
Sustainable leadership and task performance of Vietnam textile sector

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Abstract: Vietnam textile industry has contributed much for economic growth and import-export activities of the nation over years, despite of impacts from Covid 19. Our research paper aims to find out the moderating effect of psychological safety within the relationship of entrepreneurial leadership and job performance of textile industry in Vietnam. For this objective, the data was collected from surveys with senior managers. The findings have shown that entrepreneurial leadership had a positive and significant relation with the team task performance and individual job performance. For sustainable leadership, Vietnam textile need to increase task performance in group and as individual. This is to focus on productivity and efficiency and create core values fro Vietnam textile firms.

Last but not least, we recognize the importance between sustainable leadership and psychological security in the textile sector. Our research findings may be expanded for other industries as well as other emerging markets.

Keywords: sustainable leadership, task performance, psychological safety, textile industry Vietnam.

JEL: M21, M10

INTRODUCTION

Prior studies of research by using different leadership approaches, the relationship between CEO's leadership and firm performance has found the mix findings. As, the textile industry of Vietnam had paid a significant role on the development of social and economic perspective. Therefore, this industry could not be ignored. Based, on this gap, the current study purpose is to investigate the moderating effect of psychological safety on the relationship of entrepreneurial leadership and job performance of textile industry in Vietnam.

Vietnam textile sector has gained lots of achievements in recent years, esp. In import-export field.

This success comes mainly from the competitiveness of businesses. The products of Vietnamese textile and garment enterprises are of good quality, ensure delivery time, meet the fundamental factors such as: social responsibility, policies and working conditions, price, cost, labor, etc ... In addition, Vietnam Textile and Garment is also in a favorable position in the general picture of production shifting of the global supply chain. The industry's products have a foothold in traditional markets such as Russia, Eastern Europe, America, and Japan. In the EU, Vietnam is also having the opportunity to expand its market due to the huge demand for textiles and clothing in this market. In addition, the Vietnam - EU Free Trade Agreement is in an active negotiation phase, likely to be signed by the end of this year. This opens up opportunities to drive orders soaring towards the end of the year.

The study structure was divided into following five sections, "introduction, literature review, methodology, data analysis, conclusions and research limitations."

LITERATURE REVIEW

Entrepreneurial Leadership

The role of leaders in entrepreneurial leadership is persuading directing and encouraging the team members to recognize the entrepreneurial opportunities and exploit these opportunities to make the organizational goals successful (Chen, 2007; Miao et al., 2019). On the basis of dispositional factors like leader's focused behavior toward identify and exploiting the new opportunities entrepreneurial leadership (EL) is different from transformational leadership (TL). EL focuses more on employee behavior rather than only some traits of employee focused by a leader (Dinh et al., 2014; Gupta, MacMillan, & Surie, 2004; Prabhu, 1999).

In the previous researches the development and the need of entrepreneurship have been discussing by researchers as the entrepreneurial research is on early stages (Leitch et al., 2013; Leitch & Volery, 2017; McCarthy, Puffer, & Darda, 2010), its conceptualization and measurement methods (Naquin & Holton, 2003). In the recent researches the limited literature is available on the study of effects of EL on top management and the overall firm performance.

Second, the entrepreneurial leader can perform as a role model for their followers to level up their performance by engaging himself Musara and Nieuwenhuizen (2020) in entrepreneurial activities. This step will encourage the team members to follow their leader and perform well. According to Gaglio (2004) the entrepreneurial leader can perform an extra ordinary role to motivate the team by setting an example of availing the new opportunities to get competitive advantage by offering new market products and services (Gaglio, 2004), and allocate the resources properly to exploit these opportunities (Al Mamun, Ibrahim, Yusoff, & Fazal, 2018; Koryak et al., 2015).

The encouragement of CEO to subordinates and role modeling by him/herself urge them to make decisions of risk taking (Gupta et al., 2004) and (Fernald et al., 2005), provide the comfortable and easy environment of communication with top management to share new things to do (Cao, Cai, Hirakubo, Fukui, & Matsuyama, 2011; Fernald et al., 2005). The workers will feel safe and easy in day to day activities in such environment (Naquin & Holton, 2003). To maintain the psychological safety and good performance driven behavior the entrepreneurial leader first set the rules for top management and the interaction norms within the team members (Agarwal & Farndale, 2017; A. C. Edmondson & Lei, 2014).

We have drawn this theoretical perspective from entrepreneurial literature Ruvio, Rosenblatt, and Hertz-Lazarowitz (2010) the social information processing, social learning (Miao et al., 2019), these literatures show that the role of EL by CEO will improve the performance of team as well as individual performance. In this study we proposed that the psychological safety will moderate this relationship. Because, most of the previous studies had a major focus on the direct relationship whereas has a little attention on the indirect relationship. In addition, the previous studies had a major focus on developed countries but had a little attention on the developing country especially on the textile industry of Vietnam.

Research Framework and Research Hypothesis

The research framework had been figure out based on the previous literature discussions. The framework had a three type of variables, entrepreneurial leadership (ENL) (exogenous variable), psychological safety (PYS) (moderating variable) and job performance (endogenous variable). All of the following variables are predicted in Figure 1.



Fig.1: Research Framework

There are following hypothesis are formulated for the current study.

H1: The entrepreneurial leadership had a significant relation with the team job performance of textile industry in Vietnam.

H2: Psychological safety significantly moderates among the relationship of entrepreneurial leadership and team job performance.

Methodology

The research design had selected based on the research objective. The study purpose is to test the moderating effect of psychological safety within the relationship of entrepreneurial leadership and job performance of Vietnam textile industry. For this objective, the quantitative research approach, cross sectional research design had applied. Moreover, the study is correlational in nature. The primary data was collected from the textile industry senior managers by using a simple random sampling technique.

Measures

The questionnaire was adopted from the extent literature where it was already used and tested. The entrepreneurial leadership (ENL) was measured by eight items that were adopted from the study of (Renko, El Tarabishy, Carsrud, & Brännback, 2015). Moreover, the psychological safety was measured by seven items which were adopted from the study of (A. Edmondson, 1999). Lastly, the team job performance was measured by four items which were

adopted from the study of Edmondson’s (1999) and individual job performance was measured by three items which were adopted from the study of (Heilman, Block, & Lucas, 1992).

Data Analysis and Discussions

The data had been analyzed by using a Smart PLS 3.0 and used the Partial Least Square (PLS)-Structural Equation Modeling (SEM). This software is more accepted software when the data in non-normal and sample size is small (Hair, Hult, Ringle, & Sarstedt, 2016, 2017). Moreover, this software is also recommended software when the moderation and mediation is used (Hair et al., 2016, 2017). There are various studies in which they also used the Smart PLS and PLS-SEM for their analysis (Ahmad, Bin Mohammad, & Nordin, 2019). The study analysis was done by using a two model one is measurement model and structural model.

Measurement model

In the measurement model, the construct reliability and validity is checked. The construct reliability and validity could be assessed by convergent and discriminant validity (Hair Jr, Hult, Ringle, & Sarstedt, 2017). The convergent validity could be assessed by the following criteria’s namely, factor loadings, composite reliability and average variance extracted (AVE). The criteria for the factor loadings is 0.5 that could not be decreased, composite reliability recommend criteria is 0.7 that could not be decreased and AVE recommended criteria is 0.5 that could not be decreased (Hair Jr, Hult, Ringle, & Sarstedt, 2016; Hair Jr et al., 2017). On the other hand, the discriminant validity could be assessed through the Fornell and Lacker and Heterotrait-Monotrait ratio (HTMT). In the discriminant validity, Fornell and Lacker shows that AVE square root that diagonal values should always be greater than from other below values (Hair Jr et al., 2016). Moreover, for the HTMT, the correlation among the construct should not be a greater than from 0.85 from other construct (Henseler, Ringle, & Sarstedt, 2015). The Table 1, Table 2 and Table 3 predicted values had presented the measurement model results that shows construct had reliability and validity for the further analysis.

Table 1: Reliability and validity of Model

Constructs	Items	Loadings	Alpha	CR	AVE
Psychological safety	PYS1	0.814	0.907	0.931	0.729
	PYS2	0.888			
	PYS3	0.853			
	PYS4	0.895			
	PYS5	0.906			
	PYS7	0.913			
	Team job performance	TJOP1	0.816		
TJOP2		0.826	0.905	0.934	0.78
TJOP3		0.909			
TJOP4		0.923			
Individual job performance	IJOP1	0.875			
	IJOP2	0.783	0.869	0.902	0.607
	IJOP3	0.849			
Entrepreneurial Leadership	ENL1	0.734			
	ENL2	0.723			
	ENL3	0.856	0.908	0.935	0.784
	ENL4	0.916			
	ENL5	0.885			
	ENL6	0.885			
	ENL7	0.883			

Note: PYS-Psychological safety, TJOP- Team job performance, IJOP- Individual job performance, ENL- Entrepreneurial Leadership.

Table 2: Fornell and Lacker discriminant validity

	PYS	TJOP	IJOP	ENL
PYS	0.808			
TJOP	0.371	0.760		
IJOP	0.362	0.219	0.901	
ENL	0.496	0.156	0.489	0.95

Note: PYS-Psychological safety, TJOP- Team job performance, IJOP- Individual job performance, ENL- Entrepreneurial Leadership.

Table 3: HTMT Discriminant validity

	PYS	TJOP	IJOP	ENL
PYS				
TJOP	0.341			
IJOP	0.302	0.229		
ENL	0.396	0.056	0.289	

Note: PYS-Psychological safety, TJOP- Team job performance, IJOP- Individual job performance, ENL- Entrepreneurial Leadership.

Structural Model

When the assessment of measurement model is fulfilled the criteria, then the assessment of structural model is tested by using a bootstrap 500 sampling technique applied for the hypothesis testing. The Structural Equation Modeling (SEM) had shown that entrepreneurial leadership (ENL) had a relation with the team job performance (TJOP) that is positively and significantly associated which is being supporting to hypothesis 1. Moreover, SEM had also further shown that entrepreneurial leadership (ENL) had also a relation with the individual job performance (IJOP) that is positively and significantly associated which is being supporting to hypothesis 2. These findings had shown that when the entrepreneurial had a good level of leadership then the employee’s performance on job could be increased. Therefore, this could be seen that textile companies entrepreneurial had a greater level of leadership which provide help to increase the performance of employees on job. On the other hand, indirect effect had shown psychological safety had significant moderating effect on the entrepreneurial leadership (ENL) and team job performance (TJOP) that is being supporting to hypothesis 3. Moreover, the psychological safety also positively and significantly moderated among the relationship of entrepreneurial leadership (ENL) and individual job performance (IJOP) that is being supporting to hypothesis 4. These findings had shown that job performance is not effected directly from the entrepreneurial leadership (ENL) but also effected indirectly. Therefore, this could be explained that psychological safety (PYS) is an important moderating variable that is considered to be a big contribution of the study. All the direct and indirect effect results are predicted in the Table 4.

Table 4: Direct and indirect results

	Original Sample	Sample Mean	Standard Deviation	T Statistics	P Values	Results
ENL->TJOP	0.537	0.534	0.058	9.331	0.000	Supported
ENL->IJOP	0.768	0.771	0.031	24.482	0.000	Supported
PYS*ENL->TJOP	0.579	0.576	0.073	7.961	0.000	Supported
PYS*ENL->IJOP	0.159	0.16	0.052	3.044	0.002	Supported

Note: PYS-Psychological safety, JOP-job performance, ENL- Entrepreneurial Leadership.

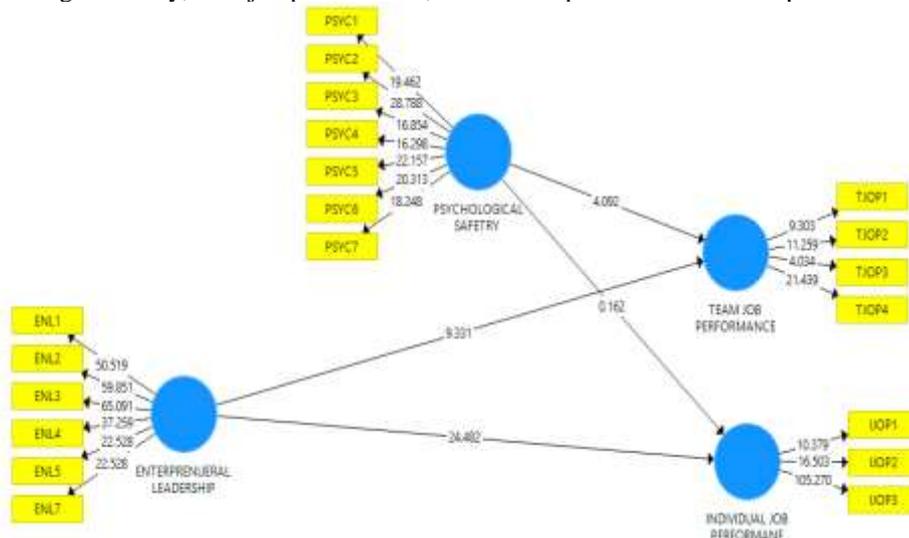


Fig.2:

DISCUSSION

Industrial Revolution 4.0 is creating a drastic change in the perceptions as well as production methods of domestic textile enterprises. With the adoption of automation, the use of robots and big data, productivity increases. Applying technology in production not only helps workers have stable jobs and higher income, but the group’s profit can be doubled. Thus, Industrial Revolution 4.0 is becoming an inevitable trend, however, the introduction

of modern technology into production still faces difficulties, especially the lack of human resources to operate those equipment. This is the question for productivity issue in the Vietnam textile sector.

As stated from research results, we emphasize the group work and personal task performance to increase sustainable leadership of textile sector.

CONCLUSION

The study purpose is to figure out the moderating effect of psychological safety within the relationship of entrepreneurial leadership and job performance of textile industry in Vietnam. For this objective, the data was collected from the survey of senior managers. The findings have shown that entrepreneurial leadership (ENL) had a positive and significant relation with the team job performance (TJOP) and individual job performance (IJOP). On the other hand, indirect effect also shown that psychological safety (PYS) is also significantly and positively moderating among the relationship of both of the job performance indicators and entrepreneurial leadership (ENL). As, all of the hypothesis are accepted in the present study, therefore this study finding are considered to be a big contribution in the extant literature. The current study could provide help to the policy makers and entrepreneurs to know about the importance of leadership and psychological safety to increase their organization job performance. Moreover, the study could also provide help to take a collaboration among the researchers and entrepreneurial to take a future research. The current study had some limitations.

Management implications

Vietnam textile firm management might consider to improve working environment, workers skills and team work productivity in order to increase sustainable leadership.

Limitation of the research

We need to expand our researches to other emerging markets as well as other sectors.

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