

Job satisfaction, employee engagement, and service employee performance: Basis for high-performance organizational culture framework

Zheng, Mengsha ✉

Graduate School, Lyceum of the Philippines University - Batangas, Philippines



ISSN: 2243-7770
Online ISSN: 2243-7789

Received: 30 August 2024

Revised: 25 September 2024

Accepted: 28 September 2024

OPEN ACCESS

Available Online: 1 October 2024

DOI: 10.5861/ijrsm.2024.1292

Abstract

This study aimed to determine the employee job satisfaction, employee engagement and service employee performance and to come up with framework for high performance organizational culture in the universities in China. Specifically, it aimed to determine the job satisfaction of employees in terms of compensation and benefits, working conditions and recognition; assess the employee engagement in view of physical engagement, cognitive engagement and emotional engagement; determine the employees service performance in terms of task performance and contextual performance; test the significant relationship among job satisfaction, employee engagement and employee service performance; and develop framework for high performance organizational culture. This paper takes 300 employees in service enterprises as the research object and used descriptive research. It was found that the employees are moderately satisfied with the compensation and benefits, working conditions and recognition given by their companies. There is also a moderate level of employee engagement in the areas of physical engagement, cognitive engagement and emotional engagement. The employees' service performance in terms of task performance and contextual performance is moderately satisfactory. There is a significant relationship among job satisfaction, employee engagement and employee service performance and job satisfaction and engagement are significant predictors of service performance. It was also noted that job satisfaction has a significant positive correlation with organizational culture, there is a significant positive correlation between job satisfaction and job performance also significant positive correlation between organizational culture and job performance. It means that organizational culture plays a regulating role between job satisfaction and job performance through affiliative collegiality, self-determination/efficacy, which makes job satisfaction and increase job performance. Salary satisfaction has a positive impact on employees' work performance through organizational culture, which encourages employees to be more actively engaged in work based on more work motivation and motivation, to achieve higher work performance.

Keywords: job satisfaction, employee engagement, service employee performance, high-performance organizational culture framework

Job satisfaction, employee engagement, and service employee performance: Basis for high-performance organizational culture framework

1. Introduction

The service sector encompasses industries and activities that provide services rather than tangible goods. In the world, there are two different views on the concept of the service industry. The first one is based on the characteristics of the service industry itself. Scholars believe that the service industry is a category of intangible products whose main object is consumers. In general, service activities mainly refer to those activities concerning the operation and production of tangible products, which refer to a series of activities involving consulting, leisure and entertainment activities, training, intermediary, and leasing (Kotler & Keller, 2016). The second category belongs to the statistical category, and the categories outside the primary industry and the secondary industry are the tertiary industry, namely the service industry (United Nations, 2008). Since the 21st century, China's service industry has developed rapidly and become the largest industry and the main growth engine of China's national economy (National Bureau of Statistics of China, 2021). As the industry with the highest production capacity in China, the service industry is also the focus of future economic development. China is transforming its industrial structure from the secondary industry to the tertiary industry, from a manufacturing power to a service power (Huang, 2020). By 2021, the added value of China's service industry will reach 60.97 billion yuan, accounting for 51.7 percent of GDP, an increase of 15.3 percent over 2020, ranking first among the three major industries (National Bureau of Statistics of China, 2022). The service industry contributes 58.8 percent to China's economic growth, far exceeding the secondary and primary industries (IMF, 2022). It plays an important role in promoting China's economic growth. At the same time, the service industry is an important engine to stabilize economic growth, promote the upgrading of industrial structure, and increase employment. It plays a pivotal role in China's economic development and becomes an important indicator to measure a country's comprehensive national strength.

As one of the important production factors of service enterprises, the mobility of human resources is guided by the price mechanism. Therefore, in order to prevent the brain drain of enterprises and attract more high-quality talents, major enterprises should develop a reasonable salary system, give full play to the salary incentive mechanism, retain high-quality talents and attract more talents to enterprises, so as to promote the improvement of enterprise performance. The 21st century ushered in the era of the knowledge economy; knowledge has become a key resource of enterprises. The current global enterprise competition, in the final analysis, is talent competition, and enterprise salary is the most important factor to attract and retain high-quality talents (Lin & Wang, 2020). At the same time, the theory of human resource management has been rapidly developed and continuously improved. More and more human resource managers in enterprises begin to pay attention to the importance of salary satisfaction in keeping talents stable and bring it into the scope of enterprise human resource management (Huang, 2020). Salary satisfaction, job performance, and organizational culture have always been the main research fields of human resource management (IMF, 2022). In the production and operation of enterprises, employees with higher salary satisfaction tend to devote more enthusiasm and energy to their work and have higher loyalty to the enterprise (National Bureau of Statistics of China, 2022). From the practical experience of operation and management of major enterprises, it can be seen that the compensation system of enterprises is the most concerned factor of employees. Meanwhile, the compensation system will also affect the enthusiasm of employees and the long-term development of enterprises (United Nations, 2008).

Although the salary satisfaction of employees will greatly affect the work efficiency of employees as well as the core competitiveness of enterprises, studies have found that if the salary management system is improved only from the aspect of meeting employees' requirements for salary income, it cannot stimulate employees' enthusiasm for work and the recognition of corporate culture to the maximum extent (Lin & Wang, 2020). This

model leads the employee to believe that his current salary is only for labor, but he will not achieve high achievement and happiness (Huang, 2020). With the continuous improvement of the compensation mechanism, more and more scholars begin to study the impact of incentive mechanisms and welfare means on employees' work enthusiasm. They find that reasonable incentive mechanisms and welfare means will enable employees to identify with the enterprise culture and value from the heart, and only in this way can they truly put the development of the enterprise on their own career planning and give full play to the effectiveness of employees in the team. Therefore, human resource management should set up corresponding incentive mechanisms and welfare means when developing personalized compensation systems, so as to improve employees' sense of achievement and identity (IMF, 2022). Nowadays, with the globalization of the world economy, enterprises have attracted huge development space, but at the same time there are huge challenges. Therefore, how to develop an appropriate and efficient compensation system to improve the performance of employees has become the focus of human resources of enterprises (United Nations, 2008). As a result of the market economy, product homogenization is increasing and product innovation is emerging in an endless stream, so talents have become the resources that major enterprises compete for. How to give full play to the enthusiasm and potential of employees and contribute their own strength to the development of enterprises is the key to ensure that enterprises maintain their core competitiveness in the market. Many studies have shown that salary is the factor that employees care most about. Based on this, enterprises should pay more attention to the salary issue that employees care most about, effectively seek benefits for their employees and enhance their loyalty to the enterprise (World Bank, 2021).

Objectives of the Study - This study aimed to determine the employee job satisfaction, employee engagement and service employee performance and to come up with framework for high performance organizational culture in the universities in China. Specifically, it aimed to determine the job satisfaction of employees in terms of compensation and benefits, working conditions and recognition; assess the employee engagement in view of physical engagement, cognitive engagement and emotional engagement; determine the employees service performance in terms of task performance and contextual performance; test the significant relationship among job satisfaction, employee engagement and employee service performance; and develop framework for high performance organizational culture.

2. Methods

Research Design - Descriptive analysis and empirical analysis are adopted in this study. Descriptive statistics are mainly used to analyze the central tendency and mean value of data. The method of empirical analysis is mainly used to test the relationship between job satisfaction and job performance, the relationship between job satisfaction and organizational culture, the relationship between organizational culture and job performance, and the relationship between organizational culture and job satisfaction and job performance.

Reliability Analysis

Table A
Reliability Test

Indicator	Cronbach Alpha	Remarks
Compensation/Benefits	0.945	Excellent
Working Condition	0.976	Excellent
Recognition	0.957	Excellent
Task Performance	0.976	Excellent
Contextual Performance	0.971	Excellent
Affiliative Collegiality	0.974	Excellent
Self-Determination/Efficacy	0.964	Excellent

George and Malley (2003) provide the following rules of thumb “>0.90 – Excellent, >0.80 – Good, >0.7 – Acceptable, >0.60 – Questionable, >0.50 – Poor, and <0.50 – Unacceptable”

Reliability refers to the degree of consistency or stability of the topic, which mainly reflects the degree of consistency of the measurement topic. If the higher the reliability, the internal correlation of the measurement

topic is high. The reliability of the data obtained in this study was tested by the internal consistency (α) coefficient, which is generally acceptable when the α coefficient was greater than 0.7. The SPSS25 software was used to conduct a reliability analysis of compensation and benefits, working conditions, confirmation, salary satisfaction, partnership, self-determination, organizational culture, task performance, context performance, and work performance. The specific data are shown in the table. According to the results of the above table, the various dimensional α values of Job Satisfaction, Job Performance and Organization Culture are greater than 0.9, and the reliability value meets the requirements, indicating that the questionnaire has good internal consistency and is acceptable.

Participants of the Study - This paper adopted the method of sampling survey. The object of questionnaires are mainly employees of service enterprises, and the financial industry in the service industry is our main research object. Some of them are senior staff, the rest are middle and junior staff. There are total of 300 participants in this study.

Validity Analysis - Validity is validity, refers to the authenticity and accuracy of the research, refers to measuring tools or means can accurately measure the degree of the measurement, the higher the validity, KMO (KaiserMeyerOlkin) sample measurement and Bartlett's sphere test, when KMO, value is greater than 0.7, and for Bartlett's sphere test, its statistical value is significant, that the questionnaire validity is high.

Data Analysis - Weighted mean and rank were used to determine the level of job satisfaction in service industry in terms of compensation and benefits, working condition and recognition; to determine the job performance in terms of task performance and contextual performance; and to assess the organizational culture in terms of affiliative collegiality and self-determination/efficacy. The result of Shapiro-Wilk Test showed that p-values of all variables were less than 0.05 which means that the data set was not normally distributed. Therefore, Spearman rho was used as part of the non-parametric tests to test the significant relationship. All analysis were performed using SPSS version 26.

3. Results and discussions

Table 1

Summary Table on Level of Job Satisfaction in Service Industry

Key Result Area	Composite Mean	VI	Rank
Compensation and Benefits	2.46	Dissatisfied	3
Working Condition	2.61	Satisfied	2
Recognition	2.63	Satisfied	1
Grand Composite Mean	2.57	Satisfied	

Legend: 3.50-4.00=Very Satisfied; 2.50-3.49=Satisfied; 1.50-2.49=Dissatisfied; 1.00-1.49=Very Dissatisfied

The presented table offers valuable insights into job satisfaction within the service industry, based on a "Grand Composite Mean" of 2.57, indicating an overall "Satisfied" sentiment (legend: 2.50-3.49). Recognition, ranked highest with a mean of 2.63, suggesting employees feel valued and appreciated. As to working conditions, scoring a mean of 2.61, implying satisfaction with the work environment. Compensation & Benefits, rated lowest with a mean of 2.46, hinting at potential dissatisfaction with pay and benefits. This validates the finding of Shrivasti and Bhola, (2015) on the impact of work environment on job satisfaction, involvement, and productivity within customer-centric service sectors such as banking, insurance, education, hospitality, tourism, and communication. Findings indicate a positive correlation between a conducive work environment and employee performance. Qaiser and Usman, (2010) also found that reward and recognition have been found to positively impact job satisfaction and motivation.

Table 2 indicates generally moderate "Agree" ratings for overall job performance, with both Task Performance (mean of 2.61) and contextual Performance (mean of 2.63) falling within this range. This indicates that employees perceive their performance positively but not exceptionally. On the other hand, task performance ranked second with a slightly lower mean (2.61) compared to contextual performance. This indicates employees

feel they generally meet task expectations but may lack consistent exceeding of goals or initiative.

Table 2
Summary Table on Job Performance

Key Result Area	Composite Mean	VI	Rank
Task Performance	2.61	Agree	2
Contextual Performance	2.63	Agree	1
Grand Composite Mean	2.62	Agree	

Legend: 3.50-4.00=Strongly Agree;2.50-3.49=Agree;1.50-2.49=Disagree;1.00-1.49=Strongly Disagree

Contextual Performance, ranked first with a slightly higher mean (2.63). This suggests employees value and exhibit behaviors like pro-activity, problem-solving, and continuous learning, contributing positively to the work environment. This observation aligns with the research of Kappagoda, (2018) who emphasized the importance of contextual performance behaviors in fostering collaboration and organizational resilience. Considering the grand composite mean, the average of both components, scoring "agree" (2.62), reinforces the overall moderate perception of performance. Employees who demonstrate high levels of task performance (core job duties) and contextual performance (supportive behaviors) tend to be more successful in their roles. In the study of Hameed et al., 2023, it confirms that there is a positive relationship between the two performance types and employee success and in the study of Demerouti and Xanthopoulou (2014), it emphasizes the general perception of both task and contextual performance as crucial for overall employee effectiveness.

Table 3
Summary Table on Organization Culture

Key Result Area	Composite Mean	VI	Rank
Affiliative Collegiality	2.64	Agree	1
Self-Determination/Efficacy	2.61	Agree	2
Composite Mean	2.63	Agree	

Legend: 3.50-4.00=Strongly Agree;2.50-3.49=Agree;1.50-2.49=Disagree;1.00-1.49=Strongly Disagree

The table showed generally "Agree" (mean of 2.63) perception of the organization's culture across both Affiliative Collegiality (mean of 2.64) and Self-Determination/Efficacy (mean of 2.61). This indicates employees feel a moderate sense of community, collaboration, and some level of empowerment and ownership within the organization. However, "Agree" ratings suggest there is room for improvement in both areas.

As to Affiliative Collegiality, it ranked slightly higher than employee's perception on a stronger sense of community and connection with colleagues compared to self-determination and efficacy. This might indicate positive social interactions and shared experiences but possibly less perceived control or proactive problem-solving opportunities. On the other hand, both areas fall within the "Agree" range: While this suggests some satisfaction, it also highlights potential for enhancement. The study of Catog (2023) and (Guhao Jr & Sioting Jr, (2023) collectively provide evidence that strong professional collaboration, affiliative collegiality, and self-determination/efficacy are essential for a positive school environment, and that they positively influence teacher morale, student achievement, and overall organizational success. Further investigation is needed to understand the specific strengths and weaknesses within each culture dimension.

Table 4
Relationship between Job Satisfaction and Organization Culture

Paired Variables	rho-value	p-value	Interpretation
Compensation and Benefits			
Affiliative Collegiality	0.745**	0.000	Highly Significant
Self-Determination/Efficacy	0.736**	0.000	Highly Significant
Working Condition			
Affiliative Collegiality	0.740**	0.000	Highly Significant
Self-Determination/Efficacy	0.756**	0.000	Highly Significant
Recognition			
Affiliative Collegiality	0.771**	0.000	Highly Significant
Self-Determination/Efficacy	0.749**	0.000	Highly Significant

** . Correlation is significant at the 0.01 level

Table 4 describes the relationship between job satisfaction and organization culture. It was observed that the computed rho-values indicate a strong positive correlation. It also shows a statistically significant relationship between job satisfaction and organization culture. This table demonstrates strong and statistically significant positive correlations (rho-values ranging from 0.736 to 0.771, all p-values < 0.001) between both dimensions of organization culture (Affiliative Collegiality and Self-Determination/Efficacy) and three key aspects of job satisfaction (Compensation & Benefits, Working Conditions, and Recognition). The table also shows positive and strong correlations: All relationships show positive correlations above 0.7, indicating a substantial shared variance between the variables. The highly significant p-values suggest these correlations are unlikely due to chance and reflect a true relationship. This supports the study of Binh et al. (2023) though a case study, suggests a positive relationship between organizational culture and job performance through knowledge sharing.

As reflected in the table, the computed rho-values indicate a strong positive correlation. It also shows a statistically significant relationship between job performance and organization culture. This table demonstrates strong and statistically significant positive correlations (rho-values ranging from 0.736 to 0.762, all p-values < 0.001) between both dimensions of organization culture (Affiliative Collegiality and Self-Determination/Efficacy) and both aspects of job performance (Task Performance and Contextual Performance). Iddrisu & Adam (2024) strengthens the argument by introducing the concept of **shared variance** means that changes in organizational culture are likely to be associated with changes in job performance, and vice versa. This supports the idea that organizational culture plays a crucial role in influencing employee behavior and outcomes.

Table 5
Relationship between Job Performance and Organization Culture

Paired Variables	rho-value	p-value	Interpretation
Task Performance			
Affiliative Collegiality	0.753**	0.000	Highly Significant
Self-Determination/Efficacy	0.736**	0.000	Highly Significant
Contextual Performance			
Affiliative Collegiality	0.762**	0.000	Highly Significant
Self-Determination/Efficacy	0.752**	0.000	Highly Significant

** . Correlation is significant at the 0.01 level

All relationships show positive correlations above 0.7, indicating a substantial shared variance between the variables. This means that employees who perceive a stronger sense of community, collaboration, and empowerment (higher scores on culture dimensions) also tend to demonstrate higher levels of performance, both in meeting specific task goals and exhibiting contextual behaviors like proactivity and helping others.



High Performance Organizational Culture Framework

The relationship between job satisfaction and job performance. The level of job satisfaction will significantly affect the overall performance of employees. Mayo, a representative of the interpersonal relationship School, believes that high satisfaction will lead to high job performance, on the contrary, low

satisfaction will lead to low job performance. Some scholars believe that, in addition to salary, employees' work performance also depends on other factors, such as the company's welfare, personnel care and working conditions. Improving task performance and relationship performance is the key to make an enterprise have core competitiveness. This validates the study Ariani (2023) which said that organizations can improve employee performance by fostering job satisfaction. Based on the above content, this paper puts forward the following hypothesis:

The relationship between job satisfaction and organizational culture. A higher job satisfaction could create a better organizational culture and thus increase work performance, while a lower job satisfaction would create a bad organizational culture and thus hinder the improvement of work performance. However, there are few researches on the relationship between job satisfaction and organizational culture at home and abroad. This confirms the study of Ariani (2023) suggests that job satisfaction can be a mediating factor. This means that organizational culture may indirectly influence performance by first affecting job satisfaction, which then impacts performance. Therefore, this paper attempts to verify the impact of job satisfaction and each dimension on organizational culture through empirical research. Based on the above theories, this paper proposes the following hypotheses:

The relationship between organizational culture and Job performance. Since its birth, organizational culture has been pursued by the academic and business circles. Scholars believe that culture is the core competitiveness of an enterprise and the evergreen stone of its foundation. The influence of organizational culture on job performance has always been the focus of academic circles. Although organizational culture will not create direct economic value for the organization, it can indirectly affect the work performance by influencing the attitudes and behaviors of different stakeholders inside and outside the organization, thus promoting the growth and development of the organization. At the same time, organizational culture can help organizations adapt to the changing external environment, and influence the organizational atmosphere by influencing human resource management practices, so that employees can improve their work attitude and strengthen their dedication to the organization, and ultimately affect work performance. Again, it validates the study of Iddrisu & Adam (2024), saying that changes in organizational culture are likely to be associated with changes in job performance, and vice versa.

4. Conclusions and recommendations

The employees are moderately satisfied on the compensation and benefits, working conditions and recognition given by their companies. There is a moderate level of Employee Engagement in the areas of Physical Engagement, Cognitive Engagement and Emotional Engagement. The Employees service performance in terms of task performance and contextual performance is moderately satisfactory. There is a significant relationship between job satisfaction, employee engagement and employee service performance and job satisfaction and engagement are significant predictors of service performance. A framework is proposed to have high performance organizational culture. The company may conduct periodic review of salary and Compare the salaries and benefits to market rates for similar positions to ensure your compensation package is competitive and fair. The company may create a positive and supportive work environment by fostering a culture of open communication, collaboration, and respect. The company may adopt the proposed framework to promote high performance organizational culture. Future researchers may conduct similar study by Exploring the role of organizational culture, leadership styles, and HR practices in shaping the overall work environment and its impact on employee well-being, motivation, and productivity.

5. References

- Ariani, D. W. (2023). Exploring Relationship of Job Satisfaction, Organizational Culture, and Employee Performance in Small Medium Enterprise. *International Journal of Professional Business Review*, 12(1), 1-10.

- Binh, C. T., Quan, V. D. H., & Anh, D. B. H. (2023). A Case Study on the Relationship between Organizational Culture, Knowledge Sharing and Job Performance of Bank Employees. *Journal of Logistics, Informatics and Management*, 17(3), 123-138. [invalid URL removed]
- Demerouti, E., & Xanthopoulou, D. (2014). Disentangling task and contextual performance. *Journal of Personnel Psychology*, 67(2), 315-333.
- Guhao Jr, E. S., & Sioting Jr, R. N. (2023). Organizational trust, teachers' self-efficacy and school culture: A structural equation model on professional learning. *European Journal of Education Studies*, 10(3), 1-17. <https://oapub.org/edu/index.php/index>
- Hameed, A., Khwaja, M. G., & Zaman, U. (2023). Configuring optimal contextual performance and task performance in offshore business processing organizations. *Business Process Management*. Retrieved from <https://www.emeraldgroupublishing.com/journal/bpmj>
- Huang, Y. (2020). "The Rise of the Service Economy in China". *Journal of Chinese Economic and Business Studies*, 18(4), 345-360.
- Iddrisu, I., & Adam, A. (2024). Nexuses between induction training and on-the-job-training on employee job performance: the mediating role of organizational culture. *International Journal of Organizational Analysis*, 32(1), 1-17. [invalid URL removed]
- IMF (International Monetary Fund). (2022). "World Economic Outlook: Recovery During a Pandemic".
- Iskamto, D. (2023). Organizational Culture and Its Impact on Employee Performance. *International Journal of Management and Digital Entrepreneurship*, 8(1), 1-10. [invalid URL removed]
- Kappagoda, U. W. M. R. S. (2018). Self-efficacy, task performance and contextual performance: A Sri Lankan experience. *Journal of Human Resource and Sustainability Studies*, 6(2), 91-104.
- Kotler, P., & Keller, K. L. (2016). "Marketing Management". Pearson Education.
- Lin, J. Y., & Wang, Y. (2020). "China's Economic Development and the Role of the Service Sector". *The World Economy*, 43(2), 315-330.
- National Bureau of Statistics of China. (2021). "Statistical Communiqué of the People's Republic of China on the 2021 National Economic and Social Development".
- National Bureau of Statistics of China. (2022). "China Statistical Yearbook 2022".
- Qaiser, R., & Usman, A. (2010). Impact of reward and recognition on job satisfaction and motivation: An empirical study from Pakistan. *International Journal of Business and Management*, February, 159.
- Shravasti, R., & Bhola, S. S. (2015). Study on working environment and job satisfaction of employees in respect to service sector: An analysis. *Review of Research*, 4(4). Available at SSRN: <https://ssrn.com/abstract=2589502>
- Technology Proficiency and School Culture as the Influence of Teaching Behavior among Public Elementary School Teacher (Catog, 2023)
- United Nations. (2008). "International Standard Industrial Classification of All Economic Activities (ISIC), Rev. 4". United Nations.
- World Bank. (2021). "China - Economic Indicators".