

Transformational Leadership, Work Motivation Influence Employee-Based Brand Equity. The Case of Small and Medium Enterprises in Ho Chi Minh City, Vietnam



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ABSTRACT: Small and medium enterprises (SMEs) play an important role in promoting the country's economic development. In the era of integration and intense competition in the market economy, businesses recognize that employees are an extremely valuable resource, and enhancing employee-based brand equity helps organizations improve their competitive position and sustainable development. The objective of this paper is to identify and evaluate factors affecting employee-based brand equity in SMEs in Ho Chi Minh City, Vietnam. The study surveyed 60 SMEs with 438 employees, using Structural Equation Modeling (SEM) to test the fit of the research model and evaluate the relationships among the factors in the model based on practical survey data. The results showed that 5 factors: Transformational Leadership; Training & promotion opportunities; Income & benefits; Organizational culture; Working environment, all have direct impact on Work motivation and Employee-based brand equity. In addition, the research results also found that two factors Transformational Leadership and Work Motivation have the most direct and greatest impact on Employee-based Brand Equity in SMEs. In conclusion, the paper provides some management implications for small and medium-sized enterprise leaders, which is to invest more in the internal environment, develop training policies and care for employees to increase work motivation and employee-based brand equity, helping to enhance the enterprise brand, competitive position, and sustainable development in the period of innovation and integration.

KEYWORDS: Employee-Based Brand Equity; Transformational Leadership; Work motivation; Small and medium enterprises.

1. INTRODUCTION

Small and medium enterprises (SMEs) in Vietnam are an important and indispensable part of the country's economic development. SMEs account for about 97% of total enterprises in Vietnam and have contributed about 40% of GDP to the country. They have created great economic value through the implementation of a variety of products and services, contributing taxes and other revenues to the national budget. The workforce working in SMEs ranges from 13 million to 14 million people, accounting for about 50% of the workforce working in enterprises nationwide (General Statistics Office of Vietnam, 2024; Vietnam Association of Small and Medium Enterprises, 2023). This workforce is one of the core factors that help SMEs develop sustainably, creating a difference in brand value for each enterprise in the internationally integrated market economy. In the modern business environment, human resources are increasingly considered the most important asset that determines the success or failure of a business (Vo Thi Diem Thuy et al., 2022). Policies that enhance employee satisfaction and fulfillment aim to boost work motivation, as motivated employees tend to work more efficiently and demonstrate stronger engagement with the organization ((Doan Hong Le et al, 2021; Or Shkoler & Takuma Kimura, 2020). Motivated employees often possess a positive mindset, loyalty, and a strong commitment to the organization, thereby enhancing the value of the employer brand (Zhengmin Li, 2022; Or Shkoler & Takuma Kimura, 2020). Employees are the ones directly involved in production and customer service, so their loyalty and commitment to the quality of the brand's products or services will help spread the organization's brand to customers. When employees are motivated, they consistently work with positivity, increase productivity, and dedicate their efforts to satisfying customers. This, in turn, boosts the organization's revenue through their individual contributions, which represent the employee-based brand equity (Aaker, D.A., 1991). Therefore, investing in human resources is more likely to enhance employee-based brand equity, by creating good working conditions and building a positive working environment for employees, which is one of the important solutions to increase organizational brand value sustainably. The objective of this study is to identify and evaluate the relationship between factors influencing work motivation and employee-based brand equity in small and medium enterprises in Ho Chi Minh City,

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2. LITERATURE REVIEW

2.1. Employee-based brand equity:

Brand value is an important concept in academic research and business operations, building a strong brand will increase the competitive advantage for businesses compared to competitors (Aaker, 1991; Keller, 1993 and 2000). There are many different definitions of organizational brand equity. According to Keller (1993), brand equity is a consensus set of opinions and behaviors of customers and members of the business. Research by (King & Grace, 2009 and 2010) has proposed three main approaches to corporate brand equity: (1) employee-based approach, (2) customer-based approach, and (3) financial-based approach. Employee-based brand equity is an approach based on internal marketing theory, which views employees as internal customers, businesses have the responsibility and plan to promote this internal strength to help businesses develop sustainably in the market economy. King & Grace's research suggests that employees play a vital role in creating and delivering products through direct interaction with customers, thus employee-based brand equity plays a vital role in building and increasing a company's brand equity. Employee-based brand equity is measured through the criteria of employee attitudes and behaviors, which are job satisfaction, organizational satisfaction, organizational commitment, organizational brand loyalty, and they become trustworthy brand ambassadors and perform their duties with high performance (King & Grace, 2010).

2.2. Transformational leadership style

Leadership style is the method a leader uses to manage, control, and guide the activities of a group or organization to achieve the set objectives (Robbins, 1996; Burns, 1978). In the forms of leadership styles, innovative leadership styles including transformational leadership style and transactional leadership style can be considered as effective leadership styles that balance the personal interests of employees and the results of achieving organizational goals on the basis of inspiration, enhancing trust, mutual support, especially in the period of international integration and rapid development of science and technology. According to Bass and Avolio (1993; 1997), leadership styles are divided into two categories: (1) Transformational Leadership, which builds a corporate culture focused on inspiration, individual consideration, motivation, and effective innovation; and (2) Transactional Leadership, which emphasizes the exchange of specific benefits to achieve organizational goals. This paper examines the relationship of transformational leadership style to employee-based brand equity.

2.3. Work motivation

Many researchers have proposed concepts regarding employee work motivation. According to authors such as Herzberg F. (1987), Kovach (1987), and McClelland & David C. (2013), employee work motivation is an internal drive within individuals, stemming from their satisfaction with their desires, which in turn fosters effort, loyalty, and commitment to the organization to accomplish tasks and achieve work goals. Motivation can come from many different sources according to individual wants and needs: income, rewards, career development, learning and advancement, recognition for completing tasks, etc. Herzberg F. (1987) proposed a two-factor theory: (1) the group of maintenance factors includes factors such as salary, benefits, working conditions, physical environment, etc. (2) the group of motivation factors includes factors such as learning and development opportunities, achievement, recognition of achievements, nature of work, etc. When these needs are satisfied, they will promote the motivation of employees to work. McClelland (2013) also believes that human psychology is often oriented towards three main needs: the need for achievement, the need for power (creative autonomy) and the need for cooperation. Each individual has different levels of these three needs. Managers understand and classify employees based on different needs to meet them to improve their work motivation. In short, when employees are motivated to work, they will increase productivity, create creativity and innovation, and commit to the brand and mission of the business. Therefore, maintaining and improving work motivation will help optimize performance and also bring sustainable benefits to businesses in a competitive market.

3. RESEARCH HYPOTHESES

3.1. Transformational leadership style is one of the important factors that directly affect employees' attitudes and behaviors, because it shapes the working environment, satisfaction, commitment to the organization and affects employees' motivation towards the organization (Choudhary et al., 2013). Several studies have agreed with the above view and suggested that transformational leadership style will motivate employees to improve work motivation, creativity, enhance personal brand value, bring customer satisfaction and help promote corporate brand development (Abayomi, 2021; Triraharjo et al., 2020; Qiu, S., et al., 2019). The following hypothesis is proposed to be tested:

Hypothesis H.1: Transformational leadership style has a positive influence on employee-based brand equity in SMEs in Ho Chi Minh

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3.2. Training and promotion opportunities play a very important role in employee attitudes and behaviors. It not only satisfies personal interests but also brings employee commitment and loyalty to the organization (Murtining, R.S, 2020). Studies by Vo Thi Diem Thuy et al. (2022), Nguyen Viet Bang & Luru Minh Vung (2021), and Janti, S. & Dahlan, J. A. (2017) agree with this perspective and view training and promotion policies as individual needs that enhance job satisfaction and motivation, increase organizational commitment and employee performance, thereby elevating employee-based brand value for businesses. The following hypothesis is proposed to be tested:

Hypothesis H.2: Training and promotion opportunities have a positive impact on employee-based brand equity in SMEs in Ho Chi Minh City, Vietnam.

3.3. Income and benefits are the basic factors that serve the personal needs that employees often desire and feel first. (Sharma Kratika et al., 2018), compensation and benefits have a powerful influence on employee attitudes and behaviors, driving organizational commitment, brand loyalty, and improving work performance. Several empirical studies, such as those by Min-Shi Liu and Liu, N.-C. (2021), Pangabea et al. (2022), and Doan Hong Le et al. (2021), have demonstrated that income, benefits, and equitable rewards influence satisfaction, loyalty, and organizational commitment. These factors also motivate employees to consistently strive to enhance their responsibilities and convey the organization's brand value to customers. The following hypothesis is proposed:

Hypothesis H.3: Income and benefits have a positive impact on employee-based brand equity in SMEs in Ho Chi Minh City, Vietnam.

3.4. Corporate culture. McClelland (2013) believes that Corporate culture is a set of positive values in behavior and customs built during the process of forming and developing a business, it creates a unique identity for each business. Research by Janti and Dahlan (2017), Ngo My Tran et al (2022) shows that corporate culture has an impact on employees' positive attitudes and behaviors, which are reflected in enthusiasm, job satisfaction, loyalty and commitment to the brand when performing common tasks. For SMEs in Vietnam, developing the right corporate culture has the potential to leverage employee-based brand equity to convey the organization's brand identity to customers. The following hypothesis is proposed to be tested:

Hypothesis H.4: Corporate culture has a positive impact on employee-based brand equity in SMEs in Ho Chi Minh City, Vietnam.

3.5. Work Environment. According to Schultz's theory (2006), the work environment refers to the conditions related to the characteristics of the workplace. It significantly impacts employees' psychology, influencing their behavior and attitudes to become either positive or negative when confronted with conditions at the workplace or during the working process. In favorable and supportive work environments, employees consistently work positively, are willing to contribute to the organization, enhance work performance, and promote the organization's brand value to the market. Previous studies, such as those by Arie Dwi Kurniawan et al. (2020) and Nguyen Viet Bang & Luru Minh Vung (2021), have agreed with this perspective and consider the work environment as a critical factor in promoting positive employee behavior and enhancing commitment to the organization's brand. The following hypothesis is proposed to be tested: Hypothesis H.5: The work environment has a positive impact on employee-based brand equity in SMEs in Ho Chi Minh City, Vietnam.

3.6. Hypotheses related to enhancing Employee Work Motivation. Work motivation of employees is the internal drive that each individual wants to have in the working process. Work motivation stems from various factors based on each person's individual needs. Many scientists have proposed many influencing factors, there are real factors belonging to the maintenance group and long-term external factors belonging to the promotion group, Which impact work motivation as researched by Herzberg F. (1987). Kovach (1987) study proposed a model of 10 factors that influence work motivation, which can include elements from both the maintenance and promotion groups. A review of several studies in recent years, such as those by Nguyen Minh De, Phuoc M. Hiep (2024), Nguyen Thi Ngoc Lien (2023), Vu Minh Hieu, Doan D. P. Hung (2022), Pangabea et al. (2022), Doan Hong Le et al. (2021), Hasanudin et al. (2021), all agree with the studies from previous decades and highlight several factors that have received considerable attention: Working environment; Corporate culture; Leadership; Training and learning; Promotion opportunities; Income and benefits. This study presents the following hypotheses to test them under the specific conditions of the current business environment, with the policy of the Vietnamese government promoting the sustainable development of SMEs in the market economy and international integration. Hypothesis H.6: Transformational leadership style has a positive impact on employee work motivation in SMEs in Ho Chi Minh City, Vietnam.

Hypothesis H.7: Training and promotion opportunities have a positive impact on employee work motivation in SMEs in Ho Chi Minh

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Hypothesis H.8: Income and benefits have a positive impact on employee work motivation in SMEs in Ho Chi Minh City, Vietnam.

Hypothesis H.9: Corporate culture has a positive impact on employee work motivation in SMEs in Ho Chi Minh City, Vietnam.

Hypothesis H.10: The work environment has a positive impact on employee work motivation in SMEs in Ho Chi Minh City, Vietnam.

Hypothesis H.11: Work motivation has a positive impact on employee-based brand equity in SMEs in Ho Chi Minh City, Vietnam.

3.7. Proposed research model:

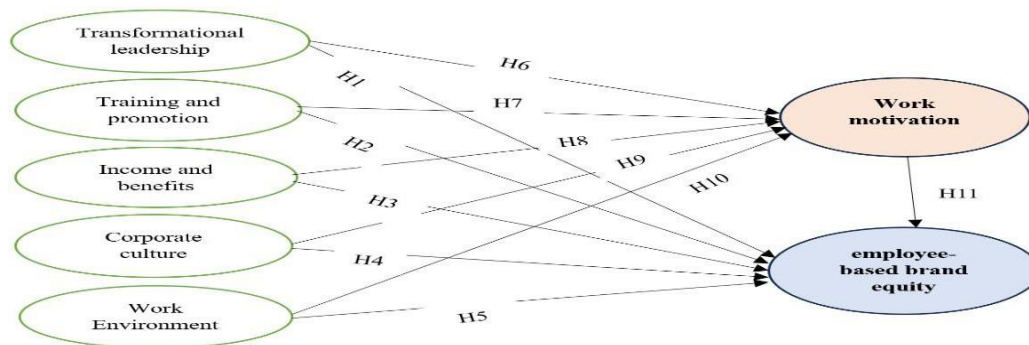


Figure 1: Research model Source: author

4. RESEARCH METHODS

4.1. Research method:

The article uses qualitative and quantitative research methods. The qualitative research method was conducted through 2 discussion steps: Step 1, conducted expert discussions with 2 university lecturers and 7 CEOs of small and medium enterprises who are currently members of the Executive Board of the Vietnam Business Association. The discussion content was prepared with relevant questions, in which the employee-based brand equity scale was adopted by King & Grace (2010). Step 2, conducted discussions with 11 people representing trade unions and workers in SMEs. The results included 29 survey variables for 11 scales. The quantitative research method uses the Structural Equation Modeling (SEM) approach to analyze the causal relationships between factors affecting the employee-based brand equity in SMEs.

The survey questionnaire was designed using a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree). Data collected from the actual survey included 438 questionnaires, which were processed using SPSS 22 and AMOS software. The results of the data analysis were measured based on the criteria of Hair (2009) and Hu & Bentler (1999).

4.2. Sampling method:

Convenience sampling method was used in small and medium enterprises in Ho Chi Minh City. The survey sample criteria were employees who had worked for 1 year or more and did not survey the Board of Directors of the enterprise. The survey period is from April to September 2024. The survey is designed on a Google form and is supported by Trade Unions and sent to employees at businesses. The number of responses was 493. After checking, only 438 responses were valid, 55 responses were missing information or had multiple answers for one question, so they were eliminated. This study used structural equation SEM, the number of survey samples was selected at a ratio of 10/1. With the number of valid ballots collected 438, it met the requirements for analysis and evaluation of the SEM model (Hair et al., 2009).

5. RESEARCH RESULTS

5.1. Survey sample description

Table 1: Characteristics of the survey sample

	Characteristic	Quantity	%
Business characteristics (number = 60 businesses)			
Form of ownership	Private enterprise	27	45
	Single-Member LLC	15	25
	LLC with Two or more members	10	17
	Joint Stock Company	8	13
Years in operation	From 2 years to 4 years	18	30

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	From 5 years to 10 years	24	40
	Over 10 years of operation	18	30
Employee characteristics (number = 438 people)			
Sex	Female	175	40
	Male	263	60
Working age	21 - 30 years old	123	28,10
	31 - 40 years old	108	24,65
	41 - 50 years old	110	25,10
	Over 50 years old	97	22,15
Education level	Intermediate	191	43,61
	College and University	209	47,72
	Postgraduate level	38	8,67
Number of years working	2 - 3 years	80	18,27
	4 - 7 years	160	36,53
	8 - 10 years	110	25,20
	Over 10 years	88	20,00
Work in progress	Sales staff	198	45,21
	Technical staff	144	32,88
	Team leader, department head	96	21,91

Source: Data collection (2024)

5.2. Results of scale reliability analysis with Cronbach's Alpha coefficient

Table 2: Results of Cronbach's Alpha coefficient analysis

Observation variable	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Transformational leadership (TLE), Cronbach's Alpha: 0,807				
TLE_1	8.83	1.375	0.718	0.760
TLE_2	8.27	1.323	0.743	0.748
TLE_3	8.56	1.301	0.731	0.765
TLE_4	8.33	1.366	0.689	0.710
Corporate culture (CCU), Cronbach's Alpha: 0,877				
CCU_1	11.96	8,110	0.743	0.839
CCU_2	11.84	8,346	0.717	0.848
CCU_3	11.98	8,098	0.753	0.835
CCU_4	12.02	8,019	0.725	0.846
Income and benefits (IAB), Cronbach's Alpha: 0,886				
IAB_1	12,11	12,550	0,717	0,863
IAB_2	12,14	12,114	0,798	0,844
IAB_3	12,14	12,380	0,755	0,851
IAB_4	12,12	13,060	0,687	0,822
IAB_5	12,10	12,920	0,692	0,810
Training and promotion (TAP), Cronbach's Alpha: 0,852				
TAP_1	8,45	6,564	0,647	0,813
TAP_2	8,49	5,986	0,818	0,758
TAP_3	8,43	6,396	0,688	0,814
TAP_4	8,45	6,544	0,629	0,840
Work environment (WEN), Cronbach's Alpha: 0,843				
WEN_1	7,46	1,846	0,603	0,830

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WEN_2	7,48	1,677	0,813	0,742
WEN_3	7,46	1,758	0,722	0,761
WEN_4	7,45	1,915	0,588	0,832
Work motivation (WMO), Cronbach's Alpha: 0,792				
WMO_1	6,25	4,098	0,740	0,753
WMO_2	6,48	4,351	0,723	0,727
WMO_3	6,31	4,327	0,728	0,725
Employee-based brand equity (EBB), Cronbach's Alpha: 0,877				
EBB_1	10,99	12,068	0,698	0,808
EBB_2	11,03	11,402	0,810	0,825
EBB_3	11,07	12,440	0,634	0,808
EBB_4	11,04	12,280	0,689	0,830
EBB_5	11,07	11,988	0,707	0,841

Source: Analytical data

The results of Table 2 show that: The total Cronbach's Alpha of the 7 factors is greater than 0.7. The corrected Item-Total correlation is greater than 0.3 and the Cronbach's Alpha if the variable is excluded is greater than 0.7 and less than the total Alpha. The conclusion is that the scale is reliable and satisfies the survey data.

5.3. Results of composite reliability analysis and extracted variance:

Table 3: CR and AVE results

Factor	CR	AVE
1/ Transformational leadership (TLE)	0,807	0,513
2/ Corporate culture (CCU)	0,878	0,641
3/ Income and benefits (IAB)	0,870	0,584
4/ Training and promotion (TAP)	0,853	0,609
5/ Work environment (WEN)	0,850	0,602
6/ Work motivation (WMO)	0,792	0,560
7/ Employee-based brand equity (EBB)	0,878	0,593

Source: Analytical data

The results of Table 3 show that: The composite reliability (CR) of the factors in the model has values from 0.792 - 0.878, higher than 0.6. The convergence is assessed through the AVE coefficient, all reaching values from 0.513 - 0.641, all higher than 0.5 (Hair et al., 2009; Hu & Bentler, 1999). The conclusion is that the scale ensures consistency and convergence with the collected data.

5.4. Discriminant validity analysis results:

Table 4: Discriminant value results

	IAB	TLE	WEN	TAP	CCU	WMO	EBB
IAB	0.764						
TLE	.418***	0.769					
WEN	.139***	.180***	0.716				
TAP	.204***	.278***	.073***	0.780			
CCU	.091***	.126**	.035***	.082***	0.776		
WMO	.103**	.201***	.038**	.102***	.057**	0.801	
EBB	.367***	.502***	.166***	.241***	.116**	.174***	0.748

Source: Analytical data

Note: *, **, *** have significance levels of 10%, 5% and 1%

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The results in Table 4 show that the coefficients for each variable are correlated with other variables in the model and ensure discrimination (Hair et al., 2009).

5.5. Evaluation of research model:

- Evaluate model fit: The results of testing using the SEM structural model for the indexes achieved the following values: $Chi^2 = 977.872$; $df = 383$; $Cmin/df = 2.639$; $CFI\ coefficient = 0.917$; $TLI\ coefficient = 0.907$ and $RMSEA = 0.063$ with $P.value = 0.05$. According to Hair et al. (2009), the above coefficients have achieved values in the evaluation criteria quite well. The conclusion is that the model is suitable for the collected survey data.

- Evaluate the relationship of the hypotheses:

Table 5: SEM model testing results

Relationship	Estimate	S.E	P.value	Conclude
EBB <--- TLE	0.332	0.031	0,000	Accept H1
EBB <--- TAP	0.218	0.057	0,000	Accept H2
EBB <--- IAB	0.208	0.032	0,000	Accept H3
EBB <--- CCU	0.131	0.036	0,003	Accept H4
EBB <--- WEN	0.143	0.034	0,001	Accept H5
WMO <--- TLE	0.454	0.059	0,000	Accept H6
WMO <--- TAP	0.205	0.036	0,000	Accept H7
WMO <--- IAB	0.225	0.033	0,000	Accept H8
WMO <--- CCU	0.131	0.026	0,014	Accept H9
WMO <--- WEN	0.205	0.041	0,000	Accept H10
THNV <--- WMO	0.400	0.026	0,000	Accept H11

Source: Analytical data

The results of Table 5 show that the estimated coefficients of the factors are all positive and P .values all less than 0.05. The conclusion is that the 11 hypotheses proposed are accepted and have a statistical confidence level of 95%, they have a significant and positive impact on each other.

5.6. Discussion of research results:

- Discussing transformational leadership style. Result H1 shows that transformational leadership has a positive impact on enhancing employee-based brand equity in SMEs, with $\beta = 0.332$ being the most significant among the impacts on employee-based brand equity. This result is also consistent with the research of Abayomi (2021) and Triraharjo et al. (2020), which suggests that leadership styles in the current era should focus on defining strategic direction, inspiring and stimulating individual initiatives, and leveraging the strengths of employees as the core for organizational development, often leading to significant success. The result of H.6 also highlights the importance of transformational leadership style, which positively impacts employee motivation, with an impact coefficient of $\beta = 0.454$, the highest significance among the relationships. This result is also consistent with the studies of Nguyen Minh De (2024), Nguyen Thi Ngoc Lien (2023), and Pangabea (2022), all of which suggest that transformational leadership shapes the corporate cultural environment and actively promotes employee motivation. This is a highlight of the research findings on the crucial role of transformational leadership in SMEs operating in the current era of integration and digital transformation. Transformational leadership enhances employees' positive attitudes and behaviors in performing their tasks through initiatives, work productivity, enthusiasm, loyalty, organizational engagement, commitment, and promoting the corporate brand in the market.

- Discussing training and promotion. The result H2 show that the factors of training and promotion have a positive impact on enhancing employee-based brand equity in SMEs, with a coefficient of $\beta = 0.218$. This represents the second strongest influencing relationship and plays an important role in fostering employees' confidence in their professional and career development in the future. This result is consistent with the studies of Janti, S. (2017), Murtining, R. (2020), and Nguyen Viet Bang (2021), they suggest that training and promotion are desires and needs of every employee. These factors drive their behavior to strive for effective

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work performance and a strong commitment to the organization in the hope of career advancement. The result H7 further confirm that training and promotion have a positive relationship with work motivation, with a coefficient of $\beta = 0.205$. This finding is also consistent with the studies of Vu Minh Hieu (2022), Pangabeau (2022), and Doan Hong Le (2021), which indicate that companies with policies encouraging professional development and clear promotion processes enhance employee work motivation.

- Discussing income and benefits. The result H3 show that the factors of income and corporate benefits have a positive impact on enhancing employee-based brand equity in SMEs, with a coefficient of $\beta = 0.208$. This is the third strongest relationship contributing to increased employee satisfaction, commitment, and employee-based brand equity in SMEs. This result is also consistent with the studies of Min-Shi Liu (2021), Pangabeau (2022), and Doan Hong Le (2021), identifying it as a fundamental and essential factor within the group of maintenance factors. These factors ensure that employees' material needs are met, allowing them to feel secure in their lives, focus on their tasks, stay engaged with their work, remain loyal to the organization, and exhibit positive behaviors that promote the organization's brand. The result H8 highlight the importance of income and benefits, which have a significant impact on work motivation, with $\beta = 0.225$. Salaries, bonuses, and benefits that receive adequate attention from the organization can retain talented employees and enhance their motivation to perform their duties effectively.

- Discussing corporate culture. The results of H4 indicate that corporate culture has a positive impact on employee-based brand equity in SMEs, with a coefficient of $\beta = 0.131$. This finding is consistent with the studies by Janti and Dahlan (2017) and Ngo My Tran (2022), which also emphasize that corporate culture plays an important role in enabling SMEs to leverage their unique characteristics and flexibility to compete in the context of international integration. The result H9 also show that corporate culture positively enhances employee motivation. It helps organizations integrate new elements while maintaining their distinct traditional values, which boosts employees' confidence, strengthens their connection with the organization, and enables them to fully utilize their professional skills.

- Discussing work environment. The result H5 indicate that the work environment has a positive impact on enhancing employee-based brand equity in SMEs, with a coefficient of $\beta = 0.143$. This finding is consistent with the studies of Ari Yudani (2019) and Arie Dwi Kurniawan (2020). The result H10 also further demonstrate the importance of environmental factors to work motivation. The views of previous studies all agree that building a positive working environment, friendliness, and mutual support in performing tasks always enhance work motivation, encouraging employees to boldly promote initiatives to contribute to the development of the business brand.

- Discussing the impact of work motivation on employee-based brand equity. The results of H11 show that work motivation has a positive impact on employee-based brand equity in SMEs, with a very large impact coefficient $\beta = 0.400$. And this is the highlight in this empirical discovery at SMEs operating in Ho Chi Minh City. The research findings align with Zhengmin Li (2022), which suggests that how organizations create employee-based brand value is closely tied to policies that enhance work motivation, such as supportive culture, empowerment, and fostering creativity. Therefore, managers need to develop policies that boost work motivation to maximize employee-based brand equity. In the era of international integration and market economy, the workforce is increasingly regarded as one of the most valuable assets. The workforce in SMEs is a key factor in sustaining and driving growth, creating differentiation, and providing sustainable competitive advantages for the business.

6. CONCLUSION AND MANAGEMENT IMPLICATIONS

6.1. Conclusion

- First. There are 5 factors representing two groups of maintenance and promotion factors (Leadership style; Training & promotion opportunities; Income & benefits; Organizational culture; Working environment) that have a positive impact on the work motivation of employees in SMEs in Ho Chi Minh City.

- Second. All five representative factors (Leadership style; Training & promotion opportunities; Income & benefits; Organizational culture; Working environment) also positively affect the enhancement of employee-based brand equity in SMEs in Ho Chi Minh City.

- Third. This is a key finding in this empirical study: Transformational leadership style and employee motivation play a significant role in enhancing employee-based brand value in SMEs. They serve as the foundation for encouraging differentiation, creativity, and dedicated service attitudes among employees, which ultimately lead to customer satisfaction. Therefore, it can be stated that the role of transformational leadership and employee motivation is a critical factor in helping businesses enhance operational efficiency and organizational brand value.

6.2. Management implications

- Seeking a competitive advantage is the goal of businesses operating in a market economy. CEOs at businesses need to focus

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all their energy on exploiting the strength of their employees, considering employees as the key in the process of finding competitive advantage and building the organization's brand. The implication of a leader's service-oriented mindset is shaped throughout the business process, from internal customers (employees) to external market customers, to lead and set an example in improving employees' service attitudes, thereby enhancing the loyalty and commitment to the brand of both employees and customers.

- Transformational leadership focuses on inspiring and motivating employees to work at a high level of effectiveness while fostering engagement and commitment in their roles. For CEOs of small and medium-sized enterprises (SMEs), this implies the need to convey a strong vision and clear objectives, helping employees recognize the meaning and value in their work and fostering a deep connection to their mission. CEOs should encourage creativity, innovation, and attentiveness to individual needs to boost employees' morale and loyalty. Additionally, CEOs should serve as exemplary role models, inspiring employees to overcome challenges and excel in their roles.

- A team of employees motivated to work with professionalism and enthusiasm in their contributions will spread positivity to customers, contributing to the establishment of a trustworthy brand image. Therefore, investment funding for business activities should focus on balancing financial resources across expenses such as new equipment investments, market expansion costs, and employee training and welfare. CEOs need to create a friendly and professional work environment that enables employees to maximize their potential. Establishing clear and fair reward and promotion policies is essential to encourage individual creativity and the adoption of new technologies, as employees are the ones who utilize and maximize the benefits of advanced scientific equipment.

- A brand is not only built through external marketing strategies but also through the quality and added value of services that employees deliver to customers. A brand associated with trust, responsibility, and credibility holds value not only in the short term but is also sustained in the long term. The implication for businesses competing in today's highly interactive and integrated environment is that managers need to shift from focusing on advertising to drive product sales toward understanding customer desires and maximizing customer lifetime value. This is achieved through the value conveyed by each employee to customers, with the ultimate goal: "Customer value as the core focus."

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COMPETING INTERESTS.

Author has declared that no competing interests exist

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