A Study on the Relationship Between Perceived Organizational Support and Organizational Commitment Among Managerial Staff in Private Banks in Cochin

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Abstract: The existence of organizations without human resource is, undoubtedly, next to impossible. The very character and integrity of organizations, its drive towards achieving its goals in an efficient and effective manner as well as its continued existence, depends entirely on the people that encompass it. Retaining talented human resource is the key to continued and sustainable development. This clearly points out the importance of commitment from the part of the employees as well as the employer. The concept of Perceived Organizational Support (POS), thus, plays a very vital role. According to social exchange theory, "the exchange relationship between two parties often goes beyond pure economic exchange and entails social exchange". Likewise, Eisenberger et.al. (2001) argues that, "employer and employee exchange not only impersonal resources such as money, services, and information, but also socio - emotional resources like approval, respect, and support". The theory of POS refers to 'employees' perceptions about the degree to which the organization cares about their well-being and values their contribution, to describe the social exchange relationship between the organization and its employees' (Eisenberger et.al., 1986). The advocates of organizational support theory states that POS leads to the creation of positive impact on the attitudes and behaviors of the employees primarily because it creates a sense of obligation within the individuals to repay the organization (Eisenberger et al., 1986 and 1990). This feeling of obligation is the cornerstone of sustainable growth and development. Organizational commitment (OC) is said to be the psychological attachment of an employee to the organization. It decides whether an employee will remain with the organization or not. According to Brewer (1996), "organizational commitment is the loyalty and intention to stay with the organization, besides personal interest towards the employment". Mowday (1998) has acknowledged OC as an element which decided the attachment of an employee towards the organization. Banking sector offer good social status. But, work pressure is huge on banking professionals as business volume increases and with the increase in cadre. POS is considered to reduce the amount of stress experienced by the employees and will help decrease the number of unfavorable outcomes arising out of it. This study, thus, helps to understand the relationship between POS and OC among the managerial staff in the private banks in Cochin. Questionnaire was used to collect data. The questionnaire to measure POS was developed by Eisenberger et al. (1986) and the questionnaire to measure OC was developed by Meyer and Allen (1990). The sample size was calculated at a confidence level of 99% and a confidence interval of 10 from the population of 8000 (according to All Kerala Bank Employees Federation) and was found to be 163. However, response was collected from 200 samples using simple random sampling.

Keywords: Perceives organizational support, Organizational commitment, Banking sector, Organizational support theory, Social exchange relationship

I. INTRODUCTION

People are the vital elements of any organization. Both employer and employees have to work together for any organization to be successful. They are involved in an exchange relationship involving not just impersonal resources such as money, services, and information, but also socio-emotional resources such as approval, respect, and support (Eisenberger et al., 2001). This concept of social exchange relationship, leads to a healthier association between the employer and the employees. The support offered by the organization to the employees is an important factor that determines the level of commitment of the employees towards the organization, which in turn determines the success and sustainability of the organization.

Thus, the role of Perceived Organizational Support (POS) is commendable. According to Eisenberger et al., perceived organizational support (POS) refers to employees' perceptions about the degree to which the organization cares about their well-being and values their contribution, to describe the social exchange relationship between the organization and its employees.

In the social exchange relationship between employees and the employer, POS plays an indispensable part because, it implies what the organization has done for them, at least in the employees' belief. The concept of POS points out the fact that, when the organization values employee's cooperation and efforts and pays attention to their welfare, employees feel they are supported by the organization (Eisenberger, and Eder, 2008). This feeling of being supported by the organization is the driving force that makes the employees committed and engaged to their work and their organization. It also instils a sense of obligation in the employees towards their organization.

Organizational commitment is an employee's emotional attachment to the organization. It plays a tremendous role in determining whether a member will stay with the organization and work towards attaining the organizational goals. Organizational Commitment is concerned with the extent to which an employee identifies with the organization (Jalonen, et al., 2006 & Wagner, 2007). In the words of Miller (2003), "organizational commitment is a state in which an employee identifies with a particular organization and its goals, and wishes to maintain membership in the organization". Organizational commitment, in simple terms, is said to be an employee's affiliation with the organization. It is the willingness of an individual to dedicate efforts and loyalty to an organization.

The very feeling of being supported by the organization inculcates the feeling of commitment in the employees. Mowday (1998) considers organizational commitment as a factor which determines and supports the attachment of an employee with the organization. The concepts of POS and OC are, thus, very closely related. POS is said to influence employees' general reactions to their job, including job satisfaction (Çakar and Yıldız, 2009), job involvement (George and Brief, 1992) organizational commitment (Eisenberger, Fasolo and Lamastro-Davis, 1990) and intention to leave (Guzzo, Noonan, and Elron, 1994). A positive relationship between POS and OC is certainly very valuable to the organization.

Employees working in the banking sector are under constant pressure as they have to meet the demands and respond to the changes in the market. The support from the part of the banks is essential to reduce the level of stress experienced by the employees. This can, to a great extent, reduce the turnover and improve the motivation, commitment and efficiency of the employees. The present study focuses on understanding the relationship between POS and OC among the managerial employees in the private banks in Cochin.

A. Objective of the Study
To find the relationship between Perceived Organizational Support and Organizational Commitment among managerial staff in private banks in Cochin Region.

II. THEORETICAL FRAMEWORK AND HYPOTHESES

A. Perceived Organizational Support (POS)
Human resource forms the pillar of an organization. It is the loyalty, commitment and engagement from the part of the employees that will help in building a successful organization. According to the opinion of Eisenberger et.al (2002), when the organization values employee's cooperation and efforts and pays attention to their welfare, employees feel they are supported by the organization. This feeling elicits commitment and engagement form the part of the employees. Social exchange theory forms the basis of POS. It describes the exchange of impersonal as well as socio-emotional resources between the employer and the employee. Another significant concept associated with POS is the norm of reciprocity (Gouldner, 1960). Eisenberger et al (1986 & 1997) maintained that on the norm of reciprocity in social exchange, employees with higher levels of POS are more likely to repay the organization with positive attitudes and favorable work behaviors. This argument formed the basis for organizational support theory (Rhoades & Eisenberger, 2002). Organizational support theory holds that, POS can have a positive impact on employee attitudes and behaviors mainly because it creates a sense of obligation within the individuals to repay the organization (Eisenberger et al., 1986 & 1990).

Organizational support theory also holds that the development of POS is encouraged by employees' tendency to assign the organization humanlike characteristics (Eisenberger et al., 1986). This suggests that the employees view their favorable or unfavorable treatment as an indication that the organization favors or disfavors them. According to organizational support theory, three factors are considered to be the antecedents of POS. These include: - fairness, supervisor support and organizational rewards and job conditions. POS is supposed to create a felt obligation to care about the organization's welfare (Eisenberger, Armeli, Rexwinkel, Lynch, and Rhoades, 2001).

POS is considered as the most vital source of socio-emotional events as it leads to employees' engagement and commitment (Rhoades and Eisenberger, 2002). It also helps to build a healthier and more manageable culture as well as better environment. There are several favorable antecedents and consequences of POS. The antecedents include, fairness, supervisor support, and organizational rewards and job conditions, which are considered to be the general forms of perceived favorable treatment received from the organization which will, in turn, increase POS. The consequences as noted by various researches include, organizational commitment, engagement, satisfaction, reduced turnover and so on.

According to the literature available, the notable factors that affect POS were found to be:

1) *Organizational Work Culture:* It is a system of shared assumptions, values, and beliefs, which governs how people behave in organizations. All these have a direct impact on the way people behave and perform their jobs, as well as, how they dress. The culture of one organization differs from the other. Each one has a unique culture that is developed form the philosophy of the founders and various other factors. It, basically, glues employees together and defines boundaries for the behavior of the members of the organization.

2) *Career Development:* The opportunities provided by an organization for career growth is an important factor that determines the attractiveness of an organization. Providing career growth paths is a measure of how much the organization supports and values its human resource. Offering suitable and adequate career development programs helps attract and sustain good talent within the organization. Apart from this fact, it also helps to maximize the skills and efficiency of the human resources the organization has.

3) *Procedural Justice:* According to Greenberg (1990), procedural justice is concerned with the fairness of the ways used to determine the distribution of resources among employees. It also helps to resolve disputes and allocate resources in an efficient and effective manner. Justice or fairness refers to the idea that an action or decision is morally right, which may be defined according to ethics, religion, fairness, equity, or law. Repeated instances of fairness in decisions concerning resource distribution is considered to have a strong cumulative effect on POS by indicating a concern for employees' welfare (Shore and Shore, 1995). The natural tendency of the people to be attentive to the justice of events and situations in their everyday lives, makes this an important element to be taken care of by the organizations (Tabibnia, Satpute, & Lieberman, 2008). An individual's perceptions of these decisions as fair or unfair can influence the individual's subsequent attitudes and behaviors. Thus, following fairness will help organizations to maintain employees with the right attitude and behavior.

4) *Leader-Member Exchange:* It is a relationship-based approach to leadership that focuses on the two-way relationship between leaders and followers. The theory suggests that the leaders should develop an exchange relationship with their subordinates, which determines the subordinates' responsibility, decisions, and access to resources and performance. This relationship is built on the pillars of trust and mutual respect. This will lead to a good working environment and will help in improving organizational effectiveness.

5) *Supervisor Support:* According to Kottke & Sharafinski (1988), employees develop general views concerning the degree to which supervisors value their contributions and care about their well-being (i.e., perceived supervisor support). Eisenberger et al (1986) has rightly pointed out that, as supervisors act as agents of the organization, having responsibility for directing and evaluating subordinates' performance, employees view their supervisor's favorable or unfavorable orientation toward them as indicative of the organization's support. It is the supervisor who informs the top management about the performance and evaluation of the employees and this further contributes to employees' association of supervisor support with POS.

B. Organizational Commitment

Commitment is not something that has to come only from the part of the employees. The employer must also be committed towards the employees. The concept has been vastly researched upon over years and has been found to be one of the most crucial elements of human resource management that ensures the successful performance of an organization. It is viewed as an organizational member's psychological attachment to the organization. This determines whether the individual will stay with the organization or not. "Organizational Commitment is a core predictor of employee's attitude to the organization and is a strong indicator of turnover behavior, withdrawal tendency and organizational citizenship behavior" (Mathieu and Zajac, 1990; Morrow, 1993; Sinclair and Wright, (2005).

Several researchers have defined the concept of organizational commitment. Porter (1974) is of the opinion that, "organizational commitment is the extent to which employees accept the goals and values of the organization and are desirous to remain in the organization".

It is the extent to which the employees identify with the goals and values of the organization and also their willingness to employ extra effort. According to Brewer (1996), "organizational commitment is the loyalty and intention to stay with the organization, besides personal interest towards the employment". It is considered to be the degree to which an employee portrays the feeling of loyalty to a particular organization (Mueller et al., 1992; Price, 1997). Mowday, Steers and Porter (1979) have given the most acceptable definition of OC as, "it is the relative strength of an individual's identification with and involvement in a particular organization".

There are researchers who have taken a different view of the concept. Becker (1960) and Alluto, Hrebiniak and Alonso (1973) have viewed the concept of organisational commitment from another persperctive, that is, the "side-bet" theory. The theory states that individuals strive to hold on to their employer so as to hold on to good positions. The stress and strain that they experience during the period doesn't matter to them. However, if they are given a better alternative, they will be ready to leave the organization. This theory is supported by Mowday, Porter and Steers (1982), stating that organizational commitment is a behavior.

Allen and Meyer, in the 90's, have proposed a three-component model of organizational commitment namely, affective commitment, continuance commitment and normative commitment. Affective commitment shows the degree a person is united with the organization. Employees stay with the organization because they want to. Continuous commitment describes needs of the individual to continue working for the organization based on perceived expenses related to turnover. It exists when employees stay with the organization because they need to. Normative commitment describes the degree that an employee believes he/she must be committed to the organization and might be affected by social norms. Normative commitment exists when employees stay with the organization because they feel they ought to (Meyer & Allen, 1997). Affective commitment results in better performance and more meaningful contributions, followed by normative.

C.   Relationship between POS and OC

The competitiveness of a firm depends on the competence of its human resource. For this, support from the part of the organization is very essential. The feeling of being valued and rewarded in the organization will make them more relaxed and satisfied and this will make them more emotionally committed towards their organization. Organizational commitment is identified as a factor which support the attachment of an employee with the organization (Mowday, 1998). POS has been assumed to influence employees' general reactions to their job, including job satisfaction (Çakar and Yıldız, 2009), job involvement (George and Brief, 1992) organizational commitment (Eisenberger, Fasolo and Lamastro-Davis, 1990) and intention to leave (Guzzo, Noonan, and Elron, 1994).

Organizational commitment is viewed as a social exchange between employers and employees in which employees draw inferences concerning their organizations' commitment towards them (perceived organizational support), which in turn will contribute to their commitment towards the organization (Eisenberger, Armeli, Rexwinkel, Lynn and Rhaodes , 2001). Previous studies conducted on POS and OC have found that there is a positive and statistically significant relationship between perceived organizational support (POS) and organizational commitment (OC) (Eisenberger et. Al, 1990; Eisenberger et al, 2001; Rhoades et al., 2001; Waynes et al, 1997; Whitener, 2001; Allen, 2001; Bishop, Scott and Burroughs, 2002; Setton, Benett and Liden, 1996; Loi,Hang-yue and Foley, 2006). Organizational commitment is one of the important consequences of POS. High perceived organizational support creates an obligation for employees. Employees with high perceived organizational support feel indebtedness to respond favorably to the organization in the form of positive job attitudes and organizational behaviors and also support organizational goals (Loi, Hang-Yue and Foley, 2006). Reciprocity and social exchange theory explains the relationship between perceived organizational support and organizational commitment. From the social exchange theory perspective, beliefs underlie employees' inferences concerning their organizations' commitment to them in turn contribute to the employees' commitment to their organizations. Employees contribute to the organization through affective commitment and show greater efforts at work (Eisenberger, Huntington, Hutchinson, and Sowa, 1986; Mowday, Porter and Steers, 1982; Rousseau, 1989). Perceived organizational support increases affective commitment by contributing to the satisfaction of the employees' socio-emotional needs such as esteem, approval and affiliation (Eisenberger, Huntington, Hutchinson, and Sowa, 1986; Fuller, Barnett, Hester and Relyea, 2003). Employees with higher levels of POS are likely to be more committed and possibly more willing to engage in extra role or "organizational citizenship" behaviors (Organ, 1988).

The social exchange theory (Blau, 1964) and organizational support theory (Eisenberger et al., 1986; Rhoades & Eisenberger, 2002) states that the norm of reciprocity applies to the employer-employee relationship. Specifically, employees respond to favorable treatment by the organization with feelings of obligation to care about the organization's welfare and to act in the organization's behalf, which, in turn, enhance positive work attitudes and behaviors. This indicates a strong and positive relation between POS and OC, and this proves to be very beneficial to the organization in all respect.

D. Limitation Of The Study

Few employees had a perception that, responding to such questionnaire would affect their image and reputation of the bank.

Hypothesis: - Perceived Organizational Support (POS) is positively related to Organizational Commitment (OC)

III. METHODOLOGY

The methodology suggests the systematic process followed by the researcher to study the relevant area. The theoretical background of research was established through a plethora of secondary sources. Then, the research questions were formed and finally the necessary data for conducting the empirical research was gathered. A 5-point Likert scale was used in this study, in which, 1 = ''strongly disagree'' and 5 = ''strongly agree''.

A. Sample

The total number of employees working in private banks at the managerial level in Cochin was considered as the population of the study. As it is not feasible to collect data from all, a sample survey was conducted. The population consists of the number of employees at the managerial cadre from private sector banks, in Cochin. Sample size is the number of elements obtained for the present study.

Sample size was calculated at a confidence level of 99% and a confidence interval of 10. The sample size was calculated to be 163, however the researcher could collect data from 200 samples. Simple random sampling technique was followed to collect data from the respondents.

It includes a subset of individuals chosen from a larger set. Each individual is chosen randomly and entirely by chance, such that each individual has the same probability of being chosen at any stage during the sampling process. It is an unbiased surveying technique. The final sample consists of 53.5% males and 46.5% females. 58.5% of the respondents had an experience of more than 6 years in the managerial cadre.

B. Data Collection Method

A structured questionnaire was used to collect data. The questionnaire to measure Perceived Organizational Support was developed by Eisenberger et al. (1986). The Cronbach's alpha for this scale was 0.894. The questionnaire to measure Organizational Commitment was developed by Meyer and Allen (1990). The Cronbach's alpha for this scale was 0.825. Both the scales can be considered to be highly reliable.

IV. RESULTS

A. Perceived Organizational Support

Allen et al. (2008) defined perceived organizational support as "how much the organization values employees' contributions and cares about them" (Allen et al., 2008). This belief of being supported by the organization helps the employees to remain content and, thus, resulting in favorable outcome for the organization.

Table No. 1 Showing Descriptive Statistics of POS

	Mean	Std. Deviation
POS	53.3500	9.06246

Source: Data Analysis

The mean value of 53.3500 indicates a fairly good level of perceived organizational support among the respondents. This means that the organization is showing concern and interest in the employees' matters. The organization also considers and values the contributions made by the employees and also gives attention to their needs. This very feeling of being supported by the organization because they are valuable to the organization will help them to remain attached with the organization.

B. Organizational Commitment

OC is considered as a "psychological bond that ties the employee to the organization". It is the intention to stay with the organization for a long period of time, demonstrating the feeling of dedication, the eagerness and enthusiasm to go the extra mile, all of which are an imperative for the realization of organizational goals.

Table No. 2 Showing Descriptive Statistics of OC

	Mean	Std. Deviation
OC	67.8000	9.95619

Source: Data Analysis

The above table shows a mean value of 67.8000, which is quiet high. The respondents are highly committed to their organization. Their sense of belongingness and attachment to their organization is high. Highly committed individuals are said to be loyal. Individuals can display this attachment and loyalty at a variety of levels- their job, profession, boss or organization. This desirable behavior helps the organization to achieve its goals in the most efficient and effective way.

C. *Correlation Between Perceived Organizational Support and Organizational Commitment*

In order to understand the relationship between POS and OC, correlation analysis was attempted.

Table No. 3 Showing the Correlation between POS and OC

	POS	Organizational Commitment
Pearson Correlation	1	.802[**]
Sig. (2-tailed)		.000
N	200	200
Pearson Correlation	.802[**]	1
Sig. (2-tailed)	.000	
N	200	200

Source: Data Analysis

From the above table, it is clear that the correlation between POS and Organizational is significant. Moreover, POS and OC are positively correlated. That is, as there is an increase in the Perceived Organizational Support, the Organizational Commitment of the employees also increases. This is because, the employees feel that, they should work more for the organization which values and supports them. When the organization satisfies all their needs, it naturally creates a sense of belongingness and attachment towards the organization. This, indeed, is very beneficial for the organization as it helps to improve the motivation, efficiency as well as helps to retain the employees within the organization.

V. CONCLUSION

The feeling of being valued and supported by the organization creates a sense of attachment towards the organization. The organizational support theory stresses on the role of reciprocity norm in employee–employer relationships. This exchange relationship develops a sense of commitment and loyalty on the part of the employees. POS also has a connection with almost all the HR concepts. Giving due importance to the concept of POS is the deciding factor of the extent to which the organization can be successful, not just in terms of money, but also in terms of the most important asset of any organization – the human resource. Organizational commitment can be developed only if the employees feel a sense of attachment towards the organization. Efficiency comes only with a proper blend of these concepts.

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