EFFECT OF ORGANIZATIONAL IDENTITY ON JOB PERFORMANCE: A CASE STUDY OF SMALL AND MEDIUM-SIZED INVESTMENT AND CONSTRUCTION ENTERPRISES IN SICHUAN PROVINCE, CHINA

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ABSTRACT
The objectives of this study were: 1) to study effect of respondents' organizational identification on job performance, and 2) to study variability of respondents' personal traits on organizational identification and job performance. This study was a quantitative research. The conceptual framework of the study was applied from Gibson and Ivancevich's concept. The population consisted of 9,987 people from small and medium-sized investment and construction-oriented companies in Sichuan Province, China. The samples were 385 students determined by Taro Yamane's formular. The instruments used in the study was a 5 rating scale questionnaire. Statistics used for data analysis were percentage, frequency, mean, standard deviation and variance. The results of the study revealed that: 1) the effect of respondents' organizational identification job performance included administrator's' leadership style, leader's roles job rates feared, working atmosphere. And 2) variability of respondents' personal traits on cognitional identification and job performance consisted of positive perception, organization values, employees' self-efficacy, and subjective initiative.
Keywords: Organizational Identity, Job Performance, Small and Medium-Sized Investment, Construction Enterprises

INTRODUCTION

Empirical analysis from a wide range of studies has consistently highlighted the crucial role that human factors play in shaping the core competitiveness and operational efficiency of enterprises. Among these human factors, employees, as the central participants in the production and operational processes, are a key determinant in the overall success of businesses. Their performance directly impacts the productivity and profitability of organizations. Therefore, identifying the factors that influence employee job performance is essential for managers seeking to enhance enterprise performance and ensure sustained growth (Chen, 2022). As organizations strive for long-term stability and development, the focus on human factors becomes a top priority for management, especially in understanding how these elements contribute to overall business success.

One critical component of this human factor is organizational identity, which is a specific form of social identity as explained in social identity theory. Organizational identity refers to the alignment of employees with the values, culture, and mission of the organization they work for. This concept has been shown to have a significant influence on the attitudes and behaviors of employees in their work environment. Tüzün and Çağlar (2008) found that organizational identity plays a pivotal role in shaping employees' behaviors and attitudes toward their work. It not only establishes a connection between individuals and the organization but also acts as a key factor in motivating employees, enhancing their commitment, and disciplining their behavior. Furthermore, it has been recognized as an important mechanism for improving the core competitiveness of enterprises by fostering employee loyalty and dedication, ultimately leading to improved job performance (Jürgen Wegge, 2012).

Organizational identity has been empirically linked to various positive outcomes for both employees and organizations. It has been found to enhance employee dedication, loyalty, sense of belonging, and job satisfaction. These outcomes not only increase job performance but also reduce employee turnover, making organizational identity a key tool for management to foster a committed and high-performing workforce (Sluss & Ashforth, 2007). Employees who strongly identify with their organization are more likely to exhibit behaviors that align with organizational goals, such as higher levels of productivity, engagement, and innovative thinking. Moreover, such employees tend to display greater emotional attachment to the organization, which reduces their propensity to leave, thus promoting organizational stability. Despite extensive research confirming the positive impact of organizational identity on job performance, there has been relatively little attention paid to the role of employee dedication as a mediator in this relationship. Dedication refers to the degree of enthusiasm, effort, and commitment that an employee puts into their job. It plays a crucial role in shaping how employees approach their tasks and how closely their behavior aligns with organizational objectives. Dedication can serve as a critical link between an employee's sense of identity with the organization and their actual performance outcomes. However, this mediating role of dedication between organizational identity and job performance remains underexplored in scholarly literature, leaving a gap that needs to be addressed.

This research seeks to fill this gap by investigating the mediating role of employee dedication in the relationship between organizational identity and job performance. The study focuses on small and medium-sized investment and construction-oriented enterprises in Sichuan Province, China. These enterprises operate in a highly competitive environment where the ability to harness human capital effectively can significantly impact business success. Understanding how organizational identity influences job performance, and how employee dedication mediates this relationship, is crucial for these enterprises to maintain their competitiveness and improve employee outcomes.

The significance of this study lies in its contribution to the broader understanding of organizational behavior. While much has been written about the direct effects of organizational identity on job performance, the role of employee dedication as a mediator is rarely considered. By exploring this relationship, the study aims to provide a deeper understanding of how organizations can foster a stronger sense of identity and dedication among their employees to drive higher performance levels. This research will not only contribute to academic discourse but also offer practical insights for managers in investment and construction-oriented enterprises, helping them to develop strategies that enhance employee performance through the cultivation of organizational identity and dedication.

In summary, this research examines the relationship between organizational identity and job performance, with a focus on the mediating role of employee dedication. By analyzing small and medium-sized enterprises in Sichuan Province, the study seeks to fill the gap in the existing literature and provide valuable insights into the human factors that drive organizational success. Understanding the intricate connections between these variables is essential for organizations looking to improve employee outcomes, retain talent, and achieve sustainable growth in an increasingly competitive business environment.

LITERATURE REVIEWS

Several scholars have examined the relationship between employee job performance and organizational factors such as loyalty, satisfaction, leadership, and job design. Putri (2018) conducted a questionnaire-based study with 91 employees at PT Malinda Intifada Raya and found that employee loyalty and satisfaction are key factors that influence work performance and, consequently, firm performance. The findings suggest that when employees feel loyal and satisfied within the organization, their productivity and job performance increase, benefiting overall firm outcomes.

Additionally, Prami (2022) explored the effects of workplace culture and environment on employee performance. The research, based on interviews and questionnaires, highlighted that employees' perceived lack of attention, disrespect, and stress negatively affect their ability to concentrate and integrate into the organization. Such factors directly lead to decreased job performance. On the other hand, the study emphasized the importance of effective leadership, supportive management practices, and a positive organizational culture, all of which contribute to higher levels of job performance. Leaders who provide clear guidance, constructive feedback, and emotional support enable employees to excel in their roles and increase their engagement with the organization.

Another critical factor influencing employee performance is the design of job roles and responsibilities. Jobs that provide employees with autonomy, task variety, and opportunities for skill utilization tend to promote higher levels of performance. Well-designed jobs motivate employees by giving them a sense of ownership over their work, leading to improved job satisfaction and performance.

Dimensional Division of Employee Job Performance

As job performance research evolves, scholars have moved beyond simple performance metrics to examine the dimensional aspects of performance and their implications for organizational development goals. This progress reflects the growing maturity of the field and the advanced understanding of human resource management.

Task Performance: Task performance is a fundamental dimension of job performance and can be measured using various approaches. These include supervisor ratings, self-assessments, objective performance metrics (such as sales or production output), and peer evaluations. Each method has strengths and weaknesses, and the choice of measurement may vary based on the nature of the job and the organization's objectives.

Contextual Performance: Beyond task performance, researchers have focused on contextual performance, often referred to as Organizational Citizenship Behavior (OCB), first introduced by Dennis Organ in 1988. OCB reflects employees' voluntary behaviors that support the social and psychological environment of the workplace. These behaviors are not necessarily part of the formal job requirements but contribute to the overall functioning of the organization.

Key dimensions of OCB include:

Altruism: Helping coworkers without expecting any direct rewards or recognition. This involves behaviors like assisting colleagues with tasks or offering support during challenging times.

Conscientiousness: Exhibiting responsible and dependable behavior, such as adhering to rules and completing tasks diligently, often going above and beyond the job description.

Sportsmanship: Maintaining a positive attitude and a constructive approach, even in challenging or unfavorable circumstances. Employees displaying sportsmanship contribute to a harmonious work environment.

Civic Virtue: Demonstrating loyalty and active participation in organizational activities. Employees who engage in civic virtue take an active interest in the broader affairs of the organization, such as attending meetings or staying informed about company policies and developments.

Organizational Impact of Contextual Performance

Contextual performance is integral to a well-functioning organization because it enhances the workplace atmosphere and supports a culture of collaboration. Employees who exhibit OCB behaviors create a more positive and productive work environment. Moreover, research has demonstrated that organizations with higher levels of contextual performance often see improved organizational outcomes, such as higher employee retention, lower absenteeism, and increased organizational loyalty.

In conclusion, understanding job performance from both task-based and contextual perspectives is crucial for comprehensive performance management. The combination of loyalty, satisfaction, effective leadership, and supportive work environments fosters both high task performance and valuable contextual behaviors like OCB, ultimately improving the organization's long-term success.
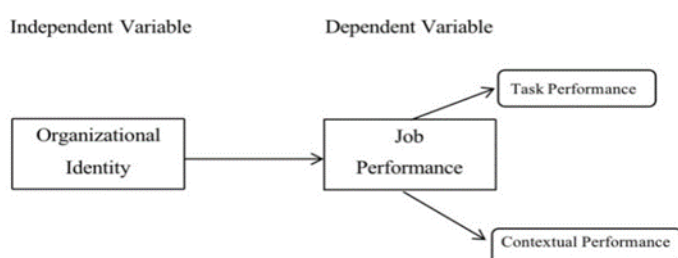

Figure 1 Research Framework

RESEARCH METHODOLOGY

The population for this study consists of 9,987 employees from small and medium-sized investment and construction enterprises located in Sichuan Province, China. These enterprises span various cities, including Chengdu, Yibin, Deyang, Meishan, Emeishan, Dazhou, Guanghan, Leshan, and Mianyang. Within this population, two categories of platform companies were surveyed:

153 A-level platform companies with an average of 126 employees per company.

147 2A-level platform companies with an average of 54 employees per company.

For the sample selection, a whole cluster random sampling method was employed, and the minimum sample size was determined using Yamane's (1973) sample size formula. Based on

this formula, the minimum required sample size was calculated to be 385 respondents. Consequently, 385 questionnaires were distributed, and all were returned as valid responses, yielding a 100% response rate.

Data Collection and Analysis

Data from the 385 valid responses were analyzed using SPSS statistical analysis software. The analysis was divided into the following five parts:

Respondent Profile Analysis:

Basic demographic data such as gender, age, education level, and job position were analyzed using frequency and percentage distributions to provide an overview of the characteristics of the sample.

Organizational Identification and Job Performance:

The key variables, including organizational identification and job performance (measured through task performance and contextual performance), were analyzed using descriptive statistics such as mean and standard deviation.

Each item related to the constructs of organizational identification and job performance was subjected to mean comparisons and standard deviation analyses to assess the general trends in the respondents' attitudes and performance levels.

This methodology ensures that the study systematically collects and analyzes the necessary data to explore the relationship between organizational identification, employee dedication, and job performance in the context of small and medium-sized enterprises in Sichuan Province, China. By using cluster random sampling and thorough statistical analysis, the study provides reliable insights into how these variables interact.

RESEARCH RESULTS

This study employed regression analysis to examine the relationship between organizational identity and job performance (including its dimensions), while also incorporating personal traits into the analysis. By using multiple regression analysis, organizational identity was treated as the independent variable, while job performance and its dimensions (such as task performance and contextual performance) were treated as dependent variables. This method enabled a comprehensive evaluation of how organizational identity influences job performance and to what extent.

Table 1 Regression Analysis of Organizational Identity and Job Performance

model	R	R^2	Adjusted R Square	R-square Amount of change	F-value	Sig.	DW
1	0.536	0.287	0.278	0.287	30.576	0.000	1.999

R-value (0.536) indicates a moderate positive relationship between organizational identity and job performance.

R^2 (0.287) shows that 28.7% of the variance in job performance can be explained by organizational identity. Although other factors might contribute to job performance, organizational identity plays a significant role in explaining this variation.

The model is statistically significant, as indicated by an F-value of 30.576 with a p-value of 0.000 ($p < 0.05$), confirming that organizational identity has a significant impact on job performance.

The Durbin-Watson (DW) value of 1.999 indicates that there is no autocorrelation in the residuals, meaning that the observations are independent.

Multicollinearity Test

To ensure the independence of the independent variables, multicollinearity was assessed using tolerance and the variance inflation factor (VIF):

Tolerance values range between 0 and 1. In this study, all tolerance values were acceptable, indicating that there is no significant multicollinearity problem between the independent variables.

Variance Inflation Factor (VIF) is the reciprocal of tolerance. In this study, the VIF values were all below 10, which further confirms the absence of multicollinearity among the independent variables.

Normality of Residuals

To verify that the residuals of the regression analysis meet the normality assumption, a histogram of the standard residuals was generated. The results (shown in Figure 2.4) indicated that the residuals followed a normal distribution, satisfying the normality requirement for regression analysis.

Conclusion of Research Results

The regression analysis provides clear evidence that organizational identity significantly impacts job performance. The model explains approximately 28.7% of the variance in job performance, which suggests that organizational identity is a meaningful factor in determining how employees perform in the workplace. Moreover, the absence of multicollinearity and the normality of residuals further strengthen the robustness of the findings.

These results suggest that companies aiming to improve job performance should invest in strengthening organizational identity, as it plays a vital role in fostering employee engagement, commitment, and overall productivity.

DISCUSSION & CONCLUSION

Discussion

The findings of this study emphasize the significant impact of organizational identity on employee job performance. The regression analysis revealed that 28.7% of the variance in job performance could be attributed to organizational identity, highlighting its role as a key determinant in the performance of employees in small and medium-sized investment and construction enterprises in Sichuan Province, China.

Influence of Organizational Identity on Job Performance

The moderate positive correlation (R = 0.536) between organizational identity and job performance suggests that when employees strongly identify with their organization—through alignment with the company's values, mission, and culture—they are more likely to perform better. This finding aligns with existing literature, which demonstrates that organizational identity fosters employee loyalty, dedication, and job satisfaction, all of which positively impact work outcomes (Putri, 2018; Sluss & Ashforth, 2007). In this context, organizational identity serves as a motivational force, encouraging employees to engage more deeply with their tasks and contribute meaningfully to organizational goals.

Employee dedication likely plays a mediating role in this relationship, as suggested by social identity theory. Employees who feel a strong sense of belonging to their organization are more dedicated to their work, exhibit greater organizational citizenship behavior (OCB), and go beyond their basic job requirements. This behavior not only enhances task performance but also contextual performance, as employees are more likely to assist coworkers, support organizational policies, and engage in activities that benefit the broader organizational environment (Jürgen Wegge, 2012; Organ, 1988).

Impact on Different Dimensions of Job Performance

The analysis also underscores that job performance is not a singular construct but comprises different dimensions, including task performance and contextual performance (OCB). Employees who identify with their organization are more likely to excel in both areas. For instance, task performance is reflected in how well employees complete their primary duties,

while contextual performance includes behaviors that enhance the social and psychological environment of the organization, such as altruism and conscientiousness.

The role of organizational identity in influencing these dimensions is vital. For example, employees who align with the organization's mission may perform their tasks more efficiently and with greater enthusiasm. Similarly, these employees are more likely to engage in contextual behaviors, such as helping colleagues or voluntarily participating in organizational activities, which can significantly contribute to the organization's long-term success.

Multicollinearity and Independence of Variables

The absence of multicollinearity in the regression model suggests that organizational identity operates independently of other variables. The tolerance values and VIF scores confirmed that there is no significant overlap between organizational identity and personal traits in explaining job performance. This finding strengthens the argument that fostering a distinct and strong organizational identity can have a direct, unimpeded impact on employee performance.

Residual Normality and Model Fit

The Durbin-Watson value (1.999) indicated that the residuals are independent, and the histogram of standard residuals confirmed that the data met the normality assumption. These results support the validity of the regression model, reinforcing the conclusion that organizational identity is a statistically significant factor in predicting job performance.

Comparison with Previous Research

The results of this study are consistent with the findings of previous research, which emphasizes the importance of employee satisfaction and loyalty in enhancing job performance. For example, Putri (2018) and Prami (2022) both highlighted that employees' alignment with organizational goals, coupled with a supportive work environment, leads to higher productivity and lower turnover rates. Similarly, this study reinforces the idea that effective leadership, clear communication of organizational values, and the fostering of a strong organizational identity are crucial strategies for improving performance.

Implications for Management

Given the strong relationship between organizational identity and job performance, management should prioritize building a strong organizational culture that aligns employees with the company's mission, values, and goals. Strategies to enhance organizational identity may include:

Employee engagement initiatives: Regularly communicating the organization's mission and values and aligning these with employee goals.

Leadership development: Ensuring that leaders promote the organization's identity, provide support, and encourage behaviors that align with organizational values.

Recognizing and rewarding contextual performance: Encouraging behaviors such as helping coworkers, showing loyalty, and participating in organizational activities that go beyond task performance.

Limitations and Future Research

Although this study provides valuable insights, several limitations should be acknowledged:

Geographic and Industry Limitation: The study focuses exclusively on small and medium-sized investment and construction enterprises in Sichuan Province, China, which may limit the generalizability of the findings to other industries or regions.

Cross-Sectional Data: The research used cross-sectional data, which only captures a snapshot of the relationships at a single point in time. Longitudinal studies would be useful for examining how organizational identity and job performance evolve over time.

Future research could explore:

The role of employee dedication as a mediating variable between organizational identity and job performance.

Examining the relationship between organizational identity and employee innovation, given that strong identification may also drive creative problem-solving and innovation at work.

The impact of organizational identity on workplace well-being and mental health, as a stronger sense of belonging may reduce workplace stress and burnout.

Conclusion

This study demonstrates that organizational identity plays a crucial role in shaping employee job performance. Employees who identify strongly with their organization exhibit better task performance and engage in contextual behaviors that contribute to a positive work environment. The absence of multicollinearity, along with the significant regression results, suggests that organizational identity is an independent and powerful predictor of job performance.

For managers, this means that fostering a strong organizational identity should be a key strategic focus. By promoting organizational values, providing supportive leadership, and engaging employees with the company's mission, businesses can improve both individual and collective job performance, leading to better overall organizational outcomes.

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