



The Impact of Firm Size and Culture on Leadership Styles in Vietnamese SMEs

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ABSTRACT

This study examines leadership styles in Vietnamese SMEs and addresses the dynamics of firm size and culture to foster managerial and organizational performance. The study relies on a qualitative technique to gather the perceptions of 51 Vietnamese SME managers. Findings indicate that the autocratic style is highly adopted in Vietnamese SMEs. However, a balance between the autocratic and democratic styles is recommended to create a caring and familial work environment. The research draws a road map for Vietnamese SME managers and outlines drastic delineations for leadership behaviors, training institutions, and agencies support. Finally, it provides consultation schemes for SMEs' operational and developmental paths.

JEL Classification: M12, M14

Keywords: Leadership styles; SMEs; Vietnamese cultures; firm size

Article history:

Received: 26 May 2021

Accepted: 1 December 2021

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INTRODUCTION

Leadership is a crucial determinant in the success or failure of organizations as it implores the role model to follow and invigorates employees' commitment and integration (Ribeiro et al., 2018). Previous studies extensively highlight the significance of appropriate leadership styles in enhancing individual and organizational outcomes (Kwanya and Stilwell, 2018). Although many factors are entangled in the adoption of leadership styles, the company's size and culture rose as critical elements that merit attention from researchers. In the same vein, SMEs strive to follow the leadership styles that best fit their surrounding environment and monitor their daily activities (Johnson, 2018). Studies conducted by Taormia and Selvarajah (2005), Truong and Rowley (2013), Selvarajah and Meyer (2020) addressed the cultural factor in the context of leadership behaviors. Yet topics related to company size's impact on leadership are still under-researched (Marx, 2017), and empirical studies about leadership perceptions in Southeast Asia, including Vietnam, are a dearth of research (Taormia and Selvarajah, 2005).

In recent years, Vietnamese SMEs have shown an enormous contribution to the country's economic development. However, one of their main weaknesses is the limited management capacity. Hence, Vietnamese SMEs urgently need to enhance their leadership skills to survive and thrive in today's severely competitive global market (Nguyen, 2019). To assist Vietnamese SMEs managers in improving their leadership capacity, suggestions concerning selecting appropriate leadership styles are extremely essential. Furthermore, characteristics of SMEs and Vietnamese cultures should be considered when providing such suggestions as they greatly influence leadership styles.

This study seeks to answer the following research question: "*What are the perceptions of managers regarding the influences of firm size and culture on leadership styles in Vietnamese SMEs?*". We employ Lewin's leadership style model in this research to shed light on the level of control that leaders hold over the decision-making process and their teams' involvement. This leadership trait pertains with great specificity to each organization and highlights the embedded internal characteristics that vary across organizations relative to their sizes and cultural contexts (Mihai, 2015; Selvarajah and Meyer, 2020).

REVIEW OF LITERATURE

Leadership styles

For long decades, topics about leadership and leadership styles have attracted scholars' substantial attention (Abi and Arief, 2017). The high quality relationship between leaders and subordinates may provide favorable support, increase the positive feelings as well as reduce the dispositional envy and negative behaviors from employees (Atmaji et al., 2021).

Leadership styles implore the patterns of interactions between leaders and followers (Mwesigwa and Ssekiziyivu, 2020). Mayowa (2009) describes leadership styles as the set of chosen methods used to positively impact the behavior of employees; the way a leader instructs his subordinates and encourages them to accomplish pre-established goals. Such styles rule the international organizational environment and direct employees' work performance (Kwanya and Stilwell, 2018).

One of the earliest studies about leadership behaviors was conducted by Lewin et al. (1939), who classified leadership styles into three main types: autocratic, democratic, and laissez-faire. In the autocratic style, leaders hold absolute decision-making power while employees are hardly involved in this process (Khan et al., 2015). In contrast, democratic leaders get subordinates involved directly in decision-making and focus on group relationships to sensitize the belonging spirits (Bojadziev et al., 2018). Meanwhile, laissez-faire leaders usually evade taking responsibilities, making decisions, or providing feedback. This latter style leads to a weak employer-employee relationship (Samad et al., 2015).

Organizational size and leadership styles

According to Mihai (2015), organizational size significantly affects leadership styles. In the context of SMEs, Megheirkouni and Mejheirkouni (2020) stated that SMEs' main constraints lay in the proper adoption of leadership styles. SMEs tend to select the style that tallies with the managers' comfort zone (Johnson, 2018).

To emphasize more, in SMEs, the relationship between the leaders who often operate as owner-managers (Franco and Matos, 2015) and subordinates is generally personal and direct (Yukl, 1998). In order to secure their ownership control, SMEs' leaders are often doubtful about employees' involvement in the decision-making process. As a result, they tend to adopt a directive leadership style and exert authority in policy determination, which forces subordinates to follow their instructions (Wang and Poutziouris, 2010).

Conversely, Nojimu (2014) explained that when SMEs grow, the organizational structure becomes more complex, and the decision-making process shifts to be more centralized. Due to prescribed and assigned job descriptions, employees will have a less participative role. Hofstede (1980) revealed that most junior managers and subordinates would accept the participative leadership styles in SMEs. In order to accommodate the needs and welfare of followers, SMEs' owner-managers tend to create a caring and familial-like working environment. From another point of view, Marx (2017) discovered that the impact of company size on leadership is still underexplored and produced mixed, contradictory, and inconclusive results. Thus, further empirical studies should be conducted to provide better insights into the impacts of firm size on leadership styles.

Vietnamese culture and influence on leadership and leadership styles

The topic related to cultural behaviors has received extensive attention from scholars such as Zawawi (2008), Mihai (2015), Selvarajah and Meyer (2020). Based on Selvarajah and Meyer (2020), Vietnamese culture is largely influenced by religious practices mainly originating from China. Almost all Vietnamese are Confucianists who practice Taoism, Buddhism, or both religions. Confucianism places a high value on social order and hierarchy within family units and broader society. In such a hierarchical structure, the distinct position of individuals is determined by age, title, and status (Xinzhong, 2000). Quang and Vuong (2002) described seniority as an authoritative base in Vietnamese culture where younger members are expected to exhibit submissions and unquestioning obedience to superiors. Historically, the high-power distance between leaders and subordinates marked the Vietnamese culture.

Xinzhong (2000) highlighted that Confucianism prioritizes collective values over individual interests. Truong and Rowley (2013) also concluded that the long-standing features of traditional Vietnamese firms are gauged in authority respect, hierarchical order, collectiveness, consensus, cooperation, and long-term commitment. Embedded with Confucianism's hierarchical structure and cultural roots, Vietnamese business culture is regarded as bureaucratic, where regulation and formal structure are heavily fostered (King-Kauanui et al., 2006). Accordingly, employees strive to maintain a harmonious relationship, accept formal management structure, avoid conflicts, perceive problem solutions as a social process, and accomplish goals through interpersonal persuasion (Tuang and Stringer, 2008).

Taoism considers the leader as a facilitator who underscores the group's interest rather than his own, enabling him to reduce organizational's resistance (Heider, 1994). Confucianism stresses the symbiotic relationship between the leader and followers, in which the leader shows benevolence and focuses on communicating and articulating a vision, monitoring operations, inspiring creation, and conducting risk-taking projects (Tsui et al., 2004). Tan et al. (2016) emphasized that a benevolent attitude assists leaders in fostering trust with employees, being sensitive to their needs, and surrounding them with care. Chen (2004) and Truong and Rowley (2013) also supported benevolent leadership. Furthermore, the Japanese style, which stresses the role of group work and teamwork (Chen, 2004), is believed to influence the Vietnamese business culture.

From globalized and generational dimensions, the Vietnamese younger generation openly embraced westernized ideas and ways of thinking, specifically in a market-based economy (McLeod and Dieu, 2001). The dynamics of openness and market-based economy shape expatriate managers' culture, leading the young population to quickly adapt to participative leadership styles (Quang and Vuong, 2002). However, these Vietnamese youngsters still respect and refer to their value systems as a means of reconciliation and adaptation (McLeod and Dieu, 2001). Furthermore, as the north of Vietnam was affected by the communist state and the south by democracy, cultural differences swang between both regions leading to a mix of managerial behaviors and leadership styles dissimilarities (Ralston et al., 1999).

In a nutshell, the previous literature about leadership and leadership styles was extensively investigated in the western world, while studies within the eastern cultures, especially in Southeast Asia like Vietnam, remain under-researched (Taormia and Selvarajah, 2005). Therefore, this research attempts to uncover the influence of organizational size and culture on the leadership styles of Vietnamese SMEs.

Figure 1 describes the study's theoretical framework and sheds light on the influence of organizational size and culture on Vietnamese SMEs' leadership styles.



Figure 1 Theoretical framework

RESEARCH METHODOLOGY

Research design

Following the previous literature about leadership and leadership styles, the present study examines leadership styles in Vietnamese SMEs and addresses the dynamics of firm size and culture. Therefore, the perceptions of Vietnamese SME managers are accounted for, and the implications of the appropriate leadership are provided. The research findings draw a road map for Vietnamese SME managers and outline drastic delineations for leadership behaviors, training institutions, and agencies support. It provides consultation schemes for SMEs' operational and developmental paths.

Data collection

According to Saunders et al. (2012), studies about participants' perceptions have relied on the qualitative interview technique. By utilizing semi-structured interviews, the interviewees can share their thoughts, comments, explanations, and particular experiences. This would enable the researchers to develop data in both breadth and depth (Bryman and Bell, 2011; Saunders et al., 2012).

Creswell (2014) stated that constructing themes based on converging different data sources or participants' perspectives adds to the study's credibility. Results in this research were triangulated from various sources such as audio-recorded and field notes taken during interviews. When many perspectives about a theme are provided, the results will be more realistic and validated. In this study, transferability was created based on detailed and in-depth descriptions to generate the findings. Many of the topics discussed in this study stemmed from participants' various experiences and background-affected perceptions influenced by their gender and business fields.

The selected participants are Vietnamese SME managers. SMEs are defined as micro, small, and medium-sized enterprises having no more than 200 employees registered with the state social insurance scheme in a year. In addition, they have to meet either of the following two criteria: total capital shall not exceed VND 100 billion, and total revenue of the preceding year shall not exceed VND 300 billion, following the law (4/2017/QH14). The participants were approached based on the personal network of the researcher and the references of previous interviewees, which reflected the usefulness of the qualitative snowball sampling technique. A brief description of the participants is provided at the end of the paper.

According to Bryman and Bell (2001), an optimal number of interviews to establish validity needs to be determined, with the understanding that any further inclusion of interviews may not add value to the research. In this research, in-depth interviews were conducted with 51 SME managers, including 40 males (78.43%) and 11 female managers (18.5%), operating in various business fields such as construction, vocational education, nutritional food, real estate business. Socio-demographic factors such as gender and business fields are important considerations to provide coverage of most types and ranges of participant views (Bryman and Bell, 2011).

Interviews were carried out in managers' preferred venues, namely their offices, to make the conversations less formal and encourage managers to feel comfortable sharing thoughts. The length of the interviews ranged from 45 to 60 minutes. All the conversations were audio-recorded, transcribed, and read several times by researchers for later analysis.

The interview protocol was used in almost all interviews to seek the opinions of different participants on common issues. A list of questions developed from the literature was utilized and addressed to Vietnamese SME managers to extract valid comparisons between applicable leadership styles in SMEs and large firms. Moreover, the questions related to considerations when adopting leadership styles in the cultural context of Vietnam were also explored. The managers were further encouraged to share examples and experiences concerning adopting leadership styles. The interview protocol was generally designed with major components such as instructions to the interviewer, themes, key questions, and probes to follow key questions (Creswell, 2014).

Data analysis

Based on the study of Creswell (2014), the authors conduct qualitative data and step-by-step procedures to systemize the data analysis process. In such a process, researchers are required to organize the data, conduct a preliminary read-through of the databases, code and organize themes, and compile the data in a clear format for interpretation.

NVivo 11 was employed to identify main topics, sub-topics, examples, multi-dimensional views from the interviewees. Descriptive topics were mainly based on the content analysis from the interviews. In addition, examples and comments by members were also directly cited to help readers get the natural feeling in the responses and the reality in actual business situations, adding to the persuasiveness of qualitative research. These topics, in turn, could be closely associated with the key research questions concerning the influence of size and culture on leadership styles in Vietnamese SMEs.

RESULTS

The influences of firm size on leadership styles in Vietnamese SMEs

The adoption of autocratic style in SMEs

The study highlights that most Vietnamese interviewed SME managers prevalently adopted the autocratic style. The style is duly applied due to the following reasons: SMEs' small scale characteristics, staff's low competence, property owned by the leader, and centralized hierarchy and power.

Small scale and hierarchical organizational structure

The study revealed that management apparatus might affect the choice of leadership styles. The majority of Vietnamese SME managers stressed that in a small business scale with a hierarchical organizational and straightforward SME structure, the autocratic style becomes the most common choice for leaders. One SME manager commented: *"In comparison with large enterprises, SMEs have simpler organizational structures, less capital, fewer human resources, and smaller production scale; thus, the management process seems to be less complicated. The company's director holds the ultimate power to make all important decisions, resulting in the prevailing autocratic style choice."* (M.22). Another SME manager emphasized: *"SMEs have fewer departments and employees, and thus, the leadership style is mostly autocratic and sometimes democratic to facilitate direct guidance and communication with employees."* (M.05)

Centralized-power

Furthermore, SMEs' management is commonly simple, power-centralized, and less hierarchical. Therefore the autocratic style is the most applicable one. One leader said: *"An advantage of SMEs is to have a less hierarchical apparatus. Almost all power is centralized on the leader. Large enterprises are highly decentralized, so the decision-making power of the leader is influenced by other members in the company."* (M.50)

Drawing on the level of job supervision in SMEs, with the small number of employees and tasks implemented, the autocratic style is more productive for leaders to supervise their team directly. One SME leader affirmed that: *"In SMEs, fewer tasks are implemented and supervised as compared to larger enterprises; thus, the preferable leadership style in SMEs is normally autocratic while the latter tend to adopt democratic or laissez-faire."* (M.04)

As explained by SME top managers, the reduced management emphasis and centralized hierarchy enable them to make decisions without relying on a broad discussion with other involved members. SMEs' decision-making process is usually less complex, and the consequences of these decisions exert a less significant impact, which also leads to the everyday use of autocratic leadership style in SMEs. One SME manager shared his view: "*SMEs normally have a small business scale with limited products, customers and markets. Any decisions or business changes are not as impactful as those in larger enterprises. In big corporations, every single decision should be reported to the board of shareholders to seek approval. Meanwhile, in SMEs, the top leader could make decisions by himself without consultation with anyone else or at least just discuss with the vice director or some heads of departments.*" (M.18)

Property owned by the owner-managers

Moreover, since SMEs' managers are concurrently founders, they tend to be autocratic to ensure that their investment is profitable. In many Vietnamese SMEs, the founders develop small businesses based on outstanding expertise and accumulated experiences. Therefore, the autocratic style is preferable to SME owner-managers to directly supervise their business and control their followers and investment, especially in the family business model. One leader provided an example of this view: "*In SMEs, the leader is generally the one who holds the company's property. He often works based on intuition, expertise, and experience gained from his job. Those who hold important positions in the company are usually the leader's family members. Thus, the leader adopts the autocratic style, makes decisions by himself, and takes responsibility for all the works done.*" (M.24)

Low employee competence

In limited financial and human resource management instances, SMEs generally encounter challenges in employing highly qualified employees. Due to employees' low competence level, the preferred style is autocratic to ensure the company's performance. The SME managers stressed that with their efficient skills and knowledge, the autocratic style would facilitate their direct guidance with followers to implement tasks better. One manager illustrated this point: "*The autocratic style might be the dominant in SMEs due to staff's limited competence. The democratic and laissez-faire ones seem ineffective when followers lack the skills and knowledge to work in groups without the manager's involvement. It is hard for these staff members to make decisions by themselves.*" (M.49). Another SME manager added: "*For most SMEs, the ability to attract highly qualified staff is still limited. Thus the leader must be perspicacious in making big decisions to develop the enterprises.*" (M.22)

Cautious use of autocratic style

Although a significant number of Vietnamese SME managers advocated autocratic leadership in SMEs, many advised that autocratic power should be cautiously implemented to reduce the level of pressure on employees. One SME manager said: "*In SMEs, the leader directly supervises and communicates with employees. If employees feel a sense of being imposed and uncomfortable, they may leave the company to seek for another professional working environment.*" (M.41)

The adoption of democratic style in SMEs

On the other hand, some Vietnamese SME managers expressed their support for the democratic leadership style. They opined that the simplicity of management in SMEs is one of the main reasons for their choice. One SME manager explained: "*In SMEs, the division of work is clear-cut with simple organizational structure and a small number of employees. It facilitates the leader to manage and supervise staff daily, enabling him to process information precisely and promptly. Competent and qualified subordinates are more easily recognized by the leader, encouraging them to achieve high performance. For that reason, applying democratic style is the most suitable way to promote staff's creativity and motivation in small business operation.*" (M.15)

Another reason for supporting the democratic style is creating a comfortable working environment. With the limited financial resources, non-financial methods, including effective working climate, were regarded as the vital incentive to attract and maintain SMEs' labor forces. One manager shared his viewpoint:

"SMEs are limited in resources so the use of democratic style may create an open and comfortable atmosphere which results in enhanced creativity and excellent performance." (M.19)

In large enterprises, employees should follow pre-established rules and regulations. However, from the perceptions of some participants, the SME leaders' command may lead to followers' opposition. One SME manager shared: *"In my opinion, SME managers should use the democratic style more frequently since in these enterprises, regulations, procedures, and structure are not perfect yet. SME managers should encourage creativity and employee idea contributions for the company development."* (M.38)

No influence of firm size on leadership styles

Few Vietnamese SME managers expressed their opinions that the firm size exerts no influence on the leadership styles. They believed that the bottom line is the flexibility in adjusting leadership styles under various management situations. One SME manager said: *"The selection of leadership styles should depend on the typical features of business activity and environment. One leadership style cannot fit all. To choose the right one, leaders should consider their business features and development phases."* (M.02)

The influences of culture on leadership styles in Vietnamese SMEs

When asked about the influence of Vietnamese cultures on leadership styles, SME managers reported as follows.

Influences of Vietnamese culture on behaviors of leaders

Desire to exhibit power

When it comes to the influence of Vietnamese culture on leadership behaviors, interviewees highlighted the tendency to exert monitoring and control over employees, which leads to the joint adoption of the autocratic style. One SME employer said: *"Vietnamese culture is influenced by the old feudal society, dominated by autocracy. The leader always wishes his employees to follow him. This creates a culture in which employees are forced to follow regulations that discourage creativity, solidarity, and teamwork."* (M.05)

Greatly affected by personal relationships

In many cases, Vietnamese SME managers are required to account for personal relationships in their leadership affairs. Consequently, some managers found it hard to raise their voices to command subordinates to complete tasks professionally. One leader shared his idea: *"The culture of Vietnamese enterprises is influenced by Asian culture, which values families and personal relationships. In many Vietnamese family-owned companies, upon decision-making, leaders often consider how this decision harms their relationships with followers, especially family members or relatives."* (M.24)

Although SME managers admitted that sometimes it is challenging to practice autocracy due to personal relationships, they resorted to this style to push common goals' progress and achieve work completion, especially in difficult situations.

Accordingly, the leader should be benevolent to earn trust and support from subordinates and perform his role effectively in the Vietnamese environment. Maintaining a harmonious relationship with employees was perceived as vitally important, and the democratic style was believed to assist Vietnamese leaders in accomplishing this goal. One SME manager said: *"Due to the characteristics of Vietnamese culture, the leader should create harmonious relationships in order to encourage employees to enhance working productivity and efficiency, reduce conflicts, and promote solidarity."* (M.19). Another leader added: *"The leader should understand their employees, actively share the happiness and sorrows and help them overcome difficulties."* (M.15)

Influences of Vietnamese culture on behaviors of employees

Passive and obedience

SME managers opined that Vietnamese employees are relatively passive in their jobs. One leader shared: *"Vietnamese workers are generally passive. They only work when their leader requests and do not dare to express their viewpoints"* (M.16). From their sharing, in such a culture characterized by high power distance,

an argument with elders/supervisors is considered entirely unacceptable. As a result, Vietnamese employees rarely express opposing views and obey the leader's command to avoid conflicts.

Lack of self-discipline

Another characteristic of Vietnamese SMEs' employees is poor self-discipline, requiring managers to set more regulations and raising the monitoring level. Vietnamese managers also claimed that many employees typically work without concentration. One leader said: *"As many Vietnamese employees do not stay focused at work, the manager has to control work based on plans and deadlines strictly. They do not care about deadlines and generally just focus on working when the deadlines nearly approach. They usually wait for the deadline extension. More seriously, they do not have a fear of penalty – that means they have no sense of self-discipline."* (M.41)

Notably, Vietnamese managers emphasized that several employees, especially the provincial ones who have not been well-educated, are unlikely to follow the rules. Furthermore, they often have a big "self." Vietnamese leaders must thus utilize the autocratic style to maintain a professional working environment. However, the democratic style should also be adopted to retain the labor forces. One leader shared his thought: *"When hiring provincial labors, we need to consider their characteristics and habits. For example, local laborers may be absent from work due to personal matters, family matters, or village matters... We need to be stricter to avoid unfortunate cases such as strikes and mass turnover."* (M.31)

Desire to be encouraged and praised

In this study, some managers generally emphasized that sentiment and emotion are often highly appreciated in Asian culture, particularly Vietnamese culture. Almost all Vietnamese employees like to be encouraged and praised. They are susceptible to being asked about wishes, aspirations, and thoughts. One manager said: *"Vietnamese people are sentimental, like to be motivated and complimented."* (M.07)

The influences of regional and generational differences on leadership styles

At the core of this study, we strongly believe that regional and generational differences affect the leadership styles in Vietnamese firms. For example, one leader shared his standpoint: *"The Southern people tend to be more democratic and expect more freedom than the Northern people. The youngsters tend to assert themselves and feel resistant to the imposed rules"* (M.49). These regional and generational differences were perceived to affect the personalities of both leaders and employees, which in turn influence the adoption of leadership styles.

DISCUSSION

Remarkably, there are divergent leadership styles related to company size (Mihai, 2015). Our findings are in line with Wang and Poutziouris (2010), stating that the majority of SME interviewed managers tend to employ autocratic leadership styles. In small-scale SMEs described with hierarchical organizational structures, managers choose the autocratic style to directly guide, lead and control teams (Yukl, 1998; Wang and Poutziouris, 2010). As SME leaders play the dual role of owner-managers (Franco and Matos, 2015), they utilize the autocratic style to control performance and efficiently manage investments. The study further explains that skilled SME leaders prefer to use the autocratic style to coach low-competent employees and minimize their involvement in the decision-making process (Wang and Poutziouris, 2010). However, the participants also warned that SME leaders should be cautious in applying this style and pay attention to alleviate pressure on their employees.

Some SME managers demonstrated their support for applying a democratic leadership style to encourage employees' contribution and integration (Nojimu, 2014). The democratic style was also perceived as a method to provide further non-financial incentives for employees by creating a comfortable working environment (Hofstede, 1980) and allowing leaders to reduce followers' oppositions where the regulations are not perfectly followed in the SMEs context. In fact, few SME managers claim that leadership style adoption is

not affected by firm size (Marx, 2017) and depends on other factors such as business environment and growth phases.

This study also validates the implication of cultural behaviors in leadership styles (Selvarajah and Meyer, 2020). The participants emphasized that the high power distance, characterized by followers' respect and obedience to leaders, authoritarian and command-style are commonly observed in Vietnam like other countries that embrace Confucian values (Quang and Vuong, 2002; Truong and Rowley, 2013). However, the research findings highlight the proper use of the democratic style, which assists Vietnamese leaders to maintain harmony, politeness, and modesty, seen as the foundation for the cooperation between employers and employees towards goal accomplishment (Tuang and Stringer, 2008). Furthermore, this study stresses the role of benevolent leaders who promote solidarity and facilitate productivity and work efficiency (Heider, 1994; Chen, 2004). Finally, it somehow ponders the effect of allocating affection to employees and sharing their difficulties and happiness moments (Tsui et al., 2004; Chen, 2004; Truong and Rowley, 2013).

This research further demonstrates that in Asian countries such as Vietnam, followers are generally obedient and avoid conflict (Taormia and Selvarajah, 2005). Additionally, they lack the focus on work and have poor discipline, which fosters the autocratic leadership style. However, Vietnamese employees generally like to be praised and encouraged, which entitles the leader to balance autocratic and democratic leadership spirits to assure a comfortable working environment.

The regional and generational differences were also perceived to affect the leadership styles in Vietnamese SMEs. Accordingly, the democratic style seems preferable for the Southern companies (Ralston et al., 1999). Finally, the study stresses that generational impact is highly valued as youngsters strive for more freedom which might significantly affect the choice of leadership style (McLeod and Dieu, 2001).

CONCLUSIONS AND IMPLICATIONS

This study contributes to the extant literature on leadership styles and provides empirical evidence about firm size and culture implications. It highlights the impact of SMEs' specific features and internal characteristics and elaborates on the direct and personal leader-subordinate relationship (Yukl, 1998). It showcases the ensuing tendency to exert authority and force subordinates to follow their instructions while demonstrating the dual roles of managers and owners of SME leaders (Franco and Matos, 2015). It clearly emphasizes SMEs leaders' doubt and untrust in their employees' attitudes and behaviors and accentuates the reasons for non-involving them in decision – making process (Wang and Poutziouris, 2010). In summary, such characteristics forcefully lead to the adoption of the autocratic style in Vietnamese SMEs. Nonetheless, this study resonates that SME leaders should balance autocratic and democratic styles to create a caring and familial work environment (Hofstede, 1980).

The study adds to the knowledge of the current body of literature by demonstrating the influences of Vietnamese culture on leadership styles. It highlights the specificity of the Vietnamese culture and mentions the prominent characteristics that lead to autocratic styles described with high power distance and respect for authority and hierarchical order (Truong and Rowley, 2013). Furthermore, it stresses integrating a pleasant work environment to embrace the Vietnamese business culture, which allocates great consideration to teamwork and effective compassionate and benevolent leadership (Chen, 2004; Tuang and Stringer, 2008).

Furthermore, the study explains the firm size and cultural influences on leadership styles in Vietnamese SMEs. Specifically, low employee competence and family-owned businesses are the main attributes of adopting autocratic styles. However, the democratic style is also supported due to the simplicity of management in SMEs and reducing followers' opposition. Additionally, the study discovers that Vietnamese employees lack self-discipline and desire to be encouraged, which leads to adopting a specific leadership style. The study also offers additional insights into the influence of regional and generational differences on leadership styles in Vietnamese SMEs. The results sufficiently answer the research questions concerning how leadership styles in Vietnamese are affected by firm size and culture. Consequently, the study fills the research gap related to leadership and human resources management in Vietnam, a country described as one of the emerging nations in Asia.

Additionally, the study provides suggestions for Vietnamese SME leaders to adjust their behaviors considering the firm size and cultural characteristics. The research outcomes may also serve as a reference for

training institutions to assist SME managers. The autocratic style is very popular and highly embraced in Vietnamese SMEs. Yet, it is recommended to practice a balance between autocratic and democratic styles to encourage employees' contribution to the business growth. Simultaneously, as reflected in the study, the autocratic style is widely accepted as it fits the characteristics of both Vietnamese employers and employees. However, the necessity to set harmonious and personal relationships drives managers to adjust their leadership styles and be more democratic. In particular, the benevolent leader rises as the effective leadership style in Vietnam.

Furthermore, the regional and generational differences are also important factors to account for. By analyzing the effect of regional or generational dissimilarities, leaders can extract important lessons that customize and shape their behaviors and attitudes. Finally, the results of this study can be expanded to other Confucian cultural areas that share the same features as Vietnam.

We face some limitations that we mention to prescribe future research paths. First, we suggest analyzing other countries with similar cultural features as Vietnam. Also, as the study only explores SME managers' perceptions, further research is needed to investigate employees' perceptions under other conditions like large-scale firms. Finally, one of the limitations in the present study is using a qualitative approach to explore the perception of SMEs managers. Therefore, further studies should conduct qualitative and quantitative approaches to derive important factors that might influence the choice of the appropriate leadership styles.

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APPENDIX

List of Participants

Code	Gender	Position	Business fields
M.01	Male	Director	Construction consultancies
M.02	Male	Director	Medical equipment
M.03	Male	Director	Construction
M.04	Female	Sales Head	Communication services
M.05	Male	Deputy Director	Real estate
M.06	Male	Deputy Director	Warehouse, transportation - freight forwarding services
M.07	Male	Director	Software, web design, computer programming services
M.08	Male	Deputy Director	Construction material production
M.09	Male	Director	Security consultancies
M.10	Male	Director	Air-conditioning production and distribution
M.11	Male	Sales Head	Food wholesales
M.12	Male	Director	Mining
M.13	Male	Director	Machine and equipment wholesales
M.14	Male	Chair	Architecture and technical consultancies
M.15	Male	Director	Industrial equipment distribution
M.16	Female	Sales Head	Nutritional foods
M.17	Male	Director	Agricultural production
M.18	Female	Deputy Director	Machine manufacturing
M.19	Male	Deputy Director	Construction equipment supplies
M.20	Male	Director	Equipment wholesales
M.21	Male	Deputy Director	Fresh concrete supplies
M.22	Female	Director	Cement and plaster production
M.23	Female	Deputy Director	Education
M.24	Male	Director	Metal product manufacturing
M.25	Male	Deputy Director	Automobile dealer
M.26	Male	Sales Head	Digital television services
M.27	Male	Sales Head	Paint production
M.28	Male	Director	Plastic production
M.29	Male	Deputy Director	Civil engineering construction
M.30	Male	Director	Commerce
M.31	Female	Director	Shoe supplies
M.32	Male	Director	Homestay services
M.33	Female	Sales Head	Education
M.34	Female	Deputy Director	Paper packaging
M.35	Male	Director	Urban investment and development
M.36	Female	Director	Paper manufacturing
M.37	Male	Director	Website design and promotion services
M.38	Female	Director	English education
M.39	Male	HR Director	Education
M.40	Female	Sales Head	Computers and software wholesales
M.41	Male	Director	Mobile marketing
M.42	Male	Deputy Director	Human resources development
M.43	Male	Director	Organic food supplies
M.44	Male	Director	Package manufacturing, importing and exporting
M.45	Male	Sales Head	Transport services
M.46	Male	Director	Wood and bamboo production
M.47	Male	Director	Architecture consultancies
M.48	Male	Director	Computers equipment and component production
M.49	Male	Director	Food wholesales
M.50	Male	Director	Plastic molds and rolling door production
M.51	Male	Director	Website design and advertising