

## EFFECTS OF PSYCHOLOGICAL EFFICACY AND JOB INVOLVEMENT TOWARDS THE JOB PERFORMANCE OF STATE ENTERPRISE BANK EMPLOYEES IN BANGKOK

WORNPAHOL SANGTIAN, THANYANAN BOOYOO, AND MONTREE PIRIYAKAL  
Southeast Asia University

### Abstract

This study aimed to explore: (1) psychological efficacy, job involvement, and job performance; and (2) investigate job involvement as a mediated factor between psychological efficacies toward job performance of state enterprise bank employees in Bangkok. Samples of the study were 100 branch managers of state enterprise banks in Bangkok. Questionnaires were implemented as a research tool in this study, data were statistically analyzed by percentage, means, standard deviation, and structural equation model (SEM). Findings in the study revealed that: (1) the overall results of psychological efficacy, job involvement, and job performance of the employees were at a high level (=3.94, 3.72, and 3.60 respectively); and (2) the coefficient results (Boot LLCI) of the effect of job involvement as a mediated factor between psychological efficacy and job performance were at 0.308 and the Boot ULCI results were at 0.566. Therefore, this study ascertained that the outcomes of different studies could be established as the fundamental job performance, depending on the affective attitude and the job involvement of the employees to enhance the human relationship efficacy within the organizations.

**Keyword:** Psychological Efficacy ,Job Involvement , Job Performance

### Introduction

Presently, business transaction circumstances have gradually changed. Unfortunately, the gradual changes of the external circumstances cannot anticipate sustainability in the long run. Every business organization is threatened, hence take efforts to seek new strategies to give a rapid response and increase flexibility in the fast-changing business environments (Sofijanova & Zabijakin-Chatleska, 2013, p. 31). A dynamic business environment is complicated and can take advantage of new opportunities to contribute satisfactory job performance and to enhance long term survivals. It is necessary to create a paradigm of individual attitudes, influencing desirable work systems and boosting psychological efficacy. This can support the values of individual attitude, engaged by the organizations. Additionally, the exchanges among the individuals associated with their job involvement behaviors can reform higher flexibility of job performance (Jyoti & Dev, 2016, p. 116).

The effective job performance of employees is considered as an activity that human resources can reform through changing paradigm of the input factors to engage in satisfactory outcomes. For example, it can produce beneficial products and services for organizations, societies, and the country. However, each individual job performance must be measured to indicate the effectiveness and the efficacy of his or her job performance in comparison to the organizational standards in order to compare to the higher achievement of the objectives, policies, and goals or to compare the individual job performance with other colleagues' (Chen, Lin & Wu, 2016, p. 77). Notably, the state enterprise policies of the organization are organized to control and support the desirable administrative management system. It also benefits the competitive managements to achieve organizational goals and

responds to the challenges of the globalization dynamics and the advancement of technologies effectively. State enterprise bank is regarded as a financial institute of Thailand, governed by the Ministry of Finance, and it is an organization under the law of the amendment of organizations under government control. It is owned by the government, co-operating and joining the assets with a company limited and a public company limited together with the organization (State Enterprise Policy Office, 2018). They have organized the Cooperate Governance Policy to adjust its bank following the financial innovation technology which is the mechanism in co-operation with the government and bank to boost the performance efficacy and to achieve the organizational goals (Bank of Thailand, 2018).

Therefore, the State Enterprise Banks have to provide various forms for operational adjustments, and to contribute their work values in relation to the customer and organizational needs (Arefin, Arif & Raquib, 2015, p. 267). This cooperation is managed by the higher and middle administrative managers. Furthermore, the employee exchange activities will create job involvements among the employees and promote the exchange of information for the organization benefits using the empowerment process which comes from the creativity of the teamwork and the integration to build the positive job performance within the organization further (Sofijanova & Zabijakin-Chatleska, 2013).

From the above information, the researcher had tried to explore the effects of psychological efficacy and job involvement toward the job performance of state enterprise bank employees in Bangkok; and to investigate the factors affecting on job performance of state enterprise bank employees in Bangkok to be a guideline for planning and organizing the operational policies to promote the employees' effective job performance under the dynamics of the competitive business situations further.

### **Research of Objective**

To explore the psychological efficacy, job involvement, and job performance of state enterprise bank employees in Bangkok.

To investigate the job involvement as a mediated factor between psychological efficacy and job performance of state enterprise bank employees in Bangkok.

#### **Literature review**

After reviewing the literary works, concepts, theories, and related research studies, the researcher has summarized as the following:

**Psychological Efficacy (PE):** Psychological efficacy (PE) is a kind of individual's attitude, regarded as a psychological mechanism, associated with the satisfactory specific attributes of each individual. It can be measured and developed by administrative management. Meanwhile, it is an exchange among individuals to contribute higher motivation and work values to formulate positive outcomes followed by organizational needs (Arefin Arif & Raquib, 2015, p. 267). The organizations can engage positive psychological efficacy factors (i.e., personal capability trust, expectations, optimism, and emotional flexibilities) to enhance the best perceived job performance and organizational performance efficacy (Bouzarit & Karatepe, 2016, p. 2179). According to the study of Shih, Chiang & Hsu (2013, p. 540), it argued that the psychological efficacy took positive effects of organizational cooperation and job performance.

The employees' cooperation is a transferable factor which supports the highest work efficacy. Subsequently, the perceived personal capabilities can also have an effect on the value trusts of each individual and can promote higher achieved organizational goals (Chen, Lin & Wu, 2016, p. 77). As well as Setar, Buitendach & Kanengoni (2015, p. 11) that have studied the psychological efficacy that reflects the unique characteristics in responding to

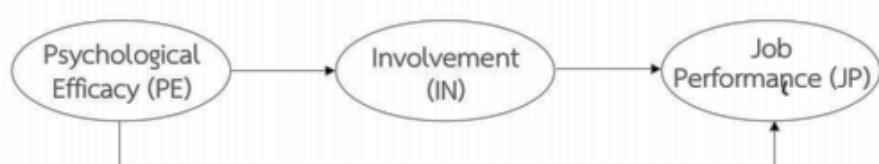
job involvement. By using intellectual normative beliefs of people to work social interactions to motivate participation in work that results in the job performance of employees effectively (Kappagoda, Othman & Alwis, 2014, p. 105)

**Job Involvement (IN):** It is an individual attitude to maintain good membership within the organizations. The job involvement of the employees is a work participation process and it also strengthens employees to promote their personal attributes in working with full efforts as techniques and flexibilities that motivate them to further achieve the organizational goals (Sourchi & Jianqiao, 2015, p. 84). However, the job involvement must rely on the employees' perceived system of knowledge management, skills, and organizational strategies to help them freely adjust their decision-making and problem-solving. The work system can be the outcomes that contribute fundamental dimension of individual and team involvements; whereas the organizations must enable the employees' opportunities to create their creativities in enhancing the best advantages in their organizations (Sofijanova & Zabijakin-Chatleska, 2013). Likewise, the study of Ibrahim, Githae & Stephen (2014, p. 5) showed that the influence of the job involvement toward the job performance using gradual activities and training to contribute to the knowledge and relationship among the employees. Subsequently, the study of Rizwan, Khan & Saboor (2011, p. 80) showed that the involvement has effects on employees' job performance. The employees' job involvement has affected their work practices and the involvement can be a significant factor to promote suitability of employee retention in the organizations as well. In addition, Job Involvement can create employee job performance that is based on the attitude of creativity, causing proactive behavior towards systematic development (Sourchi & Jianqiao, 2015, p. 87)

**Job performance (JP):** Job performance is a key factor that manages the organizational outcomes and leverages the outcomes of employees who follow their job duties and the work system to improve the effectiveness of their job performance. The organizational management can predict the real outcomes of the organizations by the appropriate productivities suited for their job duties both in qualities and quantities as conformed to the organizations (Akhtar, 2016, p. 711). In fact, the work system which enables positive job performance will be a reflective process of the job performance of each employee by using various techniques of the job performance evaluations.

This depends on the appropriateness of each organizational management structures to contribute the effective job performance and competencies to achieve the highest of organizational goals under the limited resources (Hasin & Gugkang, 2017, p. 72). The aim of these techniques is to maintain the efficacy of the work system directly to enable the effective organizational management further (Jyoti & Dev, 2016, p. 116).

Based on the aforementioned literature review, the researcher has created the conceptual framework of this study as the following:



**Figure 1** Research Framework

### Research Hypotheses

Hypothesis 1 (H1) Psychological efficacy has impact directly on the job involvement

Hypothesis 2 (H2) Psychological efficacy has impact directly on the job performance

Hypothesis 3 (H3) Job involvement has impact directly on the job performance

Hypothesis 4 (H4) Job involvement as the mediator variable correlated with the influences of psychological efficacy and job performance

### Research Methodology

This quantitative study is an exploratory research implementing questionnaires. The researcher has followed the delimitation and descriptive details as follows:

Participants in this study were a total of 561 bank managers in state enterprises in Bangkok (Bank of Thailand, 2018) and 100 of them were randomized as the samples in this study, using size measurements under the SEM analysis of structural equation model of Piriyakul (2010), identifying sample sizes as follows:

$$\text{If } \frac{\text{Numbers of variable equations}}{\text{Numbers of latent variable}} \leq 2 \text{ defines the sample size (n)} \geq 200$$

$$\text{If } \frac{\text{Numbers of variable equations}}{\text{Numbers of latent variable}} > 3 \text{ defines the sample size (n)} \leq 100$$

$$\text{In case } \frac{\text{Numbers of variable equations}}{\text{Numbers of latent variable}} = \frac{16}{3} = 5.33$$

This equation defines sample sizes as 100 samples by using stratified random sampling and simple random sampling.

Research instruments in this study could be categorized into 4 parts. Part one included the personal data of the respondents using a checklist. Part 2 was implemented to measure the psychological efficacy, adapted from the measurement of Luthans et al (2007), which included 5 questions with the Cronbach's Alpha Coefficient at 0.739. Part 3 aimed to measure the levels of job involvement, adapted from Conbachs Alpha Coefficient at 0.731. Part 4 intended to measure job performance of the respondents which was adapted from Husin & Gugkang (2017) and included 6 questions with the Cronbach's Alpha Coefficient ranged at 0.804. Notably, part 2 to 4 was measured by 5 levels of Likert's scales (5 = the most strongly agree, 4 = strongly agree, 3 = moderate agree, 2 = less agree, and 1 = least agree).

Data was collected from 100 of bank managers in state enterprises in Bangkok; were collected and achieved a 100% response.

Data analysis: Statistics analysis in this study included: (1) descriptive statistics (percentage, means, and standard deviation) (2) Structural Equation Model statistics, to analyze the least error measurement and statistic ranges at the partial equation, PLS (Partial Least Square = SEM) was implemented by SmartPLS 3 program (Hair et al, 2017); and (3) analysis of the effect of mediated variables by using Process program (Preacher & Hayes, 2008).

## Research Results

Regarding the personal data of the respondents, the majority of the respondents were 68 males (68%) and 59 respondents (59%) has an age range of 41 to 50. The respondents with Master's degree or higher level was at 58 respondents (58%). The marital status was married at 61 respondents (61%) and duration of work with more than 10 years of 29 respondents (29%).

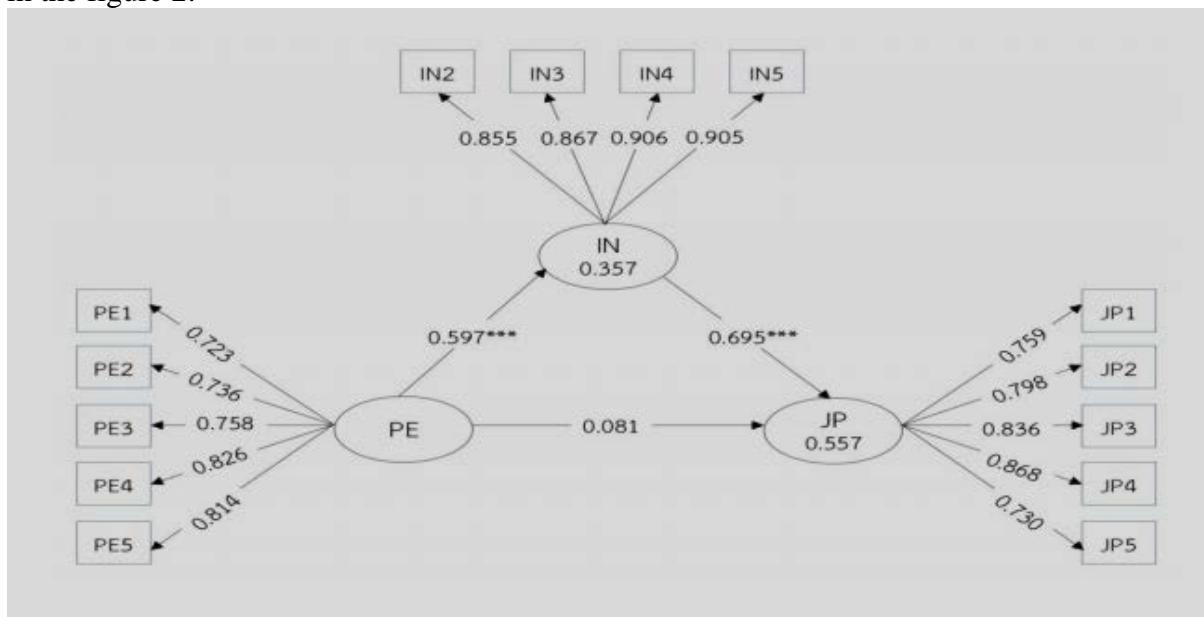
The results of descriptive statistical analysis of Psychological efficacy, job involvement and job performance as shown in Table 1.

**Table 1** The results of descriptive statistical analysis

Latent Variable	X	SD	CV	Level
Psychological efficacy (PE)	3.94	0.84	0.21	High
Job involvement (IN)	3.72	0.85	0.23	High
Job performance (JP)	3.60	0.76	0.21	High

Table 1 shows the results of descriptive statistical analysis of psychological efficacy, job involvement and job performance revealed that majority of the informants had opinions related to psychological efficacy at the highest level ( $\bar{X}=3.94$ ,  $SD=0.84$ ,  $CV=0.21$ ), followed by job involvement ( $\bar{X}=3.72$ ,  $SD=0.85$ ,  $CV=0.23$ ). Whereas dominance of job performance was at  $\bar{X}=3.60$ ,  $SD=0.76$ ,  $CV=0.21$ .

The results using structural equation analysis through SmartPLS 3 (Hair et al, 2017), analyzing direct and indirect regressive coefficient effects toward job performance as shown in the figure 2:



**Figure 2** The baseline of structural equation modeling relationships

Figure 2 regarding path analysis of Structural Equation Modeling (SEM) of the factors influencing the employees' job performance, it was found that: (1) psychological efficacy had a direct effect on their job involvement ( $DE = 0.597$ ), and had indirect effect on their job performance ( $IE = 0.415$ ); and (2) the job involvement had direct effect on the employees' job performance ( $DE = 0.695$ ).

Results of hypothesis testing of multiple mediator factors correlated with psychological efficacy toward job performance were shown in Table 2.

**Table 2** Results of testing hypotheses analysis (Coef.)

<b>Hypothesis</b>		<b>Coefficient path</b>	<b>t-test</b>	<b>Results</b>
H1	PE $\leftarrow$ IN	0.597***	8.469	Supportive
H2	PE $\leftarrow$ JP	0.081	1.079	Not supportive
H3	IN $\leftarrow$ JP	0.695***	8.958	Supportive

**Notes:** (\*) refers to  $p\text{-value} \leq 0.10$  or  $t \geq 1.65$  (\*\*) refers to  $p\text{-value} \leq 0.05$  or  $t \geq 1.96$  (\*\*\* refers to  $p\text{-value} \leq 0.01$  or  $t \geq 2.58$ )

Table 1 shows that (1) psychological efficacy (PE) has direct effect on the job involvement which supports the 1<sup>st</sup> hypothesis with t-test scored at 8.469. Conversely, it has no direct effect on the job performance of the employees. It is not supported by the 2<sup>nd</sup> hypothesis with the t-test scores at 1.079; and (2) the job involvement has a direct effect on the employees' job performance which supports the 3<sup>rd</sup> hypothesis at the t-test scores at 8.956. In terms of the influence of mediator variables as transforming variables of the relationship among independent variables and dependent variables as shown in Table 3

**Table 3** Results of indirect structural equation modeling affecting job performance

<b>Hypothesis</b>	<b>Effect</b>	<b>Boot</b>	<b>Boot</b>	<b>Boot</b>
		<b>SE</b>	<b>LLCI</b>	<b>ULCI</b>
H4 $PE \rightarrow IN \rightarrow JP$	0.431	0.065	0.308	0.566

Table 3 regarding the influences of multiple mediator factors causing independent and dependent factor changes, it was found that job involvement were mediator factors between psychological efficacy and job performance. As a result, the multiplier result of lower (Boot LLCI) to upper boundary coefficient (Boot ULCI) range did not cover 0. This means job involvement were mediator factors between psychological efficacy and job

performance; therefore, the Boot LLCL of the multiple mediator factor results were at 0.308; whereas the Booth ULCL of those were at 0.566.

## **Discussion of Research Results**

Regarding psychological efficacy factor. It was found that psychological efficacy had a direct effect on the job involvement. The work system of state enterprise banks with well-organized administrative rules and regulations hardly enable it to change situations. It was necessary that the organization had to rely on personal attitudes to activate their employees' job involvement and to upgrade their values of job performance. This notion supported the study of Shih, Chiang & Hsu (2013, p. 540) which revealed that psychological efficacy had an effect on the employees' job involvement. The perceived personal capabilities, a kind of psychological efficacy, will represent their work values of trust to achieve the highly expected organizational goals (Chen, Lin & Wu, p. 77).

Regarding the job involvement, it was found that job involvement had a direct effect on employees' job performance and it also was a mediated factor correlated to their psychological efficacy. As a result of state enterprise banks in Bangkok reformation of the policies to contribute the job involvement systems, it is to empower their job creativities to achieve the organizational goals. The findings in this study were consistent with Ibrahim, Githae & Stephen's study (2014, p. 5) that the job involvement had an influence on the job performance. Additionally, with the continual activity engagement, it enables knowledge and interpersonal relationship and can maintain the sustainability of employee retention as well.

## **Suggestions**

### **Suggestions for Organizational Management Utilities**

From the findings of the study, the psychological efficacy was the psychological circumstances which enabled the force of the higher employees' job performance. The state enterprise banks in Bangkok must accelerate the psychological efficacy as the basis of organizational work values.

From the findings of the study, the job involvement was a significant factor correlated to the employees' higher job performance. Bank managers of the state enterprise banks in Bangkok must focus on the fundamental structure to enhance the employees' cooperation and their job satisfaction to contribute productivities in achieving the organizational goals together. Suggestions for further studies

Further studies should be investigated other related factors such as human capitals to be a variable in administrative organizational management to upgrade higher job performance.

Further studies should be implemented in-depth interview with the respondent samples and related superiors to explore their concepts and paths in engaging highest-performance work system to the employees.

## **Reference**

Akhtar, A., Nawaz, M. K., Mahmood, Z., & Shahid, M. S. (2016). Impact of high performance work practices on employees' performance in Pakistan: Examining the mediating role of employee engagement. *Pakistan Journal of Commerce and Social Sciences*, 10(3), 708-724.

Arefin, S., Arif, I., Raquib, M. (2015). The mediating role of psychological empowerment in the relationship between high-performance work systems and organizational citizenship behavior. *European Scientific Journal*, 11(2), 264-277.

Bank of Thailand. (2018). Financial institution. Retrieved September 11, 2018, from [https://www.bot.or.th/Thai/BOTStoryTelling/Pages/FinancialInstitutions\\_StoryTelling\\_FI.aspx](https://www.bot.or.th/Thai/BOTStoryTelling/Pages/FinancialInstitutions_StoryTelling_FI.aspx).

Bank of Thailand. (2018). Specialized financial institutions: SFIs. Retrieved September 15, 2018, from <https://www.1213.or.th/th/aboutfcc/finservices/Pages/SFIs.aspx>.

Bouzarit, M., Karatepe, O. M. (2016). Test of a mediation model of psychological capital among hotel salespeople. *International Journal of Contemporary Hospitality Management*, 29(8), 2178-2197.

Chen, T. J., Lin, C. C., Wu, C. M. (2016). High performance work system, psychological efficacy, job satisfaction and task performance in the Hotel Workplace. *Open Journal of Social Sciences*, 4, 76-81.

Hair, J. F., Hult, G. T. M., Ringle, C. M., Sarstedt, M. (2017). *A primer on partial least squares structural equation modeling (PLS-SEM)*. Thousand Oaks: Sage.

Husin, N. H., Gugkang, A. S. (2017). High performance work systems and employee job performance: Evidence from banking sector in Malaysia. *Journal of Global Business and Social Entrepreneurship*, 1(3), 62-74.

Ibrahim, I. I., Githae, W., Stephen, D. (2014). Indigenous contractors involvement and performance in construction procurement systems in Nigeria. *Global Journal of Researches in Engineering*, 14(1), 4-16.

Jyoti, J., Dev, M. (2016). Perceived high-performance work system and employee performance: Role of self-efficacy and learning orientation. *Metamorphosis*, 15(2), 115-133.

Kappagoda, S., Othman, H. Z. F., Alwis, G. (2014). Psychological capital and job performance: The mediating role of work attitudes. *Journal of Human Resource and Sustainability Studies*, 2, 102-116.

Likert, R. A. (1932). A technique for the measurement of attitudes. *Archives of Psychology*, 140, 5-53.

Luthans, F., Avolio, B. J., Avey, J. B., Norman, S. M. (2007). Positive Psychological Capital: Measurement and Relationship with Performance and Satisfaction. *Personnel Psychology*, 60, 541-572.

Piriyakul, M. (2010). *Partial Least Square Path Modeling (PLS Path Modeling)*. Bangkok: Ramkhamhaeng University.

Preacher, K. J. Hayes, A. F. (2008). Asymptotic and resampling strategies for assessing and comparing indirect effects in multiple mediator models. *Behavior Research Methods*, 40, 879-891.

Rizwan, M., Khan, D. J., Saboor, F. (2011). Relationship of job involvement with employee performance: Moderating role of attitude. *European Journal of Business and Management*, 3(8), 77-85.

Setar, S. B., Buitendach, J. H., Kanengoni, H. (2015). The moderating role of psychological capital in the relationship between job stress and the outcomes of incivility and job involvement amongst call centre employees. *SA Journal of Industrial Psychology*, 41(1), 1-13.

Shih, H. A., Chiang, Y. H., Hsu, C. C. (2013). High performance work system and HCN performance. *Journal of Business Research*, 66, 540-546.

Sofijanova, E., Zabijakin-Chatleska, V. (2013). Employee involvement and organizational performance evidence from the manufacturing sector in republic of Macedonia. *Trakia Journal of Sciences*, 11(1), 31-36.

Sourchi, S. M. M., Jianqiao, L. (2015). The positive impact of high performance work systems (HPWS) on employee commitment and self-sufficiency in strategic human resource management (SHRM) in Kurdistan. European Journal of Business and Management, 7(3), 80-109.

State Enterprise Policy Office. (2018). State enterprise definition. Retrieved September 11, 2018, from <http://www.sepo.go.th/content/12>.