

The Effects of Psychological Climate Factors on Job Performance in Joint-Stock Commercial Banks in Vietnam

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Abstract

This research identifies the main factors of the psychological climate that directly affect the performance of banking employees in Vietnam. Besides, this research also takes into consideration the differences in gender, age, educational level, and income on working performance. A survey was obtained from 207 employees working at joint-stock commercial banks and the analysis was handled with SPSS 20 software supports. The result shows that the measurement scales meet the requirements of validity and reliability. Regression analysis demonstrates that there are four factors directly affecting the working performance: friendliness, personal development and learning opportunities, straight and open communication, and the support from the senior management. These four factors have created a healthy psychological climate in the banks, where employees will feel comfortable and happy to improve work performance. Furthermore, this research has found that the higher the income, the more efficiently employees will work. The results of this research contribute to the measurement scale of working environment factors. At the same time, this research also proposes some recommendations for organizational managers to build a reasonable working environment that can inspire a sense of mental comfort for employees to work at their full capacity and to achieve the highest performance.

Keywords: Psychological Climate, Job Performance, Joint-Stock Commercial Banks, Vietnam

JEL Classification Code: M10, M52, M54

1. Introduction

Human resource is the decisive factor for the success of an organization. In the context of the pandemic outbreak and the brink of global economic crisis, many businesses are in distress while other businesses still maintain their position in the market. Surplus capital and lowering interest rates cannot help many businesses weather the storm in the current context, which demonstrates that capital is just a minor

factor in the survival and development of a business. The most important factor for a business in this modern context, which is becoming more and more evidential, is the people and human resource. There are, however, certain difficulties in human resource management among Vietnamese enterprises, such as low working performance, high absence rates and turnover rates, and fierce competition among enterprises to attract skilled labor. Although businesses have offered various compensation packages to improve work performance as well as staff retention, it seems that the compensation factor is not enough to overcome these difficulties.

The modern perspective of human resource management encourages more focus on mental factors instead of mere attention to material factors. As living standards and working conditions are improved over time, mental factors play a particularly important role in helping individuals understand the meaning and motivation of their works. People today not only go to work for a living, but also care more and more about the working environment that can foster a positive spirit to help people fulfill their goals, develop personal capacity, and enjoy their life (Rego & Cunha, 2008). A successful business

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not only earns good profits but also inspires its employees to understand the true results of the job, to take responsibility, to find a balance between work and life (Jaffe, 1995). Robbins and Judge (2018) argued employees tend to achieve better performance when businesses enable them to grow mentally. Therefore, mental factors play extremely important roles for businesses in building the working environment.

In the current context of Vietnam, there are few types of research addressing the psychological climate in workplaces. The authors propose this research on the effects of psychological climate factors on the employee's working performance in a joint-stock commercial bank in Vietnam with a hope that commercial banking industry in Vietnam can comprehend the importance of the mental environment to the employee's working performance and make appropriate strategies to overcome the difficulties in banking human resource management.

2. Theoretical Background

2.1. The Concept of Psychological Climate

The psychological climate has drawn the attention of many types of research with many definitions. According to L. R. James and Jones (1974), the psychological climate is the perceptions and interpretations of employees about the mental values at work. As for Parker et al. (2003), the psychological climate is defined as an individual's visualization of the organizational structures and processes that convey some meanings to them. Rego and Cunha (2008) argue that the mental environment is an individual's awareness of the values and the resources in an organization which is manifested in the employees' pleasure or stress at work. According to Brown and Leigh (1996), the psychological climate arises through the relationship between senior management and employees, the relationship among employees themselves, and the relationship between employees' attitudes toward their works. The psychological climate is the expression of overall mood in an organization that is manifested through the psychological nuances of employees. The psychological climate is revealed through the behavioral conducts, communication, and attitude among individuals toward their colleagues and their work.

A healthy psychological climate helps employees accomplish goals, bring joy and inspiration to the job, and foster communication, performance, and respect among employees. Therefore, employees tend to prioritize collective interests over personal interest benefits. Employees also voluntarily complete the task and voluntarily follow the rules of the organization with a desire for a long-term attachment. The psychological climate of an organization is influenced by two groups of factors: external factors and internal factors. The external factors include institutions, policies, economic

development, and common social context. The internal factor includes relationships with senior management such as personality, communication, management process, leadership style, the relationship between employees, and employees' attitudes toward their works. As a result, the psychological climate is both the source of the strength of a business and the core value that unites all members of the organization into a unified power. The strength of an organization is not the sum of the individuals' strengths but rather a dialectical unity allowing the organization to solve problems that each member cannot do on their own. Only when employees reach a state of true comfort, joy, and happiness, their creativity and skills will be promoted effectively.

2.2. The Importance of Psychological Climate to Behavioral Research

The psychological climate significantly impacts the individual-level outcomes such as work motivation, job satisfaction, engagement, and performance at work (Parker et al., 2003). If individuals hold optimistic perceptions about their working psychological climate or their mental needs are satisfied, they will invest more effort and time in their work, which will boost the performance and the productivity of the organization accordingly. The psychological climate is associated with the cognitive process that plays an important role in understanding the behavior of individuals in an organization because human behavior is based on their perception of reality but not on the reality itself. People tend to see the world as they want to be aware of it and they express what they perceive about the objective world as reality. The theory of psychological climate also indicates that different individuals in the same organization would have different perceptions of the environment and often react to these perceived characteristics rather than the objective characteristics of the environment. While working in an environment, people have to adapt to it and they react according to their perception of the surrounding psychological climate.

2.3. The Constituents of Psychological Climate

The psychological climate is a multidirectional and multifaceted concept (Rousseau, 1988). There is currently no unified opinion on the constituents of the psychological climate because of the difference in the content and the number of components making up this concept. Depending on the purpose of the study and the cultural characteristics of the regions and industries, the psychological climate may include various components. The study of James and James (1989) reveals four components of the psychological climate: (1) Support and favorable conditions from the

leaders; (2) a spirit of friendliness and warmth among working groups; (3) autonomy at work; (4) stress at work and lack of harmony. according to the research of Brown and Leigh (1996), the psychological climate consists of six components: (1) support at work; (2) clear working responsibility; (3) freedom of expression; (4) individual contribution to organizational goals; (5) adequate acknowledgment of competence; (6) challenges at work. Rego and Cunha (2008) also proposed another six-component psychological climate including (1) friendly spirit; (2) credibility and faith in leadership; (3) candid and open communication with leaders; (4) opportunities for learning and personal development; (5) justice; (6) the balance between work and family. Through the above studies, the components of the psychological climate can be derived from high-level needs (according to Maslow theory), relationship needs, development needs (ERG theory), sustainability and encouragement (Herzberg), expectations (Vroom), and motivation (Porter and Lawler).

2.4. Job Performance

Job performance is an important matter closely related to organizational performance and success (Campbell, 1990). In the context of the fast-changing business environment, working performance is not only a concept of efficiency but also a requirement of implementation (Pradhan & Jena, 2016). Researches on employee performance are based on assessments from managers' feedback, colleagues' opinions, or more objective sources and evaluation from respondents' perspectives (Aguinis & O'Boyle Jr., 2014). Working performance is the prediction criteria or key standards specified in a framework that acts as a tool to evaluate the performance of each individual and each workgroup within an organization. Working performance is an outcome of a process characterized by the accomplishment of the workload according to some accepted norms. High performance not only benefits individuals but also helps the company achieve its goals and enhance their competitive advantage (Sonnentag & Frese, 2002).

Employees are an important asset of any organization and improvement in employee working performance is a crucial factor for the future success of the business. Employee performance is the achievement of goals or standards based on the expectations set forth by the organization. In another word, it is the accomplishment of the task assigned against several working standards such as accuracy, completeness, cost, duration, proposed initiatives, creativity in problem-solving, and ability to manage limited resources. According to Whetten and Cameron (2020), employee performance is an outcome of personal competence resonating with being motivated. Performance is the synergistic effect of individual competence and the influential environmental factors embedded in the working conditions. According to

Dessler (2019), employee performance is related to quantity, quality, timeliness of the assigned tasks. Drucker (2006) asserted that efficiency is achieved when employees can get the job done in the best way possible with minimum time and resources. Employee performance is influenced by subjective factors such as knowledge, skills, attitudes, and motivation. At the same time, employee performance is also influenced by external factors such as the working environment and influential colleagues, which are collectively referred to as working conditions.

In general, employee performance is understood as the accomplishment of the assigned tasks that require good coordination within the workgroup and with other colleagues to achieve both individual and organizational goals. This process also demands employees to utilize their energy, knowledge, and organizational supports to complete the job (Rego & Cunha, 2008).

2.5. The Relationship Between Psychological Climate and Employee Performance

According to the statistics of the Manpower Development Magazine, Vietnamese enterprises, on average, can only use about 40% of the productivity of human resources, and this rate may be even lower among office workers due to certain effects of psychological instability, working pressure, and nuisance of daily life. While the workplace is considered a second home of employees, a good working environment will help to improve employee efficiency that can promote the development of business and personal happiness (Rego & Cunha, 2008). Working environment includes both the physical environment and the non-material environment. A decent physical environment is great support for employees in getting the job done. However, creating high-quality products and working efficiently calls for important roles of mental factors (Tracy, 2006). A comfortable and happy working environment will be a great encouragement for the working spirit and for the creativity of the employees (Alessia, 2011), which in turn will foster organizational development and enhance competitive advantage among commercial banks (Bambang et al., 2020).

Tracy (2006) asserted that the accomplishment of personal goals and organizational goals is closely related to the effort of each individual in an organization to build a comfortable mental environment where every member become attached and engrossed in working toward a common objective. Rego and Cunha (2008) emphasized the role of senior managers in understanding and motivating the workforce to relieve stress and promote efficiency. Brown and Leigh (1996) demonstrated the important role of mental factors in manipulating employees' thoughts and actions in the course of their work. Therefore, the mental working environment, or the psychological climate, would directly

affect the employees' mood, perception, and thinking process that govern all human activities and determine performance efficiency.

3. Hypothesis Development

3.1. Friendliness

Friendliness is the perception of individuals about friendship, teamwork, concern among others in the organization, which characterizes a highly socializing factor (Rego & Cunha, 2008). The success of an organization depends heavily on the level of teamwork accomplishments, which in turn relies on the harmony among individual members in the collective. Teamwork is a very important corporate culture that brings employees together to form a strong collective (Alessia, 2011). The teamwork model can foster the spirit of cooperation, coordination, understanding, and mutual support among members that ultimately contributes to the achievement of the organization's goals. Friendliness is one of the factors that creates a working environment where employees have a relaxed, happy, and productive mental state. Therefore, the authors propose the first hypothesis.

H1: There is a positive relationship between friendliness and employee performance.

3.2. Credibility and Trust in Leadership

Credibility and trust in leadership is an individual's awareness of organizational ability to deliver promises, honesty, and trustworthiness. Credibility and trust are the basic factors in establishing any relationship. Rego and Cunha (2008) have shown that when trust is present, behavioral supervision would be redundant and high consensus within the organization can be easily attained. Credibility and trust are the social bonds between management and the employees. With confidence in their employees, managers would be feel comfortable to assign jobs and tasks with minimal supervision needed. In turn, employees, when being trusted, also feel confident to accept the task and acquire motivation to complete the tasks at hand. Therefore, mutual trust should lead to a better outcome for the organization and better performance for the employees (Al-Hroot, Al-Qudah, & Alkharabsha, 2020). On the other hand, without mutual trust, every communication, every interaction, every strategy, every decision may be ruined in vain (Irwan et al., 2020). Thus, the authors form the second hypothesis as following:

H2: There is a positive relationship between credibility and trust in leadership and employee performance.

3.3. Straight and Open Communication

Straight and open communication is an expression of true feelings so that employees can exchange all of their ideas with their superiors, and in some cases employees can even express the attitude of disagreeing over something (Rego & Cunha, 2008). Open communication allows employees to express their emotions and emotional state without feeling guilty or suffering reprimand. According to Alessia (2011), frankness and openness are the ability to make positive, caring, and purposeful criticisms that are possible only when both sides of the communication must be straight and open to each other. Straight and open communication helps to relieve employees' negative emotions so that employees can express their ideas, thoughts and even frustrations, disagree with the leader. This should help the employees find a sense of comfort and motivation to get the job done. As a result, the authors introduce the third hypothesis as follows.

H3: There is a positive relationship between straight and open communication and employee performance.

3.4. Personal Development and Learning Opportunities

Park (2020) showed that most employees prefer to work in organizations where managers focus on training employees for mutual development, creating opportunities for learning new skills and improving the working experience. If business leaders can identify the right competencies of each employee, business leaders can set up an appropriate training program to maximize their employment potential and promote employee performance, which mutually benefits both the employee and the organization.

Training programs help employees develop personal competencies, achieve career goals, and pave the way for advancement. However, businesses have to create fair promotion opportunities for every employee so the workforce can accompany and grow with the businesses (Barkhi & Kao, 2011). According to Maslow's Demand Theory, the need for training and development is categorized as a higher order. In order to retain skilled employees, businesses have to establish satisfaction in higher-level needs of employees, including the needs for personal development and learning opportunities. Maslow has demonstrated that the more people satisfy their high-level needs, the more likely they are to feel contented and happy at work (Dessler, 2019). This mentality is the motivation to help employees to work more effectively. From these discussions, the authors suggest the fourth hypothesis:

H4: There is a positive relationship between personal development and learning opportunities and employee performance.

3.5. Balance Between Work and Family

Family and work are the two main concerns in every employee's life. Enterprises are the places where the employees work to earn income to support their family life, and the family is the place where the employees can rest, enjoy and recover their stamina to continue working (Dessler, 2019). Several studies demonstrate that employees prefer flexible working schedule so that they can resolve conflicts between work and family life when necessary (Robbins & Judge, 2018). Lack of balance between work and family will reduce the quality of life and lower working efficiency. Therefore, the organization management should act as a supportive factor facilitating employees to achieve a balance between work and family so the employees can feel more secure and more comfortable to focus on their work. Problems of work-family balance always play a very important role in employee well-being. Conflicts between work and family life will reduce job satisfaction, increase stress, and in many cases develop psychological distress in employees. The consequences of this imbalance will result in diminished work efficiency. The authors thus propose the fifth hypothesis as following:

H5: There is a positive relationship between work-family balance and employee performance.

3.6. Support of Senior Management

The support of senior management is seeking the help of business managers in finding, constructing, and selecting methods of performing the work (Alessia, 2011). Managers should also support employees in the decision-making process, an interaction that will create a sense of respect (Brown & Leigh, 1996). Backups from senior managers will help employees increase their confidence to do the work, keep them on the right track, and perform more efficiently. As a result, if an employee receives dedicated support from his/her senior manager, that employee tends to get the job done in the right way and more effectively. The following hypothesis is suggested:

H6: There is a positive relationship between support from senior management and employee performance.

3.7. Control Variables

The banking job requirements are carefulness, meticulousness, and a high degree of accuracy, which are suitable for women. That is the reason why females account for majority positions in the banking business. Besides, Vietnam Commercial Bank currently owns a younger and more dynamic workforce than other economic sectors, which reflect the fast-changing nature of the banking industry in

Vietnam. Besides, the income should be commensurate with the labor force because income is considered as a valuable measure in properly evaluating employee performance manifested through the attitude, enthusiasm, and dedication of the banking staff. Upon considering other factors, the authors propose the following hypothesis (Figure 1):

H7: There is a difference in the performance of bank employees according to individual characteristics (gender, age, income, education).

4. Methodology

The study on the effects of psychological climate factors on job performance in the Vietnam Joint Stock Commercial Bank is conducted through two steps: qualitative research and quantitative research. The qualitative method adopts group discussion techniques to adjust and supplement observed variables used in measuring research concepts. The author conducted a group discussion of 10 attendants working at joint-stock commercial banks in Vietnam. This stage identifies the necessary factors to be included in the study, shaping the components and elements of the psychological climate measurement scale. The results of the group discussion showed that all participants understood the concepts and components of the psychological climate. Participants also agree that the psychological climate is becoming increasingly important in the retention and development of human resources which in turn contributes to the stability and advancement of the bank. Based on the comments, the survey questionnaire was developed. After making adjustments to language presentation, the official questionnaire was used in subsequent quantitative research.

Quantitative research was conducted to collect information through surveys through questionnaires distributed to employees working at joint-stock commercial banks in Vietnam. The data in this study is used to test the hypotheses in the research model. This official study was conducted at joint-stock commercial banks in Vietnam in December 2019.

5. Results

5.1. Descriptive Statistics

The total number of questionnaires distributed is 222, and the research subjects are employees of Vietnam joint-stock commercial banks. There were 200 valid responses after removing unsatisfactory answer sheets consisting of incomplete answers, conflicting answers, and answers with two or more options. The valid responses accounted for 96.62% of the total questionnaires distributed. Table 1 lists the classification of 200 participants joining this research survey by gender composition, age, level, and average income.

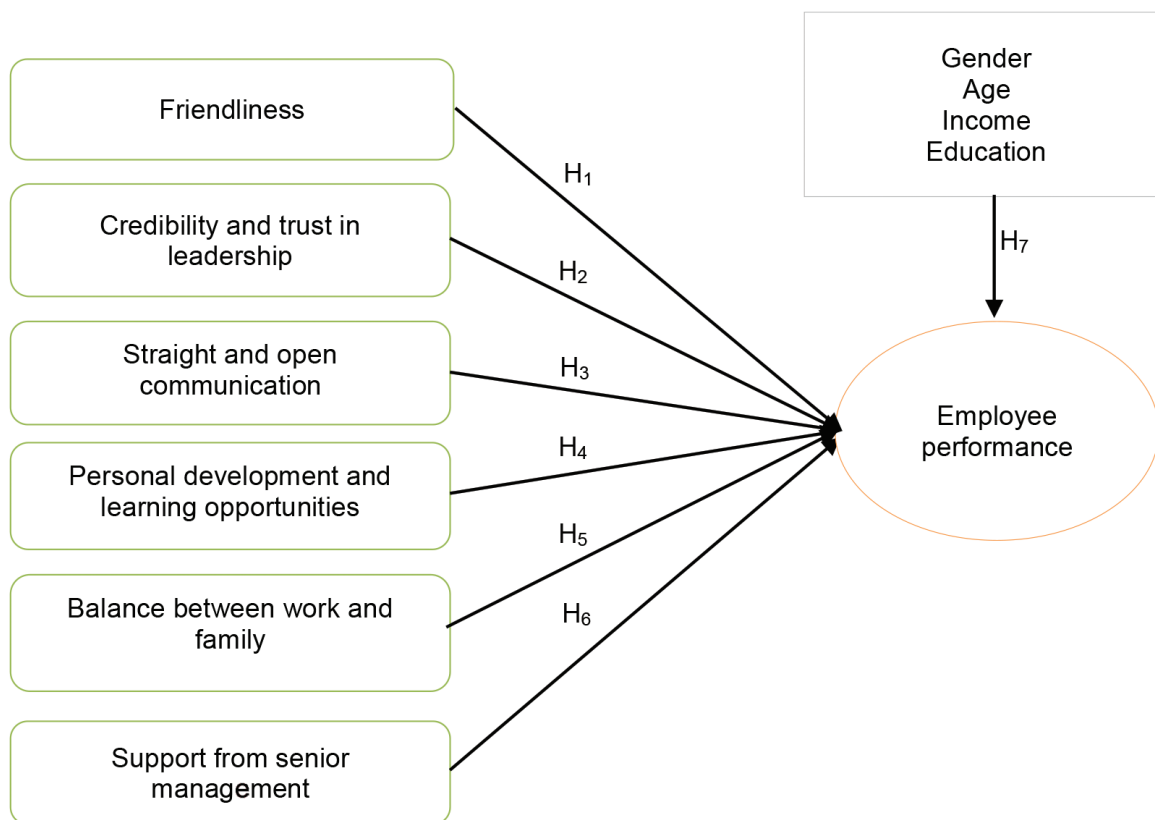


Figure 1: The Research Model

Table 1: Employee Characteristics

N = 207		Frequency	Percentage (%)
Gender	Male	95	47.5
	Female	105	52.5
Age	Age 18–25	58	29.0
	Age 26–35	96	48.0
	Age 36–45	29	14.5
	Over 45	17	8.5
Income	< VND 5 millions	29	14.5
	From 5 –< VND 10 millions	113	56.5
	From 10 –< VND 15 millions	41	20.5
	VND 15 millions	17	8.5
Education	Vocational	24	12.0
	College	73	36.5
	Undergraduate	91	45.5
	Graduate	12	6.0

Table 2: Reliability of Measurement Scale

Variables	Coding	Items	Cronbach's Alpha	Notes
Friendliness	FRI	4	0.773	
Credibility and trust in leadership	CTL	3	0.770	
Straight and open communication	SOC	4	0.775	Discard SOC1
Personal development and learning opportunity	PDLO	5	0.845	Discard PDLO3
Balance between work and family	BWF	3	0.784	
Support of senior management	SSM	4	0.836	
Job performance	JP	4	0.809	

5.2. Measurement Scale Evaluation

The scales were tested for reliability using Cronbach's Alpha to eliminate observed variables and unsatisfactory scales. Observed variables with an item-total correlation of less than 0.3 are disqualified and the variables with Cronbach's Alpha of 0.6 or higher are accepted (Vuong & Giao, 2020). According to the research model, the psychological climate is determined and measured by 6 factors. The Cronbach's Alpha coefficients of these 6 factors and the coefficient of the employee performance are shown in Table 2.

Among the measurement scales, the factor straight and open communication and the factor personal development and learning opportunities have 01 excluded variables for each factor (SOC1 and PDLO3). These disqualified variables have correlation coefficients with total variables smaller than 0.3 (Giao et al., 2020). Table 2 consists of the updated Cronbach's Alpha measure. In general, the Cronbach's Alpha coefficients of all factors are quite high (>0.7). All observed variables have a total correlation coefficient greater than 0.3 so they are suitable for subsequent EFA analysis. The psychological climate is updated with 21 observed variables for 6 components. The employee performance factor is measured by 4 observed variables. All measurement scales are highly reliable.

After checking the reliability with Cronbach's Alpha analysis, factor analysis was used to test the discriminant values of measurement scale. The result of discriminant analysis is displayed in Table 3.

EFA analysis with principal component extraction method and Varimax rotation allows extracting 7 factors from 25 observed variables and cumulative variance extracted is 69.198% (satisfactory $> 50\%$). Besides, the loading of all variables is greater than 0.5 (Table 3). Therefore, the measurement scales in the study all attain high converging values.

5.3. Linear Regression Analysis

The linear regression analysis is employed to explore the relationship between psychological climate components

and employee performance. Table 4 shows that the adjusted- R^2 is 0.743, which means that 74.3% of the change in Employee performance is explained by the variation of 6 independent variables including friendliness, Credibility and trust in leadership, Straight and open communication, personal development and learning opportunities, balance between work and family, and support of senior managers. Besides, the Durbin - Watson test shows that the coefficient $d = 1.709$ ($1 < d < 3$) so we can conclude that the residues are independent of each other and there are no correlations between the residuals.

The maximum value of VIF (Variance Inflation factor - VIF) of 1.765, which is significantly less than 10, indicates that these independent variables are not closely related to each other. Therefore, the model is free of multicollinearity phenomenon and the relationship between the independent variables does not significantly affect the explanatory power of the regression model.

The statistical table of regression coefficients (Table 4) shows that 04 independent variables friendliness, straight and open communication, personal development and learning opportunities, and support of senior managers have the same directional impact on the dependent variables, Employee performance because the standardized regression coefficients (β) of these variables are both positive and statistically significant (Sig. < 0.05). In addition, this research has found that the higher the income, the more effective employees will work. Thus hypotheses H1, H3, H4, H6, H7 are accepted at the 95% confidence level. However, the variable Credibility and trust in leadership and the variable Balance between work and family are not statistically significant because their p -value is greater than 0.05. These two variables should not affect the performance of employees in Vietnam commercial banks. Therefore, the hypothesis H2 and H5 are rejected at the 95% confidence level.

Upon revisiting Herzberg's dual-factor theory, we find that the balance between work and family factor resembled personal life factor, which belongs to the sustainability factor group. When elements of the sustainability factor group are

Table 3: Convergent Analysis

Factors	Variables	Coding	Loading
Personal Development and Learning Opportunities	I see that the working environment offers many opportunities for learning	PDLO1	0.874
	I have been allowed to apply my own ideas	PDLO2	0.805
	I realize that the bank always has training programs suitable for the competency of each group of employees	PDLO4	0.765
	I realize that I can develop my talent by working here	PDLO5	0.726
Support from Senior Management	The superiors always support me to choose the best plan to complete my work	UHCT	0.847
	The superiors always support the ideas and the ways I do to get things done	SSM2	0.844
	My superiors support me to contribute opinions to make a decision	SSM3	0.701
	I have to be careful in carrying out my duties because the superiors are often very strict with new ideas	SSM1	0.682
Friendliness	I find that employees treat each other as members of a family	STT4	0.773
	I always show interest in other colleagues	FRI3	0.747
	I found the teamwork spirit collaborative	FRI2	0.743
	The working atmosphere is very friendly	FRI1	0.703
Balance between Work and Family	Leaders always support me to balance my work and my family	BWF2	0.828
	Leaders allow me to take time to handle household chores when needed	BWF1	0.770
	I have been able to take good care of my relatives	BWF3	0.763
Straight and Open Communication	I feel comfortable expressing all my opinions to the senior managers	SOC3	0.860
	I can talk to the leader easily	SOC2	0.786
	I feel comfortable talking candidly and openly with my colleagues	SOC4	0.771
Credibility and Trust in Leadership	I strongly believe in leaders and senior managers	CTL3	0.839
	My leader always fulfills his promises	CTL1	0.810
	I realize that the people who lead me are always honest	CTL2	0.700
Job performance	I believe I am an effective employee	JP3	0.864
	I am always satisfied with the quality of the work I have done	JP2	0.821
	My superiors always believed that I was an effective worker	JP4	0.794
	My colleagues always value me as an effective worker	JP1	0.705
Eigenvalue			1.198
Cumulative deviation (%)			69.198

properly implemented, employees will have no discontent, but they will not be encouraged. Similarly, when businesses do a good job of balancing employees' work and family, employees will not feel dissatisfied. However, this will not motivate them to work better.

The credibility and trust in leadership have no impact on employee performance, which can be explained that the

element of trust and credibility in leadership only encourage an employee to work but this element is not the maintenance factor that motivates employees to work better.

In addition, the income factor must be mentioned because this study has demonstrated a difference in the performance of low-income and high-income employees. The income factor is a reflection of the compensation by the corporate structure.

Table 4: Regression Results

Model		Coefficients		Standardized Coefficients	t	Sig.	Multicollinearity	
		B	S.D.	Beta			Tolerance	VIF
1	(Const)	−0.038	0.476		−0.079	0.937		
	FRI	0.397	0.062	0.402	6.401	0.000	0.709	1.411
	CTL	0.082	0.054	0.106	1.515	0.131	0.568	1.760
	CSOC	0.213	0.061	0.216	3.482	0.001	0.728	1.373
	PDLO	0.201	0.057	0.221	3.539	0.001	0.719	1.391
	BWF	0.031	0.050	0.033	0.618	0.538	0.974	1.026
	SSM	0.249	0.106	0.166	2.360	0.019	0.566	1.765
	Gender	−0.075	0.087	−0.062	−0.863	0.389	0.998	1.002
	Age	0.005	0.049	0.007	0.098	0.922	0.999	1.001
	Education	0.004	0.057	0.004	0.062	0.951	0.967	1.034
	Income	0.124	0.055	0.131	4.427	0.000	0.968	1.033

Adjusted $R^2 = 0.743$.

Durbin-Watson coefficient $d = 1.709$.

Higher salary reflects a better appraisal of employees' ability, skills, and performance. As a consequence, employees with high salaries strive to bring value to the organization. In this study, the testing results show that the higher the trend of income, the more effective employees are. This consistent with the reality in the banking business.

6. Conclusion and Recommendations

6.1. Conclusion

Based on the theoretical overview, a research model explaining the effect of the psychological climate on employee performance has been developed for this study. This model was tested with a sample size of 200 employees working at joint-stock commercial banks in Vietnam. Research results show that psychological climate factors impose strong effects on employee performance. The results of the regression analysis demonstrate that there are 04 mental factors that are positively related to employee performance at different levels of influence. The friendliness factor has the strongest impact ($\beta_1 = 0.402$), followed by the personal development and learning opportunities factor ($\beta_4 = 0.221$), the straight and open communication factor ($\beta_3 = 0.216$), and the support from senior managers ($\beta_6 = 0.166$). with this outlined relationship, this study has made positive contributions to management practices at Vietnamese joint-stock commercial banks. From the above analysis, we can conclude that the theoretical model

is suitable for the research data and there are 05 accepted hypotheses, namely H1, H3, H4, H6, H7. The adjusted theoretical model is presented in Figure 2.

6.2. Recommendations

6.2.1. The Friendliness Factor

Research results showed that “friendliness” is the factor that has the strongest impact on the performance of employees in the group of 04 factors affecting job performance. First of all, managers should improve internal communication among bank employees to create cohesion and understanding among employees. Commercial banks should rearrange the workplace with appropriate designs and allocation to make employees feel free to communicate like they are at home. Communication among employees not only helps businesses limit conflicts but also contributes to increased teamwork. Some banks have taken initiatives to design offices without private rooms all so that both managers and employees can have their seats in harmony and equality within a common space. With this arrangement, all barriers of rank, age, gender, language, and nationality seem to be removed. This enables young, dynamic, and talented staff to express themselves without hesitation or bewilderment. In addition, increasing the cohesion among the members outside the workspace also brings many benefits. Commercial banks should arrange for charity trips for all employees to contribute to a stronger community with greater meaning. Such charity trips will give

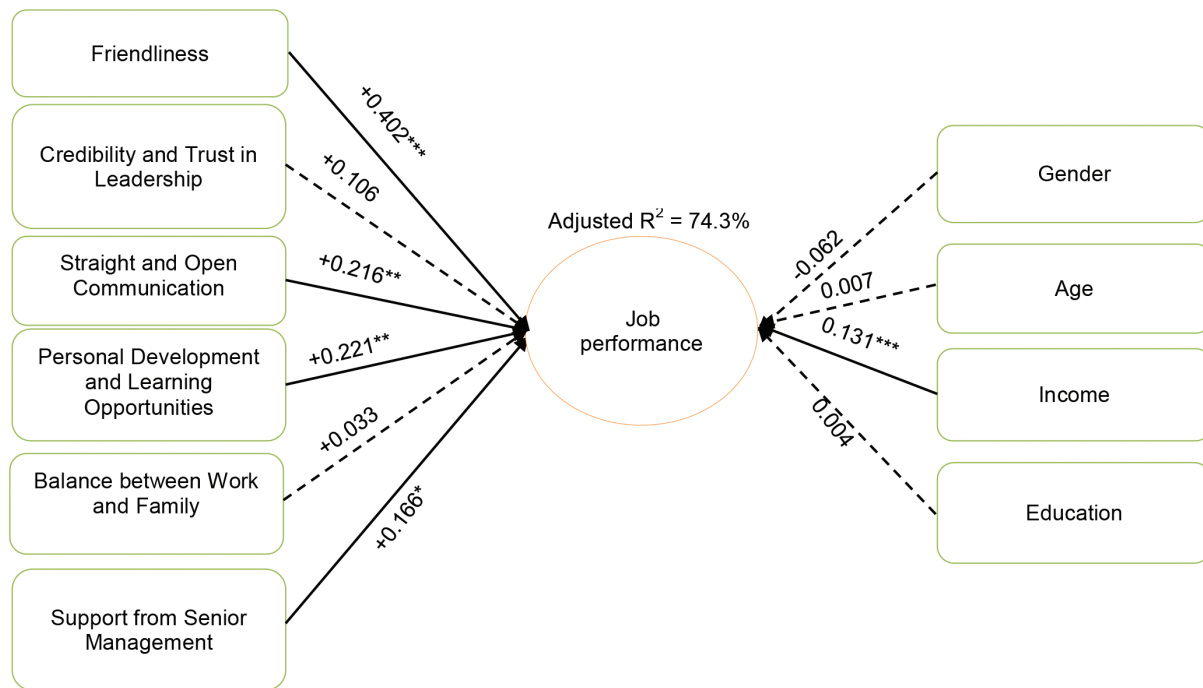


Figure 2: Adjusted Research Model

employees direct experience in helping others and develop opportunities for employees to get closer to each other. Also, the bank should consider organizing tours for team building for the employees to draw their own experiences about teamwork support each other. Besides, the bank can organize birthday for its members through intimate and cozy parties. Finally, built-in sport facility areas also help employees meet after stressful working hours for entertaining and exercising.

6.2.2. The “Personal Development and Learning Opportunities” Factor

The research results showed that “personal development and learning opportunities” is the second factor affecting the performance of employees. Commercial banks can offer many training courses and programs to hone the employees’ skills and learning experiences. Employees should be arranged to work in positions suitable to their competencies to take advantage of the knowledge that the employees have just learned and created motivation to work better. For employees wishing to improve their skills through external training, the banks should consider incentives such as sponsoring a partial or full tuition fee. This is a clear indication that the banks have a lot of interest in developing their employees’ capacity in the future. For employees who work during the day and take extra classes at night, the bank should review the working schedule and reasonable timetable

to encourage employees to complete their studies. A great way for employees to learn and develop their capabilities is possible job rotation. Job rotation can also arouse the working spirit and promote creativity among employees. When being rotated to a new position, the new working environment will help employees feel more excited and have more rooms to learn from different senior managers. This is the motivation for employees to better accomplish their assigned tasks. Besides, the tasks assigned should be appropriate to the employees’ competency. Being trusted to carry out important and suitable jobs, employees will realize that the value of their labor is respected and appreciated. Therefore, they will devote more effort to improve problem-solving skills for better performance.

6.2.3. The “Straight and Open Communication” Factor

The research results showed that “straight and open communication” is the third factor affecting the performance of employees. Firstly, leaders should be friendly people who can listen, encourage, and construct positive comments for open discussions on work-related issues. In such an environment, employees feel that they are respected and they are eager to work and complete their tasks. Also, commercial banks should set up a forum on the internal banking website to encourage employees to communicate with leaders through online interactions. This open feedback channel

allows employees to gauge how well they are doing and how should they improve their work performance. Leaders should also sincerely share non-confidential information with employees on this channel. Finally, leaders should maintain active understandings about their employees' lives situation, working conditions, and any difficulties preventing employees to perform their tasks effectively. The more employees see how much their leaders care and respect them, the more they feel important and encouraged.

6.2.4. The “Support from Senior Management” Factor

The research results showed that “support from senior management” factor has the weakest influence on the performance of employees. Firstly, senior managers should stimulate employees to implement new projects, new ideas, and new responsibilities in the bank. Employees working in an environment with full of encouragement also seem to come up with a lot of innovative thoughts and solutions. They will promote their dynamism to adapt to changes in working conditions, thereby help business operations of the banks become more active and more competitive. Besides, leaders should advocate new initiatives that make the job more efficient. Leaders should empower employees to make their own choices and their own decisions on how to achieve the results the banks seek. Because banking employees have completed relatively decent educations, employees can well-understand their jobs and they know their duties, roles, and functions in the organization. Therefore, it is necessary to let them do what they need to do to get the job done. Empowering employees by getting them involved in the decision-making process makes them feel important and respected. Empowerment allows employees to quickly address specific situations arising during working with customers, rather than having to consult or ask for permission from their superiors. The commercial banks should also maintain some financial reserves needed to support employees when they are empowered to carry out their work.

6.3. Limitations

Although this study has completed the proposed research objectives, there are still some limitations. First, the authors collected data by using convenient sampling methods only so the research results may not be highly representative. Subsequent research should use probabilistic sampling to increase representation. Second, the scope of this study only focuses on the overall impact of the entire sample collected and not yet analyze the within-group differences such as transactions accountants, back-office employees, credit analyst, and project staff. The authors suggest that future research directions should focus on the differences in performance among these groups of employees.

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