PAYROLL GOVERNANCE VIA RESEARCH ON THE IMPACT OF ORGANIZATIONAL CULTURE ON EMPLOYEES' PERCEPTION OF SALARY POLICIES

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Abstract

Payroll governance refers to wages paid to an employee as the amount for performing the work, including the salary according to the job or title, salary allowances, and other supplements. The salary according to the job or title is not lower than the regional minimum wage prescribed by the government (Labor Law No. 45/2019/QH14, 2019). This study aims to elucidate the extent of the impact of organizational culture on employees' perceptions of salary policies. We use qualitative research methods and quantitative research methods. Through a survey of 513 employees in commercial banks in Vietnam and utilizing techniques such as assessing the accuracy of convergent validity and discriminant validity and a structural model, the authors have demonstrated that organizational culture factors such as involvement, consistency, adaptability, and mission positively impact employees' perceptions of salary policies. Additionally, the research indicates variations in employees' perceptions of salary policies based on gender, seniority, and job position. Based on these research findings, the authors provide discussions and recommendations to commercial bank managers on building a corporate culture to enhance positive employee perceptions of salary policies. This article has both theoretical and practical significance, contributing to the completion of the theoretical framework on salary governance, and is a useful reference document for commercial banks in Vietnam.

Keywords: Organizational Culture, Perception, Salary Policies, Commercial Banks, Vietnam

Authors' individual contribution: Conceptualization — D.T.Y. and T.T.M.P.; Methodology — D.T.Y. and N.T.H.; Software — N.T.H. and T.X.D.; Validation — D.T.Y.; Formal Analysis — N.T.H. and T.T.M.P.; Investigation — D.T.Y. and N.T.H.; Resources — D.T.Y. and T.X.D.; Data Curation — D.T.Y. and N.T.H.; Writing — Original Draft — D.T.Y. and N.T.H.; Writing — Review & Editing — D.T.Y. and N.T.H.; Visualization — D.T.Y. and T.T.M.P.; Supervision — D.T.Y.; Project Administration — D.T.Y. and T.X.D.; Funding Acquisition — D.T.Y. and T.X.D.

Declaration of conflicting interests: The Authors declare that there is no conflict of interest.

1. INTRODUCTION

Salary policy is one of the crucial management policies in an organization. This is because, for employees, salary represents the exchange for the labor they contribute. Conversely, it constitutes a significant portion of the operational costs for a business. Therefore, a well-designed salary policy is an essential tool in human resource management. A reasonable salary policy serves as a motivation to encourage employees to work, ensures workforce stability, and attracts talent (Chen, 2010). However, formulating an appropriate salary policy is challenging as it depends on various factors such as the capabilities of the business, the labor market, and notably, the organizational culture.

Organizational culture is considered a core factor influencing various policies within a business, including salary policies. It guides the design of the salary system within the company. Constructing a salary policy that aligns with the organizational culture is necessary to ensure the sustainable operation of the business. This finding is consistent with the results of numerous studies on the impact of organizational culture on salary policies within companies, a principle that also applies to commercial banks (Zacher, 2014). Organizational culture and leadership styles have a significant or minor impact on the performance of Jordanian public organizations (Almahasneh et al., 2023). Organizational culture had a significant effect on the quality of financial reporting and good governance in the medium and low categories (Azwari et al., 2023).

Commercial banks play a crucial role as the financial lifeblood supporting economic activities, primarily in this context. Currently, alongside the process of economic development and market-oriented socialism, commercial banks have seen remarkable growth in both quantity and quality. As of 2023, Vietnam has 101 banks, including four state-owned commercial banks, 31 joint-stock commercial banks, 61 foreign-owned commercial banks, two joint-venture banks, two policy banks, and one people's credit fund (The State Bank of Vietnam, 2022). The high economic growth rate has led to increased credit growth, prompting commercial banks to expand both in scale and quality continuously.

However, following economic crises in the region and globally in 1998, 2008, and most recently the COVID-19 pandemic, many commercial banks faced losses and had to undergo mergers or restructuring. Currently, to enhance production and business efficiency and gain the absolute trust of customers, commercial banks particularly focus on developing an organizational culture to create a professional, refined, and courteous customer service environment. Simultaneously, organizational culture also has a positive impact on employees' perceptions of salary policies within the company, a phenomenon extensively researched and affirmed by scholars worldwide. Hence, we raised the research question:

RQ: How does organizational culture affect employees' perceptions of salary policies in commercial banks in Vietnam?

Based on the above research question, the study aims to elucidate the extent of the impact of organizational culture on employees' perceptions of salary policies in commercial banks in Vietnam. Hence, the study develops the following objectives:

- to investigate the impact of organizational culture on employees' perceptions of salary policies;
- to examine the research indicates variations in employees' perceptions of salary policies based on gender, seniority, and job position.

The structure of the paper is as follows. In addition to the introduction, Section 2 examines pertinent research and formulates hypotheses and a research model. Section 3 discusses the study's methodologies. Section 4 provides data analysis. Section 5 proposes discussions and implications, and Section 6 concludes the paper.

2. RESEARCH AND THEORETICAL FRAMEWORK

2.1. Research model building

The impact of organizational culture on salary policies within businesses is a specific and extensively researched topic, particularly in the current context where salary policies have become a crucial resource for enhancing a business's competitive capabilities. Salary policies are viewed as effective management tools for the workforce, enabling businesses to achieve sustainable development and gain a competitive edge. Constructing salary policies aligned with organizational culture is necessary to ensure the successful implementation of strategic business goals.

Guzak et al. (2017) examined organizational culture through four cultural types: 1) family culture, 2) innovative culture, 3) market culture, and 4) hierarchical culture. Salary policies were explored through aspects such as salary funds, payment plans, and basic salary levels. The authors argued that: 1) in an innovative culture, independence and risk-taking are valued, and the salary system should tightly align with the dynamic creativity of each individual; 2) in a family culture, collaboration and equality among workers are emphasized, and salary policies should be more closely linked to internal fairness; 3) for a hierarchical culture, where the work environment is structured and organized, salary policies must align with long-term goals, efficiency, and stability; and 4) in a competitive culture, the organization is results-oriented, and salary systems should be tied to performance, fostering competition among individuals.

Haluk et al. (2016) identified relationships between family trends, authoritarian trends, development trends, support trends, hierarchical trends, open trends, and the general perception of salary policies among workers. The authors asserted that family trends, authoritarian trends, development trends, support trends, hierarchical trends, and open trends have varying degrees of influence on salary policies, with the family trend having the most pronounced impact.

Madhani (2014) once again demonstrated the relationship between organizational culture and salary policies. The authors concluded that organizational culture and the design of the reward system function as complementary factors to achieve organizational strategic goals. When the reward system is not aligned with organizational culture, it can lead to significant unforeseen consequences. This study examined the impact of organizational culture on rewards and vice versa. When culture and reward structure (fixed and variable pay) are synchronized, culture acts as

an asset and creates a competitive advantage (Dohmen, 2004). Depending on how the reward system is designed, developed, communicated, and managed, it can positively or negatively impact the organization's culture. This research identified reward strategies for different types of organizational cultures and proposed optimal scenarios to achieve optimal performance.

Chen (2010) developed a theoretical framework regarding various aspects of reward systems based on different dimensions of organizational culture to examine how members of groups perceive reward issues from different perspectives of organizational culture. According to Chen (2010), organizational culture can be examined from three dimensions: 1) the uniformity aspect, 2) the diversity aspect, and 3) the change aspect. In this study, the author examined issues in reward policy documents, decision-making on rewards, who decides, salary fairness, employee participation in reward development, perception of openness or transparency in rewarding, etc., from different perspectives of organizational culture.

Mohammad Mosadegh Rad (2006) asserted that employees' perceptions of salary are influenced by the organization's culture. Goris (2007) noted that different communication forms within the organization and the relationship between employees and employers positively impact employees' perceptions of salary. McHugh (1993) argued that a poor and uncultured organizational culture reduces positive perceptions of salary and employee productivity, ultimately contributing to decreased organizational effectiveness and performance. Hansen and Wernerfelt (1989) described that employee behavior, whether intentional or unintentional, is strongly influenced by the organization's culture. Jiang and Klein (1999) suggested that the supportive culture of the organization increases employees' positive perceptions and reduces the turnover rate. Amos and Weathington (2008) stated that an organization with an appropriate and strong culture not only positively influences employees' perceptions but also positively affects employees' job commitment to the organization. Iqbal et al. (2017) also concluded that organizational culture impacts employees' perceptions of salary. An effective organizational culture increases employees' positive perceptions. Iqbal et al. (2017) used the Denison organizational culture model (Denison, 1990), measuring organizational culture through four cultural traits: 1) mission, 2) adaptability, 3) consistency, and 4) involvement, to enhance employees' positive perceptions of salary policies. However, Onukwube (2012) suggested that some components of organizational culture may not be positively related to perceptions of salary policies.

Besides, in the world and Vietnam today, there are many studies on general employees and, in particular, salary policies (Alsakarneh et al., 2023; Latif et al., 2023; Linh & Anh, 2022; Do & Pham, 2023).

Based on a review of relevant research, the author developed a research model on the impact of organizational culture on employees' perceptions of salary policies. This model inherits and builds upon the research model of Iqbal et al. (2017).

Figure 1. Research model on the impact of organizational culture on employees' perceptions of salary policies
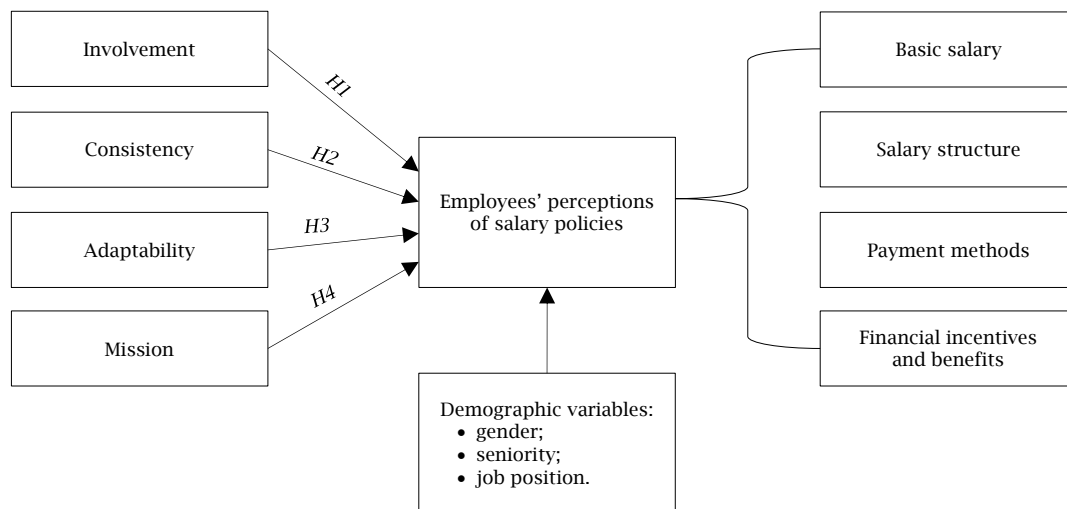
This research model consists of one dependent variable (*employees' perception of salary policies* through four dimensions: *basic salary*, *salary structure*, *payment methods*, and *financial incentives and benefits*) and four independent variables (*involvement*, *consistency*, *adaptability*, and *mission*). Based on an overview and analysis of existing research works, the research team has analyzed and reasoned to propose research hypotheses.

2.2. Involvement and employees' perceptions of salary policies

Guzak et al. (2017) emphasize that the active involvement of employees in various business activities, particularly in salary-related matters, plays a pivotal role in shaping the organizational culture. This involvement significantly contributes to fostering positive perceptions of salary policies in the enterprise. The authors argue that when employees actively involve in the development of salary policies, it helps ensure fairness, objectivity,

and adequacy, thereby safeguarding the interests of the workforce. Similarly, Hogan and Coote (2014) highlight that employees' involvement contributes to a sense of respect and recognition, positioning employees as essential components of the enterprise. This involvement empowers them to participate in decision-making processes, including those related to their own salaries. Ismail and Anuar (2017) have provided evidence that the active involvement of employees in shaping the salary system positively influences their perception of fairness regarding the company's salary policies.

Based on these insights, the authors propose the following hypothesis:

H1: Involvement has a positive impact on employees' perceptions of salary policies.

2.3. Consistency and employees' perception of salary policies

Consistency signifies unity in the operations of a business. Activities are carried out sequentially, with logical and stringent processes. Lund (2003) posits that organizational consistency is a fundamental principle of business operations. This principle is enacted to ensure harmony and cohesion among departments, individuals, and activities within the enterprise. Consistency is evident in the fair and reasonable development and implementation of wage policies towards employees, without discrimination among stakeholders, and in adherence to established principles.

Haluk et al. (2016) acknowledge that consistency is a "beautiful" culture within a business. Consistency fosters fairness in executing wage policies, inspiring employee trust. Employees are more likely to trust a company that maintains consistency in its operations, especially in salary-related matters (Iqbal et al., 2017). Therefore, the proposed research hypothesis is:

H2: Consistency has a positive impact on employees' perceptions of salary policies.

2.4. Adaptability and employees' perception of salary policies

Chan and Mai (2015) have identified a relationship between adaptability and employees' perception of wage policies through their satisfaction levels. Adaptability assesses an employee's strength in being self-prepared and ready for changes within the business, including changes in wage and income policies (Savickas & Porfeli, 2012). Adaptability indicates an employee's ability to maintain emotional balance in their perception, avoiding emotional instability when issues arise in employment relationships. In other words, an adaptable employee helps in solving unfamiliar, complex, and undefined problems due to changes, and adjusting to the company's policies Zacher (2014). These studies consistently show a relationship between adaptability and employees' perception of

wage policies. However, some other studies did not find a correlation between adaptability and employees' perception of wage policies (Savickas & Porfeli, 2012; Tolentino et al., 2014; Zacher, 2014). Therefore, to reevaluate this relationship, the research hypothesis is proposed:

H3: Adaptability positively impacts employees' perceptions of wage policies.

2.5. Mission and employees' perception of salary policies

An organization's mission is defined as the reason for its existence, the long-term purpose, or direction of the organization. The understanding of the organization's strategy is implemented by the leadership. Employees must feel that their daily work contributes to the organization's short-term and long-term goals. A clear and realistic mission of an organization positively influences employees' perceptions, thereby altering their overall perception. Employees' perception improves when they have a clear and practical understanding of the organization's mission (Iqbal et al., 2017). The mission should create motivation for employees. A clear mission can make employees' intentions clearer regarding the organization's goals (Dohmen, 2004). The mission always relies on the specific resources and capabilities of the organization. A clear mission gives employees a shared sense of direction, purpose, and opportunities. The mission needs to emphasize the policies the company wants to implement and respect, including wage policies (Silaban & Syah, 2018).

Thus, the fourth hypothesis is as follows:

H4: The mission positively impacts employees' perceptions of salary policies.

3. RESEARCH METHODOLOGY

3.1. Data collection method

The research employs a quantitative research method with survey data collected from survey questionnaires. Based on a comprehensive literature review and references to pre-existing scales, as well as discussions with a group of six individuals working in various positions in commercial banks, the research team conducted an initial exploration. The participating members freely exchanged and expressed their opinions on the measurement scales. Subsequently, a preliminary survey questionnaire was formulated. The research team then distributed the preliminary survey questionnaire to 10 individuals working in commercial banks. The results of the preliminary survey were utilized to refine the research measurement scales.

Based on previous studies, we have adjusted the component properties of the independent variables and dependent variables to suit the actual context of Vietnam commercial banks (Table 1).

Table 1. Measurement scales and sources

Code	Measurement scale	Scale origin
Involvement (IN)		
IN1	The bank consistently fosters cooperation among different departments within the unit.	Adjusted from Iqbal et al. (2017) based on the Denison scale (Denison, 1990).
IN2	The bank encourages employee participation in making decisions for the unit.	
IN3	The bank always seeks employees' opinions before issuing new relevant policies.	
IN4	Employee opinions are always recorded and appropriately adjusted by the bank.	
IN5	Employees always work positively as members of the bank.	
IN6	Employees always make the most positive contributions in decision-making for the bank.	
Consistency (CS)		
CS1	Bank policies and strategies are very consistent and pre-planned.	
CS2	The objectives of the adjusted policies are based on consensus between departments and employees within the bank.	
CS3	The bank always receives the most unanimous support from employees even when addressing the most difficult issues.	
CS4	Bank employees always have a clear agreement on how to implement policies.	
Adaptability (AD)		
AD1	Every employee in the bank is encouraged to be creative and innovative in their work.	
AD2	The bank always motivates employees to take risks for the opportunity to receive higher salaries.	
AD3	The bank always listens to dissenting feedback from employees about human resource policies.	
AD4	The bank always tries to find the best solutions to ensure the rights and benefits of employees.	
AD5	The bank always provides appropriate explanations for changes in human resource policies.	
Mission (MS)		
MS1	The bank has a clear mission that helps employees understand the meaning of their work.	
MS2	Employees all understand what they need to do to achieve sustainable success.	
MS3	The bank's vision creates excitement and motivation for employees.	
MS4	Bank leadership has clearly stated the goals that employees are striving to achieve.	
MS5	The bank's policies and strategies are all aimed at the development of employees.	
Employees' perception of salary policies (CN)		
CN1	The bank's salary policy is suitable for my job title.	Adjusted from Iqbal et al. (2017) based on Dohmen's scale (Dohmen, 2004).
CN2	The bank's salary policy is very fair based on individual performance at work.	
CN3	The bank's salary policy is competitive in the job market.	
CN4	The bank applies flexible salary policies for employees.	
CN5	The timing of salary and benefits at the bank is appropriate.	
CN6	The bank's salary policy encourages employees to improve work efficiency.	

After completing the questionnaire, the authors proceeded with the official survey. The authors utilized 26 questions in their study. Therefore, the minimum sample size for exploratory factor analysis (EFA) is 5 × 26 = 130 observations (Hoang & Chu, 2008). To ensure the reliability of the research data representing the population (with 95% confidence) and the quality of the study reflected through an allowable error of +/-5%, as well as meeting the requirements for the number of study samples for EFA, the authors distributed 530 questionnaires to employees, including both managerial staff and general employees working in commercial banks. The obtained results yielded 513 valid responses (96.7% response rate). Therefore, the authors utilized 513 responses for their official analysis, all of which are all qualified and can be used for analysis (Table 2).

Table 2. Research sample description

Characteristics	Category	Frequency	Percent (%)
Gender	Female	353	68.8
	Male	160	31.2
	Total	**513**	**100**
Seniority	Less than 1 year	71	13.8
	From 1 year to 5 years	180	35.1
	From 5 years to 10 years	196	38.2
	10 years and above	66	12.9
	Total	**513**	**100**
Job position	Employee	327	63.8
	Middle manager (head/deputy head of department)	154	30.0
	Top manager (from brand director upward)	32	6.2
	Total	**513**	**100**

Due to accessibility and convenience in data collection, the authors employed a convenience sampling method. Consequently, the sample description table reveals significant discrepancies among the surveyed groups concerning gender, seniority, and job positions.

3.2. Data processing method

After collecting the response sheets, the authors performed data cleaning, encoding relevant information from the questionnaire tables, and inputting the data. Data analysis techniques, including assessing indicator reliability, assessing the accuracy of convergent validity and discriminant validity, and structural model, were applied. The research model's fit was evaluated, and hypotheses were tested. The authors utilized SMART PLS software to assess measurement quality and test research hypotheses.

4. RESEARCH RESULTS

4.1. Model measurement evaluation

4.1.1. Assessing the reliability of indicators

Outer loading is an index that reflects the degree of relationship between observed variables (indicators)

and latent variables used to measure them in the partial least squares structural equation modeling (PLS-SEM) model. Hair et al. (2014) recommended that a meaningful outer loading for observed variables should be 0.7 or higher. An outer loading value below 0.7 is considered weak and may not be reliable for measuring latent variables in the PLS-SEM model. The results of the first round of data processing indicated that four indicators, namely *IN1*, *IN6*, *CN1*, and *CN5*, did not meet the requirements. Therefore, the authors excluded these indicators and proceeded with the second round of data processing. The results showed that the outer loading coefficients of all observed variables compared to the cross-loading coefficients ensured values greater than 0.3.

Table 3. Outer loadings

	AD	CN	CS	IN	MS
AD1	0.844				
AD2	0.832				
AD3	0.833				
AD4	0.823				
AD5	0.851				
CN2		0.777			
CN3		0.788			
CN4		0.792			
CN6		0.759			
CS1			0.819		
CS2			0.8		
CS3			0.793		
CS4			0.836		
IN2				0.86	
IN3				0.894	
IN4				0.891	
IN5				0.892	
MS1					0.827
MS2					0.841
MS3					0.851
MS4					0.831
MS5					0.849

4.1.2. Assessing internal consistency reliability

To assess the reliability of the measurement scale, this study employs Cronbach's alpha coefficient and the composite reliability (CR). According to Hair et al. (2014) and DeVellis (2012), a threshold of 0.7 is considered appropriate for both CR and Cronbach's alpha indices. Table 4 clearly demonstrates that the Cronbach's alpha coefficient and CR of the variables in the research model are all above 0.7 (Table 4). Therefore, the measurement scale for the variables ensures reliability.

4.1.3. Assessing convergent validity

To assess the convergent validity of the measurement scale, according to Fornell and Larcker (1981), the average variance extracted (AVE) should be equal to or greater than 0.5, confirming the convergence. The convergent validity (AVE) values in Table 4 demonstrate the appropriateness of the data, ranging from 0.607 to 0.782 (achieving high convergent values).

Table 4. Reliability and convergent validity of measurement scale for variables

Code	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	AVE
AD	0.893	0.893	0.921	0.7
CN	0.784	0.785	0.861	0.607
CS	0.828	0.831	0.886	0.66
IN	0.907	0.908	0.935	0.782
MS	0.896	0.896	0.923	0.705

4.1.4. Assessing discriminant validity

In SMART PLS, to assess the accuracy of discriminant validity, the authors utilize the heterotrait-monotrait ratio of correlations (HTMT) index. In this study, the discriminant validity between two latent variables is ensured when the HTMT index is below 0.9 (Hair et al., 2014; Henseler et al., 2015). The HTMT values presented in Table 5 show that the index ranges from 0.535 to 0.805, significantly lower than 0.85, indicating stronger support for discriminant validity. Additionally, the confidence intervals between 2.5% and 97.5% not containing the value of 1 demonstrate the supported discriminant validity (Henseler et al., 2015).

Table 5. HTMT index test results

	Original sample (O)	*Sample mean (M)*	*2.50%*	*97.50%*
CN <-> AD	0.706	0.706	0.625	0.775
CS <-> AD	0.655	0.655	0.563	0.736
CS <-> CN	0.805	0.805	0.737	0.866
IN <-> AD	0.535	0.534	0.437	0.619
IN <-> CN	0.7	0.699	0.631	0.758
IN <-> CS	0.683	0.682	0.6	0.753
MS <-> AD	0.686	0.686	0.609	0.756
MS <-> CN	0.705	0.704	0.624	0.772
MS <-> CS	0.725	0.725	0.649	0.791
MS <-> IN	0.572	0.572	0.484	0.646

4.2. Structural model evaluation

When the variance inflation factor (VIF) values are less than 5, there is no issue of multicollinearity. Ideally, VIF values should be close to 3 or lower (Hair & Alamer, 2022). From Table 6, all VIF values are below 3. Therefore, the model does not exhibit multicollinearity. Additionally, the R^2 values range from 0 to 1, with higher values indicating the accuracy of the model's predictions. Accordingly, based on Table 6, the model can predict 54.6% of the variance in *CN*.

Table 6. VIF index

Description	*VIF*	*Variable*	*Original sample (O)*	*Sample mean (M)*	*Standard deviation (STDEV)*	*t-statistics (|O/STDEV|)*	*p-values*
AD → CN	1.791	CN	0.546	0.549	0.041	13.367	0.000
CS → CN	2.067						
IN → CN	1.667						
MS → CN	2.011						

To test the hypotheses of the PLS structural model, four direct impact hypotheses were proposed in this study. A significance level of *5%* is recommended as the basis for accepting or rejecting hypotheses. The results in Table 7 show that all p-values for the impacts are equal to 0.000 < 0.05. Therefore, these impacts are statistically significant.

Additionally, there are four variables affecting *CN*: 1) *AD*, 2) *CS*, 3) *IN*, and 4) *MS*. The standardized impact coefficients for these variables are 0.222, 0.29, 0.233, and 0.154, respectively. Thus, the order of the impact strength of these variables on *CN* is *CS*, *IN*, *AD*, and *MS*.

Table 7. Assessment of the impact of independent variables on the dependent variable

Description	*Original sample (O)*	*Sample mean (M)*	*Standard deviation (STDEV)*	*t-statistics (|O/STDEV|)*	*p-values*
AD → CN	0.222	0.222	0.038	5.869	0.000
CS → CN	0.29	0.291	0.039	7.385	0.000
IN → CN	0.233	0.232	0.034	6.898	0.000
MS → CN	0.154	0.154	0.042	3.675	0.000

To assess the effectiveness of the impact of each independent variable on the dependent variable, the author's team uses the f2 effect size. According to Cohen (1988), f2 values of 0.02, 0.15, and 0.35 correspond to small, medium, and large effects, respectively.

Table 8. F2 effect size coefficients

Description	*Original sample (O)*	*Sample mean (M)*	*Standard deviation (STDEV)*	*t-statistics (|O/STDEV|)*	*p-values*
AD → CN	0.061	0.063	0.022	2.781	0.005
CS → CN	0.09	0.094	0.027	3.332	0.001
IN → CN	0.072	0.074	0.023	3.095	0.002
MS → CN	0.026	0.028	0.015	1.732	0.083

According to the results in Table 8, f2 effect size coefficients for all variables are greater than 0.02 but less than 0.15. Therefore, the variables *AD*, *CS*, *IN*, and *MS* have weak effects on *CN*. The order of the impact of variables is *CS*, *IN*, *AD*, and *MS*, respectively. In summary, the model illustrating the impact of organizational culture on employees' perception of salary policy can be represented as shown in Figure 2.

From the presented analysis results below, the following conclusions can be drawn: hypotheses *H1*, *H2*, *H3*, and *H4* are all accepted. This implies that the independent variables, including employee *IN*, *CS*, *AD*, and *MS*, positively influence the *CN* in commercial banks in Vietnam. The more positively these factors are perceived, the more positive the *CN* will be, and vice versa, highlighting the importance of two factors: *CS* and *IN* within the organization to enhance the positive perception of employees regarding salary policies.

Figure 2. Structural model
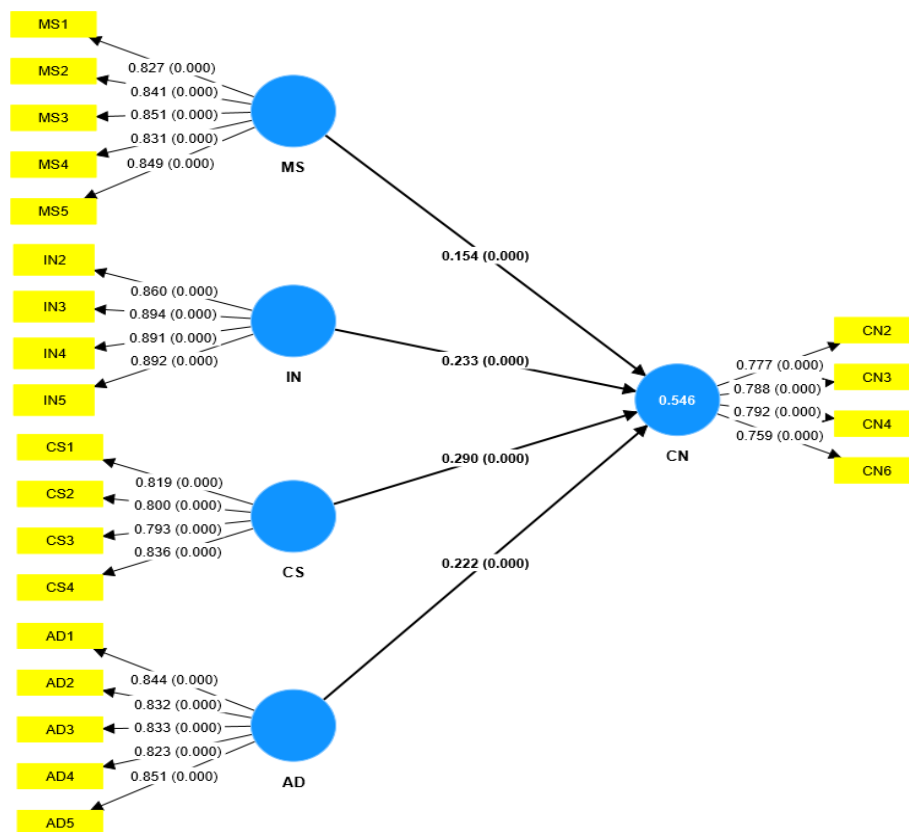
After conducting hypotheses testing and regression analysis of the research model, it can be concluded that organizational culture significantly impacts the perception of employees regarding salary policies in commercial banks in Vietnam.

5. DISCUSSION AND IMPLICATIONS

The research results above demonstrate that organizational culture positively influences employees' perceptions of salary policies in Vietnamese commercial banks. All four initially proposed hypotheses have been accepted. The regression model confirms that all four independent variables representing organizational culture have a positive correlation with employees' perceptions of salary policies. The specific analysis of each research hypothesis is as follows:

H1 has been accepted. The regression analysis results show a significance value (Sig.) of $0.000 < 0.05$ and a β coefficient of 0.233. This factor ranks second in influence among the four factors included in the research model. This result holds significant implications for managers seeking to enhance employees' positive perceptions of salary policies. Encouraging employees to participate in organizational activities, contribute their opinions, build trust and respect, while providing transparency in the decision-making process, can lead to a better understanding of decisions and foster accurate and positive perceptions among employees.

H2 has also been accepted. This factor is the most influential among the four factors in the model. Data analysis yields a significance value (Sig.) of 0.000 and a β coefficient of 0.29. Understanding this, managers need to maintain consistency in guidance, operations, and decision-making. In particular, there should be consistency in task implementation to ensure that employees comprehend and follow the guidance accurately. Ensuring consistency will provide employees with greater peace of mind regarding organizational tasks and leadership operations, instilling confidence in the leadership's sound decision-making when formulating policies, including salary policies.

H3 has also been accepted. Data analysis results show a significance value (Sig.) of $0.000 < 0.05$ and a β coefficient of 0.222. This factor ranks third among the proposed four factors in the research model. This result holds significance in human resource management. For organizations with strong adaptability, encouraging employees to accept risks for the potential of higher wages will influence the design of salary structures and payment plans. In such cases, organizations may design a salary structure with a fixed base salary and variable pay. If employees can adapt well, align with their work, and readily accept changes in organizational policies, they are likely to have more positive perceptions of both general policies and salary policies specific to the organization. This is particularly relevant in the context of the banking industry, as indicated by the research context.

Finally, *H4* has also been accepted. Data analysis results reveal a significance value (Sig.) of $0.000 < 0.05$ and a β coefficient of 0.154. This factor has the lowest level of influence among the four factors included in the analysis. Making employees understand the organization's mission will lead them to share in both the advantages and challenges, fostering a sense of responsibility and improving work efficiency. Furthermore, a clear understanding of the organization's mission helps

employees develop a more positive perspective on the reasons, causes, and grounds for the organization's policy decisions. Therefore, organizations should actively communicate, educate, and ensure that employees have a thorough understanding of the mission and responsibilities that the organization must fulfill.

To initiate changes in the organizational culture of a business, based on the results of previous studies, managers first need to assess the current culture of the business. Evaluating culture is not meaningful until the business determines that a "new way of working" is necessary. It is essential to note that certain aspects of culture may be viewed as contributing to the achievement of its strategic objectives or addressing current challenges, while others may be seen as hindrances or barriers. Therefore, team members need to identify these cultural aspects and focus on changing those that are not conducive. Regardless of the seemingly superficial nature of organizational culture, it is challenging to change because it has developed into collective habits. Changing them is the responsibility of top-level managers, and no one else can do it. The strategic choice for top-level managers is either to accept and effectively use their current culture or attempt to change it. If change is necessary, an analysis of the results and costs should be conducted. Specifically, it needs to be assessed whether the workforce required for cultural change is sufficient. Changing organizational culture requires leaders to attract as much intellectual capacity from employees as possible. Leaders must also ensure sufficient support from key positions at various levels within the organization. Subsequently, they can modify their practices by adjusting their organizational structure: functions, departments, locations, and jobs, aligning jobs with talents. After the restructuring, control mechanisms may need to change based on decisions about which job aspects need coordination, how they should be coordinated, by whom, and at what level. Moreover, specific human resource policies related to recruitment, training, and promotion may need to be altered. Finally, changing culture is not a quick process. It requires continuous attention from top-level managers, perseverance over several years, and evaluating the new culture to see which changes have actually been achieved and what other changes have occurred. Additionally, it is essential to note that salary policies are a primary means through which organizations clarify and reinforce expected behaviors. Addressing any inconsistencies with existing practices is a critical concern.

Based on the survey and analysis of the current situation, the author's team proposes some lessons in building an organizational culture for the leadership of commercial banks as follows:

Firstly, to establish and develop a strong organizational culture, it is essential to recognize the importance and necessity of building such a culture. Policies and measures for developing organizational culture should be constructed and closely tied to the unit from its inception. These policies and measures should be built on a clear business philosophy, with the unanimous agreement and high consensus of all officers and employees in the bank. Practical experience demonstrates that selecting members with shared values corresponding to the unit's values and simultaneously building organizational culture is the correct and effective direction.

Secondly, organizational culture cannot be separated from the business strategy of the unit. Business strategy is the leading factor that guides the development direction of the organizational culture. However, when the unit has a strong organizational culture, it becomes the foundation for effectively implementing business strategies. The bank needs to establish long-term development goals and directions because all activities of the unit are aimed at achieving these objectives. The process of realizing business goals will gradually form and develop a distinctive organizational culture, reflecting the unique characteristics of each bank. If business goals and strategic directions change frequently, it will be challenging for the unit to establish and develop a strong organizational culture.

Thirdly, developing organizational culture is also synonymous with building a brand. When the unit establishes and develops a strong organizational culture that permeates every member of the organization, creating standards of behavior and interaction with customers, it will leave a strong imprint in the customer's perception. A strong organizational culture creates uniqueness and an image, serving as the core of the brand. Survey results show that the differentiation of this brand is primarily created by the unit's workforce. Employees are cared for right from the recruitment stage, followed by orienting behavior according to the philosophies of each bank.

Fourthly, leadership is the foundation and driver of organizational culture development. Business philosophies or strategic orientations are often the products of leadership. Leaders are also the ones who propose and organize the implementation of management policies, make decisions on recruitment, or appoint specific individuals to key positions. At the same time, leadership serves as an icon, representing the image of the unit's culture. Building a leadership style with all the necessary qualities and skills will contribute to shaping a strong organizational culture.

Fifthly, culture is the essence of people. Organizational culture is the collection of thoughts and actions of the team of employees in the bank. Therefore, the successful development of organizational culture requires harnessing the active and positive role of the team of employees participating in the process of culture development.

Additionally, the research results indicate that decisions regarding salaries and bonuses need to take into account the organizational culture factor, while different departments within the business may have different organizational cultures. Therefore, senior managers should create conditions for departmental managers to participate in the design and implementation of incentive programs within their respective departments. In doing so, the salary policies applied to each department will align with the culture of that specific department, thereby enhancing the effectiveness of salary policies.

The experimental evidence demonstrates that rewards and recognition are crucial factors to be considered in enhancing the commitment and loyalty of bank employees. Therefore, leaders of commercial banks should carefully choose policies for rewards and recognition of employee contributions in a reasonable manner. It is essential to establish specific key performance indicators (KPIs) for each position with clear standards and

scoring to accurately evaluate the working capabilities of each individual. This enables the implementation of appropriate salary and bonus mechanisms and identifies employees with the potential for suitable welfare policies, creating a conducive working environment for their long-term development and commitment. Investing in information technology infrastructure is crucial to easily and accurately calculate and automate KPIs. The reward system and forms of recognition must ensure fairness, transparency, and alignment with employee evaluation criteria, in addition to complying with mandated insurance policies such as social insurance and health insurance. There should also be additional insurance forms, such as life insurance, accident insurance for employees, and a savings program for long-serving employees with outstanding achievements.

6. CONCLUSION

This study is done for investigating the impact level of organizational culture on employees' perceptions of salary policies in Vietnamese commercial banks in the context of Vietnam. The observed variables — employee involvement, consistency, adaptability, and mission — positively impact employees' perceptions of salary policies. The factor of consistency positively has the strongest impact on employees' perceptions of salary policies in Vietnamese commercial banks, with an impact coefficient of 0.29. Next is the factor of employee involvement with an impact factor of 0.233, adaptability with an impact factor of 0.222, and the factor of mission positively has an impact factor of 0.154.

This research made a definitive contribution to the existing literature. The contribution of this study would be providing some gap-filling information in the field of quality of human resources, labor and employment, and employee retention in commercial banks in Vietnam that have related salary policies.

The study did have several drawbacks, though. First of all, the study solely addresses organizational culture, which is comprised of four elements. In actuality, the research should address a wide range of additional aspects. Second, the research sample is too small. Additional components may be added in subsequent research to increase the scope of the study and strengthen the validity of the conclusions. Furthermore, we would like to increase the sample size in subsequent studies by choosing workers from companies that are listed publicly, unlisted publicly, foreign direct investment firms, and over-the-counter markets with primary business sectors in financial services, information technology, real estate, energy, and minerals, among other areas.

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