

The Impact of Transformational Leadership on the Effectiveness of Balanced Scorecard Implementation in Vietnamese Businesses: A Case Study of Enterprises in Hanoi and Neighboring Provinces

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ABSTRACT

In the context of increasing competition and rapid digital transformation, organizations require effective strategic management tools to align organizational activities with long-term objectives. The Balanced Scorecard (BSC) has emerged as one of the most widely adopted strategic performance management systems globally. However, the success of BSC implementation often depends on leadership capabilities and organizational context. This study investigates the impact of transformational leadership on the effectiveness of Balanced Scorecard implementation in Vietnamese enterprises. Using survey data collected from 420 managers and employees from businesses in Hanoi and neighboring provinces (Bac Ninh, Hung Yen, Phu Tho, and Ninh Binh), the study employs Partial Least Squares Structural Equation Modeling (PLS-SEM) using SmartPLS 4 to examine the relationships among transformational leadership dimensions and BSC implementation effectiveness. Transformational leadership is measured through four dimensions: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. BSC implementation effectiveness is evaluated across four perspectives: financial performance, customer perspective, internal process efficiency, and learning and growth. The empirical results indicate that transformational leadership significantly enhances BSC implementation effectiveness through improved strategic alignment, organizational learning, and employee engagement. Among the leadership dimensions, inspirational motivation and intellectual stimulation demonstrate the strongest influence on BSC outcomes. The findings contribute to leadership and strategic management literature by integrating leadership theory with strategic performance management frameworks in emerging economies. Practical implications suggest that Vietnamese enterprises should strengthen transformational leadership capabilities to maximize the strategic benefits of BSC implementation. The study also provides policy and managerial recommendations for improving leadership development and strategic performance systems in Vietnamese firms.

Keywords: Transformational leadership, Balanced Scorecard, strategic management, organizational performance, SmartPLS, Vietnamese SMEs

INTRODUCTION

In the rapidly changing global business environment, organizations must adopt effective strategic management systems to maintain competitiveness and achieve sustainable growth. One of the most influential frameworks in strategic performance management is the Balanced Scorecard (BSC), introduced by Robert Kaplan and David Norton in the early 1990s. The BSC integrates financial and non-financial performance indicators across four perspectives - financial, customer, internal processes, and learning and growth - to provide a comprehensive view of organizational performance.

Over the past three decades, the Balanced Scorecard has evolved from a performance measurement tool into a strategic management system widely adopted by organizations worldwide. It helps translate organizational strategy into measurable objectives, align departmental activities with strategic goals, and promote continuous learning within organizations.

Despite its widespread adoption, many organizations struggle to implement the Balanced Scorecard effectively. Several studies have shown that BSC implementation often fails due to poor leadership commitment, lack of strategic alignment, and insufficient communication across organizational levels. Consequently, leadership has become an important factor influencing the success of BSC initiatives.

Among leadership styles, transformational leadership has attracted considerable attention in organizational research. Transformational leadership focuses on inspiring and motivating employees, fostering innovation, and encouraging organizational change. Empirical research indicates that transformational leadership positively influences employee performance, organizational commitment, and overall organizational effectiveness.

The connection between transformational leadership and strategic management systems such as the Balanced Scorecard has become an emerging research area. Transformational leaders play a crucial role in communicating vision, aligning organizational members with strategic goals, and fostering a culture of continuous improvement. These characteristics closely match the requirements for effective BSC implementation.

In Vietnam, the adoption of modern strategic management tools has increased significantly over the past decade, particularly among small and medium-sized enterprises (SMEs) undergoing digital transformation. However, empirical research examining the relationship between leadership and BSC implementation effectiveness remains limited. Most existing studies focus primarily on performance outcomes rather than the leadership factors driving successful strategy execution.

Therefore, this study aims to examine the impact of transformational leadership on the effectiveness of Balanced Scorecard implementation in Vietnamese businesses. Specifically, the study focuses on enterprises located in Hanoi and neighboring provinces, which represent one of the most dynamic economic regions in Vietnam.

The study addresses the following research questions:

1. Does transformational leadership significantly influence the effectiveness of Balanced Scorecard implementation in Vietnamese businesses?
2. Which dimensions of transformational leadership contribute most to BSC implementation effectiveness?
3. How does transformational leadership enhance organizational alignment and performance through the Balanced Scorecard framework?

By answering these questions, the study contributes to the literature on leadership and strategic management while providing practical implications for Vietnamese enterprises seeking to improve their strategic performance management systems.

LITERATURE REVIEW

Balanced Scorecard and Strategic Performance Management

The Balanced Scorecard (BSC) was introduced by Kaplan and Norton in 1992 to address the limitations of traditional financial performance measurement systems. Traditional accounting measures were considered insufficient because they focused primarily on short-term financial outcomes and neglected intangible assets such as knowledge, innovation, and customer relationships.

The Balanced Scorecard expands performance evaluation by integrating both financial and non-financial indicators into a comprehensive strategic management framework. It typically consists of four interrelated perspectives:

1. Financial perspective
2. Customer perspective

3. Internal business process perspective
4. Learning and growth perspective

These perspectives allow organizations to monitor both operational efficiency and long-term strategic capabilities.

The BSC also facilitates strategic management processes such as translating vision into operational objectives, communicating strategy throughout the organization, aligning departmental goals, and supporting feedback and organizational learning.

Over time, the Balanced Scorecard has been widely adopted in both private and public organizations across various industries. Studies show that organizations implementing BSC effectively often experience improvements in strategic alignment, operational efficiency, and overall performance.

However, successful BSC implementation requires more than simply developing performance indicators. It requires strong leadership commitment, clear communication, organizational learning, and employee engagement.

In addition, there are many studies on the Balanced Scorecard (BSC) and its contribution to organizational operations, typical examples being the following:

The Balanced Scorecard (BSC) has emerged as a significant innovation in strategic performance measurement systems across various sectors. (Gurd et al., 2007) highlight its prominence in healthcare organizations, emphasizing how the BSC facilitates a comprehensive approach to performance evaluation by integrating multiple perspectives. This approach allows organizations to align their strategic objectives with operational activities, thereby enhancing overall performance.

In the context of healthcare, (Kurniati., 2021) discusses the application of BSC in hospital performance analysis in Indonesia, illustrating its utility in decision-making processes aimed at addressing performance gaps and fostering improvements over a decade. Similarly, (Gawankar et al., 2015) review the application of BSC, noting its importance in accurately measuring organizational performance, although they point out that there are relatively few studies directly addressing how overall organizational performance should be measured using BSC.

Beyond healthcare, the BSC has been applied in various industries, including property development, as demonstrated by Wulandari et al., (2017), who utilized SWOT and BSC analyses to determine strategic factors, develop strategic maps, and set key performance indicators (KPIs) for Elang Group. Their study underscores the importance of assigning weights to different perspectives and KPIs to tailor the BSC framework to specific organizational contexts.

The implementation factors influencing BSC adoption are also a focus of research. (Maccan et al., 2018) investigate resource allocation and managerial skills as critical determinants in the successful implementation of BSC within Kenyan wildlife conservancies. Their findings suggest that organizational resources and managerial competencies significantly impact BSC effectiveness.

In the commercial sector, (Alimudin et al., 2019) examine the impact of BSC on small and medium enterprises (SMEs), specifically UMKM in Indonesia. Their study confirms that BSC, through its four perspectives - financial, customer, internal process, and learning and growth - contributes to improved performance by balancing short-term and long-term goals, as well as financial and non-financial measures.

Furthermore, the integration of BSC with other strategic tools has been explored. (Rizaldy et al., 2021) analyze a rice milling company's strategy by combining BSC with the Business Model Generation (BMG) approach, demonstrating how these tools can complement each other to provide a comprehensive strategic framework.

In the public sector, Tanjung [8] discusses the implementation of SWOT analysis within the BSC framework to develop the competencies of civil servants, indicating the versatility of BSC in human resource

development. Similarly, (Elistia et al., 2024) explore the use of BSC in higher education institutions (PHEI), noting that some institutions do not fully incorporate all perspectives, such as the financial and customer perspectives, in their strategic goal setting.

Overall, the literature underscores the adaptability of the BSC across diverse organizational contexts, emphasizing its role in strategic alignment, performance measurement, and decision-making. The success of BSC implementation is often linked to organizational resources, managerial skills, and the contextual tailoring of perspectives and KPIs to specific sectoral needs.

Transformational Leadership

Transformational leadership theory was originally developed by Burns (1978) and later expanded by Bass (1985). The theory emphasizes the role of leaders in inspiring followers to achieve higher levels of motivation, commitment, and performance.

Transformational leadership consists of four core dimensions:

- ✓ **Idealized Influence (II)** Leaders act as role models and gain trust and respect from followers.
- ✓ **Inspirational Motivation (IM)** Leaders articulate a compelling vision and motivate employees to pursue organizational goals.
- ✓ **Intellectual Stimulation (IS)** Leaders encourage creativity and innovation by challenging traditional assumptions.
- ✓ **Individualized Consideration (IC)** Leaders provide individualized support and mentorship to employees.

These dimensions are typically measured using the Multifactor Leadership Questionnaire (MLQ), one of the most widely used leadership measurement instruments in management research.

Extensive research has demonstrated that transformational leadership positively influences employee performance, organizational commitment, job satisfaction, and innovation.

Transformational Leadership and Strategic Management Systems

Transformational leadership has been widely recognized as a key driver of organizational change and strategic transformation. Transformational leaders are particularly effective in environments requiring innovation, adaptation, and strategic alignment.

The Balanced Scorecard requires organizations to communicate strategic objectives clearly and ensure that employees understand their roles in achieving those objectives. Transformational leadership facilitates this process by:

- ✓ Articulating strategic vision,
- ✓ Motivating employees,
- ✓ Fostering organizational learning,
- ✓ Encouraging innovation and strategic thinking.

Therefore, transformational leadership may significantly enhance the effectiveness of BSC implementation by aligning organizational behavior with strategic goals.

Balanced Scorecard Implementation in Emerging Economies

In emerging economies such as Vietnam, the adoption of modern management systems has accelerated due to globalization and digital transformation. Vietnamese enterprises increasingly adopt strategic management tools to improve competitiveness and integrate into global markets.

Empirical studies suggest that the Balanced Scorecard can significantly improve organizational performance by integrating financial and non-financial performance indicators.

However, many Vietnamese firms face challenges such as limited managerial experience, insufficient strategic planning capabilities, and resistance to organizational change. Leadership plays a crucial role in overcoming these challenges.

Theoretical Framework

This study integrates two major theoretical perspectives:

1. **Transformational Leadership Theory**
2. **Strategic Management Theory (Balanced Scorecard)**

Transformational leadership theory suggests that leaders influence organizational outcomes by shaping employee motivation, commitment, and behavior.

The Balanced Scorecard, on the other hand, provides a framework for translating strategy into measurable performance indicators.

The integration of these two theories suggests that leadership behaviors may significantly influence how effectively strategic management systems are implemented.

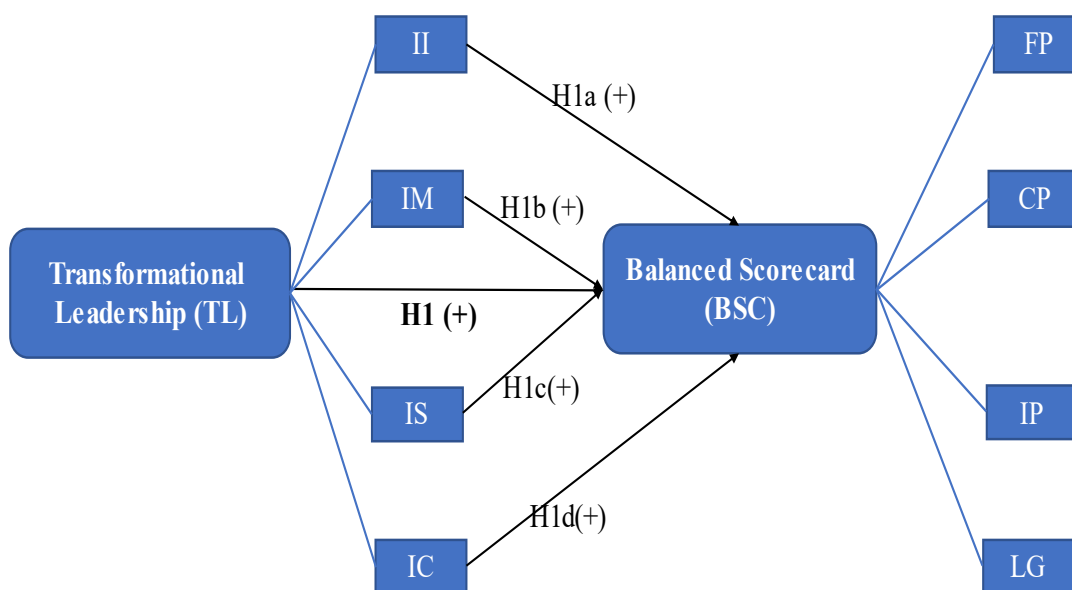
Research Model and Hypothesis Development

Research Model

The proposed research model examines the impact of transformational leadership on the effectiveness of Balanced Scorecard implementation.

Figure 1. Reseach Model

Figure 1. ReseachModel: The impact of transformational leadership on the effectiveness of Balanced Scorecard implementation.



The model includes:

Independent Variable

Transformational Leadership (TL)

Dimensions:

- ✓ Idealized Influence (II)
- ✓ Inspirational Motivation (IM)
- ✓ Intellectual Stimulation (IS)
- ✓ Individualized Consideration (IC)

Dependent Variable

Balanced Scorecard Implementation Effectiveness (BSC-E)

Measured through four perspectives:

- ✓ Financial Performance (FP)
- ✓ Customer Perspective (CP)
- ✓ Internal Process (IP)
- ✓ Learning and Growth (LG)

Hypothesis Development

The successful implementation of strategic management systems such as the Balanced Scorecard (BSC) depends not only on the technical design of performance indicators but also on leadership behavior that facilitates organizational alignment, communication, and employee engagement. Leadership plays a crucial role in translating organizational strategy into operational actions and ensuring that employees understand and support strategic objectives. In this regard, transformational leadership has been widely recognized as one of the most effective leadership styles for promoting organizational change and strategic implementation.

Transformational leadership theory was first conceptualized by Burns (1978) and later expanded by Bass (1985). Transformational leaders inspire followers to transcend their personal interests for the sake of organizational goals by articulating a compelling vision, stimulating intellectual curiosity, and providing individualized support. This leadership style is particularly relevant in environments that require strategic transformation, innovation, and continuous improvement.

The Balanced Scorecard, introduced by Kaplan and Norton (1992), provides a strategic management framework that integrates financial and non-financial performance indicators across four perspectives: financial, customer, internal processes, and learning and growth. Beyond a simple performance measurement system, the BSC functions as a strategic management tool that translates organizational vision into operational objectives, aligns departmental activities with strategy, and facilitates feedback and learning processes within the organization (Kaplan & Norton, 1996).

Implementing the Balanced Scorecard requires strong leadership support because it involves significant organizational change, including new performance measurement systems, new strategic communication mechanisms, and changes in organizational culture. Leaders must motivate employees to embrace new strategic initiatives and ensure that performance indicators are integrated into daily organizational practices. Studies have shown that leadership commitment is one of the key success factors in BSC implementation (Kaplan & Norton, 2001).

Transformational leaders are particularly effective in this context because they can inspire employees, foster innovation, and encourage organizational learning. By articulating a clear strategic vision, transformational leaders help employees understand the importance of strategic objectives embedded within the Balanced

Scorecard framework. In addition, transformational leadership fosters a supportive organizational culture that encourages employee participation and commitment to organizational goals (Bass & Riggio, 2006).

Empirical research also supports the positive relationship between transformational leadership and organizational performance systems. Transformational leadership has been found to enhance organizational performance by improving employee motivation, promoting knowledge sharing, and strengthening strategic alignment across organizational units (Northouse, 2022). These leadership behaviors are essential for ensuring the effectiveness of Balanced Scorecard implementation, which requires cross-functional coordination and employee engagement.

Based on these theoretical and empirical arguments, transformational leadership is expected to positively influence the effectiveness of Balanced Scorecard implementation in organizations.

H1: Transformational leadership positively influences the effectiveness of Balanced Scorecard implementation.

Transformational leadership is composed of four key dimensions: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Bass, 1985). Each dimension contributes to organizational performance through different mechanisms that may enhance BSC implementation.

Idealized Influence and BSC Implementation

Idealized influence refers to the ability of leaders to act as role models who gain the trust, respect, and admiration of followers. Leaders who demonstrate strong ethical standards and commitment to organizational values are more likely to inspire employees to support strategic initiatives and organizational change (Bass & Avolio, 1995).

In the context of Balanced Scorecard implementation, idealized influence helps establish credibility and trust in leadership. Employees are more likely to accept new performance measurement systems and strategic initiatives when they perceive their leaders as trustworthy and committed to organizational success. Leaders who embody organizational values also strengthen employees' belief in the strategic objectives reflected in the Balanced Scorecard.

Moreover, role-model leadership behavior encourages employees to align their actions with organizational goals, thereby improving the effectiveness of strategic performance management systems. Therefore, idealized influence is expected to contribute positively to BSC implementation effectiveness.

H1a: Idealized influence positively affects BSC implementation effectiveness.

Inspirational Motivation and BSC Implementation

Inspirational motivation refers to leaders' ability to articulate a compelling vision of the future and inspire employees to pursue organizational goals with enthusiasm and commitment (Bass & Riggio, 2006). Transformational leaders communicate strategic objectives clearly and motivate employees to work collaboratively toward achieving those objectives.

The Balanced Scorecard requires organizations to translate strategic vision into measurable objectives across different organizational levels. Inspirational motivation plays an important role in this process by ensuring that employees understand the strategic importance of BSC initiatives. Leaders who effectively communicate the organization's strategic vision can foster stronger commitment to performance measurement systems and encourage employees to actively participate in achieving strategic targets.

Furthermore, inspirational leaders help employees overcome resistance to organizational change by creating a shared sense of purpose. This is particularly important during the implementation of new management systems such as the Balanced Scorecard, which often require changes in organizational routines and performance evaluation practices.

Therefore, inspirational motivation is expected to positively influence the effectiveness of BSC implementation.

H1b: Inspirational motivation positively affects BSC implementation effectiveness.

Intellectual Stimulation and BSC Implementation

Intellectual stimulation refers to leaders' ability to encourage creativity, innovation, and critical thinking among employees (Bass, 1985). Transformational leaders challenge existing assumptions, promote problem-solving, and support new ideas that contribute to organizational improvement.

The Balanced Scorecard emphasizes continuous improvement and organizational learning, particularly within the learning and growth perspective. Leaders who promote intellectual stimulation encourage employees to explore new approaches to improving organizational processes and performance measurement practices.

For example, employees may develop innovative ways to monitor key performance indicators, improve internal processes, or enhance customer value. Intellectual stimulation also promotes knowledge sharing and collaborative problem-solving, which are essential for effective strategic management.

As a result, intellectual stimulation is expected to enhance BSC implementation by fostering a culture of innovation and continuous improvement within the organization.

H1c: Intellectual stimulation positively affects BSC implementation effectiveness.

Individualized Consideration and BSC Implementation

Individualized consideration refers to leaders' ability to provide personalized support, mentoring, and development opportunities for employees (Bass & Avolio, 1995). Transformational leaders recognize individual differences among employees and help them develop their capabilities.

The Balanced Scorecard places strong emphasis on employee development and organizational learning, which are reflected in the learning and growth perspective. Leaders who demonstrate individualized consideration encourage employees to acquire new skills, participate in training programs, and engage in continuous learning.

By supporting employee development, transformational leaders enhance employees' ability to understand and apply performance measurement systems effectively. Employees who receive guidance and support from their leaders are more likely to contribute positively to organizational initiatives such as Balanced Scorecard implementation.

Therefore, individualized consideration is expected to positively influence the effectiveness of BSC implementation.

H1d: Individualized consideration positively affects BSC implementation effectiveness.

RESEARCH METHODOLOGY

Research Design

This study adopts a quantitative research design to examine the impact of transformational leadership on the effectiveness of Balanced Scorecard (BSC) implementation in Vietnamese enterprises. A structured questionnaire survey was conducted among managers and employees working in enterprises located in Hanoi and neighboring provinces, including Bac Ninh, Hung Yen, Phu Tho, and Ninh Binh. These regions represent one of the most economically dynamic areas in Northern Vietnam and include a diverse range of industries such as manufacturing, services, and technology.

The study employs Partial Least Squares Structural Equation Modeling (PLS-SEM) using SmartPLS 4 software to test the proposed research model. PLS-SEM is particularly suitable for exploratory and predictive research, especially when analyzing complex relationships among latent constructs and when sample sizes are moderate (Hair et al., 2022).

Sampling and Data Collection

Data were collected using a survey questionnaire distributed to managers and employees involved in strategic planning, performance management, and organizational leadership.

A purposive sampling method was applied to select respondents who have experience with organizational performance measurement systems or strategic management practices.

Sample Size

A total of 450 questionnaires were distributed. After removing incomplete responses and outliers, 420 valid responses were retained for analysis.

This sample size satisfies the minimum requirements for PLS-SEM, which recommends a minimum sample size of 10 times the largest number of structural paths directed at a construct (Hair et al., 2022).

Respondent Profile

Table 1 summarizes the demographic characteristics of the respondents.

Table 1 Demographic Characteristics of Respondents (N = 420)

Variable	Category	Frequency	Percentage
Gender	Male	238	56.7%
	Female	182	43.3%
Age	Under 30	96	22.9%
	30 – 40	168	40.0%
	41 – 50	104	24.8%
	Above 50	52	12.3%
Position	Senior management	102	24.3%
	Middle management	168	40.0%
	Staff	150	35.7%
Firm size	Small enterprises	168	40.0%
	Medium enterprises	156	37.1%
	Large enterprises	96	22.9%
Industry	Manufacturing	170	40.5%
	Services	150	35.7%
	Technology	100	23.8%

Source: Compiled by the author

The sample reflects a **diverse representation of industries and managerial levels**, ensuring the generalizability of the findings.

Measurement Scales

All constructs were measured using **5-point Likert scales (1 = strongly disagree, 5 = strongly agree)**.

Transformational Leadership

The transformational leadership construct was measured using items adapted from the **Multifactor Leadership Questionnaire (MLQ)** developed by Bass and Avolio (1995).

Dimensions include:

- ✓ Idealized Influence (4 items)
- ✓ Inspirational Motivation (4 items)
- ✓ Intellectual Stimulation (4 items)
- ✓ Individualized Consideration (4 items)

Balanced Scorecard Implementation Effectiveness

BSC implementation effectiveness was measured using indicators adapted from **Kaplan and Norton (1996)** and subsequent BSC implementation studies.

Four perspectives were measured:

1. Financial performance
2. Customer satisfaction
3. Internal process efficiency
4. Learning and growth capability

Each perspective included **3 – 4 indicators**.

Data Analysis and Results

The data were analyzed using **SmartPLS 4**, following the two-stage approach recommended by Hair et al. (2022):

1. Assessment of the **measurement model**
2. Assessment of the **structural model**

6.1 Measurement Model Evaluation

Figure 2.

Reliability and Convergent Validity

Table 2 presents the reliability and convergent validity results.

Table 2 Construct Reliability and Validity

Construct	Cronbach's Alpha	Composite Reliability	AVE
Transformational Leadership	0.94	0.95	0.71
Idealized Influence	0.88	0.91	0.72
Inspirational Motivation	0.89	0.92	0.73
Intellectual Stimulation	0.90	0.93	0.75
Individualized Consideration	0.87	0.90	0.69
BSC mplementation Effectiveness	0.93	0.94	0.70

Source: Compiled by the author

All constructs satisfy the recommended thresholds:

- ✓ Cronbach’s alpha > 0.70
- ✓ Composite reliability > 0.70
- ✓ AVE > 0.50

(Hair et al., 2022)

Discriminant Validity

Discriminant validity was assessed using the **HTMT criterion**.

Table 3 Discriminant Validity (HTMT)

Construct	TL	BSC
TL	–	
BSC	0.72	–

Source: Compiled by the author

All HTMT values are below the **0.85 threshold**, confirming discriminant validity.

Structural Model Assessment

The structural model was evaluated using **bootstrapping with 5,000 resamples**.

Table 4. Structural Model Results

Hypothesis	Relationship	β	t-value	p-value	Result
H1	TL → BSC effectiveness	0.64	12.54	<0.001	Supported
H1a	II → BSC effectiveness	0.21	4.62	<0.001	Supported
H1b	IM → BSC effectiveness	0.29	6.18	<0.001	Supported
H1c	IS → BSC effectiveness	0.26	5.40	<0.001	Supported
H1d	IC → BSC effectiveness	0.19	3.96	<0.001	Supported

Source: Compiled by the author

Model Fit and Predictive Power

Table 5. Model Fit Indicators

Indicator	Value
SRMR	0.056
R ² (BSC effectiveness)	0.41
Q ²	0.29

Source: Compiled by the author

The results indicate **moderate explanatory power** of the model.

DISCUSSION

The empirical findings provide strong evidence that transformational leadership significantly enhances the effectiveness of Balanced Scorecard implementation in Vietnamese enterprises.

First, the overall effect of transformational leadership on BSC effectiveness is positive and statistically significant. This finding aligns with previous studies suggesting that leadership plays a critical role in strategic management system implementation.

Transformational leaders help translate strategic vision into operational goals, which is essential for the Balanced Scorecard framework.

Second, among the four leadership dimensions, inspirational motivation demonstrates the strongest influence on BSC implementation effectiveness. This suggests that leaders who clearly communicate strategic vision and inspire employees are more successful in aligning organizational activities with strategic objectives.

Third, intellectual stimulation also shows a strong effect, indicating that encouraging innovation and creative problem-solving enhances organizational learning and performance measurement practices.

Fourth, idealized influence and individualized consideration also contribute positively to BSC success, although their effects are slightly smaller.

These findings support the argument that leadership behavior influences strategic alignment, organizational culture, and employee engagement, which are essential conditions for successful BSC implementation.

Managerial and Policy Implications

Managerial Implications

The findings of this study provide several important managerial implications.

First, organizations implementing the Balanced Scorecard should invest in leadership development programs that promote transformational leadership competencies.

Second, leaders should focus on communicating strategic vision clearly, ensuring that employees understand how their work contributes to organizational objectives.

Third, companies should promote organizational learning and innovation, which enhance the learning and growth perspective of the Balanced Scorecard.

Fourth, organizations should integrate leadership evaluation into their performance management systems.

Policy Implications

From a policy perspective, government agencies and industry associations in Vietnam should support leadership development initiatives aimed at improving strategic management capabilities in enterprises.

Training programs focusing on strategic leadership, performance measurement, and digital transformation can help enterprises adopt modern management tools more effectively.

CONCLUSION

This study examined the impact of transformational leadership on the effectiveness of Balanced Scorecard implementation in Vietnamese enterprises.

Using survey data from 420 respondents and analyzing the data with SmartPLS 4, the study demonstrates that transformational leadership significantly enhances BSC implementation effectiveness.

Among leadership dimensions, inspirational motivation and intellectual stimulation show the strongest influence on BSC outcomes.

The study contributes to the literature by integrating leadership theory with strategic performance management frameworks, particularly in the context of emerging economies.

For practitioners, the findings highlight the importance of leadership capability development for successful strategic management system implementation.

Future research could explore additional mediating mechanisms such as organizational culture, digital capabilities, or innovation climate.

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