

**THE ROLE OF ORGANIZATIONAL SUPPORT IN  
EMPLOYEES' WORKPLACE PERFORMANCE IN THE  
BANKING SECTOR OF PAKISTAN: A CASE STUDY OF UBL**

***Dr. Farooq-E-Azam Cheema  
Ahsan-ul-Haq Shaikh  
Khalil-ur-Rehman Bhatti***

**ABSTRACT**

*This is a quantitative study that explores the role of organizational support and its constructive effects on the employees' performance in the UBL. Findings of the study showed a strong opinion about the role of supervisory support, rewards, job condition and fairness etc. in determining management support to the employees and, in turn, their performance. Primary data was collected through questionnaires and interviews. Stratified sample of 100 employees belonging to middle and lower middle level management from 30 branches of UBL was served with the questionnaire. Four in-depth interviews were also conducted with the middle and lower middle level managers. Bank's HR related policies were used as secondary data that provided a good base for comparing the questionnaire and interview data. The study could help the management of UBL to understand the need of performance based rewards system and to improve their work culture as well as to establish and implement procedural and distributive justice of reward within their hierarchy to increase the level of commitment among the employees. This study is likely to be helpful to the bank in identifying the employee support related problems, thus, mitigating the behavioural problems like absenteeism, turnover, and low performance through addressing these problems.*

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**INTRODUCTION**

World-wide, in order to obtain the optimal performance from the workforce, firms are increasingly focusing on employee satisfaction related issues including their feelings that they are well supported by their parent organization. Review of literature has shown that when employees feel supported by their organization, they reciprocate the support by engaging in behaviors desired by the organization. Employees who feel valued and supported by their organization actively pursue the organization's goals, show

higher level of job involvement and productivity (Tsui *et.al.* 1997), and demonstrate higher level organizational citizenship behaviors (Shore & Wayne 1993).

Subsequent research has, likewise, commonly shown that four major types of favorable treatment received by employees, i.e. supervisory support on the job, fairness of treatment, organizational rewards and job conditions were strongly associated with organization support that had a determining effect over the employees' behavior and their intrinsic association with the organization (Lisa *et. al.* 2005). Research further confirms that organizational support often appears to be very effective tool of motivating and retaining employees. It eventually increases organizational productivity by raising employees' commitment and job involvement and reduces workplace strain (Shore & Shore, 1995). So this series of research has convincingly indicated that organizational support emanating from fairness in the distribution of resources, different kinds of performance based rewards and job condition result in job satisfaction leading to augmented performance at work place.

This paper is based on the concept put forward by the Organizational Support Theory of Eisenberger *et.al.* (1997). This theory supposes that organization's tendency of rewarding the employees for their increased work effort and meeting their socio-emotional needs, develops among the employees belief that organization values their contributions and cares about their well-being. Eisenberger *et.al.* (1997) are of the view that employees' expectations of support from the organization emerge from humanlike character that the employees assign to the organizations. This personification of the organization makes them accountable for legal, financial and moral responsibility for the actions of its agents. The concept stretches its roots further back to Levinson's work in 1965 wherein he says that the actions taken by agents of the organization are often viewed as indicators of the organization's intent rather than attributed solely to the agents' personal motives. This study attempts to explore the organizational support system to the employees in the United Bank Limited (UBL) and its impact on the employee commitment and performance.

## RESEARCH QUESTION

To what extent do the UBL policies and practices provide organizational support to the employees and to what extent are they critical in determining the employees' organizational commitment and job performance?

## LITERATURE REVIEW

Social exchange theorists have eluded employment as the trade of effort and loyalty for tangible benefits and social rewards (Bateman & Organ, 1983), i.e. when one person treats another well, the reciprocity norm obliges the return of favorable treatment. The extent to which both employee and employer reciprocate this norm in their relationship either party received favorable treatment which is desired beneficial outcomes for both. This concept is fully groomed in the Organizational Support Theory of Eisenberger *et.al.* 1997 that supposes that organization's inclination to reward increased work effort and to meet socio-emotional needs employees develop their beliefs that organization values their contributions. Organizational support is also valued as assurance for the employees that aid will be available from the organization when it is needed to carry out one's job effectively and to deal with stressful situations (George & Brief 1992).

This personification concept of the organization (Eisenberger *et al.* 1997) and the agency role of its managers (Levinson 1965) allow the employees view the favorable or unfavorable treatment received from the managers as a favor and disfavor by the organization itself. Social exchange theorists give another dimension to organizational support to employees through the argument that resources would be highly valued if they are offered voluntarily rather than under compulsion. Such voluntary aid is welcomed as an indication that the donor genuinely values and respects the recipient (Cotterell *et.al.* 1992). Thus, rewards, favorable job conditions, pay, promotions, job enrichment and influence over organizational policies shall be more effective and fruit bearing if the employee believes that they result from the organization's voluntary actions, as opposed to external constraints such as union negotiations or governmental health and safety regulations (Shore & Shore 1995).

Eisenberger *et al.* (1986) reported that employees showed a consistent pattern of agreement with their belief concerning whether the organization appreciated their contributions and would treat them favorably or unfavorably in different circumstances. This shows that employees generally believe that the organization has positive or negative orientation toward them that include their contributions and their welfare.

There are some other contributing factors that comprise organizational support. A plenty of research has been conducted and found that organizational support is related to, yet distinct from, affective organizational commitment (Shore & Tetrick, 1994), effort-reward expectancies (Eisenberger *et.al.* 1990), supervisor support (Kottke & Sharafinski 1988), procedural justice (Andrews & Kacmar 2001); and job satisfaction (Aquino & Griffeth 1999). Supervisors act as agents of the organization, so the employees take their favorable or unfavorable orientation toward them as a scale of organization's support level towards them (Levinson 1965). Since the supervisors are a source of learning on the job for the employees, they are responsible for providing the workplace affordances, and ultimately evaluate their performance, there is widely held belief that positive orientation among the managers towards their subordinates, per se, is a source of support for the employees that they value the highest. Support from supervisors has also been assessed with related measures involving leader-member exchange (Wayne *et al.* 1997) and supervisory consideration (Hutchison *et.al.* 1998).

Fairness within the organizational set-up is mainly reoffered to the equitable distribution of resources among employees (Greenberg 1990). Shore & Shore (1995) give it another dimension – consistency in indiscriminate and unbiased work related decisions. These two concepts have a strong cumulative effect on organizational support system as determining factor in employees' welfare. Cropanzano & Greenberg (1997) referred to still other terms like 'structural procedural justice' and 'social procedural justice'. Structural justice included formal rules and policies regarding the decisions that directly or indirectly affect employees, including adequate notice in advance before decisions are implemented and participative decision process. Social aspects of procedural justice include the treatment received by employees by

organization with dignity and respect and information related to business decision and outcome.

Shore & Shore (1995) suggested that human resource practices relating to promoting the employee recognition should be positively related to organizational support. Many types of rewards and recognition have been studied in relation to explaining their relation with organizational support e.g. pay, promotions, recognition, job security, autonomy, role stressors, and training. Voluntary rewards are bigger source of motivation among the employees as compared to compulsive awards thus making a richer contribution towards the organizational support. Assurance that the organization wishes to maintain the employee's future membership is expected to provide a strong indication of organizational support, particularly in recent years, when downsizing has been prevailing.

### **Consequences of Organizational Support**

**Organizational Commitment:** On the basis of the reciprocity norm, organizational support should create a felt obligation to care about the organization's welfare (Eisenberger *et.al.* 2001). The obligation to exchange-caring enhances employees' affective commitment to the personified organization (Foa & Foa 1980). Organizational commitment among the employees is also enhanced through fulfilling their socio-emotional needs (Armeli *et. al.* 1998). It creates among them a strong sense of belonging to the organization and an intrinsic bond in the result. They start affiliating themselves with the organization and employees' membership with the organization and develop their identity with the identity of the organization. Organizational support thus contributes to employees' sense of purpose and meaning to their being at work place. Shore & Tetrick (1994) suggested that organizational support contribute to reducing the feelings of entrapment of employees owing to external elemental factors like high cost of living.

**Job-Satisfaction:** Job satisfaction refers to employees' overall effect laden attitude toward their job (Witt 1991). Organizational support influences employees' degree of job satisfaction and positivity of their mood at workplace. Organizational support contributes to the job satisfaction of the

employees by meeting their socio-emotional needs, increasing expectancies of performance-reward, and demonstrating the availability of extra aid when needed. Organizational support contributes to employees' feelings of competence and worth, thus enhancing their positive mood (George *et.al.* 1992).

**Job Involvement:** Job involvement refers to identification with an interest in the specific work one performs (Cropanzano *et al.* 1997). Perceived competence has been found to be related to task interest (Eisenberger *et. al.* 1997). By enhancing employees' perceived competence, organizational support might increase employees' interest in their work.

**Increased Performance:** Organizational support increases job performance and actions favorable to the organization beyond assigned responsibilities. According to George and Brief (1992), such extra role activities include helping peers, safeguarding organization interest, participation and gaining knowledge and skills that are beneficial to the organization.

**Reduced Strain:** Organizational support is expected to reduce aversive psychological and psychosomatic reactions (i.e., strains) to stressors by indicating the availability of material aid and emotional support when needed to face high demands at work (George *et al.* 1992). Cropanzano (1997) has proposed a main effect rather than a buffering effect of organizational support on such strains as fatigue, burnout, anxiety, and headaches. It is conceivable that organizational support could decrease employees' general level of stress at both high and low exposure to stressors (Viswesvaran *et.al.* 1999).

**Desire to Stay With the Organization:** Witt (1991) examined the relationship between organizational support and employees' desire to remain with the organization. He used a scale for assessing employee's tendency to leave the organization if offered higher pay, more professional freedom or status, or friendlier working environment. She is of the view that desire to remain should not be confused with one's compulsion to stay in the organization owing to missing pull factors around mainly in the wake of high unemployment in the market.

## RESEARCH METHOD

Data was collected through questionnaire and in-depth interviews. A questionnaire with 30 questions designed by University of Delaware has been adapted with necessary amendments. The questionnaire was administered to employees at the middle and lower middle level employees of the UBL in Karachi city identified through stratified sampling technique. Response from participants was sought along a four-point Likert's scale – Strongly Agreed, Agreed, Disagreed and Strongly Disagreed. Initially, 150 employees were targeted among the 30 branches of the bank across the city of Karachi out of which 100 responded. Likewise, four employees of Manager and Assistant Manager level belonging to Human Resource, branch operation, customer service and training and development were identified randomly for in-depth interviews.

## RESULTS

**Questionnaire Data:** The questionnaire comprised ten variables, three questions for each variable. Average of the scores on three questions was calculated and assigned to score for each variable given below in Matrix 1. Decimal scores were rounded to the nearest whole.

**Matrix-1**  
**QUESTIONNAIRE DATA**

S. #	Variables	Disagree	Agree
1.	Organizational policies are supportive and encourage participation	49%	51%
2.	Openness to information and practice of procedural Justice	32%	68%
3.	Supervisory support in day-to-day matters	64%	36%
4.	Appreciation and recognition of employee achievements	58%	42%
5.	Fairness in compensation and rewards	70%	30%
6.	Job security	66%	34%
7.	Workload is assigned scientifically	66%	34%
8.	Being dealt with dignity	33%	67%
9.	Strain and stress reduction support	37%	63%
10.	Desire to remain in the organization in future	32%	68%

**Interviews Data:** Detailed semi-structured interviews were utilized to provide the rich set of qualitative data. Four interviewees were selected for this purpose, one from each department; HR, Customer Service, Branch Management, Training and Development. The interviews against the pre-defined questions allowed interviewees the desired flexibility and freedom to talk about organizational behaviors, its culture and recent events taken place relevant to the scope of this study that enabled the interviewers to manage the critical questions where necessary as well to eliminate doubts and to better understand the response by repeating or rephrasing the questions.

The data collected through interviews was arranged into a Matrix 2 below:



**Matrix 2**  
**INTERVIEW DATA**

Sr. No.	Questions/Statements	Interviews Response			
		HR	Customer Service Managers	Branch Managers	Training & Devpt:
1	Your organization rewards employees' adequately to show their concern for their well being.	√	√	X	X
2	There is a fair system of distribution of reward in your organization.	√	X	X	X
3	Supervisor in UBL also serve as mentor and coach for subordinates to perform their job effectively.	√	√	√	√
6	Working conditions in your organization are good that have created a positive impact on employees' attitude and performance.	√	√	√	X
7	Employees are committed to the organization in exchange with support towards their well being.	√	X	X	X
8	Your organization provides opportunities to its employees for taking work related initiative.	X	X	X	X
9	Increasing organizational support can increase employees' performance.	√	X	√	√
10	Your organization pays attention to reduce on-the-job emotional stress of the employees.	√	X	X	X
11	Employees in your organization desire to remain with it due to its welfare policies and credibility in the market.	√	X	X	X

**Analysis of Secondary Data:** Seven odd HR related policies were selected which seemed relevant to various aspects of the organizational support services as secondary data given below in Matrix 3. The data was used in order to identify role of the HR policies in the support services to the bank employees and as support for the empirical data collected through questionnaire and

interviews. These policies were analyzed by the researchers with the help of HR department of the bank against three dimensions:

- Fairness built in the policy itself – to what extent it serves all the employees indiscriminately
- Implementation of the policy – whether or not the policy is implemented though it exists
- Fairness in implementation – to what extent the policy is implemented serving indiscriminately serving all employees across the board.

Analysis thus made was arranged in the Matrix 3 below:

**Matrix-3**  
**UBL POLICIES**

S.#	Policies	Fairness in Policy	Policy Implemented	Fairness in Implementation
1	Leave Policy	X	√	√
2	Performance Evaluation Policy	√	X	X
	Rewards Policy	X	√	√
3	Medical & Insurance Policy	X	√	√
4	Transfer & Posting Policy	X	√	X
5	Training & Development Policy	√	X	X
6	Employee Participation in Decision-making Policy	√	X	X
7	Staff Loan Policy	√	√	√

## DISCUSSION

A comprehensive inference is drawn through an intertwining among the three sources of data collected in this study. Bank policies shown in the matrix offer a base to judge the opinion of the employees through the questionnaire and the interviews. For instance, employees discomfort with the leave policy is owing to an inbuilt unfairness in it. This policy provides annual leave encashment option only to those employees who had joined the

bank earlier than 1996 whereas the employees who joined the bank subsequently have not this option available. These employees also want option of leave encashment open to them because many of these employees are not able to avail the leave due to some office reasons. Similarly, the policy matrix shows that performance measurement and evaluation is a fair policy by its form because it requires the managers to involve into the appraisal process. But this policy is not implemented well due to political and union reasons; hence a source of dissatisfaction for majority of the employees. This lack of satisfaction was manifested by the managers during the interview. They disclosed that employee union, internal influential groups and even the political parties, some way or the other, influence the performance ratings and reward distribution.

Regarding rewards policy given in the matrix, it lacks elements of fairness. This finding was supported by the 70% of the questionnaire respondents showing dissatisfaction with the reward policies. Similarly, 58% respondents were found dissatisfied with the way their performance is recognized through monetary and non-monetary rewards. It was even supported by the managers during their interview that there exists need to make the rewards administration system more transparent though they believed that recognition in terms of tangible & monetary reward could become effective tool for increasing employees' commitment and their performance.

Policy matrix shows that the medical & insurance policies are fair in their constitution but it needs revision. One of the managers in their interview referred to unsatisfactory amount of Rs.3000 on child birth. Others referred to dental cure, a costly medical head that is to be borne by the employees themselves because it is yet to be covered by the UBL medical policy. Regarding employee transfer and posting policy, the matrix shows that it is not fair in the sense that the line managers have no say in the decision of transfer of their subordinates. Furthermore, transfers are carried out by the regional headquarters that have different considerations for transfer and posting of the employees than the merit itself. However, almost all of the respondents were found happy with the current system of transfer of posting.

For training and development, the bank has very effective policy, as shown in the matrix, but this policy has never been productively used. Number of employees trained in one year is abysmal. Managers during the interview conceded ineffectiveness of the training and development side of the bank. Nor is any effective way of assigning the trainees to the training programs. Usually, employees who seem redundant in the branches are sent to the training programs as substitute to the people asked for to attend training. Regarding on the job learning, all interviewees unanimously agreed that supervisor's role as a mentor and coach can yield better work performance. They also opined that the bank should add more focus to promoting the team-work skills among the workforce.

Regarding employee participation in business decision as required by the industrial relations law of the country, 49% of the respondents were found dissatisfied with the level of participation. They believed that management in practice usually takes decision exclusively. However, 62% respondent agreed that there is openness in major decisions made and information made available to the employees. The bank undertakes this information sharing through Corporate Communication Department which is responsible to release notices and circulars etc. on policy decisions.

Data showed lack of dissatisfaction on part of majority of the respondents regarding job security, workload and working conditions. 66% of the respondents said they were not feeling their job secure. This was mainly due to the recent downsizing / lay off programs initiated by the organization that affected numerous employees in the organization. Regarding the workload, 60% of the respondents felt that workload in their organization is not assigned scientifically that requires lot of late-sittings in the office that, in turn, results into work-life imbalance.

Also, 33% of the respondents believed they were not being treated with respect and dignity. Respondents believed that all these factors collectively were causing stress and burnout. Simultaneously, majority of respondents believe that the organization is not doing well in combating their stress level. The interviewees were also of the view that the organization is not paying attention to reduce psychological and emotional work stress from the employees. Hence, there is a need to improve the work

conditions and work environment in order to obtain optimal performance from their work force.

## **CONCLUSION**

Above discussion shows that because of multiple reasons, mainly related to organizational policies, the bank employees are not fully satisfied with physical and emotional support from the organization. In the result, employees most of the time either do not own their responsibilities or do not take them challenging to the desirable level. This conclusion is supported by the 68% of the respondents saying that their continuing with the organization is not because of good service and working conditions offered by the organization rather because of high unemployment and inflation. The interviewees also supported this belief that employee retention in the bank is largely due to unemployment and inflation rather than due to organizations pull factors.

Accordingly, bank's policies need to be reviewed to ensure more organizational support and welfare to the bank employees. There also exists encouraging part of the data as well that shows commitment on part of the employees to continue with the bank with greater zeal and zest if the bank's policy promise greater direct and indirect support on the work. The interviewees had similar conviction as they said that by increasing organizational support can bring positive change in employee's commitment and performance.

UBL could demonstrate its support to employees through such programs that indicate that the organization values their contributions, such as, a well-established performance based reward system. By ensuring a concrete connection between performance and rewards, clear explanations of the managerial control system and giving more autonomy to employees to control and influence in the system will increase levels of their performance.

Supervisors should take initiative to reduce the conflict and psychological stress of work and family responsibilities. Managers who want employees to improve their performance or to increase either interpersonal facilitation or job dedication should look for ways to facilitate high levels of job satisfaction. UBL should also initiate employees' recognition programs such as employee of the

month; and should distribute souvenirs etc. for their encouragement. This will create a sense of achievement in them which ultimately results in more dedication and motivation in their job.

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