



“Influence of leadership on job satisfaction in Vietnamese SMES: Role of psychological empowerment and organizational culture”

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INFLUENCE OF LEADERSHIP ON JOB SATISFACTION IN VIETNAMESE SMEs: ROLE OF PSYCHOLOGICAL EMPOWERMENT AND ORGANIZATIONAL CULTURE

Abstract

This study examines the impact of authentic leadership on job satisfaction in small and medium-sized enterprises (SMEs) in Vietnam, focusing on the mediating role of psychological empowerment and the moderating effect of organizational culture. A survey of 638 employees in the trade and service sectors in Ho Chi Minh City was conducted, and structural equation modeling was used for analysis. The findings reveal that authentic leadership positively influences psychological empowerment ($\beta = 0.195$, $p < 0.001$). Further, this factor also impacts job satisfaction both directly ($\beta = 0.364$, $p < 0.001$) and indirectly through psychological empowerment ($\beta = 0.459$, $p < 0.001$). Psychological empowerment significantly enhances job satisfaction ($\beta = 0.424$, $p < 0.001$), while organizational culture moderates the relationship between authentic leadership and job satisfaction ($\beta = 0.234$, $p < 0.001$). These results underscore the importance of transparent, ethical, and empowering leadership in fostering a supportive workplace environment. The study contributes to understanding leadership dynamics in non-Western, collectivist cultures and provides practical insights for improving employee satisfaction in Vietnamese SMEs.

Keywords

leadership, engagement, culture, satisfaction, employees, SMEs

JEL Classification

M12, M14, L26, J28

INTRODUCTION

Employee job satisfaction is a vital factor that significantly influences workforce productivity, engagement, and retention, especially within SMEs (Avolio & Gardner, 2005; Lund, 2003; Silverthorne, 2004). In Vietnam, SMEs play an essential role in economic development, making substantial contributions to employment and market expansion, comprising 50% of employment and 98% of all enterprises (Das, 2017). However, these businesses encounter challenges related to competitive markets, talent retention, organizational culture, and leadership effectiveness (Tuan, 2020), all of which can directly affect employee satisfaction. In today's highly competitive business landscape, the implementation of effective leadership strategies is crucial for cultivating a motivated and committed workforce.

One leadership approach that has gained notable attention in recent years is authentic leadership, which prioritizes transparency, ethical conduct, and trust between leaders and followers (Avolio et al., 2004; Caza & Jackson, 2011). Although extensive research has investigated the role of authentic leadership in Western contexts (Avolio et al., 2004; Azanza Martínez de Luco et al., 2013; Hahm, 2018), its influence on employee satisfaction within collectivist cultures, such as Vietnam,

remains relatively underexplored. Furthermore, the mechanisms by which authentic leadership fosters job satisfaction, such as psychological empowerment, and the influence of organizational culture on this relationship require further investigation.

Therefore, by analyzing these relationships, the paper can offer valuable insights into leadership strategies that can enhance employee well-being and boost organizational effectiveness. The findings have important implications for SME managers, policymakers, and business leaders looking to improve workplace engagement and satisfaction in a dynamic and evolving business environment.

1. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

The relationship between leadership and employee job satisfaction has been extensively studied in organizational behavior research. Leadership styles influence employee motivation, engagement, and commitment, shaping overall job satisfaction and workplace performance. Authentic leadership has gained prominence among various leadership models due to its emphasis on transparency, ethical decision-making, and leader-follower trust (Avolio et al., 2004; Gardner et al., 2005).

Authentic leadership is a process that leverages positive psychological strengths within an organization to promote self-awareness and self-regulation among both leaders and followers, thereby facilitating personal development (Luthans & Avolio, 2003; Wirawan et al., 2020). Authentic leaders exemplify qualities such as hope, trust, optimism, transparency, and an ethical focus (Avolio et al., 2004). Walumbwa et al. (2007) identify four fundamental dimensions of authentic leadership:

- 1) self-awareness – recognizing one's strengths and weaknesses;
- 2) balanced processing – making objective decisions;
- 3) relational transparency – sharing authentic thoughts; and
- 4) internalized moral perspective – regulating oneself based on personal values.

Research highlights the importance of understanding employee traits, as leaders significantly

impact how employees manage their responsibilities (Shamir et al., 1993; Liu & Wong, 2023; Wirawan et al., 2020). Furthermore, authentic leaders view people as the organization's most valuable asset, which empowers them to set goals, cultivate meaningful relationships, and make equitable decisions (Gardner et al., 2011). They are aware of their strengths and weaknesses while striving to achieve specific objectives (Avolio & Gardner, 2005; Shamir & Eilam, 2005). This leadership style has been associated with positive employee attitudes, increased organizational commitment, and enhanced job satisfaction, making it a critical area for study (Azanza Martínez de Luco et al., 2013; Birbirs & Lakew, 2020; Chiang & Hsieh, 2012; Liu & Wong, 2023).

Job satisfaction is a critical outcome of effective leadership, reflecting employees' perceptions of their roles and organizational environment. Numerous researchers have explored theories of job satisfaction. George (2012) defines it as individuals' feelings about their employment, including attitudes toward the role, colleagues, supervisors, and compensation. Azanza Martínez de Luco et al. (2013) view job satisfaction as the sense of accomplishment and fulfillment experienced at work, which the organization recognizes. Furthermore, job satisfaction emphasizes the importance of passion and joy in work, which can lead to rewards, advancement, and overall fulfillment (Riyanto et al., 2021). Job satisfaction is comprehended as employees being happy with the rewards offered by the organization, particularly with regard to intrinsic motivation (Azanza Martínez de Luco et al., 2013). In short, job satisfaction is a multifaceted concept with varying meanings for different individuals.

Psychological empowerment plays a central role in shaping how employees perceive leadership. According to Daft (1998), psychological empower-

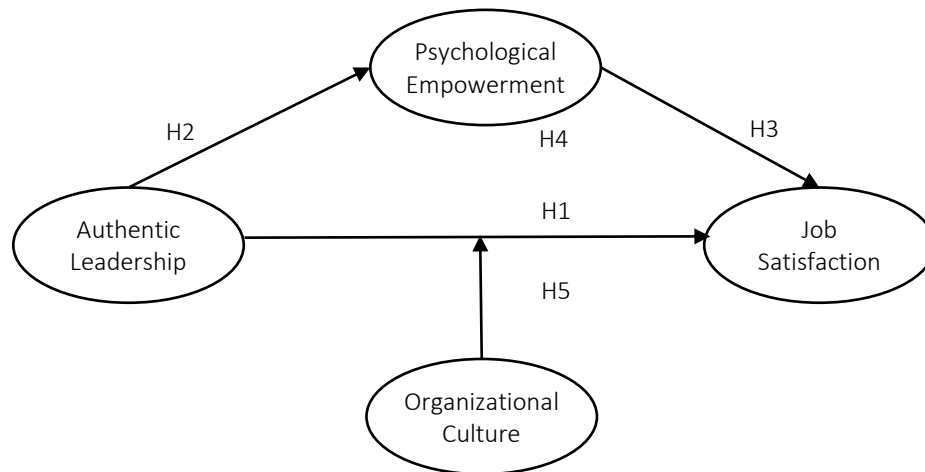


Figure 1. Research model

ment refers to an individual's desire to take control and engage in their work, which in turn enhances group empowerment and fosters positive psychology within organizations (Seibert et al., 2011). Employees who feel empowered are generally more engaged, motivated, and satisfied with their jobs (Spreitzer, 1995; Seibert et al., 2011). Authentic leadership promotes this sense of empowerment by granting employees autonomy, giving trust, and providing opportunities for growth (Walumbwa et al., 2007). In empowering work environments, employees often report higher job satisfaction, attributed to increased self-efficacy and perceived organizational support (Chiang & Hsieh, 2012; Hahm, 2018). Furthermore, studies show that psychological empowerment serves as a mediator between leadership styles and employee satisfaction, reinforcing the significance of empowerment-driven leadership strategies (Shapira-Lishchinsky & Tsemach, 2014).

Additionally, the significance of organizational culture in influencing leadership effectiveness and job satisfaction has been extensively recognized (Schein, 1995; Lund, 2003). Organizational culture not only shapes employees' perceptions of their work environment but also affects the reception of various leadership styles. In collectivist cultures such as Vietnam, where hierarchical structures and group harmony are prioritized, the impact of leadership strategies can differ remarkably from that in Western contexts (Triandis, 2018). A supportive and adaptive organizational culture enhances the effectiveness of authentic leader-

ship, fostering trust, collaboration, and employee satisfaction (Gregory et al., 2009; MacIntosh & Doherty, 2010). Furthermore, a flexible and participative organizational culture bolsters employees' psychological empowerment, creating an environment conducive to higher job satisfaction (Azanza Martínez de Luco et al., 2013; Gardner et al., 2005; Leroy et al., 2015).

Despite the extensive research on leadership and job satisfaction, there is still a significant gap in understanding how authentic leadership affects job satisfaction within non-Western, collectivist cultural contexts. Furthermore, the relationship between psychological empowerment and organizational culture in influencing this dynamic remains insufficiently explored.

Therefore, in line with the insights from the previous literature, this study aims to address this gap by investigating the impact of authentic leadership on job satisfaction in Vietnamese SMEs while considering psychological empowerment as a mediator and organizational culture as a moderator.

Based on the theoretical framework and prior empirical findings, the following hypotheses are proposed:

- H1: Authentic leadership positively relates to job satisfaction.*
- H2: Authentic leadership positively relates to psychological empowerment.*

- H3: *Psychological empowerment positively relates to job satisfaction.*
- H4: *Psychological empowerment mediates the relationship between authentic leadership and job satisfaction, such that the positive effect of authentic leadership on job satisfaction is partially explained by its influence on psychological empowerment.*
- H5: *Organizational culture moderates the relationship between authentic leadership and job satisfaction.*

2. METHOD

The study developed a foundational research model based on the existing literature. As illustrated in Figure 1 and Table 1, authentic leadership and psychological empowerment were designated as independent variables, while employees' job satisfaction was identified as the dependent variable, and organizational culture was considered the mediator variable.

Authentic leadership consists of four dimensions: balanced processing, internalized moral

Table 1. Research items

Code	Item	Reference
1. Authentic Leadership		
1.1 Balanced Processing		
BP_1	My leader encourages employees to come up with new ideas that go beyond limits or go against the existing ones	Adapted from Neider and Schriesheim (2011)
BP_2	My leader carefully listens and evaluates different perspectives before drawing conclusions	
BP_3	My leader objectively analyzes information before making a final decision	
BP_4	My leader encourages employees to freely express opposing views	
1.2 Internalized Moral Perspective		
IMP_1	My leader is consistent between his/her beliefs and actions	Adapted from Neider and Schriesheim (2011)
IMP_2	My leader relies on these beliefs, makes fair decisions, and promotes consensus within the organization	
IMP_3	My leader does not accept pressure to do things that are inconsistent with his/her beliefs	
IMP_4	My leader acts according to the ethical standards he/she values regardless of external pressure	
1.3 Relational Transparency		
RT_1	My leader clearly states his/her thoughts	Adapted from Neider and Schriesheim (2011)
RT_2	My leader admits mistakes when they occur	
RT_3	My leader openly shares information with others	
RT_4	My leader clearly expresses his/her opinions and thoughts to others	
1.4 Self-awareness		
SA_1	My leader seeks feedback to improve his/her interactions with others	Adapted from Neider and Schriesheim (2011)
SA_2	The leader can assess how others perceive his/her performance accurately	
SA_3	My leader demonstrates an understanding of his/her strengths and weaknesses	
SA_4	My leader is clearly aware of his/her impact on others	
2. Organization Culture		
OC_1	Employees love the company culture	Adapted from Wallach (1983)
OC_2	The company has a culture that encourages employees to be creative in their work	
OC_3	Employees think the company culture is appropriate	
OC_4	The company always creates an environment of care and concern for employees	
3. Psychological Empowerment		
PE_1	I can demonstrate and develop my abilities and potential in my work	Adapted from Sahadev et al. (2024)
PE_2	I am confident in my ability to do my job	
PE_3	I am capable of doing my job	
PE_4	I have the necessary skills to do my job	
PE_5	I am empowered to do my job	
PE_6	I have autonomy in handling my work	
PE_7	I have many opportunities to handle my work	
PE_8	I have a certain role in the company	
PE_9	I have a significant influence on what happens in the company's departments	
PE_10	I have a lot of control over the departments in the company	

Table 1 (cont.). Research items

Code	Item	Reference
4. Job Satisfaction		
JS_1	Employees are doing their jobs properly	Adapted from Alrawahi et al. (2024)
JS_2	Employees get promotions and recognition for their work	
JS_3	There is good cooperation between individuals in the company	
JS_4	Employees have good working conditions	
JS_5	Employees are satisfied with the salary and bonus system	
JS_6	Employees are satisfied with the company's policies	
JS_7	Flexible working hours allow employees to read professional documents	

perspective, relational transparency, and self-awareness. Each dimension includes a 4-item scale, for example, “My leader objectively analyzes information before making a final decision,” based on Neider and Schriesheim (2011). The 7-item scale for job satisfaction (e.g., Employees get promotions and recognition for their work) was adapted from Alrawahi et al. (2024). The 4-item scale measuring organizational culture (e.g., The company always makes the employees’ work interesting) was inherited from the study by Wallach (1983). Finally, the psychological empowerment scale was adapted from Sahadev et al. (2024) with 10 items (e.g., I am confident in my abilities to do my job).

The study employed a translation and back-translation process to ensure the linguistic and cultural accuracy of survey instruments (Van de Vijver & Hambleton, 1996). A bilingual expert translated the survey from English to Vietnamese, followed by a back-translation into English to identify discrepancies. Any inconsistencies were resolved, and the translation was refined for clarity (Harkness et al., 2004). Subsequently, the questionnaire was reviewed and refined with managers and employees from SMEs within the trade and service sectors in Ho Chi Minh City. After that, a pilot study was conducted in March 2024 before data collection, distributing 100 questionnaires and receiving 96 valid responses. The final version of the questionnaires used a five-point Likert scale (from 1 – strongly disagree to 5 – strongly agree), covering demographic data and research variables.

Convenience sampling was applied to collect primary data from survey participants who were employees with three or more contracts at SMEs in Ho Chi Minh City, focusing on the trade and

services sectors between March and May 2024. However, this sampling method may limit the generalizability of findings. It could increase the risk of common method bias, where response variations arise from the measurement method rather than the studied constructs (Podsakoff et al., 2003). The collinearity variance inflation factor (VIF) approach from Kock (2015) was used to assess common method bias. VIF values below 3.3 suggest minimal concern for common method bias. VIF values ranged from 1.225 to 1.821, indicating a low risk of common method variance affecting the results. Thus, the relationships among the variables likely reflect true effects rather than measurement artifacts.

The validity of the questionnaire was assessed based on participants’ completion of all survey questions. Out of 750 questionnaires distributed, 638 valid responses were received, yielding a response rate of about 85%. Descriptive statistical analysis was performed using SPSS 29.0, followed by reliability analysis, confirmatory factor analysis, and structural equation modeling conducted using Smart-PLS 4.

Regarding the respondents’ characteristics, the demographic data in Table 2 indicate a near balance between male and female participants, with 304 participants (47.6%) identifying as female and 334 participants (52.4%) as male. The majority of respondents (62.5%) were in the 20-39 age range (399 participants), while 37.5% were aged 40 and above (239 participants). The highest proportion of participants (83.5%) had completed a university education, with 11.6% at the high school level and 16.5% at the graduate level. Furthermore, most employees (83.2%) had work experience ranging from two to less than 20 years.

Table 2. Respondents' profile

Variables		Sample (N = 638)	Percentage (%)
Gender	Females	304	47.6
	Males	334	52.4
Age	20–29	168	26.3
	30–39	231	36.2
	40–49	126	19.7
	50 or above	113	17.7
Education	High school	74	11.6
	University	459	71.9
	Graduate school	105	16.5
Experience	Under 2 years	36	5.6
	2–4 years	174	27.3
	5–9 years	184	28.8
	10–19 years	173	27.1
	20 years or above	71	11.1

3. RESULTS

The data quality was tested through the measurement model assessment. One common method for detecting multicollinearity is evaluating variance inflation factor (VIF) values. Hair et al. (2017) suggest that VIF values of 5 or higher indicate multicollinearity, with an ideal target of 3 or lower. Results in Table 1 show that all VIF values are below this preferred range, indicating no collinearity issues. Further, the research model is based on reflectively measured constructs, including composite reliability and validity assessments (Hair et al., 2019). Indicator reliability, which measures the variance of indicators explained by constructs, should have outer loadings below 0.70 (Hair et al., 2019).

Table 4. Hypotheses testing

Hypothesis	β	t-values	p-values	CI bias corrected		Supported
				2.5%	97.5%	
Direct Effect						
H1. AL → JS	0.364	11.16	0.000	0.3	0.428	Yes
H2. AL → PE	0.459	13.519	0.000	0.384	0.522	Yes
H3. PE → JS	0.424	13.057	0.000	0.357	0.484	Yes
H4. AL → PE → JS	0.195	10.114	0.000	0.158	0.233	Yes
Total Effect						
AL → JS	0.558	19.343	0.000	0.002	0.498	Yes
Moderating Effect						
H5. OC x AL → JS	0.234	8.009	0.000	0.177	0.292	Yes

Note: AL = authentic leadership; PE = psychological empowerment; JS = job satisfaction; OC = organizational culture.

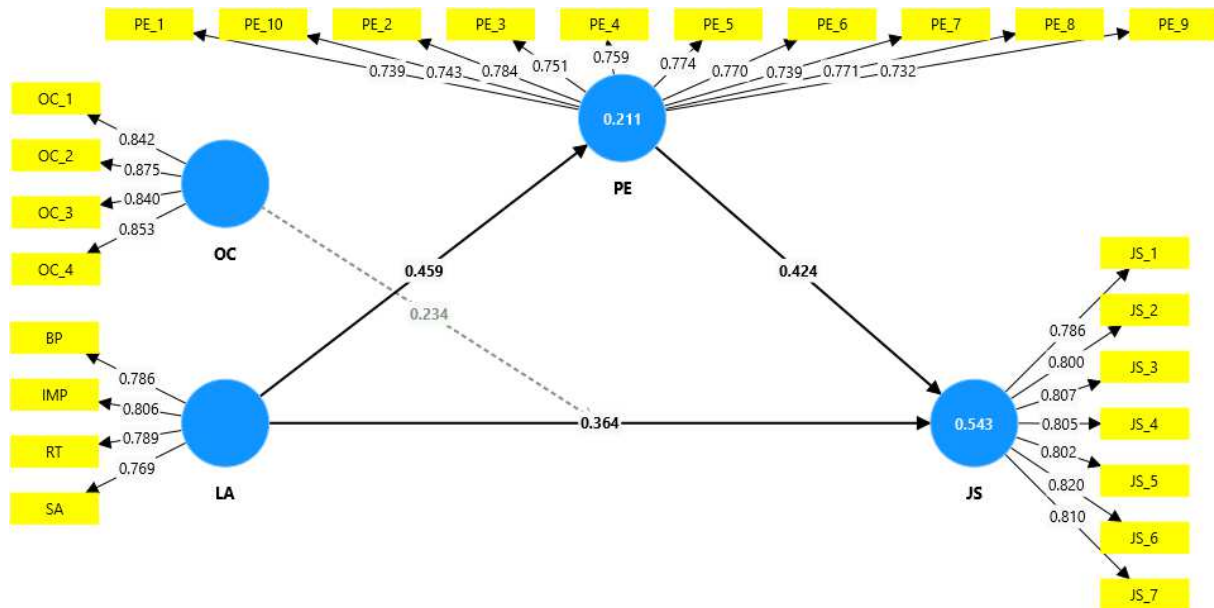
The reliability was assessed using Cronbach's Alpha, rho_A, and composite reliability, all exceeding the recommended threshold of 0.700 (Hair et al., 2017). All criteria were met, with rho_A values surpassing 0.7, confirming strong reliability (Nunnally & Bernstein, 1994). Convergent validity was considered acceptable as all AVE values exceeded 0.500 (Bagozzi & Yi, 1988). In addition, the study confirmed discriminant validity by using the heterotrait-monotrait (HTMT) ratio of correlation (Henseler et al., 2015). The criteria resulted in values below the conservative threshold of 0.85 in the model's constructs, demonstrated in Table 3.

Table 3. HTMT criterion

HTMT	JS	AL	OC	PE
01. Job Satisfaction	–	–	–	–
02. Authentic Leadership	0.641	–	–	–
03. Organization Culture	0.266	0.046	–	–
04. Psychological Empowerment	0.633	0.537	0.042	–

The structural model integrates hypotheses from the research framework, evaluated by R^2 , Q^2 , and path significance (Hair et al., 2017). R^2 values can vary from 0 to 1, and the results indicate R^2 values of 0.54 for job satisfaction and 0.21 for psychological empowerment, confirming the model's predictive capability. Moreover, model fit was assessed using the standardized root mean square residual (SRMR), which should be below 0.08 for a valid PLS model (Hair et al., 2019). SRMR was 0.04, meeting this standard.

To assess hypothesis testing, the study examined the significance of relationships (Table 4 and Figure 2). The results reveal a significant impact of



Note: AL = authentic leadership; PE = psychological empowerment; JS = job satisfaction; OC = organizational culture.

Figure 2. Path results of the research model

authentic leadership on job satisfaction ($\beta = 0.364$, $t = 11.16$, $p = 0.000$), thereby supporting *H1*. *H2* confirms that authentic leadership positively affects psychological empowerment ($\beta = 0.459$, $t = 13.519$, $p = 0.000$). *H3* is also validated, with psychological empowerment significantly influencing job satisfaction ($\beta = 0.424$, $t = 13.057$, $p = 0.000$). The indirect effect (*H4*) shows that authentic leadership links to job satisfaction through psychological empowerment ($\beta = 0.195$, $t = 10.114$, $p = 0.000$), yielding a total effect of 0.558 ($t = 19.343$, $p = 0.000$). VFA value of 34.946%, which falls within the range of 20% and 80% (Hair et al., 2017), indicates that psychological empowerment partially mediates this relationship. For the moderating effect, *H5* demonstrates that organizational culture moderates the link between authentic leadership and job satisfaction ($\beta = 0.234$, $t = 8.009$, $p = 0.000$). Further, path coefficients were evaluated using bootstrapping with 5,000 samples in accordance with Hair et al.'s (2017) recommendations, confirming significant relationships with a 95% confidence interval that excludes zero.

4. DISCUSSION

This study highlights the connections between authentic leadership, psychological empowerment, and job satisfaction in Vietnamese SMEs. The findings support the proposed hypothe-

ses and align with previous research, offering practical implications for SME leadership and management.

The positive relationship between authentic leadership and job satisfaction (*H1*) supports findings by Avolio et al. (2004), Azanza Martínez de Luco et al. (2013), and Liu and Wong (2023), highlighting how this leadership style enhances employee attitudes. Authentic leadership fosters a work environment where employees feel valued and motivated by promoting transparency, trust, and ethical behavior. This is consistent with Birbirs and Lakew (2020), showing that authentic leaders positively influence job satisfaction through a supportive work culture. The second hypothesis (*H2*) confirmed that authentic leadership positively impacts psychological empowerment. This aligns with Shapira-Lishchinsky and Tsemach (2014) and Walumbwa et al. (2007), who found that authentic leaders empower employees by granting autonomy and involving them in decision-making. The study's significant correlation supports Spreitzer's (1995) findings, indicating that empowered employees feel more control and confidence, leading to increased job satisfaction. The third hypothesis (*H3*) highlighted the crucial role of psychological empowerment in enhancing job satisfaction. This supports the argument by Chiang and Hsieh (2012) that employees who perceive themselves

as competent and influential in their jobs tend to experience higher satisfaction and performance. Psychological empowerment facilitates individual autonomy and cultivates a culture of innovation and creativity within organizations (Hahm, 2018).

Further, psychological empowerment mediates the relationship between authentic leadership and job satisfaction (*H4*), suggesting that authentic leaders improve job satisfaction not only directly but also by facilitating employees' feelings of empowerment. As noted by Walumbwa et al. (2007) and Spreitzer (1995), authentic leaders promote transparency, ethical conduct, and trust, which build employee confidence, autonomy, and a sense of capability, ultimately leading to increased job satisfaction. The moderating role of organizational culture in the relationship between authentic leadership and job satisfaction (*H5*) was significant. This aligns with several studies (Gardner et al., 2005; Leroy et al., 2015; Lund, 2003; Silverthorne, 2004), indicating that a flexible and adaptive culture enhances authentic leadership's positive impact on employee satisfaction. Such leadership is most effective in cultures that promote openness and innovation, boosting employee engagement and retention (Azanza Martínez de Luco et al., 2013; Silverthorne, 2004).

The findings of this study contribute significant theoretical insights into the dynamics of authentic leadership within collectivist and SME contexts, particularly in Vietnam. The study highlights the moderating role of organizational culture in authentic leadership, showing its adaptability across different contexts. While authentic leadership theory originated in Western, individualistic cultures (Avolio et al., 2004; Azanza Martínez de Luco et al., 2013; Hahm, 2018), the findings indicate that in Vietnam, where hierarchy and group harmony are valued, the positive effects of authentic leadership on job satisfaction depend on a supportive organizational culture (MacIntosh & Doherty, 2010). This challenges the universality of authentic leadership and emphasizes the need for culturally sensitive leadership styles that consider employees' cultural and social contexts.

When it comes to practical implications, this study emphasizes the role of authentic leadership in improving employee job satisfaction and psychologi-

cal empowerment. Adopting authentic leadership practices can create a more transparent and supportive workplace for managers in Ho Chi Minh City's SMEs, particularly in trade and service. Managers should focus on self-awareness, balanced decision-making, and transparent relationships aligned with their core values. Training programs to cultivate these leadership qualities can also be introduced to improve overall leadership effectiveness.

Psychological empowerment significantly impacts job satisfaction. Managers can enhance empowerment by providing greater autonomy, encouraging decision-making participation, and fostering employee confidence. Creating a meaningful work environment increases job satisfaction and improves innovation. Moreover, regular feedback sessions, skill development programs, and allowing employees to take ownership of their tasks are effective ways to cultivate this empowerment. In addition, managers should promote a dynamic, inclusive, and innovative organizational culture that aligns with authentic leadership values. Companies can enhance employee engagement and retention by promoting open communication, ethical decision-making, and collaboration. Furthermore, regular cultural assessments and team-building activities can help maintain an adaptable culture that prioritizes employee well-being. Aligning leadership strategies with organizational values will also improve employee satisfaction and performance. Managers should continually assess their leadership approaches to foster a positive work environment and support sustained growth.

In addition, the study's findings highlight important implications for managers and policymakers in Vietnam's SME sector, specifically in leadership development and employee engagement. Authentic leadership, characterized by transparency and supportive communication, enhances job satisfaction and psychological empowerment. Managers are encouraged to adopt these practices to create a valued work environment, boosting productivity and retention. In addition, policymakers should design training programs tailored to Vietnam's collectivist values to develop authentic leadership skills. Integrating these initiatives into national human resource policies can help

SMEs build engaged, resilient workforces and enhance their competitiveness in a global market.

While this study provides valuable insights into how authentic leadership affects job satisfaction in Vietnamese SMEs, it has some limitations. One key issue is the use of Western-developed survey instruments to measure constructs like authentic leadership and psychological empowerment, which may not fully reflect the cultural nuances of collectivist societies. Values such as respect for hierarchy and group harmony differ significantly from individualistic cultures. Future research should adopt these measures to improve cultural relevance by including culturally specific items or adjusting existing ones through an emic approach.

Another limitation lies in the exclusive reliance on quantitative data, which may not fully capture employees' complex and dynamic experiences related

to leadership and job satisfaction. Future research could benefit from a mixed-methods approach integrating qualitative methods like interviews or focus groups. This would provide richer insights into culturally specific factors that influence the relationship between authentic leadership and job satisfaction, especially in collectivist contexts like Vietnam, where leaders are often expected to balance individual authenticity with collective values.

Lastly, the study's focus on SMEs in a single Vietnamese city limits the generalizability of its findings. Future research should expand the sample to include various industries and regions to better understand contextual factors' impact on authentic leadership. Comparative studies in other Asian countries with similar collectivist values, like China or Japan, could also enrich the understanding of authentic leadership in non-Western contexts.

CONCLUSION

This study explored the influence of authentic leadership on job satisfaction within Vietnamese SMEs, considering the mediating role of psychological empowerment and the moderating effect of organizational culture. The findings indicate that authentic leadership not only directly enhances job satisfaction but also does so indirectly through psychological empowerment. Employees who perceive their leaders as transparent and ethical tend to feel more empowered, leading to increased job satisfaction. Moreover, organizational culture strengthens this relationship, underscoring the importance of a supportive work environment.

The results demonstrate several key conclusions. Firstly, authentic leadership plays a crucial role in promoting job satisfaction within Vietnamese SMEs. Secondly, psychological empowerment serves as a vital pathway through which leadership stimulates employee engagement. Lastly, a robust organizational culture enhances leadership effectiveness, further motivating employees. These insights suggest that managers in SMEs should foster ethical and transparent leadership, empower employees by offering autonomy and opportunities for growth, and nurture a supportive organizational culture. Future research could investigate how various cultural or industry contexts influence these dynamics.

AUTHOR CONTRIBUTIONS

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