

# Leadership, empowerment, support, and job satisfaction: Insights from Vietnamese SMEs

Nguyen An Phu<sup>1,2\*</sup>, Nguyen Van Tien<sup>2</sup>

<sup>1</sup>Hong Bang International University, Ho Chi Minh City, Vietnam

<sup>2</sup>Ho Chi Minh University of Banking, Ho Chi Minh City, Vietnam

\*Corresponding author: anphu89@gmail.com

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## ABSTRACT

This study investigates the impact of authentic leadership on employee job satisfaction within Vietnamese SMEs, with a particular emphasis on the mediating roles of psychological empowerment and perceived organizational support. Analyzing data from 638 employees in the trade and service sectors using Structural Equation Modeling (SEM), the findings reveal that authentic leadership, directly and indirectly, fosters job satisfaction by promoting trust, transparency, and ethical behaviors. Psychological empowerment amplifies employees' sense of autonomy and competence, while perceived organizational support strengthens their emotional connection to the organization. The research underscores the cultural importance of collective values and managerial support in the Vietnamese context. Practical recommendations include implementing leadership development programs prioritizing authenticity and empowerment alongside structured systems for employee recognition and support. Despite these contributions, the study is limited by its cross-sectional design and reliance on self-reported data. Future research should investigate longitudinal effects and consider additional mediating factors. This research provides valuable insights for improving SMEs' employee satisfaction and organizational performance.

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## 1. Introduction

In recent years, there has been a significant shift towards prioritizing talent management and retention, capturing the attention of both managers and the academic community. Kurniawan and Desiana (2024) highlight the critical role of human resource management within organizations. Further, Wirawan et al. (2020) underscore the importance of authentic leadership in nurturing a positive work environment.

Avolio et al. (2004) illustrate the direct influence of authentic leadership on employee attitudes and job satisfaction. Their findings indicate that such leadership cultivates a positive work atmosphere and encourages employee motivation and development (Caza & Jackson, 2011). The effect of authentic leadership on job satisfaction has been substantiated in prior research, including studies by Birbirs and Lakew (2020). Furthermore, an adaptable leadership style positively impacts employees, promoting their growth and advancement.

In addition, psychological empowerment in the workplace presents numerous benefits for organizations and employees. It enables employees to evaluate their work effectively, increasing motivation and creativity (Spreitzer, 1995). Moreover, Khan and Ghayas (2022) argue that psychological empowerment fosters a culture of flexibility and innovation within the organization, promotes authentic leadership, and positively influences employee attitudes. Therefore, it is evident that psychological empowerment plays a crucial role in driving organizational change (Azanza et al., 2013).

The effectiveness of authentic leadership has been widely examined, primarily within Western contexts (Avolio et al., 2004; Azanza et al., 2013). However, there is a relative scarcity of research on how authentic leadership influences the employee-organization relationship in Vietnam, a country characterized by a collective culture. While traditional leadership styles in Vietnam have often been authoritative or paternalistic, there is an increasing shift towards modern, participatory leadership models emphasizing empowerment, ethical leadership, and employee engagement. This shift is significant in SMEs, where leaders must balance maintaining hierarchical respect with fostering trust, transparency, and motivation among employees. Given these contextual factors, authentic leadership, which promotes self-awareness, relational transparency, and ethical guidance, can improve employee job satisfaction and organizational performance in Vietnamese SMEs. Thus, this study aims to bridge this gap by investigating the impact of authentic leadership on employee job satisfaction in SMEs in Ho Chi Minh City. Furthermore, it will explore the indirect roles of psychological empowerment and perceived organizational support. By employing quantitative methods, this research offers valuable insights into the relationship between authentic leadership and job satisfaction from the perspective of Vietnamese SMEs.

The remainder of this paper is designed as follows: The next section reviews the relevant conceptual framework on authentic leadership, psychological empowerment, job satisfaction, and moderating factors. After that, the quantitative methodology and data used to examine the relationships among these concepts are discussed. Subsequently, the main findings and discussions are presented, offering a detailed analysis of authentic leadership's impact on employee satisfaction. The paper ends with a discussion of the contributions, implications, limitations, and recommendations for future studies.

## **2. Theoretical basis**

### ***2.1. Theoretical background***

#### ***2.1.1. Social exchange theory***

The Social Exchange Theory (SET) explains the dynamic interactions between leaders and employees, emphasizing the exchange of both tangible and intangible benefits such as trust, support, and companionship. These interactions are interdependent, hinging on the actions of others (Blau, 1964), and can lead to high-quality relationships under specific conditions.

Homans (1961) defined social exchange as the relationship between at least two individuals who engage in rewarding or costly activities. In this context, costs are assessed regarding forgone alternatives, while rewards from the environment or other individuals shape behavior. Emerson (1976) advanced this concept with a psychological lens, highlighting the role of reinforcement in social interactions. Meira and Hancer (2021) demonstrate that social behavior tends to reinforce itself through two-way interactions, where one participant's actions bolster the behavior of the other, creating a cycle of ongoing engagement.

Moreover, SET emphasizes that when employees perceive fairness in these exchanges as valued and supported, they are more likely to exhibit more significant commitment, satisfaction, and performance, ultimately fostering high-quality workplace relationships (Cropanzano & Mitchell, 2005; Meira & Hancer, 2021).

### *2.1.2. Affective events theory*

The Affective Events Theory (AET) examines the interplay between leadership and employees, highlighting that effective leadership encompasses not only task management but also the cultivation of relationships and the addressing of emotions within an organization. Introduced by Weiss and Cropanzano (1996), AET offers leaders valuable insights into how work-related and personal events can influence employees' emotional states, affecting their job satisfaction.

AET serves as a framework for understanding emotions, moods, and job satisfaction while clarifying the distinction between job satisfaction and workplace effects (Nimon et al., 2023). The theory posits that job satisfaction is significantly shaped by emotional experiences; positive emotions typically enhance job satisfaction, whereas negative emotions can lead to dissatisfaction (Feng et al., 2024).

Moreover, AET suggests that internal and external organizational events profoundly impact employees' emotional well-being. Ashton-James and Ashkanasy (2005) have expanded AET to encompass external factors such as market fluctuations, legal regulations, and economic changes, which can affect employees' emotions and behaviors. As a result, leaders play a crucial role in managing these events to create a supportive work environment that enhances employee satisfaction and performance.

## **2.2. Conceptual framework**

### *2.2.1. Authentic leadership*

Authentic leadership is a process that utilizes positive psychological strengths in a well-structured organizational setting to promote self-awareness and self-regulation in leaders and their followers, ultimately supporting positive personal development (Wirawan et al., 2020). Authentic leaders exhibit hope, trust, optimism, positive emotions, transparency, and a strong ethical and moral focus on the future (Avolio et al., 2004). Walumbwa et al. (2008) have identified four dimensions to characterize authentic leadership: (1) Self-awareness entails recognizing not only one's strengths and weaknesses but also their impact on others (Kernis, 2003); (2) Balanced processing refers to objective, transparent decision-making processes of the leaders (Gardner et al., 2005); (3) Relational transparency involves relational clarity, which entails openly sharing one's authentic self, thoughts, and emotions with followers; and finally; (4) Internalized moral perspective, which involves self-regulation based on internal moral principles and values (Caza & Jackson, 2011; Gardner et al., 2005). The studies by Kark et al. (2003) and Shamir et al. (1993) emphasize the importance of understanding employee characteristics such as personality, career orientation, and personal concerns. They suggest that leaders play a crucial role in helping employees understand their work responsibilities, which affects how employees manage their behavior (Day, 2000).

Furthermore, authentic leadership theory proposes that the development of a genuine leader is influenced by three factors: positive psychological states, positive moral perspectives, and life stories (Wirawan et al., 2020). One critical skill within positive psychological ability is balancing cognitive reasoning and resilience. This helps leaders tackle

difficulties, confront challenges, and explore alternative perspectives when faced with tough decisions. Leaders with balanced cognitive processing ability can assess problems from a broad perspective and objectively evaluate all information by observing and considering all relevant opinions and information (Wirawan et al., 2020). Leaders with this trait often challenge their perspectives when making decisions.

Additionally, positive moral perspectives describe the decision-making process when dealing with challenging situations involving morality and ethics. Moreover, human development is linked to significant life events, such as personal hardships or crises (Avolio & Gardner, 2005). Authentic leaders often have unique life experiences, including tragedies, that help them gain insight into themselves and discover their life's purpose, contributing to authenticity in leadership (Shamir & Eilam, 2005). The authors also argue that significant life events often present opportunities for leaders to gain deeper insights into compassion and humanism, helping them build better relationships with their followers.

Authentic leaders are characterized by unique qualities, including the conviction that people are the most valuable asset of an organization. This human-centered approach enables them to establish goals, cultivate genuine relationships, and make fair and objective decisions (Gardner et al., 2005). Authentic leaders recognize and accept that they are not perfect. They understand their strengths and weaknesses and strongly desire to work toward a specific goal (Avolio & Gardner, 2005). Authentic leadership theorists highlight four primary characteristics of a genuine leader: (1) Leadership is integral to their core identity, (2) They demonstrate a strong sense of self and clarity in their self-concept, (3) Their objectives are in harmony with their genuine values and beliefs, and (4) Their actions sincerely mirror their inner self (Shamir & Eilam, 2005). As can be seen, developing these crucial traits is essential to maintaining authenticity. Authentic leaders foster open communication, which yields extensive advantages for the organization (Gardner et al., 2005). When employees believe their concerns can be addressed, their morale improves, and productivity flourishes under a strong leader's guidance (Gardner et al., 2005).

### *2.2.2. Psychological empowerment*

According to Schermuly et al. (2022), psychological empowerment is an individual's internal drive to take control and actively engage in their work, a crucial factor in empowering groups and fostering positive psychology within organizations (Seibert et al., 2011). Spreitzer (1995) outlines four key dimensions of psychological empowerment: meaning, self-determination, competence, and impact. In particular, "meaning" reflects the connection between an individual's work role and personal beliefs, values, and standards. "Self-determination" relates to an individual's feeling of autonomy and control in guiding their actions. On the other hand, "competence" signifies confidence in one's capacity to carry out tasks effectively. Lastly, "impact" reflects the belief that a person can influence management processes and their unit's performance outcomes. Although these dimensions are distinct, they are interconnected and mutually supportive, creating a positive and dynamic work environment.

Psychological empowerment can differ depending on organizational structure, individual and group characteristics, job design, leadership style, and the level of managerial support. Empowerment has been extensively analyzed from motivational and structural viewpoints, focusing on the factors influencing employee perceptions of empowerment (Chiang & Hsieh, 2012; Sahadev et al., 2024). Consequently, psychological empowerment is a pivotal factor that can yield positive effects at both organizational and individual levels.

### *2.2.3. Perceived Organizational Support*

Perceived Organizational Support (POS) refers to employees' perceptions of how much their employer values their contributions and prioritizes their well-being (Eisenberger et al., 1986). In the social exchange dynamic between employers and employees, the employee's commitment to the organization is based on the employees' perceptions of the organization rather than the organization's attitudes (Rhoades & Eisenberger, 2002). This reflects employees' inferences about the organization's dedication to them (Eisenberger et al., 1986). The authors also argue that beliefs about organizational commitment stem from employees' interactions with managers and other members considered organization representatives. Such interactions are then extended to the entire organization.

The Organizational Support Theory suggests that an employee's perception of the organization's intentions to provide them with favorable or unfavorable treatment strongly influences their POS (Li et al., 2020). Imran et al. (2020) state that POS initiates a social exchange process wherein employees are responsible for helping the organization achieve its goals and anticipate their efforts being acknowledged and rewarded. Moreover, POS fulfills social and emotional needs, fosters a strong connection with the organization, encourages a desire to contribute to the organization's success actively, and enhances morale (Imran et al., 2020; Li et al., 2020; Rhoades & Eisenberger, 2002).

### *2.2.4. Job satisfaction*

Numerous researchers have proposed various theories regarding job satisfaction. According to George (2012), job satisfaction encompasses the feelings and beliefs of individuals about their current employment. Furthermore, an individual can harbor attitudes towards different facets of their job, such as the role itself, colleagues, supervisors or subordinates, and compensation. On the other hand, Aziri (2011) defines job satisfaction as the sense of accomplishment and fulfillment experienced by employees in their work, acknowledged by the organization. Job satisfaction is commonly perceived to correlate directly with job performance and personal growth. It presupposes that individuals are content with a job they enjoy, excel at, and receive recognition from the organization.

Additionally, job satisfaction posits that passion and joy in performing their work are crucial factors leading to acknowledgment by the organization, remuneration, workplace advancement, and attainment of other objectives, fostering a sense of job fulfillment (Aziri, 2011). Job satisfaction is comprehended as employees being happy with the rewards offered by the organization, particularly about intrinsic motivation (Azanza et al., 2013). In short, job satisfaction is a multifaceted concept with varying meanings for different individuals.

## *2.3. Hypotheses development*

Numerous studies conducted by Azanza et al. (2013), Wirawan et al. (2020), and Wong et al. (2020) illustrate the positive effects of authentic leadership on employees. This leadership style not only cultivates trust and positive emotions but also fosters a sense of competence, enhances psychological empowerment, and ultimately contributes to employee satisfaction and commitment to the organization. Building on these findings, we propose the following hypothesis:

*H1: Authentic leadership positively relates to job satisfaction*

Shapira-Lishchinsky and Tsemach's (2014) study demonstrates a positive correlation between authentic leadership and psychological empowerment. Additionally, empowered employees are suggested to contribute to a more collaborative and information-sharing workplace environment (Khan & Ghayas, 2022). Walumbwa et al. (2010) assert that psychological empowerment manifests authentic leadership. Research further indicates a strong relationship between psychological empowerment and employee satisfaction, job performance, and organizational effectiveness. This implies that by cultivating an environment where employees enjoy greater autonomy, overall workplace performance can be significantly improved (Ackfeldt & Coote, 2005; Chiang & Hsieh, 2012; Khan & Ghayas, 2022). Thus:

*H2: Authentic leadership positively relates to psychological empowerment*

*H3: Psychological empowerment refers positively to job satisfaction*

Rhoades and Eisenberger's (2002) study delves into perceived organizational support through social exchange theory, emphasizing the reciprocal commitment between employees and the organization. As part of this mutual commitment, employees are reassured by the organization's consistent support during challenging and stressful circumstances. By acknowledging their dedication and contributions with tangible rewards such as competitive compensation, recognition, job enrichment, bonuses, comprehensive benefits, equitable treatment, and favorable working conditions (Eisenberger et al., 1986; Li et al., 2020), employees are more likely to exhibit positive attitudes towards the organization, show increased resilience when facing work challenges, and experience higher levels of job satisfaction (Rhoades & Eisenberger, 2002). Thus:

*H4: Authentic leadership positively relates to perceived organizational support*

*H5: Perceived organizational support positively relates to job satisfaction*

In organizational behavior research, a mediating variable is an intermediary explaining how one variable influences another. This study proposes that psychological empowerment and perceived organizational support mediate between authentic leadership and job satisfaction. Hence:

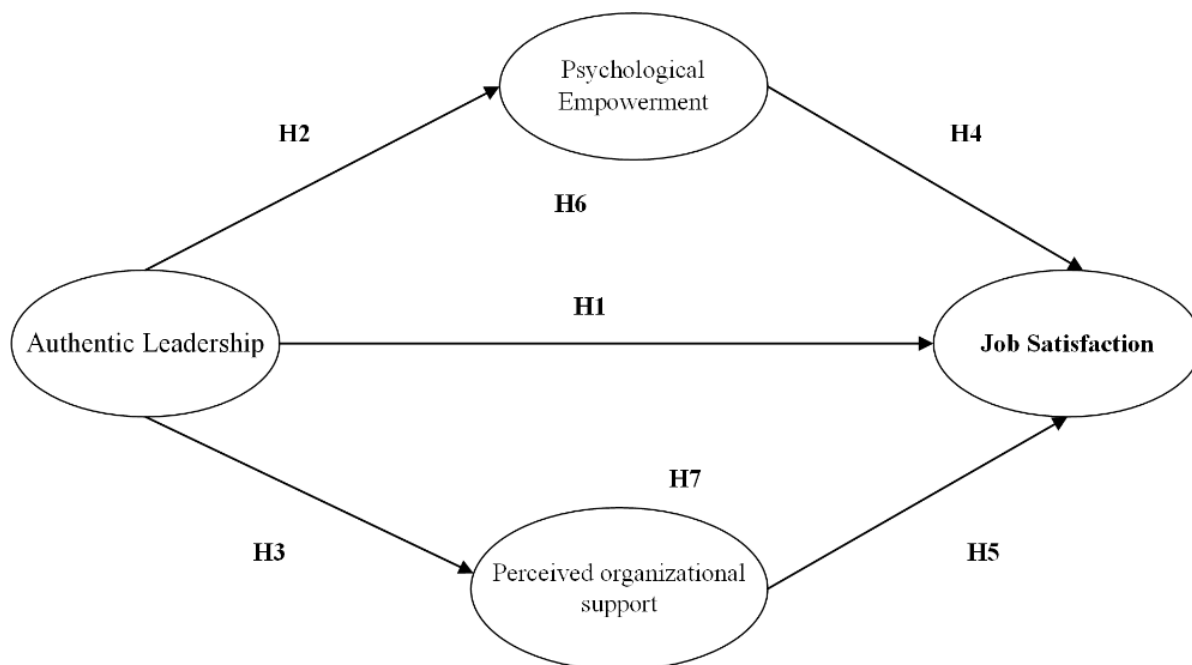
*H6: Psychological empowerment mediates the relationship between authentic leadership and job satisfaction, such that the positive effect of authentic leadership on job satisfaction is partially explained by its influence on psychological empowerment*

*H7: Perceived organizational support 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 perceived organizational support*

### **3. Methodology**

#### **3.1. Measure**

The study developed a foundational research model based on the existing literature. As illustrated in Figure 1, Authentic Leadership (AL), Psychological Empowerment (PE), and Perceived Organizational Support (POS) were designated as independent variables. At the same time, employees' Job Satisfaction (JS) was identified as the dependent variable.

**Figure 1***Research Model*

Source. Compiled by the authors (2025)

An initial questionnaire was designed for this study and then reviewed and refined with input from managers and employees at various SMEs in the trade and service sector in Ho Chi Minh City. These individuals possess valuable knowledge and experience in business administration. Additionally, a pilot study was carried out before data collection in March 2024. A total of 100 questionnaires were distributed, yielding 96 valid responses. Based on the feedback from the mentioned experts and the reliability testing, several adjustments were made to the wording of the questionnaire in preparation for the final version of the survey. The final version of the questionnaire was developed with a five-point Likert scale, with response options ranging from 1 (strongly disagree) to 5 (strongly agree).

### **3.2. Sample and data analysis method**

We employed convenience sampling to collect primary data from survey participants who were employees with three or more contracts at SMEs operating in the trade and services sectors in Ho Chi Minh City. The survey was conducted between March 2024 and May 2024. The validity of the questionnaire was determined by ensuring that participants completed all survey questions. Out of 750 distributed questionnaires, 638 valid responses were obtained, resulting in a response rate of approximately 85%. Descriptive statistical analysis was performed using SPSS 29.0, followed by reliability analysis, confirmatory factor analysis, and structural equation modeling, which were conducted using Smart-PLS 4.

## **4. Result and discussion**

### **4.1. Result**

#### *4.1.1. Demographic data*

The data presented in Table 1 reveals a nearly equal distribution of male and female participants, with 304 individuals (47.6%) identifying as female and 334 individuals (52.4%) as male. A significant majority of respondents (62.5%) fell within the 20 - 39 age range (399

participants), while 37.5% were aged 40 and above (239 participants). Notably, 83.5% of participants had completed a university education, with 11.6% having attained a high school education and 16.5% at the graduate level. Additionally, a large majority of employees (83.2%) reported having work experience ranging from two to fewer than 20 years.

**Table 1**

*Demographic Data*

Variables	Sample (N = 638)	%	Variables	Sample (N = 638)	%
<i>Gender</i>			<i>Education</i>		
Females	304	47.6	High school	74	11.6
Males	334	52.4	University	459	71.9
			Graduate school	105	16.5
<i>Age</i>			<i>Experience</i>		
20 - 29	168	26.3	< 02 years	36	5.6
30 - 39	231	36.2	02 - 04 years	174	27.3
40 - 49	126	19.7	05 - 09 years	184	28.8
> = 50	113	17.7	10 - 19 years	173	27.1
			> = 20 years	71	11.1

Source. Compiled by the authors (2025)

*4.1.2. Measurement model assessment*

A standard method for detecting multicollinearity involves assessing the Variance Inflation Factor (VIF) values. According to Hair et al. (2017), VIF values of 5 or higher typically indicate the existence of multicollinearity. Thus, it is advisable to maintain VIF values below 5, with an optimal target of 3 or lower (Hair et al., 2017). The results in Table 2 demonstrate that all VIF values are within the desired range, suggesting no issues with collinearity among the variables.

The model in this study is based on reflectively measured constructs alongside assessments of composite reliability, indicator reliability, convergent validity, and discriminant validity (Hair et al., 2019). The first step involves evaluating indicator reliability, which examines the variance explained by the constructs associated with the indicators. These values, expressed through outer loadings, should ideally remain below 0.70 (Hair et al., 2019). Data reliability was assessed using Cronbach’s Alpha, rho\_A, and composite reliability statistics by the recommended threshold of 0.700 (Hair et al., 2017). As presented in Table 2, all criteria were satisfactorily met. Moreover, the rho\_A values, which lie between Cronbach’s Alpha and composite reliability (Nunnally & Bernstein, 1994), also exceeded 0.7, indicating robust reliability. Convergent validity was acceptable, as reflected in the AVE values, with all AVEs exceeding the recommended threshold of 0.500 (Bagozzi & Yi, 1988).

**Table 2**  
*Factors Loadings, Reliability, and Convergent Validity*

<b>Indicators</b>	<b>Outer weights</b>	<b>VIF</b>	<b><math>\alpha</math></b>	<b>rho_A</b>	<b>CR</b>	<b>AVE</b>
<b>Authentic Leadership</b>			0.796	0.796	0.867	0.620
<i>Balanced Processing</i>	0.779	1.559	0.887	0.887	0.922	0.747
BP_1	0.869	2.382				
BP_2	0.860	2.266				
BP_3	0.859	2.238				
BP_4	0.869	2.378				
<i>Internalized Moral Perspective</i>	0.806	1.675	0.893	0.893	0.926	0.756
IMP_1	0.870	2.432				
IMP_2	0.864	2.348				
IMP_3	0.858	2.236				
IMP_4	0.886	2.628				
<i>Relational Transparency</i>	0.792	1.588	0.893	0.894	0.926	0.758
RT_1	0.890	2.696				
RT_2	0.860	2.284				
RT_3	0.872	2.442				
RT_4	0.860	2.306				
<i>Self-Awareness</i>	0.773	1.532	0.859	0.860	0.914	0.779
SA_1	0.868	2.056				
SA_2	0.890	2.204				
SA_3	0.890	2.239				
<b>Job Satisfaction</b>						
JS_1	0.785	2.001	0.909	0.910	0.928	0.647
JS_2	0.803	2.109				
JS_3	0.807	2.161				
JS_4	0.804	2.146				
JS_5	0.800	2.115				
JS_6	0.819	2.278				
JS_7	0.811	2.173				
<b>Psychological Empowerment</b>						
PE_1	0.739	1.812	0.917	0.917	0.930	0.572
PE_10	0.743	1.869				
PE_2	0.784	2.114				

Indicators	Outer weights	VIF	$\alpha$	rho_A	CR	AVE
PE_3	0.751	1.907				
PE_4	0.759	1.961				
PE_5	0.774	2.054				
PE_6	0.769	2.007				
PE_7	0.739	1.879				
PE_8	0.771	2.013				
PE_9	0.732	1.808				
<b>Perceived Organizational Support</b>						
POS_1	0.774	1.856	0.876	0.877	0.904	0.574
POS_2	0.749	1.724				
POS_3	0.740	1.725				
POS_4	0.774	1.866				
POS_5	0.757	1.759				
POS_6	0.751	1.757				
POS_7	0.760	1.785				

Source. Compiled by the authors (2025)

In addition, the study confirmed discriminant validity by using the Heterotrait-Monotrait (HTMT) ratio of correlation (Henseler et al., 2015). Both criteria resulted in values below the conservative threshold of 0.85 in the model’s construct order (see Table 3).

**Table 3**

*HTMT Criterion*

HTMT	JS	LA	PE	POS
01. Job Satisfaction				
02. Authentic Leadership	0.641			
03. Psychological Empowerment	0.633	0.537		
04. Perceived Organizational Support	0.627	0.561	0.284	

Source. Compiled by the authors (2025)

*4.1.3. Structural Model*

The structural model incorporates the hypotheses derived from the research framework and is evaluated based on R<sup>2</sup>, Q<sup>2</sup>, and the significance of the paths (Hair et al., 2017). R<sup>2</sup> values can range from 0 to 1, and as shown in Table 4, the model yields an R<sup>2</sup> of 0.539 for Job Satisfaction, 0.209 for Psychological Empowerment, and 0.218 for Perceived Organizational Support. These results confirm that the R<sup>2</sup> values fall within the anticipated range, indicating the model’s predictive capability. Moreover, the model fit was assessed using the Standardized Root Meansquare Residual (SRMR). For a successful PLS model, the SRMR should be below 0.08 (Rasoolimanesh et al., 2021). In this study, the SRMR was found to be 0.04, thus meeting the established standard.

**Table 4***Model Quality*

<b>Endogenous constructs</b>	<b>Adjusted R<sup>2</sup></b>	<b>Q<sup>2</sup> predict</b>	<b>SRMR</b>
Job Satisfaction	0.539	0.294	0.844
Psychological Empowerment	0.209	0.206	0.894
Perceived Organizational Support	0.218	0.216	0.889

*Source.* Compiled by the authors (2025)

To evaluate the quality of the model, we conducted tests to assess the significance of various relationships (see Table 5). The findings indicate a small direct effect of authentic leadership on job satisfaction ( $\beta = 0.190$ ,  $t = 5.076$ ,  $p = 0.000$ ), thus supporting hypothesis H1. Furthermore, hypothesis H2 is also statistically validated, confirming that authentic leadership positively influences psychological empowerment ( $\beta = 0.459$ ,  $t = 13.504$ ,  $p = 0.000$ ). Similarly, hypothesis H3 is substantiated, as psychological empowerment positively and significantly impacts job satisfaction ( $\beta = 0.398$ ,  $t = 12.018$ ,  $p = 0.000$ ). Hypothesis H4 receives statistical support, demonstrating that authentic leadership positively affects perceived organizational support ( $\beta = 0.469$ ,  $t = 13.906$ ,  $p = 0.000$ ). Additionally, perceived organizational support substantially impacts job satisfaction ( $\beta = 0.370$ ,  $t = 10.999$ ,  $p = 0.000$ ), so hypothesis H5 is also accepted.

Regarding the indirect effects outlined in hypotheses H6 and H7, Table 5 illustrates that authentic leadership positively influences job satisfaction through psychological empowerment (H6) ( $\beta = 0.183$ ,  $t = 9.222$ ,  $p = 0.000$ ) and perceived organizational support (H7) ( $\beta = 0.173$ ,  $t = 8.196$ ,  $p = 0.000$ ). This results in a total effect 0.546 ( $t = 19.343$ ,  $p = 0.000$ ). The variance explained (VFA) for psychological empowerment is 33.44%, while that for perceived organizational support is 31.74%. Both values fall within the acceptable range of 20% to 80% (Hair et al., 2017), confirming that these factors partially mediate between authentic leadership and job satisfaction. Lastly, the significance of the path coefficients was assessed using the bootstrapping method, following the recommendations of Hair et al. (2017). Under their guidance, 5,000 bootstrap samples were applied, yielding a 95% confidence interval. A confidence interval that does not include zero indicates a significant relationship.

**Table 5***Hypothesis Testing*

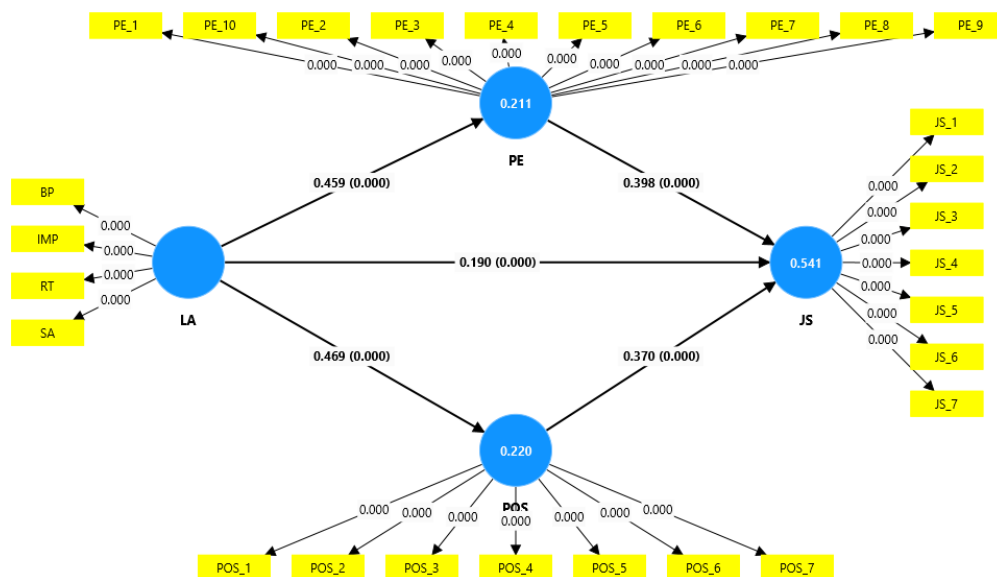
<b>Hypothesis</b>	<b>CI bias corrected</b>								
	<b>Direct Effect</b>	$\beta$	<i>SE</i>	<i>t - values</i>	<i>p - values</i>	2.50%	97.50%	<i>f - square</i>	<i>Support</i>
H1. AL → JS		0.190	0.037	5.076	0.00	0.118	0.265	0.052	<b>Yes</b>
H2. AL → PE		0.459	0.034	13.504	0.00	0.384	0.522	0.267	<b>Yes</b>
H3. PE → JS		0.398	0.033	12.018	0.00	0.329	0.460	0.271	<b>Yes</b>
H4. AL → POS		0.469	0.034	13.906	0.00	0.397	0.530	0.282	<b>Yes</b>
H5. POS → JS		0.370	0.034	10.999	0.00	0.299	0.432	0.232	<b>Yes</b>

Hypothesis	CI bias corrected							
	Direct Effect	$\beta$	SE	t - values	p - values	2.50%	97.50% f - square	Support
<i>Indirect effect</i>								
H6. AL → PE → JS	0.183	0.020	9.222	0.00	0.146	0.224		<b>Partial</b>
H7. AL → POS → JS	0.173	0.021	8.196	0.00	0.132	0.214		<b>Partial</b>
<i>Total effect</i>								
AL → JS	0.546	0.031	17.613	0.00	0.480	0.603		

Source. Compiled by the authors (2025)

**Figure 2**

*Path Results of the Research Model*



Source. Compiled by the authors (2025)

### 4.2. Discussion

This study provides a significant contribution to understanding the impact of authentic leadership on job satisfaction within Vietnamese SMEs in the trade and service sectors. In contrast to previous research primarily conducted in Western contexts (e.g., Avolio et al., 2004; Azanza et al., 2013), this research emphasizes the unique dynamics between authentic leadership and employee job satisfaction within a collectivist cultural framework. By incorporating psychological empowerment and perceived organizational support as mediating factors, the study provides a more nuanced perspective on how authentic leadership enhances job satisfaction. These mediators highlight crucial mechanisms demonstrating how authentic leadership indirectly influences employees by promoting autonomy, competence, and organizational commitment.

The findings validate the hypothesis that authentic leadership directly and positively influences job satisfaction (H1). Authentic leadership significantly enhances employees' satisfaction with their work by promoting an environment of trust, transparency, and ethical guidance. These results are consistent with Gardner et al. (2005) and Wirawan et al. (2020),

highlighting that authentic leadership styles create positive emotional experiences and supportive workplace cultures.

Authentic leaders significantly influence employees' intrinsic motivation through psychological empowerment (H2 and H4). Those working under authentic leadership are likelier to feel empowered to make meaningful contributions and exhibit greater autonomy in their roles. This aligns with Spreitzer's (1995) and Shapira-Lishchinsky and Tsemach's (2014) findings, which indicate that empowerment promotes creativity and job satisfaction. Furthermore, the vital role of psychological empowerment supports the conclusions of Khan and Ghayas (2022) while extending their insights by demonstrating its relevance in SMEs, where employees often navigate more dynamic and less structured work environments. The mediation analysis (H6) further reveals that psychological empowerment partially accounts for the relationship between authentic leadership and job satisfaction, emphasizing its crucial function as an influencing mechanism.

Perceived organizational support (H3 and H5) emerges as a crucial factor in the workplace. Employees who feel that their organization genuinely cares for their well-being are likelier to experience increased job satisfaction. This aligns with the findings of Li et al. (2020) and Rhoades and Eisenberger (2002), who suggest that perceived support strengthens the emotional bonds between employees and their organizations. Authentic leaders significantly shape these perceptions by cultivating transparent and empathetic relationships with their teams. Additionally, the results regarding perceived organizational support resonate with Imran et al.'s (2020) research, highlighting how support mechanisms can alleviate stress and enhance resilience in demanding workplace environments, particularly in developing economies. The mediation analysis (H7) also indicates that perceived organizational support is a mediator that partially explains the relationship between authentic leadership and job satisfaction, highlighting its role as an influencing mechanism.

As can be seen, the study reveals intriguing partial mediation effects of psychological empowerment and perceived organizational support, indicating that other variables might also influence the relationship between authentic leadership and job satisfaction. This finding presents opportunities for future research to investigate additional factors, such as organizational culture, job design, or employee resilience, that could further clarify these dynamics.

## **5. Conclusions**

This study underscores the crucial influence of authentic leadership on job satisfaction among employees in Vietnamese SMEs, particularly through the mediating effects of psychological empowerment and perceived organizational support. The findings indicate that authentic leadership boosts direct employee satisfaction and cultivates an environment where employees feel empowered and supported, thereby improving organizational performance.

For managers and leaders, it is essential to prioritize the development of authentic leadership characteristics, including relational transparency, self-awareness, balanced processing, and an internalized moral perspective (Walumbwa et al., 2008). These traits enhance employee morale and engagement and foster a work environment that encourages autonomy and innovation, which is vital for SMEs in dynamic markets. Moreover, managers must acknowledge the critical role of psychological empowerment in improving job satisfaction. By granting employees greater decision-making autonomy, meaningful work responsibilities, and opportunities for personal development, they can boost intrinsic motivation and organizational commitment. SME leaders can implement mentorship

programs, skills development initiatives, and participatory decision-making processes to cultivate empowerment, ensuring employees feel valued and competent. Perceived organizational support also plays a crucial role. Hence, managers should establish policies that illustrate employee well-being care, such as recognition initiatives, flexible work arrangements, competitive compensation, and wellness programs. By aligning leadership behaviors with organizational support structures, SMEs can increase employee loyalty and reduce turnover, a key concern in fast-growing industries.

From a policy perspective, these findings emphasize the importance of leadership development programs that cultivate authentic leadership practices within Vietnamese SMEs. Policymakers should consider incorporating training on leadership ethics, psychological empowerment, and organizational support into national initiatives aimed at SME development. Since SMEs play a crucial role in Vietnam's economy, enhancing leadership effectiveness can yield broader economic benefits by improving workforce stability, productivity, and innovation. Furthermore, policymakers should investigate incentive programs that motivate SMEs to invest in leadership development and workplace empowerment initiatives. Offering tax incentives or financial support for businesses embracing employee-centered leadership approaches could encourage SMEs to implement structured employee engagement and retention strategies.

Future research should focus on the longitudinal effects of authentic leadership and examine other potential mediators and moderators, such as organizational culture and employee engagement, to deepen the understanding of leadership dynamics. Additionally, expanding this research to encompass diverse cultural and organizational contexts will further enrich the global relevance of these findings.

## SCIENTIFIC CONTRIBUTION

The manuscript clearly identifies a research gap; the manuscript extends or refines existing theories; the manuscript provides new datasets or empirical evidence; the manuscript presents statistically and practically significant findings; the manuscript opens new directions for further research; the manuscript offers policy/managerial implications

## AUTHOR CONTRIBUTIONS

CRedit: [**Nguyen An Phu**]: Conceptualization, Methodology, Formal Analysis, Investigation, Supervision, Project Administration, Funding Acquisition; [**Nguyen Van Tien**]: Supervision, Writing - Review & Editing, Project Administration.

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## NO CONFLICT OF INTEREST STATEMENT

All authors declare that they have no conflict of interest.

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