

# MANAGERIAL TIES AND OPERATIONAL PERFORMANCE OF TOURISM BUSINESSES IN VIETNAM: THE MEDIATING ROLE OF RESOURCE ACCESS

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**Abstract:** The outbreak of COVID-19 has a negative effect on the operational performance of tourism business. Thus, many tourism firms have stopped operating. Therefore, social networks and access to external support resources are crucial in overcoming the crisis. This study, which is grounded in social network theory, attempts to assess how managerial ties affect operational performance through the mediating function of resource access (RA). The study uses the structural equation modelling (SEM) methodology and includes 212 managers from Vietnamese tourism companies in its sample. The findings show a positive and significant relationship between business partner ties (BPT) and government agency ties (GAT) and operational performance (OP). The study also investigates RA's partial mediating function between GAT, BPT and OP. The results are practical for managers in building relationship networks to increase RA and improve OP. Finally, this study suggests certain limitations and outlines directions for further research.

**Keywords:** managerial ties, government agency ties, business partner ties, resource access, operational performance

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## Introduction

At the beginning of 2020, the COVID-19 outbreak erupted globally, causing severe damage to the social and economic sectors worldwide. COVID-19 has seriously affected trade between Eastern Europe and China (Megits, Neskrodieva, & Schuster, 2020). Vietnam was one of the countries affected by the pandemic, but the damage to human lives and property was lower than in other countries. Approximately 32 million infections were reported worldwide on September 23, 2020, of which over 23.4 million cases were successfully treated and approximately 1 million resulted in death. With over 7.1 million cases, the US leads the world in SARS-CoV-2 viral infections. India, Brazil, Russia, Colombia, and Peru are next in line...Meanwhile, Vietnam recorded 1,069 cases of Covid-19. This was explained by Vietnam's effective pandemic prevention measures implemented through the 5K slogan (facemasks, disinfection, distance, no gathering, and health declaration). However, the fourth wave of the COVID-19 outbreak significantly impacted production and business activities for all industries. During COVID-19, intellectual capital had an impact on SMEs' profitability (Papikova & Papik, 2022). Tourism was seen as a spearhead industry in Vietnam that suffered a great deal of damage. The Vietnam National Administration of Tourism study claims that the tourism industry in Vietnam has suffered a loss of 6-7 billion USD due to a significant reduction in the number of foreign tourists visiting Vietnam. Under the negative impact of COVID-19, tourism businesses need more resources to maintain operations and get out of the crisis. Despite the government's support during COVID-19, it is difficult for tourism businesses to access support resources. Therefore, the manager ties play an essential role in accessing external support resources. The networking strategy of small businesses is suitable for the context of Vietnam (Ralston, et al., 1999).

The relationship between managerial ties, resource access and operational performance has attracted many scholars worldwide. For instance, resource acquisition through network scale and relationship quality, such as Semrau and Werner (2014); Ju, Zhou, and Wang (2019). Additionally, managers' human capital is crucial to the effective mobilization of community capital (Piva & Rossi-Lamastra, 2018), obtaining resources through each stage of development thanks to the human capital of founders (Ko & McKelvie, 2018), social capital has effect to entrepreneurial intention from the rural community in Indonesia during the COVID-19 (Utomo, et al., 2022). The study of Peng and Luo (2000) shows that manager ties improve firm performance in China. During the outbreak of the pandemic, COVID-19

had a negative impact on firm performance in China (Shen et al., 2020), and networking capability helped businesses in Brazil overcome the crisis (Zuliani et al., 2020). Through manager ties, small and medium-sized enterprises can access financial capital from banks (Le & Nguyen, 2009; Le, et al., 2006). Furthermore, social network theory, social capital theory, and human capital theory have been extensively employed to elucidate the formation of external resources (Ju et al., 2019; Le & Nguyen, 2009; Le et al., 2006). On the other hand, little is known about how management relationships might improve the operational performance of tourism enterprises during the COVID-19 pandemic and make it easier for them to access outside resources for support. As a result, this study aims to complete the body of existing literature. More precisely, the following research questions (RQs) are the focus of this study:

RQ1. What are the direct effects of managerial ties on operational performance?

RQ2. What are the mediating effects of resource access between managerial ties and operational performance?

In order to answer the research questions, this study uses social network theory and resource-based view theory. Data has been collected from 212 managers in the tourism business. After this section, the study will present Literature review, Methodology, Results, Discussion and Conclusion.

## **1. Literature review**

### **1.1. Social network theory**

Knowing the "right people" and making connections to accomplish individual and organizational goals is referred to in business as building a network (Granovetter, 1985; Powell & Smith-Doerr, 2005). Furthermore, a *network* is defined as one's effort to communicate with others to benefit from increased opportunities (Burt, 1997) or to collaborate to achieve and maintain a competitive advantage (Jones, et al., 1997). Social network theory is based on the idea that because individuals are connected, they tend to think and act in similar ways. With the idea that all of these links can be utilized to analyze the social behaviour of people involved, this theory takes a look at a set of relationships (individuals, groups, or organizations) (Tichy, et al., 1979). People gain social capital through their social structure or network position (Lin, 2002). Social network theory refers to concepts and principles that help

explain the connections between individuals, groups, organizations and other social entities. It is the theoretical framework that examines how social networks operate and how they impact behaviour, attitudes, and outcomes. The theory can be applied to various fields, such as sociology, psychology, economics and business to understand better how social relationships influence human behaviour and decision-making. A relationship's strength is determined by the duration of the relationship as well as the reciprocal interactions that occur within a social network. The interactions between network members are the main focus of social network analysis (Wasserman & Faust, 1994).

## **1.2. Resources access**

According to the resource-based view theory, resources include all types of assets, both material and immaterial, such as money, labour, raw materials, and technological capacity (Barney, 1991). According to Ju et al. (2019) resources are crucial to corporate operations and include capital, raw commodities, technology, and finance. Access to these resources involves financial capital, knowledge, information, and increased partnerships (Semrau & Werner, 2014).

## **1.3. Operational performance**

The operational performance of a business is defined as the extent to which the business achieves its objectives (Cyert & James, 1992). Indicators such as customer and staff happiness, the business's perceived success and growth, future development prospects, and the accomplishment of the company's initial goals are used to gauge operational performance (Reijonen & Komppula, 2007). Chandler and Hanks (1994) use a number of metrics to evaluate operational performance, including employee, customer, and business owner satisfaction; supplier relationships; the creation of a cohesive work environment; market acceptance of products and services; and image development.

## **1.4. Hypotheses development**

### **Managerial ties and operational performance**

The network is crucial for private businesses in transitional economies (Nguyen, et al., 2005) and helps businesses receive the necessary support

from relevant parties. The connections network can supply certain resources that are vital to the existence and prosperity of business (Adler, 2002; Hoang & Antoncic, 2003). Ties with government officials are recognized as beneficial because they increase operational efficiency (Kotabe, et al., 2017). Companies that have strong partner relationships may obtain high-quality raw materials, excellent services, and prompt delivery; they can also foster consumer loyalty, boost sales volume, and make consistent payments. In uncertain environments, managerial ties are likely to be used (Pfeffer & Salancik, 2015). These ties are seen as opportunities to reduce transaction costs (Williamson, 2010). Businesses build relationships with key stakeholders that can positively impact operational performance (Gulati & Sytch, 2008). Businesses with good relationships with reputable partners will have access to other resources (Stuart, 2000). Thus, hypothesis H1, H2 are proposed:

Hypothesis H1: Government agency ties positively correlate with the operational performance.

Hypothesis H2: Business partner ties positively correlate with the operational performance.

### **The mediating role of resources access between managerial ties and operational performance**

Social networks are platforms that help managers access capital, information, advice, and emotional support (Coleman, 1988; Granovetter, 1985). Small and medium-sized enterprises (SMEs) frequently depend on personal relationship networks, practice that aligns with Vietnamese culture (Ralston et al., 1999). Ju et al. (2019) demonstrate that financial resources, customer resources, and human resources acquired through guanxi networks significantly contribute to firm performance in China. During COVID-19 period, these businesses lacked financial capital to maintain operations and the number of customers (tourists) sharply declined. Therefore, to obtain support during this crisis period, businesses in the tourism industry need to establish relationship networks with relevant parties. According to Ju et al. (2019), resource access mediates the impact of Guanxi network on firm performance. Hypotheses H3a and H3b are proposed:

Hypothesis H3a: Resource access serves as a mediator in the link between government agency ties and operational performance.

Hypothesis H3b: Resource access serves as a mediator in the link between business partner ties and operational performance.

From the theory of social networks, there are two categories of managerial ties: government agency ties and business agency ties (Liu, et al., 2023). The proposed research model is displayed in Figure 1.

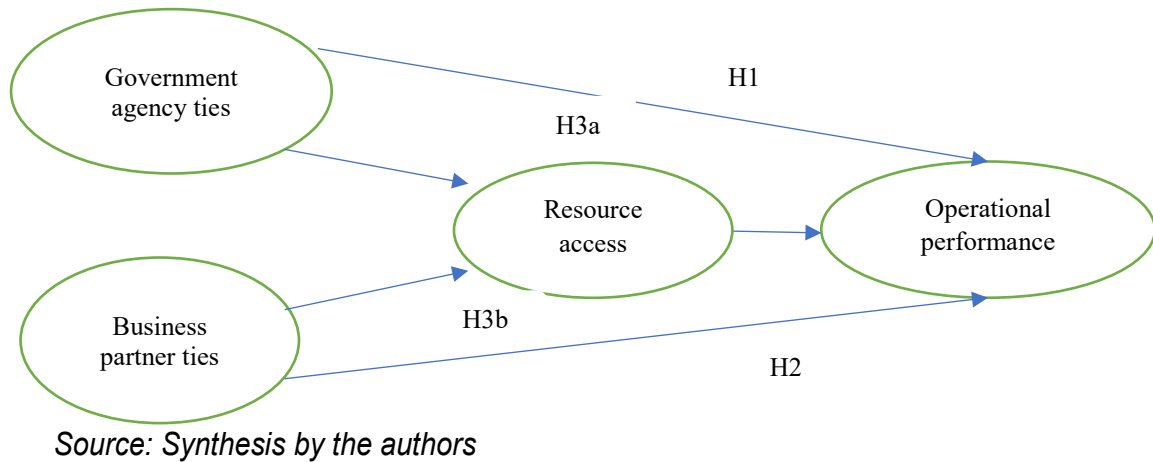


Figure 1. Proposed research model

## 2. Methodology

### 2.1. Research design

The study was conducted through a pilot study and formal quantitative research. A pilot study was conducted through a face-to-face interview with 9 managers in tourism businesses. The constructs were adapted to suit the research context. Subsequently, a preliminary quantitative analysis was conducted with 105 managers to assess Cronbach's Alpha ( $\alpha$ ) and perform Exploratory Factor Analysis (EFA). The results demonstrate that all measurement scales meet the requirements ( $\alpha > 0.6$ ):  $\alpha(\text{GAT}) = 0.825$ ;  $\alpha(\text{BPT}) = 0.843$ ;  $\alpha(\text{AR}) = 0.862$ ;  $\alpha(\text{OP}) = 0.801$ , and the factor loading of items is more extensive than 0.5 (Hair, et al., 2014). Therefore, the constructs are satisfied with convergent validity.

For the formal quantitative research, a sample size of 212 managers was utilized to assess the measurement model and conduct hypothesis testing. Composite reliability, convergent validity, and discriminant validity for the scales were used to assess the measurement model. The research hypotheses were tested using structural equation modeling (SEM).

## 2.2. Measurement scales

The model has four constructs such as government agencies ties (GAT), business partners ties (BPT), resource access (RA), and operational performance (OP). The constructs were adjusted and inherited from Peng and Luo (2000), Semrau and Werner (2014), Ju et al. (2019). A five-point Likert scale was used: “(1) Strongly disagree, (2) Disagree, (3) Neutral, (4) Agree, and (5) Strongly agree” (Table 1).

*Table 1.*  
*Constructs and their sources*

<b>Constructs</b>	<b>No. items</b>	<b>Sources</b>
Government agencies ties	3	Peng and Luo (2000)
Business partner ties	3	Peng and Luo (2000)
Resources access	3	Semrau and Werner (2014)
Operational performance	3	Ju et al. (2019)

*Source: Synthesis by the authors*

## 2.3. Sample

Data was collected from 212 senior managers and mid-level managers. Convenience sampling was used in this study, with an online survey conducted through Microsoft Forms 365. After receiving the respondents' agreement, the survey link was sent directly to each individual. The survey was conducted from October 10, 2022, to February 2, 2023. Sample size is estimated according to the 5:1 principle (Bollen, 1989). The model has 12 items, so the minimum sample size is 60 (12\*5). However, the SEM estimate requires the sample size to be more than 200 (Hoelter, 1983). Finally, 212 valid responses were received for analysis.

## 3. Results

### 3.1. Profile of respondents

The sample size consists of 212 managers. Of these, 115 were male (54.2%), and 97 were female (45.8%). Regarding educational level, there were 20 managers with below-undergraduate degrees, representing the lowest proportion (9.4%). Most participants held undergraduate degrees, with 151 (71.2%), followed by 41 with postgraduate (9.3%). Regarding work experience, 36 managers had less than five years (37%), 60 managers had 5-7 years (28.3%), 64 managers had 7-10 years (30.2%), and 52 managers had over ten years 24.5%) (Table 2).

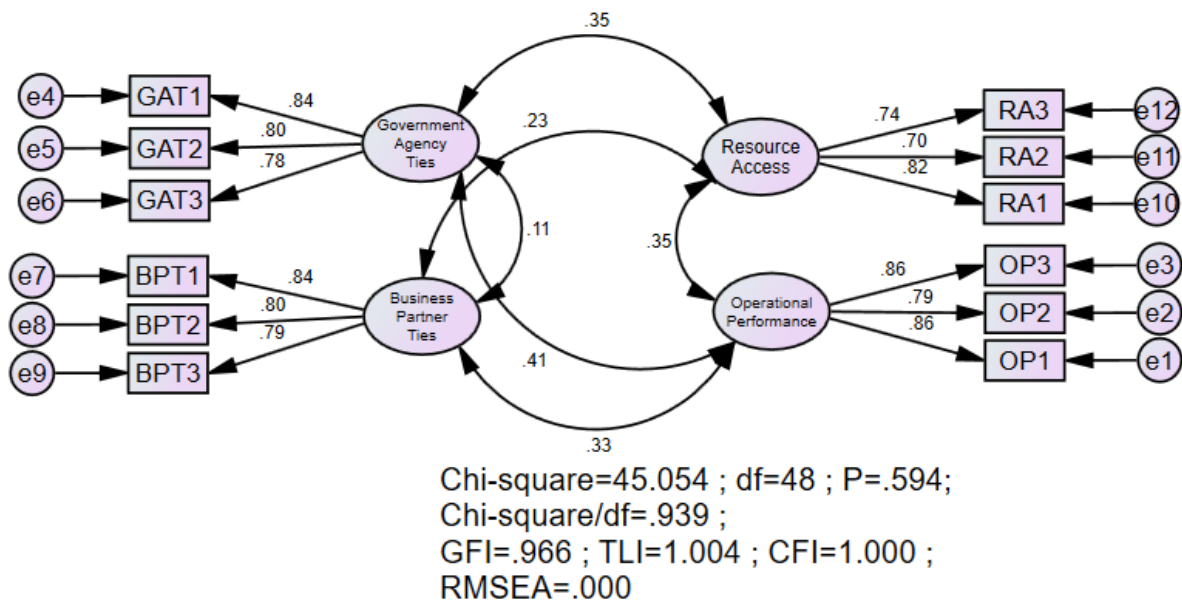
Table 2.  
Sample Characteristics

Characteristics of sample		Frequency	Percentage
Gender	Male	115	54.2
	Female	97	45.8
Level of education	Below undergraduate	20	9.4
	Undergraduate	151	71.2
	Postgraduate	41	19.3
Work experience	< 5	36	17.0
	5 – 7	60	28.3
	7 -10	64	30.2
	≥ 10	52	24.5

Source: Data analysis of the survey by the authors

### 3.2. Measurement model

The CFA results are presented in Figure 2. The model has  $\chi^2[48] = 45.054$  ( $p=0.594$ ); GFI = 0.966; TLI = 1.004; CFI = 1.000; and RMSEA = 0.000. These indices indicate that the model fits to the survey data. Additionally, the residuals of the items in each construct are uncorrelated with each other, indicating unidimensionality.



Source: Data analysis of the survey by the authors

Figure 2. CFA results

Table 3 displays factor loadings, average variance extracted (AVE), composite reliability, and Cronbach's alpha. The results show that all items have factor loadings greater than 0.7, except for RA2, which has a factor loading of



0.696 < 0.7. The factor loadings range from 0.739 to 0.860, indicating that the constructs are satisfied the convergent validity. Cronbach's alpha for all scales are above threshold (> 0.6):  $\alpha(\text{GAT}) = 0.848$ ;  $\alpha(\text{BPT}) = 0.850$ ;  $\alpha(\text{RA}) = 0.793$ ;  $\alpha(\text{OP}) = 0.874$ . Furthermore, all scales meet the requirements for composite reliability ( $\rho_c$ ), with values more than the standard threshold of 0.7:  $\rho_c(\text{GAT}) = 0.848$ ;  $\rho_c(\text{BPT}) = 0.851$ ;  $\rho_c(\text{RA}) = 0.796$ ;  $\rho_c(\text{OP}) = 0.876$ . Additionally, the average variance extracted (AVE) values of all scales are above 0.5: AVE (GAT) = 0.652; AVE(BPT) = 0.656; AVE (RA) = 0.567; AVE(OP) = 0.701. Therefore, according to Hair et al. (2014), these findings indicate that all scales measuring these constructs in the proposed research model satisfied reliability, unidimensionality and the convergent validity.

**Table 3.**  
**Outer loadings, Cronbach's Alpha, CR and AVE**

Constructs	M	SD	Outer loadings
<b>Government agencies ties (GAT): Cronbach's Alpha (<math>\alpha</math>) = 0.848; Composite Reliability (<math>\rho_c</math>) = 0.849; Average Variance Extracted (<math>\rho_{vc}</math>) = 0.652.</b>			
GAT1: We have established relationships with leaders of government agencies at various levels.	3.54	0.975	0.841
GAT2: We have established relationships with officials from various supporting organizations, including the Tax Department, Department of Industry and Trade, Department of Science and Technology, Social Insurance, and Labour Federation.	3.49	1.005	0.796
GAT3: We have established relationships with officials from state-owned and commercial banks and other major financial institutions.	3.54	1.013	0.783
<b>Business partners ties (BPT): Cronbach's Alpha (<math>\alpha</math>) = 0.850; Composite Reliability (<math>\rho_c</math>) = 0.851; Average Variance Extracted (<math>\rho_{vc}</math>) = 0.656</b>			
BPT1: Our business has established collaborative relationships with the high-level management of our customer companies.	3.54	1.099	0.836
BPT2: Our business has developed strong partnerships with the high-level management of our supplier companies.	3.50	0.981	0.803
BPT3: Our business has established relationships with the high-level management of our competitors.	3.31	1.079	0.790
<b>Resources access (RA): Cronbach's Alpha (<math>\alpha</math>) = 0.793; Composite reliability (<math>\rho_c</math>) = 0.796; Average variance extracted (<math>\rho_{vc}</math>) = 0.567</b>			
RA1: Our business has received financial support from government organizations.	2.51	.941	0.818
RA2: Our business has received information/knowledge from government support organizations.	2.58	1.043	0.696
RA3: Our business has been introduced to other business partners.	2.76	1.127	0.739
<b>Operational performance (OP): Cronbach's Alpha (<math>\alpha</math>) = 0.874; Composite reliability (<math>\rho_c</math>) = 0.876; Average variance extracted (<math>\rho_{vc}</math>) = 0.701.</b>			
OP1: Our business has regained stable orders after the Covid-19 pandemic.	3.52	.966	0.860
OP2: Our business has achieved its initial targets for revenue and customer volume after the Covid-19 pandemic.	3.53	.961	0.791
OP3: Our business has gained the trust of customers and partners regarding the quality of services and measures to prevent the pandemic.	3.56	.882	0.860

Note: Mean, SD: standard deviation

Source: Data analysis of the survey by the authors

The discriminant validity was satisfied when the correlation between the constructs deviated significantly from unity (Steenkamp & van Trijp, 1991). Additionally, discriminant validity testing with (Fornell & Larcker, 1981) is shown in Table 4 (Fornell & Larcker, 1981). The values of the inter-construct correlations are lower than the square root value of AVEs. Therefore, the scales in the proposed research model meet the Fornell-Larcker criteria.

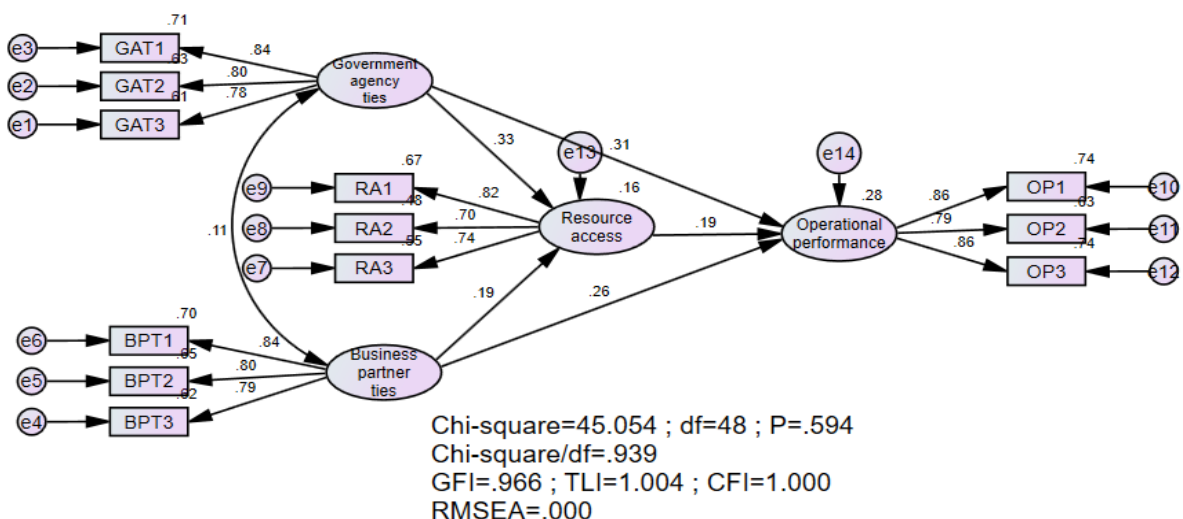
Table 4.  
Discriminant validity assessment using Fornel – Lacker criterion

Constructs	Mean	SD	OP	GAT	BPT	AR
OP	3.534	0.837	<b>0.837</b>			
GAT	3.524	0.874	0.406***	<b>0.807</b>		
BPT	3.445	0.874	0.335***	0.112	<b>0.810</b>	
RA	2.620	0.838	0.355***	0.354***	0.230**	<b>0.753</b>

Note: \*, \*\*, \*\*\* correspond to  $p < 0.1, 0.05, 0.01$ , respectively  
Source: Data analysis of the survey by the authors

### 3.3. Hypotheses testing

The findings of the SEM demonstrate that the study model suited the data reasonably well:  $\chi^2_{(48)} = 45.054$ , ( $p = 0.594$ ),  $CMIN/df = 0.939 < 2$ ,  $GFI = 0.966$ ;  $TLI = 1.004$ ;  $CFI = 1.000$ ;  $RMSEA = 0.000$ . In addition, the Heywood cases did not occur, all standardized residuals were smaller than  $|2.58|$  (Figure 3).



Source: Data analysis of the survey by the authors

Figure 3. SEM results

*Table 5.  
Hypothesis testing*

Hypothesis	Path		$\beta$	S.E.	t	P-value	Conclusion
<b>Direct effect</b>							
H1	GAT	→ OP	0.311***	0.084	3.881	0.000	Accepted
H2	BPT	→ OP	0.257***	0.073	3.416	0.000	Accepted
	GAT	→ RA	0.322***	0.089	3.938	0.000	
	BPT	→ RA	0.193**	0.079	2.392	0.017	
	RA	→ OP	0.185**	0.083	2.234	0.025	

*Note: \*, \*\*, \*\*\* correspond to  $p < 0.1, 0.05, 0.01$ , respectively  
(BPT: Business partner ties; GAT: Government agency ties; RA: Resource access; OP: Operational performance); Standardized estimation  
Source: Data analysis of the survey by the authors*

The SEM evaluation's findings are displayed in Table 5. From the Table, it can be concluded that the hypotheses in the proposed research model are fully accepted. Hypothesis H1, proposed government agency ties positively correlate with the operational performance. The estimated path between two constructs was significant, supporting this H1 (H1:  $\beta = 0.311, p = 0.000 < 0.01$ ). Furthermore, hypothesis H2, proposed business partner ties, positively correlate with operational performance. The results reveal that H2 is also accepted by the data (H2:  $\beta = 0.257, p = 0.000 < 0.01$ ).

*Table 6.  
Mediation testing*

Hypotheses	Mediation paths	Bootstrapping 5000				
		B	$\beta$	Lower	Upper	P-Value
H3a	GAT → AR → OP	0.064	0.062**	0.013	0.138	0.039
H3b	BPT → AR → OP	0.035	0.036**	0.005	0.096	0.046
$R^2_{adj}$			27.8%			

*Note: B (Indirect Standardized Estimate); \*, \*\*, \*\*\* correspond to  $p < 0.1, 0.05, 0.01$ , respectively  
Source: Data analysis of the survey by the authors*

In addition, Table 6 displays testing indirect effects in the proposed research model. This study uses the guidelines proposed by (Zhao, et al., 2010). More precisely, government agency ties have a positive effect on resource access ( $\beta = 0.322, p = 0.000 < 0.05$ ), resource access has a positive effect on operational performance, and the indirect effect is also significant ( $\beta = 0.062; p = 0.039 < 0.05$ ), thus supporting H3a. Similarly, business partner ties positively affect resource access ( $\beta = 0.193, p = 0.017 < 0.05$ ), and the indirect effects is also significant ( $\beta = 0.036, p = 0.046 < 0.05$ ) and thus

supporting H3b. The positive value of all betas (direct and indirect effects) is guaranteed, resource access plays a partial mediation role in the relationship between government agency ties, business partner ties and operational performance (Hair et al., 2014).

The results show that government agency ties are a crucial factor in predicting operational performance ( $\gamma_{total} = 0.373$ ). The second important factor is business partner ties ( $\gamma_{total} = 0.293$ ). The impact of managerial ties on operational performance through resource access explains 27.8% of the variance in operational performance.

#### **4. Discussion**

The study applies social network theory to explain the mechanisms of managerial ties that affect operational performance via resource access during the COVID-19 pandemic. The study's findings support the conclusions of earlier research. For instance, resource access mainly depends on social networks (Ju et al., 2019), network size and quality of relationships (Semrau & Werner, 2014), and bank loans through the social networks of managers (Le & Nguyen, 2009; Le et al., 2006).

The result shows that Government agency ties positively correlate with the operational performance. Notable studies have supported these results (Gulati & Sytch, 2008; Kotabe et al., 2017). Kotabe et al. (2017) indicate that businesses building relationships with government officials increase operational efficiency. Furthermore, Gulati and Sytch (2008) also show that government agencies positively impact their operational performance.

Business partner ties positively correlate with the operational performance. Previous studies support the result of this study. For instance, according to Hoang and Antoncic (2003), a business's network of contacts might supply some resources that are vital to its survival and success. Ju et al. (2019), networking helps firms improve performance. Additionally, Peng and Luo (2000), have found that establishing connections with government officials, managers of other firms, as well as friends and relatives, positively correlates with performance outcomes in China.

##### **Theoretical contributions**

This study makes several important theoretical contributions. First, it draws on social network theory to examine the influence of managerial ties on operational performance, along with the mediating role of resource access in this relationship. Second, the research provides valuable insights into the

literature on networking strategy, offering empirical evidence on the potential role of managerial ties in enhancing operational performance, particularly in the challenging context of COVID-19. Lastly, this study explores the role of resource access as a partial mediator in the relationship between managerial and operational performance.

### **Implications for practice**

These findings hold practical significance for managers operating within the tourism industry. Managers use strategies to cope with the COVID-19 epidemic and overcome the crisis. Businesses in the tourism industry need to expand managerial ties with relevant parties to increase their ability to access support resources. With the impact of the COVID-19 pandemic, social networks have become even more crucial, providing a platform for tourism businesses to communicate and connect with customers, promote their brands, and even access support policies from the government.

### **Limitations and future research directions**

The utilization of an easy-to-use sampling technique is the shortcoming of the study. In order to improve this limitation, future research needs to use stratified sampling. The social network theory has clarified the formation of external access to resources, while the institutional theory has addressed society's acceptance. As social acceptance increases, there is a more significant opportunity for tourism businesses to obtain stakeholder support. Thus, the next study can use institutional theory to clarify access to external resources to advance operational performance.

## **Conclusion**

The impact of managerial relationships on business performance and the mediating effects of access to resources on these relationships are conceived and proven in this study. The results suggest that business partner ties and government agency ties are essential predictors of operational performance with varying intensity. Besides, this study also identifies resource access as a predictor of operational performance. Finally, the results show that resource access partially mediates the link between managerial ties and operational performance.

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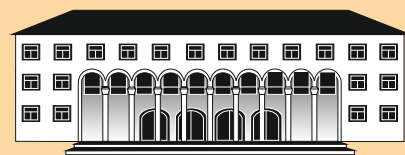
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