

The Influence of SHRM on Job Performance and the Mediating Roles of Chinese Government Policies on Insurance Company in China-A Pilot study

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Abstract

Purpose

The study aims to investigate the influence of SHRM on job performance and the mediating roles of Chinese government policies on insurance companies in China. Effective SHRM is essential in improving efficiency and gaining competitiveness for a corporation. Thus strict adherence to the best SHRM practices will pay significant dividends for enterprises.

Design/Methodology

Data were collected from 20 commercial insurance companies using a close-ended questionnaire during the coronavirus 2021 (COVID-19) pandemic. This study employed Partial least squares structural equation modelling (PLS-SEM) and SPSS to test a set of hypotheses emanating from a theoretical model of SHRM and corporate performance.

Findings

Empirical results showed a significant influence of all dimensions of SHRM on a

firm's corporate performance and government policies. The reliability and the validity results met the benchmark where all the constructs met the desired level: Cronbach Alpha for all variables >0.7 , Composite Reliability for all variables >0.7 , and Average Variance Extracted for all variables >0.5 .

Practical implications

Findings of the study indicate that SHRM and job performance should be considered a calculated tool and should be strategically developed for uplifting a firm's overall performance. Developing SHRM and corporate performance improves a firm's performance and can help integrate internal and external knowledge for tackling human behaviour.

Originality/value

This research highlighted the company's SHRM strategies toward job performance. This study was conducted during the COVID-19 pandemic, providing a unique setting to examine flexibility and knowledge.

Keywords: TMT, SHRM, Job Design, Horizontal Competition, Grievance Handling

Introduction

Strategic human resources management (SHRM) plays an essential role in improving efficiency in companies and gaining competitiveness for companies (Santhosh, 2019). Thus, following SHRM practices will benefit companies (JooSeok, 2019). Strategic human resource management directly influences the company's business development and allows companies to achieve competitive advantages in organisational development (Anonymous, 2019). SHRM shows importance by balancing the work environment and company conflict, positively impacting the employee turnover rate (Khan, 2021). Furthermore, employees today are much less engaged than any generation before. Gartner's Global Talent Monitor study shows that only 8 per cent of the global employees indicate a high level of working effort and willingness to stay in the job position (Baker, 2019).

Nevertheless, these record levels of employee unwillingness to work can be solved by some SHRM methods (Haque, 2020). For example, Intuit software company recently launched the Spotlight program, which rewards employees who stand out for specific outcomes (promising innovations, good performance, or exemplary dedication) (Ke, 2019). Furthermore, employees were rewarded with gift cards or a donation made by employees' names (Amy, 2008). A study by Stanford University's demonstrated that 93% of employees considered that the spotlight rewards helped them feel motivated and maintain high job performance efficiency (Amy, 2008).

Great competition and conflict are raised in the insurance industry with the rapid growth of the insurance industry in the 21st century (Prokopchuk, 2019). Currently, the insurance industry is facing a high-pressure work environment (Agnieszka, 2020). Meanwhile, staff and managers in the insurance industry worldwide face a high-stress work environment (Alsakarneh, 2019). The job satisfaction of insurance company employees is disappointing (Ying, 2020). According to the study, most insurance company employees were unwilling to work in a new environment despite fresh graduates from universities and colleges (Ying, 2020).

Furthermore, insurance companies have concentrated on recruiting cheap and available fresh graduates who are opportunity-oriented when opportunities arise (Xin, 2021). Globally, job satisfaction in the insurance industry is poor (Alsakarneh, 2019). Today, the purpose of

insurance and security for life and property has become an immediate need for the Chinese (Wei, 2020). With the rapid recovery of the Chinese economy after COVID-19, loads of saving deposits flow into the insurance industry, and the insurance market shows a high growth trend (Lu S., 2020). Thus, China will become the world's largest insurance market (Lu, 2020). The world's major insurance companies in China have set up business companies, but they only take less than 10% market share in China (Wang, 2020). The opening of the insurance industry to the world will become a characteristic of our insurance industry, and China's insurance industry needs to be prepared for the start (Guo, 2020). Based on the abovementioned information, the author gives the theoretical framework in figure 1.

Theoretical Framework

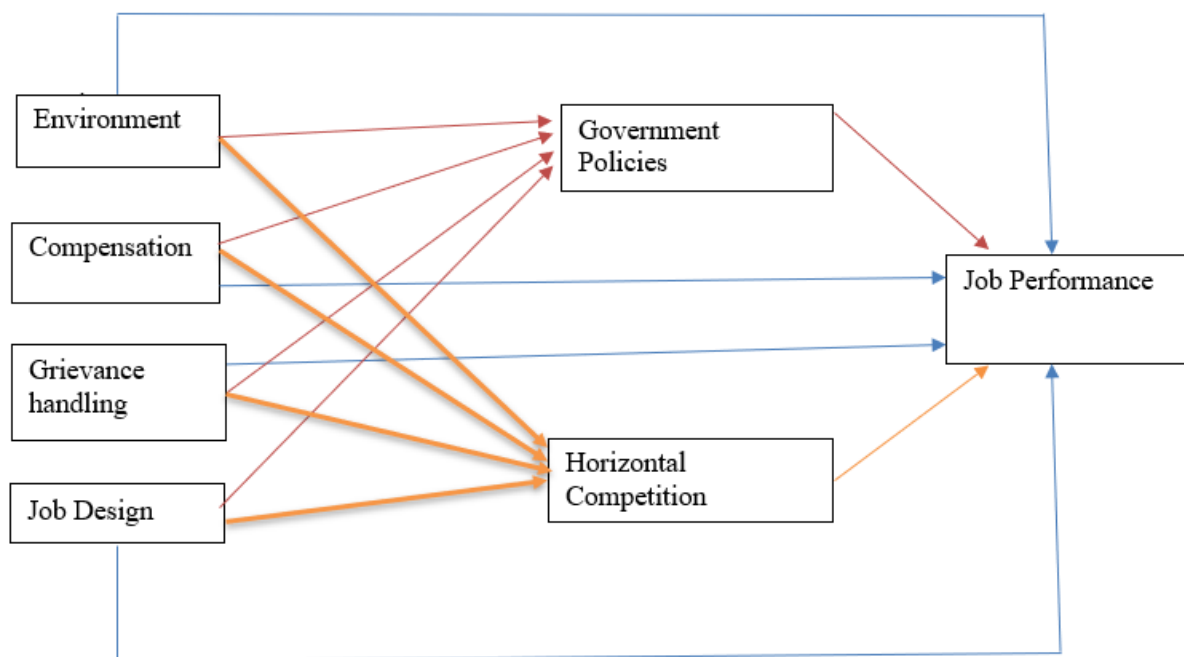


Figure 1: Creation by the author depicting theory related to the variables

Literature Review

Job Performance

According to Cooke (2021), employees at work considered that job performance had a specific observable and measurable benchmark: the total output produced by an employee per unit of time in a given position. According to Chae's research (2019), employees' performance was affected by abilities, motivations and situations. Chae (2019) also insisted that the observable output of employees was the best criterion for evaluating job performance when the organisation was guided by the need to accomplish tasks or achieve specific goals. Therefore, Wuen et al. (2021) developed a series of definitions of job performance based on the perspective of the outcome. They argued that job performance refers to the level of production of individual employees (Wuen, 2021). Kane (2009) emphasised that job performance was the work output produced by employees in a specific period while performing a job task. Furthermore, Jiang (2021) argued that individual-level performance could be measured by the results achieved in particular ways per unit of time.

However, scholars and practitioners have increasingly questioned the definition of job performance developed under outcome studies. According to the study by Chen (2002), timework and piecework were universally adopted in a production-oriented scenario when measuring work outcomes. However, when applied to the creative and service-oriented method, performance based on work outcomes was limited by timework and piecework (Adelia, 2019) (Zhou, 2004). Precisely, timework and piecework cannot control the interference of situational factors and avoid the time lag of output results (Yang, 2019). Furthermore, timework and piecework cannot ignore employees' efforts in overcoming difficulties at work and evaluating the performance results of a single individual in teamwork without the other members (Xu, 2021). Thus, overemphasis on the work results without regard to employees' level of effort and skills and neglect of process and contextual factors will lead to overly objective evaluation bias and further reduce employees' enthusiasm for their work (Xu, 2021).

Strategic Human Resource Management (SHRM)

Strategic Human Resource Management (SHRM) was first introduced in 1981 (Devanna, 1981). Furthermore, SHRM research has undergone initial, positivist, indirect reflection, conceptualisation, employee-centred, and complexity stages (Guest, 2011). However, there is still no consensus among academics on the concept of SHRM. Depending on the content of concern, strategic human resource management can be broadly classified into three types: feature-oriented, result-oriented, and integrated-oriented (Yu, 2015).

The feature-oriented SHRM emphasises the alignment and consistency of SHRM with an organisational strategy with representative definitions (Ghosh, 2022). Greer (2021) considered SHRM a set of practices based on the organisations. He believed SHRM was a system, process or measure of practical activities based on the organisation's strategic matching needs. The concept of results-oriented SHRM emphasises the strategic significance of SHRM for organisational effectiveness (Hae, 2022). SHRM helps organisations generate and maintain competitive advantage, improve business performance, achieving organisational goals and missions (Hae, 2022). The concept of integrated orientation suggests that strategic human resource management should include both trait-oriented and outcome-oriented components (Eckardt, 2019). Thus, the two perspectives are integrated, and SHRM contributes to the organisation's competitive advantage. The way to achieve this strategic role is to ensure that SHRM is aligned with business strategy and that SHRM is internally aligned (Eckardt, 2019).

In general, integrated-oriented SHRM has gained more recognition due to the balance between the characteristic attributes of strategic matching and the outcome attributes of strategic facilitation (Kang, 2019). Primarily, Wright's (1992) concept has been widely used by scholars. This definition is also adopted for SHRM in this study: SHRM is a series of planned human resource allocation and management activities to achieve organisational goals. SHRM emphasises two aspects simultaneously: the linkage between SHRM practices and the organisation's strategic management process and the alignment of various SHRM practices (Collings, 2021).

Work Environment

As workers' primary 'habitat', the work environment can influence their work environment, as workers' direct 'habitat' can impact their lives and feelings (Ren, 2019). March (1958) have argued that their work environment influences employees' performance in their jobs. Therefore, as one of the critical indicators of quality of life, a good work environment can affect workers' work efficiency and subjective feelings, such as performance and happiness (Li, 2019). Currently, most researchers believe that the work environment needs to be examined empirically in terms of three components: work arrangements, physical working conditions

and psychosocial working conditions (Ren, 2019). In addition, several studies have argued that the work environment is primarily positioned in terms of the objective working conditions in which individuals find themselves (Julie, 2021). This accurate working environment can include both the physical working environment (e.g., temperature, dust and noise) in which the individual's work behaviour occurs, as well as the work design given by the individual's job (e.g., working hours, work content and work tools) and the organisational environment (e.g. colleague interaction and leadership support) in which the individual operates (Hong, 2019). In empirical research, many studies have found that the work environment significantly impacts job performance. In general, a positive work environment can increase workers' job performance. In contrast, a hostile work environment can decrease job performance (Zhuang, 2018).

Compensation

Compensation is a process of providing employees monetary value for their work. Compensation can hire skilled employees, reward performance, and encourage company loyalty by reducing turnover (Murthy, 2021). Compensation may include Basic Pay, Overtime, Bonuses, Travel/Accommodation Allowance, Stock Options, Medical Allowance, Commissions, and Profit-Sharing (Kang, 2021). A recent study shows that 20% of employees plan to switch positions in at least five years (Sanchez-Marin, 2019). Employee retention turnover has become a more prominent aspect of organisational life (Sanchez-Marin, 2019). Implementing retention compensation strategies has seen significant growth over the last several years (Murthy, 2021). A study by Frye (2004) shows a positive relationship between compensation and organisational performance. Frye (2004) reported that compensation strategies are essential in recruiting and retaining skilled employees. Most firms use Performance-based compensation to reward employees (Murthy, 2021). Performance-based compensation positively influences employee performance (Brown et al., 2003). A research study by Juan (2021) showed a significant relationship between compensation and employee performance. An effective SHRM strategy integrates a performance and compensation system that enhances employees' work effectively and efficiently (Juan, 2021). Teseema and Soeters (2006) indicate a significant correlation between compensation and employee performance.

Job design

Wang (2019) discussed the information, functions and decision-making of organisational management from the actual situation in China and designed the corresponding post-structure system against it to better manage and motivate workers (Wang, 2019). Taking an agricultural machinery institution directly under Shandong Province, scholars analysed the hazards caused by unscientific job classification, unreasonable structural ratios and poor promotion channels. They put forward corresponding suggestions for job optimisation (Wang, 2019). Sha (2019) pointed out the problems of unclear division of responsibilities and unscientific allocation of personnel in the process of setting up posts and put forward the "law of dynamic balance monitoring of human posts" (Sha, 2019). He conducted a SWOT analysis of the job design of the municipal health units in Jining and concluded that there were problems such as bloated institutions, inverted ratios, lack of supervision and inappropriate human resources allocation and put forward suggestions for improvement (Sha, 2019). Zhang (2020) proposed that the government play an active role in guiding, supporting and supervising the post-management of institutions (Zhang, 2020). He conducted a wide-area empirical study on job design methods and revised the composition of the elements of the "four definitions" of job creation and the research and compilation process (Zhang, 2020). Ke (2019) published a study on the problems and practices of job design in institutions from the perspective of win-win development of the unit and the employee, using the principle of ability level and career development theory, and taking the Beijing Economic Information Centre as an example to

analyse the problems of job design and propose countermeasures and paths. Ye (2005) implemented the post-employment system, and the appointment system is a critical initiative in reforming the management system of institutions (Ye, 2005).

Grievance handling

The grievance is comprehensive to conflict grievances and disputes (Marsh, 1975). Strictly speaking, disputes are issues in which employees collectively propose a significant change to the status quo (Thomson, 1976), while grievances consist of expressing performance to a supervisor or manager by a single employee. Because these issues often arise where no rule specifies how supervisor and employee should behave towards each other, grievance seldom involves a clear-cut decision about whether someone (in this case, the supervisor or manager) has broken a rule (Godbless, 2020). This is strongly implied in the definition above, where the phrase appears contrary.

With either of these criteria, the handling style adopted by the supervisor or manager can be crucial. However, supervisors and managers do not operate in a vacuum, and many factors can affect their behavioural styles, some of which are embedded in the broader ethos or culture of the organisation (Rollinson, 1992). Drawing on prior work in the area, an earlier study by Hook (1996) identified four major groups of factors that could potentially influence handling styles in either discipline or grievance. These were: supervisor factors, issues factors, employee factors and procedural factors, and they will be considered presently (Elbaz, 2019). However, it is necessary to note an important point about the literature used, particularly in the case of grievance. Most work grievances have been conducted in China, where practices are somewhat different from China (Shang, 2020). Where trade unions are recognised in the China, grievance procedures are integral to comprehensive, legally enforceable collective agreements (the contract) (Wijesooriya, 2021). Their use is predominantly a vehicle for ongoing contract administration. One difference this gives rise to is that procedures are frequently more detailed and formal than those in China. Another is that there can be a close association between discipline and grievance in China as part of contract administration (Shang, 2020).

Government Policies

The predictive effect of strategic human resource management on work performance has been confirmed by scholars (Huselid 1995). However, these studies may be limited to theoretical derivation and indirect empirical evidence (Lai, 2020). It lacks a multi-dimensional investigation on the effect of performance models, including "Government policies" and "Horizontal Competition" from macro environment research. The generation logic and mechanism of different job performance dimensions are inconsistent. Thus, task and situational performance influencing factors may differ (Wang, 2011).

In contrast, the discriminative consideration of different job performance dimensions will help more accurately reveal their relationship. Thirdly, previous studies were limited at the analysis level. Most of them only examined the impact of employees' perceived SHRM practices on their job performance at the individual level. However, such studies often lack consideration of organisational characteristics. Given this situation, some scholars advocate carrying out multi-level studies integrating the practice of macro-SHRM and micro-results to systematically investigate the impact of SHRM on employee work performance (Wright, 2002). Finally, previous studies have preliminarily discussed the influence of strategic human resource management on job performance.

It is argued what the business environment is precisely today. Still, some researchers state that the "policy, institutional, and behavioural environment, present and expected,

influence the returns and risks associated with investment" (Li, 2011). Such an environment is further classified into three categories: macroeconomic aspects (fiscal, monetary, exchange rate policies), governance (state, institutions, political stability) and infrastructure (transportation, electricity and communications). These constitute important factors of influence on an existing firm or potential investment. It also includes an essential category of government factors in the business environment. In countries like China, where the state has more influence over the market, taking it into account is more critical than in fully-open economies. Introducing improvements to the business environment is one of the most vital roles of the government, as such changes influence the decisions and performance of firms. As Wang (2013) argued that "an improved business environment in terms of the market and legal environment, fair competition, access to finance, low to none corruption level, supply of human resources, taxation and infrastructure development will, therefore, not only facilitate business activities but also, in an important way, nurture entrepreneurship", so necessary for successful development of China. They continue: "It remains an important task for different levels of government, through their policy changes, to improve the business environment." It is also valid for China's economy since it still plays a significant role as a regulator.

Horizontal Competition

Horizontal competition means the business is engaged by the listed company and its controlling shareholders (including controlling and relative controlling shareholders) (Liu, 2020). The business of a listed company is or may be in direct or indirect competition with the business of controlling shareholders (including absolute and relative controlling shareholders, actual controllers and the enterprises owned by them) (Liu, 2020).

However, prohibitions on horizontal competition are dispersed throughout the China Securities Regulatory Commission's (CSRC) and stock exchange regulatory papers (Gao, 2019). For instance, article 27 of China's code of corporate governance for listed companies states that "a listed company's activity must be distinct from that of its controlling shareholder" (Gao, 2019). The controlling shareholder and its subsidiaries cannot conduct identical or substantially comparable business to that of the listed firm. The controlling shareholders must take practical steps to minimise horizontal competition with the listed company" (Gao, 2019). The CSRC requires intermediaries to disclose or verify if a listed business is vulnerable to actual or prospective horizontal competition due to restructuring any substantial asset (Ying, 2020). In principle, unaddressed real horizontal poses a significant danger to passing the CSRC review procedure (Ying, 2020). However, suppose there is any possibility of horizontal competition. In that case, the review will focus on whether it has a material impact on the listed company's independence and whether there is a solution to the horizontal competition, including specific measures, timetables, or progress and assurance for addressing horizontal competition (Jiang, 2020). Additionally, the assessment will evaluate the timeline, the justification for the recommended actions, and the depth and feasibility of these measures. According to applicable regulations and review requirements for material asset restructuring, the review of a listed company's horizontal competition must focus on the controlling shareholder and actual controller of the listed company, their controlled entities, and the original controller of the asset restructured (Jiang, 2020).

Methodology

According to the study's objectives and nature, this study used a quantitative research approach to analyse the relationship between SHRM and job performance via the mediator of government policy and horizontal competition. The quantitative approach was used because the primary objective is a theoretical framework. In quantitative research, the research design

covers the methods for selecting study subjects and defining how data will be collected (Sekaran, 2014). Hypothesis testing was initiated to infer the outcomes of hypotheses based on sample data from a wider population. This study explored the theory between SHRM and work performance among insurance company managers. The type of investigation and the primary research methodology used in this study were based on the person-environment fit theory, the night watchman theory, and public management theory to construct a new model for determining whether SHRM can benefit job performance. The data for this study were gathered in the natural environments of the chosen insurance companies in China. A structured questionnaire was distributed among the managers (see table 1). The administered questionnaire was pre-tested before a pilot study. Then 120 samples were distributed among students and faculty members as the pilot study. Data from the pilot study were analysed to check its reliability, and the result indicated that the loading score of above 0.7 and the constructs AVE were more significant than 0.50.

Table 1: *Summary of Variables and Sources*

	Construct	Items	Source	Cronbach's Alpha
Independent Variables	(a) Work environment	5	(Zhang, 2012)	0.825
	(b) Compensation	4	(Bai, 2012)	0.805
	(c) Grievance handling	4	(Wang, 2020)	0.810
	(d) Job design	5	(Wang, 2014)	0.846
Mediating Variable	Government policies	4	(Geng, 2017)	0.755
	Horizontal Competition	4	(Bai, 2020)	0.821
Dependent Variable	Job performance	10	(Sun, 2015)	0.917

Source: *Compiled by the Researcher*

Unit of Analysis

This study used individuals as the unit of analysis, and respondents were executives from Chinese insurance companies. This research was cross-sectional, which means it is a one-time study that collects data at a certain period.

Population and Sample Size

The population was focused on managers from Chinese commercial insurance companies. According to China Banking and Insurance Regulatory Commission, there are 179 commercial insurance companies with 8.428 million registration agency staff in China commercial insurance company till 2020 December 31 (Government, 2021). The sample size was 238 and was determined by the level of confidence the researcher requires in the data, the margin of error that the researcher can tolerate, the types of analysis that the researcher intends to conduct, the amount of time available, the budget available, and whether the findings are to be generalised (Hair, 2017). However, Sekaran and Bougie (2014) emphasise that one of the

primary impediments to good research is resource limits, and hence that efficient sampling is necessary to maximise time and expense savings.

This study employed PLS-3 (PLS-SEM) as the data analysis tool. While confirming the sample size, it is necessary to consider the sample size with relevant model and data features (Hair J. S., 2017) (Hair et al., 2016). Hair (2016) asserts that a more significant sample size results in greater statistical power. Cohen (1992) was employed to calculate the sample size in this study, as Smart PLS3 was used to analyse the data. According to Cohen's (1992) recommended sample size for Smart PLS3, the minimum sample size required to detect a probability error of at least 1% for R2 values and 80% statistical power was 238 respondents because eight arrows were pointing to job performance.

Results and Discussion

Result

All data gathered from the survey were computed and analysed using the Smart PLS due to suitability. According to Wong (2013), PLS-SEM is appropriate if the study's sample size is small when theory availability is somewhat limited, and the correct model specification is vague. A total of 300 questionnaires were distributed, and 238 questionnaires were received at the end of the questionnaire administration process. However, after a selection process, only 120 questionnaires were usable. Table 2 outlines the respondents' findings, covering their Age, Education level, Job Status and Gender.

Table 2: Demographical Information

		Frequency	Percentage (%)
Age	16-24 years old	13	11.4
	25-34-year-old	63	52.2
	35-44 years old	33	27.6
	55- 64 years old	20	7.4
Education level	Diploma	20	16.9
	Bachelor	81	67.3
	Master	15	12.5
	Doctor	3	2.6
Job Status	Senior Director	3	2.2
	Middle Director	16	13.6
	Junior Director	38	32.4
	Senior Manager	24	20.2
	Middle Manager	21	17.6
	Junior Manager	13	11.0
Gender	Others	3	2.9
	Male	64	53.7
	Female	56	46.3

Source: Authors' research results

Table 2 illustrates that about 52% of the respondents fall between ages below 25 and 35 years old. Only 7.4% represent above 50 years old. The majority of the respondents (67.3%) obtained a Bachelor's Degree, and 46 have completed a high school certificate. Table The number of female respondents was 56 (46.3%) and 64 (53.7%) males. 62.4% of the respondents are single. Based on table 3, 32.4% of the respondents are junior directors, and 20.2% are the senior manager. Based on Henseler et al. (2012), data analysis by Smart PLS has two steps: the measurement model and structural model assessment. The measurement was tested using

indicator reliability, internal consistency, convergent validity and discriminant validity. Table 4 is the model diagram and the path to be tested.

Table 3: AVE and CR Values for Constructs

	Cronbach's Alpha rho_A		Composite Reliability	Average Variance Extracted (AVE)
CP	0.805	0.805	0.872	0.630
GH	0.810	0.818	0.876	0.639
GP	0.755	0.757	0.845	0.577
HC	0.821	0.822	0.882	0.651
JD	0.846	0.848	0.890	0.619
JP	0.917	0.918	0.931	0.574

Source: Authors' research results

CA and CR are assessed to determine if the sample is dismissed from any preconceptions. If the CR values of the results denote between 0.70 – 0.90, this is considered satisfactory (Hair et al., 2014), thus indicated in Table 3. The thumb rule has been strictly followed, and the variables adapted in this study have reached acceptable scores for AVE and CR. This signifies that each construct of this study's measure complies with the convergent validity pre-requisite. All of the constructs (measurement models) were found to be dependable. Confirmatory factor analysis CFA was used to assess two-dimensional validity (convergent and discriminant) (see table 4). The average variance extracted (AVE) values were utilised to examine the constructs' convergent validity.

Table 4 Discriminant Validity (Fornell –Larker Criterion)

	CP	GH	GP	HC	JD	JP
CP	0.794					
GH	0.836	0.799				
GP	0.798	0.813	0.760			
HC	0.838	0.844	0.868	0.807		
JD	0.846	0.816	0.755	0.814	0.787	
JP	0.909	0.861	0.864	0.906	0.862	0.758

Source: Authors' research results

Table 5: Sample Mean, Standard Deviation, t-Value and p-Value for Structural Model

Relationship	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
CP -> GP	0.319	0.307	0.133	2.408	0.016
CP -> HC	0.328	0.306	0.107	3.047	0.002
CP -> JP	0.343	0.341	0.071	4.834	0.000
GH -> GP	0.431	0.437	0.124	3.469	0.001
GH -> HC	0.404	0.407	0.117	3.459	0.001
GP -> JP	0.159	0.164	0.058	2.753	0.006
JD -> HC	0.226	0.236	0.109	2.066	0.039

Source: Authors' research results

The results of path analysis are exhibited in Table 5. The compensation (CP) positively correlates with government policies (GP) (t 2.408, p 0.016), horizontal competition (HC) (t 3.047, p 0.002) and job performance (JP) (t 4.834 p 0.000). The second variable, grievance handling, has a positive relationship with government policies (GP) (t 3.469, p 0.001), and horizontal competition (HC) (t 3.459, p 0.001). The third variable, government policies (GP),

has a positive relationship with job performance (JP) (t 2.986, p 0.003). Finally, job design (JD) positively correlates with horizontal competition (HC) (t 2.655, p 0.008). The study shows that the tested model attained an R^2 of 0.711 (superior), 0.783 (superior) and 0.912 (superior) correspondingly for GP, HC and JP, as indicated in Table 6

Table 6: R^2 Criterion

	R Square	R Square Adjusted
GP	0.711	0.701
HC	0.783	0.775
JP	0.912	0.907

Source: Authors' research results

Table 7: Mediation Analysis Outcome

	Research Findings	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
GH -> HC -> JP	Supported	0.135	0.128	0.044	3.034	0.003
CP -> HC -> JP	Supported	0.108	0.104	0.050	2.154	0.032
GH -> GP -> JP	Supported	0.074	0.077	0.036	2.066	0.039
CP -> GP -> JP	Not Supported	0.049	0.047	0.028	1.772	0.077

Source: Authors' research results

The study intends to determine if GH, and CP, were mediated by HC and GP towards JP. The results are included in Table 7. The outcome of the analysis indicates that the entire mediation analysis seems to be significant; a part of GH through HC shows a zero relationship. The results of the hypothesis testing indicated that (a) GH, HC and were the significant predictors of JP in the PLS 2; (b) HC mediates the relationship between CP and JP (c) GP mediates the relationship between GH and JP, and (d) GP mediates the relationship between CP and JP.

Table 8: Results of all the Hypotheses Testing

Research Objective	Path	Result
RO (influences of mediators between the independent and dependent variables)	GH -> HC -> JP	Supported
	CP -> HC -> JP	Supported
	GH -> GP -> JP	Supported
	CP -> GP -> JP	Not Supported

Source: Authors' research results

In order to test the construct's variables coherent to a proposed measurement, an indicator reliability measurement was carried out. Some constructs were below the required criterion after running the SEM in the Smart PLS. The rule of thumb is to accept items with a factor loading of 0.7 or higher (Hair et al., 2011). Factor loading with low can was deleted, thus increasing the AVE rating (Hair et al., 2009). The AVE scores reach greater than 0.50, and confidentially, it can be clinched as the model has reached an acceptable outcome (Fornell, 1981). The AVE for the compensation, grievance handling, job design, government policies, horizontal competition, job performance is 0.630, 0.639, 0.577, 0.651, 0.619, 0.574. The study

also shows that the tested model attained an R^2 of 0.711, 0.783 and 0.912 correspondingly for GP HC and JP.

Discussion

Horizontal competition Mediates the Relationship Between Grievance handling and Job performance

In their study, Shang (2020) concluded that grievance handling positively affects job performance. Based on existing research in the field, an earlier study by the author and others (Hook, 1996) identified four significant characteristics that could influence punishment or grievance management techniques. According to the research conducted by Liao (2019), grievance handling has a favourable effect on horizontal competition. In addition, Jiang (2020) argued that horizontal competition had a negative impact on job performance. With this in mind, this empirical research has tested the mediation power of HC, linking GH and JP. The results of the hypothesis testing support that GH, HC, and were the significant predictors of JP in the PLS 2; The empirical result supported the hypotheses: (GH \rightarrow HC \rightarrow JP) with t- a value of 3.034.

Horizontal competition Mediates the Relationship between Compensation and Job performance

According to Kang and Murthy's study, remuneration benefits work performance. Olufemi (2021) concurs that adequate compensation is a factor in successful job performance. According to Frye (2004), there is a correlation between salary and organisational performance. Huselid (1995) discovered an important link between employee remuneration and performance. According to Teseema (2006), there is a correlation between salary and employee performance. According to Sanchez-(2019) Marin research, he believes that pay has a good effect on horizontal competitiveness. Moreover, according to Gao (2019), horizontal rivalry significantly affects work performance. The results of the hypothesis testing support that the significant predictors of HC mediate the relationship between CP and JP in the PLS 2; the result is inconsistent with the previous study, hence rejecting the hypotheses (CP \rightarrow HC \rightarrow JP) with a t-value of 2.154.

Government policies Mediate the Relationship Between Grievance handling and Job performance

Shang (2020) and An (2021) concluded in their study that grievance handling positively affects job performance. Based on existing research in the field, an earlier study by the author and others (Hook, 1996) identified four significant characteristics that could influence punishment or grievance management techniques. According to the study by Godbless (2020), he thought grievance handling affects government policies positively. In addition, Li (2011) argued that government displays have a negative effect on job performance. According to the study of Godbless (2020), he thought grievance handling affects government policies positively. In addition, Li (2011) argued that government displays have a negative effect on job performance. The results of the hypothesis testing support that GP mediates the relationship between GH and JP in the PLS 2; This is further supported by a study conducted by Lipkin (2016) also aligns with the research result of this study. (GH \rightarrow GP \rightarrow JP) with t-value of 2.066.

Government policies Mediate the Relationship between Compensation and Job performance

According to Kang and Murthy's study, remuneration benefits work performance. Olufemi (2021) concurs that adequate compensation is a factor in successful job performance. According to Frye (2004), there is a correlation between salary and organisational performance. Huselid (1995) discovered an important link between employee remuneration and performance.

According to Teseema (2006), there is a correlation between salary and employee performance. According to Juan's (2021) research, she believes that pay has a good effect on government policy. In addition, Wang (2011) believed that government perks affect job performance positively. The results of the hypothesis testing reject that GP mediates the relationship between CP and JP in the PLS 2 with a t-value of 1.772 (CP → GP → JP).

6.0 Limitations and Future Research

This research is limited mainly to the following areas: The first section consists of the external macroenvironment. China was frequently quarantined due to COVID-19, making it impossible for the author to acquire sample questionnaires. Second, due to COVID-19, sending and receiving offline questionnaires has become challenging. In addition, questionnaires can only be delivered and received online, which is inconvenient for responders unfamiliar with computers and mobile devices. Thus, the response to the questionnaire may contain errors. Thirdly, this study selects private insurance businesses but none of China's governmental insurance companies, meaning it cannot represent all Chinese insurance companies.

7.0 Conclusion

With the development of strategic human resources management (SHRM), many studies have shown that effective SHRM can enhance organisational performance (Zhang, 2013), while there are fewer relevant studies on its impact on individual job performance. Thus, this study confirms the direct relationship between SHRM and job performance; SHRM showed a significant positive effect on individual job performance in Chinese commercial insurance companies. This conclusion means that SHRM, including environment, compensation, grievance handling, and job design, improves employees' job outcomes and enhances the extra-role of individual behaviours in Chinese commercial insurance companies. Furthermore, it has been argued that senior managers in organisations are likely to overvalue the implementation of SHRM policies (Wang, 2010). However, the findings of this study do not support this view, and the effect of SHRM on individual performance still shows good outcome validity.

8.0 Recommendations

Insurance companies should process effective human resource management practices

The increasingly complex external environment is forcing insurance companies to find new ways to improve organisational effectiveness, and the performance of individual employees can effectively enhance the performance of the organisation as a whole. As a result, organisations need to focus on practical SHRM practices that promote individual employee performance to reduce disruptions to their long-term growth and stability. The results of this study show that HRM practices that include internal promotion, employee engagement, job descriptions and incentive compensation have a significant positive impact on job performance. Therefore, insurance companies can adopt management measures such as strengthening career planning, establishing a standardised promotion system, and providing employee education and training opportunities. Furthermore, insurance companies should ensure the working environment, conditions and stability of employees, support employee participation in corporate decision-making, incorporate suggestions, have clear job descriptions for each job position, and pay employees incentive compensation to effectively improve the performance of employees in the formal role requirements. It reinforces the extra-role behaviours that support the organisation's technical core.

Insurance companies should focus on the mediating role of government policy

The study found the positive impact of SHRM on the organisational level on individual employee performance. The positive effects of SHRM on the corporate level on individual employee performance are partially mediated by government policy. In other words, it is not enough for insurance companies to focus on implementing effective SHRM policies. If government policies do not form a positive relationship with employees and the business, then HRM practices will not effectively translate into higher levels of individual employee performance. Therefore, national governments need to develop government policies that are appropriate to the needs of the business. For example, the government can organise regular staff councils or high-level seminars to enhance communication between managers and grassroots employees. The government can set up sound organisational bodies such as different committees or unions to communicate employees' views to management. The government needs to ensure that employee grievance channels are open and allow employees to participate in the management and decision-making of the company through activities such as building a proposal system.

Acknowledgment

The authors offer special gratitude to INTI International University for the opportunity to conduct research and publish the research work. In particular, the authors would like to thank INTI International University for funding to publish this research work.

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