SERVICE ORIENTATION AS A DRIVER OF ENGAGEMENT AND JOB SATISFACTION: INSIGHTS FROM SERBIAN HOTEL EMPLOYEES

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Abstract: The study investigates the relationships between service orientation, job engagement, and job satisfaction among hotel employees in Serbia. The research surveyed 244 employees across hotels of varying categorization levels, employing quantitative methods using AMOS software. Results reveal a significant positive influence of service orientation on job engagement, which in turn positively impacts job satisfaction. The study also explores the direct effect of service orientation on satisfaction and its indirect influence mediated by engagement. Findings highlight partial mediation, underscoring engagement's critical role in linking service orientation to satisfaction. Furthermore, significant differences were observed between employees with tourism-related education and those from other backgrounds in terms of these three variables. The research underscores the importance of fostering service-oriented practices to enhance employee satisfaction and engagement, which are essential for delivering high-quality services. The study concludes with recommendations for future research and practical implications for human resource strategies in the hospitality sector. By addressing the interplay of these variables, this study contributes to understanding how employee-centric practices can drive organizational success in competitive tourism markets. Limitations and prospects for comparative studies across different economic contexts are also discussed.

Keywords: service orientation, job engagement, job satisfaction, hotel employees, analysis.

Field: Social sciences

1. INTRODUCTION

The hospitality industry has always been at the forefront of prioritizing customer satisfaction, largely relying on its human resources to create memorable experiences for guests. In this context, service orientation emerges as a pivotal concept, embodying the attitudes and behaviors of employees focused on fulfilling customer needs effectively. For countries like Serbia, where tourism is gaining increasing importance, the hospitality sector must ensure not only high service standards but also robust strategies to maintain employee satisfaction and engagement. This becomes particularly significant in a competitive global market, where the quality of customer service can determine the success or failure of a business (Shams et al., 2021). Despite its critical role, limited research has been conducted on the interrelationships among service orientation, job engagement, and job satisfaction, especially in developing tourism markets. Understanding these relationships can provide actionable insights for managers aiming to foster a motivated and satisfied workforce capable of delivering superior service quality (Rabiul et al., 2022).

Furthermore, the dynamic and interpersonal nature of hospitality work creates unique challenges and opportunities for employee engagement. Employees in customer-facing roles often encounter high levels of stress and emotional demands, making engagement a key factor in their job satisfaction and overall performance. Previous studies have demonstrated that service-oriented practices enhance employees' psychological connection to their work, promoting higher levels of engagement and satisfaction (Kloutsiniotis & Mihail, 2020). However, the interplay between these factors remains underexplored in Serbia's hospitality industry, where workforce dynamics and cultural nuances may influence these outcomes. By addressing these gaps, this paper aims to not only expand the theoretical understanding of these relationships but also provide practical implications for enhancing human resource strategies in the Serbian hotel sector. Such insights are essential for achieving sustainable growth in the tourism industry

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and elevating Serbia's position in the global market (Demirović Bajrami et al., 2022).

The fundamental strength of a company in a competitive business environment lies in its human resources. Employees who are service-oriented prioritize the interests of clients above all, followed by other stakeholders (managers, owners), to develop profitable businesses and ensure long-term success. As a positive outcome of service orientation, some authors highlight job satisfaction (Park et al., 2020), which is a prerequisite for client satisfaction, loyalty, and positive recommendations. Research has shown that service orientation can positively influence employee engagement. For example, Zablah et al. (2012) state in their research that companies that focus more on employee service orientation can, in return, expect higher job engagement and greater job commitment. In his study, Wang (2011) notes that an increase in employee engagement leads to an increase in job satisfaction. For instance, when an employee experiences success in their work as a result of their engagement, they feel a sense of achievement, which in turn leads to job satisfaction. The more satisfied the employees are the betterquality services they provide. The current level of the overall hotel offering in Serbia is still at a medium level, further challenged by increasing competition in the tourism market. This raises the question of whether, in addition to an underdeveloped accommodation offer, other factors-such as employee engagement and service orientation, which significantly impact retaining existing clients and attracting new ones, are contributing to operational challenges.

The aim of this paper is to examine the relationship between service orientation and job engagement among hotel employees in Serbia, as well as the connection between engagement and job satisfaction. Additionally, the study analyzes the interrelationship between service orientation and job satisfaction, with a particular focus on the mediating role of job engagement in this relationship. The results provide a better understanding of these relationships, which play a crucial role in improving business performance.

2. THEORETICAL FRAMEWORK

Relationship Between Service Orientation and Job Engagement

According to Zablah et al. (2012), service orientation, as a business resource, is linked to employee motivation, such as job engagement. Through the motivational process, business resources encourage and motivate employees to pursue personal development and achieve goals, which can lead to higher engagement and improved job performance (Bakker & Demerouti, 2007). Employees with a strong service orientation exhibit greater effort and willingness to meet client needs, demonstrating the individual's dedication to their job. Recent research emphasizes that service orientation acts as a motivational force, improving employees' job engagement by fostering a sense of purpose and belonging (Guan et al., 2021). Employees with high service orientation are often driven by intrinsic motivation, which aligns with the findings of Wang and Tsai (2021), who noted that service-oriented employees tend to exhibit stronger engagement due to their alignment with organizational goals. This connection has been reinforced in studies highlighting the role of supportive work environments in amplifying service orientation's effect on engagement (Rabiul et al., 2021). Recent research emphasizes that service orientation acts as a motivational force, improving employees' job engagement by fostering a sense of purpose and belonging (Peng et al., 2024). Employees with high service orientation are often driven by intrinsic motivation, which aligns with the findings of Wang and Tsai (2021), who noted that service-oriented employees tend to exhibit stronger engagement due to their alignment with organizational goals. This connection has been reinforced in studies highlighting the role of supportive work environments in amplifying service orientation's effect on engagement (Eldor, 2020). Based on these findings, it can be suggested that individuals with a strong inclination toward serving clients are more likely to be motivated and, consequently, more committed and engaged at work. Considering these assumptions, the following hypothesis is defined:

H1: Employee service orientation positively influences their job engagement.

Relationship Between Job Engagement and Job Satisfaction

Positive experiences and emotions can lead to positive work outcomes, such as job satisfaction (Saks, 2006). A satisfied worker is likely to be more active within the organization, as they develop a sense of belonging to the organization. It can be concluded that highly engaged employees possess energy, determination, dedication, and a connection with the organization, which in turn fosters satisfaction and increases productivity. Furthermore, research by Saks (2006) and Alarcon & Edwards (2011) has shown that job engagement is one of the primary drivers of job satisfaction. The relationship between engagement as a precursor to job satisfaction (Ozturk et al., 2021). Employees who are engaged report higher levels of energy and focus, which directly contribute to job satisfaction by enhancing their work experience and

reducing emotional exhaustion. Based on these findings, it is hypothesized:

H2: Employee engagement positively influences job satisfaction.

Relationship Between Service Orientation and Job Satisfaction

According to research conducted by Eren et al. (2013), there is a significant relationship between service orientation and job satisfaction, which impacts not only greater financial performance but, more importantly, customer satisfaction. Additionally, some studies argue that service orientation will have a greater impact on satisfaction when employees have more frequent contact with clients (Donavan et al., 2004). Based on the literature, it is assumed that a positive relationship exists between service orientation and job satisfaction. Thus, the following hypothesis is proposed:

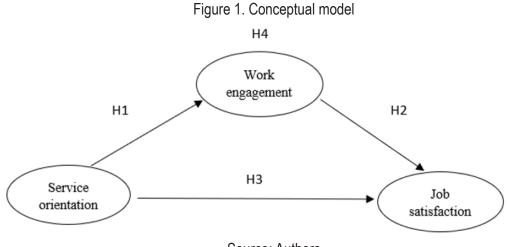
H3: There is a positive relationship between service orientation and job satisfaction.

The Mediating Role of Job Engagement

Given that service orientation is linked to employee motivation (Zablah et al., 2012) and that employees with higher levels of service orientation are likely to be more motivated, it can be expected that they will be more dedicated to their work and become more engaged. On the other hand, job engagement is expected to predict job satisfaction. An engaged employee exhibits higher energy levels while working and feels happier due to their involvement in the job (Karatepe, 2012). Based on this, it is assumed that job engagement can mediate the relationship between employee service orientation and their job satisfaction. The following hypothesis is therefore proposed:

H4: Job engagement mediates the relationship between service orientation and job satisfaction.

The conceptual model, encompassing the hypothesized relationships between job satisfaction, job engagement, and service orientation, is graphically presented in Figure 1.



Source: Authors

3. MATERIALS AND METHODS

The data for this study were collected from employees working in hotels of all categorization levels in Serbia. A list of 312 hotels was compiled, and they were contacted via email. Employees were selected from seven segments of the organizational structure (accounting/finance, front desk, food and beverage, housekeeping, administration, sales and marketing, human resources). A total of 244 questionnaires were returned, all of which were completed anonymously and deemed valid for the study.

The questionnaire consisted of four sections. The first section included variables related to sociodemographic characteristics of the respondents (gender, age, education level, job position, etc.). The second section measured service orientation using four variables adapted from Licata et al. (2003). The third section assessed job engagement using the Utrecht Work Engagement Scale (Schaufeli et al., 2006), which includes three dimensions (vigor, dedication, and absorption) composed of 17 variables. The fourth section focused on job satisfaction, measured through eight variables based on Karatepe et al. (2007).

4. RESULTS

Socio-Demographic Characteristics of Respondents

The survey results indicate that a significantly higher proportion of respondents were women (69.3%) compared to men (30.7%). More than half of the employees were aged between 26 and 35. Approximately one-fifth of the respondents were in their early 20s, while those in their 30s and 40s were less represented. Regarding education level, 29.9% of respondents had completed a higher vocational school, followed by those with master's degrees (29.5%). Nearly 66% of employees had educational backgrounds related to tourism and hospitality.

In terms of work experience, 23.4% of respondents had been working in their respective hotels for less than one year, while the majority (68.4%) had between 1 and 10 years of experience. Only a small number of respondents had over 20 years of experience in their current hotels. Regarding job positions, half of the respondents worked at the front desk, 17.2% were in sales and marketing, followed by food and beverage (9.8%), human resources (6.6%), housekeeping (6.6%), accounting and finance (5.7%), and administration (3.3%).

Hypothesis Testing

The proposed relationships between the variables were tested using Structural Equation Modeling (SEM) with the AMOS software. The analysis results indicated that the model was well-fitted (GFI=,941; TLI=,920; CFI=,973; NFI=,972; RMR=,007). The standardized path coefficient was applied in the analysis of the first two hypotheses (H1 and H2). As shown in Table 1, there is a statistically significant positive relationship between service orientation and job engagement, thus confirming Hypothesis 1 (β =0,862). Similarly, the relationship between job engagement and job satisfaction is also statistically significant, confirming Hypothesis 2 (β =0,939).

	β	р	result	R2
Service orientation \rightarrow satisfaction	-0,209	0,000	significant	0,892
Service orientation \rightarrow engagement	0,862	0,000	significant	0,744
engagement \rightarrow satisfaction	0,939	0,000	significant	0,881

Table 1. The impact estimates after introducing the mediator into the model

Source: Authors

Before testing the mediation effects, the relationship between the independent variable (service orientation) and the dependent variable (job satisfaction) was examined. The effect of the independent variable on the dependent variable represents the direct effect. On the other hand, the effect of the independent variable on the dependent variable through the mediator (engagement) is the indirect effect (Figure 1). These effects are primarily represented through loading factors, implicit and explicit variables, which measure the intensity of the linear correlation between them. In this study, satisfactory reliability was achieved as the factor values range between 0.74 and 0.94. The first step in analyzing the mediation variable is to determine whether the direct effect between the independent and dependent variables is statistically significant.

	β	р	result	R2
Service orientation \rightarrow satisfaction	0,756	0,000	significant	,571

Source: Authors

The results in Table 2 show that there is a statistically significant impact of service orientation on job satisfaction, with p (0.000) at the level (sig \leq 0.05). This effect is quite strong, considering that the R2 value is 0.57, meaning that service orientation explains 57% of job satisfaction in hotels in Serbia. Therefore, Hypothesis 3 is accepted (β =0.756).

It is assumed that service orientation influences job satisfaction through work engagement. After the model was confirmed to be appropriate, the results of the impact of service orientation on job satisfaction after introducing the mediator are presented in Table 1. As shown in Table 1, the beta coefficient indicates that service orientation has a significant impact on engagement (β =0.86). On the other hand, engagement also has a significant impact on job satisfaction (β =0.94).

After introducing the mediating variable (engagement), the beta coefficient for service orientation changed from β =0.756 to β =-0.209. It can be concluded that this represents partial mediation, as the direct effect of service orientation on job satisfaction is still statistically significant (p=0.000) and there remains a direct relationship between these two variables after the mediator was introduced, even though the β value changed. Therefore, job engagement partially mediates the relationship between service orientation and job satisfaction, and Hypothesis 4 is partially accepted.

5. DISCUSSIONS AND CONCLUSIONS

The primary goal of this study was to formulate and empirically test an integrated model of the interrelationships and impacts between service orientation, engagement, and job satisfaction, which was achieved through an analysis of relevant literature and statistical data processing. The results showed that service orientation positively affects engagement (H1). This confirms that the author's assumption was consistent with the research by Babakus et al. (2009), which emphasizes that employees who are service-oriented toward clients demonstrate more characteristics of engaged individuals. Therefore, service orientation is a significant business resource within the framework of employee work engagement. Encouraging and nurturing service orientation is crucial for achieving a competitive advantage in the business world.

Furthermore, the study results showed that engagement positively affects job satisfaction (H2), which aligns with previous research (Saks, 2006). Employee engagement greatly depends on the energy they have, their focus, as well as their involvement and dedication to work (Schaufeli et al., 2006). This means that the high level of energy present in engaged workers contributes to more positive work outcomes, such as job satisfaction (Saks, 2006). Similarly, when an individual is engaged in their work, it creates a positive feeling, an affective connection to the work, and they are likely to be more satisfied with their job. Based on Hypothesis (H3), it was found that there is a positive relationship between service orientation and job satisfaction. This relationship was achieved not only directly but also partially through the mediating role of engagement, which is, however, much weaker than the direct effect (H4).

The interplay of service orientation, engagement, and job satisfaction observed in this study also highlights the importance of contextual and cultural factors within the Serbian hospitality sector. As Serbia continues to position itself as an emerging tourism destination, the development of a serviceoriented workforce becomes integral to sustaining competitive advantage. This study's findings suggest that a nuanced understanding of workforce dynamics, particularly in developing economies, is essential for optimizing human resource strategies. The significant variation in outcomes based on educational backgrounds points to an opportunity for tailored interventions, such as vocational training or targeted employee development programs, to bridge skill gaps and reinforce service-oriented behaviors. Moreover, the partial mediation effect of engagement emphasizes the need to address intrinsic motivational factors within the workplace, such as providing employees with meaningful work, recognition, and growth opportunities. These elements not only enhance engagement but also solidify the link between service orientation and job satisfaction, contributing to a cohesive organizational culture that prioritizes both employee well-being and customer satisfaction. This underscores the dual necessity of aligning employee satisfaction strategies with organizational performance goals in the rapidly evolving hospitality landscape.

What is ultimately crucial for business success is having satisfied clients, and this is greatly contributed to by service-oriented and satisfied employees, as they are the prerequisite for long-term satisfied clients. For this reason, it is very important to establish appropriate standards with the goal of controlling employees and improving the quality of services (Popesku, 2013). Service quality results in greater respect for hotel services as a product, which, in turn, creates quality relationships within the organization. The findings of this study align with the current discourse on service orientation and its impact on workforce dynamics. Recent studies highlight the mediating role of engagement in various service industries, where fostering intrinsic motivation significantly enhances job satisfaction (Peng et al., 2024; Ozturk et al., 2021). This study extends these insights to the Serbian hospitality sector, highlighting the importance of tailoring human resource strategies to cultural and contextual nuances. Additionally, the study aligns with recent evidence showing that a supportive organizational culture, where employees feel valued and recognized, amplifies the effects of service orientation on both engagement and satisfaction (Eldor, 2020). For managers, this implies a need to invest in employee development programs and engagement initiatives that reinforce service-oriented values while addressing individual motivational drivers. Future research could explore how technological advancements in the hospitality industrysuch as AI-driven customer relationship management systems-intersect with service orientation and engagement to further enhance job satisfaction. This approach could reveal how modern tools complement traditional human resource strategies in shaping workforce dynamics in emerging tourism markets.

The results of this study may be somewhat significant for managers in the hotel industry in Serbia, as, based on insights into the behavior and attitudes of employees, they can improve service standards. However, the situation in the hotel industry regarding human resources is not as weakened, and there are certainly opportunities for improving future prospects. One assumption is that employee engagement, job satisfaction, and service orientation may also depend on their relationship with their superiors. Therefore, to create a pleasant work atmosphere within the organization, it is very important for superiors to establish a quality relationship with employees, one that is pleasant, full of trust, and through which employees will develop a sense of belonging to the organization they are employed in. This will reduce any potential obstacles that may disrupt any of these three elements. This study contributes to the growing body of literature on human resource practices in the hospitality sector by empirically validating the relationships between service orientation, job engagement, and job satisfaction. The findings underscore the critical role of service orientation as both a direct and indirect driver of job satisfaction, mediated by engagement. These results have practical implications for hotel managers aiming to foster a motivated and satisfied workforce capable of delivering superior service quality. Strategies to promote service orientation, such as training programs and recognition initiatives, could be pivotal in achieving higher engagement and satisfaction levels. Additionally, the findings highlight the importance of creating a supportive work environment where employees feel valued and connected to organizational goals. By leveraging these insights, the Serbian hospitality sector can enhance employee performance and customer satisfaction, ultimately contributing to the industry's sustainable growth. Future research could extend these findings by exploring cross-cultural comparisons and examining the role of leadership styles in moderating these relationships, thereby providing a broader understanding of best practices in employee management.

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