The Effects of Paternalistic Leadership on Employee Retention in Hong Kong Family Businesses

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Declaration

This thesis contains no material which has been accepted for the award of any other degree or diploma in any university or other tertiary institution and, to the best of my knowledge and belief, contains no material previously published or written by another person, except where due reference has been made in the text. I give consent to the final version of my thesis being made available worldwide when deposited in the University’s Digital Repository, subject to the provisions of the Copyright Act 1968.

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Steven Yiu Fai Lau
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Abstract

Researchers generally agree that the working population will diminish over the coming decades which will result in increasing pressure on the management of organizations to focus significantly on retention strategies of talented employees. Previous studies by many researchers also concluded that leadership style is a major factor affecting the intention of employees to leave an organization; therefore, the researcher of this particular study has selected to investigate the effects of leadership style on employees’ turnover intention. Furthermore, paternalistic leadership is traditionally the most prevalent and effective management concept in Chinese family-owned businesses (Cheng, Cheng, Chou, Hsung & Farh, 2004), therefore, the main objective of this study was to examine the effectiveness of paternalistic leadership on the employees’ turnover intention in a large number of Hong Kong family businesses. Employees in typical Hong Kong family businesses were invited to complete an anonymous survey related to the degree of the paternalistic leadership of their superior and their level of intention to leave the organization. The survey was also structured to collect data on the perception of employees regarding organizational commitment and job satisfaction, and this data was used to explore the effect of organizational commitment and job satisfaction in the relationship between paternalistic leadership and turnover intention. This research study conducted quantitative research methodology by deploying the structural equation modeling method to explore the causal relationship among these four variables. The first area of research focused on the effects of paternalistic leadership on employees’ turnover intention, whilst the second area examined the impact of organizational commitment and job satisfaction on turnover intention, due to the influence of paternalistic leadership. On completion of data analysis and interpretation, all the results and findings are reviewed in the discussion section of the submission. It advances the arguments used to answer the aims and objectives of this study, as well as providing the theoretical and managerial implications of paternalistic leadership on turnover intention of the employee in Hong Kong family businesses. The findings also offer a platform for further research opportunities in paternalistic leadership in Hong Kong Family Businesses.

Keywords: paternalistic leadership; turnover intention; organizational commitment; job satisfaction
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