

## The Impact of Leadership and Organizational Trust on Employees' Job Performance When Working Remotely



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**ABSTRACT:** During the outbreak of the COVID-19 pandemic, remote work was considered an emergency measure to maintain social distancing. Although the pandemic has ended, the convenience of remote work has led some companies and employees to continue working in this manner. This study aims to explore the relationship between remote work, trust in leadership and organization, and employee work efficiency in Vietnamese internet companies. Data were collected from 327 employees with remote work experience in Vietnamese internet companies and then analyzed in depth using Smart PLS software. The results of the study indicate that remote work has a positive impact on work efficiency. This relationship is analyzed through the mediating influence of trust in leadership and organization.

**KEYWORDS:** Remote Work, Trust, Job Performance

### I. INTRODUCTION

At the end of 2019, the COVID-19 pandemic began to erupt and quickly became a global health crisis. To adapt to the complex situation, many companies have implemented remote work (Kramer & Kramer, 2020). In fact, the concept of remote work was not new before the pandemic; however, due to the urgent factors of the pandemic, the development of remote work has increased significantly and continues to exist to this day. However, the impact of remote work on job performance remains a contentious issue (Allen et al., 2015). Remote work allows employees to gain flexibility in time and space (Irawanto et al., 2021; Pérez et al., 2002), helping them save time and commuting costs to the office each day, thus enhancing their initiative. It also provides employees with a sense of comfort, allowing them to choose a private space to freely enhance creativity, avoid the stress from external environments, and improve their quality of life (Azarbouyeh & Naini, 2014), job satisfaction (Kazekami, 2020), and foster innovation (Ellis & Webster, 1998). Additionally, remote work can help employees eliminate distractions from their surroundings, making them happier and more engaged in their work and organization (Irawanto et al., 2021).

However, when employees work remotely, it means that managers cannot directly monitor their work and cannot guarantee that their employees will be as focused as they are in the office. Possible distractions from home and other external factors may lead to divided attention, resulting in uncertain work outcomes. Trust is crucial in remote work teams, especially when employees rely entirely on online interactions with their leaders (Yakovleva et al., 2010). In this working mode, employees' active participation, timely feedback, and collaborative efforts to deliver results become key factors in building trust between colleagues and leaders (Henttonen & Blomqvist, 2005). Welchans (1996) further pointed out that trust and support from leaders to employees are essential resources to enhance job satisfaction and career development opportunities in remote work (Welchans, 1996).

As the pandemic gradually subsides, many countries are beginning to reopen and adopt strategies to coexist with the pandemic gradually. However, the trend of remote work has not diminished. Vietnam, due to its unique climatic conditions and frequent adverse weather effects such as frequent flooding caused by heavy rains, coupled with inconvenient public transportation, where most people need to commute by motorcycle, remote work at home could bring great convenience to employees and solve many difficulties in these special circumstances.

Currently, many countries have conducted numerous studies on the impact of remote work on employee efficiency, but research on this topic in Vietnam is relatively scarce. Most studies on remote work in Vietnam only consider it as a temporary solution under pandemic conditions rather than a long-term viable working model. Furthermore, these studies focus more on the work pressure and environmental issues brought about by remote work, with less attention to the relationship between

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leadership and organizational trust in remote work and employee job performance. The purpose of this paper is to analyze how trust from leadership and organizations affects the efficiency of remote work, using Vietnamese internet companies as examples. It is hoped that this paper will contribute to the academic literature on remote work and provide practical value, helping managers to think about the impact of remote work on employee performance and to propose necessary measures and policies to improve organizational performance.

### **II. LITERATURE REVIEW**

#### **Remote Work and Job Performance**

While remote work was initially known as one of the emergency solutions to cope with the COVID-19 pandemic, the term "remote work" is not a new concept but has been around since the 1970s. Back then, remote work was defined as using technology to replace the daily commute, with or without computer assistance. Over the past 50 years, remote work has been defined by many terms, such as "telecommuting," "telework," "e-working," and "remote working." These terms refer to the ability of employees to utilize network technology to complete tasks in flexible workspaces outside the company office. In recent years, with the advancement of technology and globalization, remote work has become the choice of more and more organizations and employees, especially since the outbreak of the COVID-19 pandemic in 2020. The popularity of this working model has not only brought flexibility and convenience but also sparked a considerable amount of related research to explore the impact of remote work on individuals and organizations.

Improving job performance is one of the primary benefits of organizations implementing remote work policies. Studies have shown that remote work allows employees to work at the most effective times, avoiding distractions or interruptions from colleagues, thereby enhancing job performance. Additionally, Caillier (2016) found that remote work employees may be more motivated than other employees, which could lead to improved job performance. Butler and colleagues (2007) discovered that the actual work results of remote work employees improved, not only in the short term but also in the long term, compared to employees working in the office. Based on the studies above, the authors propose Hypothesis 1:

#### **H1: Remote Work Positively Influences Job Performance**

#### **Leadership and Organizational Trust and Employee Job Performance**

Trust can be defined as the maintenance of mutual beliefs in intentions and behaviors (Curado & Vieira, 2019; Lee & Choi, 2003). When individuals perceive that they are trusted by others, they are motivated and respond to this trust by reciprocating (Ferrin et al., 2007; Fulmer & Gelfand, 2012). Trust brings many benefits to organizations, particularly in cognitive and attitudinal aspects, as well as work behaviors, which directly impact job performance (Delgado-Márquez et al., 2015). A study by Kremer (2019) suggests that leadership trust in employees can reduce employees' fear of taking risks and increase their willingness to accept tasks assigned by leadership (Kremer et al., 2019).

Trust from leadership to employees promotes behaviors that go beyond expected productivity (Deluga, 1994; Atuahene-Gima and Li, 2002; Nyhan, 2000). Desrosiers (2001) found that when working remotely, employees perceive organizational support as crucial, as it fosters positive outcomes.

In another study, Wiesenfeld et al. (1999) noted that traditional supervision and control methods for remote workers may be less effective (Wiesenfeld et al., 1998). Meanwhile, Pyöriä (2011) and Golden (2009) argue that leaders must abandon traditional offline management and control methods and focus more on results-based management to enable remote work to be effective in today's economic era (Golden & Veiga, 2008; Pyöriä, 2011). This conclusion is supported by Mello (2007), who believes that the effective operation of remote work depends on leaders being able to confidently delegate responsibility to employees (Mello, 2007) and allowing employees complete autonomy in deciding how to accomplish work tasks. Kowalski and Swanson (2005), as well as Dimitrova (2003), also agree that the degree of managerial control is a decisive factor in the success of remote work (Dimitrova, 2003; Kowalski & Swanson, 2005). Based on the above analysis, the author proposes the Hypothesis 2:

#### **H2: Leadership and Organizational Trust in Employees Positively Influence Employee Job Performance**

#### **Remote Work and Leadership/Organizational Trust in Employees**

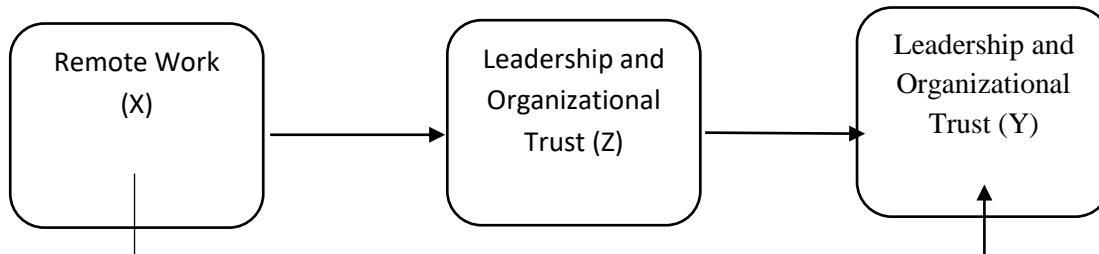
Trust is crucial in virtual team environments (Yakovleva et al., 2010) or full-time remote work, as interactions with managers are primarily virtual in such scenarios. When deciding to implement remote work for employees, managers and organizations need to have a certain level of trust in their employees. Conversely, the active participation, timely feedback, and consensus reached by remote workers are also important factors in building trust between remote workers and colleagues or managers.

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Malhotra et al. (2007) suggest that one of the most common reasons for the failure of remote work projects is managers believing that employees need constant supervision to ensure they remain busy (Malhotra et al., 2007). Additionally, Sullivan (2012) also believes that a challenge in the continued development of remote work is overcoming managers' fear of losing control over employees if they cannot directly supervise them (Sullivan & Lewis, 2001). Based on the analysis above, the author proposes Hypothesis 3 and 4:

**H3: Remote Work Positively Influences Leadership and Organizational Trust in Employees**

**H4: Leadership and Organizational Trust Mediating Remote Work on Employee Job Performance**



**Figure 1** Load Conceptual

*Source: Data processed by researchers, 2024*

### III. RESEARCH METHODS

The authors of this study employed a questionnaire survey and quantitative research methods. Firstly, a substantial amount of literature on remote work, leadership, organizational trust in employees, and job performance was reviewed to form the structure of the paper and formulate research questions. Questionnaire survey: Data collection was conducted through an online survey using Google Forms. Convenience sampling was utilized to obtain the sample, and the questionnaire link was distributed to employees with remote work experience in Vietnamese internet companies through social networks. The sample size depended on the analysis method. In this paper, the authors employed Smart PLS 3 software and the PLS-SEM method for analysis. According to Bollen (1989), the recommended sample size is typically five times the number of observed variables. However, for the PLS-SEM method, a minimum sample size of approximately 200 is suggested. This study collected 327 samples suitable for analysis. Quantitative research: The collected data were cleaned and processed. External loadings coefficients were examined, and reliability tests such as Cronbach's Alpha and composite reliability were conducted. Finally, the PLS-SEM was used to test the model fit through the evaluating the relationships in the model, and assessing the extent to which the dependent variables are explained by the independent variables.

### IV. RESULT AND DISCUSSION

Inspecting observed variables: Outer loading coefficients (Outer loading)  $\geq 0.7$  (Hair et al., 2019). The ideal outer loading coefficient is  $\geq 0.7$ , but in some cases, outer loading coefficients between 0.4 and 0.7 can also be acceptable, depending on the specific circumstances.

**Table 1. Outer Loading Result**

Variable	Job Performance	Leader Trust	Remote Work
JP1	0.879		
JP2	0.874		
JP3	0.855		
JP4	0.884		
LT1		0.891	
LT2		0.878	
LT3		0.837	
RW1			0.860
RW2			0.839
RW3			0.839

*Source: Data processed by researchers, 2024*

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All observed variables meet the required loading coefficients, thus all scales will retain the 4 observed variables as initially proposed. After completing the assessment of the quality of the observed variables, the authors proceeded to test the reliability of the Cronbach's Alpha and CR scales.

Assessing the reliability of scales: Cronbach's Alpha value  $\geq 0.7$ , Composite Reliability (CR)  $\geq 0.7$  (Hair et al., 2019).

**Table 2. Cronbach's Alpha & CR**

Variable	Cronbach's Alpha	rho_A	Composite Reliability	AVE
Job Performance	0.896	0.897	0.928	0.762
Leader Trust	0.838	0.847	0.902	0.755
Remote Work	0.803	0.816	0.883	0.716

*Source: Data processed by researchers, 2024*

The test results indicate that all 3 scales have Cronbach's Alpha  $> 0.7$ , demonstrating reliability. The lowest Cronbach's Alpha is for the RW scale = 0.803, and the highest is for the JP scale = 0.896. Similarly, the lowest CR coefficient is also for the RW scale = 0.883, and the highest is for the JP scale = 0.928. In summary, all scales demonstrate reliable results. The R-squared (R<sup>2</sup>) coefficient represents the explanatory power of the independent variables for the dependent variable (Hair et al., 2017). Using adjusted R<sup>2</sup> reflects the appropriateness of the model compared to the regular R<sup>2</sup>. The R<sup>2</sup> value ranges from 0 to 1, with values closer to 1 indicating that the independent variables explain more of the variance in the dependent variables.

**Table 3. R Square**

Variable	R Square	R Square Adjusted
Job Performance	0.521	0.518
Leader Trust	0.190	0.188

*Source: Data processed by researchers, 2024*

The adjusted R-squared of JP is 0.518, meaning that the variables Remote Work (RW), Leadership and Organizational Trust (LT) explain 51.8% of the variation in the job performance (JP) variable, while the remaining 37.4% is due to system errors and other factors outside the model.

The adjusted R-squared of LT is 0.188, indicating that the variable Remote Work (RW) explains 18.8% of the variation in the Leadership and Organizational Trust (LT) variable, with the remaining 81.2% attributed to system errors and other factors outside the model.

### Hypothesis

**Table 4. Path Coefficient Results**

Hypothesis	Original Sample (O)	Sample Mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV)	p values	Conc.
H2 LT -> JP	0.354	0.356	0.063	5.670	0.000	Accepted
H1 RW -> JP	0.493	0.487	0.060	8.259	0.000	Accepted
H3 RW -> LT	0.436	0.438	0.070	6.217	0.000	Accepted

*Source: Data processed by researchers, 2024*

Hypothesis H1: Remote work (RW) has a positive impact on job performance (JP).

The estimation results show that hypothesis H1 has a coefficient ( $\beta$ ) of 0.493 and  $p = 0.000 < 0.05$ , indicating that this relationship is statistically significant, and the hypothesis is accepted. Therefore, the implementation of remote work contributes to enhancing job performance.

Hypothesis H2: Leadership and organizational trust (LT) have a positive impact on job performance (JP).

Based on the analysis results, this hypothesis has a coefficient ( $\beta$ ) of 0.354 and  $p = 0.000 < 0.05$ , which is statistically significant, hence the hypothesis is accepted. It can be concluded that leadership and organizational trust can increase employees' job performance.

Hypothesis H3: Remote work (RW) has a positive impact on leadership and organizational trust (LT).

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The estimation results reveal that hypothesis H3 has a coefficient ( $\beta$ ) of 0.436 and  $p = 0.000 < 0.05$ , demonstrating the statistical significance of this relationship, and thus hypothesis H3 is accepted. Therefore, it can be observed that the implementation of remote work contributes to increasing leadership and organizational trust.

**Table 5. Specific Indirect Effects**

Relation	Original Sample (O)	Sample Mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV)	p values
RW -> LT -> JP	0.155	0.156	0.038	4.087	0.000

*Source: Data processed by researchers, 2024*

From the table above, Leadership and Organizational Trust (LT) serves as a mediator between Remote Work (RW) and job performance (JP). As it carries a positive sign, this represents an additional indirect relationship.

### Discussion

The results of hypothesis testing show that all 4 hypotheses are accepted with high confidence ( $p = 0.000$ ). Based on this, the author presents some discussions as follows:

Firstly, regarding the relationship between remote work and leadership and organizational trust: The results indicate that remote work has a positive impact on leadership and organizational trust. When working remotely, employees actively providing feedback and engaging positively in their tasks will help build trust from leaders towards them. Additionally, the trust and empowerment given by leaders to remote workers also contribute to their sense of recognition, thereby increasing job satisfaction and enhancing job performance.

Therefore, to enhance job performance, businesses may consider adopting and implementing remote work methods, while focusing on improving employee satisfaction, trust, and empowerment. However, it can also be observed that these impacts on job performance are only at a moderate level, suggesting that currently, the application of remote work may not significantly enhance productivity. Nonetheless, businesses can refer to the results of this study to gradually transition their work methods, or they can combine remote work with office-based work, allowing employees to gradually adapt to the new work methods, which may lead to varying levels of impact.

Furthermore, through intermediary testing, the study also found that leadership and organizational trust both serve as additional mediators for the relationship between remote work and job performance

### V. CONCLUSION

This paper primarily investigates the factors influencing job performance under remote work conditions, positioning remote work as a long-term practice rather than a temporary measure in response to crises like pandemics. The research indicates that remote work has a positive impact on leadership and organizational trust in employees, as well as on job performance.

Therefore, companies can optimize technology and provide technical support to create favorable conditions for remote work. Additionally, they should evaluate employee job performance based on actual work outcomes rather than hours worked, fostering a trusting environment where employees have autonomy over their schedules. Implementing work management tools to monitor progress without constant supervision is also recommended.

Furthermore, the study suggests that managers should flexibly and appropriately promote and adjust remote work policies to sustain a viable model. However, it is important to note that the assessment of job performance in this study relies on self-reported data from respondents, reflecting employees' perspectives, which may introduce biases compared to assessments by managers. Future research could explore the impact of remote work on job performance from the perspective of managers.

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