

Working environment and employee performance in Chinese service firms: an analysis of hotels and tourism companies

Syed Ahtsham Ali, Weihua Yin*

Business School, Shanghai Jian Qiao University, China

Email: yinweihua@gench.edu.cn

Abstract. The work environment of an employee has a significant influence on the quality and productivity of their work. The degree to which an organization engages its employees affects their desire to learn skills and their level of motivation to succeed. This study examines the relationship between the two factors among hotel and tourism service providers in China, from the perspective of their organizational internal atmosphere. This study based on primary data. The sample for this research was collected from the hotel sector and tourism department of China. Some findings are the following. Firstly, a positive correlation was observed between the quality of the work environment and staff performance. Furthermore, the analysis highlighted the importance of effective leadership in shaping the work environment and influencing employee performance. Therefore, organizations should invest in training and development programs to enhance employee skills and abilities, and provide opportunities for promotion and recognition. Additionally, management should adopt a participative decision-making approach that involves employees in decision-making processes and seeks opinions and feedback from them. Furthermore, organizations should establish clear and fair performance evaluation systems that recognize and reward high-performance employees.

Keywords. Workplace factors, supervisor, job aids, feedback, physical environment, incentives, employee performance, Chinese service firms.

1. Introduction

The work environment plays a crucial role in shaping employee performance within service firms. This document aims to analyze the impact of the work environment on staff performance specifically in Chinese hotels and tourism companies. By understanding the relationship between these two factors, businesses in the service industry can make informed decisions to enhance their employees' productivity and satisfaction, ultimately leading to improved organizational performance. The working environment encompasses various factors, including physical, social, and psychological aspects, that influence employees' behavior, attitudes, and motivation. In the service industry, where customer satisfaction is paramount, it becomes even more critical to create a positive and supportive working environment for employees [6].

The physical environment refers to the workplace conditions, such as lighting, temperature, noise levels, and ergonomic factors. In hotels and tourism companies, clean and well-maintained facilities, comfortable workstations, and appropriate equipment are essential for employees to perform their tasks efficiently and comfortably. The social environment includes the interactions among employees, supervisors, and management [15]. A positive social environment promotes teamwork, collaboration, and effective communication. In Chinese service firms, fostering a harmonious and inclusive work culture can enhance employee morale and job satisfaction. The psychological environment focuses on employees' perceptions, attitudes, and beliefs about their work. Factors such as job autonomy, recognition, career development opportunities, and work-life balance contribute to a positive psychological environment. In Chinese hotels and tourism companies, providing avenues for personal growth and a healthy work-life balance can positively impact employee performance [5].

A supportive working environment leads to higher levels of employee engagement and job satisfaction. Dedicated and satisfied employees are more likely to provide excellent customer service, thereby improving customer loyalty and business performance. A conducive working environment can enhance employee productivity and efficiency [9]. When employees have the necessary resources, a safe and comfortable workspace, and positive interpersonal relationships, they are more motivated to perform their tasks effectively and efficiently. A positive working environment fosters employee loyalty and reduces turnover rates. In the competitive Chinese service industry, retaining talented and experienced employees is crucial for maintaining a competitive edge and ensuring consistent customer satisfaction [7].

To enhance the working environment and subsequently improve employee performance in Chinese service firms, the following strategies can be implemented:

- a. Establishing clear communication channels and encouraging open dialogue between employees and management.
- b. Providing regular training and development opportunities to strengthen the skills and abilities of employees.
- c. Commending and rewarding for employees' achievements and contributions.
- d. Creating work-life balance initiatives, such as flexible scheduling and wellness programs.
- e. Implementing performance management systems that effectively measure and evaluate employee performance.

In China, the work environment plays a crucial role in determining employee performance. The working conditions, organizational culture, and management practices greatly influence the productivity and motivation levels of employees. A positive and supportive working environment can lead to higher job satisfaction, increased engagement, and improved performance.

In China, the concept of *guanxi* (personal relationships) is deeply ingrained in the workplace culture. Building strong relationships with colleagues and superiors is considered important for career advancement and job security. This

emphasis on interpersonal connections can affect the working environment, as employees may prioritize maintaining harmonious relationships over expressing dissent or challenging authority.

Additionally, the working hours and work-life balance in China can impact employee performance. The traditional 996 work culture, which refers to working from 9 am to 9 pm, six days a week, has been prevalent in many industries. This demanding schedule can lead to burnout, decreased productivity, and negative impacts on physical and mental health. However, there have been recent efforts to promote a better work-life balance, with the introduction of laws and policies that limit excessive overtime and encourage more leisure time for employees.

Moreover, the physical environment of the workplace also plays a role in employee performance. Providing a clean, comfortable, and well-equipped workspace can contribute to a positive working atmosphere. Adequate lighting, ergonomic furniture, and proper ventilation are essential for employees to feel comfortable and focused on their tasks. Additionally, creating spaces for relaxation and socialization, such as break rooms or recreational areas, can help reduce stress and foster a sense of community among employees.

Furthermore, the management style and leadership practices adopted by companies in China can significantly impact employee performance. Autocratic leadership styles, where decision-making is centralized and employees have limited autonomy, have been prevalent in some organizations. However, there is a growing recognition of the benefits of participative leadership styles, where employees are encouraged to contribute ideas and take ownership of their work. This approach can enhance employee engagement, creativity, and overall performance.

2. Literature Review

The literature review aims to analyze the relationship between the work environment and employee performance in Chinese service firms, with a specific focus on hotels and tourism companies. The working environment plays a crucially important role in shaping employee behavior, motivation, and overall job satisfaction, which, in turn, affect their performance. Understanding this relationship is vital for organizations striving to enhance employee productivity and satisfaction. This review will provide a comprehensive analysis of existing research on this topic, highlighting key findings and gaps in the literature.

Mion, Naticchioni, & Louvain (2014) explained that numerous factors contribute to the working environment in Chinese service firms. These factors include physical conditions, such as workplace layout, lighting, noise levels, and temperature [16, 17]. Additionally, social factors, such as relationships with colleagues and supervisors, teamwork, and organizational culture, also influence the working environment. Studies have shown that a positive working environment leads to higher employee satisfaction and engagement, which subsequently improves performance. Physical factors refer to the tangible aspects of the workplace that can impact employees' experience. These factors include temperature, lighting, noise levels, air quality, and ergonomic design. Research has shown that an optimal physical working environment can enhance comfort, reduce stress, and increase productivity and job satisfaction [21].

Research indicates that there is a strong correlation between the work environment and employee performance in Chinese service firms. A positive working environment fosters employee motivation, job satisfaction, and commitment, all of which contribute to higher levels of performance. Conversely, a negative working environment, characterized by factors like poor communication, lack of support, and high levels of stress, can lead to decreased employee performance and productivity [1]. The physical environment of the workplace encompasses factors such as lighting, noise levels, temperature, and office layout. Research has shown that these factors can significantly influence employee performance. For instance, a well-lit workspace can improve concentration levels and reduce eye strain, leading to increased productivity. Similarly, a comfortable temperature and appropriate noise levels can create a more pleasant working environment, resulting in better job satisfaction and performance [11].

Apart from the physical environment, psychological and social factors within the workplace also impact employee performance. Factors such as leadership style, coworker relationships, and organizational culture play a crucially important role in determining employee motivation and job satisfaction [20]. Studies have found that supportive and inclusive leadership styles foster a positive work environment, leading to higher levels of employee engagement and performance. Furthermore, positive relationships with coworkers and a strong organizational culture that promotes teamwork and collaboration can enhance employee performance [18].

Leadership plays a crucially important role in creating and maintaining a positive working environment. Effective leaders promote open communication, encourage collaboration, provide necessary resources, and support the well-being of their employees. Research has shown that transformational leadership is characterized by motivation, intellectual stimulation, personalized consideration, and idealized influence, which have a positive impact on the work environment and thereby improve employee performance. Numerous leadership styles have been identified, each with its own impact on the working environment. Transformational leadership, for example, is characterized by leaders who inspire and motivate their employees to go beyond their self-interests for the greater good of the organization. Research has shown that transformational leadership has a positive influence on employee job satisfaction, organizational commitment, and overall performance [4]. On the other hand, autocratic leadership, where leaders make decisions without seeking input from employees, can result in a more rigid and hierarchical working environment. This style of leadership may lead to reduced employee autonomy, creativity, and job satisfaction. Studies have found a negative correlation between autocratic leadership and employee engagement and well-being [3].

Leadership has a significant impact on shaping the organizational culture, which in turn influences the working environment. Organizational culture refers to the shared values, beliefs, and norms that guide employees' behavior and

decision-making within the organization [19]. Leaders play a crucial role in establishing and maintaining the desired culture. Leaders who prioritize open communication, transparency, and collaboration tend to foster a culture of trust, respect, and teamwork. Such a culture promotes a positive working environment where employees feel valued and empowered. In contrast, leaders who fail to prioritize these aspects may create a culture of fear, distrust, and micromanagement, leading to a toxic and stressful working environment [2].

In the context of hotels and tourism companies in China, the working environment is of particular importance due to the nature of the industry. Employees in these organizations often face high levels of stress, demanding customer interactions, and long working hours. Therefore, it is crucial for hotels and tourism companies to prioritize the creation of a positive working environment that supports employee well-being and fosters high performance. Hotels and tourism companies face various implications that can significantly impact their operations and success. Economic factors, technological advancements, environmental concerns, changing consumer preferences, and legal and regulatory requirements all play a crucial role. By understanding and addressing these implications, hotels and tourism companies can navigate the challenges and leverage the opportunities to thrive in an ever-evolving industry.

3. Methodology and Discussion

The study will base on primary data, interviews and questionnaire. Therefore, data collection from different service firms will be analyzed thorough statistical tools. Data will be collected from the employees of service sector (hotels and tourism service providers) of China. Closed ended questions will be used as they are more specific; employees have the same frame of reference. Oppenheim, (1992) believes that the function of questionnaires is to measure. The content of the questionnaire measurement depends on the surveyed questions, research objectives, and research design. As per recommend size of 400 Questionnaire will be distributed in two service sectors of China.

3.1. Value: the degree of innovation, technological breakthrough, application value, and theoretical significance of this subject

In previous research mostly authors focused on products and industry and they have examined the impact of workplace environment with organization perspective. Less research has been done on service firm like, tourism service sector. Secondly in previous researches seem variation because different studies didn't focus on the data collection on the participant's job title. There may be differences in working conditions and performance among different professional titles. Therefore, this research is focusing to examine the relationship between work and job performance across different job titles. Another issue which we faced in the recent innovative working environment literature is to find out a comprehensive platform which provides the relationship among factors of workplace and the job performance of Chinese service firm with employee perspective.

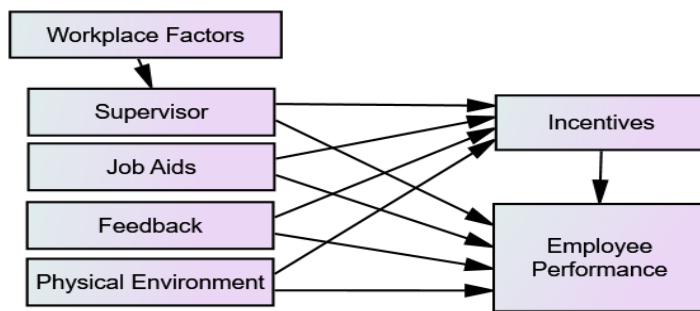
The study aims to understand how the impact of innovative working environment helps to Chinese service firm employees to provide better performance. To examine the effect of good working environment and work incentive on the employee performance of service firm employees in china focusing on hotel and tourism sectors. We will provide details of this study in an attempt to verify whether a good work environment and job incentives have a potential impact on motivating employees to improve employee performance in these two departments (Hotel and Tourism Service Providers).

3.2. The main progress and results of the research work

This research investigates the impact of working environment on employee performance in service firm of China. In previous studies work has been done about the working environment and employee performance in different contexts (Taheri, Miah, & Kamaruzzaman, 2020; Ghasemi, 2020; Saffar & Obeidat, 2020; Haq, Asbari, Novitasari & Abadiyah, 2022), hence a gap exists in the literature about the relationships of this study. On that basis following hypotheses are proposed.

- H1. Job aids has a positive impact on Incentive.
- H2. Feedback has a positive impact on Incentive.
- H3. Supervisor has a positive impact on Incentive.
- H4. Physical environment has a positive impact on Incentive.
- H5. Job aids has a positive impact on Employee Performance.
- H6. Feedback has a positive impact on Employee Performance.
- H7. Supervisor has a positive impact on Employee Performance.
- H8. Physical environment has a positive impact on Employee Performance.
- H9. Incentive mediates between job aids and Employee Performance.
- H10. Incentive mediates between Feedback and Employee Performance.
- H11. Incentive mediates between Supervisor and Employee Performance.
- H12. Incentive mediates between Physical environment and Employee Performance.
- H13. Incentive has a positive impact on Employee Performance.

Theoretical Research Framework/ Research Model:



3.3. Methodology

This study based on primary data. The sample for this research was collected form the hotel sector and tourism department of China. The simple random sampling method was used in this research. All the constructs were measured with the help of previous developed scales. No new scale was developed for the measure of any construct. The final sample for this research was 400. The data were collected with the help of questionnaire.

3.4. Instruments

Employee performance was measured using Ahmed et al., (2012) scale. The scale consisted of 13 items. The feedback scale was introduced by Feldman in 1976. The feedback instrument was developed from that previously used in the voluntary scheme. The scale consisted of 5 items [10]. Job aids were measured using the 04-item scale of Jennings, Affo and Agbogbe (2010). Incentive was the mediator in this study. It was measured with a proxy scale of motivation. The scale was developed by Albo, Noz, and Navarro (2009) and consisted on 6 items. Ryu and Han's (2010) scale were used to measure the physical environment. The scale consisted of four items. Zarbock, Drews, Bodansky and Dahme (2009) measured supervisor with 03 items.

Necessary adjustments and changes to the research content according to the new development of research at home and abroad and the progress of the project.

In this research mainly focus of the research was on working environment and employee performance in service firm of China. So with the help of primary data it was checked that working environment influences on employee performance in china. The research results indicate that in the Chinese context, the work environment has a positive impact on employee performance.

Furthermore, it has been earlier discussed that the data was collected during COVID-19. If the data will collect for further studies in normal conditions than may be results will be changed and interested.

4. Introduction to research results (including main content, level, scientific significance and application value of the results)

In this study impact of working environment has been checked on the employee performance directly and indirectly in the presence of incentive as a mediator. Before this study regarding these relationships a gap was existed in the literature. The contribution of this study covers the previous research gap. This study was conducted in Chinese context. So, this also covers the contextual gap.

The primary data was used in this research. SPSS (24) and (AMOS) 24 were used in this research for performing analysis.

In first step, all assumptions of AMOS for further analysis were checked,

- 1) Data was normally scattered.
- 2) No outlier was present in the data.
- 3) No missing value was present in the data.

In the second step, Measurement model was drawn in AMOS. The results of measurement model show that reliability and validity of data was reliable.

Then in third step, for the testing hypothesis SEM was performed. In this research Baron and Kenny (1986) mediation method was used for mediation analysis. For the hypothesis 01, the direct impact of Job aids was checked on Incentive. For the second hypothesis impact of feedback was investigated on incentive. The third hypothesis was about the checking impact of supervisor on incentive and fourth hypothesis was about the relationship between physical environments on incentive. The statistical results showed that all the constructs of this research had a positive impact on incentive [12].

In fourth step, the effect of independent variables was checked on the dependent variable one by one. For hypothesis 5 impact of Job aids was tested on employee performance, for hypothesis 6 impact of feedback was tested on employee performance, for hypothesis 7 effect of supervisor was tested on employee performance, and for hypothesis 8 the impact of Physical environment was checked on employee performance. The statistical results showed that job aids, feedback,

supervisor and physical environment had a positive impact on incentive.

In fifth step 04 hypotheses were tested regarding mediating relationships. For the hypothesis 9 mediating effect of incentive was checked between job aids and employee performance, for hypothesis 10 mediating effect of incentive was checked between feedback and employee performance, for the hypothesis 11 mediating effect of incentive was checked between supervisor and employee performance, and for hypothesis 12 mediating effect of incentive was checked between physical environment and employee performance. In the last, for hypothesis 13 direct impact of incentive was tested on employee performance. On the basis of statistical results, it can be concluded that all the direct and indirect hypothesis were significant.

Introduction to research achievements (including the main content, level, scientific significance, and application value of the achievements):

Ans: The purpose of the study was to view the association of the direct and indirect factors contributing to hotel and tourism service provider employees and their impact on this industry. For this purpose, an intensive questionnaire was designed and thirteen hypotheses were identified to be verified. Nearly 400 questions were distributed among the service providers of the hotel and tourism industry. Empirical analyses have been carried out with the help of SPSS and AMOS software packages. Study empirical outcomes identify the statistically significant relation of the under-observation hypotheses with the given sign. The empirical outcomes have a significant influence on the industry's efficiency and growth and its implications can be a ground-breaking stone towards understanding the behavioral impact of employee growth on the said sector's progress. This study can be a way forward for the behavioral understanding of the hotel and tourism industry.

Project completion status. Analyze the reasons for exceeding or not achieving the predetermined goals.

Ans: The project has been completed and the respective report submitted to the concerned authorities. The project was launched during COVID-19 and was assumed to be completed in 2022. However, due to the high intensity of the pandemic especially in China mainland, and the strict lockdown measures, it was not been completed during the given time period as the project was purely based on the questionnaires related to the said industry which was highly affected during that period. Therefore, an extension has been granted due to the pandemic and the project completion report was submitted in January 2023.

The progress made in similar research work both domestically and internationally during this period; the ideas for future research work

Ans: First of all, this project is mainly based on the domestic hotel and tourism industry sector of China Mainland which has helped a lot to generate the association of the direct and indirect factors of employee performance and its service standard. We have empirically tested the factors contributing to the employees engaged in the hotel and tourism department of China. However, the current project has many limitations in the form of COVID-19 restrictions measures, highly affected sectors of the economy (hotel and tourism), and limited access to employee availability; yet, this study generated sufficient outcomes from the factors contributing to the employees of these industries and their significant impact on the hotel and tourism industry. However, this project's outcomes suggest that the dataset can be increased throughout China to enhance its impact-ability on the China Mainland or it could be more effective if the panel dataset of the tourism industry nearby the China region to view the overall behavior of the factors on employees of this industry and their ultimate impact on this sector.

The completion of the project, and analyze the reasons for exceeding or failing to reach the predetermined target;

This research was conducted during the period of COVID-19. Therefore, the work could not be completed within time. That was the main reason of delay in project completion. Primary data was used in this research. So, in the time of COVID-19 collection of data was a challenging step.

The progress of similar research work at home and abroad during this period, as well as the assumptions for future research work.

This research investigates the influence of work environment on employee performance in service firm of China. In previous studies work has been done about the working environment and employee performance in different contexts (Taheri, Miah, & Kamaruzzaman, 2020; Ghasemi, 2020; Saffar & Obeidat, 2020; Haq, Asbari, Novitasari & Abadiyah, 2022), hence a gap was existed in the literature about the relationships of this study. So, this research covers the literature and contextual gap on the basis of theoretical research framework. In addition, it has been previously discussed that the data was collected during COVID-19. If the data will collect for further studies in normal conditions than may be results will be changed and interesting.

The findings of this study reveal a strong correlation between the working environment and employee performance in Chinese service firms. Employees who reported a positive and conducive working environment demonstrated higher levels of productivity and job satisfaction compared to those working in less favorable conditions. A positive working environment was found to significantly enhance employee productivity. Factors such as comfortable workspaces, appropriate lighting, and ergonomic furniture were identified as key contributors to increased productivity. Additionally, the availability of necessary resources, such as technology and tools, positively influenced employee performance. The study also found that a positive working environment significantly improved job satisfaction among employees in Chinese service firms [13]. Elements such as clear communication, supportive management, and opportunities for professional growth were identified as important factors in promoting job satisfaction. Employees who felt valued and supported in their work environment reported higher levels of job satisfaction. The findings of this study have important implications for Chinese service firms. Creating a positive and conducive working environment should be a priority for organizations aiming to maximize employee performance and job satisfaction. By investing in infrastructure, resources,

and fostering a supportive culture, firms can create an environment that motivates employees to achieve their full potential. Thus, this study highlights the strong correlation between the working environment and employee performance in Chinese service firms. A positive and conducive working environment significantly enhances employee productivity and job satisfaction. By acknowledging the importance of a supportive work environment, Chinese service firms can foster a motivated and engaged workforce, leading to improved overall performance and organizational success [8].

Physical conditions play a crucial role in the overall satisfaction and motivation of employees in the workplace. It has been observed that when employees work in well-maintained and comfortable physical environments, their job satisfaction levels are significantly higher, and they are more motivated to perform their tasks efficiently. A well-maintained physical environment includes factors such as proper lighting, comfortable temperature, and clean and organized workspaces. Adequate lighting not only enhances visibility but also creates a positive and energetic atmosphere. On the other hand, poor lighting can lead to eye strain, fatigue, and decreased productivity. Temperature control is another important aspect of a comfortable physical environment. When the temperature is too hot or too cold, employees may feel uncomfortable and find it challenging to concentrate on their work. Maintaining a moderate temperature can help create a conducive working atmosphere and enhance employee satisfaction. Cleanliness and organization are equally important in creating a comfortable physical environment. A clutter-free workspace promotes efficiency and reduces distractions. It also helps employees find the resources and materials they need easily, saving valuable time and effort.

Employees who work in well-maintained and comfortable physical environments are more likely to feel valued and cared for by their employers. This, in turn, boosts their job satisfaction levels and increases their motivation to perform at their best. When employees feel satisfied and motivated, they are more likely to be engaged in their work, thereby improving productivity and performance.

Investing in the physical conditions of the workplace is not only beneficial for employees but also for organizations. By providing a comfortable and well-maintained physical environment, employers can create a positive work culture and enhance employee morale. This can lead to lower turnover rates, increased employee loyalty, and a positive reputation in the job market. Thus, the physical conditions in which employees work have a significant influence on their job satisfaction and motivation. Well-maintained and comfortable physical environments contribute to higher job satisfaction levels and increased productivity. Employers should prioritize creating a conducive working atmosphere by ensuring proper lighting, temperature control, cleanliness, and organization in the workplace. By doing so, organizations can foster a positive work culture and reap the benefits of satisfied and motivated employees.

Organizational culture plays a crucial role in shaping the overall success and performance of companies. Extensive research has shown that companies with a positive and supportive organizational culture tend to experience higher levels of employee engagement and commitment. When employees feel valued, supported, and recognized within their organization, they are more likely to be motivated and dedicated to their work. This, in turn, leads to improved job performance and increased productivity. Dedicated employees are more willing to put in more effort, take the initiative, and contribute innovative ideas to their work. A positive organizational culture can cultivate employees' sense of belonging and teamwork spirit. It encourages open communication, collaboration, and trust, which are vital for a healthy work environment. When employees are able to freely express their opinions and ideas, it enhances creativity and problem-solving abilities within the organization. Moreover, a supportive organizational culture promotes a healthy work-life balance. Companies that prioritize the well-being of their employees and provide flexible working arrangements create a positive and inclusive environment. This in turn can improve job satisfaction and reduce employee turnover.

In addition to employee engagement and commitment, a positive organizational culture also contributes to the overall success of the company. It enhances the company's reputation, attracts top talent, and fosters innovation and adaptability. Companies with a strong and positive culture are better equipped to navigate challenges and embrace change, ensuring long-term success and sustainability. Thus, the significance of a positive and supportive organizational culture cannot be overstated. It has a profound impact on employee engagement, commitment, job performance, and productivity. Companies that prioritize and invest in building a positive culture are likely to reap the benefits in terms of employee satisfaction, retention, and overall organizational success.

Leadership styles play a crucial role in influencing employee performance. A study has found that both transformational and participative leadership styles have a positive impact on employee performance. Transformational leaders are those who motivate and inspire employees to fully unleash their potential. They encourage creativity and innovation, and they set high expectations for their team members. By fostering open communication and creating a supportive environment, transformational leaders create a sense of purpose and a shared vision among employees. This leads to increased motivation and overall performance.

On the other hand, participative leaders involve their employees in decision-making processes and encourage them to participate actively. These leaders value the input and perspectives of their team members and believe in the power of collaboration. By providing employees with a voice and involving them in important decisions, participative leaders enhance employee engagement and commitment. This, in turn, translates into improved performance. In addition to these leadership styles, certain key behaviors have been identified as important factors in enhancing employee motivation and overall performance. Leaders who promote open communication create an environment where employees can easily share their thoughts and ideas. This allows for the free flow of information, encourages collaboration, and strengthens relationships within the team.

Furthermore, leaders who encourage employee involvement empower their team members and give them a sense of ownership over their work. When employees feel valued and included in decision-making processes, they are more likely to be motivated and committed to achieving the organization's goals. Lastly, leaders who provide clear direction and guidance ensure that employees understand their roles and responsibilities. Clarity in expectations helps employees to prioritize their work and stay focused on achieving their goals. This reduces ambiguity and enhances employee performance. Thus, the study highlights the significant impact of transformational and participative leadership styles on employee performance. Leaders who foster open communication, encourage employee involvement, and provide clear direction have a direct influence on employee motivation and overall performance. By adopting these leadership styles and behaviors, organizations can create a positive work environment that promotes high employee performance and productivity.

Employee support systems play a crucial role in the success of companies. Organizations that have implemented effective support systems, including training and development programs, performance feedback mechanisms, and employee recognition initiatives, have observed higher levels of employee satisfaction and improved performance outcomes. Training and development programs serve as essential tools for enhancing employees' skills and knowledge. These programs provide employees with the opportunity to learn and grow, enabling them to perform their tasks effectively and efficiently. By investing in training and development, companies empower their workforce, which ultimately leads to higher job satisfaction and a more productive work environment.

Performance feedback mechanisms are another vital component of employee support systems. Regular feedback sessions allow managers to provide constructive criticism, acknowledge employees' strengths, and identify areas for improvement. By creating a culture of continuous feedback, companies foster open communication channels, encourage professional growth, and boost employee morale. Consequently, employees feel valued and motivated to perform at their best, resulting in enhanced overall performance. Employee recognition initiatives are crucial for acknowledging and appreciating employees' hard work and achievements. When employees receive recognition for their contributions, they feel valued and appreciated, which positively impacts their job satisfaction and engagement. Implementing recognition programs can take various forms, such as employee of the month awards, public recognition during team meetings, or monetary rewards. Regardless of the method used, employee recognition initiatives will create a positive work environment, cultivating employee loyalty and commitment.

Companies that prioritize employee support systems reap numerous benefits. Higher levels of employee satisfaction led to increased employee retention, reducing turnover costs for organizations. Moreover, employees who are satisfied and engaged in their work tend to be more motivated and productive, contributing to improved performance outcomes for the company as a whole. Thus, effective employee support systems, including training and development programs, performance feedback mechanisms, and employee recognition initiatives, are essential for fostering employee satisfaction and enhancing performance outcomes. By investing in these support systems, companies create a positive work environment that promotes growth, engagement, and ultimately, organizational success.

5. Conclusion and Policy Implications

In examining the relationship between the working environment and employee performance in Chinese service firms, particularly hotels and tourism companies, several key conclusions can be drawn. These findings have important policy implications that can help inform management practices and improve overall performance in the industry.

Firstly, a positive correlation was observed between the quality of the working environment and employee performance. When employees are provided with a supportive and conducive working environment, which includes factors such as appropriate resources, fair compensation, and opportunities for growth and development, they are more likely to be motivated, satisfied, and committed to their work. This, in turn, enhances their performance and productivity.

Firstly, a positive correlation was observed between the quality of the working environment and employee performance. A positive and favorable working environment promotes higher levels of employee engagement, which is crucial for achieving organizational goals and maintaining a competitive advantage. Dedicated employees are more likely to exceed job requirements, exhibit proactive behavior, and contribute to the overall success of the organization.

Furthermore, the analysis highlighted the importance of effective leadership in shaping the working environment and influencing employee performance. Strong and supportive leadership plays a vital role in creating a positive work culture, fostering employee motivation, and promoting a sense of belonging and ownership. Leaders should prioritize building trust, communication, and collaboration to ensure a healthy and engaging work environment.

In terms of policy implications, it is imperative for Chinese service firms, especially those in the hotel and tourism industry, to prioritize the improvement of their working environments. This can be achieved through implementing policies and practices that focus on employee well-being, work-life balance, and career development. Organizations should invest in training and development programs to enhance employee skills and abilities, and provide opportunities for promotion and recognition.

Additionally, management should adopt a participative decision-making approach that involves employees in decision-making processes and seeks their input and feedback. This not only enhances the abilities of employees but also cultivates a sense of ownership and commitment to the organization's goals.

Furthermore, organizations should establish clear and fair performance evaluation systems that recognize and reward high-performance employees. This can serve as a motivator for employees to strive for excellence and

contribute to their overall job satisfaction.

In conclusion, the working environment has a significant impact on employee performance in Chinese service firms, particularly in hotels and tourism companies. By creating a supportive and engaging work environment, organizations can improve employee performance, productivity, and overall organizational success. To achieve this, it is crucial for management to prioritize employee well-being, invest in training and development, promote effective leadership, and implement fair performance evaluation systems. These policy implications can help Chinese service firms improve their working environments and drive employee performance to new heights.

Conflict of Interest Statement

The two authors declare that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.

References

- [1] Al-Mulali, U., Weng-Wai, C., Sheau-Ting, L., & Mohammed, A. H. (2015). Investigating the environmental Kuznets curve (EKC) hypothesis by utilizing the ecological footprint as an indicator of environmental degradation. *Ecological Indicators*, 48, 315–323. Elsevier Ltd. Retrieved from <http://dx.doi.org/10.1016/j.ecolind.2014.08.029>
- [2] Chiu, D. (2017). The East Is Green: China's Global Leadership in Renewable Energy. *New Perspectives in Foreign Policy*, 13, 3–12. Retrieved from <https://www.csis.org/east-green-chinas-global-leadership-renewable-energy>
- [3] Chiu, D. (2021). *e East Is Green : China 's Global Leadership in Renewable Energy*.
- [4] CMOCouncil. (2020). <https://cmocouncil.org/thought-leadership/reports/>.
- [5] Desha, C., Robinson, D., & Sproul, A. (2015). Working in partnership to develop engineering capability in energy efficiency. *Journal of Cleaner Production* (Vol. 106, pp. 283–291).
- [6] EPWG. (2015). *Working Groups SOM Steering Committee on Economic and Technical Cooperation*, <https://www.apec.org/groups/som-steering-committee-on-economic-and-technical-cooperation/working-groups/energy>. APEC's Emergency Preparedness Working Group (EPWG). Retrieved from <http://www.apec.org/Groups/SOM-Steering-Committee-on-Economic-and-Technical-Cooperation/Working-Groups/Emergency-Preparedness.aspx>
- [7] International Monetary Fund. (2004). Financial Sector Development in the Middle East and North Africa. *IMF Working Papers*, 04(201), 1.
- [8] Jia, Z., Tiwari, S., Zhou, J., Farooq, M. U., & Fareed, Z. (2023). Asymmetric nexus between Bitcoin, gold resources and stock market returns: Novel findings from quantile estimates. *Resources Policy*, 81(February), 103405. Elsevier Ltd. Retrieved from <https://doi.org/10.1016/j.resourpol.2023.103405>
- [9] Kumar, M. (2020). Social, Economic, and Environmental Impacts of Renewable Energy Resources. *Wind Solar Hybrid Renewable Energy System [Working Title]*, 1–16.
- [10] Lee, S. M., Hwang, T., & Choi, D. (2012). Open innovation in the public sector of leading countries. *Management Decision*, 50(1), 147–162.
- [11] Levine, R. (2005). Chapter 12 Finance and Growth: Theory and Evidence. In P. Aghion & S. N. B. T.-H. of E. G. Durlauf (Eds.), *Handbook of Economic Growth* (Vol. 1, pp. 865–934). Elsevier.
- [12] Marrone, P. (2013). Chambers, RT. *Etica e Politica*, 15(1), 583–605.
- [13] Mele, M., Gurrieri, A. R., Morelli, G., & Magazzino, C. (2021). Nature and climate change effects on economic growth: an LSTM experiment on renewable energy resources. *Environmental Science and Pollution Research*, 28(30), 41127–41134. Environmental Science and Pollution Research.
- [14] Mion, G., Naticchioni, P., & Louvain, U. C. De. (2014). The Spatial Sorting and Matching of Skills and Firms All use subject to JSTOR Terms and Conditions The spatial sorting and matching and firms, 42(1), 28–55.
- [15] OECD. (2022). *THE ECONOMIC SIGNIFICANCE OF NATURAL RESOURCES: KEY POINTS FOR REFORMERS IN EASTERN EUROPE, CAUCASUS AND CENTRAL ASIA*.
- [16] Organisation for Economic Co-operation and Development [OECD]. (2018). Green policies and firms' competitiveness. *OECD Green Growth and Sustainable Development Forum*, 1–31.
- [17] Rastrollo-Horrillo, M. A., & Rivero Díaz, M. (2019). Destination social capital and innovation in SMEs tourism firms: an empirical analysis in an adverse socio-economic context. *Journal of Sustainable Tourism*, 27(10), 1572–1590. Routledge. Retrieved from <https://doi.org/10.1080/09669582.2019.1648481>
- [18] Sinha, A., Balsalobre-Lorente, D., Zafar, M. W., & Saleem, M. M. (2022). Analyzing global inequality in access to energy: Developing policy framework by inequality decomposition. *Journal of Environmental Management*, 304(February), 1–32.
- [19] Were, M. (2015). Differential effects of trade on economic growth and investment: A cross-country empirical investigation☆. *Journal of African Trade*, 2(1–2), 71. Elsevier B.V. Retrieved from <http://dx.doi.org/10.1016/j.joat.2015.08.002>
- [20] Xia, J., Li, R. Y. M., Zhan, X., Song, L., & Bai, W. (2022). A study on the impact of fiscal decentralization on carbon emissions with U-shape and regulatory effect. *Frontiers in Environmental Science*, 10, 1–17.
- [21] Yu, H., Jiang, Y., Zhang, Z., Shang, W. L., Han, C., & Zhao, Y. (2022). The impact of carbon emission trading policy on firms' green innovation in China. *Financial Innovation*, 8(1), 1–55.