating role of Islamic Work Ethics between the relationship of paternalistic leadership and organizational readiness for change.

## Managerial and Practical Implications

Top management like Chancellors, VC's, Deans, and Head of departments (HOD's) are suggested to offer their workforce a helpful business setting, particular attention must be given to engaging employees in seminars, workshops, and training where the major focus may be emphasizing the welfare of continues development and loyalty with the organization and leader. In the same way, managers should follow and focus on emerging the Islamic culture where Islamic principles, code of conduct, and ethical values are provided. Islamic code e.g. *ākhirah*, *itqān*, *muḥāsabah*, *ijtimāʿīyah*, and *mushawārah*, etc is an entire set of values for every phase of human life. It shall add to the Islamic ethical principles of employees alongside output which will advantage the organization as well as employees.

## Limitations and Direction for Future Research

The data has been gathered from the faculty of only 02 private and public sector educational institutions of Pakistan, which recently went through the change process. Further studies are recommended to be conducted on the same subject matter in other emerging Asian countries to enhance the generalizability of this study. The study in hand included a sample size of 203 respondents which was selected by using the convenience sampling technique. To reassure the generalizability of the present study, researchers are suggested to use a larger sample size in the future. Future studies must also take into account multi-source data collection methods to avoid common method bias. This research is an outcome of Paternalistic leadership's impact on organizational readiness for change. It is suggested that researchers may study other leadership styles e.g. Laissez-Faire leadership, spiritual leadership, servant leadership that is being mostly followed in Asian countries.

## Conclusion

To conclude, organization readiness for change is not only vital but also is a requirement of the 21st century for organizational survival and growth, and secondly, paternalistic leadership plays a crucial role during organizational change. Our research paper contributes to the knowledge about the leadership role in change management. Our work may also instigate the organizations to think about the fatherly leadership style, employee engagement, and Islamic ethical values, which lead organizations to successfully manage the organizational change and may increase their success and productivity.

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