

# The Impacts of Perceived Organizational Support to Organizational commitment and Psychological Well Being in Contractual Employees

Hartono Tri Putranto<sup>1\*</sup>, Achmad Sudjadi<sup>2</sup>, Adi Indrayanto<sup>3</sup>

<sup>1</sup> Faculty of Economics and Business, Jenderal Soedirman University

<sup>2</sup> Faculty of Economics and Business, Jenderal Soedirman University

<sup>3</sup> Faculty of Economics and Business, Jenderal Soedirman University

**Abstract.** The purpose of this study is to examine the findings of previous research on perceived organizational support that is associated with organizational commitment and psychological well being on contractual employees. Respondents were taken using the purposive sampling method. This research inspired by organizational support to their contractual employee to fight job stressors. Previous research on perceived organizational support (POS) has found a moderating role of organizational commitment (OC) in the relationship with psychological well being (PWB). Research Examined the role of perceived organizational support and component of organizational commitment (affective, normative and continuous) to the psychological well being using structural equation model and partial least square method. This study uses the organizational commitment as a moderating variable (Z) and makes the perceived organizational support as the independent variable (X). While psychological well being as the dependent variable (Y). This research found that perceived organizational support have significant effect to affective commitment and normative commitment but not significant to continuous commitment. This study found a rejection of the hypothesis about the positive relationship between organizational commitment (affective commitment, normative commitment and continuous commitment) and psychological well being, as well as direct relationship between perceived organizational support and psychological well being.

**Keywords:** POS, organizational commitment, psychological well being, contractual worker.

## 1. INTRODUCTION

Many previous studies about the relationship of organizational change and their aspects that affected. However, this research tries to pick aspects of the support given by the organization to its employees mainly contract workers. Outsourcing is a form of employment relationships are included in the category of precarious work, the term normally used internationally to indicate the situation precarious employment relationships, time, work loose, no guarantee / insecure and uncertain (Herawati, 2010). It is of interest to researchers because contractual employees is largely tied to the organization in the short term so they are less of organizational engagement.

In order to achieve their objectives, management should help employees to prepare mentally for the change (Furst and Cable, 2008). According to the theory of the organization, the organization can give awards to employees for work that has been done and will also consider their socio-emotional needs (Rhoades and Eisenberger, 2002). Organizational support theory also emphasizes the psychological process that is the basic formation of perceived organizational support (Rhoades and Eisenberger, 2002). According to the conservation of resources theory (Hobfoll, 1989, 2001), individuals will gather the resources they can apply to address challenges and threats. They may accumulate personal resources (such as the positive psychological capital) and other resources such as organizations support (Hobfoll & Vaux, 1993). Therefore, Previous research has shown that POS is defined as employees' general beliefs "concerning the extent to which the organization values their contributions and cares about their well-being" (Eisenberger, Huntington, Hutchison, and Sowa, 1986) has a positive effect on well-being (Rhoades & Eisenberger, 2002; Stamper & Johlke

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\* Email Address: hartono3putranto@gmail.com

2003). Meanwhile, in another study explained that organizational commitment related to the employees' well being (Meyer, Stanley, Herscovitch, and Topolnytsky, 2002).

Relations POS and organizational commitment has been conceptualized in the theory of social exchange (Blau, 1964). So, POS is thought to represent employees' belief that the organization is willing to reward them for the effort made on its behalf (Rhoades et al., 2002). Which in turn will encourage employees to give their best to the organization as a reflection of the commitment of the organization (Gouldner, 1960).

## **2. THEORETICAL FRAMEWORK AND METHODS**

### **2.1 Perceived Organizational Support (POS)**

Perceived organizational support is defined as employees' general beliefs "concerning the extent to which the organization values their contributions and cares about their well-being" (Eisenberger, Huntington, Hutchison, and Sowa, 1986). Prior research shows that workers will feel the support of his organization when benefits granted seen to be fair, have a voice in decision-making and at the sight of their employer was supportive work they do (Rhoades et al, 2001).

Eisenberger (2002) states that support for employees consist of material (in the form of salary, bonuses, remuneration) and the moral and educational support such as training and fair treatment. Support these organizations make employee perceptions affect the interpretation of the employee to the support of his organization (Eisenberger, Huntington, Hutchison, and Sowa, 1986). When organizations provide positive treatment and support for employees, in addition to improving organizational commitment, employee perceptions and negative feelings toward the organization will also be reduced. Organizations that support employees also cause feelings of need for additional roles such as helping others (Rhoades and Eisenberger, 2002). Organizational commitment is one of the consequences of POS. When employees receive support, values, and concerns of the organization, the employees themselves will grow a sense of emotional attachment to the organization (Rhoades and Eisenberger, 2002). Meyer and Allen (1997) states that employees have the organizational commitment will work with dedication to accomplish organizational goals.

This study uses the construct proposed by Rhoades and Eisenberger (2002), which makes three-dimensional of Perceived Organizational Support (POS), namely fairness, supervisory support, and organizational rewards and job conditions.

### **2.2. Organizational Commitment (OC)**

Organizational commitment is defined as the degree to which an employee identifies an organization, goals and hopes to remain as part of the organization (Rhoades et al, 2001). Allen and Meyer (1992). OC as a psychological construct which is characteristic of members of the organization relationship with the organization and has implications for an individual's decision to continue its membership in the organization. Allen and Meyer split this construct into three, namely commitment affective commitment, continuous commitment and normative commitment. This variable was measured using 8 item affective commitment scale of organizational commitment questionnaire developed by Allen and Meyer (1990).

Allen and Meyer (1990) defines the affective commitment as to the degree of an individual Which psychologically tied to the organization that hired through feelings like loyalty, affection, as agreed

to organizational goals. Meyer and Allen (1997) also defines the affective commitment as an employee's emotional attachment to the organization, employee identification with the organization and employee involvement in a particular organization, where employees are settled in the organization because employees want it. Affective commitment as the relationship between the employee and the organization which makes the employee does not leave the organization because it is based on emotional attachment to the organization. In addition, AC has been reported to mediate the relation of POS (Meyer et al., 2002).

Normative commitment is defined as a feeling of moral obligation to continue the work. Internalization normative values on duty and obligation to make a mandatory individual to maintain membership in the organization. Employees with normative commitment feel that employees should remain in the organization Meyer and Allen (1991). In terms of the normative dimension, employees endured having to do or because it is the right thing to do. Meyer and Allen (1991) argues that this moral obligation arise through the process of socialization within the community or organization. Both cases are based on the norms of reciprocity, in other words if the employee receives benefits, it would place the employee or organization under a moral obligation to respond in kindness.

The last dimension of a three-dimensional model of organizational commitment is an continuous commitment. Continuous commitment is defined as the awareness of members of the organization would be a loss if left the organization. featuring simple but consistent negative relationship with the POS (eg, Meyer et al., 2002; Rhoades et al., 2002) .. Members of the organization with an continuouscommitment that will continue to be members in the organization because people have a need to be a member of that organization ( Meyer and Allen, 1997). Allen and Meyer (1990) argue that as the length of time an employee serving in an organization, these employees accumulate investment (eg, time, effort, good relations with co-workers and specific skills that are not easily transferable or can not be used in other organizations), so the longer it will further harm if the employee decides to leave the organization.

Hypothesis 1: POS positive impact on affective commitment

Hypothesis 2: POS adversely affect our continous commitment

Hypothesis 3: POS positive impact on normative commitment

This study uses the construct of organizational commitment as expressed by Meyer and Allen (1997).

### 2.3. Psychological Well-Being (PWB)

Diener et al. (1999) looked at subjective well as a broad category of phenomena that includes community response, emotional satisfaction, domain, and global assessment of life satisfaction. In this conceptualization, well-being characterized by an emotional component, ie, pleasant affect and lack of unpleasant affect, and cognitive components, namely, life satisfaction, and domain (for example, a job) satisfaction (Diener, Oishi, and Lucas, 2003). Ryff (1995) defines psychological well-being as a situation where one could have a positive attitude to himself as well as others, can make a decision, make the environment can be run in accordance with their needs, have a purpose in life so that life becomes more meaningful, and also sought develop themselves. Relatively few studies have explored the links between CC and well-being, but findings generally suggest a negative relationship between these two variables: positive correlations have been found between CC and emotional exhaustion (Panaccio & Vandenberghe, 2009)

Hypothesis 4: Affective commitment positive impacts on PWB

Hypothesis 5: Continuous commitment negative impact on the PWB

Hypothesis 6: Normative commitment positive impacts on PWB

Constructs of PWB in this study refers to the PWB expressed in 6 aspects (Ryff, 1995) Self acceptance, Positive relations with others, Autonomy, Environmental Mastery, Purpose of life and personal growth. Studies have consistently shown profit organizations have a workforce that feels supported. In particular, POS found to be positively related to favorable employee attitudes (eg job performance) and negatively associated with destructive attitudes and negative behaviors in the workplace for example, the desire to move (Eisenberger and Stinglhamber, 2011). High POS have positive effect for employees in terms of subjective well-being both inside and outside of work. Thus, POS has been found to be associated with higher levels of job satisfaction (Caesens and Stinglhamber 2014),

COR theory states that individuals will gather the resources they can apply to address challenges and threats. They may accumulate personal resources (such as the Positive Psychological Capital) and other resources such as support organizations (Hobfoll & Vaux, 1993). Therefore, the POS is closely related to psychological well being.

Hypothesis 7: POS positive impacts on PWB

#### 2.4 Methodology

This study uses a quantitative approach. The study population was all contract employees in the representative office of Bank Indonesia Purwokerto as many as 67 people. Respondents of this study were taken by sampling using purposive sampling method. Respondents are contract employees with tenure of more than one year and are directly involved in the task and service to stakeholders as many as 36 people. Retrieving data using questionnaires distributed directly to the respondents.

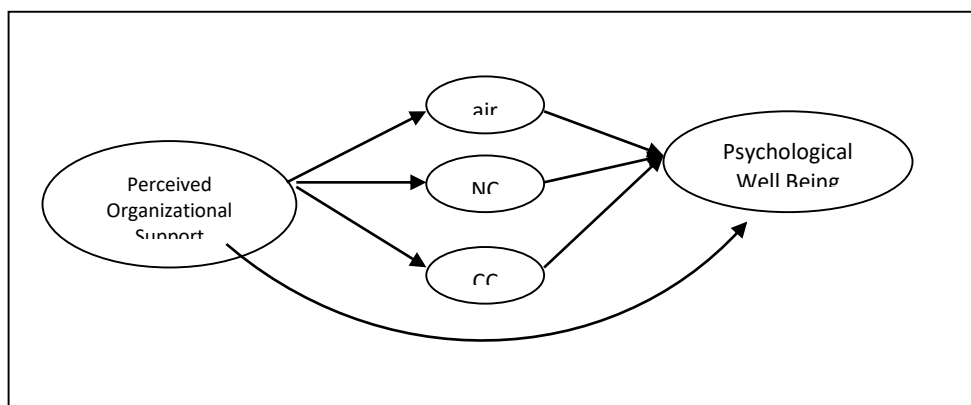


Figure 1: Research Model.

Data analysis techniques in this study using SEM (Structural Equation Model) with PLS method (Partial Least Square) with the help of the SmartPLS 3.0 software student version. Tests conducted in the research is to test the model outer and inner models. Outer own models do transform and test the construct validity and reliability of the instrument while the inner models done by looking at the value of R2.

### 3. RESULT AND DISCUSSION

#### 3.1. SEM Analysis

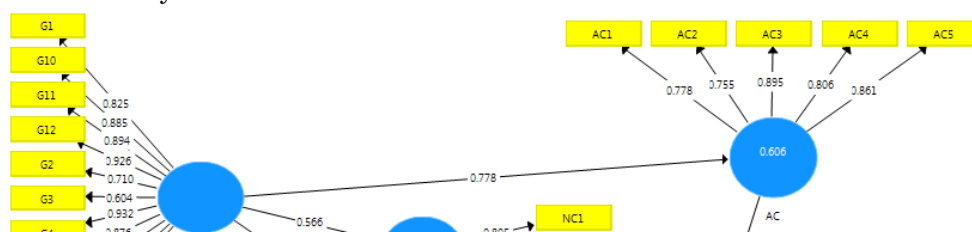


Figure 2: SEM - output analysis smartPLS

4.

All scales used in the study have been tested for validity and reliability by looking at composite reliability values, average variance extracted (AVE) and Cronbach's alpha shown in table 1

5.

Table 1. Construct Validity and reliability

variable	Cronbach's Alpha	composite reliability	Average Variance ext.
AC	.881	0.911	.673
CC	0.927	.942	0.764
NC	0.831	0.899	.749
POST	0.961	0.967	0,729
PWB	0.908	.924	0,532

Questionnaires considered valid if the value of  $RD > 0.5$  and discriminant validity, construct a value of loading at the destination must be greater than the value of the loading with the other constructs. Data is said to be reliable if it has a composite reliability of  $> 0.7$  and Cronbach's alpha values  $> 0.6$ .

R-square value is used to determine how much influence the independent variable on the dependent variable. From the above table, POS affect the AC of 60.6%, so the model is considered good in describing this effect. R-square value of CC is only 0.2%, so this model is considered weak in describing the relationship POS and CC. R-square value in NC by 32% so that the model is considered quite good in describing the relationship POS and NC. Sedangkan value of 23.3% on the PWB shows this model is considered weak in describing the relationship POS and CC.

Table 2. Discriminant Validity

	AC	CC	NC	POST	PWB
AC	0.821				
CC	-0.106	0.874			
NC	0.513	.560	0.865		
POST	.778	0,040	.566	0.854	
PWB	0.277	0.262	0.454	0.373	0,729

Table 3. R square

variables	R square
Affective commitment	0.606

Continous commitment	0,002
Normative commitment	0.320
Psychological well being	0.233

Table 4. Hypothesis test / Path Coefficient

	<i>Original Sample (O)</i>	<i>T Statistics (  O / STDEV  )</i>
AC => PWB	0.065	0,142
CC => PWB	0.074	0.236
NC => PWB	0,305	0.772
POS => AC	.778	14.361
POS => CC	0,040	0.133
POS => NC	.566	4,144
POS => PWB	.248	0.586

Using  $\alpha = 5\%$  and  $t = 1.96$ , the result is only the relationship between POS and AC as well as POS and NC which have significant value, while the relationship between the components of OC to PWB found to be insignificant. Similarly, the indirect relationship between POS and PWB through OC. Thus the first hypothesis which assumed POS positive impact on affective commitment is fulfilled. So is the third hypothesis which states POS positive impact on normative commitment. Positive relationships were observed between the POS and AC and NC are consistent with the social exchange perspective on the employment relationship (Blau, 1964). However, as predicted by the theory of conservation of resources (COR) (Hobfoll, 1989; Hobfoll & Freedy, 1993), POS not only to establish the basis for the exchange relationship, but also build resources trying to maintain employee (Panaccio & Vandenberghe, 2009). POS consistently emerged as a strong predictor of AC (eg, Meyer et al., 2002; Rhoades et al., 2002). This relationship is not surprising, because AC is conceptualized as a response to a positive work experience is considered as offered by the organization (Meyer, Irving, & Allen, 1998)

In this study, POS proved no significant effect on the continuity commitment. CC consists of two components, namely high sacrifice and lack of alternatives (Meyer et al., 2002; Rhoades et al., 2002). Respondents Status is a contractual worker so they are not worried about their future in the organization. They have thought of alternatives if their contract is not renewed.

OC is consist of affective commitment, continuous commitment and normative commitment to PWB does not appear in this study. Eisenberger (2001) was found positive or negative events suddenly or unexpectedly, it has an important symbolic value for employees, it may also cause an increase or decrease in POS among employees (Caesens & Stinglhamber, 2016). However, POS also assessed no significant effect directly to the PWB.

### 3.2. Limitation and future Reviews directions

This study is limited to contractual workers and only taken in one place and one time. In addition, using better measurement scale to further may improve the quality of the POS research results, especially related to the PWB. That research results can be more beneficial to the organization, we recommend that the subject of this study can be used for permanent employees.

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