Contribution of Perceived Organizational Support and Psychological Capital (PsyCap) as Moderator Variables to Increase Employee Engagement

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Abstract. The challenge of the industrial and organizational world is the readiness of the organization to respond to the ongoing changes in order to compete to win the domestic market and attract foreign investors. Therefore, the company organization must prepare reliable human resources, which are assets so that special treatment is needed to maintain productivity and loyalty to the organization. Providing the support needed by employees or what is called "perceived organizational support", which is to meet the social-emotional needs of employees. Perceived organizational support consists of the following aspects: career & development, welfare, rewards and mentoring. The external contribution that comes from perceived organizational support is able to influence the positive psychological factors of employees called psychological capital or PsyCap, which is characterized by 4 aspects, namely: self-efficacy, optimism, hope, resilience. Rhoades and Eisenberger (2002); Shore and Shore (1995) state that perceived organizational support is assumed to be positively related to the PsyCap variable. Thus fostering global employee confidence regarding the extent to which the organization cares about the welfare of HR and respects the contribution of HR. Thus increasing employee engagement with the company organization known as employee engagement. Employee engagement consists of 3 aspects, namely: say, stay, strive, and in this study 13 question items were represented with a validity score of 0.42 and a reliability score of 0.90. PsyCap consists of 15 questions, a validity score of 0.48 and a reliability score of 0.93, whereas perceived organizational support with 22 questions, a validity score of 0.53 and a reliability score of 0.59. The hypothetical model has been tested and is in accordance with the data, so that it can be illustrated that perceived organizational support, PsyCap and employee engagement are significantly related, with correlation $\Lambda = 0.14$ (t hit 4.48 >1.96).

Keyword: Perceived Organizational Support, Psychological Capital, Employee Engagement, Human Resources

Introduction

Perceived organizational support is the belief of employees that the organization values employee contributions and pays attention to employee welfare. Perceived organizational support is assessed as a guarantee that the organization provides assistance to complete a task effectively and when faced with stressful conditions (Rhoades & Eisenberger, 2002). Employees tend to personify the organization or perceive the organization to have human-like characteristics (Levinson, 1965, in Rhoades & Eisenberger, 2002), this makes employees see the same treatment of the organization or vice versa as an indication of whether the organization supports or does not support employees (Rhoades & Eisenberger, 2002). The treatment of organizations that can improve perceived organizational support is justice, superiors' support, organizational rewards and working conditions. Apart from this, perceived organizational support is also related to the psychological condition of employees. Organizational support can improve employees' positive psychological condition which is known as PsyCap. Perceived organizational support is basically something that is always expected by every employee. Lin (2013) found that there was a positive influence between perceived organizational support and PsyCap on employees.

PsyCap is a state of positive individual psychological development, which is characterized by; self-efficacy, optimism, hope, resilience to achieve success (Luthans,

Youssef & Avolio, 2007). The description of the PsyCap aspects illustrates that the psychological condition of employees in the organizational context affects the decision-making and choice of actions to be involved in organizational activities. PsyCap has a significant influence on the positive attitude employees have towards the organization and its value is defined as employee engagement (Robinson, Perryman, & Hayday, 2004).

If employees in an organization can feel the support from the organization in accordance with the norms, desires, expectations of the employees, then an engaged person will automatically be formed, namely a positive psychological condition called PsyCap. Employees behave and act to fulfill their obligations to the organization and will never leave the organization, because employees have strong emotional, cognitive and affective ties to the organization which is known as employee engagement (Gokul, Sridevi, & Srinivasan, 2012).

Research conducted by Eisenberger et al. (2002) on several employees of companies found that perceived organizational support tends to form a positive psychological variable called PsyCap, which is able to increase employee engagement and affect employee performance. In other words, when employees perceive that the organization supports them, employees will become more dedicated and this will contribute to increasing employee engagement in the organization.

Literature Background

Perceived Organizational Support

Perceived organizational support is defined by Rhoades and Eisenberger (2002) as the belief in the working conditions of employees that the organization appreciates their contribution and welfare. Perceived organizational support can strengthen employee expectations that the organization will provide sympathetic understanding and material assistance to relate to stressful situations at work or at home, which will help meet the need for emotional support (Rhoades, Eisenberger, & Armeli, 2001).

According to Mangundjaya (2012), the notion of perceived organizational support is how to determine the readiness of the organization to give rewards for increased performance and to meet the socio-emotional needs of employees, develop the belief that the organization values contributions and pays attention to their welfare. Furthermore, Rhoades and Eisenberger (2002) said that perceived organizational support is also considered as a guarantee that the organization will provide assistance to complete a task effectively and when faced with stressful conditions.

Perceived organizational support is influenced by employee interactions with the organization where the organization provides praise, support and approval. Meanwhile, Blau (in Rhoades, Eisenberger, & Armeli, 2001) states that perceived organizational support is influenced by the frequency, extremity and efforts of giving praise and awards and other rewards such as salary, performance appraisal, job enrichment and the influence of organizational policies. Perceived organizational support means that to fulfill socio-emotional needs and assess the benefits of increasing work effort, employees form a general perception about the extent to which the organization appreciates its contribution and cares about its welfare (Rhoades & Eisenberger, 2002). Employee concern for the organization and the achievement of organizational goals can be demonstrated by displaying a positive attitude and work behavior in accordance with what is expected by the organization.

Bakker et al. (2008) state that effective perceived organizational support will help employees produce emotional identification and commitment to the organization. Once employees have a higher organizational identification, employees will inevitably feel that employees themselves are members of the family, thereby positively affecting the organizational atmosphere, building a positive organizational culture and promoting group

solidarity. In addition, previous research has shown that positive organizational support that employees perceive will relatively increase performance expectations, which is reflected in the situation where employees expect supervisors to pay closer attention to the resulting performance and hope to get rewarded as feedback (Kiewitz, et al., 2009; Ng, & Sorensen, 2008).

In this study, the aspects of perceived organizational support used are aspects of perceived organizational support from the theory of Rhoades and Eisenberger (2002), namely employee welfare (compensation & benefit), and the theory of Wayne, Shore, and Liden (1997), namely career and employee development, rewards (praise and accepting employee aspirations) and mentoring (working conditions).

Psychological Capital (PsyCap)

Psychological capital (PsyCap), according to Luthan, Youssef and Avolio (2007), is a psychological condition that is owned by an individual, namely self-efficacy, optimism, hope and resilience. Thus PsyCap is defined as a positive psychological condition that is able to optimize the potential of an individual so that it can help organizational performance (Chimezie, & Osigweh, 1989).

Avey, Luthans and Youssef (2006) explain that in PsyCap there are constructive characteristics, which influence one another so that this construct is better measured as a single unit. PsyCap measurement becomes inadequate if it only analyzes one or several PsyCap characteristics and their relationship with employee performance.

Luthans et al. (2005) define PsyCap as the core of psychological factors in general and the organization in particular makes it a competitive investment capital in individual development. PsyCap key points; (1) based on the positive psychology paradigm (namely the importance of positive human power); (2) psychological state based on organizational behavior criteria (unique, theory / research, valid measures); (3) individual potential (ie what you know) and social capital (ie who you know) for 'who you are'; and (4) involves investment and development (ie, economic / financial capital) to return to increased performance and produce a competitive advantage.

PsyCap Aspects. Luthans, Youssef and Avolio (2007) explain that there are four aspects of PsyCap, namely, self-efficacy, hope, optimism and resilience:

a. Self efficacy. Self-efficacy in this study is an individual's self-confidence regarding his ability to direct motivation, sources of cognition and take a number of actions needed to achieve success in carrying out tasks, in certain contexts it explains that individuals who have self-efficacy have characteristics; individuals set high targets for themselves and work on difficult tasks, like and develop themselves with challenges, have high self-motivation, try to achieve targets that have been made and remain persistent despite encountering obstacles. Individuals who have high self-efficacy do not waiting to set a goal, even if it's full of challenges. Individuals with low self-efficacy have doubts, negative feedback, social criticism, obstacles, repeated failures that have a significant impact but this does not apply to people who have high self-efficacy (Luthans, Youssef & Avolio, 2007).

b. Optimism. Optimism is a way of interpreting events as self-inflicted, persistent and can occur in various situations; and interpret negative events as something that occurs due to external things, is temporary and occurs only in certain situations. Individuals with high optimism will be able to feel the cognitive and emotional implications of getting success. The individual is also able to determine his own destiny without being underestimated by others. This individual will also give thanks to all parties involved when the individual achieves success.

c. Hope. Hope is a state of positive motivation based on the process of interaction between agency (energy to achieve goals) and pathways (planning to achieve goals). Agency

or willpower is a cognitive condition or thinking condition where individuals are able to set realistic but challenging goals and expectations and strive to achieve these goals with self-determination, energy and perceptions of internal control. While the pathway or waypower is a condition where individuals are able to find alternative steps to achieve the desired goals when facing obstacles in the initial step application. Individuals who have hope will have various alternatives to achieve the desired goals, even though in fact there are obstacles to achieving them. There are several ways to develop hope in individuals, namely by internalizing goals and commitments into oneself and making stepping by breaking the goal down into smaller steps and closer to the current state more regularly. In addition to the two methods described above, there is a reward system. Appreciation for employees will increase desire and motivate employees to achieve goals (will power).

d. Resiliency. Resilience is the ability to bounce back or bounce back from difficulties, conflicts, failures, even on positive events, progress and increased responsibility. Defines resilience as a phenomenon characterized by positive adaptation patterns in the context of difficult and risky situations. Specifically, individuals can identify their cognitive abilities, temperament, positive perceptions of themselves, a positive outlook on life, emotional stability, self-regulation, sense of humor and attractiveness including attractiveness as potential assets so that they can contribute to a higher level of resilience which explains that Resiliency depends on two factors, namely resilience assets and resilience risk. Resilience assets are characteristics that can be measured on a group or individual that can predict future positive outcomes with specific output criteria. Resilience risk is something that can increase unwanted outcomes, such as experiences that do not support self-development such as alcoholism, drug addiction and exposure to violent trauma.

Referring to the PsyCap aspects described above, this study uses PsyCap aspects from Luthans, Youssef and Avolio's (2007) theory, namely: self-efficacy, optimism, hope and resilience, because these aspects are in accordance with field conditions.

Employee Engagement

Harter, Schmidt and Hayes (2002) stated that employee engagement is an individual attachment and satisfaction and enthusiasm for work. Employee engagement is a multidimensional form of emotional, cognitive and physical aspects of employees that are linked to each other (Kahn, 1990), so that employee engagement is not only a psychological experience that is owned by employees, but also includes a representation of the work results of employees in their duties in an organization.

Harter, Schmidt and Hayes (2002) define employee engagement as a form of individual involvement and satisfaction and as a form of enthusiasm for doing work. Furthermore, according to Harter, Schmidt and Hayes, employee engagement is individual attachment and satisfaction and enthusiasm for work. Kahn (1990) stated that employee engagement is about employee attention and their absorption of their role. Several organizations have different definitions of employee engagement, but some have the same ideas, as explained below:

a. Company:
1) Caterpillar. Employee engagement is the extent to which employees are committed, make work efforts and desire to remain in an organization.
2) Dell Inc. Employee engagement: to compete today, companies need to make an effort to win the THOUGHTS (rational commitment) and HEART (emotional commitment) of employees by directing them to an extraordinary work effort.
3) Intuit, Inc. Employee engagement describes how employees think and feel and act on their work, work experience and company.

    b. Consultants and Researchers:
1) Development Dimensions International (DDI), employee engagement is the extent to which employees enjoy and believe in what they do and feel appreciated when doing it.
2) The Gallup Organization. Employee engagement is involvement with and enthusiasm for work.
3) Hewitt Associates. Employee engagement is a condition where there is an emotional and intellectual commitment to an organization or group to produce behavior that will help fulfill the organization's promises to customers so that it will improve business results. So engaged employees are: say, stay and strive.

    Bernthal (2007) states that based on research conducted by Development Dimensions International Inc (DDI) concludes that employee engagement consists of 3 aspects, namely, individual value, focus on work and support between employees:

    a. Individual Value

    Employees will feel engaged when making contributions according to their unique abilities, experiences of empowerment and opportunities for self-development. Recent research (Ng, & Sorensen, 2008) agrees that something issue can affect the work environment and make meaningful choices in the work environment and a critical component of employee empowerment. How can you retain employees, that the perception and meaning of work is one of the factors that most influences employees to stay in the organization.

    b. Focus Work

    Employees will feel engaged when employees get clear direction, visible performance and an efficient work environment. As well as personal drive and motivation to contribute, employees should understand where to focus their efforts. Without a clear strategy and guidance from senior leaders, employees will lose valuable time on activities that are of no use to organizational success. In addition, even if employees get directions from their superiors on the spot, employees must receive feedback to ensure that they are on the right track and that this is reflected in their performance. To some extent, employees must know that underperformance is unacceptable and that there will be consequences for it. Employees want to work in an environment that is efficient in terms of time, resources and budget.

    c. Support between employees

    Employees will feel engaged when working in a comfortable and cooperative environment. "Comfortable" in the context here means that employees trust each other and can quickly solve problems that arise among employees and can support each other and focus attention on work that is really important to do. Conflicts will consume time and energy, and must be resolved quickly. In addition, employees still need cooperation to get work done. Partnerships between departments and within teamwork, ensuring employees communicate with each other and get the support they need in getting work done.

Employee engagement has positive benefits on organizational performance, after engaged employees have an impact on improving performance. Employee engagement affects the quality of employee work, increases job satisfaction, reduces the number of absenteeism and decreases the tendency of employees to move to other companies. This is due to employees who have high emotional engagement and attachment to the organization. High emotional attachment has an impact on job completion (employees have a satisfactory quality of work) which results in a low desire to leave work.

    Respondents and Findings

    Referring to the results of the analysis, an overview of the research data is obtained in Table 1.

Table 1. Description of research data

	POS	PSYCAP	EE
N Valid	277	277	277
Missing	0	0	0
Mean	81.29	56.65	48.38
Std. Error of Mean	.69	.39	.40
Median	82.00	57.00	48.00
Mode	88.00	60.00	48.00
Std. Deviation	11.14	6.49	6.67
Variance	124.13	42.15	44.50
Range	66.00	39.00	37.00
Minimum	44.00	36.00	28.00
Maximum	110.00	75.00	65.00
Sum	22520.00	15694.00	1304.00

Note. POS : Perceived Organization Support; PSYCAP : Psychological Capital,
EE : Employee Engagement

In the description of the research data (Table 1), the perceived organizational support variable has a mean value of 81.29 with a standard deviation of 11.14 theoretically, the highest score for the perceived organizational support variable is 5. The empirical average score obtained is 3.60, this average value gives an idea that perceived organizational support is sufficient. The standard deviation describes the deviation of the score obtained from the average value. The smaller the standard deviation obtained for perceived organizational support is 11.14 indicating a small deviation so that the scores obtained are closer to the values.

Table 1 shows that the PsyCap variable has a mean value of 56.65 with a standard deviation of 6.49 in theory, the highest score for the PsyCap variable is 5. The empirical average score obtained is 3.77, this average value illustrates that PsyCap is quite high. The standard deviation describes the deviation of the score obtained from the average value. The smaller the standard deviation obtained for PsyCap is 56.65 indicating a small deviation so that the scores obtained are closer to the values.

In the illustration of the research data in Table 1, the employee engagement variable has a mean value of 48.38 with a standard deviation of 6.67 theoretically, the highest score for the employee engagement variable is 5. The empirical average score obtained is 3.73, this average value illustrates that employee engagement is classified as high enough. The standard deviation describes the deviation of the score obtained from the average value. The smaller the standard deviation obtained for employee engagement is 6.67, indicating a small deviation so that the scores obtained are closer to the values.

Based on testing with the 2nd Order CFA, it is known that the standard loading factor is ≥ 0.50, so the validity is good. The goodness of fit model of perceived organizational support has met the standard GoF value is ≥ 90 which means it is quite fit (Santoso, 2016). The suitability of the variables in the results of the variable suitability test in the results of the 2nd Order CFA test can be seen in the goodness of fit (GoF) value in Table 2 below.

Table 2. GoF model structural scale of perceived organizational support

GOF size	Decision criteria	Count value	Information
RMSEA	≤ 0.08	0.07	*Fit*
GFI	≥ 0.90	0.86	*Marginal Fit*
NFI	≥ 0.90	0.95	*Good Fit*
NNFI	≥ 0.90	0.96	*Good Fit*
CFI	≥ 0.90	0.97	*Good Fit*

Based on testing with the 2nd Order CFA, it is known that the standard loading factor is ≥ 0.50, so the validity is good. The suitability of variables in the results of the 2nd Order CFA test can be seen in the value of Goodness of fit (GoF), in Table 3 below.

Table 3. GoF model structural scale of PsyCap

GOF size	Decision criteria	Count value	Information
RMSEA	≤ 0.08	0.06	*Fit*
GFI	≥ 0.90	0.92	*Fit*
NFI	≥ 0.90	0.94	*Fit*
NNFI	≥ 0.90	0.96	*Good Fit*
CFI	≥ 0.90	0.97	*Good Fit*

The goodness of fit structural model of employee engagement has met the standard GoF value is ≥ 90 which means good (fit) (Santoso, 2016). The suitability of variables in the results of the 2nd Order CFA test can be seen the value of goodness of fit (GoF), in Table 4 below.

Table 4. GoF model structural scale of employee engagement

GOF size	Decision criteria	Count value	Information
RMSEA	≤ 0.08	0.078	*Fit*
GFI	≥ 0.90	0.91	*Fit*
NFI	≥ 0.90	0.93	*Fit*
NNFI	≥ 0.90	0.94	*Fit*
CFI	≥ 0.90	0.95	*Fit*

The effect of perceived organizational support on employee engagement with psychological capital as a positive and significant mediator, with a coefficient $\lambda = 0.14$ (*t* count 4.48 > 1.96), then the hypothesis is accepted.

Conclusion

Based on the results of research that tested the theoretical model, it can be concluded that perceived organizational support contributed (significantly) to increasing employee engagement with psychological capital as a mediator. Treatment of organizations by increasing perceived organizational support to employees with organizations providing facilities to; career development, improve employee skills and knowledge, benefits that is appropriate, respects the work of employees and provides direction and work guidance with measurable standard procedures. This fosters the feeling of employees to be more deeply involved for organizational continuity, this element underlies the formation of employee engagement.

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