

UDC 159

Zoljargal B., Ganchimeg J. The Influence of Psychological Factors on Job Performance Evaluation

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Abstract. *The purpose of this study is to examine how organizations can enhance employee productivity by recognizing their psychological needs and establishing a supportive work environment.*

This study investigates how employees' psychological state, work motivation, job-related stress, job satisfaction, and perceived organizational support influence their job performance.

Statistical analysis was conducted using the SPSS software based on data collected through a structured questionnaire administered to employees of a selected organization. The results reveal that an increase in negative psychological factors corresponds with a decline in employee job performance, thereby exerting an adverse impact on overall organizational productivity. Consequently, it is recommended that organizational leadership formulate and implement policies aimed at promoting employees' psychological well-being and cultivating a supportive and mentally healthy work environment.

Keywords: *psychology, job performance evaluation, organizational support, motivation.*

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Psychology is a significant scientific discipline that studies the mind, behavior, and internal mental processes of humans and animals. The term “psychology” derives from the Greek words *psyche*, meaning soul or mind, and *logos*, meaning study or science, thus signifying the scientific study of human mental and cognitive functions. This discipline focuses on a broad range of topics including both overt and covert human behaviors, emotions, attention, memory, perception, and patterns of social interaction. Psychological knowledge is not only confined to academic research but also widely applied in everyday life. It plays an essential role in diverse fields such as education, employment, family life, and psychological issues, including stress and depression, where psychological theories and methodologies are utilized to better understand and address these challenges.

Today, psychology has evolved into specialized subfields such as developmental psychology, sports psychology, organizational and occupational psychology, health psychology, psychological assessment, psychometrics, and comparative psychology. The ancient Greek philosopher Democritus (460–370 BCE) regarded mental phenomena as natural material entities composed of specific atoms. In contrast, Plato and Aristotle defined human

intellect and emotions as the “soul,” an intellectual essence. These early perspectives laid the foundational concepts and philosophical groundwork for psychology, forming the basis for the development of modern psychological science.

Researcher B. Oyunchimeg has suggested that psychology, before developing as an independent science, progressed through several distinct historical stages. These stages can be classified as follows:

1. Ancient Period (1st–8th Century BCE): During this period, foundational concepts concerning the mind and consciousness began to emerge. Prominent Greek philosophers such as Plato and Aristotle proposed some of the earliest theories on the nature of human intellect and psyche, which later served as the foundational basis for modern psychology.

2. Medieval Period (8th–15th Century): In this era, psychological concepts and theories developed in conjunction with philosophy and religious doctrine. The human mind and soul were often interpreted through divine and spiritual frameworks. The ideas of Aristotle were revived and continued to influence thought during this period.

3. Renaissance Period (16th–17th Century): A more scientific approach to understanding human cognition and consciousness began to take shape. The French philosopher René Descartes famously declared, “I think, therefore I am,” marking an early philosophical focus on human consciousness. Russian scientist I.M. Sechenov and German philosopher G. Leibniz also contributed by attempting to explain mental processes through physiology, logic, and experimentation.

4. Modern Psychology (18th–19th Century): Psychology became increasingly specialized and began developing empirical research methodologies based on experimentation. Scholars such as David Hartley (England), Wilhelm Dilthey (Germany), and Charles Darwin sought to explain human behavior from biological and evolutionary perspectives. E.B. Titchener laid the groundwork for the development of American psychology during this period.

5. Contemporary Trends (Mid-20th Century–Present): Psychology has evolved into an independent scientific discipline with numerous branches, including behavioral psychology, experimental psychology, cognitive psychology, humanistic psychology, and biological psychology. This period also saw significant growth in diagnostic methodology and psychological counseling practices (Oyunchimeg B., 2005).

One of the primary methods used in psychological research is observation. Observation can take many forms, each with its own advantages and limitations. Selecting the appropriate type of observation based on the specific context, objectives, and available resources is

essential for conducting effective and meaningful research.
(Batsaikhan B. & Dorjjav D., 2009)

Ancient philosophers, in their attempts to comprehend and interpret the complex and multifaceted phenomena of the human psyche, posited that:

- The psyche possesses an autonomous nature, being eternal and indestructible;
- It is immaterial in origin—that is, abstract and never perceivable by the senses, neither visible to the eye nor tangible to the hand—and they regarded this as a fundamental principle. (Odgerel P., 2003)

The Austrian physician Sigmund Freud developed the method of psychoanalysis from the 1890s until his death in 1939. Freud sought to understand the human mind through clinical observation, introspection, and interpretive analysis. His primary research focused on unconscious behavior and psychopathology. Freud's theories concerning sexuality, repression, and the functioning of the conscious and unconscious mind gained wide recognition and made a significant contribution to the development of psychology. (Psychology of Lies, St. Petersburg: Piter Publishing, 2001)

The research of Sigmund Freud influenced the development of analytical psychology, which was established by Swiss psychiatrist Carl Jung and is associated with the deeper levels of the psyche. By the mid-20th century, new psychoanalytic thinkers had emerged, including Freud's daughter Anna Freud and American psychologist Erik Winnicott. Over the course of the twentieth century, psychoanalysis expanded into various branches, many of which are collectively referred to as the Neo-Freudian movement.

The term behaviorism is derived from the English word behavior. The emergence and development of the behaviorist school of thought was preceded by discoveries in the fields of animal psychology and physiology, which laid the foundational groundwork for its formation.

In 1911, American psychologist Edward Lee Thorndike was the one to propose the idea that a response is not simply produced directly by a stimulus, but rather that a pleasant, satisfying state or positive consequence resulting from an action plays a crucial role in shaping the response. This relationship was later termed the Law of Effect.

Although in modern times the behavioral psychology approach no longer exerts as widespread or dominant an influence among psychologists as it once did, its established position and reputation remain strong and stable. (Sutherland, 1990)

Gestalt psychology emerged as a new direction in psychology during a period of crisis within the field. While behaviorism originated and developed in the United States, often being referred to as American psychology, Gestalt, or structural psychology, first arose in Germany and subsequently spread widely across European countries. Like the behavioral approach, Gestalt psychology relies on scientific methodology grounded in the natural sciences; however,

unlike behaviorism, which is closely linked to physiological doctrines, Gestalt psychology is distinguished by its stronger foundation in mathematics, physics, and dialectical reasoning. It thus represents a distinctive theoretical framework within psychological science.

Theories that study and explain human behavior from the perspective of internal subjective characteristics and psychological aspects are classified under psychodynamic theory. The German eminent scholar Kurt Lewin proposed the commonly used notations: B for behavior, F for functional relations, P for the individual's internal subjective characteristics, and E for society or environment. (*Theories about the Individual*, 2004)

$$B=F(P,E)$$

The socialization dynamic theory posits that the primary determinants of behavior are linked to external environmental factors, while comparatively little significance is attributed to the individual's internal psychological world.

$$B=F(E)$$

According to interactionist theory, both external and internal factors equally contribute to the regulation of human actions and behaviors.

$$B=F(E)$$

The German psychologist Erik Erikson (1902–1994) proposed the principle that during the sequential stages of individual development, the internal world of instincts and emotions undergoes qualitative transformation. This transformation fundamentally renews and reshapes an individual's behavior and orientation toward their environment and other people. As a result, when transitioning from one stage to another, the individual acquires entirely new components and capabilities characteristic of the new stage.

In our country, psychology has been studied since the socialist era, beginning in the 1960s.

Theoretical Review

Evaluating employees' job performance serves as a lever to improve future performance, stimulate motivation, and increase job satisfaction. However, it becomes truly effective only when management establishes an appropriate system of rewards and incentives and successfully links this system to the results of performance evaluations. This process is referred to as performance management. Moreover, performance evaluation has been defined in various ways, including the following:

- Job performance evaluation is the process by which an organization assesses how well each employee fulfills their assigned duties, the results achieved, their skills and qualifications, and their workload.
- Job performance evaluation calculates each individual's contribution and measures talent and achievement in a precise, hierarchical manner, establishing the highest standards of performance.
- Performance evaluation is the process of assessing and appraising employees' job performance⁴⁵.
- Performance depends on individual work and is contingent upon the degree of goal achievement.
- Evaluating labor activity is the process by which management assesses each employee's contribution and productive work toward achieving organizational goals.
- Job performance evaluation is the process of accurately identifying and reporting how employees perform their work, based on improvement plans.

There are several different methods of performance evaluation, each with its own advantages and disadvantages, making some more suitable than others depending on specific circumstances (Dessler, 2012). Furthermore, supervisors are believed to provide accurate, fair, and objective assessments of their subordinates' performance. However, the performance evaluation process often diverges from reality and can sometimes result in evaluation errors (Guerra-López, 2009).

Currently, organizations use several methods to evaluate performance. For simplicity, these methods can be categorized into three approaches: the comparative approach, the absolute standards approach, and the results-oriented approach (Bratton, 2012; Dessler, 2012)

⁴⁵ “Bolormaa, D., & Oyungerel, T. Human Resource Management.

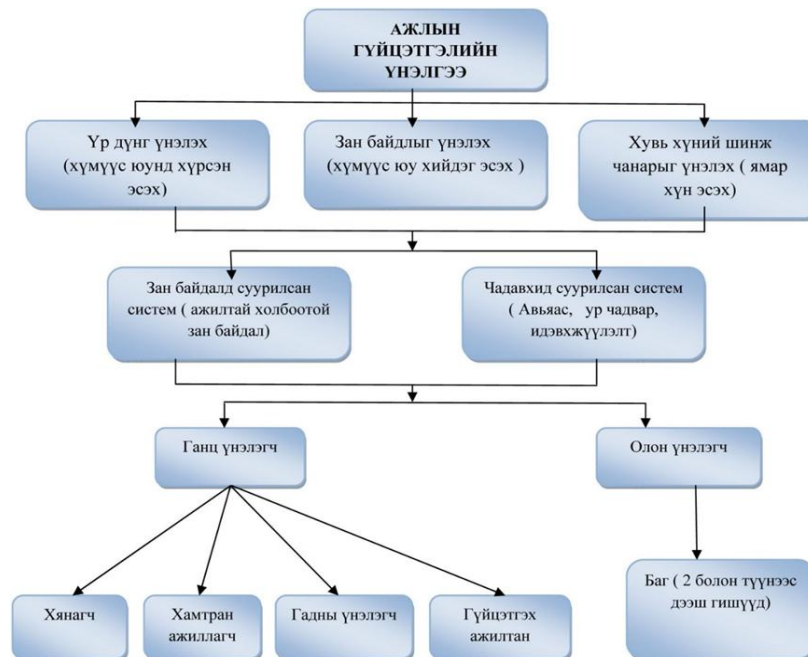


Figure 1: Types of Job Performance Evaluation

In today's fast-paced, competitive, and demanding work environments, job-related stress and fatigue have become serious issues. These problems not only affect individual well-being but also have a significant impact on organizational performance, productivity, and employee retention. Workplace stress typically arises from several factors, including high workload, lack of control, insufficient organizational support, and ineffective leadership behaviors. Prolonged stress manifests as exhaustion, both physical and mental fatigue, decreased performance, feelings of frustration, and a sense of inefficacy.

Additionally, organizational factors such as workplace culture, management style, and the allocation of resources play a crucial role in influencing employee stress and psychological well-being at the organizational level.

Work-related stress and fatigue are among the most pressing issues facing contemporary organizations, negatively impacting employee well-being, productivity, and overall organizational performance. Prolonged stress, resulting from workload, communication challenges, and inadequate support systems, manifests as emotional exhaustion and depersonalization, ultimately leading to burnout. Toxic workplace cultures, lack of recognition, and ineffective leadership further exacerbate these factors, creating work environments detrimental to mental health. Despite growing awareness, many organizations have yet to

effectively address the root causes of stress or implement measures that promote psychological well-being.

Developing a Performance Evaluation Plan: The performance evaluation plan is developed through the following stages.

Defining the organizational goals;

- Identifying the clients of one's position, as well as their requirements and needs;
- Defining employee work outcomes;
- Determining the criteria for measuring work performance;
- Developing performance metrics;
- Clarifying objectives;
- Developing a plan for how and by what standards employee performance will be

evaluated.

Defining the job objectives aligned with the organization's goals: Aligning the objectives of a job position with the overall goals and strategy of the organization ensures that each employee's efforts contribute directly to the collective mission and organizational success (Johnson & Smith, 2018). Many researchers emphasize that aligned objectives are a critical factor in enhancing employee performance, motivation, and work efficiency (Brown, 2020). By defining job objectives in accordance with the organization's strategic goals and core values, employees gain a clearer understanding of their responsibilities and the significance of their roles, thereby clarifying the path to achieving targeted success (Kumar & Lee, 2019). Such alignment contributes to the integration and coordination of organizational plans and activities and plays a vital role in improving human resource management and productivity levels (Garcia & Martinez, 2021).

Each objective meets the following criteria.

- The objective should be achievable.
- Every employee in the organization should acknowledge the feasibility of attaining the objective.
- The objective should be practical and implementable in real-life settings.
- When the measure is expressed numerically, it should be possible to establish upper and lower limits;

One of the critical factors determining the success of modern organizations is the implementation of performance evaluation systems within the scope of human resource management. To achieve their strategic objectives, organizations need to assess employee performance based on factors such as skills, labor productivity, and professional competencies. Skilled and experienced employees are more likely to perform effectively,

thereby supporting the organization's development goals. In recent years, as the work environment has become increasingly competitive, organizations have widely adopted performance evaluation systems to identify training needs, make promotion decisions, and estimate turnover risks⁴⁶.

Thus, performance evaluation has expanded beyond being merely an official annual review to serve as a managerial tool aimed at supporting employee development, facilitating continuous training, and fostering an environment for effective feedback. Researchers Shrestha, S. and Chalidabhongse, J. (2006) emphasized that performance evaluation holds the following significant benefits:

- Planning management succession;
- Improving work quality and productivity;
- Enhancing employee job satisfaction;
- Reducing declines in job performance.

In summary, performance evaluation constitutes an integral component of an organization's human resource policy and plays a crucial role in successfully implementing the organization's strategic objectives.

Table 1

Factors Influencing Employee Performance Evaluation

Factor	Description	Source
Workload	Excessive workload increases employee stress and reduces performance.	Yanti, A., & Rosyid, M. (2022). The Effect of Workload on Employee Performance. ecojoin.org
Work Environment	A physically and psychologically favorable environment positively affects employee productivity.	Rahmawati, D. (2020). Influence of Work Environment on Employee Performance. archives.kdischool.ac.kr
Non-task Assignments	Assignments unrelated to job duties increase psychological burden and negatively impact performance.	Örtqvist & Wincent (2006). Role Stress and Job Satisfaction. SAGE Journals
Peer Attitude	Positive peer relationships encourage active participation and improve productivity.	Bandiera, O., Barankay, I., & Rasul, I. (2010). Social Incentives in the Workplace. arXiv; ScienceDirect

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Factor	Description	Source
Management Attitude	Supportive and respectful management directly influences employee satisfaction and performance.	Montano, D., Reeske, A., & Franke, F. (2017). Leadership and Employee Performance. ScienceDirect
Organizational Value	A positive organizational culture and values support employee motivation and productivity.	Schein, E. H. (2010). Organizational Culture and Leadership. Wiley
Recognition and Reward	Fair evaluation and rewards increase employee motivation and performance.	Markham, S. E., & Markham, I. S. (2005). Recognizing employee Contributions. Academy of Management

Source: Developed by the researcher

Performance appraisal is a critical process for assessing employee competence and productivity in alignment with organizational objectives. However, this process is susceptible to common errors stemming from subjective biases, misconceptions, and systemic deficiencies. Such errors not only compromise the accuracy and reliability of evaluations but also adversely affect employee motivation, job satisfaction, and the overall organizational effectiveness (Murphy & Cleveland, 1995).

RESEARCH SECTION

“Zes Erdeniin Khuwi” LLC was established on June 21, 2010, to engage in foreign trade and the production of cathode copper using hydrometallurgical methods. The company relies on the non-technological oxidized ore and mixed ore stockpiles of “Erdenet Mining Corporation” JSC and has an annual production capacity of 10,000 tons of cathode copper with 99.99% purity.



Figure 2. “Zes Erdeniin Khuwi” LLC Cathode Copper Plant in Orkhon Province

The “Zes Erdeniin Khuwi” plant operates through three main departments: Administration and Internal Control, Economic Supply, and Production, each further divided into various offices and sections. Among these, the Production Department is the most critical, comprising 5 offices and 13 sections. Its primary responsibility is to produce cathode copper that meets the LME Grade A standard of 99.999% purity.

Currently, the plant employs over 250 workers.

Table 2

Performance Evaluation System of “Zes Erdeniin Khuwi” Factory

Additional Profit	NONE
Bonus Salary	NONE
Annual Performance Incentive	13 th month salary
Incentives	NONE
Incentive Criteria	- Factory production plan - Product quality - Occupational Health and Safety violations
Incentive for employees issuing SOPs	NONE
Professional Rank	NONE
Evaluator	Departement head, director
Evaluation Frequency	Once a year

Source: Developed by the researcher

A study was conducted to determine how psychological factors affect the work performance of employees at “Zes Erdeniin Khuv” LLC. The research involved a total of 153 employees from the company who participated through a questionnaire. Among the participants, 67 were female and 86 were male employees.

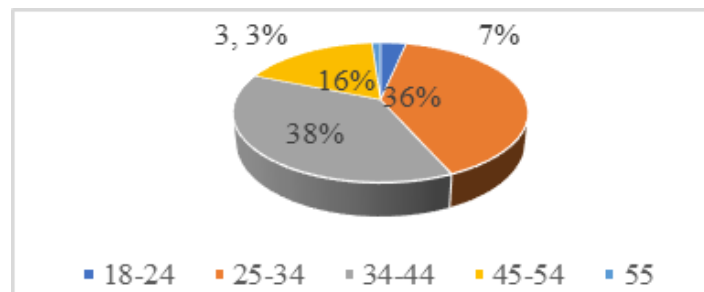


Figure 2: Age Distribution of Total Survey Participants

Among the survey participants, employees aged 25-44 accounted for 76%.



Figure 3: Main factors causing stress in the work environment among all survey participants

In identifying the main factors causing stress in the work environment among the survey participants, 35 individuals (35%) cited management attitude, 28 individuals (28%) indicated peer attitude, 15 individuals (15%) mentioned working conditions, 12 individuals (12%) reported workload, 5 individuals (5%) referred to organizational values, while the remaining 4 individuals (4%) noted non-task assignments, and 1 individual (1%) specified other factors.



Figure 4: Survey on the difficulties faced by participants in interpersonal communication

When asked about the difficulties they face in communicating with others at work, 35% of respondents indicated issues related to interpersonal attitudes, 12% cited power differentials, 15% mentioned criticism of work performance, 28% reported conflicts of opinion, 4% pointed to gender equality issues, 5% experienced discrimination, and the remaining 1% noted age or gender-based discrimination.

Regarding what they consider the most accurate and effective way to evaluate their job performance, 74% responded productivity and impact, 22% emphasized work attitude, 2% indicated performance deadlines, and the remaining 2% mentioned creative thinking.

When asked about how psychological factors influence their work productivity, 52% said these factors have an influence, 29% indicated a strong influence, 14% moderate influence, and 5% reported no influence.

Furthermore, when participants were asked whether the organization provides any assistance or support to help cope with work-related stress and psychological pressure, the majority, 53%, responded no support at all, 23% moderate support, 17% none, and 7% said support was adequate. When asked if the organization has sufficient resources and measures to provide psychological support, the majority (71%) answered no, while 29% responded yes.

A correlation analysis was conducted on the psychological factors affecting employees' job performance evaluation, and the results are presented in the table below

Correlation Analysis

Table 3

Correlations of Workload Variable from SPSS Analysis

Variable	R (Correlation Coefficient)	P value
Work Conditions	0.582	0.000
Organizational Values	0.554	0.000
Non-task Assignments	0.398	0.000
Peer Attitude	0.088	0.384
Management Attitude	0.008	0.938
Work Performance	0.29	0.003

This section illustrates how the workload variable correlates with other variables. The work conditions variable shows a correlation coefficient of .582 with workload, indicating a strong positive correlation. Similarly, the organizational values variable has a correlation of .554, also demonstrating a statistically significant positive relationship. The non-task assignments variable exhibits a correlation of .398, which is considered a moderate positive correlation. However, the correlations between workload and peer attitude, as well as management attitude, are very low and statistically insignificant, indicating weak correlations. The correlation between workload and work performance is .290, representing a weak but statistically significant relationship.

Work performance shows the following correlations with other variables. Work conditions have a correlation coefficient of .410, indicating a moderate positive correlation that is statistically significant ($p = .000$). Organizational values exhibit a correlation of .390, reflecting a weak to moderate positive correlation, which is also statistically significant ($p = .000$). The correlation coefficient for non-task assignments is .416, representing a moderate positive correlation that is statistically significant.

Table 4

Correlations of the Work Performance Variable Using SPSS Software

		ach	noh	vne	nar	ham	udi	gui
ach	Pearson 상관계수							
	유의확률 (양쪽)							
	N							
noh	Pearson 상관계수	.582 ^{***}						
	유의확률 (양쪽)	.000						
	N	100						
vne	Pearson 상관계수	.554 ^{***}	.688 ^{***}					
	유의확률 (양쪽)	.000	.000					
	N	100	100					
nar	Pearson 상관계수	.398 ^{***}	.572 ^{***}	.641 ^{***}				
	유의확률 (양쪽)	.000	.000	.000				
	N	100	100	100				
ham	Pearson 상관계수	.088	.302 ^{***}	.137	.419 ^{***}			
	유의확률 (양쪽)	.384	.002	.174	.000			
	N	100	100	100	100			
udi	Pearson 상관계수	.008	.090	.074	.066	.195		
	유의확률 (양쪽)	.938	.372	.467	.512	.051		
	N	100	100	100	100	100		
gui	Pearson 상관계수	.280 ^{***}	.410 ^{***}	.390 ^{***}	.416 ^{***}	.288 ^{***}	-.116	
	유의확률 (양쪽)	.003	.000	.000	.000	.004	.249	
	N	100	100	100	100	100	100	

The correlation between the variable “Peer Attitude” and work performance is 0.288, indicating a weak but statistically significant positive correlation ($p = .004$). Conversely, the correlation between “Management Attitude” and work performance is -0.116, indicating a negative relationship; however, this correlation is not statistically significant ($p = .249$), so no reliable conclusions can be drawn.

CONCLUSION

Psychological safety is ensured by appropriately addressing human needs and factors such as workload, rewards and incentives, fairness, and support. To promote psychological safety in the workplace, reduce burnout and mental health issues, and maintain organizational stability, it is necessary to improve factors such as leadership, workplace culture, and support systems.

The research results indicate that the majority of employees wish to receive psychological counseling, participate in training and informational sessions focused on stress management

and mental health support. Therefore, it is advisable for the company to organize at least one psychological training or counseling event every six months to support employees' mental well-being. This initiative will not only enhance the psychological health of employees but also positively transform the internal organizational climate and significantly improve work productivity.

The results of this study indicate that psychological factors have a significant impact on employees' job performance, highlighting the role of management attitude. Based on the responses from participants, psychological factors such as employee satisfaction, stress levels, and attitudes toward work directly affect job performance. This research provides important insights into the interaction and correlation between psychological factors and management attitude. It emphasizes that improving the psychological environment and increasing employee satisfaction are crucial for management to achieve positive outcomes in job performance.

Psychological factors influence job performance through management attitude, where a positive managerial approach helps to foster employees' psychological well-being and enhances work outcomes.

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