

LEADERSHIP STYLE AND EFFECT ON SMALL MEDIUM ENTERPRISES: A SYSTEMATIC LITERATURE REVIEW

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ABSTRACT

Research on SME Objects has been increasing recently. Leadership style is the key in enhancing performance organization. This article aims to do studies literature about style leadership both Transformational leadership and transactional leadership as well as their impact on SMEs. The study uses a systematic literature review. Keywords that used are Transformational leadership and SME, transactional leadership and SME. The limited articles in 2019-2020 were obtained from the journal database ScienceDirect. The results of 13 articles to be conducted analysis literature review. The study held in Indonesia, Ghana, Ecuador, India, South Asia, Pakistan, Tunisia, China, Vietnam, and Iraqi Kurdistan. Based on the results analysis article, transformational leadership provides a positive relationship to performance employees, quality life employees, OCB employees, knowledge sharing, satisfaction employees, and improved performance organization in SMEs. Whereas transactional leadership provides little impact _ even no give impact on the performance of SME organizations. results analysis also reveals that a study about transformational leadership and its impact on many SMEs conducted compared to with study about transactional leadership.

Keywords: Leadership Style; Transformational Leadership; Transactional Leadership; SME

INTRODUCTION

Study about SME on the rise lately this one _ why is SME has uniqueness that is as effort with scale small and medium but capable give contribution big to income a country and absorption power work (Feranita, Nugraha, & Sukoco, 2020) . In the era of the covid-19 pandemic research about SME is done with destination for encourage SME to stay live and grow growing In notes history , one sector an economy that doesn't take effect to global crisis is perpetrator business in the sector small and medium (Jermstittiparsert, 2020) . So that study about SME on the rise from year to year. Small and medium enterprises is businesses engaged in the informal market with amount tbsp limited (Tambunan, 2011) .

Sdm on a SME organizations have a number of categories, however by general shared Becomes two that is leaders and employees. Some SMEs have the same leader and employee where role the conducted for efficiency and effectiveness in management an SME (Okreglicka, Gorzeń-Mitka, & Ogorean, 2015) . At least amount tbsp in SME is something challenge alone for a scalable business _ small and medium. Role as employee sometimes also done by someone leader (Madanchian, Mitra and Taherdoost, 2017) .

Leaders in SME have role important in advance the organization (Rao & Zaidi, 2020) . This thing caused a little amount HR involved in the organization his efforts. The leadership models applied to SMEs have different impacts _ (Kumar & Bhatti, 2020) . Study of style leadership in SME is rare done, even though study they could contribute to the advancement of SME.

Leadership style could interpreted as behavior leader in interact with subordinate in various approach for something destination (López-Fernández, 2018) . Leadership style one with others will give impact direct nor no direct to performance organization. in the context of SME, style leadership will influence performance employees and the organization they lead (Kumar & Bhatti, 2020) . There is two style leadership according to Depaul (2016) namely transformational leadership and transactional leadership (Eagly, Johannesen-Schmidt, & Van Engen, 2003) . According to Rao & Zaidi (2020) second style leadership the born based on results study latest moment this .

Writing article this aim for study style leadership and its impact on SMEs using study literature systematic. So that article this can give description about (1) enrich science topics leadership and impact in SME context, (2) Do analysis systematic literature on style

leadership and its impact on SMEs (3) provides view for study forward about leadership in SME.

METHODS

This paper use method study study literature by systematic (Moher, Liberati, Tetzlaff, Altman, & Grp, 2009) about style leadership and impact to organization . Used object _ are Small and Medium Enterprises. Articles collected from journal database ScienceDirect. Keywords used _ _ for search are Transformational leadership AND SME (12 articles), Transactional leadership AND SME (8 articles). The four keywords used _ in search refer to the definition style leadership expressed by Depaul (2016). Search articles focus on 2019 until _ 2021 and using the journal database ScienceDirect. This thing because articles in the years the is article latest that can be made base analysis next. Of the total 20 articles obtained, 2 of them eliminated because have similarity article. So that obtained the results of 18 articles to be analyzed at the next. After the selection process forget the right article. From that process produced 13 articles that have contents study in accordance with criteria for answer question research.

Table 1. List of Authors & Article Titles

No	Author	Title	Country
1	(Abdullahi, Anarfo, & Anyigba, 2020)	THE IMPACT OF LEADERSHIP STYLE ON ORGANIZATIONAL CITIZENSHIP BEHAVIOR: DOES LEADERS' EMOTIONAL INTELLIGENCE PLAY MODERATING ROLE	Ghana
2	(Cortes & Herrmann, 2020)	CEO TRANSFORMATIONAL LEADERSHIP AND SME INNOVATION: MEDIATING ROLE OF SOCIAL CAPITAL AND EMPLOYEE PARTICIPATION	Ecuador
3	(Malik, Khan, Faisal, Javed, & Faridi, 2020)	AN INVESTIGATION ON LEADERSHIP STYLES FOR THE BUSINESS PRODUCTIVITY AND SUSTAINABILITY OF SMALL MEDIUM ENTERPRISES (SME'S)	India
4	(Rose & Mamabolo, 2019)	TRANSFORMATIONAL LEADERSHIP AS AN ANTECEDENT AND SME PERFORMANCE AS A CONSEQUENCE OF ENTREPRENEURIAL ORIENTATION IN AN EMERGING MARKET CONTEXT	South Africa
5	(Manzoor et al., 2019)	THE IMPACT OF TRANSFORMATIONAL LEADERSHIP ON JOB PERFORMANCE AND CSR AS MEDIATOR IN SMES	Pakistan
6	(Boukamcha, 2019)	THE EFFECT OF TRANSFORMATIONAL LEADERSHIP ON CORPORATE ENTREPRENEURSHIP IN TUNISIAN SMES	Tunis
7	(Qadir & Yeşiltaş, 2020)	EFFECT OF LEADERSHIP STYLES ON ORGANIZATIONAL COMMITMENT AND PERFORMANCE IN SMALL AND MEDIUM SIZED ENTERPRISES IN IRAQI KURDISTAN	Kurdistan iraq
8	(Dartey-Baah, 2020)	LEADERSHIP STYLE AND WORKPLACE WELLNESS AMONG GHANAINAN SME WORKERS	Ghana
9	(Feranita et al., 2020)	EFFECT OF TRANSFORMATIONAL AND TRANSACTIONAL LEADERSHIP ON SMES IN INDONESIA	Indonesia

Table 1. List of Authors & Article Titles (Continued)

No	Author	Title	Country
10	(Rr, 2020)	THE EFFECT OF LEADERSHIP AND EMPLOYEE PERFORMANCE ON INNOVATION PERFORMANCE AMONG INDONESIAN SME'S	Indonesia
11	(Begum, Xia, Mehmood, Iftikhar, & Li, 2020)	THE IMPACT OF CEOS' TRANSFORMATIONAL LEADERSHIP ON SUSTAINABLE ORGANIZATIONAL INNOVATION IN SMES: A THREE-WAVE MEDIATING ROLE OF ORGANIZATIONAL LEARNING AND PSYCHOLOGICAL EMPOWERMENT	China
12	(Afriyie, 2020)	INNOVATION AND KNOWLEDGE SHARING OF SME IN AN EMERGING ECONOMY: THE MODERATING EFFECT OF TRANSFORMATIONAL LEADERSHIP STYLE	Ghana
13	(Mr & Rajagopal, 2019)	THE EFFECT OF TRANSFORMATIONAL LEADERSHIP STYLE ON EMPLOYEE JOB SATISFACTION TOWARDS SMALL AND MEDIUM-SIZED ENTERPRISES (SMES) IN HO CHI MINH CITY, VIETNAM	Vietnamese

RESULTS

Based on results search article with the keyword's leadership style, transformational leadership, transactional leadership, and SME, there were 13 articles that met the requirements condition for next step by step next. Whole article is study empirical research conducted in 2019 to 2020.

Search results show that study with topics transformational leadership in SME more many conducted compared to with transactional leadership. Study about transformational leadership totaling 13 articles, page this show that all research articles _ about style leadership in SME using transformational leadership variables. Whereas article research that discusses There are 6 articles on transactional leadership in SME. The following Table 2 describes study about style leadership.

Research that has been conducted related with style leadership where consist of transformational leadership and transactional leadership provide impact various like in SME. 4 articles show influence style leadership to performance employee (Malik et al., 2020 ; Rose & Mamabolo, 2019 ; Manzoor et al., 2019; Rr, 2020) . Employee performance is a dependent variable that has many researched. Besides performance employee style leadership also matters towards employee OCB (Abdullahi et al., 2020) , satisfaction employee (Mr & Rajagopal, 2019) , participation employee (Cortes & Herrmann, 2020) , and quality life worker (Dartey-Baah, 2020) . Context study the performed-on SME. Study conducted in various countries such as Indonesia, Ghana, Ecuador, India, South Asia, Pakistan, Tunisia, China, Vietnam, and Iraqi Kurdistan. This thing show that results articles collected _ carried out in various countries.

Table 2. Type List Leadership and Its Effects

Author	Leadership Style	Effect
(Abdullahi, Anarfo, & Anyigba, 2020)	Transformational And Transactional Leadership	Organizational Citizenship Behavior Employee
(Cortes & Herrmann, 2020)	Transformational Leadership	Participation Employees, Employee Social Capital .
(Malik, Khan, Faisal, Javed, & Faridi, 2020)	Transformational And Transactional Leadership	Employee Performance
(Rose & Mamabolo, 2019)	Transformational Leadership	Employee Performance
(Manzoor et al., 2019)	Transformational Leadership	Employee Performance
(Boukamcha, 2019)	Transformational Leadership	Create Business New , Innovation Organization , Update Self , Proactive
(Qadir & Yeşiltaş, 2020)	Transformational And Transactional Leadership	Organizational Performance
(Dartey-Baah, 2020)	Transformational And Transactional Leadership	Quality Life Worker
(Feranita et al., 2020)	Transformational And Transactional Leadership	Innovation and Performance
(Rr, 2020)	Transformational And Transactional Leadership	Employee Performance
(Begum, Xia, Mehmood, Iftikhar, & Li, 2020)	Transformational Leadership	Innovation Organization
(Afriyie, 2020)	Transformational Leadership	Knowledge Sharing
(Mr & Rajagopal, 2019)	Transformational Leadership	Satisfaction Work Employee

Based on results study literature by systematic, obtained results influence like what is caused between variables. Research results could see in the Table 3.

Study Afriyie (2020) show that Transformational Leadership is not give influence significant when moderate connection Among innovations made by SME with knowledge sharing. Study this done to the leadership or SME managers. Though Thus, Transformational leadership is influential by significant on knowledge sharing straight away.

Study Feranita et al., (2020) prove that transformational leadership can speed up innovations made in SME. More carry on explained that quality SME leaders like charisma, stimulation intellectual, and judgment individual could trigger innovation in organizations. Other research results this show that quality Leaders studied on transformational leadership variables provide influence by positive on SME performance. This is the advice for SME actors for could increase quality from the leader. Then Influential Transactional leadership positive and not significant to SME performance. So that could conclude that type transactional leadership is not could increase innovation in SME. in line with study Malik et al., (2020) mention that type transformational leadership capable make SME more productive . Whereas type transactional leadership is not a good predictor of SME productivity. So that more transformational leadership appropriate applied for make SME more productive.

Study Dartey-Baah, (2020) show results that style leadership give influence positive to quality life employees . More in again explained, transformational leadership shows influence stronger if compared transactional leadership. Though in transactional leadership provides rewards and punishments in activity, but leadership transformational permanent gives more influence strong.

Table 3. The Relationship Between Leadership Style with Dependent Variable

Author	Connection
(Abdullahi, Anarfo, & Anyigba, 2020)	The results showed that the transformational leadership style had a significant effect on the OCB of SME employees. In contrast, transactional leadership style was found to have an insignificant relationship with OCB of SME employees when the interactive effects of various leadership styles and emotional intelligence were introduced into the model. The results also show that while leader emotional intelligence positively moderated the relationship between transactional leadership style and OCB, the relationship between transformational leadership style and OCB and between transformational leadership style and OCB was not significantly moderated by leader emotional intelligence.
(Cortes & Herrmann, 2020)	Research results show that transformational leadership improves participation and increase social capital which in the end could facilitate innovation in SME
(Malik, Khan, Faisal, Javed, & Faridi, 2020)	More transformational leadership related with productivity business than transactional leadership, which has correlation positive with creation - focused performance _ business and in help increase productivity and sustainability business
(Rose & Mamabolo, 2019)	The results show that transformational leadership is positively related to entrepreneurial orientation. Both transformational leadership and entrepreneurial orientation contribute to the performance of SMEs.
(Manzoor et al., 2019)	Research results show that transformational leadership _ positive and completely predict performance job by special, research this find that CSR is significant mediate influence transformational leadership towards performance job. On the basis of findings this, can explained that transformational leadership, achievement work, and CSR is element important from a organization. Elements they could increase performance organization.
(Boukamcha, 2019)	Transformational leadership is relevant in triggering corporate entrepreneurship's patterns (Creating business new, Innovation, update self and proactive)
(Qadir & Yeşiltaş, 2020)	The results showed that there was a positive effect of both types of leadership styles on organizational performance.
(Dartey-Baah, 2020)	Correlational transformational leadership significant to quality life SME workers in Ghana Transactional Leadership have connection positive against QWL
(Feranita et al., 2020)	Research results show that Influential transformational leadership positive and significant to innovation and performance of SMEs direct and not straight away. Transactional leadership has influence direct positive and not significant to innovation and performance of SMEs. However, transactional leadership is found have influence positive and significant no direct to SME performance. In conclusion, transformational leadership is more important for increase the performance of SMEs in Indonesia rather than transactional.
(Rr, 2020)	Transformational and transactional leadership has an impact significant to performance SME innovation through performance employees. good transformational and transactional leadership capable increase performance employees.
(Begum, Xia, Mehmood, Iftikhar, & Li, 2020)	Finding disclose that empowerment psychological mediate connection Among transformational leadership and innovation sustainable organization. _ Learning organization found by no direct influence connection Among transformational leadership and innovation sustainable organization. _ It also shows _ that empowerment psychological have impact positive on learning organization. Finding show significance strategic transformational leadership and its influence to innovation sustainable organization _ for SMEs.

Table 3. The Relationship Between Leadership Style with Dependent Variable (Continued)

Author	Connection
(Afriyie, 2020)	Results show that Transformational Leadership is not has a moderating effect Among Innovation with Knowledge sharing in SME. whereas Transformational Leadership give influence significant directly on knowledge sharing.
(Mr & Rajagopal, 2019)	concluded that Influential transformational leadership positive to satisfaction work employees. Through study this, SME management can interest for increase Skills leadership they as well as satisfaction employee they to SME performance in the era of integration international.

CONCLUSION

Research that examines about SME on the rise lately this. Study about SME give contribution big to future development of SME. this article explore research that examines about style transformational leadership and transactional leadership along with impact against SMEs. Research article collected from various countries such as Indonesia, Ghana, Ecuador, India, South Asia, Pakistan, Tunisia, China, Vietnam, and Iraqi Kurdistan. study carried out in 2019 to 2020. With keywords _ style leadership and SME. style leadership shared Becomes two keywords _ that is transformational leadership and transactional leadership. Article obtained from journal database ScienceDirect. Total articles obtained and eligible _ for analyzed totaling 13 articles.

Based on results analysis article, transformational leadership provides connection positive to performance employees, quality life employees, OCB employees, knowledge sharing, satisfaction employees, and improvement performance organization in SME. Whereas transactional leadership provides little impact _ even no give impact to performance SME organization. results analysis also reveals that study about transformational leadership and impact to many SME conducted compared to with study about transactional leadership. Study this limited to style leadership and influence against SMEs. advice for study forward that is, explore of each of the dimensions that exist in Leadership style and its influence against SMEs.

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