



E-ISSN: 2990-9449 (Online)
CODEN: BEDCAS

Business and Economics in Developing Countries (BEDC)

DOI: <http://doi.org/10.26480/bedc.02.2025.54.63>



REVIEW ARTICLE

THE IMPACT OF TRANSFORMATIONAL LEADERSHIP STYLE ON ORGANIZATIONAL COMMITMENT OF RETAIL EMPLOYEES IN HANOI CITY

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ARTICLE DETAILS

Article History:

Received 14 September 2025
Revised 23 October 2025
Accepted 25 November 2025
Available online 30 December 2025

ABSTRACT

Vietnam's retail sector in general and Hanoi in particular, is facing increasing competitive pressures, high employee turnover rates and growing demands for service quality improvement, making the maintenance of employees' organizational commitment a core managerial challenge. Prior studies indicate that leaders' behaviors and leadership styles play a central role in shaping employees' work attitudes and engagement related behaviors. However, empirical evidence regarding the magnitude and underlying mechanisms of the impact of transformational leadership remains inconclusive, particularly in labor intensive service industries and within Eastern cultural contexts such as Vietnam. Building on transformational leadership theory and social exchange theory, this study develops a multidimensional analytical framework to disentangle the distinct effects of the five components of transformational leadership idealized influence (attributes), idealized influence (behavior), inspirational motivation, intellectual stimulation and individualized consideration on the three dimensions of organizational commitment, namely affective, continuance and normative commitment. This approach addresses a key limitation of prior studies that have predominantly treated transformational leadership as a composite construct, potentially obscuring the differential and even opposing effects of specific leadership components within particular organizational contexts. The study adopts a mixed methods research design, integrating qualitative and quantitative approaches to refine the measurement scales and analyze survey data collected from retail employees in Hanoi. The proposed research model and hypotheses are tested using partial least squares structural equation modeling (PLS-SEM), allowing for the simultaneous assessment of both the measurement and structural models and the quantification of the strength of each leadership component's effect on different forms of organizational commitment. This method is particularly appropriate given the model's structural complexity and the non-normal distribution of the data. The study is expected to make three main contributions. First, from an academic perspective, it provides new empirical evidence on the heterogeneous effects of transformational leadership in the context of Vietnam's retail sector, thereby extending and refining existing conclusions on the relationship between leadership and organizational commitment. Second, from a methodological perspective, the study reinforces the value of a multidimensional approach and the application of PLS-SEM in organizational behavior research. Third, from a practical perspective, the findings offer a scientific basis for retail managers to shape and prioritize appropriate leadership behaviors in order to strengthen employee commitment, mitigate turnover risks and promote sustainable organizational development.

KEYWORDS

Transformational leadership; Organizational commitment; Retail sector; Social exchange theory; PLS-SEM; Vietnam.

1. INTRODUCTION

In the context of globalization and intensifying competition, human resources are widely regarded as a strategic source of competitive advantage for organizations, particularly in labor intensive service industries such as retail (Grant, 2016; Pfeffer, 1994). A substantial body of research has demonstrated that employee organizational commitment plays a critical role in shaping work behaviors, individual performance and intentions to remain with the organization over the long term (Meyer and Allen, 1991; Mowday et al., 1979). In practice, sustaining employees' commitment has become increasingly challenging amid flexible labor markets, rising job demands and employees' escalating expectations (Hom et al., 2012; Robbins and Judge 2022). In Vietnam, the retail sector has been identified as a key pillar of the national economy, characterized by rapid growth, substantial contributions to GDP and significant

employment generation. In Hanoi, the strong entry of multinational retail corporations, together with the rapid expansion strategies of domestic firms, has intensified competition not only for market share but also for human resources. As a result, retail enterprises are increasingly confronted with high employee turnover rates, rising recruitment and training costs and the risk of service quality deterioration stemming from insufficient long term employee attachment.

Several seminal studies indicate that although wages and benefits remain important, they are no longer the decisive factors in retaining employees; instead, relational factors, organizational support, and leadership style have increasingly come to dominate the formation of employees' long term attachment motivations (Jiang et al., 2011; Ahmad and Schroeder 2003). In this regard, intangible resources such as recognition, psychological support and the perceived meaningfulness of work are increasingly

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Access this article online

Website:
www.bedc.com.my

DOI:
10.26480/bedc.02.2025.54.63

emphasized as key determinants of employee motivation and commitment (Kahn, 1990; Bakker and Demerouti 2007).

According to conservation of resources theory, when employees face high job demands in the absence of adequate organizational support, they tend to exhibit withdrawal behaviors and reduced engagement as a means of preserving personal resources, thereby increasing the likelihood of organizational exit (Hobfoll, 1989). Under conditions of intensifying work pressure and constrained organizational resources, managerial leadership style is therefore viewed as a central factor capable of shaping, strengthening, or undermining employees' organizational commitment (Bass, 1985; Yukl, 2013).

Transformational leadership has attracted substantial scholarly attention due to its capacity to exert profound influence on employees' attitudes, motivation and behaviors (Bass, 1985; Judge, and Piccolo, 2004). Building on the seminal work of Burns and the subsequent theoretical development by Bass transformational leadership is conceptualized as a leadership style that enables managers to transcend purely transactional exchanges by inspiring followers, stimulating intellectual engagement and attending to individual development needs (Burns, 1978; Bass, 1985). A large body of empirical studies and meta-analyses has documented positive relationships between transformational leadership and key employee outcomes, including job satisfaction, performance and organizational commitment (Judge, and Piccolo, 2004; Wang et al., 2021; Jyoti and Bhau, 2015).

Nevertheless, accumulating empirical evidence suggests that the effects of transformational leadership are not uniform across cultural and industrial contexts (House et al., 2004; Limsila and Ogunlana, 2008). In retail service industries characterized by high levels of job standardization and intense emotional labor, the effectiveness of individual transformational leadership components varies considerably (Russell, 2012; Lo et al., 2009). While some studies emphasize the dominant role of individualized consideration, others reveal paradoxical effects whereby leaders' idealized influence may intensify power distance and thereby weaken employees' organizational commitment within Eastern cultural contexts (Farh et al., 2007; Pellegrini and Scandura, 2008).

In Vietnam, research on the relationship between leadership style and organizational commitment has largely treated transformational leadership as a composite construct with limited attention paid to its multidimensional structure and the distinct effects of individual leadership components. Moreover, studies focusing specifically on the retail sector within large urban contexts such as Hanoi remain relatively scarce. Profound changes in the workforce in the post COVID-19 period, together with the growing presence of Generation Z whose work values emphasize emotional connection and personal meaning further underscore the need to re examine existing theoretical models in contemporary organizational settings (Kien and Tsutomu, 2023; Nguyen and Vu, 2023).

Motivated by these theoretical gaps and practical demands, this study investigates the effects of transformational leadership, operationalized through its five core components, on the three dimensions of organizational commitment among retail employees in Hanoi. The study seeks to contribute new empirical evidence to leadership theory within the Vietnamese cultural context and to provide a scientific basis for retail managers in selecting and applying appropriate leadership behaviors to enhance employees' organizational commitment.

1.3 Research Objectives

1.3.1 General Objective

The general objective of this study is to analyze and empirically test the effects of transformational leadership on the organizational commitment of retail employees in Hanoi. The study aims to quantify both the magnitude and direction of the effects of each component of transformational leadership idealized influence (attributes), idealized influence (behavior), inspirational motivation, intellectual stimulation and individualized consideration on the three dimensions of organizational

commitment, namely affective, continuance and normative commitment, among retail employees. This objective seeks to clarify the underlying mechanisms through which transformational leadership operates in labor intensive service industries, where employee commitment plays a pivotal role in organizational stability and effectiveness.

1.3.2 Specific Objectives

To achieve the general objective, the study focuses on the following specific objectives:

- To systematize and strengthen the theoretical foundations of transformational leadership and organizational commitment by clarifying the multidimensional nature of these two constructs and the theoretical basis explaining their relationship namely, social exchange theory within the context of contemporary service organizations.
- To develop and empirically test a structural research model in which transformational leadership is operationalized through five components based on the theoretical framework of Bass and Avolio, while organizational commitment is conceptualized using the three component model proposed by Meyer and Allen, thereby ensuring conceptual completeness and alignment with international research standards.
- To assess both the direction and magnitude of the effects of each transformational leadership component on each dimension of organizational commitment (affective, continuance and normative commitment), with the aim of identifying the leadership factors that exhibit the strongest predictive power for different forms of commitment among retail employees in Hanoi.
- To examine the suitability of the measurement scales and the theoretical structure of transformational leadership within a specific cultural and industry context, thereby identifying potential differential or even opposing effects between leadership components and organizational commitment and enriching empirical evidence in leadership research within transitional and digitalizing economies.

Based on the empirical findings, to propose practical managerial implications that support retail managers in adjusting and refining transformational leadership practices in ways that enhance employees' intrinsic commitment, improve workforce stability and strengthen long-term organizational effectiveness.

2. THEORETICAL BACKGROUND AND RESEARCH MODEL

2.1 Transformational Leadership

Transformational leadership emerged in response to organizational environments characterized by intense volatility, continuous demands for innovation and escalating competitive pressures. Unlike traditional leadership approaches that emphasize control and transactional exchanges, transformational leadership focuses on fostering fundamental changes in employees' cognition, values and intrinsic motivation.

Burns was the first scholar to clearly distinguish between transactional and transformational leadership, conceptualizing transformational leadership as an ethically grounded interactive process that elevates both leaders and followers (Burns, 1978).

Building on this foundation, Bass further developed transformational leadership theory from a behavioral perspective, emphasizing leaders' capacity to motivate employees to achieve performance levels beyond initial expectations through social and emotional influence (Bass, 1985).

This perspective is particularly relevant for labor intensive service organizations such as retail firms, where work effectiveness depends heavily on employees' attitudes, motivation and levels of engagement. Bass and Avolio subsequently systematized transformational leadership into five core components, providing a foundational theoretical framework for the majority of empirical studies, as summarized in Table 1 (Bass and Avolio, 2004).

Table 1: Components of transformational leadership

Component	Description	Implications
Idealized Influence (Attributes)	The leader is admired, trusted and perceived as a moral role model	Builds credibility and trust
Idealized Influence (Behavior)	Role modeling behaviors, integrity and willingness to share risks	Enhances legitimacy
Inspirational Motivation	Articulating a compelling vision and instilling meaning in work	Activates intrinsic motivation

Table 1 (Cont): Components of transformational leadership		
Component	Description	Implications
Intellectual Stimulation	Encouraging creativity and innovative thinking	Promotes innovation
Individualized Consideration	Coaching and supporting individual development	Strengthens emotional attachment

Large scale meta analyses indicate that transformational leadership is positively associated with job satisfaction, performance and, in particular, organizational commitment (Judge and Piccolo, 2004; Wang et al., 2021). However, more recent studies suggest that the effectiveness of transformational leadership is not universal; rather, it is strongly shaped by cultural context and industry specific characteristics (Yukl, 2013; Northouse, 2021). This highlights the need to re examine the structure and underlying mechanisms of transformational leadership in specific settings, such as the retail sector in Hanoi.

2,2 Organizational Commitment

Organizational commitment is a central construct in the field of organizational behavior, as it serves as a key predictor of employee performance, workforce stability and organizational sustainability. According to a study organizational commitment reflects the degree to which individuals identify with an organization’s goals and values, as well as their desire to maintain membership within the organization (Mowday et al., 1982).

Subsequent research, however, has demonstrated that organizational commitment is not a unidimensional construct. Meyer and Allen proposed a three component model of organizational commitment, which captures distinct motivational bases underlying employees’ attachment to the organization, namely (Meyer and Allen, 1991):

Table 2: The three-component model of organizational commitment		
Component	Nature	Motivation
Affective Commitment	Emotional attachment and voluntary involvement	Want to stay
Continuance Commitment	Perceived costs associated with leaving	Need to stay
Normative Commitment	Moral obligation and sense of responsibility	Ought to stay

In the retail sector, which is characterized by high work intensity and a flexible labor market, analyzing organizational commitment through a multidimensional framework is particularly important. Affective commitment is especially vulnerable to erosion under sales pressure and negative emotional interactions with customers, whereas continuance and normative commitment tend to play a stabilizing role in retaining the workforce in the short term. Consequently, a multidimensional approach offers deeper insights into employees’ responses to leadership influences than a unidimensional perspective.

2.3 The Relationship between Transformational Leadership and Organizational Commitment

The relationship between transformational leadership and organizational commitment is grounded in Blau’s social exchange theory, which posits that social relationships operate on the principle of reciprocity (Blau’s, 1964). When individuals receive valued resources, they tend to develop an obligation to reciprocate through positive attitudes and behaviors. Within organizational settings, this mechanism is operationalized through employees’ perceptions of organizational support, thereby explaining how positive leadership behaviors foster employees’ commitment to the organization (Eisenberger et al., 1986; Cropanzano and Mitchell, 2005).

Transformational leadership plays a critical role in cultivating valuable socio psychological resources such as respect, meaningful work and empowerment opportunities. When leaders fulfill these higher order psychological needs, employees are motivated to reciprocate through deeper emotional and moral attachment, manifested as affective and normative commitment. In contrast, continuance commitment is primarily driven by calculations of benefits and opportunity costs; therefore, the influence of transformational leadership on this dimension tends to be more limited and highly contingent on labor market supply demand conditions.

Empirical studies conducted in Vietnam reveal heterogeneous relationships between the components of transformational leadership and different forms of organizational commitment and in some cases even indicate negative effects within cultural contexts characterized by high power distance and pronounced hierarchical structures. These findings

reinforce the argument that each leadership component should be examined separately in relation to each dimension of organizational commitment, rather than adopting an aggregate approach.

2.4 Research Model and Hypotheses

Based on the theoretical foundations, accumulated empirical evidence and identified research gaps in the context of the retail sector in Hanoi, this study proposes a research model comprising:

- Five independent variables: The components of transformational leadership;
- Three dependent variables: The dimensions of organizational commitment.

The generalized research model is specified as follows:

where:

X_i : denotes the i -th component of transformational leadership;

Y_j : denotes the j -th dimension of organizational commitment;

β_{ij} : represents the estimated effect coefficient of the i -th leadership component on the j -th commitment dimension;

ϵ : denotes the random error term.

Based on these hypotheses, the proposed research model is illustrated as follows:

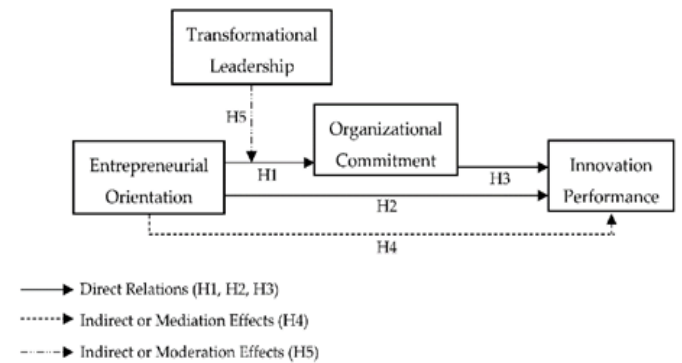


Figure 1: Proposed Research Model

3. RESEARCH METHODOLOGY

3.1 Research Design

3.1.1 Qualitative Phase

The qualitative phase was conducted as a preliminary step to pre test the research model and measurement scales.

- Method: Semi structured in depth interviews.
- Sample size: 11 participants, including 3 academic experts, 3 retail managers and 5 frontline retail employees.
- Objectives: To confirm the five component structure of transformational leadership; to assess the clarity and cultural appropriateness of each measurement item; and to eliminate or revise statements that might lead to misinterpretation.

The qualitative findings served as the basis for refining the measurement scales, ensuring their contextual relevance prior to the formal quantitative survey.

3.1.2 Quantitative Phase

Survey design and research participants: Data were collected through a self-administered questionnaire survey targeting individual employees currently working in retail enterprises located in Hanoi.

Sample size and rationale for selecting PLS-SEM:

This study employs partial least squares structural equation modeling

(PLS-SEM) rather than covariance-based SEM (CB-SEM) for several methodological reasons. First, the research model involves a relatively large number of structural paths (5 × 3). Second, the survey data do not conform to the assumption of multivariate normality. Third, the research objectives emphasize prediction and structural exploration rather than theory confirmation.

The minimum required sample size was determined based on the widely applied “10-times rule”:

Given that five independent variables simultaneously predict each organizational commitment construct, the minimum required sample size is 50. The actual number of observations exceeds this threshold, thereby ensuring the reliability and robustness of the PLS-SEM analysis.

3.1.3 Research Model

The research model is specified as a reflective structural model, in which:

The components of transformational leadership are modeled as reflective latent constructs;

The three dimensions of organizational commitment are modeled as reflective dependent latent constructs.

The general relationship of the model is expressed by the following structural equation:

where:

: denotes affective, continuance, or normative commitment;

: represents idealized influence;

: represents idealized influence (behavior);

: represents inspirational motivation;

: represents intellectual stimulation;

: represents individualized consideration.

3.2 Measurement Scales and Questionnaire

3.2.1 Principles of Scale Development

The measurement scales employed in this study were developed following an approach of adoption, adaptation and empirical validation to ensure academic rigor, reliability and generalizability within the context of the retail sector in Hanoi. The scales were adapted from well established and extensively validated instruments in the fields of organizational behavior and human resource management, covering both transformational leadership and organizational commitment.

All constructs in the research model were measured as reflective latent variables, consistent with the conceptual nature of the studied phenomena, whereby observed indicators reflect underlying psychological states and are expected to be highly intercorrelated. The use of a reflective measurement model is also appropriate for PLS-SEM, which emphasizes predictive capability and robustness under conditions of non-normal data distribution.

All measurement items were assessed using a five point Likert scale ranging from (1) “Strongly disagree” to (5) “Strongly agree.” The five point scale was selected to strike an optimal balance between measurement sensitivity and respondents’ cognitive load, particularly for employees working in the retail sector.

3.2.3 Transformational Leadership Scale

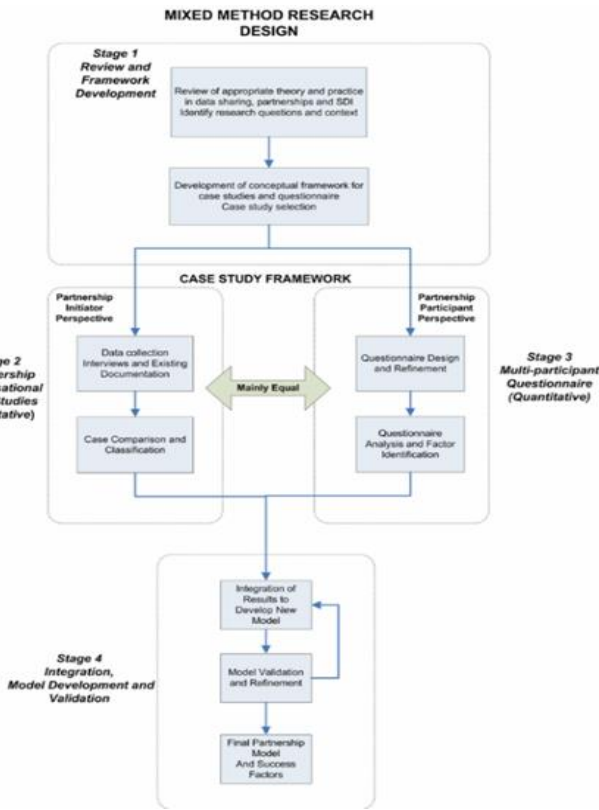


Figure 2: Research Design Framework

Table 3: Transformational Leadership (TL) Measurement Scale

Code	Measurement Items
IA	My manager’s way of working and behavior make me genuinely admire and respect them.
	Working with my manager makes me feel secure and confident.
	My manager consistently places the interests of the store/team above personal interests.
	My manager consistently demonstrates confidence and competence.
IB	My manager often provides useful advice regarding my career and professional development.
	My manager helps everyone clearly understand shared goals and inspires team spirit to achieve them.
	My manager emphasizes the importance of professionalism, integrity and customer oriented behavior.
	My manager sets an example and requires acting ethically and honestly in all situations.
IM	My manager expresses confidence that the entire team will achieve its goals and conveys that confidence to me.
	My manager sets inspiring goals and makes me believe that we can achieve them.
	My manager always talks about work with enthusiasm and passion.
IS	My manager frequently proposes new ways to improve work effectiveness.
	My manager actively seeks multiple perspectives when solving problems.
	My manager helps me analyze problems from different angles.
	My manager encourages me to think about issues from various viewpoints.

Table 3: Transformational Leadership (TL) Measurement Scale

Code	Measurement Items
IC	My manager is always willing to change old practices if they are no longer effective.
	My manager provides opportunities for me to fully utilize my abilities.
	My manager understands the strengths and weaknesses of each team member.
	My manager always takes time to coach and guide employees.
	My manager shows concern for me beyond work related matters.

The transformational leadership construct was measured based on the Full Range Leadership Model developed by Bass and Avolio (2004). Transformational leadership is conceptualized as a multidimensional construct that reflects a leader's ability to exert social and psychological influence beyond purely transactional exchanges. This study adopts the

five core components of transformational leadership and refines their semantic content through qualitative research to ensure cultural and industry relevance within the Vietnamese context, as presented in Table 3.

3.2.3 Organizational Commitment Scale

Table 4: Organizational Commitment (OC) Measurement Scale

Code	Measurement Items
AC	The company is an important part of my life and work.
	I feel that I am a part of this store/retail chain.
	I do not think about leaving this organization.
	I would be very happy to work and grow with this company in the long term.
	When the store faces difficulties, I feel a sense of personal responsibility.
	This company is very meaningful to me.
CC	It would be very disruptive and difficult for my life if I had to leave this job at present.
	I do not want to lose the benefits I receive from working here.
	I have become accustomed to my job and work environment; starting over elsewhere would be troublesome.
	I have many benefits associated with working here.
	I have invested a great deal of effort in this job and it would be regrettable to leave.
	I am concerned that it would be difficult to find another job as good as this one (in terms of pay, location, colleagues, etc.).
NC	I feel a sense of obligation to continue working here.
	I feel a responsibility toward this organization.
	I would feel guilty if I left the company at this time.
	The company/store has treated me well, so I feel that I ought to stay in return.
	The company has provided training and development opportunities for me, so I feel that I should remain and contribute in return.
	I would feel reluctant to leave because it might cause difficulties for my manager and colleagues.

Organizational commitment was measured using the three component model proposed by Meyer and Allen which captures three distinct motivational bases underlying employees' attachment to the organization: affective, calculative and normative motivations (Meyer and Allen, 1991). This multidimensional approach allows for a more nuanced explanation of employees' membership maintenance behaviors in the retail sector, where labor markets are flexible and employee turnover rates are high.

3.2.4 Linking Measurement Scales to the Research Model

The entire system of measurement scales was designed to be fully aligned with the proposed research model, in which the five components of transformational leadership serve as independent variables exerting direct effects on the three dimensions of organizational commitment as dependent variables. This measurement structure enables the simultaneous assessment of:

- The suitability and contextual validity of the measurement scales within the retail sector in Hanoi;
- The mechanisms underlying the formation of organizational commitment from a social exchange perspective;
- The direction and magnitude of the effects associated with each specific leadership behavior.

3.3 Sample and Data Collection

3.3.1 Sample Size Determination

This study employs structural equation modeling based on the PLS-SEM approach. The determination of sample size follows widely accepted methodological recommendations in the fields of management and organizational behavior research.

The minimum required sample size should be at least ten times the maximum number of structural paths directed at any endogenous construct in the structural model. In this study, each organizational commitment dimension (affective, continuance and normative commitment) receives five direct paths from the components of transformational leadership. Accordingly, the minimum sample size is determined as follows:

To enhance statistical reliability, increase testing power and ensure the stability of parameter estimates, the study follows the recommendations of Hair et al. for the application of PLS-SEM in multivariate models with behavioral data. Based on this guideline, a total of 230 valid questionnaires were used for the formal analysis, substantially exceeding the minimum required threshold and aligning with sample sizes commonly reported in studies published in journals such as *IJHRM*, *IJBM* and *Heliyon* within the same research domain.

Table 5: Sample Characteristics and Selection Criteria

Criteria	Description
Sampling method	Non-probability sampling (convenience and purposive sampling)
Survey participants	Retail employees in Hanoi
Eligibility criteria	At least 6 month of work experience and having a direct supervisor
Questionnaires distributed	260
Valid questionnaires	230
Response rate	88,46%

3.3.2 Data Collection Procedure

The data collection process was implemented using a two stage approach comprising a pilot survey and a formal survey with the aim of ensuring contextual appropriateness and measurement reliability within the specific cultural and industry setting.

Data collection was conducted over a three month period, allowing for an adequate and balanced distribution of respondents across different retail segments, including supermarkets, convenience stores and specialized retail chains.

3.3.3 Control of Common Method Bias and Data Quality

To mitigate common method bias associated with self reported data, the study employed both procedural and statistical remedies. Procedurally, the questionnaire was designed with a randomized order of items and avoided cues that might suggest causal relationships among variables. Statistically, full collinearity variance inflation factors (VIFs) were examined during the PLS-SEM analysis to assess potential common method bias, with an acceptable threshold of $VIF < 3.3$ in accordance with international methodological recommendations.

Overall, the sampling strategy and data collection procedures were carefully designed to fit the context of the retail sector in Hanoi, ensuring an adequate sample size, effective bias control and compliance with the rigorous methodological requirements of PLS-SEM for subsequent evaluation of both the measurement and structural models.

3.4 Data Analysis Method (PLS-SEM)

3.4.1 Rationale for Using PLS-SEM

This study employs partial least squares structural equation modeling (PLS-SEM) to test the proposed research model and hypotheses based on the following methodological considerations:

- The research objectives emphasize prediction and the exploration of multidimensional structural relationships between transformational leadership and organizational commitment.
- The research model exhibits a complex structure, comprising five independent latent constructs (the components of transformational leadership) and three dependent latent constructs (the dimensions of organizational commitment), with multiple simultaneous relationships. PLS-SEM is well suited for handling models with a large number of structural paths, even when sample sizes are moderate.
- PLS-SEM does not require strict assumptions regarding multivariate normality, making it appropriate for organizational behavior survey

data in Vietnam, which tend to exhibit skewed and non-normal distributions.

Accordingly, the study utilizes SmartPLS version 3.2.9 to conduct all analyses of both the measurement model and the structural model.

3.4.2 Measurement Model Evaluation

3.4.2.1 Scale Reliability

The reliability of the measurement scales was assessed using the following indicators:

- Indicator loadings (λ)
- Cronbach's Alpha (α)
- Composite Reliability (CR)

The accepted threshold values for these indices are: While a value of 0.70 is typically preferred, values of 0.60 are deemed acceptable for exploratory research (Hair et al., 2010).

Composite Reliability (CR) was calculated using the following formula:

3.4.2.2 Convergent Validity

Convergent validity was evaluated using the Average Variance Extracted (AVE), computed as:

The accepted threshold is indicating that the latent construct explains at least 50% of the variance in its observed indicators.

3.4.2.3 Discriminant Validity

Discriminate validity was assessed using complementary criteria:

- Fornell-Larcker criterion: The square root of the AVE for each latent construct should be greater than its correlations with other latent constructs.

- A strict threshold of was applied.

The HTMT criterion is recommended in contemporary research due to its higher sensitivity compared with the Fornell-Larcker criterion.

3.4.3 Structural Model Evaluation

3.4.3.1 Assessment of Multicollinearity

Multicollinearity among the independent constructs was examined using the VIF, with an acceptable threshold of:

In this study, all VIF values fall within the acceptable range, indicating that no serious multicollinearity issues are present in the structural model.

3.4.3.2 Coefficient of Determination

The coefficient of determination (R^2) reflects the proportion of variance explained in the dependent constructs. According to conventional guidelines, $R^2 = 0.25$ and $R^2 = 0.75$ represent weak, moderate and substantial levels of explanatory power, respectively.

In this study, R^2 is used to assess the explanatory capability of the model for each dimension of organizational commitment.

3.4.3.3 Effect Size

The individual contribution of each independent construct was assessed using the effect size (f^2), calculated as:

The interpretation thresholds are: $f^2 = 0.02$ (small), $f^2 = 0.15$ (medium) and $f^2 = 0.35$ (large).

3.4.3.4 Bootstrapping Hypothesis Testing Using Bootstrapping

The statistical significance of the structural path coefficients (β) was assessed using the bootstrapping procedure with 5,000 resamples. Hypotheses were accepted when the following conditions were satisfied:

3.4.4 Assessment of Predictive Relevance

The predictive relevance of the model was evaluated using the Stone-Geisser's Q^2 statistic obtained via the blindfolding procedure:

A positive Q^2 value indicates that the model exhibits adequate predictive relevance for the endogenous constructs.

4. RESEARCH RESULTS

4.1 Assessment of Scale Reliability

4.1.1 Internal Consistency Reliability

4.1.1.1 Cronbach's Alpha (α)

Cronbach's Alpha reflects the degree of internal consistency among observed indicators within the same measurement scale. A value of $\alpha \geq 0.70$ is considered acceptable for both exploratory and confirmatory research. Cronbach's Alpha is calculated as follows:

where:

- denotes the number of observed indicators;
- represents the variance of the i-th indicator;
- denotes the total variance of the scale.

4.1.1.2 Reliability Analysis Results

High Reliability: The scales IA, IC, CC and NC demonstrated satisfactory reliability with Cronbach's Alpha coefficients exceeding the 0.70 threshold.

Acceptable Reliability: The IB and IS scales exhibited Alpha values in the range of 0.60 to 0.70. However, these constructs were retained as their Corrected Item-Total Correlations were greater than 0.30, which is deemed acceptable for exploratory research contexts.

Scale Elimination: The IM scale was excluded from the model due to insufficient internal consistency ($\alpha=0.535$).

Item Deletion: Regarding the AC scale, items AC1 and AC2 were removed because their Corrected Item-Total Correlations fell below the cut-off value of 0.30.

exhibit AVE values greater than 0.50, thereby satisfying the requirements for both reliability and convergent validity.

Code	α	No. of items
IA	0.848	04
IB	0.686	04
IS	0.691	05
IC	0.903	04
AC	0.884	04
CC	0.863	06
NC	0.785	06

4.2 Measurement Model Evaluation

4.2.1 Indicator Reliability

Indicator reliability was assessed by examining the outer loadings (λ) of each observed variable on its corresponding latent construct. Theoretically, a loading value of 0.70 or higher is preferred, as it implies that the construct explains approximately 50% of the indicator's variance. However, in exploratory research, loadings between 0.60 and 0.70 are often acceptable if other validity measures are satisfactory. The initial analysis revealed the following adjustments:

Item Deletion: Items NC1, NC2, IS1 and IS3 were removed as their outer loadings fell below the minimum threshold of 0.60.

Construct Elimination: The IB construct was entirely excluded from the research model. The removal of its non-compliant items (IB3, IB4) resulted in the remaining indicators being insufficient to ensure reliability, violating the minimum indicator requirement (Hair et al., 2022).

Following this purification process, the model was re-estimated. The results confirmed that all retained outer loadings exceeded 0.60, thereby establishing satisfactory indicator reliability for subsequent analyses.

Concurrently, the measurement model met the criteria for Convergent Validity and Internal Consistency, as evidenced by Average Variance Extracted (AVE) values > 0.50 and Composite Reliability (CR) values > 0.70 .

4.2.2 Composite Reliability (CR)

While Cronbach's Alpha is a traditional measure of reliability, it assumes tau-equivalence (i.e., all indicators contribute equally). Therefore, this study employed Composite Reliability (CR), which is considered more

appropriate for PLS-SEM as it accounts for the differing outer loadings of the indicators.

Composite Reliability is computed using the following formula:

where: λ_i denotes the outer loading of the i-th indicator and;

A CR value of 0.70 or higher indicates satisfactory composite reliability. The empirical results show that all retained constructs demonstrated high internal consistency, with CR values ranging from 0.814 to 0.935.

4.2.3 Convergent Validity Assessment

Convergent validity assesses the extent to which the indicators of a specific construct share a high proportion of variance and effectively measure the same underlying concept. In this study, convergent validity was evaluated using the Average Variance Extracted (AVE) metric. The AVE value is calculated using

According to established criteria, an AVE value of 0.50 or higher indicates that the latent construct explains more than 50% of the variance in its indicators. The results reveal that all measurement scales retained in the final model exhibit AVE values greater than 0.50, thereby satisfying the requirements for both reliability and convergent validity.

Code	α	CR	AVE	Conclusion
IC	>0.90	>0.93	>0.50	Accepted
IA	>0.80	>0.90	>0.50	Accepted
IS	>0.60	>0.81	>0.50	Accepted
AC	>0.85	>0.90	>0.50	Accepted
CC	>0.80	>0.88	>0.50	Accepted
NC	>0.70	>0.85	>0.50	Accepted

In summary, the empirical results demonstrate that the refined measurement scales strictly adhere to the established standards for PLS-SEM analysis. The purification process specifically the exclusion of unreliable indicators and constructs has not compromised the model's integrity. On the contrary, these adjustments have significantly enhanced the model's stability and explanatory power, ensuring its robustness within the specific context of the retail sector in Hanoi.

4.2.4 Discriminant Validity

Discriminant validity ensures that each latent construct in the model is conceptually distinct and does not overlap with other constructs. This study assesses discriminant validity using two widely adopted approaches: the Fornell-Larcker criterion and the Heterotrait-Monotrait ratio (HTMT).

According to the Fornell-Larcker criterion, the square root of the AVE for each latent construct should be greater than the correlations between that construct and all other latent constructs. The results indicate that this condition is satisfied for all construct pairs in the model.

Code	NC	AC	CC	IA	IS	IC
NC	0.782					
AC	r	0.865				
CC	r	r	0.772			
IA	r	r	r	0.850		
IS	r	r	r	r	0.771	
IC	r	r	r	r	r	0.884

The Heterotrait-Monotrait ratio (HTMT) was employed as a more stringent assessment of discriminant validity, using the following recommended thresholds:

- HTMT < 0.85 (strict criterion)
- HTMT < 0.90 (liberal criterion)

The convergence of results from both the traditional Fornell-Larcker criterion and the more rigorous HTMT ratio unequivocally establishes the

discriminant validity of the measurement model. These findings confirm the statistical distinctiveness of the latent constructs, ensuring a robust foundation for the subsequent structural model assessment.

Table 10: Discriminant Validity Assessment Based on the HTMT

Code	NC	AC	CC	IA	IS	IC
NC						
AC	0.560					
CC	0.805	0.713				
IA	0.309	0.128	0.225			
IS	0.422	0.429	0.588	0.576		
IC	0.590	0.506	0.588	0.586	0.824	

4.2.5 Control of Common Method Bias

Because the data were collected from a single source at a single point in time, the study assessed potential common method bias using the full collinearity variance inflation factor (VIF) approach. According to established guidelines, if the VIF values of all latent constructs are below 3,3, common method bias is unlikely to pose a serious threat to the validity of the results.

The analysis results show that all VIF values are below the threshold of 3,3, confirming that the research data are not substantially affected by common method bias.

The overall results of the refined measurement model demonstrate that all methodological requirements concerning reliability, convergent validity, discriminant validity and control of common method bias are satisfactorily met. The exclusion of the idealized influence (behavior) and inspirational motivation components improves the statistical quality of the model and reflects the specific characteristics of the retail sector in Hanoi, where employees tend to value individualized support and practical leadership behaviors more highly than symbolic or charismatic expressions of leadership.

Table 11: Full Collinearity VIF Assessment

Construct	NC	AC	CC	Conclusion
IA	1.410	1.410	1.410	Accepted
IS	1.703	1.703	1.703	Accepted
IC	1.920	1.920	1.920	Accepted

On this basis, the measurement model is deemed adequate and suitable for subsequent structural model analysis and hypothesis testing.

4.3 Structural Model Evaluation and Hypothesis Testing

4.3.1 Assessment of Multicollinearity and Overall Adequacy of the Structural Model

Prior to hypothesis testing, the structural model was evaluated to ensure the absence of multicollinearity among the independent constructs. According to the recommendations of Hair et al. (2022), the Variance Inflation Factor (VIF) values associated with the relationships in a PLS-SEM model should be below 5,0 (preferably below 3,3) to confirm that regression estimates are not adversely affected by multicollinearity.

Table 14: Results of hypothesis (H) testing

H	Path Relationship	β	t	p	Conclusion
H1a	Idealized Influence (Attributes) → Affective Commitment	-0.287	4.496	.000	Supported
H1b	Idealized Influence (Attributes) → Continuance Commitment	-0.230	3.011	.003	Supported
H1c	Idealized Influence (Attributes) → Normative Commitment	-0.009	0.149	.881	Not supported
H4a	Intellectual Stimulation → Affective Commitment	0.109	1.510	.132	Not supported
H4b	Intellectual Stimulation → Continuance Commitment	0.248	4.181	.000	Supported
H4c	Intellectual Stimulation → Normative Commitment	-0.071	0.849	.396	Not supported

The results indicate that all VIF values are below the acceptable thresholds, confirming the absence of serious multicollinearity issues and indicating that the structural model satisfies the necessary conditions for further causal relationship analysis.

Table 12: VIF Values in the Structural Model

Dependent Construct	Independent Construct	VIF
Affective Commitment	Idealized Influence (Attributes)	1.410
	Intellectual Stimulation	1.703
	Individualized Consideration	1.920
Continuance Commitment	Idealized Influence (Attributes)	1.410
	Intellectual Stimulation	1.703
	Individualized Consideration	1.920
Normative Commitment	Idealized Influence (Attributes)	1.410
	Intellectual Stimulation	1.703
	Individualized Consideration	1.920

4.3.2 Explanatory Power of the Structural Model

The explanatory power of the structural model was assessed using the coefficient of determination (R^2) for the endogenous constructs. According to commonly accepted benchmarks, R^2 values of 0.25, 0.50 and 0.75 indicate weak, moderate and substantial explanatory power, respectively.

Table 13: Coefficient of Determination (R^2) of the Endogenous Constructs

Dependent Construct	R^2	Explanatory Level
Affective Commitment	0.281	Moderate
Continuance Commitment	0.355	Moderate
Normative Commitment	0.279	Moderate

The results demonstrate that the retained components of transformational leadership explain between 27,9% and 35,5% of the variance in organizational commitment. This level of explanatory power is both appropriate and practically meaningful in organizational behavior research, particularly within the retail sector, which is characterized by high employee turnover and workforce instability.

4.3.3 Testing the Strength and Statistical Significance of Structural Relationships

Hypothesis testing was conducted using the bootstrapping procedure with 5,000 resamples to estimate the robustness of the structural path coefficients (β), t-values (t) and p-values (p).

The results indicate that the research model was re specified following the exclusion of the inspirational motivation and idealized influence (behavior) components due to inadequate measurement reliability. This re specification is consistent with best practices in PLS-SEM and aligns with the need to revalidate leadership measurement scales within specific cultural and industry contexts.

Table 14 (Cont): Results of hypothesis (H) testing

H	Path Relationship	β	t	p	Conclusion
H5a	Individualized Consideration → Affective Commitment	0.551	7.235	.001	Supported
H5b	Individualized Consideration → Continuance Commitment	0.503	8.047	.001	Supported
H5c	Individualized Consideration → Normative Commitment	0.575	9.056	.001	Supported

5. CONCLUSIONS

This study was conducted to examine the effects of transformational leadership on organizational commitment among retail employees in Hanoi, a context characterized by intense labor competition, high employee turnover and rapidly changing workforce expectations. Grounded in transformational leadership theory and social exchange theory, the study adopts a multidimensional approach to both transformational leadership and organizational commitment, enabling a nuanced examination of the heterogeneous mechanisms through which distinct leadership behaviors influence different forms of employee commitment.

The PLS-SEM results indicate that the refined research model satisfies stringent international standards of measurement reliability and validity. The exclusion of the idealized influence (behavior) and inspirational motivation components does not weaken the model; rather, it enhances statistical stability and explanatory power, more accurately reflecting the specific characteristics of the retail sector in Hanoi. These findings suggest that symbolic and broadly inspirational leadership behaviors may be insufficient to foster sustainable commitment in work environments characterized by high job standardization, strong sales pressure and frequent emotional labor.

In contrast, individualized consideration emerges as the most influential leadership component, exerting strong, consistent and positive effects on all three dimensions of organizational commitment affective, continuance and normative commitment. This result underscores that, in the retail context, direct support, attentive listening, coaching and genuine concern for employees' personal development play a pivotal role in shaping long term attachment motivations. The findings strongly reinforce the core premise of social exchange theory by highlighting the importance of tangible socio psychological resources experienced by employees through everyday interactions with their supervisors.

Notably, idealized influence (attributes) exhibits a negative effect on affective and continuance commitment. This finding suggests that, within cultural contexts characterized by relatively high power distance, overly idealized and authority driven leadership images may create psychological distance, thereby weakening frontline employees' sense of closeness and voluntary attachment to the organization. This result contributes empirical evidence to the leadership literature by demonstrating that the effects of transformational leadership are not universal but are highly contingent upon cultural and industry specific contexts.

From an academic perspective, this study makes three primary contributions. First, it extends and refines prior conclusions regarding the relationship between transformational leadership and organizational commitment by adopting a multidimensional rather than aggregate approach. Second, it provides novel empirical evidence from the retail sector within a transitional economy, thereby enriching leadership research beyond traditional Western contexts. Third, it confirms the suitability and value of PLS-SEM for exploring and predicting complex relationships among organizational behavior constructs.

From a practical standpoint, the findings suggest that retail organizations should recalibrate leadership development priorities by emphasizing individualized consideration and substantive employee support rather than focusing predominantly on symbolic or charismatic leadership expressions. Management training and performance evaluation systems should therefore be aligned with leaders' abilities to understand, coach and accompany employees in their daily work, thereby strengthening intrinsic commitment and reducing workforce instability.

Despite its contributions, the study has certain limitations, including its geographic focus on Hanoi and its cross sectional research design. Future research should extend the analysis to other regions, compare different retail segments and employ longitudinal designs to better capture the

dynamic nature of organizational commitment over time. Such research avenues are expected to further deepen understanding of leadership's role in building a sustainable workforce for Vietnam's retail industry.

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