From the Battlefield to the Tourist Attraction -- Investigating the Changes of Paternalistic Style of Leadership in Kinmen

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Abstract
On an offshore island of Kinmen, where intensive artillery fire from across the Strait had rained and there remains a sharp look of place of battle, was stationed by troops of nearly a hundred thousand men at a beginning stage. Owing to the commodity and monetary control by the Government, more commodities were needed than supplied, and the commodity prices were set by vendors freely; that was an incentive strong enough for almost every local house to become a shop. Each of those small shops was individually run by a family. Then, after the number of troops became smaller in the context of mitigated political tension across the Strait after the lift of martial law, tourists follow. They keep coming to see this place that was once a battlefield and to feel the local culture shaped by and survives warfare. There are many enterprises from Taiwan introducing modern business modes to Kinmen, and impact these shops are operation with traditional way. The owners of the local traditional enterprises run predominantly in paternalistic style of leadership, including leading by kindness, by moral and by authoritarianism. We thus conducted questionnaire survey, targeting the businesses in Kinmen, also employed secondary data gathering, to investigate the paternalistic style of leadership in the small and medium businesses there. The findings hereof will assist Kinmen’s business leaders in making their decisions in leadership and serve as references in increasing business performances.

Keywords: Kinmen, small and medium enterprises, paternalistic style of leadership
**Motivation and background**

On an offshore island of Kinmen, where intensive artillery fire from across the Taiwanese Strait used to rain and remained a sharp look of battlefield, was stationed by troops of nearly a hundred thousand men at a beginning stage. Owing to the commodity and monetary control by the Government, the demand of commodities was greater than supply. Thus, the commodity prices were set by vendors freely, which served as an incentive strong enough for almost every local house to become a shop. Each of these small shops was individually run by a family. Later, the number of troops became smaller and smaller in the context of mitigated political tension across the Taiwanese Strait after the lift of martial law; and then tourists follow. They keep coming to see this place which was once a battlefield and to feel the local culture shaped by and survived from warfare.

**Introduction**

Kinmen is an island between Taiwan and China. It has 150 square kilometers. Kinmen is famous for Kinmen Kaoliang Liquor, Kông-thũng...and all kinds of specialties.

**Research purposes**

There are many enterprises from Taiwan, which introduced modern business modes to Kinmen and further impacted these shops that were run in traditional way.

The picture in the left is the street of the Yang Zhai. There are many old school buildings with traditional Min-Nan culutrale style. And in the right is a modernized Cafe shop in recent years.

- To investigate the paternalistic style of leadership in the small and medium businesses in Kinmen.
- The findings hereof will assist Kinmen’s business leaders in making their decisions in leadership and serve as references in increasing business performances.

**Literature Review**

**Small and medium enterprises**

Countries have different standards for the definition of small and medium-sized enterprises—Various criterions for industry characteristics

Dhawan(2001) investigated the different performance characteristics between large and small enterprises. The derivation of the theory showed that enterprises of different sizes are heterogeneous. Small enterprises have higher profit rate, lower survival probability and difficulties to enter the capital market. The study pointed out that small businesses, comparing to large firms, are more productive but may undergo higher risks.
**Paternalistic style of leadership**

Paternalistic leadership, which combines strong discipline and authority with fatherly benevolence and moral integrity couched in a 'personalistic' atmosphere, has been found to be prevalent in overseas Chinese family businesses. After critically reviewing the extant literature, we identify three constituent elements of paternalistic leadership (PL): authoritarianism, benevolence, and moral leadership. Authoritarian leadership refers to leader behaviors that assert absolute authority and control over subordinates and demand unquestionable obedience from subordinates. Benevolent leadership refers to leader behaviors that demonstrate individualized, holistic concerns for subordinates' personal or family well-being. Moral leadership may be depicted as leader behaviors that demonstrate superior personal virtues or qualities that provide legitimacy as well as arouse identification and respect from subordinates for the leader.

Chinese paternalistic leadership in the eastern cultural background is quite effective. However, paternalistic leadership behavior includes Authoritarian leadership, Benevolent leadership and moral leadership three leadership behavior. The core value of management method is ”Temper justice with mercy”. For Enterprise, to explore the following factors: Whether employees feel alive, willing to sacrifice, and do all attention on the work.

**Leadership of authoritarianism**

Leaders emphasize that the authority is absolute and cannot be challenged. The subordinates are tightly controlled and are required to obey without reservation.

**Leadership of benevolence**

Leaders should take long-term care of the well-being of their subordinates and build up comprehensive relationships with them individually.

**Leadership of moral**

Leaders must show a higher morality of personal conduct or accomplishment in order to win the admiration of subordinates, and further allow subordinates to follow the example. The most prominent are non-favoritism and leading by example.

**Method**

Research methods include questionnaire. I will be on the Kinmen local industry questionnaire and test, hope through the actual data to analyze and get results. The scale adopted Likert 5 points scale measure.

**Prospective Results**

Early times, due to the war situation, Kinmen—an outlying island of Taiwan—had stationed for hundreds of thousands of troops. As a result, market demand is greater than supply, and this embedded local stores the power to lead the market price.
After the lifting of the Martial Law, tourists became the main group of customers. Outer enterprises entered Kinmen and brought in the modernized operation model. However, most traditional stores of Kinmen remained their original operating style.

Local businessmen of Kinmen should adapt the evolution of the times by ways of leadership changes and amending the mode of operation from time to time. So that they may not be eliminated by new emerged businesses.

**Recommendations for Future Research**

Combine battlefield and modern styles as the inspiration for the change of operation mode.
Guide employees through amending the way of leadership.
Coordinate with government policies to attract tourists and keep updated with trends.
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