

DISCUSSION ON IMPROVEMENT OF INNOVATIVE LEADERSHIP CAPACITY IN SMALL AND MEDIUM-SIZED ENTERPRISES IN VIETNAM

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ABSTRACT:

Entrepreneurial leadership style plays an important role in employees' innovative behavior and impacts business performance. This paper is to provide discussions to improve innovative entrepreneurial leadership capacity in small and medium-sized enterprises in Vietnam.

Keywords: entrepreneurial leadership, innovative behavior.

1. Introduction

Entrepreneurial leadership creates ideal situations that are helpful in mobilizing member support, which in turn develops into dedication by innovative ideas and leveraging a deliberate concept of value. Therefore, top business executives always demonstrate entrepreneurial behavior, take leadership positions for the development of their businesses, and focus on differences or similarities related to their style. Entrepreneurial leadership depends on a leader generating, recognizing, and capitalizing on prospects in a creative and entrepreneurial manner. This indicates that entrepreneurial leadership is founded on multiple leadership styles. It is the vision of managers that helps determine the form of leadership used in business ventures. Entrepreneurial leadership style can be transformational or transactional, but it is much more transformational than transactional in nature but with certain essential changes

The leadership literature indicates that creativity is an essential element of entrepreneurial leadership, and that this trait increases firm performance.

2. Discussion on the results of research on entrepreneurial leadership style activities to employees' innovative behaviors

2.1 Impact through internal factors of employees

Firstly, the relationship between entrepreneurial leadership style and expected risk image (ERI). Research shows that the EIR impact is negative, but this in businesses is positive because developing an entrepreneurial leadership style will make employees feel less at risk of image if like they have good ideas or innovations in the business. From there, it motivates the staff to boldly come up with creative and novel ideas and proposals to contribute to their company. Concerns about potential image risks and unfavorable social impressions negatively

influence innovation, suggesting a significant impact of socio-political considerations on employee innovation. One possible explanation is that employees who intend to use innovative behavior for the purpose of showing off or pleasing others are actually less innovative and are perceived and evaluated by their supervisors. This possible explanation would suggest that managers may perceive political motives and tend to give negative evaluations to employees who use “innovation” to pursue political agendas. Another possibility is that expected image gain is unrelated to innovative behavior but serves as a suppressing variable for expected positive performance gain.

Secondly, the relationship between entrepreneurial leadership style and expected image benefits (EIG). The impact from ELS to EIG is also relatively large, which indicates that developing an entrepreneurial leadership style will make employees see that they will have more benefits for their own image. It's easy to see that the expected image benefits are "leverage", motivation, and energy to help employees make efforts and voluntarily complete their work, to achieve personal goals as well as bring success for the organization. Moreover, employees were more innovative when they predicted the behavior would benefit their work. When an organization supports innovation and embraces differences, employees feel psychologically safe and are less concerned about image risks. They may also be more likely to view innovation as a desirable social image to achieve. It is possible that the expectation of positive performance outcomes is a specific assessment rather than a general supportive attitude. Creating expected image benefits for employees motivates them to devote all their abilities to performing assigned work, meeting the needs of the business, increasing the level of satisfaction and connection between employees and the organization. In fact, the biggest expectations for employees are: the opportunity to demonstrate their abilities, affirm their position, attention and especially praise and positive feedback from leaders.

Thirdly, the relationship between entrepreneurial leadership style and positive performance expectations (EPPO). The impact from ELS to EPPO is lower than the impacts to ERI and EIG. However, it also has a significant impact showing that developing an entrepreneurial leadership style will help employees increase their expectations about the positive effects of innovation on their work productivity. Potential performance expectations and image efficacy significantly influenced employee innovation after controlling for individual interest and intrinsic ability. In the best scenario, increasing positive performance expectations and developing each employee's strengths should be accompanied by their desire and process of self-improvement but sometimes everything has to be based on performance and benefits for the business. Therefore, administrators should ensure that in the spirit of still respecting, nurturing, and guiding employees to focus on their strengths, skillfully weave in opportunities for them to break through and escape the image of appropriate safety. suits their personality. This will help businesses possess more elite potential factors.

In addition, positive performance expectations are expectations that innovative behavior will lead to performance or efficiency. Achieving job performance is the most important reason why employees must be creative and innovative in the workplace while performing tasks (Yuan & Woodmen, 2010). Creative employees embrace new ideas to implement in tasks. A new idea can bring about change in the organization and can affect the organization's performance (Cingoz & Akdogan, 2011). Innovation in the workplace has become one of the important drivers of long-term organizational development and it is considered that the results achieved are due to creative and innovative individual behavior (Montag et al., 2012). Expectations of success tend to enhance task performance. Employees tend to engage in an innovative behavior when they expect the behavior to improve the efficiency and effectiveness of their job role or work unit.

Expecting good performance depends to a large extent on the vibe (feedback) an employee receives from his or her leader. Employees like to innovate, they have an innate desire to experiment by creating new technology and new ways of doing things, and people want to do competent work, a job well done that allows them to perform their skills and receive satisfaction from their abilities (Kim, Eisenberger, & Baik, 2016). The study explored the relationship between expected positive performance outcomes, professional development, and performance management from an expectancy theory perspective. The study also indicated the presence of a partial mediation effect of variable professional development while studying the relationship between expected positive performance outcomes and performance management. The managerial implications of the results are significant as managers must strive to create positive employee expectations for innovative behavior and believe in the fact that creativity and innovation will improve employees and organizational performance. Due to positive performance expectations, employees will sincerely engage in performance management and professional development activities. Confidence in these practices will help develop HR practices as required by current and future employees and organizations. This model will help the manager change the character's past performance, as the employee's direction is towards the new change. Policies to improve new change will be established within the organization because of their direct relationship with performance improvement. Furthermore, managers must understand the importance of feedback provided to subordinates. Feedback sets expectations in the minds of subordinates. A training session on how to provide feedback and set expectations would be valuable to organizations. Another important aspect that managers should focus on is the appropriateness of the training or professional development program provided to employees. Unrelated training programs may not be staffed for implementation.

2.2 Impact through external factors

In addition to the internal impacts of leadership

style on employees' innovative behavior, external factors also have certain influences through two factors of corporate climate for innovation (CFI) and corporate innovation culture (IOC).

Firstly, research the relationship between entrepreneurial leadership style and corporate innovation climate (CFI). Through research, it can be seen that when there is a start-up leadership style, the innovation atmosphere develops more strongly, bringing new "wind" to businesses. Administrators with a start-up leadership style will create an innovative atmosphere for businesses, making the working environment more dynamic and creative. Thereby stimulating the enthusiasm, creativity, and proposing unique and new ideas of the staff. It's easy to see that in a business with a dynamic and bustling working atmosphere, employees will be more open, enjoy their work and strive to contribute voluntarily because they work in an environment comfortable, unleash your passions and creativity. On the contrary, if the administrator has not increased and focused on the entrepreneurial leadership style, the business innovation atmosphere will decrease or stand still in one position. The corporate atmosphere is not innovative or keeps up with trends, and will most likely become outdated and outdated. This causes a very important problem, because it can reduce the competitiveness of the business and inhibit the dynamism and creativity of employees. The staff will feel constrained and uncomfortable when forced into a quiet corporate atmosphere without creative stimulation. If business development ideas are not inspired and developed from there, employees will feel very difficult, even afraid, every time they encounter difficult problems or face challenges. Therefore, entrepreneurial leadership style has a relative impact on corporate innovation atmosphere and employee innovation behavior. Therefore, leaders should focus on innovating the corporate atmosphere and enhancing the entrepreneurial leadership style to create motivation and stimulate employee innovation.

Secondly, research the relationship between entrepreneurial leadership style and innovation

culture (IOC). The impact of developing an entrepreneurial leadership style is less significant in developing an enterprise's innovation culture because an enterprise's innovation culture affects the entire enterprise and there are many Factors impacting, not just startup leadership style. Therefore, developing an entrepreneurial leadership style has a smaller impact and influence on the development of innovation culture than developing an innovative atmosphere. Corporate innovation culture highlights the strategy, vision, development values and social responsibility of the enterprise throughout the process from birth to business development. It is an important spiritual factor that contributes to the prosperity and decline of businesses. Innovating corporate culture improves management skills and strengthens corporate cohesion as well as increases labor efficiency. Therefore, the innovation of corporate culture needs to be paid attention and focused to maintain core strength, creating sustainable and stable development for businesses.

Corporate culture innovation is the driving force that motivates employees to establish their own values and set short-term and long-term goals for their work. Therefore, employees will feel like they are an indispensable part of the organization, holding an important position in the corporate culture. From there, the staff will find connections with each other, they work more enthusiastically and enthusiastically, and tend to make efforts to contribute to common development. Corporate innovation culture will impact business philosophy, leading to increased core competitiveness of the business. Through innovating corporate culture, leaders can build innovation systems, help their businesses develop in line with the world's movements, and keep up with changes in the market.

3. Orientation to improve entrepreneurial leadership capacity

To achieve the goal of improving startup leadership capacity, businesses need to have good orientations in selecting and training leadership teams:

A determining factor in the success of human

resource training activities is that training needs to be combined with human resource planning and development strategies. A manager with startup leadership capacity must determine which personnel are suitable for each different position and function. The top factor to consider is suitability instead of talent. This compatibility needs to be considered based on three aspects: (1) Cultural fit (whether the employee fits the culture of the business, has like-mindedness or ideology), (2) Suitable job (whether the employee has enough capacity and qualities to meet the job requirements) and (3) Suitable expectations (the employee's expectations about the company and the company's expectations). company for employees). After determining this compatibility, the business will proceed well with human resource planning because at this point the leader will know who to recruit, how to assign personnel, and with whom to stop cooperating. .

Finally, businesses will develop policies and implement training processes to direct staff to develop self-leadership capacity through 3 channels: on-the-job training, in-company training and transfer to other agencies. other training facilities.

Specific orientations for leaders at all levels in small and medium enterprises in Vietnam:

Management capacity for senior leaders:

Senior leaders are key managers for business issues such as strategic planning, planning, operations - coordination - monitoring the implementation process and reasonable allocation of resources. Therefore, having orientation and methods to improve startup leadership capacity for senior leadership teams plays an important role in the success of the business. The number of businesses in Vietnam over the past decade has been increasing rapidly, especially the SME sector always accounts for a large proportion. However, SMEs in Vietnam are currently facing challenges when management skills and start-up leadership capacity are still lacking, and the management team is fragmented and unprofessional. The reason for this situation is because the work of researching and evaluating entrepreneurial leadership capacity

in businesses has not been paid attention and operated in a systematic way, and the process of training and developing human resources is left behind. Therefore, management activities are not highly effective when financial directors, executive directors, and personnel of SMEs in Vietnam have not been trained through systematic programs on management and operations enterprise. In addition, many senior leaders in large Vietnamese enterprises are more interested in maintaining and developing external relationships than focusing on improving their own leadership capacity.

Management capacity for middle managers:

Middle management is the core team of the organization because any good project, business plan or activity is directly run by them. Compared to senior managers, middle-level leadership is a position that requires more contact with employees such as building effective teams or handling conflicts or conflicts of subordinates, etc. Therefore, besides being equipped with professional knowledge, they also need to develop other important skills - entrepreneurial leadership capacity. However, reality in Vietnamese businesses shows that middle managers currently tend to command and control human resources instead of leading and managing resources. This creates pressure and a stuffy working atmosphere for employees, and the bridge between employees and senior leaders becomes more fragile.

Specialization is increasingly required in business activities. Therefore, middle-level leaders need to clearly define the organization's current responsibilities and goals and actively cultivate

business management and operations skills. To do this, managers need to build a portrait of a manager with the ideal leadership capacity that they aim for, focusing on modernity, professionalism and orientation. After that, managers need to know how to motivate work, not only for themselves but also to transmit enthusiasm and passion to employees, encourage, attract and connect with subordinates. This task plays an important role because middle-level managers are the ones who need to understand and have the best way to manage staff when directly working and interacting with them. In addition, because middle-level managers direct employees to work through the requests of senior managers, they need to be equipped and developed with capabilities in internal control, goal management, and operations, etc.

Businesses need to identify human resources as the central resource of an organization, in which senior and middle-level managers are the decisive factor in success or failure and long-term development for the business.

4. Conclusion

Entrepreneurial leadership style plays a very important role, having negative and positive effects on employees' innovative behavior. Through research, make recommendations for businesses, propose improving business leadership capacity for small and medium enterprises. From there, orient how businesses build and improve entrepreneurial leadership capacity, pay important attention to employees' innovative actions, and direct businesses to a scientific management and development organization model. sustainable development ■

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● ĐẶNG HỒNG SƠN

Khoa Kinh tế và Quản lý Nguồn nhân lực

Đại học Kinh tế Quốc dân

TÓM TẮT:

Phong cách lãnh đạo đóng vai trò quan trọng trong hành vi đổi mới của các nhân viên, cũng như đến hiệu quả kinh doanh của một doanh nghiệp. Nghiên cứu này nhằm đưa ra những thảo luận hướng đến việc nâng cao năng lực lãnh đạo đổi mới trong các doanh nghiệp vừa và nhỏ tại Việt Nam.

Từ khóa: phong cách lãnh đạo, hành vi đổi mới.