PERCEIVED ORGANIZATIONAL SUPPORT AS MEDIATOR IN THE RELATIONSHIP BETWEEN EFFECTIVE HUMAN RESOURCES PRACTICE AND EMPLOYEE ENGAGEMENT IN INDONESIA

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Abstract: The purpose of the study is to examine the impact of the effects of human resources practice (HRP) on employee engagement in Indonesia through the mediation of and perceived organizational support (POS). Recently, employee engagement has been a decline, and the organization has to take action to seek out what are the main factors that can help to stop the negative trend. Data collected using a questionnaire distributed to an individual who worked in private & public organizations in Bandung. It took 3 months to collect 350 responses. And from 250 valid participants, the study found that HRP and POS were a significant predictor of employee engagement. Employee whose perceived effective human resources practice and receive support from the organization, have stronger engagement. This study also found that POS mediate the relationship, which means that HR managers should be conducted in a way that provides convenience so that employees can perform better in their job. The limitation of the study is based on cross-sectional data and using self-reports for independent and dependent variables. The practical implication of the study is that since HRP and POS were found to influence engagement, this provides a model for management regarding important factors that can be enhanced to increase employee engagement. This study also provides a wider discussion regarding the impact of HRP and POS on engagement which still limited in a local domain. Future studies are suggested to cover more detailed participants from large organizations or certain industries to gather homogenous information regarding HRP, POS, and engagement. Besides, scholars could also implement deeper analysis using other statistical methods like Structural Equation Model. Lastly, future research can also examine other work behavior such as job satisfaction, organizational commitment, and leadership style which believed to have a great impact on engagement.

Keywords: employee engagement, human resource practice, perceived organizational support.

Employee engagement becomes more interesting for the organization to focus on. They realize the benefit of employing engaged individuals. Stiles (2018) argued that having employees who are constantly focused, motivated and passionate about their jobs presents companies with benefits such as increased profit and productivity, lower turnover, save costs, and increase organization image. Yet, the employee engagement level was decreasing. Hewitt (2017), shows the drop of engaged employees both in Global and Asia perspective with only 24 percent of all employees fall into the Highly Engaged category. Today managers face retention problems due to the increase of competition not only in business but also in the human resources field. They compete to hire the best individual. It is important to well-managed current employees to prevent exodus.

Indonesia also faced the same problems. Anwar (2017) reported that only 25% of the millennial worker was engaged. Furthermore, a survey that used participants from a big city in Indonesia reveals that there were 9% of millennials who were not engaged at all. The organization needs to act fast to improve the situation. The importance of employee engagement supported by Shepell (2018) report. Employee engagement is the number one priority for human resources leaders. Scientific literature provides the basis for that view. Al-dalahmeh et al. (2018), Garg (2017), and Buil et al. (2018) found the relationship between employee engagement and performance, while Karatepe (2013) argue that engaged employee will increase customer satisfaction. It is no surprise that employee engagement has attracted scholarly interest.

Employee engagement can be affected by many factors. Affective commitment (Albrecht & Marty, 2017), job satisfaction (Espinoza-Parra et al., 2015), human resource practice (Aybas & Acar, 2017), perceived organizational support (Dai & Qin, 2016), leadership style (Asif et al., 2019, organizational justice (Saks, 2006), and trust (Ang et al., 2013). Our study examines the direct effect of HR practice on employee engagement and the indirect effect of POS in connecting the relationship. The objective of this study is to investigate employees from various organizations in Bandung perceive their current organization regarding the HR practice, organizational support, and employee engagement level. The current study also verifies the role of POS in mediating the causal relationship between HR practice and engagement. Our study using Indonesian culture will contribute because of it still rare when it came to HR practice, POS, and employee engagement. This will enrich the literature needed by further studies. Furthermore, the result will help the organization to cope with problems of enhancing employee engagement.

LITERATURE REVIEW

Human Resource Practice, Perceived Organizational Support, Employee Engagement

The organization has to properly manage its human assets. It is a very important asset yet, most difficult to predict. Snell & Bohlander (2013) explain human resource (HR) management as a process for managing employee talent and exert them to achieve company goals. HR practice is day to day and ongoing activities conducted by the human resources department to recruit and select best employees, provide appropriate training and development programs, managing performance appraisal, setting up strategic compensation, present career development options, and creating a supportive work environment. It is the main function of HR management, which responsible to do job analysis, designing jobs, recruitment, training and development, managing performance, implementing compensation policies, and establishing positive relationships with employees (Noe et al., 2011). HR practice should be aligned with organization strategy and goals. Human is the main assets and it is crucial to give a great amount of time and effort to take care of them. Managing those functions in a good manner will create a good and supportive workplace. Effective HR practice will have an impact on employee organizational commitment (Adresi & Darun, 2017), engagement (Aybas & Acar, 2017), perceived organizational support (Mayes et al., 2016), productivity (Jain & Premkumar, 2011), employee performance (Zhong et al., 2015).
Perceived Organizational Support as Mediator in the ...  

Perceived organizational support (POS) is a form of individual thoughts and feelings regarding the amount of support from the organization to do their job. POS reflects the extent to which employees believe their organization values their contributions and genuinely cares about their well-being (Kinicki & Fugate, 2016). POS work based on the norm of reciprocity, like if employees felt employer treat them favorably, they likely to reciprocate with hard work and higher performance. The important aspect is that they did it voluntarily. POS is an experience-based attribution concerning the benevolent or malevolent intent of the organization’s policies, norms, procedures, and actions as they affect employees (Eisenberger et al., 2001). POS is always associated with employees’ feelings about the recognition they receive from the organization. Recognition comes in various forms including attractive salary, respect for their rights, understanding their needs, creating a good environment, equality, justice, harassment policies, and respecting their contributions. Employees who feel strongly supported will develop positive perceptions. A meta-analysis study found there was a strong and moderate effect of POS on job satisfaction, involvement, organizational commitment, behavior, and organizational citizenship turnover (Ahmed & Nawaz, 2015). Kinicki & Fugate (2016) add the benefit of POS including organizational commitment, job satisfaction, organizational citizenship behavior, task performance, and lower turnover.

Engagement is individual emotional and cognitive motivation, a particularly focused, intense, persistent, and purposive effort toward the work-related goal (McShane & von Glinow, 2018). Having high engaged employees will certainly benefit the organization. Both authors confirm how to make employees more engaged on the minds of many business leaders because of evidence that it predicts employee and work unit performance (Karatepe, 2013; Anitha, 2013; Al-dalalmeh et al., 2018). HR must identify factors that can drive engagement. We searched 76 kinds of literature regarding employee engagement and found that POS, transformational leadership, HR practice, and job satisfaction as the strong predictors (Murthy, 2017; Kovjanic et al., 2013; HetalJani & Balyan, 2016; Ang et al., 2013). Variables which also affect employee engagement but less strong were affective commitment (Marescaux et al., 2013), work stress (Perko et al., 2016), and work-life balance policies (Haar et al., 2017).

HR Practice and Employee Engagement

Employees who feel they have sufficient resources to carry out their work will focus and engaged to complete the tasks. One important resource for employees is support regarding HR policies. Effective HR practice can affect employee engagement levels through the increase of their skills, clear career advancement, and a supportive work environment. Table 1 displays the previous literature which examined the relation of HR practice and employee engagement. We presented five kinds of literature from several countries which proved that the relationship was found in various backgrounds.

HR Practice & Perceived Organizational Support

HR practice is an important factor if we want to create a sense of support in the mind of employees (Lee & Chui, 2019). Based on the concept of reciprocal relationship, Gouldner (1960) explained
that if we treat others in a good way, then it can drive reciprocal action to return the favor. Employees will show attitude and behavior if they felt the effectiveness of HR practice. The nature of the reciprocal relationship will occur between at least two parties (Coprazano & Mitchell, 2005). One party provides the benefit, the other will return the favor and this happens in cycles. Below are the previous studies which support the positive relation between HR Practice and POS.

**Table 2  The Relation of HR Practice and POS**

<table>
<thead>
<tr>
<th>Authors</th>
<th>Year</th>
<th>Country</th>
<th>N</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Topuz &amp; Çağlayan</td>
<td>2019</td>
<td>Turkey</td>
<td>321</td>
<td>Positive</td>
</tr>
<tr>
<td>Tang et al</td>
<td>2006</td>
<td>Philippine</td>
<td>421</td>
<td>0.76</td>
</tr>
<tr>
<td>Kuvaas</td>
<td>2008</td>
<td>Norway</td>
<td>593</td>
<td>0.62</td>
</tr>
<tr>
<td>Pohl et al</td>
<td>2017</td>
<td>Belgium</td>
<td>331</td>
<td>0.544</td>
</tr>
<tr>
<td>Detnarkarin &amp; Rurkkhum</td>
<td>2019</td>
<td>Thailand</td>
<td>733</td>
<td>0.439</td>
</tr>
</tbody>
</table>

**Perceived Organizational Support and Employee Engagement**

We then propose that POS is positively related to employee engagement. Employees who perceive that organization is concerned about their well-being are more likely to reciprocate by increasing the positive psychological investment in the organization and their job. A sense of support from an organization can help the employee to achieve emotional satisfaction, self-esteem, and need for affiliation. Furthermore, Lee & Peccei (2007) corroborated that in turn will enhance employees’ level engagement. Here are some of the studies which also support the positive relationship between POS and employee engagement.

**Table 3 The Relation of POS and Employee Engagement**

<table>
<thead>
<tr>
<th>Authors</th>
<th>Year</th>
<th>Country</th>
<th>N</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dai &amp; Qin</td>
<td>2016</td>
<td>China</td>
<td>350</td>
<td>0.715</td>
</tr>
<tr>
<td>Chass &amp; Balu</td>
<td>2018</td>
<td>India</td>
<td>92</td>
<td>0.65</td>
</tr>
<tr>
<td>Shantz et al</td>
<td>2014</td>
<td>England</td>
<td>284</td>
<td>0.61</td>
</tr>
<tr>
<td>Zhong et al.</td>
<td>2015</td>
<td>China</td>
<td>605</td>
<td>0.45</td>
</tr>
<tr>
<td>Albrecht &amp; Marty</td>
<td>2017</td>
<td>Australia</td>
<td>623</td>
<td>0.44</td>
</tr>
</tbody>
</table>

Based on that literature review we propose four hypotheses as follows:

- **H₁**: HR Practice will have a significant and positive effect on POS.
- **H₂**: HR Practice will have a significant and positive effect on engagement.
- **H₃**: POS will have a significant and positive effect on engagement.
- **H₄**: POS will have a significant and positive mediation role in the relationship between HR Practice and engagement.

**Figure 1 Hypothesis Model**
METHOD
Participants
This research was carried out in the geographical region of Bandung, Indonesia. We collect the total participants of 250 through online surveys conducted from March – April 2019. Nonprobability sampling was used with the purposive approach. We chose participants with the only requirement that they worked for any organization regardless of how long they worked. We have quite a distribution regarding the age the younger participants tend to have more representation. From the educational background, it also not a surprise, high school and undergraduate dominate the distribution. And 126 participants worked between 1 – 3 years. Table 4 present the complete demographic profile of our participants which seems to reflect younger generations.

Table 4 Demographic characteristics

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Category</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>High School</td>
<td>102</td>
<td>40.8%</td>
</tr>
<tr>
<td></td>
<td>Diploma</td>
<td>34</td>
<td>13.6%</td>
</tr>
<tr>
<td></td>
<td>Under Graduate</td>
<td>109</td>
<td>43.6%</td>
</tr>
<tr>
<td></td>
<td>Post Graduate</td>
<td>5</td>
<td>2.0%</td>
</tr>
<tr>
<td></td>
<td>&lt; 1 years</td>
<td>35</td>
<td>14.0%</td>
</tr>
<tr>
<td></td>
<td>1 - 3 years</td>
<td>126</td>
<td>50.4%</td>
</tr>
<tr>
<td></td>
<td>&gt; 3 - 5 years</td>
<td>32</td>
<td>12.8%</td>
</tr>
<tr>
<td></td>
<td>&gt; 5 - 10 years</td>
<td>29</td>
<td>11.6%</td>
</tr>
<tr>
<td></td>
<td>&gt; 10 years</td>
<td>28</td>
<td>11.2%</td>
</tr>
<tr>
<td>Age</td>
<td>&lt; 25 years</td>
<td>73</td>
<td>29.2%</td>
</tr>
<tr>
<td></td>
<td>25 - 30 years</td>
<td>57</td>
<td>22.8%</td>
</tr>
<tr>
<td></td>
<td>&gt; 30 - 35 years</td>
<td>34</td>
<td>13.6%</td>
</tr>
<tr>
<td></td>
<td>&gt; 35 - 40 years</td>
<td>40</td>
<td>16.0%</td>
</tr>
<tr>
<td></td>
<td>&gt; 40 - 45 years</td>
<td>25</td>
<td>10.0%</td>
</tr>
<tr>
<td></td>
<td>&gt; 45 - 50 years</td>
<td>10</td>
<td>4.0%</td>
</tr>
<tr>
<td></td>
<td>&gt; 50 years</td>
<td>11</td>
<td>4.4%</td>
</tr>
<tr>
<td>Gender</td>
<td>Male</td>
<td>164</td>
<td>65.6%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>86</td>
<td>34.4%</td>
</tr>
</tbody>
</table>

Measurement and Analysis
HR practice was assessed with thirty three items which cover a dimension of recruitment, placement, training, compensation, performance appraisal, career development, employee grievance process, safety & security (Tessema Soeters, 2007). POS was assessed with 6 items instrument developed based on Eisenberger et al. (2001). And employee engagement measured using 15 items developed from Schaufeli et al. (2002).

Sample items for HR practice are ‘training programs were arranged according to career development plans’ with Cronbach alpha .930. Sample for POS is ‘Company respects my personal goals and values’ and the Cronbach alpha was .719. And sample item for engagement is ‘My work is full of meaning and purpose’ with Cronbach alpha was .859. We asked participants to choose which score they were thought match with their perception. Each item has six options from (1) strongly disagree to (6) strongly agree.

Regression analysis was used via SPSS 21 with the PROCESS program (Hayes, 2018) to test the model. We used a 95% confidence interval and 5000 bootstrap samples. Mediation effects were evaluated using the PROCESS macro. To determine whether a variable significantly plays as a mediator, the Upper-Level and Lower-Level confidence interval should not contain zero value.

RESULTS
Means, standard deviations, and correlations of all variables are presented in Table 5. The results indicate that all correlations among study constructs are significant below .01. It shows the moderate correlation between HR practices with POS and POS with engagement. Meanwhile, the relation between HR practice and engagement is strong (above .700).

Table 6 presented the results of the regression analyses. HR practice predict POS with coefficient .69 (p < .01) and also predict engagement with coefficient .662 (p < .01). Thus hypothesis H1 and H2 were supported, effective HR practice will increase employee POS and employee engagement. In the third hypothesis, H3 perceived support will have a
significant effect on engagement also proven (coefficient 305; p < .01). Based on these relationships, we examine the mediation role of POS.

Table 7 showed the significance test regarding the prediction about the indirect effect of HR practice and engagement. HR practice predicts POS and POS predict employee engagement thus hypothesis H4 was supported; POS mediate the HR practice – engagement relationship. We summarize the hypotheses testing result in Table 8.
DISCUSSION

The focus of this study was to examine how HR practice and POS combine to drive employee engagement behaviors. We refer to the social exchange theory from Blau (1964) to explain the relationship. All hypotheses were accepted which means our theoretical framework is confirmed. We found that effective HR practice significantly affects POS and engagement in the same direction (positive). Employees' POS was significantly and positively related to their job engagement.

Compare with previous studies on the relation of HRP and engagement, our result provides a stronger correlation (.798). This indicates that an organization can take advantage of HRP to develop employee engagement. Results from HetalJani & Balyan (2016) and Ang et al., (2013) confirm that HRP has a significant positive effect on engagement. The correlation between HRP and POS from previous studies display value above .4. The level of relationship in our results is .676, which also consider high. This leads to the significant positive effect of HRP on POS which means that the results are in accordance with previous studies (Pohl et al., 2017; Sun & Bunchapattanasakda, 2019; Tang et al., 2006). Employees in Bandung show medium to the strong level relationship between POS and engagement (.694). The relationship provides a significant positive effect from POS on engagement which supports previous studies from Zacher & Winter (2011), Shantz et al., (2014), and Zhong et al., (2015). Those results from various organization and cultural background provide significant views that the relationship between variables show a similar pattern.

Thus, our model confirms the role of effective HR practices in combination with employees’ POS will help the employee to become more engaged with the organization. POS also serves as a mediating mechanism that elevates the effect of effective HR practices on employee engagement. In Indonesian culture, with strong collectivism and power distance, the model work as well. Here, an employee who perceived the organization practice good HR will feel supported, and in the end, they engaged themselves with the organization. In this case, an organization should pay detailed attention when setting up their HR policies because it is a crucial aspect that will determine the level of support felt by employees and how far they will engage with the current organization. Theses findings can become a stepping stone for future research to investigate the impact of other variables such as leadership style, job satisfaction, organizational commitment on employee engagement. This is important for organizational behavioral studies to identify and understand which variables that play the most significant role to develop engagement. The next discussion also can focus on other mediating variables that have a greater impact on engagement. Future research can applied longitudinal data collection to get deeper insight regarding employees to work behavior which tends to change over time.

The practical implication for the findings is that managers can attempt to increase employee engagement using effective HR practices and provide adequate support. They need to focus on what practices which considered important and needed by employees. Managers also should aware of their actions by sending a signal the support to employees. Usually, this includes how far that the organization values employee contributions and cares about their well-being. One important aspect to consider when providing support is that it should be a mutualism strategy, where both parties will grab benefits.

The main contribution of the current investigation is the support for the mediation role of POS in the relation of HR practice and engagement. Such a study still limited especially in Asian culture. However, our cross-sectional method can be improved for the next study using longitudinal data. And also the next study can consider using larger samples so it can be more represent the population. The use of the structural equation model can also be considered to get more accurate results regarding the measurement of the variable. Finally, we propose a future study that should include other mediating variables such as job satisfaction, affective commitment, and intrinsic motivation. Further study needs to be conducted to make sure these relationships also apply in other conditions and various industries. Since employee engagement closely related to organiza-
tion performance it once again needs to carefully manage. This study suggests that the effectiveness of HR practice and support from an organization can be the lookout. However, the organization needs to examine other important factors such as personality, leadership style, and intrinsic motivation. This lead to our suggestion regarding future research, which needs to continuously conducted in various organizations.

CONCLUSION

Our findings suggest that effective HR practice and POS can be used as a leverage to enhance employee engagement. The organization should carefully choose what HR policies that consider important for the employee. Regarding the support, the organization needs to identify what kind of support that employees want. However, we suggest that the support given should not exceed the organization capabilities to provide it. The relationship should be conducted with a win-win approach. Our recommendation for managers is to start identifying HR related problems faced by employees and directly address those hurdles. An internal survey can be easy to run to get employee perception. Such a survey can collect employee’s thoughts of HR practice and perceived support. If there are gaps between perceived and expected then analyzed and future programs develop to bridge those gaps.

Appendix – Survey Instruments

Engagement (Schaufeli et al., 2002)
1. When I get up in the morning, I feel like going to work.
2. I feel full of energy at work.
3. Always have a passion to do my job
4. Able to work in very long periods at a time.
5. My job is challenging.
6. My job inspires me.
7. Enthusiastic about my job.
8. Proud of the work that I do.
9. My work is full of meaning and purpose.
10. Focused when doing my job
11. Does not think about the time in doing the work
12. Feel responsible to achieve the target
13. Happy when intensely doing my work
14. difficult not to think about my work

Perceived Organizational Support
1. The company is proud of my achievements
2. The company cares about my welfare
3. The company respects my contribution
4. The company respects my personal goals and values
5. The company cares about the problems I face
6. The company is willing to help if I need it

HR PRACTICE

Recruitment
1. The company has a clear policy regarding recruitment & selection
2. The company has job descriptions & specifications
3. The company provide an attractive salary
4. Recruitment & selection based on the best candidate’s ability
5. The company has a positive image that can attract an outside candidate

Placement
1. Job placement based on employee abilities
2. Employees are given a clear role & responsibility
3. Employees receive guidance from supervisors

Training
1. The company develop a comprehensive training program for each employee
2. Each training program based on the training needs analysis
3. Training participants objectively selected
4. Management has a strong commitment to the training program
5. Training activities linked with another HR program
6. Continuous evaluation conducted for each training program

Compensation
1. The company has an attractive compensation system
Perceived Organizational Support as Mediator in the...

2. The compensation reflects an internal justice
3. The compensation reflects an external justice
4. Compensation based on employee performance
5. Compensation provided fulfills my needs

Performance Assessment
1. Have a standard performance appraisal form
2. Performance assessment is related to compensation adjustments
3. The results of performance appraisal are used as the basis for decisions on training and career development
4. Discussions were held with employees when delivering work evaluation results
5. The leader considers work assessment activities as important

Promotion - Career Development
1. Have clear & written career development systems and procedures
2. Career development based on employee performance
3. Potential candidate selection conducted objectively

Procedure for Handling Employee Complaints
1. The company has written systems and procedures for handling employee complaints
2. The company has clear and comprehensive company rules and regulations
3. The company provide adequate service regarding employee complaints

Retirement & Job Security
1. Provide an attractive pension program
2. Provide attractive protection for employees if they experience accidents at work
3. Provide pre-retirement training services

REFERENCES


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