A CONCEPTUAL STUDY ON PERCEIVED ORGANISATIONAL SUPPORT IN IT INDUSTRY

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ABSTRACT

Perceived Organizational Support (POS) refers to employees’ perception concerning the extent to which the organization values their contribution and cares about their well-being. POS has been found to have important consequences employee performance and well-being. POS is generally thought to be the organization’s contribution to a positive reciprocity dynamic with employees, as employees tend to perform better to reciprocate received rewards and favorable treatment. In today’s competitive business environment, keeping employees enables the organization to be successful. Employees are viewed as one of the most important assets for most organizations, in particular service-based organizations, because of the benefits of delivering successful performances (Evans et al., 2003: 71). Keeping this in view, the IT industry plays an important role in satisfying the customers. POS is very important in IT because, the employees need to update their knowledge periodically in order to retain themselves in the competitive environment. The employees will definitely have an urge to know as to how their contribution is cared and valued. Thus this paper aims on a conceptual study of POS in IT industry

Keywords: Perceived Organizational Support, employee performance, business environment

INTRODUCTION

Research on perceived organizational support (POS) began with the observation that if managers are concerned with their employees’ commitment to the organization, employees are focused on the organization’s commitment to them (Eisenberger, Huntington, Hutchinson, & Sowa, 1986). For employees, the organization serves as an important source of socio emotional resources, such as respect and caring, and tangible benefits, such as wages and medical benefits. Being regarded highly by the organization helps to meet employees’ needs for approval, esteem, and affiliation. Positive valuation by the organization also provides an indication that increased effort will be noted and rewarded. Employees therefore take an active interest in the regard with which they are held by their employer. POS can also be used to offer an explanation for organizational cynicism. Organizational cynicism is related to job satisfaction; it is an attitude toward an organization reflecting one's beliefs about his or her experience as part of the organization. Just as POS explains employees' feelings of value, meaning, identity, etc., it explains employees' feelings of discouragement and distance from their organization. Psychologist James Dean studied employees
and found that the biggest cause of cynicism was change that was perceived to be out of the employee's control. Eisenberger and Rhoades found that changes made within the organization were less supported by employees when the changes were perceived to be out of their control.

The three common antecedents of perceived organizational support are fairness, supervisor support, and organizational rewards and job condition. When employees perceive that they are receiving fair treatment in comparison to their coworkers, they perceive more support. The equity theory says that employees feel entitled to what they are given as workers based on their inputs to the job. Therefore, fairness can be perceived even if the rewards differ in size, based on employee rank. Fairness can also be described as procedural justice, or the fairness of happenings in the organization. The politics of the organization, or the promoting of self-interest, are often related to employees' perceptions of procedural justice.

IT AND POS

The Indian software industry has been a remarkable success story. It has grown more than 30 percent annually for 20 years, with 2008 exports projected at close to $60 billion. India exports software services to more than 60 countries, with two-thirds to the United States, including half of all Fortune 500. Economic policy has undergone substantial revision driven by this sector, and India began to open up. Foreign exchange reserves are high; markets greatly influence policy, and a string of coalition governments have not deviated from economic liberalization. Benefits are uneven, though, as the very poor have been little affected. High unemployment continues, and huge bureaucracies still yield to corruption. While problems remain, India is an emerging economy fueled by techno-savvy manpower and a world-class information technology (IT) industry.

The Indian software industry has a pyramidal structure, with a few large indigenous firms dominating the sector. Among the 3,000 firms exporting software from India, the three largest firms each have more than $1 billion in annual sales. At the other extreme, the smallest 2,900 firms have annual sales of less than $10 million, with most less than $2 million. The largest five firms account for 32 percent of software exports, while the smallest firms own a 14 percent share. Smaller firms play a more significant role in the domestic market where they supply software services to small and medium sized domestic firms in different sectors. For their export contracts, the smaller firms have primarily entered into a variety of linkages with individuals and small companies abroad for marketing access. There are few horizontal partnerships between small and large vendors. Some early efforts by established firms to subcontract to smaller ones failed because the smaller partner tried to make direct contact with overseas clients. In recent years a few small firms have developed products for the domestic market with some success but exports have been very limited.

CONSEQUENCES OF POS

There are many possible consequences of POS discussed in Eisenberger and Rhoades' meta-analysis of studies done on POS. The first is organizational commitment. There are three kinds of organizational commitment: affective commitment, continuance commitment, and normative commitment. Affective commitment, or feeling an emotional tie to one's organization, is important in employees because it demonstrates a deeper meaning for work than simply earning money. Continuance commitment, or knowing that staying with one's organization will be less costly in the end than leaving, is telling of extrinsic motivation to remain wherever one will profit the most. Normative commitment or feeling compelled to stay because everyone else is, is less significant than
the first two but is still considered to have an effect on employees. Some other consequences of POS include changes in withdrawal behavior, the desire to remain, strains on employees, performance, job related affect, and job related involvement. Levy also discusses absence rates, turnover, and counterproductive behaviors. Changes in these can result in undesired employee action.

EFFECTS OF POS ON PERFORMANCE

According to an experiment done by a group led by Wayne Hochwarter, there is a non-linear relationship between POS and performance. Predicted was that high POS was correlated with high performance. Of course, perfect correlations happen infrequently. Just as POS does not always positively correlate with performance, neither does job satisfaction. Although POS probably does have an effect on many employees' performance, it does not necessarily cause performance to increase or decrease in productivity.

A low perception of organizational support can result in employees being wary of reciprocation. Reciprocation wariness can be caused by events that are perceived as not being beneficial to the employee, for example, not receiving payment seemed necessary, or not receiving a good payment for the appropriate length of time. Authors Lynch and Armeli wrote that "fewer companies today than in the past implicitly guarantee long-term employment, provide generous pay increments and comprehensive health benefits, or subsidize general education courses." Examples like these are possible sources for reciprocation wariness to bloom amongst employees, potentially lowering their perceptions of organizational support.

MEASUREMENT ITEMS

The Survey of Perceived Organizational Support was originally constructed with 32 items. Subsequent versions, however, have displayed adequate psychometric properties using 8 or as few as 3 items. Respondents are asked to indicate the extent to which they agree with the following statements on a seven-point scale.

Example items include:

1. My organization cares about my opinions.
2. My organization really cares about my well-being.
3. My organization strongly considers my goals and values.
4. Help is available from my organization when I have a problem.
5. My organization would forgive an honest mistake on my part.
6. If given the opportunity, my organization would take advantage of me. (item is reverse-coded)
7. My organization shows very little concern for me. (item is reverse-coded)
8. My organization is willing to help me, if I need a special favor.

By using specific facets in the survey, respondents are able to provide specific answers about problems that may be unknown to employers. If aware of a general problem, employers might be unable to take action because they do not know how to fix specific issues. The Job Descriptive Index (JDI) is the most frequently used measure of job satisfaction that does not specifically measure perceived organizational support but does have the ability to make clear areas that are in need of improvement.

THEORY ON POS

Organizational support theory (OST: Eisenberger, Huntington, Hutchinson, & Sowa, 1986; Rhode & Eisenberger, 2002; Shore & Shore, 1995) holds that in order to meet socio emotional needs and to assess the benefits of increased work effort, employees form a general perception
concerning the extent to which the organization values their contributions and cares about their well-being. Such perceived organizational support (POS) would increase employees’ felt obligation to help the organization reach its objectives, their affective commitment to the organization, and their expectation that improved performance would be rewarded. Behavioral outcomes of POS would include increases in role and extra-role performance and decreases in withdrawal behaviors such as absenteeism and turnover. Although there were relatively few studies of POS until the mid 1990’s, research on the topic has burgeoned in the last few years. Rhoades and Eisenberger’s (2002) meta-analysis covered some 70 POS studies carried out through 1999, and over 250 studies have been performed since. The meta-analysis found clear and consistent relationships of POS with its predicted antecedents and consequences.

CONCLUSION

The success of the Indian software industry has had wide-ranging effects across the Indian economy. Policy changes to enhance exports are facilitating rapid development of a domestic IT market, offering efficiency gains through adoption of information technologies. In sharp contrast to even a decade ago, Indian business, government, and consumers have ready access to the newest software products and imported hardware. The very high standards of management practiced in Indian IT firms and the tremendous employment opportunities offered by the industry have had significant effects on the confidence, aspirations, and work ethic of young professionals in India. The leading software firms have pioneered a movement to modernize Indian management practices, adopting practices of creative organizations with less hierarchical structures and strong work ethics. In order to comply with international norms to participate in international capital markets, IT firms have set new standards in accounting and corporate governance. They have offered unprecedented high-paying employment opportunities for the young and educated labor force, particularly for women professionals.

REFERENCES