


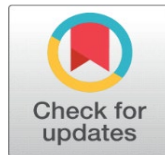


# INTEGRATING THE FULL RANGE LEADERSHIP MODEL IN VIETNAM'S PHARMACEUTICAL INDUSTRY: A SYSTEMATIC REVIEW OF CULTURAL AND ORGANISATIONAL FIT

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## ABSTRACT

The Vietnamese pharmaceutical industry has rapidly evolved into one of Southeast Asia's most dynamic markets, driven by economic growth, healthcare demand, and global integration. With this expansion comes a critical need for effective leadership models that align with both organisational objectives and deeply rooted cultural values. This paper systematically reviews leadership theories with a particular focus on the Full Range Leadership Model (FRLM) to assess its applicability and integration into the Vietnamese pharmaceutical sector. Drawing from transformational, transactional, and laissez-faire leadership paradigms, the FRLM provides a comprehensive framework to navigate the industry's operational and strategic challenges. This review identifies the strong alignment between transformational and servant leadership styles and Vietnam's collectivist, hierarchical culture, which emphasises harmony, respect for authority, and long-term relationships. Conversely, transactional leadership is recognised for ensuring operational compliance and structure, particularly within supply chain and quality assurance processes. Laissez-faire leadership, while potentially fostering autonomy, is cautioned against due to the high stakes of regulatory compliance and safety in pharmaceuticals. The paper synthesises a breadth of scholarly and industry sources, revealing that most Vietnamese pharmaceutical firms are adopting hybrid leadership approaches that combine motivational and performance-driven styles. Recommendations are provided for leadership development programs that reflect Vietnam's cultural context while embracing global standards and innovative practices. The paper concludes that the FRLM – particularly its transformational and transactional dimensions hold significant potential to enhance leadership effectiveness, workforce satisfaction, and industry sustainability.

**Keywords:** Vietnamese Pharmaceutical Industry, Full Range Leadership Model, Transformational Leadership, Transactional Leadership, Leadership Culture, Organisational Performance, Employee Engagement

## 1. INTRODUCTION

The Vietnamese pharmaceutical industry has experienced remarkable growth and transformation over the past two decades. As one of Southeast Asia's most dynamic markets, this industry plays a vital role in ensuring public health and contributing to the country's economic development. According to a report by Business Monitor International (2022), the market is expected to grow at a compound annual growth rate (CAGR) of 10.5% over the next five years. Amid rapid

globalization, increasing competition, and regulatory changes, the importance of effective leadership has become more pronounced. Given this rapid growth, the industry now faces the challenge of effectively navigating through its expansion, underlining the critical role of leadership. To address these evolving challenges, it has turned to the Full-Range Leadership Model (FRLM) as a potential framework for fostering effective leadership. The Full Range Leadership Model (FRLM) offers a comprehensive framework that combines transformational, transactional, and laissez-faire leadership styles. Its relevance to the Vietnamese context lies in its adaptability to cultural and organisational nuances, making it a valuable tool for addressing the unique challenges faced by the Vietnamese pharmaceutical sector.

This paper aims to explore ways to integrate the FRLM within the Vietnamese pharmaceutical industry, considering cultural influences and industry-specific challenges. The following sections provide an overview of leadership concepts, examine leadership within the Vietnamese context, review leadership theories relevant to the pharmaceutical sector, analyse the application of the FRLM, and conclude with recommendations and future research directions.

## 2. CONCEPT OF LEADERSHIP

### 2.1. ORIGIN AND HISTORICAL EVOLUTION OF LEADERSHIP

Leadership is commonly defined as the ability to influence and inspire others to achieve shared goals. Its etymological roots trace back to Old English "leadere" (one who guides) and Germanic "leithan" (to go). Early thinkers like Machiavelli and Sun Tzu laid foundational ideas on leadership strategies, emphasizing vision, discipline, and adaptability. Machiavelli, in his seminal work *The Prince*, argued for pragmatic and sometimes ruthless tactics to maintain power, advocating for adaptability and the calculated use of virtue to achieve goals [Machiavelli \(1992\)](#). Similarly, Sun Tzu's *The Art of War* emphasized strategic planning, the importance of knowing both oneself and the opponent, and the value of flexibility in leadership [Sun \(1963\)](#). These principles resonate with modern leadership theories such as situational and transformational leadership, which stress adaptability to context and the need to inspire and guide teams effectively. Their insights continue to inform contemporary discussions on leadership, particularly in environments requiring strategic foresight and the ability to navigate complex dynamics.

The evolution of leadership theories reflects shifting organizational and societal needs, with each phase contributing unique insights into the complexity of effective leadership. **Trait-Based Theories:** Initially, leadership studies focused on identifying traits that predispose individuals to lead effectively. [Stogdill \(1948\)](#) emphasized that traits like intelligence, decisiveness, and charisma are important but insufficient without situational adaptation. This was supported by [Zaccaro \(2007\)](#), who later highlighted the interplay between traits and environmental factors, marking a shift toward more dynamic models of leadership. **Behavioural Theories:** The mid-20th century saw a pivot toward what leaders *do* rather than who they *are*. The Ohio State Leadership Studies identified two essential behaviours: initiating structure (task orientation) and consideration (relationship orientation), which were later adapted into [Blake and Mouton \(1964\)](#)'s Managerial Grid. These studies laid a foundation for understanding how leadership behaviours influence organisational performance and employee satisfaction. **Situational and Contingency Theories:** Leadership theory advanced further in the 1960s and 1970s with models emphasizing flexibility. [Hersey and Blanchard \(1969\)](#)'s Situational Leadership Model suggested that effective leaders adjust their style based on follower readiness, a concept that remains influential in managerial

training programs. [Fiedler \(1967\)](#)'s Contingency Theory, meanwhile, introduced the idea that leadership effectiveness depends on matching a leader's style (task- or relationship-oriented) to specific situational factors, such as team dynamics and organizational structure. **Transformational Theories:** In the late 20th century, leadership theory began to emphasize the role of inspiration and shared vision. [Burns \(1978\)](#) pioneered transformational leadership, which he described as the process by which leaders and followers engage in mutual elevation of purpose. [Bass \(1985\)](#) expanded this by developing the Full Range Leadership Model (FRLM), which integrates transformational, transactional, and laissez-faire leadership. More recent studies [Judge and Piccolo \(2004\)](#) confirm the model's relevance in driving innovation and employee engagement, particularly in dynamic industries like pharmaceuticals.

## 2.2. DEFINITIONS OF LEADERSHIP

Leadership is a multifaceted concept that has been defined in various ways across disciplines. [Yukl \(2013\)](#) defined leadership as "the process of influencing others to understand and agree about what needs to be done and how to do it, and the process of facilitating individual and collective efforts to accomplish shared objectives," emphasising the interactive and collaborative nature of leadership. Moving from the collaborative aspects of leadership, [Burns \(1978\)](#) shifts the focus towards the intrinsic motivation and shared values between leaders and followers. According to [Burns \(1978\)](#), leadership is "inducing followers to act for certain goals that represent the values and the motivations—the wants and needs, the aspirations and expectations—of both leader and followers," highlighting the role of shared values and motivation. Similarly, [Northouse \(2021\)](#) offered a more concise definition, stating that leadership is "a process whereby an individual influences a group of individuals to achieve a common goal," underscoring the individual's role in guiding a group towards a shared objective. [Rost \(1993\)](#) further elaborates that leadership is essentially about forming a meaningful relationship where leaders and followers work together towards change that they both believe in. [Daft \(2018\)](#) defined leadership as "the ability to influence people toward the attainment of goals," providing a straightforward perspective that focuses on goal achievement. Lastly, [Bass and Riggio \(2006\)](#) define transformational leadership as a process that "changes and transforms individuals," noting that transformational leaders "inspire followers to transcend their self-interests for the good of the organisation and are capable of having a profound and extraordinary effect on their followers." These diverse definitions reflect the complexity of leadership and illustrate its varying emphasis on influence, motivation, collaboration, and transformation.

## 3. CONCEPT OF LEADERSHIP IN VIETNAM

### 3.1. GENERAL PERSPECTIVES ON LEADERSHIP IN VIETNAM

Vietnamese leadership styles are deeply influenced by the country's cultural heritage, particularly Confucianism, collectivism, and hierarchical values. These factors shape the way leaders interact with their teams and the expectations placed upon them. Over the past decade, various studies have explored the evolving nature of leadership in Vietnam, reflecting a blend of traditional and modern practices. Confucianism has long served as the backbone of Vietnamese leadership philosophy. It emphasizes respect for hierarchy, moral integrity, and the importance of relationships. Leaders are often seen as paternal figures who bear the responsibility for the well-being of their teams. Hofstede's cultural dimensions confirm Vietnam's

high score on power distance, indicating a preference for centralized authority and a structured hierarchy [Hofstede Insights \(2021\)](#). Collectivism also plays a pivotal role. Decisions are often made with the group's welfare in mind, aligning with the broader societal emphasis on harmony and mutual support. This contrasts with the individualistic tendencies of Western leadership models, where personal achievement and autonomy are often prioritized.

Research from the past decade underscores the importance of cultural sensitivity in understanding Vietnamese leadership. For instance, a study by [Le et al. \(2021\)](#) revealed that leaders who integrate traditional values with modern techniques are more likely to succeed in Vietnam's dynamic business environment. Similarly, [Ryan \(2020\)](#) emphasized the role of emotional intelligence in navigating the complexities of Vietnamese workplaces, where interpersonal relationships often take precedence over formal processes.

Vietnamese leadership styles differ significantly from Western approaches, particularly in decision-making and conflict resolution. Western leadership models, particularly in individualistic societies like the United States or Western Europe, often emphasize autonomy, innovation, and assertiveness. Leaders are expected to empower employees to take initiative, challenge the status quo, and think independently. This contrasts sharply with the Vietnamese focus on harmony, relational dynamics, and deference to authority.

For instance, while Western leaders might prioritize direct communication and constructive conflict resolution, Vietnamese leaders often emphasize maintaining harmony and avoiding confrontation. According to [Tran \(2018\)](#), this difference stems from the cultural importance of face-saving in Vietnam, where open disagreements are often seen as disrespectful or disruptive. Consequently, Vietnamese leaders are more likely to use indirect communication and consensus-building techniques to address conflicts.

Moreover, the Western focus on meritocracy contrasts with Vietnam's respect for seniority. In Western contexts, leadership positions are frequently awarded based on performance and potential, whereas in Vietnam, they are often influenced by age, experience, and social networks. While this approach fosters respect and loyalty, it can sometimes hinder the recognition of talent and innovation.

Overall, the contrasts between Vietnamese and Western leadership styles highlight the influence of cultural context on leadership practices. While Western models prioritize individual achievement and innovation, Vietnamese approaches emphasize harmony, relationships, and respect for hierarchy. These differences underscore the importance of cultural sensitivity when applying leadership theories across different contexts.

## 3.2. COMMON LEADERSHIP STYLES IN VIETNAM

### 1) Paternalistic Leadership

One of the most prominent leadership styles in Vietnam is paternalistic leadership, where leaders act as father figures, blending authority with care and responsibility. This approach is deeply rooted in Confucian traditions, which stress loyalty, respect for elders, and the moral responsibility of leaders to ensure the well-being of their subordinates. According to [Tuan \(2018\)](#), paternalistic leaders in Vietnam are viewed as both protectors and providers. Their authority is accepted and respected, particularly in family-owned businesses and traditional enterprises. Research by [Ma \(2022\)](#) indicates that this style fosters strong bonds between leaders and employees, contributing to a supportive work environment. However,

it can sometimes lead to a lack of employee autonomy, and reduce their independence and empowerment, as decision-making remains centralized [Chen et al. \(2023\)](#).

## **2) Servant Leadership**

Servant leadership is another common style that aligns with Vietnam's collectivist culture. Leaders adopting this approach prioritize the needs of their team and work towards the collective good. According to [Nhat \(2022\)](#), this style enhances trust, collaboration, and team cohesion, which are critical for organizations navigating rapid changes in the global economy. The emphasis on serving others reflects Buddhist influences, which value compassion and selflessness in leadership. [Nhat \(2022\)](#) found that servant leadership is increasingly prevalent in Vietnam's nonprofit and healthcare sectors, where leaders prioritize the needs of their teams and communities. This style enhances employee satisfaction and fosters a sense of belonging but may require additional efforts to balance long-term goals with immediate needs.

## **3) Transformational Leadership**

With Vietnam's rapid economic development and integration into the global economy, transformational leadership is gaining traction. Leaders who adopt this style inspire their teams by creating a shared vision and encouraging innovation. [Tran et al. \(2024\)](#) highlighted the effectiveness of transformational leadership in technology startups and multinational corporations operating in Vietnam, where agility and creativity are critical for success.

## **4) Transactional Leadership**

Transactional leadership, characterised by clear expectations and rewards for performance, is commonly observed in Vietnam's manufacturing and service sectors. [Tran and Ho \(2020\)](#) noted that this style's focus on structure and accountability is well-suited to industries where precision and efficiency are paramount. However, its rigid nature may limit adaptability in dynamic environments.

# **4. LEADERSHIP IN THE VIETNAMESE PHARMACEUTICAL INDUSTRY**

The Vietnamese pharmaceutical industry is experiencing rapid growth, spurred by increasing domestic demand and the expansion of export markets. As this sector grows, leadership faces unique challenges and opportunities that require strategic navigation to maintain competitiveness and ensure compliance with the complex regulatory environment. In this section, the specific leadership issues faced by pharmaceutical companies in Vietnam, paying particular attention to factors such as globalization, competition, regulatory changes, and the intersection of cultural values with leadership practices will be explored. We will also examine existing research on leadership within this sector.

## **4.1. LEADERSHIP CHALLENGES IN THE VIETNAMESE PHARMACEUTICAL SECTOR**

- **Rapid growth of the sector:** One of the most significant challenges in the Vietnamese pharmaceutical industry is navigating the rapid growth of the sector. The increasing demand for both domestic and international markets has placed pressure on leadership to scale operations effectively. This rapid growth demands dynamic decision-

making, resource management, and innovation to stay ahead of competitors. However, the challenge is compounded by a regulatory environment that is still evolving, with frequent changes in policy and guidelines that require agile leadership. According to a study by [Nguyen and Le \(2020\)](#), effective leadership in the sector is often hindered by the lack of skilled managers who are equipped to manage such rapid changes.

- **Globalization:** Globalization further intensifies these challenges. As multinational pharmaceutical companies enter the Vietnamese market, local firms must adapt to international standards, expand their supply chains, and compete on a global stage. This requires leaders to foster innovation, improve operational efficiency, and ensure that their companies meet global quality standards. The research by [Nguyen et al. \(2019\)](#) indicates that Vietnamese pharmaceutical leaders often struggle to balance local practices with the globalized demands of the industry, particularly when it comes to regulatory compliance and adapting products to meet international market needs [Nguyen et al. \(2019\)](#).
- **Competitive landscape:** the competitive landscape within Vietnam's pharmaceutical sector has created pressure for leaders to not only maintain profitability but also sustain market share amidst rising competition. Local companies must differentiate themselves through innovation, product quality, and customer relationships. A study by [Pham and Tran \(2017\)](#) highlights that leadership in this context must embrace both creativity and operational excellence, as leaders are increasingly expected to lead innovation initiatives while also overseeing the day-to-day running of the business.

## 4.2. CULTURAL VALUES AND LEADERSHIP EXPECTATIONS

In Vietnam, leadership practices are also influenced by cultural values, particularly those related to harmony, respect for authority, and the importance of relationships in business interactions. The influence of Confucianism on Vietnamese society plays a significant role in shaping leadership behaviour, with an emphasis on hierarchical structures, deference to seniority, and consensus-building. This cultural backdrop significantly impacts decision-making processes within pharmaceutical organizations.

According to [Nguyen and Tran \(2023\)](#), Vietnamese leaders in the pharmaceutical industry tend to prioritize maintaining harmony and relationships over confrontation or direct conflict, even when making difficult decisions. This approach can have positive effects, such as fostering long-term business partnerships and creating stable working environments. However, it can also present challenges in situations where decisive or quick action is needed [Nguyen and Tran \(2023\)](#).

Furthermore, the emphasis on collective decision-making and maintaining strong relationships may affect conflict resolution and problem-solving strategies. While this cultural trait can lead to a strong sense of team cohesion, it may slow down decision-making processes in highly competitive or fast-moving situations. A study by [Pham and Tran \(2017\)](#) found that in the context of the pharmaceutical sector, this tendency to avoid conflict can hinder innovation and limit the flexibility required to adapt to rapidly changing market conditions.

Leaders in the Vietnamese pharmaceutical industry are thus faced with the challenge of balancing traditional cultural values with the need for more agile, forward-thinking leadership practices in an increasingly globalized environment.

### **4.3. DIFFERENT LEADERSHIP THEORIES IN THE VIETNAMESE PHARMACEUTICAL INDUSTRY**

Leadership in the Vietnamese pharmaceutical industry requires a combination of different approaches to address the challenges of rapid growth, globalization, regulatory changes, and competition. Each leadership theory brings unique strengths that align with the cultural values and organizational needs in this sector. Transformational and transactional leadership theories were identified as most akin to Vietnam's context due to their alignment with the country's collectivist culture and hierarchical organisational structures.

#### **4.3.1. TRANSFORMATIONAL LEADERSHIP**

Transformational leadership has become increasingly prominent in the Vietnamese pharmaceutical sector due to its focus on inspiring followers to transcend self-interests for the sake of organizational goals [Thanh and Quang \(2022\)](#). This approach is particularly effective in dynamic and rapidly changing industries, where innovation and proactive problem-solving are crucial for success. Transformational leaders in Vietnam are able to create a compelling vision and cultivate an environment that encourages creativity and continuous improvement [Rusdiyanto and Riani \(2015\)](#), [Thanh and Quang \(2022\)](#)

[Tran and Ho \(2020\)](#) highlight that transformational leadership has been a driving force for innovation in the pharmaceutical industry by promoting a shared sense of purpose and fostering strong relationships among team members. Leaders who adopt this approach help create an organizational culture where employees are motivated to work towards common goals, often resulting in enhanced organizational performance [Tran and Ho \(2020\)](#).

Furthermore, Vietnamese cultural values of collectivism align well with transformational leadership, as both emphasize the importance of group harmony and mutual benefit. According to [Thanh and Quang \(2022\)](#) transformational leaders in Vietnam not only focus on achieving organizational success but also emphasize the well-being and development of their followers, which further strengthens team cohesion.

However, the potential drawback of transformational leadership in the Vietnamese context is that it may sometimes overlook the need for structure and immediate operational control. In high-pressure situations or during times of crisis, transformational leaders may struggle with providing the clear, directive leadership required for quick decision-making and implementation [Tran and Ho \(2020\)](#).

#### **4.3.2. TRANSACTIONAL LEADERSHIP**

Another leadership style observed in Vietnam's pharmaceutical industry is transactional leadership [Thanh and Quang \(2022\)](#). Transactional leadership, with its focus on clear expectations, rewards, and performance-driven goals, plays an essential role in ensuring the operational efficiency and compliance of pharmaceutical companies in Vietnam. The regulatory landscape in the pharmaceutical industry requires stringent adherence to standards, and transactional leadership provides the structure needed to achieve these objectives.

[Bui and Nguyen \(2020\)](#) argued that transactional leadership is particularly effective in managing supply chain operations, where clear guidelines and monitoring mechanisms are necessary for ensuring compliance and efficiency. By setting specific goals and rewarding achievement, transactional leaders can maintain a high level of operational discipline, which is critical in an industry with strict regulatory oversight.

However, while transactional leadership is beneficial for managing routine operations, it may lack the flexibility required for navigating the complex challenges of the global pharmaceutical market. Research by [Nguyen and Hoang \(2021\)](#) suggests that transactional leadership, though effective for day-to-day management, may stifle innovation and employee initiative, which are essential in highly competitive sectors. Additionally, transactional leadership's emphasis on rewards and punishments can create an environment where employees are driven by extrinsic motivation, which may not be sufficient to inspire long-term commitment or drive continuous improvement.

### 4.3.3. SERVANT LEADERSHIP

Servant leadership is a leadership approach that emphasizes the well-being of employees and the community, focusing on the development of people and the creation of a supportive work environment. In the context of the Vietnamese pharmaceutical industry, this leadership style resonates with the collectivist cultural values of mutual support and long-term relationships. [Nhat \(2022\)](#) found that servant leadership has played a crucial role in fostering trust and loyalty among employees in the healthcare and pharmaceutical sectors in Vietnam. Leaders who adopt a servant leadership approach are seen as role models who prioritize the needs of others, empowering their teams to perform at their best [Nhat \(2022\)](#). This approach enhances organizational cohesion and employee satisfaction, which are vital in an industry where collaboration and team dynamics are essential for success. Moreover, servant leadership supports ethical decision-making and aligns with the Vietnamese emphasis on relationships and community well-being. According to [Nhat \(2022\)](#), the focus on serving others leads to a more harmonious workplace where employees feel valued, leading to higher morale and reduced turnover.

However, servant leadership may face limitations in environments that demand quick decision-making or high-performance standards. Leaders adopting this style may sometimes struggle to balance the needs of employees with the pressure to deliver results and meet organizational goals in a competitive market. Each leadership theory above offers distinct advantages for leaders in the Vietnamese pharmaceutical industry. The choice of leadership style depends on the specific context, organizational culture, and the challenges faced by the company. The interplay between cultural factors and leadership styles has significant implications for the Vietnamese pharmaceutical industry. Consequently, leadership enabling the integration of traditional cultural practices with contemporary managerial practices will add value to employee job satisfaction, elevating organisational performance level in order to enhance business performance within the competitive local industry [Thu et al. \(2022\)](#), [Loan \(2020\)](#). Future studies are needed to understand which cultural values shape leadership preferences in the Vietnamese pharmaceutical context and how performance management systems impact employee motivation and satisfaction. Cross-cultural comparisons with other Asian countries or global pharmaceutical companies can provide insights into the role of culture in leadership and managerial practices [Chen et al. \(2023\)](#). The

pharmaceutical firms in Vietnam can develop to promote the success of the organization and the well-being of its employees by tackling these factors.

It is suggested that the adoption of the above leadership theories within the context of the Vietnam pharmaceutical industry can be attributed to the unique cultural factors of Vietnam. For instance, Vietnamese culture appreciates more of a relationship than individuality and hierarchy underscores the collectivism in its culture; hence, transformational and servant leadership would have a better position in the context within which Vietnam operates [Nguyen \(2023\)](#). In addition, the public sector nature of the pharmaceutical industry in Vietnam may shape leadership styles employed in the context, as illustrated in its public sector leadership research [Thanh and Quang \(2022\)](#). The table below summarises the key literature on leadership theories which are relevant to the Vietnam pharmaceutical industry.

**Table 1**

<b>Table 1 Key Literature on Leadership Theories Relevant to Vietnam Pharmaceutical Industry</b>		
<b>Author(s) and Year</b>	<b>Title</b>	<b>Relevance to Study</b>
<a href="#">Nguyen (2023)</a>	Effect of Leadership Styles on Employee Motivation and Job Satisfaction in Multinational Corporations in Vietnam	Examines the impact of transformational and servant leadership on motivation and satisfaction in the pharmaceutical industry.
<a href="#">Thanh and Quang (2022)</a>	Transformational, Transactional, Laissez-faire Leadership Styles and Employee Engagement: Evidence from Vietnam's Public Sector	Explores effects of leadership styles on engagement and satisfaction, applicable to pharmaceutical contexts.
<a href="#">Rusdiyanto and Riani (2015)</a>	Pengaruh Kepemimpinan Transformasional dan Transaksional pada Organizational Citizenship Behavior dengan Kepuasan Kerja sebagai Pemediasi	Analyzes relationship between leadership styles and job satisfaction.
<a href="#">Draj, M., &amp; Saed, A. (2023)</a>	Mediating role of employee empowerment for transformational leadership and job satisfaction	Highlights transformational leadership's role in job satisfaction through empowerment.
<a href="#">Wong, C. A., &amp; Laschinger, H. K. S. (2012)</a>	Authentic leadership, performance, and job satisfaction: the mediating role of empowerment	Discusses impact of authentic leadership on satisfaction and performance via empowerment.
<a href="#">Giallonardo, L. M., et al. (2010)</a>	Authentic leadership of preceptors: predictor of new graduate nurses' work engagement and job satisfaction	Explores link between authentic leadership and job satisfaction, relevant to new employees.
<a href="#">Ayça, A. (2023)</a>	Association Between Authentic Leadership and Job Performance—The Moderating Roles of Trust in the Supervisor and Trust in the Organization	Examines authentic leadership's influence on performance and trust.
<a href="#">Fouad, A. (2019)</a>	Impact of Leadership Style on Employee Job Satisfaction in the Hospitality Industry	Provides insights into leadership styles affecting satisfaction, relevant to pharmaceuticals.
<a href="#">Nguyen, T. H., &amp; Vũ, T. H. (2022)</a>	The impact of authentic leadership on employee's engagement at Tan Son Nhat Operation Center in the COVID-19 period: The mediating role of job satisfaction	Explores authentic leadership and job satisfaction during the COVID-19 pandemic.
<a href="#">Loan (2020)</a>	Factors of quality management system influencing organizational performance: A study of pharmaceutical factories getting GMP certificate in Vietnam	Identifies leadership as a key factor in organizational performance in pharmaceutical factories.

In general, most of the existing studies have indicated that the pharmaceutical companies in the country have resulted into transformational, transactional, and servant leadership theories for employee job satisfaction. Most likely, the leadership style is determined according to the cultural and organisational context of the Vietnamese pharmaceutical industry itself.

## 5. LEADERSHIP MODEL IN THE VIETNAMESE PHARMACEUTICAL INDUSTRY

### 5.1. OVERVIEW OF THE FULL RANGE LEADERSHIP MODEL

The Full Range Leadership Model (FRLM), developed by Bass and Avolio (1994), is a comprehensive leadership framework that includes three primary leadership styles: transformational, transactional, and laissez-faire leadership. These three components collectively aim to address the diverse leadership needs of organizations, particularly those in industries undergoing rapid change, such as the pharmaceutical sector in Vietnam.

Table 2

Table 2 Bass and Avolio's Full-Range Leadership Model Bass and Avolio (1994)						
LAISSEZ-FAIRE		TRANSACTIONAL		TRANSFORMATIONAL		
Hands-off leadership	Management by exception	Contingent reward	Individual consideration	Intellectual stimulation	Inspirational motivation	Idealized influence
	Passive	Active	Caring	Thinking	Charming	Influencing

Table 2 above outlines the leadership styles within the full-range model.

- 1) Transformational Leadership:** This leadership style focuses on inspiring and motivating employees to achieve a shared vision, transcending self-interest for the greater good of the organization. It promotes a culture of innovation, learning, and collaboration.
- 2) Transactional Leadership:** Transactional leadership involves setting clear expectations and performance metrics, with an emphasis on reward and punishment systems. It is highly structured and aims to ensure that organizational goals are met through efficient and accountable performance.
- 3) Laissez-Faire Leadership:** This leadership style gives employees the autonomy to make decisions with minimal supervision. While it encourages innovation and empowerment, it can be risky in high-stakes industries like pharmaceuticals, where oversight and precision are critical.

### 5.2. INTEGRATION OF FULL RANGE LEADERSHIP MODEL IN VIETNAM PHARMACEUTICAL INDUSTRY

The Full Range Leadership Model offers a comprehensive framework for understanding effective leadership practices in the Vietnamese pharmaceutical industry.

Existing research suggests that transformational leadership may be particularly well-suited to the cultural context, with its emphasis on inspiring and motivating followers Nguyen et al. (2019). However, the literature also highlights the potential value of transactional leadership approaches, which focus on clarifying

roles, responsibilities, and reward systems. In contrast, passive-avoidant leadership, characterized by a lack of involvement and decision-making, is less likely to drive the results and performance needed in the evolving Vietnamese pharmaceutical sector.

By integrating these different leadership styles, pharmaceutical companies in Vietnam may be better equipped to navigate the complex challenges and opportunities they face.

### **5.2.1. TRANSFORMATIONAL LEADERSHIP**

Transformational leadership can be highly effective in the Vietnamese pharmaceutical sector, where rapid growth, globalization, and the need for innovation are prominent. Leaders adopting this style should focus on motivating employees through a shared vision and fostering a culture of continuous learning and improvement. In Vietnam's collectivist culture, transformational leadership should emphasize teamwork, shared goals, and respect for hierarchy. Research by [Nguyen et al. \(2019\)](#) highlights that transformational leadership is vital in driving innovation within rapidly growing sectors. Leaders should implement mentorship programs, where senior leaders guide junior employees, aligning their individual goals with the broader organizational objectives. By providing a sense of purpose, transformational leaders can inspire loyalty and motivation, encouraging employees to work towards the collective good [Nguyen et al. \(2019\)](#). Similarly, according to [Nguyen \(2023\)](#) transformational leadership has also been linked to increased employee engagement and satisfaction, which are vital for reducing turnover rates and retaining talent in the competitive pharmaceutical market.

Additionally, transformational leaders can play a pivotal role in navigating the regulatory complexities of the Vietnamese pharmaceutical sector. By fostering a culture of continuous learning, they can ensure that employees remain updated on compliance standards and industry best practices. [Thang and Phong \(2023\)](#) argue that transformational leaders who emphasize strategic change and technological adoption create organizations that are not only more innovative but also more resilient in the face of market uncertainties.

### **5.2.2. TRANSACTIONAL LEADERSHIP**

Transactional leadership is the key role in the Vietnamese pharmaceutical sector, where operational efficiency, precision, and compliance with regulatory standards are non-negotiable. This leadership style focuses on defining clear roles and responsibilities, setting measurable performance goals, and establishing reward and punishment systems to ensure accountability and consistency. Transactional leadership is particularly effective in managing routine operations and regulatory compliance, which are crucial in Vietnam's highly regulated pharmaceutical sector. Research by [Tran et al. \(2020\)](#) found that transactional leadership was particularly effective in managing supply chain operations within Vietnam's pharmaceutical sector. It is suggested that transactional leadership has been integral in ensuring that pharmaceutical organizations meet their tight legal and operational obligations [Tran et al. \(2020\)](#).

### **5.2.3. LAISSEZ-FAIRE LEADERSHIP**

Laissez-faire leadership, which emphasizes employee autonomy and minimal intervention, must be carefully applied in the Vietnamese pharmaceutical industry.

While this approach can encourage innovation and independent problem-solving among highly skilled teams, it carries risks if implemented without adequate oversight. [Thang and Phong \(2023\)](#) warn that laissez-faire leadership in high-stakes industries like pharmaceuticals can lead to communication breakdowns, inefficiencies, and lapses in quality control, potentially jeopardizing public health and safety.

In summary, the Full Range Leadership Model (FRLM) represents the most effective framework for leadership in the Vietnamese pharmaceutical industry, as it integrates transformational, transactional, and laissez-faire leadership styles to tackle the sector's unique challenges. Transformational leadership promotes innovation, employee engagement, and adaptability, which are vital for growth and regulatory compliance. Transactional leadership guarantees operational efficiency, role clarity, and adherence to strict industry standards. Although laissez-faire leadership can foster autonomy and creativity, it necessitates careful application to mitigate risks in this high-stakes industry. By combining these approaches, the FRLM offers a balanced and adaptive leadership strategy, enabling pharmaceutical companies in Vietnam to navigate market complexities and achieve sustainable success.

## 6. CONCLUSION

This review highlights the importance of integrating the Full Range Leadership Model within the Vietnamese pharmaceutical industry. By leveraging transformational, transactional, and laissez-faire leadership styles, organizations can address industry challenges while aligning with cultural values. The FRLM offers a pathway to improve organizational performance, employee engagement, and ethical conduct. Future research should focus on empirical studies to validate the FRLM's effectiveness in this context. Such studies could explore its impact on innovation, regulatory compliance, and employee satisfaction, providing actionable insights for industry leaders.

## CONFLICT OF INTERESTS

None.

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None.

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