

PERCEIVED ORGANISATIONAL SUPPORT AND JOB PERFORMANCE: THE MEDIATING ROLE OF WORK ENGAGEMENT

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ABSTRACT

This paper attempts to examine the mediating role of employee engagement between perceived organizational support (POS) and Job performance of employees. On basis of the literature review, it is hypothesized that stronger POS leads to employee work engagement, which in turn translates to better job performance. It tests the path model by using data from two Indian banking organizations and a sample of 326 banking employees. The findings suggest that POS affects employee work engagement positively and through engagement leads to variance in employee job performance.

KEYWORDS: POS, Work Engagement, Job Performance

INTRODUCTION

Employees' are committed, involved and willingly pursue the goals of an organization only when they perceive that the organization values their contributions and is committed to their well being. The general belief that one's organization values their contribution and cares about their well-being is referred to as perceived organizational support (Rhoades and Eisenberger, 2002). Organizational support theory (OST) postulates that employees develop POS in order to meet needs for approval, esteem, and affiliation, and to assess the benefits of increased work effort. According to organizational support theory, the development of POS is encouraged by employees' tendency to assign the organization human-like characteristics (Eisenberger et al., 1986). Levinson (1965) noted that actions taken by agents of the organization are often viewed as indications of the organization's intent rather than attributed solely to the agents' personal motives. This personification of the organization is abetted by the organization's legal, moral, and financial responsibility for the actions of its agents; by organizational policies, norms, and culture that provide continuity and prescribe role behaviors; and by the power, the organization's agents exert over individual employees. On the basis of the organization's personification, employees view their favorable or unfavorable treatment as an indication that the organization favors or disfavors them. Therefore, in order to encourage augmented levels of affirmative behaviors like better performance, diminished absenteeism etc., organizations must acquire anthropomorphic qualities which respect employees' overall beliefs regarding their intent to meet the latter's socio-emotional needs through appropriate support systems (Eisenberger et al., 1986; Rhoades & Eisenberger, 2002).

Perceived Organizational Support and Work Engagement

Perceived Organizational Support (POS) is a measure of an employees' perception regarding the degree to which the organization values the contribution and cares about his/her well-being (Rhoades & Eisenberger, 2002). The amount of care and support that employees' perceive to be provided by their organization has a direct impact on their in-role and extra-role performance. POS creates an obligation on the part of employees to care about the organization's welfare and to help the organization reach its objectives (Rhoades et al., 2001). POS leads to the development of assurance among the employees concerning the extrinsic resources such as pay and fringe benefits as well as ensures the organizational endorsement, faith, regard, and status (Fuller et al., 2006). Under such conditions, employees perceive secure and supportive work environments which allow them to explore and exploit their potential to the fullest without any fear of the consequences. Consequently, when employees believe that their organization is concerned about them and cares about their well-being, they are likely to respond by attempting to fulfill their obligations to the organization by becoming more engaged (Saks, 2006). Based on this discussion, we present our first study hypothesis:

Hypothesis 1: POS is positively related to Work engagement.

Work Engagement and Job Performance

Work engagement leads to the development of positive emotions like happiness and enthusiasm among the employees and as a direct consequence of this positivity engaged employees to perform better than non-engaged employees (Demerouti and Cropanzano, 2010). The positive emotions resulting from the work engagement seem to broaden employee's thought-action repertoires, implying that they build a variety of personal resources (Fredrickson, 2001) including physical resources (e.g. physical skills, health), social resources (e.g. friendships, social support networks), intellectual resources (e.g. knowledge, executive control), or psychological resources (e.g. self-efficacy, optimism). These personal resources can be used to cope with the job demands and to perform well (Bakker and Xanthopoulou, 2009). Research studies by Salanova et al. (2005) and Halbesleben and Wheeler (2008) reported a positive relationship between work engagement and job performance. On the basis of this overview, we formulated our second study hypothesis.

Hypothesis 2: Work engagement is positively related to Job performance.

The discussion of the literature provided above juxtaposes our study variables namely, POS, employee engagement and job performance through the two hypotheses which we intend to test empirically. However, merely hypothesizing as for the outcome of POS or as the predictor of job performance does not preclude employee engagement as a mediator between these variables. For the purpose of assessing the mediating role of employee engagement between POS and job performance, we propose to test the path model presented in Figure 1. Further, we put forward Hypothesis 5 which we conjecture as for the representative of the entire path model.

Hypothesis 3: Employee engagement will mediate positive relationships of POS with Job performance.

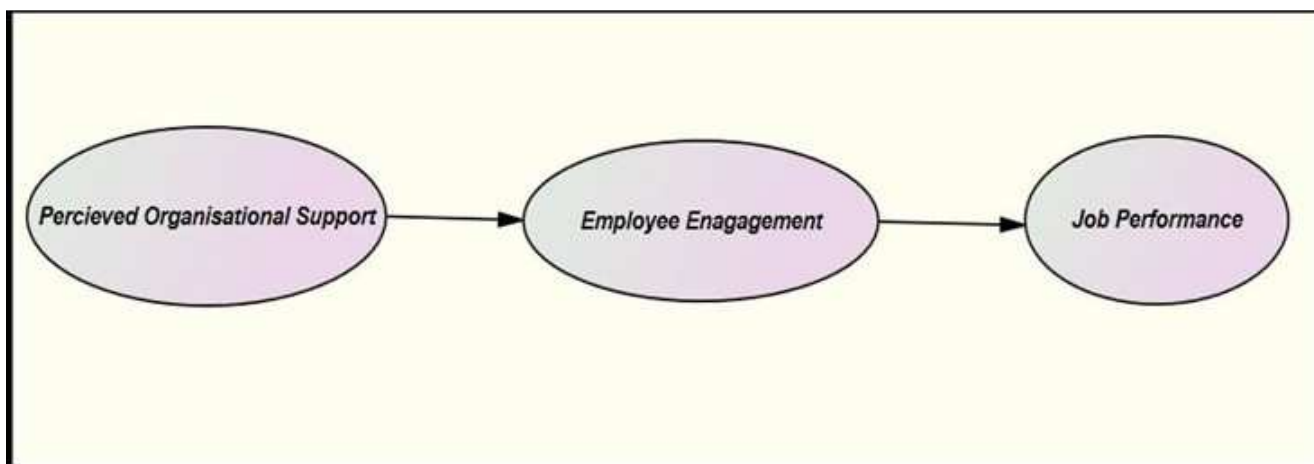


Figure 1: Path model associating the latent constructs

METHOD

Sample and Procedure

Four hundred full-time employees belonging to two banking organizations located in the state of Jammu and Kashmir were surveyed. The employees completed the survey of their own accord during their regular scheduled work hours at their respective work sites. To encourage employees to share a free and frank opinion, we assured them of anonymity through both verbal and written means. We further guaranteed that only group data will be communicated to the organizations. Survey questionnaires were distributed and retrieved by the researchers in sealed envelopes. Eighty-six percent (N=346) of the participants returned the questionnaires.

Based on the survey participants' responses, we found that their average age was 41.39 years. Of the 346 respondents, 59.10 percent were males and 40.90 percent were females. On average, the employees had 6.88 years of work experience.

Measures

POS: Previous studies involving diverse occupations and organizations indicated high reliability and unidimensionality of the POS Survey (Rhoades & Eisenberger, 2002). Respondents rated their POS using the eight items comprising the short form of the POS Survey (Eisenberger et al., 1986). Respondents indicated the extent of agreement with each statement on a 5-point scale (1 = Strongly disagree to 5 = Strongly Agree).

Work engagement was assessed with the nine-item version of the Utrecht Work Engagement Scale (UWES: Schaufeli et al., 2006). This version includes three items for each engagement dimension: Vigor (e.g. At my work, I feel bursting with energy), Dedication (e.g. My job inspires me), and Absorption (e.g. I get carried away when I am working). Items were scored on a scale ranging from 1= never to 5= always. Cronbach's α was .82 for vigor, .83 for dedication, and .88 for absorption.

Job performance was measured with seven items developed by Williams and Anderson (1991). A five-point scale was used with answers ranging from 1 (Strongly Disagree) to 5 (Strongly Disagree).

RESULTS

Descriptive Statistics and Correlation

The means, standard deviations, internal reliabilities, and intercorrelations among the variables are reported in Table 1. All measures show high internal reliabilities, with coefficient alphas ranging from 0.75 to 0.86. The pattern of correlation is consistent with the hypothesized relationships. That is, POS has a statistically positive relationship with the potential mediator namely, employee engagement, and with the outcome variable job performance. Additionally, employee engagement has statistically significant positive relationships with job performance.

Table 1: Means, Standard Deviations, Alpha Reliabilities, and Intercorrelations among Variables

Variable	Mean	SD	1	2	3
POS	3.16	0.43	(0.75)		
Employee Engagement	3.37	0.36	0.23**	(0.86)	
Job Performance	3.53	0.51	0.48**	0.47**	(0.74)

Note: N = 346. Alpha reliabilities are reported on the diagonal. ** p < 0.01.

Relationships of POS with Employee Engagement and Job Performance

AMOS 18 was used to assess the degree to which POS is related to employee engagement and job performance, and to see whether employee engagement mediated the relationship of POS with job performance. The standardized regression estimates presented in Table 2 allowed us to examine the direct association between the study constructs. The level of significance is based on the critical ratio (CR) of the regression estimate (Biswas, Giri & Srivastava, 2006). When CR values are greater than or equal to 2.58, it indicates a 99 percent level of significance. However, when CR values are greater than or equal to 1.96 but less than 2.58, it indicates a 95 percent level of significance. Accordingly, we report that employee engagement regress significantly and positively on POS (standardized $\beta = 0.36$, C.R. = 3.70). This is consistent with Hypotheses 1. The standardized regression coefficients for the relationships are designated by R. Further job performance (standardized R = 0.85, CR = 4.22) is significantly and positively associated with employee engagement. Consequently, we accept Hypotheses number 2.

Table 2: Standardized Regression Estimates

Model	Unstandardized Coefficients		standardized Coefficients		Remarks
	β	Standard Error	β	CR	
POS Employee Engagement	0.18	0.05	0.36	3.70	H1 accepted
Employee Engagement	1.07	0.25	0.85	4.22	H2 accepted
Job Performance					

Note: N=346; The CR (Critical Ratio) is the commonly recommended basis for testing the statistical significance of SEM components with CR values beyond ± 2.58 establishing significance at $p < 0.01$ level.

A mediator is instrumental in accounting for the influence of the independent variable on the dependent variable (Cohen, Cohen, West & Aiken, 2003). To test the mediation of employee engagement, we followed the suggestion of Wood, Goodman, Beckmann, and Cook (2008) and applied structural modeling equation (SEM) procedures using the maximum likelihood estimation (MLE) algorithm. It has been previously argued that in the area of mediation analysis, when variables with multiple indicators are taken into account (Iacobucci, Saldanah, & Deng, 2007), or conditions of confirmatory analyses are met (James & Brett, 1984), or when models incorporate latent variables (Kenny, Kashy, & Bolger, 1998), SEM offers a better alternative to traditional multiple regression tests of mediation. However, conceptually, our procedure of testing mediation using SEM is akin to Baron and Kenny’s (1986) approach. We consider two competing models namely, model 1 and model 2, where model 1 includes the potential mediator, that is, employee engagement in this case, whereas model 2 constrains the potential mediator and examine the direct relation between the predictor and the criterion variables.

Although, as per literature, values of GFI ≥ 0.90 are considered to be representative of a well-fitting model, we considered the advised cut-off of 0.95 as suggested by Hu and Bentler (1995). Furthermore, in order to compare model 1 and model 2, we calculated the comparative-fit-index (CFI), the normed-fit-index (NFI), the relative-fit-index (RFI), and the Tucker-Lewis index (TLI). According to Hair, Andersen, Tatham, and Black (1998), the recommended fit values for CFI, NFI, RFI, and TLI, are $\geq .90$. A model, which has a higher value of the proportionate fit indices, is accepted as a better fitting model. We also considered the parsimony of model 1 and model 2 by calculating the respective root mean square of approximation (RMSEA) values. A lower RMSEA indicates a better model with the suggested maximum being 0.06 (Biswas & Varma, 2007). Finally, we also used the Akaike Information Criteria (AIC) (Akaike, 1974) for model selection and buttressed our claims by using the Browne-Cudeck (1989) Criteria. Based on the SEM analysis, the results of which are presented in Table 3, we accept Hypothesis 3 which stated that employee engagement will mediate the positive relationship of POS with job performance.

Table 3: Model Fit Indices
Fit Indices

	Normed X ²	GFI	CFI	NFI	RFI	TLI	RMSEA	AIC	Browne -Cudeck Criteria
Model 1	1.20	0.94	0.99	0.93	0.88	0.98	0.03	386.38	407.73
Model 2	3.67	0.79	0.78	0.73	0.68	0.75	0.10	695.52	703.96

Note: GFI = Goodness-of-Fit Index; CFI = Comparative Fit Index; NFI = Normed Fit Index; RFI = Relative Fit Index; TLI = Tucker-Lewis Index; RMSEA = Root Mean Square Error of Approximation; AIC = Akaike Information Criteria

CONCLUSIONS

The results of the present study provide ample support for the proposed theoretical model (Figure 1). In this section, we discuss the implications of each of the hypotheses as well as those of the overall model vis-à-vis the empirical outcomes as detailed above.

Our first hypothesis postulated a positive relationship between POS and employee engagement. The results of the data analysis support such a postulation. Organizations need to go beyond the specified contractual relationships and provide individuals with economic and psychological backings in order to extract optimum efforts. A positive evaluation of affective experiences expounded by a favorable organizational stance is an essential prerequisite to enhance cognitive and behavioral evaluation by an employee vis-à-vis his or her situation at work. Thus the acceptance of our first hypothesis suggests that when individuals perceive positive levels of organizational collaboration, they are intrinsically encouraged towards exerting considerably higher levels of effort.

Our second hypothesis postulated a positive relationship between employee engagement and job performance. The results of the data analysis support such a postulation. The acceptance of our second hypothesis suggests that Work engagement leads to the development of positive emotions like happiness and enthusiasm among the employees and as a direct consequence of this positivity engaged employees to perform better than non-engaged employees.

Finally, the acceptance of our third hypothesis suggests the mediating role of employee engagement between POS and job performance. Affirmative appraisal of organizational approaches confirms the individual's belief that their employing organization appreciates their contribution and thinks about their well-being. Consequently, individuals become engaged in their work and reciprocate to these organizational efforts through superior discretionary and non-discretionary job performances.

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