

RELATIONSHIP OF PERCEIVED ORGANIZATIONAL SUPPORT AND EMPLOYEE ENGAGEMENT

¹Abdul Khaliq Alvi, ²Abdus Sattar Abbasi ³Rizwan Haider

¹Department of Social Sciences University of Management and Technology, Lahore

e-mail: khaliqalvi@gmail.com, Mobile: +923334287808

²COMSATS Institute of Information Technology Lahore Pakistan,

e-mail: drabdussattar@ciitlahore.edu.pk, Mobile: +92 300 5200567

³GC University Lahore Pakistan e-mail: rizwanchemist@gmail.com

ABSTRACT: *The aim of current study is to test the impact of perceived organizational support (POS) on employee engagement in banking sector of Pakistan. For this purpose, this study has proposed the single hypothesis. A finding of the current research has confirmed the result of previous researches about the relationship of perceived organizational support and employee engagement. This study also confirms that perceived organizational support is the stronger predictor of employee engagement. Primary data was collected with the help of structured questionnaire. Questionnaire was composed of 21 statements. In future researches some important predictors of employee engagement like perceived supervisor support, Job autonomy and job security maybe included.*

Keywords: POS (Perceived Organizational Support), Employee Engagement, Banking Sector, Pakistan

1- INTRODUCTION

In recent times, there has been a wide focus of researchers on the term of employee engagement and researchers are paying more attention on the roles of employee engagement for organizational performance and for getting competitive edge [1]. Furthermore, previous studies have proposed that employee engagement is considered as the predictor of employee turnover intentions, work performance, financial capabilities, and customer satisfaction [2]. R. Baumruk [3] describes the noteworthy role of employee engagement but also mention this aspect as “the missing link” that is one of the significant dimension of organizational success. Employee engagement is mentioned as a “new and emerging area” of 21st century [4]. Thus, employee engagement is visualized as the prominent factor for the success of organizations. However there is a huge gap of empirical studies regarding employee engagement. But despite of this reality, the investigations of employee engagement are conducted from consulting firms like Tower Perrin and Gallup. But firms of other industries are lacked behind about empirical researches regarding employee engagement. That’s why [4] has argued that “there is a surprising dearth of research on employee engagement in the academic literature”. [5] also concluded that “there has been surprisingly little academic and empirical studies on one of most popular concept i.e. employee engagement” Furthermore, A. M. Saks [4] proposed that there had been little investigation on the dimensions and predictors of the term employee engagement. Despite of the critical factor of the organizational performance, employee engagement was not investigated extensively [6]. And [6] and [2] also commented that there was intensive disengagement among the workers of organizations of modern age. However, researchers have concluded that employee engagement is supportive factor to predict the employee performance, success of the organizations and financial outcomes [2, 3, 7,5]. It has been concluded that the concept of employee engagement is not investigated extensively, but the extent to which workers are disengaged, has enhancing in recent times [6,2]. The findings about the concept of engagement

mentioned that approximately half of American employees are disengaged with their organizations [6, 8,9]. Furthermore these researchers also referred this lower level of engagement as an “engagement gap” and surprisingly caused a \$300 billion loss in productivity. Most of investigations conducted regarding the employee engagement are largely done by practitioners and consulting firms. There is the scarcity of investigations regarding the topic of employee engagement in academic literature [5]. According to other authors [10,11] organizational support theory can define perceived organizational support as treatments which are offered by the organizations (in term of job conditions and fairness) and it acts as a sign for workers about the level at which organizations worth the employee’s assistance and about their well beings. According to [11] and [12], organizational support theory explains that perceived organizational support proposes that staff who experience support from their organizations are showed better commitment with their organizations and lower job turnover ratio [13]. In this way, organizations can attain the competitive advantage on other organizations [14]. POS is also promoted the good behaviors which can results in better performance and reduce the negative behaviors such as employee turnover and absenteeism [13]. A. M. Saks [4] concludes that perceived organizational support is important predictor of employee engagement. Current study is designed to check the relationship of perceived organizational support and employee engagement in Pakistani cultural context.

2-LITRUTURE REVIEW

Employee Engagement

The academic foundation of the notion of William Kahn about employee engagement depends upon efforts of [15] on social roles. These “roles” are termed as actions ruled by definite communal “normative demands”. A. W. Kahn [16] describes the term employee engagement on the basis of [15] role behavior speculation. This theory proposes that employee attitudes are formed by the demands and regulations of other employees [17]. Thus, employee’s

attitudes can be calculated by investigation about their roles [17]. The term “role” is taken from the theatrical world [17]. A. W. Kahn [16] recommends that employees can perform the responsibilities that are not mentioned in their job descriptions. [16] also asserts that employees are likely to attach themselves according to their roles or improving their individual personality with these roles. Kahn’s define employee engagement as the “harnessing of organizational members themselves to their work roles” [16]. There is positive relationship between employee engagement and intention to stay in the organization. For example, investigation of [18] on sixteen countries concludes that there is affirmative link between employee engagement and the worker’s retention. Moreover, “a meta analysis on employee engagement” carried out by [19], concluded that there were noteworthy associations among employee engagement and client contentment, production, earnings, worker turnover, and security proceedings. The capability of engaged employees to adjust and actively guard the benefits of their firms can facilitate firms to gain the competitive edge on other firms and attain their predefine objectives [20]. T. Erickson [21] concludes that more engaged workers apply flexible attempts to achieve the objectives of the firm. Current studies confirm the association among employee engagement and valuable yield [19].

Perceived Organizational Support

Organizational support theory (OST) states the dealings of the organizations (in the form of working environment and justice) related to the employees that offer the level to which the organizations value the contribution and care about well being of employees (perceived organizational support; POS), [10, 22]. According to Social exchange theory [11], perceived organizational support describes that workers who consider the organization more supportive are supposed to reciprocate their dealings as more affective and they are more emotionally attached with the organization. Consequently, organizations that ensure perceived organizational support within the workers are believed to have competitive advantage on those organizations that do not foster the attachment of their workers [14]. Perceived organizational support is not purely psychological but societal procedure designed by the information that workers get from the social set up. Organizational support theory shows the positive and constant findings [13], and it is explanatory power which is assumed that workers examine and respond the dealings independently which are took place within the organization. That’s why, OST offers only individual level of emotional thinking for expectations of workers regarding the relationship with the organization. The extensive amount of observation and interpretations are required generally for social exchange relations [23] and fostering of POS specifically [24]. Previous theoretical and experimental researches have enlightened the impacts of social context on workers’ POS [25]. Organizational support is defined as “an employee’s expectations of the concern an organization shows for his or her well-being” [26]. It may also be defined as the faith of the organizational values and their role and take care about the well-being of the

employees [13]. It is also a main source of creating variety of positive outcomes (e.g. job satisfaction, organizational commitment, performance) [13]. Human Resource practices like contribution of employees, reward and cognition, developmental skills indicate the organizational respect for the capabilities of workers and consequently are related significantly to POS [27,28,29,30]. Psychological wellbeing develops the positive feelings like safety in employee regarding work and organization [31]. A significant feature of safety is generating the perception of support from supervisor in the mind of employees. A. W. Kahn [16] originated that caring and faithfully interpersonal relationships and helpful supervision encouraged psychological safety. Such kind of atmosphere creates innovative manners and braveness in employees [16].

3-HYPOTHESIS DEVELOPMENT

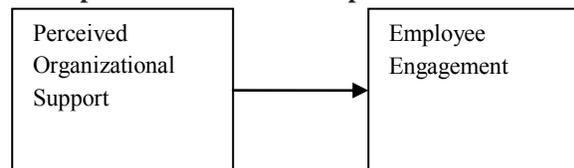
Though, the logic behind organizational support might appear the significant results are through employee engagement. The employees having high level of organizational support can be more engaged with the tasks provided them to complete and to take part in achieving organizational goals [13].

On the basis of this statement this study is proposed the following hypothesis.

H: Perceived organizational support is positively associated with employee engagement

Research Model

Independent Variable **Dependent Variables**



4-DATA COLLECTION

Data was collected with the help of structured questionnaire. Simple random sampling technique was used. Respondents for this study were officer level employees of banking sector. Overall 423 questionnaires were distributed. 322 questionnaires were retrieved with the response rate of 76%; out of received 312 questionnaires were selected for final analyses, rest were not complete.

Validity of scale and reliability of data

This study used the scale of 21 statements. This scale is developed with the help of previous articles published in the same area of research. Validity of the scale is checked with the help of factor loading. Factor loading of all 21 items included in the instrument was more than 0.50. Reliability of data is being checked with the help Cronbach alpha. SPSS 16 is making use for performing the test. Data is reliable if the value of crown batch alpha is more than 0.50 [32]. Cronbach alpha of all the instruments is more than 0.631 which indicates that data is more reliable and is used for further analysis.

Table No1

Item Statement	Factor Loading	Cronbach Alpha
POS1	1.000	0. .613
POS 2	1.112	
POS 3	1.118	
EE1	1.000	
EE2	1.094	
EE3	1.141	
EE4	1.054	
EE5	.938	
EE6	.999	
EE7	1.000	
EE8	1.348	
EE9	1.444	
EE10	1.353	
EE11	1.427	
EE12	1.403	
EE13	1.000	
EE14	.957	
EE15	.953	
EE16	.883	
EE17	.909	
EE18	.979	

Tables No 3 describe the regression analyses about current study. The relationship and effect of independent variable on dependent variable is describe with the help of regression analysis.

Table No.3

	B	T	P
(Constant)	2.027	11.878	0.000
POS	0.321	9.550	0.000
R Square	0.417		
F	91.205		0.000
Durbin-Watson	1.900		

Dependent Variable: EE

EE= Employee Engagement

***Significant at the 0.01 level.

**Significant at the 0.05 level.

* Significant at the 0.10 level.

The value of R Square describes the extent of impact that independent variable have on dependent variables. This value is accepted when it is > 25%. P-value illustrates the actual level of relationship. In the regression analysis if the value of P is less than 0.05, 0.01 or 0.10, then the hypothesis is accepted. These are three levels for the acceptance of the hypothesis. The value of F describes the extent of relationship between dependent and independent variables. Greater the value of F, greater will be the association among variables. The value of β describes the level of impact of independent variable on dependent variables.

The above Tables No.3 shows the relationship of perceived organizational support (POS) with employee engagement. This gives the value of $\beta = 0.321$ and value of $p=0.00$ i.e. < 0.01 for relationship perceived organizational support (POS) with employee engagement. This demonstrates that perceived organizational support (POS) has significant impact on with employee engagement. It implies that perceived organizational support may cause 32.1 % variation in POS. This table also gives none zero values of t.

5-RESULTS AND DISCUSSION

Correlation Analysis

Table No2

	Perceived Organizational Support	Employee Engagement
Perceived Organizational Support	-	
Employee Engagement	0.477**	-

** Correlation is significant at the 0.01 level,

* Correlation is significant at the 0.05 level

Table 2 describes that correlation between perceived organizational support (POS) and employee engagement. Perceived organizational support (POS) and employee engagement are positively correlated with each others. There is strong correlation between perceived organizational support (POS) and employee engagement.

Regression Analysis

6-CONCLUSION

Finding of current research describes that perceived organizational support plays significant role in endorsing employee engagement in corporate sector. Especially this role is prominent in banking sector of Pakistan. Banking sector may increase the level of employee engagement by utilizing the concept of perceived organizational support in organizational systems and procedures. Current study presents verification to top level management in banking sector of Pakistan must raise the concept of perceived organizational support in all their systems and procedures. This can result in guarantee loyal and committed employees in banking sector and in a result employee turnover is reduced. Moreover, organizational efficiency and

productivity will be increased. In future researches, impact of important variables like perceived supervisor support, Job autonomy and job security on employee engagement can be checked for improvement of banking functions and process in banking sector of Pakistan.

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