

Impact of Perceived Organizational Support and Perceived Supervisor Support on In-Role and Extra Role Performance through Mediating Effect of Employee Engagement

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Summary

In general, it is believed that employee is a main part of any organization. Employees are the one who run the activities of the organization. For this reason, it is important to pay special attention to matters related to employees. In this study, we examine the role of organizational and supervisory support in examining the mediating effect of employee engagement and how they perceive the effect of an employee in-role and extra-role performance. The data were collected using simple random sampling and statistical software was analyzed using SPSS. For analysis, Correlation and regression were used to test the research hypothesis. For this Research, a study is conduct in banking sector of employees in Pakistan.

Key words:

Perceived organizational support; perceived supervisor support; employee engagement; performance (in-role performance, extra-role performance

1. Introduction

In contemporary business atmosphere, every organisation can be competitive by having best human resources (Cappelli & Singh, 1992) and to attain this competition, organisations need to support their employees (D. G. Allen, Shore, & Griffeth, 2003). Organisations can support their employees either directly or through supervisors but, direct support counts more in promoting employees' work-related outcomes (B. L. Taylor, DelCampo, & Blancero, 2009). When employees perceive support from their organisations, they respond it with improved job performance (Sommer et al., 1991). In Reference to this, for the concept of POS, Eisenberger et.al back in 1980's were of the view that the concept that organizations value their employees contributions and cares about the wellbeing of employees is considered as the POS (Eisenberger et al, 1986).

Association between POC, PSS and the mediating effect of employee engagement on performance is examined, in this research. Because leaders act as organizational agents

that focus on followers (R. Eisenberger & Adornetto, 1986)(Levinson, 1965), the supervisor's fair treatment of their employees ought to influence POS.

For this research a study will be conducted with the banking sector employees in Pakistan, to analyze interactive linked between the POS and Perceived supervisor support with the mediating influence of employee engagement on task and contextual performance In the banking sector, the main priorities of the bank to generate more revenue and Profit and competitive advantage over others and which get more customer satisfaction by increasing their equity. Reduced employee engagement affects customer relationships to reduce bank profit margins of banks. Consequently, the top priority of the bank is to keep hold on to their human resources particularly those who are adding more to attain the organizational goals.

The research will focus the following objectives.

- Major objective of this study is to investigate the relationship between the POS and performance (in-role and extra-role)
- To investigate relationship between PSS and performance (in-role and extra-role)
- To identify nature of relationship between POS and performance with mediating influence of employee engagement.
- To identify the nature of relationship between PSS and performance with mediating effect of employee engagement.

Further, purpose of this study is to identify the relationships between various variables. Findings from this study will help to understand the importance of POS and the understanding of POS support for its task.

The result of this study will also help the future researchers easily refer to and the supervisor support. Research will show how the banking employee will be motivated to improve their performance. The research will

be also helpful in develop knowledge for the future employer and the employee.

This study discusses the current scenario and expands current knowledge by expanding many current under research issues. The frontline bank employees have mostly face-to-face and Voice-to-voice communication with customers. They also usually manage and solve their problems. (Gibbs & Ashill, 2013). These workers can provide basic information to decision makers about changing customer's needs and expectations (Menguc, Auh, Fisher, & Haddad, 2013). In some circumstances, it is difficult to retain Frontline bank employees. Such employees are engaged in their work and they usually display quality performance in the organization. Employees who are actively disengaged in their work; they will results in lost productivity per year (Karatepe & Aga, 2016).

2. Literature Review

2.1. Perceived Organizational Support

POS is an important source of surprise every day within the boundaries of today's business world, especially in the service sector.(Kalidass & Bahron, 2015). Some authors (Scott, Zagenczyk, Schippers, Purvis, & Cruz, 2014) state that Perceived organizational support as an employee's perception that the organization values his or her involvement in the work and organization cares the employee's wellbeing (Ahmad, Iqbal, Javed, & Hamad, 2014).

POS also has an effect on employee in role performance. Because they think that employees will do better effort for their improvement, provided they have the expected support of the organization. The relationship between employee in-role performance and POS has been also found in the literature.

Hypothesis 1: Perceived Organizational Support is positively related with in-role and extra-role performance.

2.2. Perceived Supervisor Support and job performance

In general, supervisory support has been assessed by the degree to which supervisors perceived their concern, encouragement and support (Babin & Boles, 1996)(Burke, Greenglass, & Schwarzer, 1996)..

The Supervisor can show a significant role when the behavior of employees' and attitude affecting towards the company which results in increasing the performance of the organization.

Hypothesis 2: PSS is positively related with employee extra-role performance and in-role performance.

2.3. Employee Engagement

To address new technological, demographic and marketplace realities an organization need to find innovative ways that is accelerated by the global economy. These changes have also regulated companies to reevaluate their costs associated with talent, and creating a need to do more with less. While new strategies are performed for these changes, so that high work-force performance and the organizational success should be maintained in organizations.

In the past, scholars found that the existence of engagement playing role as mediator, for example the scholars (Alfes, Truss, Soane, Rees, & Gatenby, 2013) explore that employee will enhance their level of engagement and satisfaction with their citizenship attitude and behavior ,human resource management practices. The author tells us the engagement partially played as mediator the relationship between employee behavioral outcome (OCB) and HRM practices.

Hypothesis 3: Employee engagement mediates the relationship between POS, PSS and in-role performance and extra-role performance.

2.4. Performance

The major aim of this study is to have knowledge about the roles of POS, PSS and the engagement in the relationship with employee's performance. For this reason, the performance is stated as the organizational value of the overall behavior of an employee who directly or indirectly contributes to the organization (Campbell et al., 1990). Employee performance can be defined task and contextual performance.

The task performance which is also known as in-role it refers to behaviors for official roles, including the duties and the responsibilities assigned to the individual employee, such as specified in the job description (Schappe, 1998). The in-role performance, with direct involvement of employees in the organization that are relevant to their individual tasks and productivity. Beside this, extra-role performance is the result of employee involvement with the organization but not described in their job description.

Employees' demographics like gender, age, level of the educational, and the tenure have been found to be associated to employee engagement (Mathieu & Zajac, 1990). Therefore based on previous studies, in this study employee's gender, age, tenure, and educational level are controlled for to avoid alternative explanations for the relationship between POS and employee engagement.

According to (J. P. Meyer, Stanley, Herscovitch, & Topolnytsky, 2002) meta-analysis shows that employee's gender, age, educational level and tenure are widely used demographics variables.

3. Theoretical Background

3.1. Organizational Support Theory

Eisenberger and other researchers indicate that the link between employees and organizations was first familiarized with the theory of Organizational support (Y. Luo, Huang, & Wang, 2012). According to the theory of POS growth Organizational support, people learn to give each organization features are renovated by employees (R. Eisenberger, Jones, Aselage, & Sucharski, 2004). The theory of Organizational support believes to meet the emotional and social needs of organizing the organization to encourage its work effort.

3.2. Theory of Social Exchange

“Social exchange theory” asserts that a chain of interactions among parties generates obligations between these parties (Emerson, 1976) and these interactions and counterpart's actions are usually interdependent (Blau, 1964). As a result of shared and concurrent exchanges, social exchange relationships generate a pattern of reciprocal responsibility among the involved parties (Blau, 1964). When employers take care of the demands of their employees, a kind of social exchange relationship is created because in turn, employees reciprocate through their positive attitudes and effective work behavior (Cropanzano & Mitchell, 2005).

4. Research Framework and Hypothesis

4.1 Research Hypothesis

The block diagram of research hypothesis is shown in Figure 1.

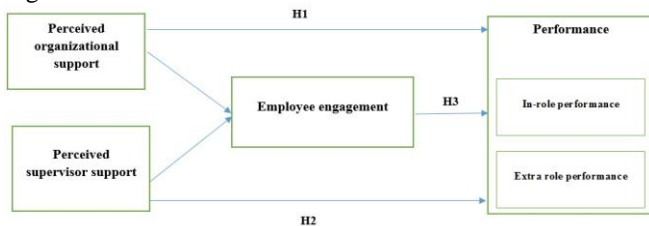


Fig. 1 Research Framework

H1: POS has significantly positive impact on In-role and extra-role performance.

H2: PSS has significantly positive impact on In-role performance and extra-role performance.

H3: Employee engagement mediates the relation between POS, PSS and In-role and extra-role performance.

4.2. Reliability Analysis

The reliability certifies that “results obtained from the research should be consistent if the measurement is repeated” (Suter, 2006). It is one and only, important pillars of the research process. When an experiment, a test or method gives the same results consistently, known as Reliability of that process (Carmines & Zeller, 1979). For determining the reliability of an instrument, (Cronbach & Warrington, 1951) developed a method. The SPSS version 20 is used for checking the reliability through Cronbach’s Alpha test. “Cronbach’s alpha value of 0.70 or above is normally considered suitable and scale with this value and greater is considered reliable. However, (Churchill Jr, 1979) suggests that a Cronbach’s alpha value of 0.6 is acceptable. The Cronbach Alpha value for each variable is given in the Table 1.

Table 1: Cronbach Alpha value for dimensions measured in instrument

No.	Dimension	No. of Items	Cronbach Alpha (α)
1	Perceived organizational support	8	.831
2	Perceived supervisor support	3	.791
3	Employee Engagement	5	.706
4	In-role Performance	8	.691
5	Extra-role performance	7	.710

A Cronbach alpha value of overall instruments is also given in Table 2, which is also above .7 and shows that the scale is reliable.

Table 2: Reliability of Instrument

Reliability Statistics		
“Cronbach's Alpha”	“Cronbach's Alpha Based on Standardized Items”	“N of Items”
.766	.782	31

5. Correlation Analysis

The correlation measures the sign and magnitude of relationship between two variables. The sign shows the direction of relationship and magnitude of coefficient shows the strength of relationship between two variables. The value of the correlation coefficients is always between 0 to 1. A correlation value from 0.80 to 0.1 indicates the strong relation, from 0.50 to 0.79 indicate moderate and from less than 0.50 indicate weak relationship between the variable. If coefficient of correlation is positive it indicates

both variable (A and B) increase and decrease together. If coefficient of correlation is negative then variable move in opposite direction. For analyzing the correlation among variable included in the study, the Pearson’s correlation is used. Along with five variables; perceived organizational support, perceived supervisor support (independent variable), employee engagement (mediating variable), In-role and Extra- role performance (dependent variable).

Table 3: Pearson’s correlation analysis

	EE	POS	PSS	ERP	IRP
EE	1	.532**	.652**	.739**	.546**
POS		1	.202*	.359**	.416**
PSS			1	.467**	.397**
ERP				1	.216
IRP					1

Note: *p<0.05, **p<0.01, ***p<0.001, ERP-extra role performance, IRP-in-role performance, POS-perceived organizational support ,PSS-perceived supervisor support, EE-employee engagement

There is significant positive correlation between perceived organizational support (POS) and employee engagement (EE) or perceived supervisor support (PSS) and employee engagement (EE). The significance value in both cases is more than 50%, which shows magnitude of relationship is moderate. As the relationship is positive, therefore it could be stated that perceived organizational support (POS) and perceived supervisor support (PSS) has the capability to enhance level of employee engagement in employees. The value of perceived supervisor support (PSS) is greater than the value of perceived organizational support (POS), which indicate PSS enhance the level of employee engagement more than the POS enhance.

The relationship of EE with independent variables (ERP and IRP) is moderate and positive. This positive and moderate relationship shows that employee engagement increase both type of organization performance. The higher value of ERP/EE (0.739) than IRPS/EE (0.546) indicates EE enhance the ERP performance more than it enhance IRP performance.

6. Standardized Estimates

The cut point for items were restricted at 0.3, Table 4 shows that all of the standardized estimates are above 0.3 depicting that all of the items will be retained in the study.

Table 4: Standardized Estimates

No.	Variables/D imension	Items	Standardized Estimates	Item Retained
1	Perceived organization al support	POS1	0.526	✓
2		POS2	0.666	✓
3		POS3	0.239	×
4		POS4	0.702	✓
5		POS5	0.768	✓
6		POS6	0.656	✓
7		POS7	0.346	✓
8		POS8	0.206	×
9	Perceived supervisor support	PSS1	0.536	✓
10		PSS2	.751	✓
11		PSS3	.859	✓
12	Employee Engagement	EE1	.433	✓
13		EE2	.547	✓
14		EE4	.522	✓
15		EE5	.395	✓
16		EE6	.597	✓
17		Extra-role performance	ERP1	.753
18	ERP2		.216	×
19	ERP3		.216	×
20	ERP4		.428	✓
21	ERP5		.923	✓
22	ERP6		.624	✓
23	ERP7		.310	✓
24	In-role performance	IRP1	.708	✓
25		IRP2	.641	✓
26		IRP3	.599	✓
27		IRP4	.465	✓
28		IRP5	.532	✓
29		IRP6	.527	✓
30		IRP7	.246	×
31		IRP8	.295	×

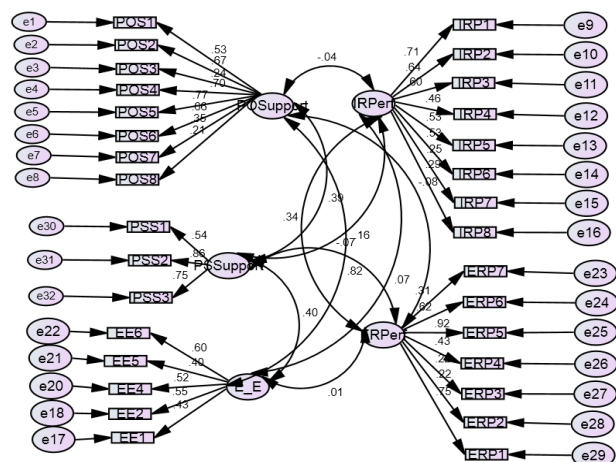


Fig. 2 CFA Output

Table 5: Model Summary and Coefficients

Dependent Variable	Independent Variable	Estimate	SE	Critical Ratio	p-value	Result
In-Role Performance	Perceived Organizational Support	1.832	1.325	1.510	0.000	Accepted
Extra-Role Performance	Perceived Organizational Support	1.593	1.685	1.615	0.000	Accepted
In-Role Performance	Perceived Supervisor Support	0.258	.105	1.489	0.000	Accepted
Extra-Role Performance	Perceived Supervisor Support	.038	.150	-2.242	0.000	Accepted
Employee Engagement	Perceived Organizational Support	.961	.120	3.984	0.010	Accepted
Employee Engagement	Perceived Supervisor Support	.006	.024	.065	.014	Accepted
Employee Engagement as Mediator						
In-Role Performance	Employee Engagement	1.731	2.740	1.389	.002	Accepted
Extra-Role Performance	Employee Engagement	1.562	3.529	1.523	.001	Accepted

7. Estimates

Findings of Table 5 show the direct relationships of Perceived organizational and supervisor support and In-role and Extra-role performance with employee engagement. Results shows that the direct relationship of Perceived organizational and supervisor support and In-role and Extra-role performance with employee engagement of significant (p-value<0.05).

Results in Table 5 of structural equation modeling (SEM) shows that perceived organizational support has a significant positive impact on In-role and Extra-role performance with a p-value of 0.00 which is less than alpha (0.05) Similarly, the perceived supervisor support

has a significant positive impact on In-role and Extra-role performance with a p-value of 0.00 which is less than alpha (0.05). Beta value for direct relation of perceived organizational support with employee engagement is 0.010, which shows a strong impact of POS on employee engagement. Beta value for direct relation of perceived supervisor support with employee engagement is 0.014 which shows the impact of PSS on employee engagement. Similarly, with task and contextual performance, the direct relationship of employee engagement is positively significant (p-value<0.10).

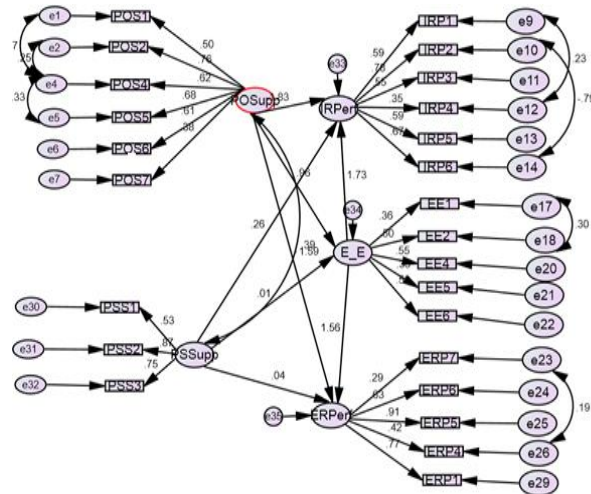


Fig. 3 Path diagrams for Hypothesized Model

8. Findings

H1: Results reveal that the Perceived organizational support has a significant positive relationship with the In-role and Extra-role performance with the value of 1.832 and 1.593 at 5% level of significance. This means that with the increase in perceived organizational support, In-role and Extra- role performance become also increases. This finding leads to the acceptance of the hypothesis H1. This shows that the Perceived organizational support greatly impacts the In-role and Extra-role performance.

H2: Results reveal that the Perceived supervisor support has a significant positive relationship with the In-role and Extra-role performance with the value of 0.258 and 0.38 at 5% level of significance. This means that with the increase in perceived supervisor support, then In-role and Extra- role performance increases. This finding leads to the acceptance of the hypothesis H2. This shows that the Perceived supervisor support greatly impacts the In-role and Extra-role performance.

H3: Employee Engagement significantly mediates the relationship between the perceived organizational and supervisor support and the In-role and Extra-role

performance with the value of 1.731, 1.562 at 5% level of significance. This leads to the acceptance of the research hypothesis H3. This is another important finding that reveals that the performance can be achieved through POS and PSS in the presence of employee engagement (as a mediator).

9. Discussions

This study is supported by the results significantly for the proposed model. In our present research work, POS, PSS and performance of workers indicated that the nature between hypothesis and the end result is positive and significant (Shanock & Eisenberger, 2006), (B.-K. Joo, McLean, & Yang, 2013) pointed out that if the organization is giving due support to its employees by encouraging their perceived satisfaction will enhance their performance and plus they will feel engaged in the organization. While, PSS remains connected to workers performance positively. Whereas, this result does not stand out as it has been supported by previous studies by (Gagnon & Michael, 2004) hence owing to such conditions PSS holds essential position for individual and the company. Taking above into account, both hypotheses are accepted which bolster the idea that company and its support play vital role in enhancing the sense of belonging among the workers which increase the performance ultimately of the employees.

Engagement of the employees has been found very essential mediator in previous studies which suggests that working with the Independent Variable it will impact positively on the level of employees' performance (Karatepe & Vatankhah, 2014). In current research work, it was emerged that there is a significant positive relationship between PSS and performance directly, but when the mediator was introduced then the relationship became insignificant. Explaining this reason behind this relationship, it can be assumed engagement and POS may be applied to employees rather than PSS for enhancing the in-role performance. In literature review PSS has been found as a forerunner to POS (Rhoades & Eisenberger, 2002) thus, company applying POS warrants supportive supervisory behavior too. This current work endorses that in-role and extra-role performances of the employees may be increased if the engagement of the workers and adequate support from the company are extended, if the PSS is guaranteed through POS. While, there is no need to consider PSS detached from POS.

10. Limitation

Perhaps the core limitation of this research work remains those two variables of engagement and performance of workers with in-role and extra-role. Taking developing

country into consideration, there could be many other factors which can appreciate the employee performance such as; job security, compensation and workplace safety etc. This study did not took the work related variables causing any impact on worker's performance into consideration. As a result, researchers and practitioners may take a longitudinal research to see the level of performance of workers in any banking sector. In future, research may include a respondent through an organization or individual who can assess the performance for the advancement of workers.

11. Conclusion

This research, ultimately, builds connection between POS and PSS role, which help explain the workers engagement in corporate sector. Principally it is already prevalent in Pakistani banking sector. Employee engagement may be enhanced in banking sector by introducing the idea of POS and PSS. Through this, banking sector can create trustworthiness and devotion among its workers, which ultimately will transcend into the employees for not turning to switch over. Furthermore, it will help increase efficiency and productivity of the given organization. While, future research may look into the factors like job security and job autonomy of employee engagement. This will ultimately make the improved impact on banking functions and processes in Pakistan.

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