Print ISSN: 2288-4637 / Online ISSN 2288-4645 doi:10.13106/jafeb.2022.vol9.no10.0201

## Impacts of Emotional Capacity of Managers on Transformational Leadership Behavior in Enterprises: A Case Study in Vietnam

Quang Bach TRAN<sup>1</sup>, Thai Dung NGUYEN<sup>2</sup>

Received: September 15, 2022 Revised: November 26, 2022 Accepted: December 05, 2022

#### **Abstract**

Transformational leadership styles are seen as key to inspiring employees to embrace change, as well as to build a sense of responsibility and autonomy at work. This study aims to examine the impact of managers' emotional capacity on transformational leadership behavior in enterprises in Vietnam. Using quantitative research methodology, through exploratory factor analysis (EFA) and linear structure model (SEM), with survey data of 632 samples who are managers of different levels in the enterprise. Research results show that the emotional capacity of managers has both a direct and indirect impact on transformational leadership behavior through the intermediary factors of knowledge sharing at work and corporate social responsibility for employees. Based on that, the study proposes a number of recommendations to promote transformational leadership behavior in enterprises. The findings of this study have demonstrated the importance and impact of managers' emotional capabilities across multiple dimensions of transformational leadership behavior. These are both theoretical and practical contributions that provide managers with greater insight into their emotional capabilities and the need for transformational leadership behaviors. At the same time, the results of this study will also be an important foundation for further research.

**Keywords:** Emotional Competencies, Knowledge Sharing, Corporate Social Responsibility, Opportunity Behaviors, Transformational Leadership Behaviors

JEL Classification Code: M12, J27, J81

### 1. Introduction

Transformational leadership styles are seen as key to inspiring employees to embrace change, as well as building a sense of responsibility and autonomy at work. According to Dvir et al. (2002), transformational leadership is a leadership style that creates engaging behaviors, arouses inspirational motivation, provides intellectual stimulation, and each individual is considered when dealing with employees. These behaviors change employees, helping them reach their full potential and achieve the highest levels of performance at work.

Transformational leadership behaviors create new trends, which change the perception and attitude of each individual and all employees in the business.

Managers play a leading role in the business. Their behavior is dominated by the intrinsically inherent style and competence of their managers. To promote performance, managers need to have the necessary sensitivity and the ability to perceive and govern their own emotions, as well as employees. Therefore, their performance is influenced by the factor of emotional capacity. According to Mayer and Salovey (1997), emotional competence is related to the ability to accurately recognize individuals' emotions, evaluate and express emotions, generate positive emotions when it promotes competence, understand emotions, have knowledge of emotions, and regulate emotions to accelerate intellectual and emotional development. The indicators of emotional competence and its application to managers are important, which govern management decisions, impact their acumen at work, the process of establishing, maintaining, and developing relationships in the business, and impact trust, engagement, and business performance.

<sup>&</sup>lt;sup>1</sup>First Author and Corresponding Author. Lecturer, Faculty of Economics, Vinh University, Vietnam. [Postal Address: 182 Le Duan, Ben Thuy, Vinh City, Nghe An, Vietnam]

Email: tbach152008@gmail.com

<sup>&</sup>lt;sup>2</sup>Expert, Vinh University, Vietnam. Email: ntdung@vinhuni.edu.vn

<sup>©</sup> Copyright: The Author(s)

This is an Open Access article distributed under the terms of the Creative Commons Attribution Non-Commercial License (https://creativecommons.org/licenses/by-nc/4.0/) which permits unrestricted non-commercial use, distribution, and reproduction in any medium, provided the original work is properly cited.

Many studies study the relationship between managers' emotional capacity and transformational leadership behavior. However, most studies indicate that there is an indirect impact of emotional competence on transformational leadership behavior through various mediators. Chiu (1999) identified the relevance of positive psychological status and work behavior to the perception of organizational equity in salary payment, salary satisfaction, and job satisfaction. As managers, the ability to influence, and control employee behavior or the ability to influence and inspire employees at work will be necessary to improve performance for managers. Zhou and Geogre (2003) suggested that managers with high emotional capacity are capable of facilitating cognitive processes, identifying basic problems, perceiving opportunities, creating a comfortable mentality, and promoting transformational behavior and performance. Emotional competence is one of the factors that help managers understand the thoughts, behaviors, and feelings of others, which helps to promote the activities of both employees and managers themselves at work. When managers have a high emotional capacity, they are often more willing to contribute to the organization (Abraham, 2000). Slaski and Cartwright (2002) demonstrated that there is a reversible relationship between emotional and mental capacity as well as performance level in the work of the administrator.

In the current mechanism of international competition and globalization, change management plays an important role. Managers need to be aware of the actual context, anticipate future development trends to have the right behaviors, and make the right decisions. Therefore, accepting and promoting transformational leadership behavior is seen as a requirement today. In fact, in Vietnam, along the way from the innovation period to now, enterprises have gradually shown their growth not only in terms of scale and quality but also in terms of development. creating a solid foundation for the future. Businesses have had more connection and interconnectedness, and commitments to customers and suppliers have been increasingly emphasized. The issue of quality of human resources and maintaining professional, scientific, and effective operating apparatus is increasingly being taken care of and promoted. These will be the basic prerequisites for the sustainable development of many businesses in the future. However, fear of change is still present and even relatively common in many Vietnamese enterprises today, especially small and medium enterprises. Businesses and managers are still used to staying in their comfort zones and do not want to get out to change themselves and their old behavior and work style. Moreover, for managerial staff, the actual emotional index is still quite low. Many managers are lacking sensitivity at work, reducing the

performance of individuals, thereby significantly affecting the overall development of the whole enterprise.

The study aims to model and test the impact of managers' emotional capacities on transformational leadership behavior in enterprises in Vietnam. The research aims to ask and answer the question of whether or not there is a direct impact of the emotional capacity of managers on transformational leadership behavior. How is the intermediary role of knowledge-sharing factors in the work, social responsibility, and opportunistic behavior of managers represented in the above relationship? The findings of this study show the contribution of both theoretical and practical aspects, demonstrating the importance of the emotional capacity of managers in the relationship with transformational leadership behaviors. In particular, the study has demonstrated the intermediate role of knowledge sharing in work and corporate social responsibility for employees in the relationship between the above factors. Since then, the study has helped propose some recommendations for managers to improve their emotional capacity and promoting transformative leadership behavior in the business.

### 2. Literature Review and Hypotheses

#### 2.1. Literature Review

# 2.1.1. Theory of Transformational Leadership Behaviour

The theory of transformational leadership is proposed by Burns (1978). Transformational leadership is a leadership approach that causes a change in individuals and social systems. Ideally, this style of leadership creates valuable and positive change in subordinates, with the ultimate goal of helping subordinates grow into leaders. Burn (1978) argued that transformational leadership clarifies the vision of the future and shares it with employees, stimulates employee intelligence, and cares about personal differences between employees. According to Burns (1978), there are 4 key elements of transformational leadership: (1) Inspirational motivation; (2) Intellectual stimulation; (3) Idealizing influence; (4) Personal considerations.

- 1. Inspirational motivation: the foundation of transformational leadership is driving vision, a consistent mission, and a set of values for members. Transformational leaders guide subordinates by providing them with meaning and challenge. They work enthusiastically and optimistically to promote teamwork and responsibility.
- 2. Intellectual stimulation: leaders encourage subordinates to be creative and innovative. They encourage new ideas from subordinates and are never

openly critical of the mistakes that subordinates make. Leaders focus on the essence of the problem but don't take it seriously when they blame people for making mistakes. They do not hesitate to abandon an old practice set by themselves if it does not work.

- 3. Idealizing influence: leaders act as role models that subordinates want to follow. Such leaders always earn the trust and respect of their subordinates through their actions. Leaders often place the needs of subordinates above their own, sacrifice personal interests for subordinates, and demonstrate high ethical standards.
- 4. Personal considerations: leaders act as mentors for subordinates and reward them for their creativity and innovation. The subordinates are treated differently according to their talents and knowledge. They are empowered to make decisions and are always provided with the support they need to make those decisions.

#### 2.1.2. EI Scales by Mayer and Salovey (1997)

Mayer and Salovey (1997) have demonstrated that these competencies are not only structurally related but can be categorized into the hierarchical order of formation of psychological processes. The EI 97 model includes the following competencies:

- 1. The capacity to recognize emotions: includes a set of skills that enable an individual to feel, understand, and express emotions. The specific competencies here include recognizing one's emotions and those of others, expressing one's emotions, and distinguishing the types of emotions that others express through information conveyed, received through facial expressions, voices, gestures, body postures, colors, and other signs (such as through stories that the person tells, musical interests, or things that excite the person...)
- The capacity to use emotions: this capacity is understood as an individual's ability to use emotions to support judgment and thinking; emotions with ways of seeing bring different forms of solving tasks.
- 3. The capacity to understand emotions and the laws of emotions: this capacity is understood as an individual's ability to understand emotions and causes, the course of development of emotions, including abilities such as defining and distinguishing different types of emotions (for example, the difference between love and hate), understanding the complex mix of types of emotions and setting out the laws of emotions: such as anger eliminating shame, loss often entails boredom.
- 4. The capacity to control emotions: this capacity is understood as the ability of an individual to control,

and self-control their own emotions, set emotions in support of a certain social goal, and control the emotions of others. At this level of complexity, emotional competence consists of the skills that enable the individual to participate selectively in certain types of emotions or to escape from certain types of emotions, to control his/her emotions and those of others.

In addition to the two key relationships mentioned, managers' emotional competence and transformational leadership behaviors, the study also addresses the mediators including knowledge sharing, social responsibility for employees, and opportunity behaviors in managers' work.

Knowledge sharing is defined as a deliberate subjective action that causes knowledge to be reused by others through knowledge transfer (Lee & Al-Hawamdeh, 2002); Knowledge sharing at work ensures that the common work system is operated in a harmonious, scientific, and effective manner. According to Hari et al. (2005), knowledge sharing is the process or activity whereby existing knowledge in an organization is transferred from its holders to those who do not have it, i.e. the process of transmitting hidden knowledge and existing knowledge. Tsui et al. (2006) stated that knowledge sharing is an activity that helps employees share understanding and experience to help projects and plans be completed quickly and cost-effectively. According to Hari et al. (2005), knowledge sharing is the process or activity whereby existing knowledge in an organization is transferred from its holders to those who do not have it, i.e. the process of transmitting hidden knowledge and existing knowledge. At the same time, Tsui et al. (2006) also suggested that knowledge sharing is an activity that helps employees share understanding and experience to help projects and plans be completed quickly and cost-effectively. Knowledge sharing is also important in creating new knowledge and leveraging them to improve enterprise performance (Krough et al., 2000).

Corporate social responsibility is the commitment of the enterprise to contribute to sustainable economic development, through compliance with environmental protection standards, gender equality, occupational safety, labor rights, fair pay, training, and development of employees, and community development. Carroll (1979) defined that corporate social responsibility includes society's expectation of economics, law, ethics, and charity for organizations at a given time. Maignan and Ferrell (2004) argued that a business is socially responsible when its decisions and operations are aimed at creating and balancing the different interests of the individuals and organizations involved. In their study, Brammer et al. (2007) proposed the components of corporate social responsibility including social responsibility for

society, social responsibility for the natural environment, social responsibility for customers, social responsibility for other external stakeholders, social responsibility for law, social responsibility for equity in policy, social responsibility for employee training. Imran et al. (2010) examined the effect of corporate social responsibility on employee engagement with the organization, as well as how social responsibility and employee engagement affect organizational performance. Research demonstrates that corporate social responsibility, including activities for the benefit of employees and their families, increases the level of employee engagement with the organization.

In enterprises, any type, there are always two types of behavior that are mainly positive and negative. Positive behavior brings stable values and long-term development potential to the business. Meanwhile, negative behavior is expressed through individualism, display, and form that will suppress the development of the business. According to Morgan and Hunt (1994), opportunistic behavior with negative implications, by its very nature, is behaviors that disrupt commitments, breaches obligations, and responsibilities that require implementation (Morgan & Hunt, 1994). Opportunistic behavior is considered a form of fraudulent behavior, which is governed and determined by the awareness, attitudes, and capabilities of the employees (Nguyen et al., 2021).

### 2.2. Research Hypothesis

### 2.2.1. Managers' Emotional Capabilities and Transformational Leadership Behaviors

According to Daus and Ashkanasy (2005), emotional capacity is an important predictor of organizational results. The research results of Sy et al. (2006), Kafetsios and Zampetakis (2008), Guleryuz et al. (2008), and Diamastuti et al. (2021) demonstrated that there is a positive influence of emotional capacity on job satisfaction, thereby dominating the positive transformation behavior of managers. Effective mastery and control of emotions often make managers more sensitive to management decisions, which often tend to find new, more innovative things to work towards faster and more sustainable success. Studying the relationship between the emotional capacity of managers and transformational leadership behavior, in the context of enterprises in Vietnam, the following hypothesis is proposed:

H1: The emotional capacity of managers has a positive correlation with transformational leadership behavior in enterprises in Vietnam (see Figure 1).

# 2.2.2. Emotional Competence of Managers and Knowledge Sharing

Studies have shown the relationship between emotional competence and belief, and the sharing of knowledge in the work of managers. According to Jordan et al. (2002), individuals with high emotional capacity will achieve more success at work, gaining confidence in the working environment. Managers with high emotional capacity often find new and more effective ways of working; they are also willing to share the knowledge found with their colleagues to develop the manager's work and the whole business. Studying this content, the authors propose the following hypothesis:

**H2**: The emotional capacity of managers has a positive correlation with knowledge sharing at work in enterprises in Vietnam (see Figure 1).

# 2.2.3. Knowledge Sharing and Transformational Leadership Behaviors

Chalkiti (2012) studied the factors affecting knowledge sharing, which confirmed that commitment and engagement with the organization have a one-way relationship with knowledge sharing in the enterprise. Knowledge sharing is associated with team performance as well as work togetherness. Knowledge sharing takes place more openly at work and is often associated with a tendency to be ready for change and timely adaptation from managers. For modeling and testing to elucidate the impact of knowledge sharing at work on transformational leadership behavior, the following hypothesis is then proposed:

**H3**: Knowledge sharing at work has a positive correlation with transformational leadership behavior in enterprises in Vietnam (see Figure 1).

# 2.2.4. Manager's Emotional Competencies and Corporate Social Responsibility for Employees

Emotional competence plays an important role in management activities. Managers, in general, and middle managers, always have different job needs. The indicators of emotional competence and its application to managers are important, which govern management decisions, impact their acumen at work, the process of establishing, maintaining, and developing relationships in the business, and impact trust, engagement, and business performance. Emotional competence relates to the ability of individuals to accurately recognize emotions, evaluate and express emotions, generate

emotions as it promotes competence, think emotionally, have knowledge of emotions, and regulate emotions that move toward accelerating intellectual and emotional development (Mayer & Salovey, 1997; Johan, 2021). Therefore, the following hypothesis is formulated:

**H4**: The emotional capacity of managers has a positive correlation with corporate social responsibility for employees in enterprises in Vietnam (see Figure 1).

# 2.2.5. Corporate Social Responsibility for Employees and Transformational Leadership Behaviors

Thorne et al. (1993) demonstrated that, if the enterprise does not perform its social responsibility, the efficiency of governance activities will be significantly reduced. Many studies have shown similar results when assessing corporate social responsibility such as Babola (2012), Akanbi and Ofoegbu (2012), Ahamed et al. (2014), Khan et al. (2016), Yusoff and Adamu (2016), and Lee (2018). Studying the relationship between corporate social responsibility for employees and transformational leadership behavior, the research hypotheses:

**H5**: Corporate social responsibility for employees has a positive correlation with transformational leadership behavior in enterprises in Vietnam (see Figure 1).

# 2.2.6. Managers' Opportunistic Behavioral and Emotional Capabilities

Côté and Miners (2006) suggested that there is a meaningful relationship between emotional competence and organizational building behaviors. Solan (2008) also found evidence of the relationship between managers' emotional capacity and organizational building behavior. The emotional abilities of managers are associated with sharper and more appropriate decisions at work without the need for self-interest behaviors to aim at the improper effectiveness of the business. Therefore, managers with good emotional capacity tend to minimize opportunistic behaviors in the business, the following hypothesis is formulated:

**H6**: Emotional capacity has a negative correlation with the opportunistic behavior of managers in enterprises in Vietnam (see Figure 1).

# 2.2.7. Opportunistic Behaviors and Transformational Leadership Behaviors

According to Katsikeas et al. (2009), opportunistic behavior has a negative impact on employee trust, thereby

affecting the performance of enterprises. Opportunistic behavior has negative implications and has a significant impact on many different aspects of management in the business. Managers who perform many behaviors in favor of individuals will often be less inclined to accept the change toward the overall performance of the organization, they are also more afraid of simple leadership behavior and often do not accept creativity at work. In the context of enterprises in Vietnam, aiming to examine the relationship between the impact of opportunistic behavior on transformational leadership behavior, the following hypothesis is then proposed:

**H7:** The opportunistic behavior of managers has a negative correlation with transformational leadership behavior in enterprises in Vietnam (see Figure 1).

# 2.2.8. Sharing Knowledge and Corporate Social Responsibility with Employees

According to Morgan and Hunt (1994), collaborative behavior and knowledge sharing are positive outcomes of commitment. According to the research results of Weshah et al. (2012), Akanbi and Ofoegbu (2012), Palmer (2012), Babola (2012), Islam et al. (2012), Malik and Nadeem (2014), Siddiq and Javed (2014), Monsuru and Abdulazeez (2014), Ahamed et al. (2014), Yusoff and Adamu (2016), and Khan et al. (2016), corporate social responsibility for employees has a positive impact on knowledge sharing and overall performance of enterprises. Given the context of enterprises in Vietnam, to answer the question of how the relationship between knowledge sharing and corporate social responsibility for employees is expressed, the following hypothesis is proposed:

**H8:** Knowledge sharing at work has a positive correlation with corporate social responsibility for employees in enterprises in Vietnam (see Figure 1).

# 2.2.9. The Managers' Opportunistic Behaviors and Corporate Social Responsibility for Employees

Gond et al. (2010) have clarified the influence of the implementation of social responsibility on the behavior and attitudes of employees. Viswesvaran et al. (1998) analyzed the association between corporate social responsibility for employees and employee resistance. The opportunistic behavior of each individual has a significant impact on the satisfaction, trust, and engagement of employees with the organization, thereby reducing the corporate social responsibility for employees. To investigate this relationship,

in the context of enterprises in Vietnam, the following hypothesis is proposed:

**H9**: The opportunistic behavior of managers has a negative correlation with corporate social responsibility for employees in enterprises in Vietnam (see Figure 1).

# 2.2.10. Knowledge Sharing and Opportunistic Behaviors of Managers

Considered a negative aspect of the system of working behavior of employees, opportunistic behavior is related to the redemptive behavior of individuals at work. Thus, when employees have a high level of opportunistic behavior, they will tend to limit the exchange of valuable information with colleagues and partners (Tran et al., 2019). Conversely, in an open culture, knowledge sharing in the work is done openly, continuously will help strengthen the bond as well as the understanding and trust of the employees with each other and between employees and managers, thereby reducing the opportunistic behaviors of managers in the business. So, in the context of enterprises in Vietnam, to investigate how the relationship between knowledge sharing at work and managers' opportunistic behavior is expressed, the following hypothesis is proposed:

**H10:** Knowledge sharing at work has a negative correlation with the opportunistic behavior of managers in enterprises in Vietnam (see Figure 1).

#### 3. Research Methods

#### 3.1. Research Scale

Based on the literature overview, the research proposes the research model with the independent variable being the emotional capacity of managers; the intermediate variables include knowledge sharing, corporate social responsibility for employees, and opportunistic behavior; the target variable is transformational leadership behavior. The scale used in the study was the Likert scale with 5 levels scored from 1 to 5 (1 - Strongly disagree; 2 - Disagree; 3 - Normal; 4 - Agree; 5 - Strongly agree). Indicators measuring the variables are adapted with modifications from previous studies (see Table 1).

### 3.2. Research Sample

The study sample was selected according to the method of non-probabilistic sampling, which is convenient sampling. Data is collected through stratified sampling at enterprises in

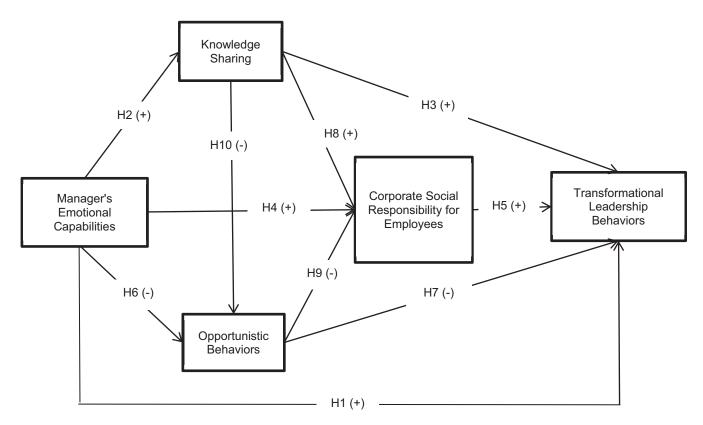


Figure 1: Proposed Research Model

all three regions of the North, Central, and South of Vietnam. The samples in the study were identified as managers in the enterprises. The data collection process is conducted in two ways: direct distribution and an online survey through Google Forms. The total number of questionnaires distributed directly was 500, the total number of questionnaires collected was 351, and the number of questionnaires used was 318. The total number of questionnaires sent online was 450, the total number of questionnaires collected was 329, and the total number of questionnaires used was 314. Thus, the total number of valid questionnaires used for analysis is 632 (see Table 2). According to the study by Hair et al. (1998), for reference on the expected sample size, the minimum sample size is 5 times the total number of variables observed. With the number of observations in the article of 54, the scale of the study includes 632 samples which ensure the analysis requirements. The data collection completion time is from April 2022 to September 2022.

#### 3.3. Data Analysis

The study uses a quantitative approach through EFA and SEM. Data after being collected and cleaned, are then processed through SPSS and AMOS programs. First, the study evaluated the reliability of the scale with the requirements of Corrected Item Total Correlation > 0.3; Cronbach's Alpha coefficient > 0.7; At the same time, when Cronbach's Alpha If the Deleted Item of an indicator is greater than Cronbach's Alpha of the total variable, it is necessary to consider this type of indicator. Then, EFA is performed to determine the "convergent validity" and "discriminant validity" with the requirement of factor loading > 0.5; KMO factor >= 0.5 and <=1; Sig value. < 0.05; Percentage of variance > 50%; the factor extraction method used is the Varimax rotation factor analysis. Next, the study used AMOS software to assess the appropriateness of the research model through CFA and finally tested the research hypotheses by analyzing the SEM

Table 1: Sources of Scales

No.	Variable	Abbreviation	Number of Observations	Sources of Scales
1	Emotional Capabilities	EMC	33	SSRI Scale by Ciarrochi et al.
	- Recognition of Emotions	REE	10	(2001)
	- Use of Emotions	USE	6	
	- The ability to understand emotions	UNE	8	
	- Control of Emotions	COE	9	
2	Knowledge Sharing	KNS	5	Chennamaneni (2006)
3	Corporate Social Responsibility for Employees	CSR	5	Hopkins (2003); Clarkson (1995)
4	Opportunistic Behaviors	OPB	5	Katsikeas et al. (2009)
5	Transformational Leadership Behaviors	TLB	6	Burns (1978)

Table 2: Sample Demographics

No.	Location	Methods of Data Collection	Expected Sample Size	Collected Sample Size	Valid Responses Used in the Analysis	Percentage (%)
1	Northern	Directly	200	127	108	17.09
	Region	Online	150	116	106	16.77
2	Central Region	Directly	200	137	128	20.25
		Online	150	112	110	17.41
3	Southern Region	Directly	100	87	82	12.97
		Online	150	101	98	15.51
Total			950	680	632	100

with the requirement of chi-square/df index < 3 (Hair et al., 1998); GFI > 0.8; TLI, CFI > 0.9; RMSEA <0.05 (Taylor et al., 1993).

#### 4. Results and Discussion

### 4.1. Evaluate the Scale's Reliability

To assess the reliability of the scale, Cronbach's Alpha testing was conducted. The results showed that the reliability of the scale and the data values were included in the analysis when Cronbach's Alpha coefficient of all variables was > 0.7 and the Corrected Item - Total Correlation > 0.3. However, because the REE2 indicator has a Cronbach's Alpha If Item Deleted of 0.919 that is greater than the Cronbach's Alpha of the REE variable (0.912) and the COE5 indicator has a Cronbach's Alpha If Item Deleted of 0.842 that is greater than the Cronbach's Alpha of the COE variable (0.840). Therefore, to increase the suitability of the scale, these indicators were removed REE2 and COE5 (see Table 3).

#### 4.2. EFA Analysis

After testing the suitability of the scale, the study conducted EFA for both independent, intermediate, and dependent variables. For the independent and intermediate variables, the analysis process was conducted 2 times, in which Factor loading in the analyses was > 0.5; KMO coefficient >= 0.5 and <=1; Sig value. < 0.05; Percentage of variance > 50%. However, in the first analysis, because the value of convergence validity is not guaranteed, indicators COE1; COE6; COE7 were removed. After the removal of those indicators, the analysis results for the second time show that the data meet the requirement (see Tables 4 & 5).

For dependent variables that are transformational leadership behaviors, the EFA test results showed that the data meet the requirement of the analysis with Factor loading > 0.5; KMO factor >= 0.5 and <=1; Sig value. < 0.05; percent variance > 50% and satisfies the two conditions of "Convergent validity" and "Discriminant validity".

<b>Table 3:</b> Evaluation of the Scale with Cronl	bach's Alpha Coefficient
--	--------------------------

No.	Variable	Abbreviation	Cronbach's Alpha Coefficient
1	Recognition of emotion	REE	0.919
2	Use of Emotions	USE	0.828
3	The ability to understand emotions	UNE	0.872
4	Control of Emotion	COE	0.842
5	Knowledge Sharing	KNS	0.870
6	Corporate Social Responsibility for Employees	CSR	0.905
7	Opportunistic Behaviors	OPB	0.859
8	Transformational Leadership Behaviors	TLB	0.938

Table 4: EFA Factor Analysis Results

EFA Analysis		KMO values	<i>P</i> -value	Extracted Variance	Loading Factor	Conclusion	
Independent The 1 <sup>nd</sup> run variables and moderating variables		0.938	0.000	62.525	All are greater than 0.5	Indicators COE1; COE6; COE7 were removed	
	The 2 <sup>nd</sup> run	0.940	0.000	62.609	All are greater than 0.5	Satisfy analysis requirements	
Dependent variable		0.896	0.000	78.530	All are greater than 0.5	Satisfy analysis requirements	

 Table 5: Rotation Matrix in EFA Analysis for Independent and Moderating Variables

Indicator	Component								
Indicator	1	2	3	4	5	6	7		
REE7	0.800								
REE8	0.768								
REE4	0.759								
REE1	0.748								
REE3	0.742								
REE10	0.709								
REE6	0.708								
REE9	0.657								
REE5	0.624								
UNE5	0.021	0.722							
UNE4		0.720							
UNE8		0.712							
UNE3		0.712							
UNE2		0.689							
UNE1		0.688							
UNE6		0.646							
UNE7		0.602							
CSR5		0.602	0.807						
CSR4			0.802						
CSR2			0.774						
CSR1			0.770						
CSR3			0.702						
OPB5				0.818					
OPB4				0.807					
OPB1				0.780					
OPB2				0.690					
OPB3				0.670					
USE1					0.738				
USE6					0.696				
USE5					0.693				
USE4					0.669				
USE3					0.609				
USE2					0.582				
COE9						0.784			
COE4						0.712			
COE3						0.689			
COE8						0.664			
COE2						0.631			
KNS2							0.722		
KNS3							0.695		
KNS5							0.679		
KNS1							0.609		
KNS4							0.582		

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

### 4.3. CFA Analysis

After the results of EFA and the data used in the analysis meet the requirement, CFA is carried out. Confirmatory Factor Analysis - CFA is the next step of Exploratory factor analysis - EFA, including design to identify, test, and adjust measurement models independently. The purpose of CFA is to establish appropriate measurement models used to test structural models. Determine the appropriateness of the model based on some evaluation indicators as presented above.

Analysis shows that the model fits with research data, Chi-square value = 2729.079; df = 1099; Chi-square/df = 2.483 (< 3); P = 0.000 (< 0.05); GFI = 0.848 (> 0.8); TLI = 0.912 (> 0.9); CFI = 0.918 (> 0.9); RMSEA = 0.048 (< 0.05) (see Figure 2).

### 4.4. SEM Analysis

By conducting SEM on the research model, we found that the composite indexes meet the requirements. To specify, Chi-square = 2821.008; df = 1113; Chi-square/df = 2.525 (< 3); P = 0.000 (< 0.05); GFI = 0.844 (> 0.8); TLI = 0.909 (> 0.9); CFI = 0.914 (> 0.9); RMSEA = 0.049 (< 0.05) (see Figure 3).

The results of estimating the relationships in the model show that the research model is suitable. Except for

hypothesis H6, all remaining hypotheses were accepted with a significance level of P < 0.05 being accepted.

Specifically, hypothesis H1 has a significance level in the testing of 0.239, regression weight of 0.239 (>0). This means concluding that the emotional capacity of managers has a positive correlation with transformational leadership behavior in the context of enterprises in Vietnam. This result corresponds to the research works of Daus and Ashkanasy (2005), Sy et al. (2006), Kafetsios and Zampetakis (2008), Guleryuz et al. (2008), and Diamastuti et al. (2021).

Hypotheses H2 and H3 were accepted with both statistical significance levels < 0.05 and positive regression weights (0.979 and 0.217). Thus, the research results have demonstrated that the emotional capacity of managers has a positive correlation with knowledge sharing at work, while knowledge sharing has a positive correlation with transformational leadership behavior in enterprises in Vietnam. These results also correspond to the works of Jordan et al. (2002) and Chalkiti (2012).

Similarly, with significance levels < 0.05 and regression weights in the test of 0.339 and 0.295 (>0), hypotheses H4 and H5 are both acceptable. Therefore, it can be concluded that the emotional capacity of managers has a positive correlation with corporate social responsibility for employees and in turn, corporate social responsibility for employees has also been shown to have a positive correlation with transformational leadership behavior in

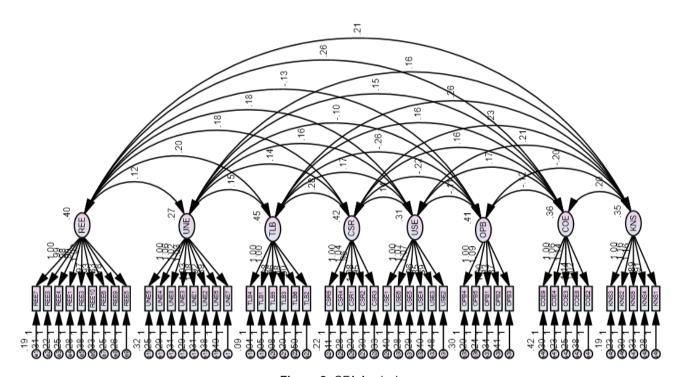


Figure 2: CFA Analysis

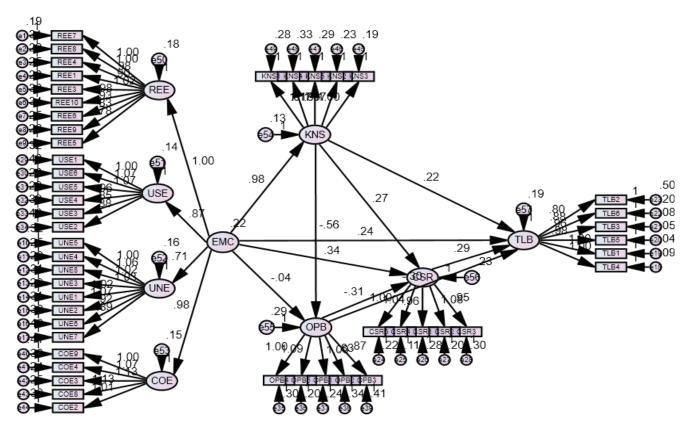


Figure 3: SEM Model Analysis

the context of enterprises in Vietnam. These results are similar to the works of Mayer and Salovey (1997), Thorne et al. (1993), Babola (2012), Akanbi and Ofoegbu (2012), Ahamed et al. (2014), Khan et al. (2016), and Yusoff and Adamu (2016).

For hypotheses H6 and H7, while hypothesis H6 was rejected because of the statistical significance level in the test of 0.718 (>0.05), the results of the study accepted hypothesis H7 with the statistical significance level of P < 0.05 and regression weight of -0.300 (<0). Thus, emotional competence has no impact on the opportunistic behavior of managers. Meanwhile, the opportunistic behavior of managers has a negative correlation with transformational leadership behavior in enterprises in Vietnam. This result also echoes the works of Katsikeas et al. (2009) and Ahamed et al. (2014).

Thus, with the rejection of hypothesis H6, while accepting all remaining hypotheses from H1 to H7. Research results have shown that managers' emotional capacities have both a direct and indirect impact on transformational leadership behavior through the intermediary factors of knowledge sharing and corporate social responsibility for employees (see Table 6). These

findings have demonstrated the contribution of research both theoretically and practically when showing the importance of the emotional competence factor of managers in the relationship impacting transformational leadership behavior in the business. Especially, by demonstrating the mediating role of knowledge-sharing factors and corporate social responsibility for employees.

In addition, with significance levels in the P < 0.05test and with regression weights of 0.271 (> 0) and -0.305(< 0), respectively. The research results accept both H8 and H9 hypotheses, which means that knowledge sharing at work has a positive correlation with corporate social responsibility for employees. Meanwhile, the opportunistic behavior of managers has a negative correlation with corporate social responsibility for employees in enterprises in Vietnam. These results correspond to the research works of Viswesvaran et al. (1998), Gond et al. (2010), Weshah et al. (2012), Akanbi and Ofoegbu (2012), Palmer (2012), Babola (2012), Islam et al. (2012), Malik and Nadeem (2014), Siddiq and Javed (2014), Monsuru and Abdulazeez (2014), Ahamed et al. (2014), Yusoff and Adamu (2016), and Khan et al. (2016). At the same time, the hypothesis of H10 is also accepted with a significance level of < 0.05 and regression weights

Theory	Relationship	Weight	S.E.	C.R.	P	Conclusion
H1	TLB ← EMC	0.239	0.092	2.585	0.010	Accepted
H2	KNS ← EMC	0.979	0.072	13.578	0.000	Accepted
H3	TLB ← KNS	0.217	0.075	2.911	0.004	Accepted
H4	CSR ← EMC	0.339	0.104	3.269	0.001	Accepted
H5	TLB ← CSR	0.295	0.044	6.652	0.000	Accepted
H6	OPB ← EMC	-0.041	0.115	-0.361	0.718	Rejected
H7	TLB ← OPB	-0.300	0.043	-6.989	0.000	Accepted
H8	CSR ← KNS	0.271	0.085	3.200	0.001	Accepted
H9	CSR ← OPB	-0.305	0.046	-6.606	0.000	Accepted
H10	OPB ← KNS	-0.556	0.092	-6.049	0.000	Accepted

Table 6: SEM Analysis Results for Relationships in the Model

of -0.556 (< 0). Therefore, the research has demonstrated that knowledge sharing in work has a negative correlation with the opportunistic behavior of managers in enterprises in Vietnam.

#### 5. Conclusion and Recommendations

The study aims to build a model and test the relationships between managers' emotional capacities on transformational leadership behavior in the context of enterprises in Vietnam. The findings of this study show that it has both theoretical and practical contributions. Theoretically, the study demonstrated the importance and direct impact of managers' emotional competencies on transformational leadership behavior, as well as the mediating role of knowledge sharing at work and corporate social responsibility for employees. In addition, knowledge sharing has been shown to have a positive correlation with corporate social responsibility for employees and a negative correlation with opportunistic behavior. At the same time, the opportunistic behavior of managers has a negative correlation with corporate social responsibility for employees. In practical terms, the research results help managers get more supportive solutions to improve emotional capacity, thereby promoting transformational leadership behavior in enterprises.

In addition to those contributions, research also has certain limitations. Convenient sampling is a limitation of the study, which may reduce the ability to control the representativeness of the sample. At the same time, the research context is also limited to enterprises in Vietnam. With the results achieved, the paper suggests that more research in other countries in the region and the world should be conducted. Based on the research results, the authors propose some recommendations to promote transformational leadership behavior in enterprises.

Firstly, with emotional competence, managers need to actively train their ability to control the emotions of themselves and the employees they manage. Managers need to create a dynamic and productive working environment in the business. The head of the company is always responsible for the working environment of the business and should demonstrate clear communication, good organization, and effective authorization to work. Good management competencies such as delegation and communication are key to creating a positive work environment. At the same time, managers need to show a caring attitude to employees, have solutions to encourage employees, and limit the imposition of power at work, the imposition of power will not bring any benefits and most likely, people will abandon a manager of this type.

Secondly, regarding knowledge sharing in enterprises, managers need to understand the importance of and enhance the sharing of knowledge and information at work. Businesses need to encourage effective teamwork and delegation of authority. Encourage teamwork, and create a sociable, friendly, open, and professional environment.

Thirdly, regarding corporate social responsibility for employees, it is necessary to strengthen the leadership role of managers in the process of orientation, defining overall objectives and each division in the business. In particular, it is necessary to ensure the commitments and obligations of the enterprise to employees. At the same time, create a favorable working environment, and preferential and reasonable policies and regimes for employees.

Fourth, regarding opportunistic behavior, managers need to be self-aware and minimize redemptive behaviors and individualism at work. It is necessary to encourage frank communication at work and create an equal and harmonious working environment among employees and between employees and managers. At the same time, the enterprise

also needs to tighten up the inspection and supervision stages and have specific sanctions for negative behaviors, affecting the overall operating apparatus of the enterprise.

#### References

- Abraham, R. (2000). The role of job control as a moderator of emotional dissonance and emotional intelligence outcome relationships. *Journal of Psychology*, *134*(2), 169–184. https://doi.org/10.1080/00223980009600860
- Ahamed, W. S., Smadi, A.W., Almsafir, M. K. 2014). Does Corporate social responsibility lead to improve in firm financial performance evidence from Malaysia? *International Journal of Economics and Finance*, 6(3), 126–138.
- Akanbi, P. A., & Ofoegbu, O. E. (2012). Impact of corporate social responsibility on bank performance in Nigeria. *Journal* of US-China Public Administration, 9(4), 374–383.
- Babola, Y. A. (2012). The impact of corporate social responsibility on firm's profitability in Nigeria. European Journal of Economics. Finance and Administrative Science, 45, 39–49.
- Brammer, S., Millington, A., & Rayton, B. (2007). The contribution of corporate social responsibility to organizational commitment. *International Journal of Human Resource Management*, 18(10), 1701–1719. https://doi.org/10.1080/09585190701570866
- Burns, J. M. (1978). Leadership. NY: Harper & Row.
- Carroll, A. B. (1979). A three-dimensional conceptual model of social performance. Academy of Management Review, 4(4), 497–505. https://doi.org/10.2307/257850
- Chalkiti, K. (2012). Knowledge sharing in dynamic labor environments: Insights from Australia. *International Journal* of Contemporary Hospitality Management, 24(4), 522–541. https://doi.org/10.1108/09596111211226806
- Chennamaneni, A. (2006). Determinants of knowledge sharing behaviors: Developing and testing an integrated theoretical model [Unpublished Doctoral Dissertation]. The University of Texas, Arlington.
- Chiu, R. (1999). Does the perception of pay equity, pay satisfaction, and job satisfaction mediate the effect of positive effectivity on work motivation? *Social Behavior and Personality*, 28(2), 177–184.
- Clarkson, M. B. E. (1995). A stakeholder framework for analyzing and evaluating corporate social performance. *Academy of Management Review*, 20(1), 92–118. https://doi.org/10.2307/258888
- Côté, S., & Miners, C. T. H. (2006). Emotional intelligence, cognitive intelligence, and job performance. *Administrative Science Quarterly*, 51(1), 1–28. https://doi.org/10.2189/asqu.51.1.1
- Daus, C. S., & Ashkanasy, N. M. (2005). The case for the ability-based model of emotional intelligence in organizational behavior. *Journal of Organizational Behavior*, 26(4), 453–466. https://doi.org/10.1002/job.321

- Diamastuti, E., Muafi, M., Fitri, A., & Faizaty, N. E. (2021). The role of corporate governance in the corporate social and environmental responsibility disclosure. *Journal of Asian Finance, Economics, and Business*, 8(1), 187–198. https://doi.org/10.13106/jafeb.2021.vol8.no1.187
- Dvir, T., Eden, D., Avolio, B. J., & Shamir, B. (2002). Impact of transformational leadership on follower development and performance: A field experiment. *Academy of Management Journal*, 45(4), 735–744. https://doi.org/ 10.2307/3069307
- Gond, J., El-Akremi, A., Igalens, J., & Swaen, V. (2010). Corporate social responsibility influences employees. *ICCSR Research Paper*, 54, 1–45.
- Guleryuz, G., Güney, S., Aydin, E. M., & Aşan, O. (2008). The mediating effect of job satisfaction between emotional intelligence and organizational commitment of nurses: A questionnaire survey. *International Journal of Nursing* Studies, 45(11), 1625–1635. https://doi.org/10.1016/j.ijnurstu.2008.02.004
- Hair, J. F., Anderson, R. E., Tatham, R. L., & Black, W. C. (1998). Multivariate data analysis (5th ed). NJ: Prentice Hall.
- Hari, S., Egbu, C., & Kumar, B. (2005). A knowledge capture awareness tool: An empirical study on small and medium enterprises in the construction industry. *Engineering, Construction and Architectural Management*, 12(6), 533–567. https://doi.org/10.1108/09699980510634128
- Hopkins, M. (2003). *The planetary bargain: Corporate social responsibility matters*. London: Earthscan Publications Ltd.
- Imran, A., Rehman, K. U., Ali, S. I., Yousaf, J., & Zia, M. (2010). Corporate social responsibility influences, employee commitment, and organizational performance. *African Journal* of Business Management, 4(13), 2796–2801.
- Islam, Z. M., Ahmed, S. U., & Hassan, I. (2012). Corporate social responsibility and financial performance linkage: Evidence from the banking sector of Bangladesh. *Journal of Organizational Management*, 1(1), 14–21.
- Johan, S. (2021). Determinants of corporate social responsibility provision. *Journal of Asian Finance, Economics, and Business*, 8(1), 891–899. http://dx.doi.org/10.13106/jafeb.2021.vol8. no1.891
- Jordan, P. J., Ashkanasy, N. M., Härtel, C. E. J., & Hooper, G. S. (2002). Workgroup emotional intelligence. *Human Resource Management Review*, 12(2), 195–214. https://doi.org/10.1016/S1053-4822(02)00046-3
- Kafetsios, K., & Zampetakis, L. A. (2008). Emotional intelligence and job satisfaction: Testing the mediatory role of positive and negative affective at work. *Personality and Individual Differences*, 44(3), 712–722. https://doi.org/10.1016/j.paid. 2007.10.004
- Katsikeas, C. S., Skarmeas, D., & Bello, D. C. (2009). Developing successful trust-Based international exchange relationships. *Journal of International Business Studies*, 40(1), 132–155. https://doi.org/10.1057/palgrave.jibs.8400401

- Khan, M., Serafeim, G., & Yoon, A. (2016). Corporate sustainability: First evidence on materiality. Accounting Review, 91(6), 1697–1724. https://doi.org/10.2308/accr-51383
- Krough, V. G., Ichijo, K., & Nonaka, I. (2000). Enabling Knowledge Creation: How to unlock the mystery of tacit knowledge and release the power of innovation. Oxford: Oxford University Press.
- Lee, W. J. (2018). Group-affiliated firms and corporate social responsibility activities. *Journal of Asian Finance, Economics,* and Business, 5(4), 127–133. https://doi.org/10.13106/jafeb. 2018.vol5.no4.127
- Lee, C. K., & Al-Hawamdeh, S. (2002) Factors Impacting Knowledge Sharing. *Journal of Information and Knowledge Management*, 01(1), 49–56. https://doi.org/10.1142/S02196 49202000169
- Maignan, I., & Ferrell, O. C. (2004). Corporate social responsibility and marketing: An integrative framework. *Journal of the Academy of Marketing Science*, 32(1), 3–19. https://doi.org/ 10.1177/0092070303258971
- Malik, M. S., & Nadeem, M. (2014). Impact of corporate social responsibility on the financial performance of banks in Pakistan. *International Letters of Social and Humanistic* Sciences, 10(1), 9–19.
- Mayer, J. D., & Salovey, P. (1997). What is emotional intelligence? In P. Salovey & D. Slutyer (Eds.), *Emotional development and emotional intelligence: Educational implications* (pp. 3–31). NY: Basic Books.
- Monsuru, F. A., & Abdulazeez, A. A. (2014). The effect of corporate social responsibility activity disclosure on corporate profitability: Empirical evidence from Nigerian commercial banks. ISOR Journal of Economics and Financial, 2(6), 17–25.
- Morgan, R. M., & Hunt, S. D. (1994). The Commitment-trust theory of relationship marketing. *Journal of Marketing*, *58*(3), 20–38. https://doi.org/10.1177/002224299405800302
- Nguyen, T. T. C., Tran, Q. B., Ho, D. A., Duong, D. A., & Nguyen, T. B. T. (2021). The effect of supply chain linkages on the business performance: Evidence from Vietnam. *Uncertain Supply Chain Management*, 9(3), 529–538. https://doi.org/10.5267/j.uscm.2021.6.009
- Palmer, D. (2012). Normal organizational wrongdoing: A critical analysis of theories of misconduct in and by organizations. Oxford: Oxford University Press.
- Siddiq, S., & Javed, S. (2014). Impact of CSR on organizational performance. *European Journal of Business and Management*, 27(6), 40–45.

- Slaski, M., & Cartwright, S. (2002). Health, performance and emotional intelligence: An exploratory study for retail managers. Stress Anh Health, 18, 63–68.
- Solan, A. M. (2008). The relationships between emotional intelligence, visionary leadership, and organizational citizenship behavior in continuing higher education [Unpublished Doctoral Dissertation]. Regent University.
- Sy, T., Tram, S., & O'Hara, L. A. (2006). Relation of employee and manager emotional intelligence to job satisfaction and performance. *Journal of Vocational Behavior*, 68(3), 461–473. https://doi.org/10.1016/j.jvb.2005.10.003
- Taylor, S. A., Sharland, A., Cronin, J. J., & Bullard, W. (1993).
  Recreational service quality in the international setting.
  International Journal of Service Industry Management, 4(4), 68–86. https://doi.org/10.1108/09564239310044316
- Thorne, P. D., Hardcastle, P. J., & Soulsby, R. L. (1993). Analysis of acoustic measurements of suspended sediments. *Journal of Geophysical Research: Oceans*, 98(C1), 899–910. https://doi.org/10.1029/92JC01855
- Tran, Q. B., Nguyen, T. T. C., Nguyen, T. M. P., Tran, D. L., Nguyen, A. T., & Dang, Q. T. (2019). The effects of risks in agricultural supply chain management on business performance: A case study in Vietnam. *Agriculturists BioForum*, 21(3), 23–34.
- Tsui, A. S., Zhang, Z. X., Wang, H., Xin, K. R., & Wu, J. B. (2006). Unpacking the relationship between CEO leadership behavior and organizational culture. *Leadership Quarterly*, *17*(2), 113–137. https://doi.org/10.1016/j.leaqua.2005.12.001
- Viswesvaran, C., Deshpande, S. P., & Joseph, J. (1998). Job satisfaction as a function of top management support for ethical behavior: A study of Indian managers. *Journal of Business Ethics*, 17(4), 365–371. https://doi.org/10.1023/A:1017956516324
- Weshah, S. R., Dahiyat, A. A., Awwad, M. R. A., & Hajjat, E. S. (2012). The impact of adopting corporate social responsibility on corporate financial performance: Evidence from Jordanian. *Interdisciplinary Journal of Contemporary Research in Business*, 4(5), 34–44.
- Yusoff, W. F. W., & Adamu, M. S. (2016). The relationship between corporate social responsibility and financial performance: Evidence from Malaysia. *International Business Management*, 10(4), 345–351.
- Zhou, J., & George, J. M. (2003). Awakening employee creativity: The role of leader emotional intelligence. *Leadership Quarterly*, 14(4–5), 545–568. https://doi.org/10.1016/S1048-9843(03)00051-1