



Original Article

How generational differences influence leadership styles: The case study of SMEs in Vietnam

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Abstract: Leadership styles inevitably determine the success or failure of enterprises, especially the motivation, trust, willingness, and enthusiasm of employees. The efficiency of styles employed by leaders is greatly impacted by many factors, including their typical features related to generation. The main objective of this paper is to investigate the perceptions of 54 managers of small-and medium-sized enterprises (SMEs) in Vietnam regarding the influences of generational differences on leadership styles. It is revealed that generational characteristics shape the personalities as well as the methods that leaders employ to instruct their followers, therefore impacting their styles. Generally, older leaders tend to be more autocratic while younger ones are more democratic. Nevertheless, there are differences among leaders in the same generation regarding their styles. This study contributes to the extant literature on behavioral science and leadership styles in the emerging economy of Vietnam. The results are beneficial for SME managers and training/consulting institutions in assisting these leaders to adjust appropriate leadership behaviors in consideration of influential factors, particularly their generational differences.

Keywords: Leadership styles, generational differences, SMEs, Vietnam.

1. Introduction

In organizations, the leader's style provides motivation and direction to followers and determines the overall business performance (Ojokuku et al., 2012). In small- and medium-

sized enterprises (SMEs), the close relationship between leaders and followers means that the selection of leadership style becomes more important (Yukl, 1998).

In the economic development of Vietnam, SMEs play an essential role (Vietnam Briefing,

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2020). Nevertheless, poor management capacities are considered a major challenge to the growth of these SMEs (Tran, 2015). It is in this endeavor that the practicality of this research is cast to assist leaders of SMEs to improve their leadership effectiveness.

In the literature, studies on leadership styles have drawn the great attention of scholars. Various types of leadership styles, including democratic, autocratic and laissez-faire, have been used to analyze their impacts on firm performance. Some of the studies have discussed effects of general differences on leadership styles with inconclusive results. Most of these studies have been conducted on larger-sized firms and many were in high-income countries (Kumar, 2018; Balan et al., 2019; Nguyen et al., 2014; Tajaddini & Mujtaba, 2011). The studies on the influence of generational differences on leadership styles, especially in the context of SMEs and in a developing country like Vietnam are limited, which requires further studies to fill the research gap.

This study utilizes data collected in the field from 54 managers of SMEs in Vietnam to show that generational characteristics determine the personalities and the methods that leaders employ to instruct their followers. Therefore, generational characteristics affect their leadership styles. More specifically, older leaders are more autocratic, and younger leaders are more democratic. There are, however, differences among leaders in the same generation regarding their leadership styles. These results provide SMEs with implications to assist their leaders to adjust appropriate leadership behaviors in consideration of their generational differences to improve their management and performance.

2. Literature review

2.1. Leadership and leadership styles

In a simplistic interpretation, leadership emphasizes a common theme, which is directing followers towards a goal (Kumar, 2018). Leadership style reflects the way a leader instructs his subordinates and encourages them to accomplish the set-forth goals (Mayowa, 2009).

Lewin et al. (1939), in his well-known model, divided leadership styles into three fundamental groups, including autocratic, democratic and laissez-faire styles. Accordingly, when an autocratic style is utilized and teamwork and communication are poor, top-down management, punishments and threats are employed (Likert, 1961). Meanwhile, democratic leaders pay attention to building a comfortable working environment where the consensus and solidarity of employees is given priority and is the prime directive, and organizational citizenship behavior among employees is also stimulated (Makik et al., 2016). Laissez-faire leaders tend to avoid engaging in the work progress and have little involvement in followers' affairs (Mihai, 2015).

2.2. Impacts of generational differences on leadership styles

Generational differences may come from a great number of reasons, such as different experiences in terms of education or exposure to political and social events. Such different contextual factors may have an impact on the choice of leaders at different ages. These factors also affect their work preferences, approaches and their dynamics in the workplace as well as their specificities and standpoints on various leadership styles (Balan et al., 2019).

Leadership is believed to be greatly influenced by the personalities of leaders. The characteristics of leaders not only shape certain leadership styles, but also affect the organizational effectiveness by means of task allocation, relation development, change management, and behaviors (Yukl, 2012).

As defined by Ryder (1965), the generational cohort is a group of people who experience the same sort of events during the same period of time. Similarly, Carlsson and Karlsson (1970) consider a cohort as individuals taking some vital steps at the same time, such as being born at the same time interval, getting married and having their first employment almost at the same time. According to Lancaster and Stillman (2009) and Kotler and Keller (2006), generational cohorts can be categorized as follows: Baby boomers (who were born between

1946 and 1964), Generation X (who were born between 1965 and 1980), Generation Y (who were born between 1981 and 1994) and Generation Z (who were born between 1995 and 2002). This study investigates the differences in leadership styles of Gen-X and Gen-Y.

Gen X-ers generally tend to pay more attention to personal growth, aggressively questioning the status quo and authority. They prioritize having fun, travel, independence, diversity and informality (Weingarten, 2009). They often assume that work should be fun and not too serious or formal (Irvine, 2010).

Gen Y-ers are often identified as confident, good team-players and achievers. They are often optimistic, extroverts and narcissistic, having unrealistic expectations and high levels of entitlement (Twenge & Campbell, 2012). These people are flexible, determined and have effective relationship development and leadership skills (Balan et al., 2019).

Nevertheless, Gen-Y leaders may face some disadvantages with regards to emotional control, working with sustained energy, managing obstacles, losses and ambiguity, taking on responsibility, listening to others and their ideas, setting a team-agenda, keeping an eye on priorities and paying attention to detail (Pinzaru et al., 2016). The study of Twenge and Campbell (2008) stresses that Gen Y-ers tend to have higher self-esteem. They may have more anxiety and depression and have a more external locus of control. In contrast, Wong et al. (2008) neglects the existence of generational differences.

Gen Y-ers are also believed to be smart, practical, techno-savvy, confident and pragmatic (Lancaster & Stillman, 2009). From the viewpoint of Howe and Strauss (2000, p.4), Gen Y-ers are “better educated and more ethnically diverse with positive social habits, teamwork, achievement, modesty, and good conduct overwhelming the cynics and pessimists”. They are good team players, follow set-forth rules, and respect authority. At the same time, they always try to be open, trustworthy, and uncomplicated (Twenge, 2006).

Quang and Vuong (2002) highlight that younger managers tend to be more open and adaptable to a participative leadership style. Thang et al. (2007), by observing youngsters’

changes, note that both young leaders and employees seem to accept more moral, transparent and open work systems, which sharply influence their leadership styles.

In terms of decision-making methods, Oshagbemi (2004) reflects that older managers are found to be more consultative in decision-making. Nevertheless, from the view of Oshagbemi (2004), younger managers are found to be more participative and willing than older managers to share decision-making processes with their subordinates for common goals.

Gen Y-ers are multitasking and prefer to participate or collaborate in decisions as much as possible. Their core values include optimism, civic duty, confidence, teamwork, modesty, achievement, morality, street smartness, and diversity (Calhoun & Strasser, 2005).

When it comes to the impact of different ages’ behavioral changes on management behaviors, Nguyen et al. (2012) confirm that older German leaders tend to be more task-oriented and relationship-oriented than younger leaders. Similarly, Nguyen et al. (2013) point out that younger Dutch managers are less task-oriented and relationship-oriented than older ones. On the contrary, in the research of Mujtaba et al. (2010), there is no difference between older and younger leaders with regard to task-oriented and relationship-oriented leadership behaviors. Tajaddini and Mujtaba (2011) also find the similarity in task-oriented and relationship-oriented leadership between old and young Iranian leaders.

Nonetheless, the study of Nguyen et al. (2014) does not find any significant differences of task-oriented and relationship-oriented behaviors of Vietnamese leaders based on their ages and management experience. This study suggests that Vietnamese leaders, regardless of their ages, may place more emphasis on setting and achieving goals beside focusing on relationship behaviors.

3. Research methodology

3.1. Research design

The study aims to examine the influence of generational differences on leadership styles by investigating the perceptions of SME managers of these impacts. The study is conducted in the

transition economy of Vietnam, where SMEs dominate in terms of the number of firms in the business sector. These SMEs have been receiving increasing support from the public sector to facilitate their development. Better access to infrastructure, finance, human resources, technology and information is also provided to these SMEs to facilitate their innovation and better performance (Vu et al., 2021; Vu & Nguyen, 2021). Implications on leadership styles for SME managers and other support agencies should be created to support the development of this sector.

The following research question were investigated and guided this study:

What are the perceptions of SME managers of the influences of generational differences on leadership styles?

To answer this question, the study applies a qualitative method, which is conducted through interviews with managers of SMEs to get insights into the effects of generational differences on leadership styles.

3.2. Data collection

Generally, in studies where researchers investigate the perceptions of the participants, the qualitative interview technique is generally used (Saunders et al., 2012). In this research, semi-structured interviews were conducted to help the researchers gain a deeper understanding when SME managers were asked to explain and add comments to their answers. Besides, the personal experience sharing of SME managers provide new and useful ideas that enable the researchers to develop qualitative data in both breadth and depth (Bryman & Bell, 2011).

A total number of 54 SME managers, including 32 males (59.26%) and 22 females (40.74%) participated in individual interviews. These managers operate in various fields, including construction, education, coffee export and real estate, etc.

The participants were approached based on the personal relationships of the researchers and by the references of previous interviewees. Interviews were carried out in Vietnamese language and each interview took approximately from 45 to 60 minutes. Electronic recorders were used as the main instruments to record the interviews. The time and places of the interviews

were set according to the convenience of both participants and the interviewers. To encourage openness during the interviews, a flexible and adaptive approach was taken.

The interview protocol was used in all interviews. A list of questions was developed based on the relevant literature. In particular, the literature on the influences of generational differences on leadership styles was the basis for interview question development. During the interviews, probing questions were added to seek further explanations of the interviewees.

3.3. Data analysis

To analyze qualitative data, researchers often use a step-by-step procedure to systemize the data analysis process (Creswell, 2014). Researchers are required to organize the data and conduct a preliminary read-through of databases, then code and organize themes and organize the data in a format for interpretation.

Qualitative QSR support software Nvivo is commonly used in qualitative primary data encryption. The main themes and sub-themes were used as the “code” of Nvivo. Records were imported electronically into the Nvivo’s system. Then, the “unit” data from these logs were “exported” to the encoding, matching the different topics. These “units” were expressed in the form of a phrase, a sentence, a few sentences, or even an excerpt from the record. Under the code, ideas on the same topic from the interviews converged. In the data-arranging process, new topics were discovered and topics with similar content were grouped.

The research results were presented in a descriptive manner, based on the main topics, sub-topics, examples and multi-dimensional views from interviewees. Descriptive topics were mainly based on the content analyzed from the interviews. Examples and comments by members were also cited directly to help the readers get the “feel” contained in the responses and the “lively” in actual business situations.

4. Research results

4.1. Gen-X leaders and their leadership styles

Traits of Gen-X leaders

According to the SME managers in this study, one prominent characteristic of Gen-X leaders is their authoritarian personality. They do not like to discuss and negotiate with others in solving problems. They are firmly influenced by the old Eastern culture where the manager considers employees as subordinates and wants employees to obey their orders. Employees rarely give their own opinions and express their own egos. There is often a certain distance between leaders and employees, which makes it difficult for the employees to get closer and to share their ideas. One manager gave an example:

"I know one Gen-X autocratic female boss who seldom encourages employees to give their viewpoints, and always forces them to follow her directions. She always requires everyone to be perfect and keeps her distance from employees. She rarely communicates and parties with them."

Gen-X leaders were also said to prefer showing power and forcing subordinates to follow their commands. Because of that rigidity and conservatism, employees hardly have opportunities to raise their voice and express their capacity. This is partly because Gen-X leaders are often overly confident in their skills and experience. One manager explained:

"When Gen-X leaders are experienced, they often come up with solutions and solve issues quickly. Therefore, employees often think that these leaders are authoritarian. However, offering solutions based on personal experience is no longer appropriate in new contexts."

Gen-X leaders were also evaluated as independent, strong, hard-working and self-directed. They are usually serious, cautious, neat and independent. However, due to their limitations in their command of foreign languages and technology, they do not have many opportunities to interact with the modern world. As such, they are also less open than Gen-Y. One manager shared:

"Gen-X leaders themselves have gone through a difficult period of the national economy and that of their family economic situations. Hence, they tend to be more independent, self-sufficient and quiet. They know how to draw lessons from realities and cautiously apply them in their business."

Possibly due to difficult circumstances through which Gen-X leaders have passed, they were also believed to prioritize stabilities and saving money. Therefore, they are often characterized by being afraid to innovate, sometimes imposing their conservative thoughts on others to maintain a stable state.

Working methods with employees of Gen-X leaders

From the viewpoints of the SME managers in this study, while working with the employees, one of the great challenges for Gen-X leaders is their unwillingness to empower their employees, even when they perceive empowerment as important. This fact was shared by one manager:

"I have tried to change my leadership style to empower my employees. Nevertheless, I find it very difficult. Centralization of power both puts pressure on me and on my employees. However, when empowering my employees, I often feel insecure and do not believe in the capability of my subordinates."

Gen-X leaders were also evaluated to interfere deeply in the employees' work implementation, making employees passive and unable to promote their forte. Employees may lose their personal development opportunities when they are not encouraged to express their opinions and lack chances to discuss with their leaders. One manager shared:

"Gen-X leaders tend not to support teamwork. They always tightly supervise work, especially monitoring the working time of subordinates."

Besides, Gen-X leaders were perceived to put in place many restrictive regulations to increase their control. One manager mentioned:

"I like an open working environment where teamwork and a flexible leadership style are promoted and not many complicated regulations are created. But I find that Gen-X leaders often make a lot of regulations during the working process, creating a sense of restraint."

Gen-X leaders were also said to keep distance from employees; they rarely actively get along with as well as share and receive sharing from employees. Lifestyle differences may make these leaders less likely to engage in activities with their employees. One Gen-X leader shared:

"I often set clear rules at work and in life. Once my company held a party, I wanted everyone to leave early to go to work on time the next day. Thus, I pushed the party to end at 9 pm. At that time, my staff was not happy and later I regretted that I was so rigid."

Historical factors after the war in Vietnam were believed to have an influence on the behaviors of Gen-X leaders. Many of them tend to treat employees with the same rules as in a military environment, asking employees to do the job by forcing them to strictly follow regulations rather than guiding and explaining the benefits of the jobs. One manager shared:

"When asking employees to comply with the regulation of wearing protective clothing at construction sites, Gen-X leaders always order, 'You must wear protective clothing'. Meanwhile, leaders of the new generation will explain to workers the consequences of not wearing protective clothing, so that workers will be self-conscious in wearing protective clothing."

Despite being considered more demanding, Gen-X leaders were also said to be more generous and sympathetic. They are soft, tolerant, and easy to sympathize with employees in difficult circumstances, especially in financial difficulties. One manager shared:

"If employees face difficulties in their life, the older leaders easily sympathize and take actions to help, because they have gone through these difficulties. Younger leaders do not have much of this experience, so they tend to ignore."

4.2. Gen-Y leaders and their leadership styles

Traits of Gen-Y leaders

According to the SME managers in this study, young leaders have the advantage of being dynamic, fresh and free-styled. They were said to be more liberal and democratic in their leadership style. One manager shared:

"Young leaders appreciate the value of community, democracy and freedom. They often support the creativity of members in groups and organizations where they lead."

Many young leaders have had opportunities to expose to the culture and acquire knowledge from Western countries. Therefore, they tend to be freer and more democratic. One manager shared:

"I returned from studying abroad. I have absorbed the young, dynamic, decisive and especially risk-loving traits from Western leaders."

Gen-Y leaders were perceived to be more willing to share and encourage the participation and contribution of others' ideas. Nevertheless, they were also evaluated to be aggressive, impulsive and highly individualistic, as shared by one manager:

"Millennials are confident, but sometimes that confidence becomes excessive. They firmly believe in their new way of thinking, so they are prone to conflict with others when they have different viewpoints. However, they have strong enthusiasm in their actions which can help them put in the effort and stick to their own path."

Gen-Y leaders were also seen to have the advantage of a command of English, which helps them integrate into the world more confidently. However, it makes them sometimes arrogant and a little "contemptuous" of the traditional working styles.

Working methods with employees of Gen-Y leaders

From the perceptions of the SME managers, one prominent feature of young leaders was that they are more liberal in leadership and willing to empower and facilitate subordinates to develop their capacity. One manager shared:

"Young leaders often dare to empower their employees, which allows them to reduce the pressure on themselves while stimulating followers to develop their abilities."

Young leaders were perceived to be prone to encourage cooperation and openness in communication. One manager shared:

"In meeting sessions, I often encourage comments and opinions of employees. Listening to their ideas also helps me to better understand them, and assign jobs that are more suitable to their strengths, thereby improving work efficiency."

Openness is not only shown in work but also in the way young leaders treat their employees in daily life. One manager said:

"I often go with my staff on parties, especially on their birthdays. Whenever I travel, I often buy some souvenirs for my employees."

When we are getting closer, it is easier for us to cooperate and share in work."

Young leaders were also perceived to pay attention to developing effective communication skills. They respect employees, especially older employees, as shared by one young manager:

"Many employees of the previous generation are experienced, which requires me to prove my management ability to lead them. Besides, I need to be skillful and constantly adjust my leadership behaviors to harmonize the relationship."

However, young leaders often prioritize and promote work performance the most. The employee's work performance may affect the leadership behavior of the leader with this employee. One manager shared:

"For me, work efficiency is the most important. I often evaluate the working capacity of employees based on their results, from there choosing the most appropriate leadership style."

Young leaders tend to work in groups and encourage employees to voice their opinions. At work, they always actively listen to employees' opinions, showing their role as team players rather than administrators. In life, they often have a close connection and accompany with employees. One young leader shared:

"I always learn to harmonize relationships with my employees. At work, I am the boss. In life, they can be my teacher, teaching me many useful lessons. I often avoid abusing power and letting employees see me as the person who only demands and takes benefits from the team's efforts. I am interested in balancing my points of view in arguments, avoiding the view that I am imposing and making decisions on my own."

Another manager gave an example:

"During the outbreak of Covid-19, my company faced many difficulties. One young sales manager immediately held a meeting, asking everyone to discuss to come up with action plans and set KPIs for each individual."

Young leaders were also evaluated to be dedicated to leading the team and interested in motivating employees. The close leader-employee relationship helps them to develop business solutions that benefit both parties. One manager shared:

"Many young leaders in my company manage teams based on encouragement and

sharing with their employees, rather than using directions. They listen carefully and understand employees' viewpoints. Their employees have freedom in work and life, resulting in a remarkable increase in productivity."

However, some young managers were perceived as "pseudo-democratic" or even autocratic in their leadership styles. They make decisions on the basis of maximizing their own benefits, leading to hasty decisions. Especially, they may be incautious in handling issues related to people. One young manager shared:

"I once fiercely dealt with a mistake made by an employee who is older than me. She protested strongly and I used my power to overwhelm her. Then I realized that I should not have done that."

Nevertheless, young leaders were generally considered to be quite flexible and active in using leadership styles. One manager shared:

"I always see in young leaders' willingness to take on challenges."

4.3. No influences of generation on leadership styles

From the viewpoints of some managers in this study, leadership styles depend on many factors other than age. Many Gen-X leaders adapt quickly to change, updating diligently management trends. One manager shared:

"I see many Gen-X company presidents boldly applying a democratic style in managing followers, especially in empowering their lower-level managers, listening to opinions and respecting working methods of employees."

Although occupying high positions, such as business owners and presidents of corporations, many Gen-X leaders still have liberal leadership styles. They prioritize work efficiency first and do not rely on position to force employees to obey their orders. One Gen-X manager shared:

"I often try to understand the thoughts of young employees to avoid being outdated. The recent social and business environment is very active. Only proactive updating may help me to catch up with changes."

Gen-X leaders were also appreciated for their industriousness in promoting creativity. Many of them had gone through a difficult period of the country. Therefore, they have the will to cope with challenges and advance in their work. They are industrious in learning

knowledge of technology, management and business know-how. One manager shared:

“A number of leaders who were born in the 1970s have the ability to learn experience lessons from previous generations and to adapt themselves to new changes.”

Another manager shared:

“Many Gen-X leaders have experience working in large corporations such as Unilever and P&G when these corporations first entered Vietnam. They may access practical and new business knowledge about distribution and marketing systems, beyond the theoretical knowledge learned from universities.”

Some SME managers in this study believed that there are a great number of Gen-Y leaders who have reached maturity in balancing leadership styles. Also, there are many Gen-X leaders who are no longer being strict with their followers. One manager shared:

“From my observation, there are many young leaders with an authoritarian style. Many leaders aged between 40 and 55 have a mixture of democratic and authoritarian styles. Many leaders over 55 years old follow a laissez-faire style as they have rich experience in managing people and situations.”

Many SME managers believed that once they are managers, they will completely focus on business efficiency, which forces them to adjust their leadership styles. Also, to become leaders, they need to accumulate adequate competence, skills and experience. The generation differences do not have a great influence on the leadership styles and effectiveness. One manager shared:

“The quality of leaders determines their leadership styles and the capacity of leaders determines their success.”

In the view of some SME managers, the appropriate leadership style needs to be in accordance with many factors such as the business characteristics and the level of enterprise development. The leaders must always be flexible in adjusting their styles rather than relying on generational characteristics to force themselves into a certain style. One manager shared:

“An effective leader must have a long-term vision for business development, highly consider long-term benefits, and persistently pursue

goals. In matters related to orientation and strategy, they need to be authoritarian, while in short-term situations, they should be more democratic to motivate their followers.”

Another manager shared:

“If an enterprise has a clear direction, the leader does not need to be too autocratic. If an enterprise is new, the leader should be decisive to maintain the business orientation.”

5. Discussion

Vietnamese SME managers in this study highlighted the influences of generational differences on leadership styles. Accordingly, Gen-X leaders tend to be autocratic, rigid, and conservative and prefer to show their power. Meanwhile, Gen-Y leaders are mostly free, democratic and tend to promote openness, creativity, teamwork and the contributions of their followers (Quang & Vuong, 2002; Thang et al., 2007; Twenge, 2006). Especially, Gen-Y leaders were evaluated as dynamic, decisive and risk-loving (Howe & Strauss, 2007; Thompson & Gregory, 2012; Twenge, 2012; Twenge & Campbell, 2012). Gen-X leaders were believed as independent, self-sufficient and quiet, whereas Gen-Y leaders were seen to be more confident, but sometimes a bit excessive and arrogant (Pinzaru et al., 2016; Lancaster & Stillman, 2009).

When it comes to the methods of working with followers, Gen-Y leaders were evaluated to be more willing to empower their employees. Besides, older leaders were perceived to be prone to interfere in the work performance of employees whereas younger leaders were seen to focus more on facilitating subordinates. Younger ones were believed better in encouraging communication, collaboration and participation from their followers, which matches with the finding of Duchsher & Cowan (2004) and Calhoun & Strasser (2005), but not the finding of Oshagbemi (2004).

Furthermore, Gen-X leaders were said to put in place many restrictive regulations and keep a distance from their employees, whereas Gen-Y leaders were appreciated for their dedication to encouraging teamwork. However, some SME

managers believed that younger leaders pay more attention to work efficiency rather than to people, whereas older ones have more sympathy to followers (Nguyen et al., 2012; Nguyen et al., 2013). This study also indicates that some younger leaders are not tolerant in handling human issues, which fits their disadvantage of being impulsive mentioned in this study (Pinzaru et al., 2016). The view that Gen-Y leaders are more flexible in adjusting their leadership style was also supported (Balan et al., 2019).

Some SME managers in this study shared the view that generational differences have no influence on leadership styles (Wong et al., 2008; Mujtaba et al., 2010; Tajaddini & Mujtaba, 2011; Salahuddin, 2014). This was explained by the differences of leaders in the same generation and the requirement of leader positions which asks them to adjust leadership styles properly.

Interestingly, this study highlights some features of leadership styles, which fit to managers of this generation but not the employees. Whereas Gen-X leaders were seen to love using power to manage, Gen-X employees do not support a serious and formal working environment (Irvine, 2010). Similarly, Gen-Y leaders were perceived to be democratic, but Gen Y-ers support rules and authority (Twenge, 2006). Whereas Gen-Y leaders tend to be aggressive, Gen Y-ers are prone to anxiety and depression (Twenge & Campbell 2008). This finding enriches the knowledge related to differences between managers and non-managers in the same generation.

6. Conclusions and implications

This is of both theoretical and practical use. Existing literature on leadership styles has been improved by this study providing evidence of the influence of generational differences on leadership behaviors. It adds to the literature related to differences in personalities between Gen-X and Gen-Y leaders. It also adds insights to the development of literature on the influences of generational differences on managing methods with employees.

Another contribution of the study is it depicts the differences of managers and non-managers

in the same generation when it comes to their working styles. It also supports the view that leadership styles may be influenced by many factors rather than generational differences only, and leaders in general have the capacity to adjust their leadership styles appropriately.

The research findings are practically beneficial for SME managers and consulting institutions as they assist SME managers to adjust their managerial behaviors and enhance their leadership effectiveness. The findings suggest that SME managers need to be aware of the influence of generational differences on leadership styles. Based on that, they may adjust their behaviors to take advantage of their strengths and limit their weaknesses. Furthermore, to perform well at the position of managers, leaders are required to continuously improve their capacity to reach flexibility and “maturity” in management. They may actively attend training courses to enhance their efficiency in using leadership styles.

This study has limitations that suggest possibilities for further research. It just looked at Vietnamese SMEs and investigated the perceptions of managers only. Further studies may develop this research by examining these influences in other regions and from the multi-viewpoints of employees. Besides, in this study, the qualitative approach was employed to investigate the perceptions of Vietnamese SME managers. Based on these findings, additional research could use quantitative methodologies to examine the relationship between generational differences and leadership styles.

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