

# The Mediating Effect of Trust and Commitment on Transformational Leadership and Performance: An Empirical Study in Vietnam

Ling Yuan<sup>1</sup>, Thi-Trang-Nhung Nguyen<sup>1,2</sup> and Manh-Cuong Vu<sup>1</sup>

<sup>1</sup>Hunan University and <sup>2</sup>Hanoi University of Industry

## Abstract

This paper presents the findings of a study which examined the relationship between transformational leadership, trust, commitment, and employee performance. Further, the study determined the influence of transformational leadership, trust, and commitment on employee performance. Although these interrelations are very important for enhancing performance, few empirical studies analyze these relationships together. Finally, the study examined the most important factor that influences employee performance. This article explores those relationships using SEM with data from 452 employees and their immediate supervisors of manufacturing firms located in Vietnam. The results indicated that transformational leadership indirectly enhances employee performance through employee trust and organizational commitment. Besides, employee trust influences employee performance, both directly and indirectly through organizational commitment. On the other hand, there is a positive association exists between organizational commitment and employee performance. Findings, implications and recommendation for future research from this study are discussed.

*Keywords:* Transformational leadership, employee trust, organizational commitment, employee performance.

## 1. Introduction

The concept of transformational leadership was first used by Burns [18] in his exploration of “world class leaders” and developed by (See Bass [7]). This concept has extensive theoretical and practical acceptance (See Avolio [4]). Transformational leadership includes four distinct but interrelated behaviors: idealized influence (followers trust in and emotionally identify with the leader), inspirational motivation (the leader articulates an inspiring vision), and intellectual stimulation (The leader challenges followers’ preconceived notions), and individualized consideration (assignments are delegated to followers to provide learning opportunities). Transformational leaders motivate their followers to perform beyond expectations by activating employees’ higher order needs, fostering a climate of trust, and inducing employees to transcend self-interest for the