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Factors Affecting Business Performance after the Transfer of Leadership Generation in Small and Medium Enterprises

Nguyen Anh Duc[1], Le Trung Thanh[2], Dang Hoang Tra[2], Le Trung Hieu[2]*, Nguyen Thi Minh Khue[2]

[1]Xuan Mai Hamico Group, Vietnam; anhduc1618@gmail.com (N.A.D.).
[2]VNU University of Economics and Business, Vietnam National University 144 Xuan Thuy str., Cau Giay district, Hanoi, Vietnam; hieult@vnu.edu.vn (L.T.H.).

Abstract. The aim of this study explores the factors affecting business performance after leadership generation transfer in small and medium-sized enterprises, set in the context of small and medium enterprises in the North of Vietnam. The study focuses on three main driven factors affecting business performance after the transfer of leadership generation in small and medium enterprises: CEO transition plan and process; How to select a successor; The characteristics of the successor. The research sample was taken from the context of small and medium enterprises in the North of Vietnam. For questionnaire administration, interviewees are selected at random from the population. Face-to-face, drop-off, and phone-calling approaches were used to disseminate the questionnaire. We received 938 completed returns out, the data was then cleaned and analyzed with SPSS software using Structural Equation Modelling (SEM). Research shows that succession of three impact factors is closely related to the success of the transition and business performance after the transfer of leadership generation. Through data analysis, research shows that businesses need to choose their successors through fair competition to find the best candidate to be appointed as a leader, ensuring the success of the transition process. The findings of the research provide policymakers with valuable insights on the effects of factors affecting business performance after the transfer of leadership generation in small and medium enterprises. The study's recommendations can inform policies that promote sustainable economic development after the transfer of leadership generation. In Vietnam, there are not many studies showing the importance of leadership transfer and analyzing the factors affecting leadership transfer, so through the impact factors of this study, leaders can easily find suitable solutions to select the next generation of leaders with high quality.

Keywords: Fair competition, Influencing factors, Leadership transfer.

1. INTRODUCTION

Small and medium-sized enterprises play crucial role in promoting socio-economic development with a total capital of about 130 billion USD, accounting for about 1/3 of the total registered capital of enterprises, contributing about 40% of GDP, paying to the state budget 30%, contributing to the value of industrial output 33%, the value of goods exported 30% and attracted nearly 60% of workers (Nguyen, 2022). It can be seen that these businesses play a vital role in the Vietnamese economy even though their capital and revenue are not their strengths.

The CEO of each business plays a very important role in the sustainable development of businesses and CEO transfer has become a difficult problem for most businesses in recent years (Virakul & Russ-Eft, 2020). Some previous research has shown that reviewing the social cognitive schema and attachment to the personal work pattern associated with CEO transition is a function of the structure of one's culture with other relationships (Crossland et al., 2014; Koch et al., 2017; Landau et al., 2010; Lord et al., 2016). CEO transfer refers to the psychological process in which an individual's mental perception and relational patterns, developed through past experiences with a significant other, are activated when encountering a new person (Anderson and Chen 2002). People often unintentionally carry stereotypical behavior and relationship expectations from one relationship to the next (Andersen and Glassman 1996). With a similar degree of perception, mental representations of previously significant others can unconsciously distort the perceptions of new individuals (Brumbaugh and Fraley 2006, Anderson and Chen 2002). Remarkably, even a minimal similarity or similarity is necessary for the transfer process to occur (Chen et al., 1999) because the resemblance is implicit and sometimes even easily visible. A poorly executed and meticulous succession process will lead to the failure of the organization (Minichilli et al., 2014; Muadinohamba & Maseke, 2024). This indicates that having a profitable company without succession is meaningless. Many companies (more than 70% in Ghana) fail because key figures leave the company when they retire or die due to poor succession planning (Domfeh, 2011; Saan et al., 2018) .

Although factors affecting business performance after the CEO transition process of interest to many audiences, not only researchers, but there is a lack of comprehensive quantitative works in Vietnam. Therefore, this topic will contribute more quantitative research to help specifically and accurately assess the impact of factors on the success of enterprises after the leadership generation transition process in small and medium enterprises in Vietnam.

2. RESEARCH OVERVIEW

2.1. Theoretical Foundations of Leadership Transfer in SMEs

Small enterprises in the fields of agriculture, forestry and fisheries; The industry and construction sector employs no more than 100 people participating in social insurance on average annually and the total revenue of the year does not exceed VND 50 billion or the total capital of the year does not exceed VND 20 billion, but not

* Correspondence: hieult@vnu.edu.vn

micro enterprises (According to Article 4 of the Law on Support for Small and Medium Enterprises 2017 guided in Articles 5, 6, 7, 8, 9 and 10 of Decree 80/2021/ND-CP).

Medium enterprises in the fields of agriculture, forestry and fishery; the industry and construction sector employs no more than 200 people participating in social insurance on average annually and the total revenue of the year does not exceed VND 200 billion or the total capital of the year does not exceed VND 100 billion, but not microenterprises, small businesses (Government, 2021).

Leadership generation transfer the continuous development of successive leadership classes in the business, is a strategy to ensure stability that contributes to building continuity among leadership generations at all levels. Businesses that want to achieve and remain competitive are leaders who fully meet the elements that constitute a good leader serving the business's long-term goals.

The resource-based approach to aligning HR practice with organizational strategy provides the theoretical and conceptual basis for strategic human resource management, while the "universal" and "redundant" approaches place more emphasis on how human resources can assist organizations in achieving a sustainable and prosperous competition (Colakoglu et al., 2010; Kiessling & Harvey, 2005).

In addition, the research on human resource management and organizational performance has changed due to criticism of the universal methodology and the challenges of implementing it in organizations. Contingency techniques are founded on the idea that specific human resource management methods and methods, can improve organizational performance when aligned with each other and a company's strategic goals (Youndt et al., 1996). According to contingency theory, the success of human resource policies is judged by how well they are integrated both horizontally and vertically.

To provide the organization with a sustainable competitive advantage, resources must meet four criteria, consistent with the theory of a resource-based perspective: (1) resources must add value to the organization, (2) are rare and unique among competitors, (3) cannot be easily imitated, (4) must be copied, supplemented and modified (Donnellan & Rutledge, 2019). Human resource management policies and practices that align with these criteria can improve organizational effectiveness.

Strategic human resource management professionals increasingly rely on an organization's intrinsic resource-based perspective when explaining the importance of human resources to organizational success (Beltrán-Martín et al., 2009). According to theoretical studies in the strategic management of human resources, human resource management systems, can increase performance and serve as a long-term source of competitive advantage because they are often different, causally unclear, and difficult to follow.

2.2. Factors Affecting the Success of SMES After Leadership Transfer

In the world, there have been many studies on this topic applied to small and medium enterprises in a number of different countries. The previous studies (Berns & Klarner, 2017; Korang et al., 2021; Xuan et al., 2020) have indicated that the common factors influencing the business performance of SMEs after generational transition are divided into three main groups. The first group of factors involves the CEO transition plan and process, which includes the transition plan, transition process, and timing of the transfer. The second group of factors pertains to the selection of successors, including whether the successor comes from within or outside the company, whether the selection process is based on equal competition or personal favor, and whether the succession is a result of competition with the predecessor or the departure of the predecessor. The third group of factors relates to the characteristics of the successor, which include openness, willingness to take risks, and gender.

H_1: Transition plan is positively related to efficient leadership transfer.

H_2: Technology transfer is positively related to efficient leadership transfer.

H_3: Transferring time is positively related to efficient leadership transfer.

H_4: Diversity in candidate consideration is positively related to efficient leadership transfer.

H_5: Equal opportunity succession policy is positively related to efficient leadership transfer.

H_6: Successor open mindset is positively related to efficient leadership transfer.

H_7: Risk-tolerant leadership orientation is positively related to efficient leadership transfer.

H_8: Collaborative succession transition culture is positively related to efficient leadership transfer.

3. RESEARCH METHODOLOGY

3.1. Research Form

Research subjects: Official research data are collected by convenience sampling method from managers and employees of small and medium enterprises in Vietnam.

Minimum sample size: The number of samples plays a very important role throughout the research process and will affect the study results. The selection of samples so that the sample must be representative and the number of income samples must be reasonable to bring a large enough level, ensuring that the research paper has reasonable values, that can explain the research topic. The suggested sample size for regression analysis should ideally be ten times the number of observed variables being analyzed (Hair et al., 2011)

Actual sample size: However, to increase reliability and to eliminate data that is not valuable for the study, the author collected up to **950** questionnaires which met the requirement. The collected questionnaires are cleaned

and encrypted using SPSS 22 software.

3.2. Data Collection Methods

This study collected primary data using questionnaires. The questionnaire is designed using a variety of question types and a 5-level Likert scale. The respondents were managers and employees at small and medium-sized enterprises in Vietnam.

3.3. Measures

Table 1.

Code	Items
PLAN	
PLAN 1	The company focuses on building a leadership succession plan.
PLAN 2	The leadership succession plan is implemented early.
PLAN 3	The company has contingency plans for cases where leaders suddenly cannot continue to run the business.
PLAN 4	The company has developed a formal plan for the leadership transition process.
PLAN 5	The company has human resource contingencies for the leadership transition process.
PLAN 6	The company has a formal plan to develop capabilities for the successor.
PLAN 7	The enterprise information system is being prepared for the succession process.
Technology transfer	
PRO 1	The company has a specific transition process.
PRO 2	The transition process is carried out according to the plan.
PRO 3	The leadership transition process proceeds smoothly.
PRO 4	The company's leadership transition process is well-structured.
PRO 5	The leadership transition process is closely monitored.
PRO 6	During the transition process, the interests of all parties are ensured.
Transferring time	
TIME 1	The timing of the leadership transition is appropriate.
TIME 2	The successor has adequate time to prepare for assuming the leadership position.
TIME 3	At the time of succession, the successor is very confident in their ability to successfully manage the business operations of the company.
TIME 4	At the time of transition, the successor has a clear understanding of their job responsibilities.
TIME 5	At the time of transition, the successor understands their responsibilities well.
TIME 6	At the time of transition, the successor is not overloaded with work.
TIME 7	At the time of transition, the successor is eager to take on the responsibilities.
Candidate consideration strategy	
IN1	The company always emphasizes finding internal candidates for leadership roles.
IN2	The company is not interested in potential candidates from outside the company.
IN3	External candidates may not be suitable for leadership positions within the company.
IN4	The company focuses on training internal talent to become future leaders.
IN5	Internal personnel are considered more trustworthy for leadership positions.
IN6	The company encourages internal personnel to compete for leadership positions.
Equal opportunity succession policy	
COM 1	The company always provides opportunities for all candidates for the leadership position.
COM 2	There is no favoritism towards any individual in selecting the leadership successor.
COM 3	The company creates an openly competitive environment for the leadership position.
COM 4	Succession opportunities are equally distributed among candidates.
COM 5	Information is shared with candidates at the same time.
COM 6	The company creates a fair competitive environment for the leadership position.
Collaborative succession transition culture	
WAY 1	Succession is not about competing with the predecessor.
WAY 2	Succession occurs due to the retirement of the predecessor.
WAY 3	Succession occurs due to the departure of the predecessor.
WAY 4	The predecessor is willing to share information with the successor upon departure.
WAY 5	The predecessor is willing to support the successor upon departure/retirement.
WAY 6	During the succession process, the successor prefers cooperation with the predecessor over competition.
WAY 7	The successor is happy to receive support from the predecessor.
Successor open mindset	
OPEN1	The successor always has a learning attitude.
OPEN2	The successor is always open-minded in thinking.
OPEN3	The successor is always ready to change the company's old plans and strategies.
OPEN4	The successor is always ready to change the company's old business strategies.
OPEN5	The successor emphasizes the necessity of innovation to lead to success.
OPEN6	The successor dares to innovate and accept risks.
Risk-tolerant leadership orientation	
RISK 1	The successor leader is always willing to accept risks in business.
RISK 2	The company is oriented towards accepting risks to aim for greater success after the transition.
RISK 3	The successor is someone who dares to think and act regardless of the risks they may encounter.
RISK 4	To achieve the company's goals, the successor leader accepts risks.
RISK 5	The leader accepts a high level of risk with the expectation of bringing in large profits.
RISK 6	The leader thinks about accepting risks with the goal of bringing in more profits.
RISK 7	The successor leader guides employees to accept risks.
Gender bias in succession process	
GEN 1	Gender influences the succession process.

GEN 2	There is always discrimination between male and female candidates.
GEN 3	Female candidates are often not prioritized in candidate selection.
GEN 4	Female candidates are not highly evaluated for leadership positions compared to male candidates.
GEN 5	Male candidates always receive preferential treatment over female candidates.
GEN 6	Company members perceive female candidates in a negative light.
Efficient leadership transfer	
SUC1	The relationship between company members becomes positive after I assume management/leadership of the company.
SUC2	All members involved in the business are satisfied with the succession process.
SUC3	I am satisfied with the succession process.
SUC4	All members of the company support the business operations after the transfer of management/leadership.
SUC 5	The predecessor is satisfied with the successor.
SUC 6	The business owner is satisfied with the successor.

3.4. Data Analysis Methods

3.4.1. Preliminary Quantitative Data Analysis

Descriptive statistics: The authors conduct statistical analysis describing the research sample after collecting data through commonly used quantities such as frequency and frequency to see the characteristics of the survey subjects clearly.

Crobach's Alpha: The Cronbach Alpha coefficient is used to test the reliability of scales. Many researchers agree that Cronbach Alpha of 0.7 or higher is a good scale (Hair et al., 2010). However, if the Cronbach Alpha coefficient is too large (> 0.95), it is not good because it shows that many variables in the scale have no difference, this is called scale duplication.

Exploratory Factor Analysis (EFA): Some of the criteria that researchers often consider when analyzing discovery factors are:

KMO (Kaiser-Meiyer-Olkin) is an indicator used to consider the appropriateness of factor analysis. If $0.5 \leq KMO \leq 1$ and the significance level of the Ballet test ≤ 0.05 is sufficient for the exploratory factor analysis to be appropriate (Hair et al., 2011).

Factor loading factors are single correlation coefficients between variables and factors. A factor load factor of > 0.5 is considered to meet the requirements.

The load factor difference between observed variables ≥ 0.3 to make a difference between factors (Hair et al., 2011).

3.4.2. Formal Quantitative Data Analysis

3.4.2.1. Descriptive Statistics

The project used SPSS 20 software to statistically describe the characteristics of small and medium-sized companies in Vietnam in the sample and the managers who responded to the survey similar to the preliminary analysis.

3.4.2.2. Scale Reliability Testing

3.4.2.2.1. Standard Criteria

If a measurement variable has a Corrected Item – Total Correlation ≥ 0.3, it is satisfactory; from 0.8 - 1: very good measurement scale; From 0.7 - 0.8: good measurement scale; from 0.6 or higher: eligible measurement scale; Cronbach's Alpha expectations (Nunnally & Bernstein, 2007).

The higher Cronbach's Alpha coefficient, the better

Corrected Item – The total correlation of the observed variation is as high as possible

Cronbach's Alpha if Item Deleted of the observed variation is as low as possible

3.4.3. Exploratory Factor Analysis (Efa)

Factor Loading: Defined as a factor weight or factor load factor. As a criterion to ensure the practical significance of EFA

KMO coefficient (Kaiser – Meyer – Olkin): An indicator used to evaluate the appropriateness of factor analysis, specifically comparing the magnitude of the correlation coefficient between 2 variables with their partial correlation coefficient.

Bartlett's test of sphericity: Used to look at the correlation between observed variables in a factor. If the Bartlett test is statistically significant, Sig Bartlett's Test < 0.05 (p<5%), proving that the observed variables are correlated

Eigenvalue: Criteria to determine the total number of factors in EFA. Only factors with an Eigenvalue >=1 are retained in the exploratory factor analysis model.

Total Variance Explained: This value shows how many factors can be condensed and what percentage of the observed variable is lost based on a 100% rating. This value should be >= 50%, then the EFA model is suitable

3.4.4. Confirmatory Factor Analysis (Cfa)

Reliably scale: The normalized load factor should be greater than or equal to 0.5 (ideally greater than or

equal to 0.7), and CR should be greater than or equal to 0.7.

Convergent Validity: The average variance extracted (AVE). The evaluation criterion is that all AVE indicators must be greater than or equal to 0.5.

Discriminant Validity: To achieve differentiation, the Maximum Share Variance (MSV) index must be less than the corresponding AVE. At the same time, the Square Root of AVE (SQRTAVE) indicators must be greater than the Inter-Construct Correlations.

3.4.5. Sem Model Results

Through SEM, we can test many different models, from regression models (consisting of only one dependent variable and many independent variables acting on that dependent variable) to path models (which can explain complex relationships, and handle groups of return equations simultaneously).

4. RESEARCH RESULTS

4.1 Statistical Sample Description of the Study

The main purpose of this study is to analyze the factors that affect business performance after leadership generation. The questionnaire collected had 938 valid responses and put into formal quantitative practice. The author uses a combination of SPSS and AMOS software to conduct data processing.

Table 2: Statistics describing the collected sample.

Factors	Ingredient	Amount	%
Gender	South	458	48.4%
	Female	480	51.2%
Age	Under 25	70	7.5%
	From 25-30	412	43.9%
	From 30-50	317	33.8%
	Over 50	139	14.8%
Income	Less than 7 million	86	9.2%
	From 7-15 million	348	37.1%
	From 15-25 million	322	34.3%
	Over 25 million	182	19.4%
Education	High school	145	15.5%
	College	96	15.8%
	University	148	30%
	Postgraduate	298	31.8%
Current position	Different	66	7%
	Director	80	8.5%
	Deputy Director	174	18.6%
	Collaborators	122	13%
	Staff/Specialists	378	40.3%
Years of service	Different	184	19.6%
	Less than 1 year	144	12.2%
	1-3 years	196	20.9%
	3-6 years	383	40.8%
	Over 6 years	245	26.1%
Type of business	State Capital Company	150	16.0%
	The company is 100% foreign owned	156	16.6%
	Joint Stock Company	196	20.9%
	Sole proprietorship	150	16.0%
	Company Limited	243	25.9%
	Different	43	4.6%
Enterprise Size	Less than 10 employees	218	23.2%
	From 10-100 employees	366	39.0%
	From 100-200 employees	170	18.1%
	More than 200 employees	184	19.6%
Business Areas	Agriculture, forestry and fisheries	280	29.9%
	Trade and services	396	42.2%
	Industry and construction	262	27.9%
Years active	Less than 5 years	306	32.6%
	From 5-10 years	439	46.8%
	Over 10 years	193	20.6%

4.2. Testing The Reliability of the Scale

To assess the reliability of the scales, the study used Cronbach's Alpha (Ca) coefficient with Ca > 0.6 and a total correlation coefficient > 0.3. Variables that do not meet this standard will be considered low-confidence or junk variables and will be disqualified. In particular, the Ca value due to the verb ranges from 0.881 to 0.946, all of which are greater than 0.6. With this result, the scales are satisfactory, EFA can be implemented.

4.3. Exploratory Factor Analysis (Cfa)

After evaluating the benchmark scales, all eleven groups of factors including nine independent variables, one

intermediate variable and one dependent variable are eligible to conduct EFA analysis. In this phase, SPSS soft is also selected for use.

The results of the EFA discovery factor analysis show the results in several tables as follows:

Table 3: Bảng 0.2: KMO and Bartlett's test.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.934
Bartlett's test of sphericity	Approx. chi-square	48780.054
	df	2415
	Sig.	0.000

Through the KMO and Bartlett's Test results, we see:
KMO numerical value = 0.934 (0.5≤ KMO ≤1), accepted factor analysis with study data

Bartlett's test value = 2415 with sig statistical significance level = 0.000 (<1%). This result means that the variables are correlated with the population and applying factor analysis is appropriate.

The results of the EFA analysis show that there are 11 groups of factors extracted from the original 70 indicators (because all 11 groups of factors have an Eigenvalue value of >1 and the total drawing variance of 1 major factor is 69.111% (>50%). This said, extracted factors explained 69.111% of the survey data variation, Therefore, it can be affirmed that the data is suitable to demonstrate factored analysis.

Thus, after testing with a sample size of 938 using SPSS software, the scales defined in the theoretical research model are all standard, with no scale components to be removed. Therefore, the proposed elements in the model do not change, while preserving the content of the concepts. The formal research model does not differ from the proposed one. Based on this result, we proceed to implement CFA.

4.4. Confirmatory Factor Analysis (CFA)

The conditions for assessing the suitability of the model with the data should be established to ensure the unidirectionality of the observed variable set (Hu & Bentler, 1999). This study used CMIN, CMIN/df, CFI, GFI, TLI, RMSEA AND PCLOSE to determine this suitability. After analyzing CFA, we have: CMIN/df = 2.975 (CMIN/df ≤3); GFI= 0.829 (8<GFI<9); CFI=0.905 (CFI≥0.9); TLI=0.9 (TLI≥0.9); RMSEA=0.046 (RMSEA≤0.6); PCLOSE=1,000 (PCLOSE≥0.05). Because of the sample size limitation, GFI= 0.829 is still acceptable (Doll et al., 1994; Homburg & Baumgartner, 1995). The CFA analysis indicates that all indicators meet the requirements, ensuring a good fit for the statistical model.

Table 4: Summary table of CFA analysis results.

Index	Standard	Result	Assess
CMIN/df	≤3	2.975	Good
GFI	0.8<GFI<0.9	0.829	Acceptable
CFI	≥0.9	0.905	Good
TLI	≥0.9	0.9	Good
RMSEA	≤0.6	0.046	Good
PCLOSE	≥0.05	1.000	Good

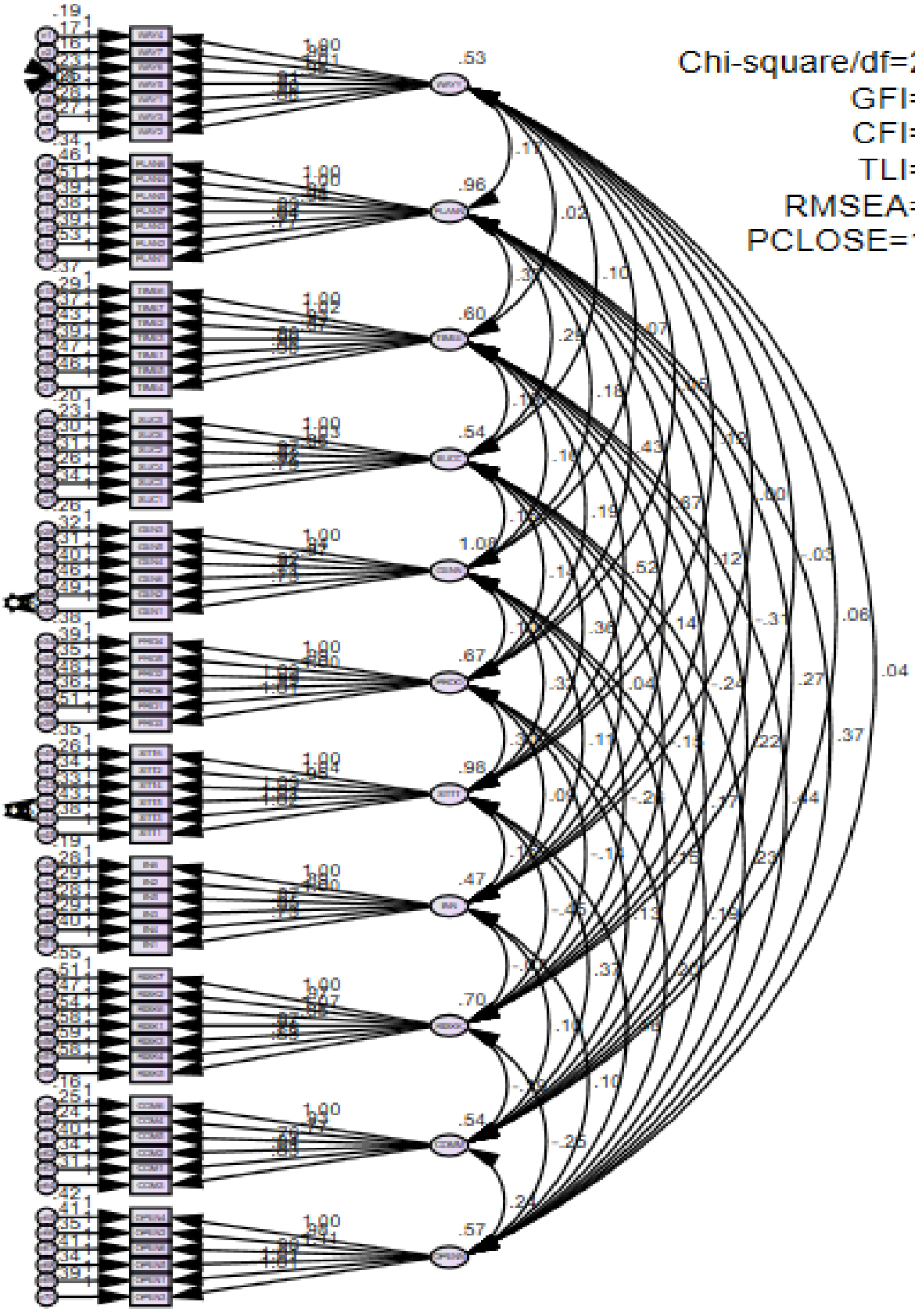

Figure 1: CFA. Model.

4.5. Tests of Reliability, Convergence and Differentiating Value of the Scale

First, to verify reliability, the study evaluates 2 indicators: normalized load factor (≥0.5) and aggregate reliability (CR≥0.7). Next, verify the evaluation study's convergence based on the AVE index (≥0.5). Finally, to achieve differentiation, MSV indices must be less than the corresponding AVE index; at the same time, the SQRTAVE index should be greater than the Inter-Construct Correlations indicators.

The results show, we see that all normalized load factors are greater than 0.5, so all variables are standard. On the other hand, the analysis results show that the reliability values are all higher than 0.5. Therefore, all observed

variables are significant in the scale. We can conclude that the scale used in the study meets the standard of reliability or reliability of the guaranteed scale. The inspection results are satisfactory.

To verify convergence, the evaluation study is based on the AVE value with the criteria that the AVE indicators must be greater than or equal to 0.5. The results of the analysis show that all AVE values are satisfactory (>= 0.5), so convergence is guaranteed. We have the following results:

The table "CR, AVE, MSV and SQRTAVE assessment results" indicates the corresponding MSV < AVE indicators. At the same time indicators SQRTAVE > Inter-Construct Correlations. Therefore, this result we can conclude that the criteria for assessing differentiation are guaranteed. Therefore, the CFA test results show that the concepts are satisfactory in terms of values as well as reliability, the number of factors and the measurement variables on those factors are in line with expectations on the theoretical basis established earlier. Therefore, the scale is suitable for subsequent analysis of linear structure models.

4.6. Validation of the Research Model

The test results show that the analytical criteria meet the necessary standards, confirming that the research model is consistent with the collected data.

Specifically: CMIN/df= 3.096 (CMIN/df ≤5); GFI= 0.824 (8<GFI<9); CFI=0.899 (CFI≥0.8); TLI=0.894 (TLI≥0.8); RMSEA=0.047 (RMSEA≤0.6); PCLOSE=1,000 (PCLOSE≥0.05). Thus, the above indicators are satisfactory and standard, confirming that the research model is suitable.

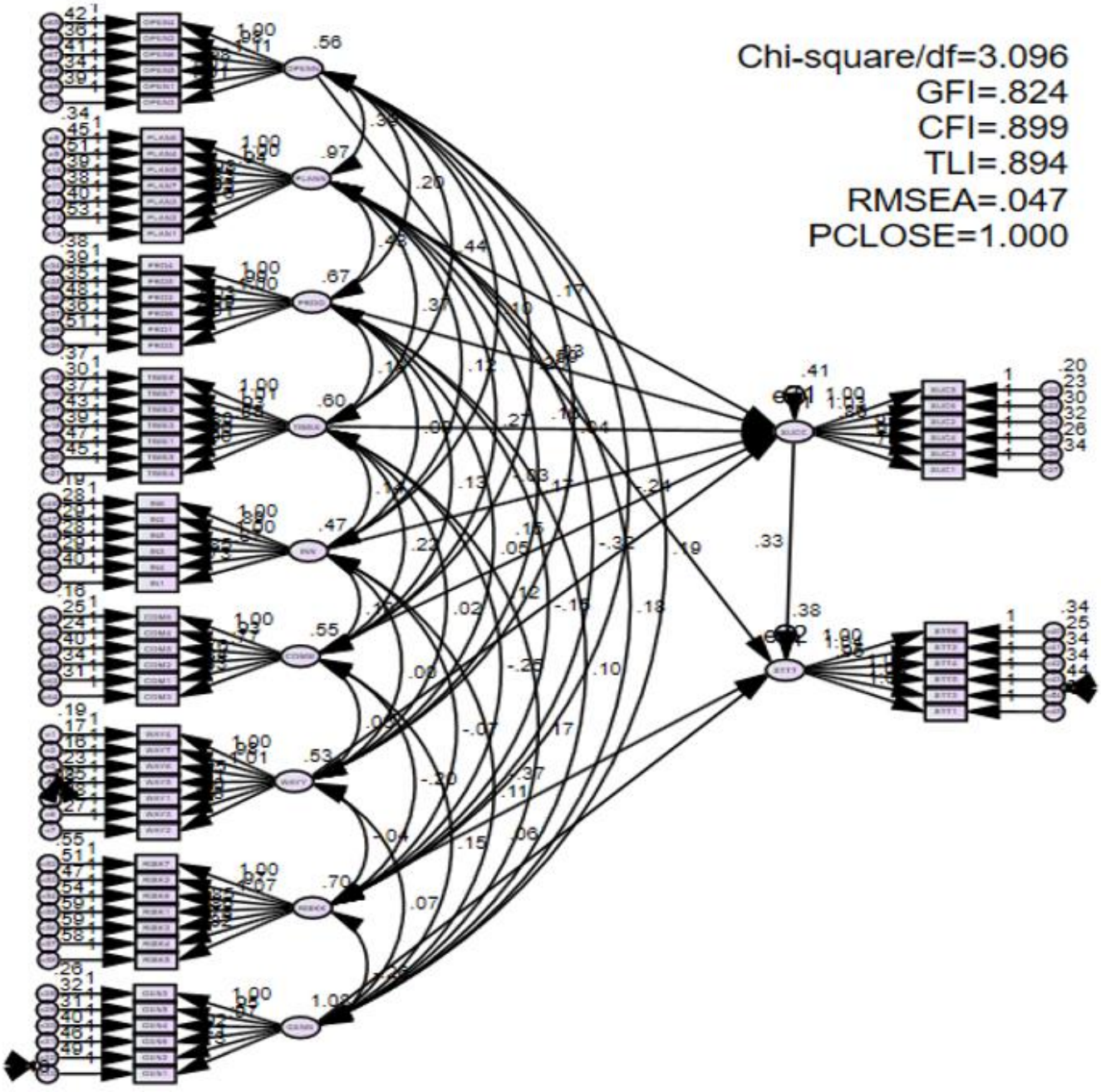

Figure 2: SEM linear structure model.

Table 5: Non-normalized regression coefficient.

Correlate			Estimate	S.E	C.R	P
PLAN	→	SUC	0.173	0.034	5.102	***
PRO	→	SUC	0.026	0.035	0.753	0.451
TIME	→	SUC	0.165	0.038	4.349	***
IN	→	SUC	-0.029	0.036	-0.795	0.427
COM	→	SUC	0.147	0.036	4.050	***
WAY	→	SUC	0.115	0.033	3.496	***
RISK	→	STT	-0.369	0.035	-10.541	***
GEN	→	STT	0.058	0.024	2.416	0.016
OPEN	→	STT	0.589	0.042	14.087	***
SUC	→	STT	0.334	0.036	9.361	***

Through statistical indicators, the author tests the proposed research hypotheses. SEM analysis results of impact relationships between SUC<---PRO; SUC<---IN is meaningless (p>0.05), while the remaining relationships are meaningful. The variables PLAN, TIME, COM, WAY have a positive impact on the success of the transfer, GEN, OPEN, SUC are statistically significant with 95% confidence (p<0.05) and the relationships have a positive effect on STT because of the positive estimation coefficient, RISK is statistically significant with STT, has an adverse effect on STT due to a negative estimation factor (-0.369).

Table 6: Intermediate relationship table.

Relationships	Direct		Indirect		Intermediate type
	S.ES	Sig	S.ES	Sig	
PLAN →SUC → STT	0.034	0.000	0.058	0.002	Intermediate 1 part
PRO →SUC→STT	0.035	0.451	0.007	0.441	No impact
TIME →SUC→ STT	0.038	0.000	0.043	0.001	Intermediate 1 part
IN →SUC→ STT	0.036	0.427	-0.007	0.408	No impact
COM →SUC→ STT	0.036	0.000	0.037	0.002	Intermediate 1 part
WAY →SUC→ STT	0.033	0.000	0.028	0.001	Intermediate 1 part

Through the examination of the intermediate relationship between the elements, we see the direct and intermediate relationship of H STT<---SUC<---PRO; STT<---SUC<---IN are unrelated (because of sig>0.05). While STT<---SUC<---PLAN; STT<---SUC<---TIME; STT<---SUC<---COM; STT<---SUC<---WAY represents a partial intermediate relationship (because the sig value of the direct and indirect relationship is both less than 0.05).

Therefore, the validation of the research model to confirm the scales of measurement in the study and the concepts of the research model reaches a certain part of the theoretical value

In addition, to assess the importance of each factor for leadership transfer, through a standardized estimation coefficient, specifically as follows:

Table 7: Normalized regression coefficient.

Numerical order	Correlated			Estimate
1	**PLAN**	**→**	**SUC**	**0.232**
2	TIME	→	SUC	0.175
3	COM	→	SUC	0.148
4	WAY	→	SUC	0.114
5	RISK	→	STT	-0.314
6	GEN	→	STT	0.061
7	OPEN	→	STT	0.449
8	SUC	→	STT	0.249

Through a standardized estimation coefficient, we determine the level of influence between factors, from which it is possible to assess the importance of each factor for affecting business performance after transfer (STT). Accordingly, among the factors affecting STT favorably are OPEN (0.449); SUC (0.249), GEN (0.061) and opposite is RISK (-0.314)

Finally, in the Squared Multiple Correlation table we have statistically significant independent variables that affect 61.2% of the data variability of the STT-dependent variable.

4.6. Auditing The Role of Control Signals

Table 8: Table Descriptives 1.

	N	Mean	Std. deviation	Std. error	95% confidence interval for mean		Minimum	Maximum
					Lower bound	Upper bound		
Less than 10 employees	218	3.2974	1.02096	0.06915	3.1611	3.4337	1.00	5.00
From 10-100 employees	366	3.0820	1.04070	0.05440	2.9750	3.1889	1.00	5.00
From 100-200 employees	170	2.5157	.85682	0.06571	2.3860	2.6454	1.00	4.50
Over 200 employees	184	2.9457	1.00518	0.07410	2.7994	3.0919	1.00	5.00
Total	938	3.0027	1.02926	0.03361	2.9367	3.0686	1.00	5.00

The Descriptives table gives us the descriptive parameters of each labor quantity group. The average value in all 4 groups of less than 10 employees, from 10-100 employees, from 100-200 employees and over 200 employees is in the period 2.9367 – 3.0686 (neutral opinion), meaning that all 4 groups of respondents in the other groups feel normal.

Table 9: Table Descriptives 2.

	N	Mean	Std. deviation	Std. error	95% confidence interval for mean		Minimum	Maximum
					Lower bound	Upper bound		
Agriculture, forestry and fishery	280	2.9048	.99484	0.05945	2.7877	3.0218	1.00	5.00
Trade and services	396	3.0880	1.04318	0.05242	2.9849	3.1910	1.00	5.00
Industry and construction	262	2.9784	1.03748	0.06410	2.8522	3.1046	1.00	5.00
Total	938	3.0027	1.02926	0.03361	2.9367	3.0686	1.00	5.00

The Descriptives table gives us the descriptive parameters of each business group. Average value in all 3 groups of Agriculture, forestry and fishery; Trade and services; Industry and construction are in the paragraphs 2.9367 – 3.0686 (neutral opinion), meaning that all three groups of respondents in the other groups feel normal.

5. RESULTS AND DISCUSSION

To study factors affecting the business performance of enterprises after leadership transfer. The study tries to prove the influence of 3 groups of factors: Leadership generation transfer plan and process, successor selection, successor characteristics on the success of leadership generation transfer and business performance of enterprises after leadership transfer. The transfer plan had the strongest influence on the success of the transfer process with a normalized regression coefficient of 0.232 with a significance level of P-value=0.000. Moreover, the transition plan also partially impacts the change of business performance after leadership transfer through the success of the transition process (the sig value of the direct and indirect relationship is both less than 0.05).

The regularized regression coefficient for the relationship between the moment of transfer and the success of the transfer is 0.175 with a significance level of P-value = 0.000, which is the second most influential factor (after PLAN) on the success of the transfer, adding, TIME is also a factor that has an indirect impact on the business performance of the enterprise after the transfer through the success of the transfer process (because the sig value of the direct relationship SUC<---TIME and indirect relationship STT<---SUC<---TIME is less than 0.05.Therefore, to improve the success of the transfer process and efficiency Business of enterprises, small and medium companies need to choose the appropriate transfer time.

In conditions of equal competition, candidates vie against each other until the most qualified candidate is chosen, as evidenced by significant values ($p < 0.05$) for both the direct relationship between SUC and COM, as well as the indirect relationships involving STT, SUC, and COM. At the same time, the selection of successors through fair competition also increases the likelihood of leadership transition success (Beta=0.148, table 4.10 and P-value=0.000)

After analyzing the SEM linear structure model, it was found that the fact that the successor receives support from the predecessor (WAY), the successor wants to cooperate with the predecessor to take over the work increases the likelihood of success of the leadership transition (beta=0.114, table 4.10, P-value = 0.000) and WAY also positively impacts the business performance of the post-transfer enterprise by mediating the success of the transfer process (SUC).

Research shows that IN (successors from inside or outside the company) and PRO (transfer process) have no impact on the success of the transfer process and the business performance of the business after the transfer process (P-value>0.05). This is a new contribution to the reasoning of the study.

Within the research framework, it is demonstrated that openness in successor thinking (OPEN) positively influences leadership transfer (Beta=0.449). Conversely, the successor's willingness to take risks (RISK) is a factor that negatively impacts the business performance after the transfer of leadership generation in SMEs (Beta=-0.314, P-value = 0.000). Notably, post-transition business performance appears to be minimally affected by gender (Beta=0.061).

6. CONCLUSIONS AND POLICY IMPLICATIONS

The research subjects are small and medium-sized enterprises in the North of Vietnam, through selection, analysis and evaluation, the study has shown that the transfer plan, the timing of the transfer, the selection through fair competition or personal favor are factors that are closely related to the success of the transfer process and efficiency business after the transfer of leadership generation.

Small and medium-sized enterprises need to plan for transfer activities, as this factor has a strong impact on both the transfer process's success and the enterprise's post-transfer business performance. Enterprises need to invest, focus on developing a transfer plan, the transfer plan needs to be developed early to prevent cases such as the predecessor leaving suddenly, having an early and good leadership transfer plan to help businesses minimize losses when the previous leader leaves the position suddenly. In addition, businesses also need to reserve human resources for succession leadership positions and should have capacity development plans for backup successors.

Small and medium companies need to choose the right time to transfer to improve the success of the transfer process and the business efficiency of enterprises. Specifically, it is necessary to create conditions for successors to have time to prepare for succession, it is necessary to have support activities so that the successor confidently understands the work to be done, helping them not to be overwhelmed and loved, want to take over the work, thereby achieving efficiency to improve business efficiency for the enterprise.

Finally, the study did not examine how the controlling role of factors such as age and culture influenced successor selection. Future literature may consider this a research direction.

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