Perceived Organizational Support on Employee Performance: The Mediating Role of Organization-Based Self-Esteem

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ARTICLE INFO

ISSN: 2723-1097

Keywords:
Perceived organizational support; Organization-based self-esteem; Employee performance; Banking sector.

ABSTRACT

The purpose of this paper is to evaluate the influence of perceived organizational support on employees’ performance through organization-based self-esteem in general banking sector in East Java, Indonesia. Data were collected from general banking sector employees through a self-administered questionnaire survey where a total of 129 questionnaires were distributed. A total of 100 completed questionnaires were received. The hypothesis was tested using an approach structural equation modeling-partial least squares (SEM-PLS) supported by program computer software Smart-PLS 3.0. This pilot study reveals that high perceived organizational support positively affect employees’ performance in general banking sector in East Java, Indonesia. Moreover, organization-based self-esteem levels would mediate the influence of perceived organizational support on employees’ performance in general banking sector in East Java, Indonesia. This study proposes managers to give chances to proficient advancement, improved occupation and satisfying the necessities identified through deference, mindfulness and endorsement. Furthermore, they ought to make more good working conditions, for example, preparing chances to support workers in their wants for self-improvement and accomplishment. This kind of research has not been thoroughly or even not been discussed in academic research. Therefore, it was necessary to put this issue into a management science.

Introduction

Organizational support is critical as it ensures support given by the organization to manage demanding conditions and to complete one’s job proficiently and effectively (George, 1993). Furthermore, it is Wayne (2002) demonstrated that perceived organizational support reflects the vast degree of relationship between organization and employee (Sabir et al., 2022).

Organizational support theory recommends that employees create universal beliefs with regard to how much their organization owns its commitments toward objectives and goals (Eisenberger, 1986; Rhoades & Eisenberger, 2002; Shanock & Eisenberger, 2006). Because of the standard of correspondence (Sabir et al., 2022), this perceived organizational support drives employees to feel committed to showing states of mind and behaviors that will profit the organization (Wayne, 2002).

Journal of Business and Management Review Vol. 3 No. 11 2022 Page 754-771
DOI: 10.47153/jbmr311.5062022
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Perceived organizational support is a positive treatment that influences self-perceived value that individuals have about themselves within an organization context. Consistent with Eisenberger's proposition, research reveals that employees with high levels of perceived organizational support are more committed to the organizations they work for and more satisfied with their jobs (Rhoades & Eisenberger, 2002). Such employees are less likely to be tardy, absent, or resign (e.g., Allen et al., 2003; Eisenberger et al., 1986); and have higher in-role performance (e.g., Armeli et al., 1998).

Ridwan et al., (2020) show the results of research that the perception of organizational support has a positive and significant effect on employee performance either partially or simultaneously. The same results were shown by research conducted by Nabila & Ratnawati (2020) that perceptions of organizational support have a positive effect on employee performance. Organizational performance was found to be directly influenced by perceived organizational support and perceived organizational politics with differential treatment as a complete mediator (Jeong & Kim, 2022).

However, many researchers examined the direct effects of perceived organizational support on its consequences and only a few studies have examined the mechanisms that perform mediating role in these relationships (Arshadi & Hayavi, 2013). The concept of domain-specific self-esteem, such as organization-based self-esteem (Pierce et al., 1989) is largely absent from the relationship between workplace and job performance. Recent research conducted by Kuo & Wu (2022) reveals performance goal orientation was found to buffer the negative effect of workplace ostracism on job performance via organization-based self-esteem.

Liao et al., (2021) revealed that organization-based self-esteem fully mediated the influence of on-the-job embeddedness on job performance and organizational citizenship behavior-altruism and partially mediated on-the-job embeddedness's influence on innovative behavior. Although a few studies have applied organization-based self-esteem to investigate organization citizenship behavior (e.g., Sholikhah et al., 2018), previous studies have rarely considered organization-based self-esteem as a mediator between perceive organizational support and employee performance, particularly task performance.

Research on perceived organizational support and employee performance through organization-based self-esteem has not been studied before. Therefore, the present study sets out to address the following questions: (1) What is the relationship between perceived organizational support on employee performance?; (2) Does organization-based self-esteem mediate the relationship between perceived organizational support on employee performance?
Organization-based self-esteem has been identified as having considerable impact on individuals' mindset and behaviors in the workplace, much greater than general self-esteem (Pierce & Gardner, 2004) and predicts employee outcomes more accurately in organizations (Bowling et al., 2010). Drawing from this view, this study considers the context-specific attribute of self-esteem within organizations to examine the perceived organizational support on employees' job performance.

**Literature Review**

*Perceived Organizational Support*

Perceived organizational support is a basic need provided by an organization as it guarantees and strengthens supervisory tasks and requires employees to carry out the tasks efficiently and effectively (George, 1993). Employees are very much concerned about an organization’s commitment regarding pay and allowances, environment, decision-making, idea-generating, information and communication, etc. Organizational Support Theory (Eisenberger, 1986) outlines three factors through which leverage perceived organizational support, i.e., job conditions and rewards; managers’ support; and humanity.

According to Cropaanzano, (1997) perceived organizational support affected by structural aspects incorporates prescribed principles, arrangements, choices and their usage with regard to employees. Generally, employees are greatly aware that their appraisals are frequently passed to the upper management and that the employee-manager relationship also adds to perceived organizational support (Kottke & Sharafinski, 1988; Rhoades & Eisenberger, 2002). Pleasant behavior brings about positive relations with associates and bosses, while negative affectivity creates unwanted and threatening behavior which forbids improvement and decreases perceived organizational support.

As stated by Rhoades & Eisenberger, (2002), perceived organizational support is specifically based on three factors (i.e., positive job conditions and organizational rewards, fairness and managerial support) through which job satisfaction and organizational responsibility are achieved. Mullen, (2006) proposed that training impacts respondents, results and duty because training brings a big change in perceived organizational support either positive or negative.

The employees’ level of perceived organizational support depends on the treatment they get from their organization (Rhoades & Eisenberger, 2002) paying little attention to whether that treatment was clearly or verifiably guaranteed in the business contract (Coyle-Shapiro, 2005). Positive organizational behavior is respected by employees. While negative treatment would bring about undesired employee results (Aselage & Eisenberger, 2003). Generally, employees will perceive organizational
behavior through their managers (Eisenberger, 1986), organizational approaches, standards and culture (Levinson, 1965). In this way, all activities or behaviors of an organization (Aselage & Eisenberger, 2003) can possibly impact employee perceived organizational support (Eisenberger, 1986).

Organization-Based Self-Esteem

Employee self-esteem is one of the personal attributes that consistently and certainly enhances the understanding of organizational behavior on the job, which is mostly determined by an employee’s organizational experiences (Tetteh et al., 2019). Self-esteem is defined as a person’s overall sense of self-worth; whereas organization-based self-esteem is an assessment of person competence and his/her value as a member of the organization by his/her colleagues (Chen et al., 2016). In addition, organization-based self-esteem reflects employees’ self-perception about their importance, meaningfulness, effectiveness and worthiness within their organization (Bao et al., 2015; Costantini et al., 2019). Although organization-based self-esteem differs from general conceptualizations of self-esteem; however, individuals who consider themselves to be valuable and worthy in general are likely to believe that they are valuable and worthy in specific setting, such as the workplace (Bowling et al., 2010). At the beginning of taking responsibility for organizational jobs, organization-based self-esteem is a flexible self-perception that is subject to change. However, increased organizational experience leads to the improvement of organization-based self-esteem and its resistance to change. In addition, organization-based self-esteem is formed in a person based on messages that show the importance and level of engagement of the person in the organization (Erkutlu & Chafra, 2016).

Previous studies have shown that organization-based self-esteem has many positive consequences for organization such as personal performance; sharing new knowledge with others, sharing specific skills and suggesting original ideas at work (Hahn & Mathews, 2018); increasing employees’ voice behaviors (Chen et al., 2016); work engagement, organizational commitment and the spirit at work (Nwanzu and Babalola, 2019) and enhancing well-being and reducing stress (Costantini et al., 2019). On the other hand, many factors can lead to organization-based self-esteem such as social support (Chen et al., 2016), employee participation programs, organizational structure, enriched work and adequate resources and management credibility (Nwanzu & Babalola, 2019).

Employee Performance

In short, job performance can be defined as the behaviors that employees display at work that amount to the delivery of outcomes desired by the organization regarding job quality, job quantity and job time (Na-Nan et al., 2018; Wijayati et al., 2022). According to Peterson & Plowman (1953), job quality involves meeting the set criteria
and standards for procurement, production, quality inspection and delivery of goods and services. Job quantity refers to the units of output produced by employees' behaviors, such as the product quantity, waste quantity and sales figures. Job time concerns the amount of time required to complete work-related activities about the difficulty of the tasks. Employees satisfy job-time goals as long as the required tasks are carried out accurately and within a reasonable amount of time and products or services are delivered on schedule.

Hypothesis Development

Perceived Organizational Support and Employee Performance

Organizational support has been tested in different contexts and found to be related to performance outcomes (Park et al., 2018). When employees perceived organizational support, on the basis of norm of reciprocity, oblige to exhibit behaviors that are beneficial to the organization (Arshadi & Hayavi, 2013). Accordingly, perceived organizational support should increase performance of standard job activities and actions which favorable to the organization (Rhoades & Eisenberger, 2002). Karatepe (2012) stated that perceived organizational support affected organizational performance and job performance. Employees who feel they get extra support from their organizations probably perform superior to individuals who do not (Eisenberger, 1990). The higher the organizational support felt by employees will improve employee performance within the company (Susmiati & Sudarma, 2015). Hochwarter (2008) found a modest relationship between perceived organizational support and work performance. A research was conducted in educational institutions in India which showed a positive and significant impact of perceived organizational support on employee performance (Nazir & Islam, 2017).

H1. Perceived organizational support has a significant positive impact on employee performance

Perceived Organizational Support and Organization-Based Self-Esteem

Social messages within work and organizational settings are crucial sources of employees' organization-based self-esteem (Pierce & Gardner, 2004). Organization-based self-esteem refers to “an individual's self-evaluation of personal adequacy and worthiness as an organizational member” (Gardner & Pierce, 1998). As these social messages provide a foundation for employees to “perceive themselves as important, meaningful, effectual, and worthwhile” (Pierce et al., 1989), they may satisfy the needs of their organizational roles. Employees always evaluate the organization treatments. When they assess a treatment as positive and favorable, they would believe that they are capable, significant and valuable members (Arshadi & Hayavi, 2013). These treatments communicate the perspective of organization about employees. Chen et al., (2005) reported perceived organizational support to be related to organization-based
self-esteem. They suggested that the positive treatments of organization with employees increase the feeling of self-worth in work place.

H2. Perceived organizational support has a significant positive impact on organization-based self-esteem

Organization-Based Self-Esteem and Employee Performance

Individuals with low organization-based self-esteem have a negative perception of their competence and meaningfulness within organizations (Williams, 1997). Consequently, they primarily focus on the unfavorable views they hold of themselves and tend to demonstrate negative work attitudes and behaviors, such as job dissatisfaction, instrumental commitment, deviant behavior or withdrawal behavior (Gardner & Pierce, 2001). According to the view of self-consistency (Swann et al., 1987), low-organization-based self-esteem employees align with their negative self-views and coordinate their low self-perception by performing poorly. Furthermore, Bowling et al., (2010) meta-analysis demonstrated that organization-based self-esteem is positively related to job performance. People who have positive images of themselves will engage in behaviors and possess attitudes that reinforce this positive image (Pierce & Gardner, 2004). Thereby, employees with high levels of organization-based self-esteem are more committed affectively to their organizations and have high job performance that are consistent with and maintain their level of organization-based self-esteem (Arshadi & Hayavi, 2013). Hence, reasonably convincing results have ascertained the relationship between organization-based self-esteem and employees' job performance.

H3. Organization-based self-esteem has a significant positive impact on employee performance

The Mediating Role of Organization-Based Self-Esteem

Research conducted by Rhoades et al., (2001) regarding the effect of perceived organizational support on employee performance, shows that perceived organizational support has a positive effect on employees' feelings of obligation to support the organization where they work, which in turn affects affective commitment and performance. However, Kambu et al., (2011) and Wann-Yih & Htaik (2011) found that perceived organizational support had no effect on employee work performance. This indicates that the organizational support they feel is not paid much attention, so it is not an important thing and is a reason to improve their performance. Organization-based self-esteem refers to “an individual's self-evaluation of personal adequacy and worthiness as an organizational member” (Gardner & Pierce, 1998). As these social messages provide a foundation for employees to “perceive themselves as important, meaningful, effectual, and worthwhile” (Pierce et al., 1989), they may

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satisfy the needs of their organizational roles. Pierce & Gardner (2004) suggested that organization-based self-esteem in two areas possess mediating role. One of these areas is organization-individual relationships. Perceived organizational support engenders organization-based self-esteem in employees and consistent with level of organization-based self-esteem and on the basis of norm of reciprocity, they would obligate to develop positive attitudes and to exhibit a high level of job performance that beneficial for the organization. Chen et al., (2005), reported that organization-based self-esteem was full mediator in the relationship between perceived organizational support and job performance. The results of Lee & Peccei (2007) study showed that organization-based self-esteem was a significant mediator of the perceived organizational support and affective commitment relationship in two Korean banks. Accordingly, this study argues that organization-based self-esteem could mediate the relationship between perceived organizational support and employee performance.

**H4. Organization-based self-esteem will mediate the relationship between perceived organizational support and employee performance**

**Method**

This study's population is employees in the general banking sector in East Java, Indonesia. A random sample of 129 employees was asked to respond to a paper-based questionnaire, out of which, 100 accurate completed questionnaires were used for data analysis. The participation into survey was voluntary and the questionnaire was administered personally to all the respondents. The research questionnaire included 24-item encompassing three sections of perceived organizational support, organization-based self-esteem and employee performance. The items were scored based on a five-point Likert scale from “completely disagree” to “completely agree.” All items were adapted from existing literature and based on validated scales include perceived organizational support (Eisenberger et al., 1986); organization-based self-esteem (Gardner & Pierce, 2016); and employee performance (Na-Nan et al., 2018). The statistical procedures and measures were reliability and validity analysis and structural equation modeling partial least square (SEM-PLS) and data were analyzed using statistical software SPSS 23 and Smart PLS 3.0.

**Result**

**Respondents’ Profile**

A total of six demographic components were presented using the frequency test. The six demographic profiles are gender, age, last education, marital status, years of service, and department. As a result 75% were 20-29 years, 15% were 30-39 years, 6% were 40-49 years, and 4% 50-59. With details, 33% male and 67% female. Overall, 8% senior high school, 5% diploma, 87% bachelor degree. Furthermore, 27% are married
and 83% are single. Overall, 92% with a work period of 1 - 10 years, 4% with a work period of 11 - 20 years, and 4% with a work period of 21-30 years. Based on years of service and position or share of work, 16% as tellers, 23% as frontliners, 15% as customer service, 7% as field collectors, 39% we categorize with others.

*Measurement Model Assessment*

In the first step, we ran the measurement model in SmartPLS 3.0 to ensure that the constructs were correctly correlated by the proposed variance. Therefore, convergent and discriminant validity were checked to assess the measurement model in this study. To evaluate the convergent validity, the factor loadings of each item were checked in the first stage. According to Rahman et al., (2022) loadings should be equal to, or greater than, 0.50. Specifically, all items with outer loadings were above 0.50 (Table 1). Figure 1 shows the value of outer loadings for all variable items:

![Figure 1. Outer Loadings All Variable Items](image)

Composite reliability (CR) was assessed to check the internal consistency in this study. Rahman et al., (2022) suggested the cut off value of 0.70 for CR. In this study, CR for all items ranged from 0.897 to 0.920, exceeding the recommended value of 0.7. Next, Cronbach's alpha (CA) can strengthen the reliability test results from the CR results. Or it can be said that the value of CA to evaluate internal consistency. The CA in this study ranged from 0.868 to 0.901 and was over 0.70. Finally, Average Variance Extracted (AVE) was checked to establish the convergent validity in the study.
According to Rahman et al., (2022), AVE represents the grand mean value of the squared loadings of the indicators related to the constructs of the study. The AVE value of 0.50 will show that 50% of the items give sufficient explanation about the construct that is enough (Rahman et al., 2022). In this study, AVE values for all constructs were under the range from 0.525 to 0.567, which exceeded the recommended value of 0.5. Table 1 shows the convergent validity of all the confirmed constructs in this study.

Table 1. Specified Measurement Model

<table>
<thead>
<tr>
<th>Variable and scale item</th>
<th>Loadings</th>
<th>AVE</th>
<th>CR</th>
<th>CA</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived organizational support</td>
<td>0.525</td>
<td>0.897</td>
<td>0.868</td>
<td>4.18</td>
<td></td>
</tr>
<tr>
<td>The organization values my contribution to its well-being.</td>
<td>0.798</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The organization succeed to appreciate any extra effort from me.</td>
<td>0.750</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The organization will ignore any complaints from me.</td>
<td>0.563</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>The organization really cares about my well-being.</td>
<td>0.604</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Even if I do my best work, the organization will still notice.</td>
<td>0.833</td>
<td></td>
<td></td>
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<tr>
<td>The organization cares about my general satisfaction at work.</td>
<td>0.590</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>The organization showed a lot of attention to me.</td>
<td>0.783</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The organization takes pride in my accomplishments at work.</td>
<td>0.816</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational-based self-esteem</td>
<td>0.562</td>
<td>0.920</td>
<td>0.901</td>
<td>4.05</td>
<td></td>
</tr>
<tr>
<td>I count around here</td>
<td>0.584</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am taken seriously around here</td>
<td>0.730</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>There is faith in me around here</td>
<td>0.763</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am trusted around here</td>
<td>0.650</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am helpful around here</td>
<td>0.791</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am a valuable part of this place</td>
<td>0.822</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am efficient around here</td>
<td>0.752</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am an important part of this place</td>
<td>0.823</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>I make a difference around here</td>
<td>0.798</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Variable and scale item</td>
<td>Loadings</td>
<td>AVE</td>
<td>CR</td>
<td>CA</td>
<td>Mean</td>
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<tr>
<td>-------------------------</td>
<td>----------</td>
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<td>------</td>
</tr>
<tr>
<td>Employee performance</td>
<td>0.567</td>
<td>0.901</td>
<td>0.872</td>
<td>4.16</td>
<td></td>
</tr>
<tr>
<td>Tasks are completed as per the specifications and standards</td>
<td>0.798</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Products or services meet the expectations of customers</td>
<td>0.764</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The units of output meet organizational expectations</td>
<td>0.695</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The units of output under my responsibility correspond to my skills and ability</td>
<td>0.767</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tasks are generally completed on schedule</td>
<td>0.813</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tasks are carried out within a reasonable amount of time</td>
<td>0.726</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The delivery of goods or services is conducted in a timely fashion</td>
<td>0.698</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The results of respondents' answers, we then interpreted using the three-box method. Based on the Likert-scale answer selection criteria, then the range of five must be divided by three resulting in a range of 1.33 (1.00 - 2.33 = low; 2.34 - 3.67 = moderate; 3.68 - 5.00 = high) and then used as the basis for the interpretation of the average value of the variable (e.g. Kistyanto et al., 2022). Based on respondents' assessment regarding research variables (perceived organizational support = 4.18; organizational-based self-esteem = 4.05; employee performance = 4.16), three the latent variables are high categories.

**Structural Model Assessment**

It has been proposed to report the path coefficients, p-values, and t-statistics in the structural model to evaluate the significance of the hypotheses (Rahman et al., 2020). Assessing the structural model by looking at the significant value to determine the effect between variables through the bootstrapping procedure. Table 2 shows the results of the hypothesis testing of direct effects and indirect effect relationships.

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Coefficient</th>
<th>T-Stats</th>
<th>P-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct effect</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived organizational support and employee performance</td>
<td>0.623</td>
<td>6.024</td>
<td>0.000</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>Relationship</th>
<th>Coefficient</th>
<th>T-Stats</th>
<th>P-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived organizational support and</td>
<td>0.771</td>
<td>21.915</td>
<td>0.000</td>
</tr>
<tr>
<td>organizational-based self-esteem</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational-based self-esteem and employee</td>
<td>0.251</td>
<td>2.278</td>
<td>0.023</td>
</tr>
<tr>
<td>performance</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Indirect effect**

| Perceived organizational support and employee    | 0.194       | 2.192   | 0.029   |
| performance and organizational-based self-esteem |             |         |         |

**Level significance (5%):** t-statistics ≥1.96; p-value < 0.05

The previous H1 discussion, perceived organizational support is suspected positively related to employee performance. The results of path analysis show that this relationship is significant ($\beta = 0.623$, t-statistics = 6.024, $p < .05$), so that H1 is accepted. Furthermore, the results confirm the acceptance of the hypothesis H2, which shows that the relationship between perceived organizational support has a positive and significant effect on the organizational-based self-esteem ($\beta = 0.771$, t-statistics = 21.915, $p < .05$). Hypothesis H3 is also supported, as the relationship between organizational-based self-esteem has a positive and significant effect on the employee performance ($\beta = 0.251$, t-statistics = 2.278, $p < .05$). Furthermore, for the results of the statistical analysis of the effect of mediation, the results of the study present organizational-based self-esteem as positively mediating the influence perceived organizational support on employee performance ($\beta = 0.194$, t-statistics = 2.192, $p < .05$), so H4 is accepted. Hence, based on these results, H1, H2, H3, and H4 are accepted.

**Discussion**

The overall objective of our study was to examine the relationships among perceived organizational support to the employee performance through organizational-based self-esteem. We found that perceived organizational support and organizational-based self-esteem all have significant positive correlations with employee performance, it was also found that organizational-based self-esteem mediates the relationship in this model.

Perceived organizational support being a form of remote social exchange generates positive emotions toward the organization and obligations to the organization to perform one’s job well thereby increasing its performance. Consistent with the study by Arshadi & Hayavi (2013) positive emotions and the norm of reciprocity would normally predispose individuals to willingly do their utmost and this basic principle applies not only to personal relationships but also to the relationships between employees and their organizations. Organizational performance was found to be directly influenced by perceived organizational support.
and perceived organizational politics with differential treatment as a complete mediator (Jeong & Kim, 2022). Positive support from the organization makes employees have a good perception and consider themselves obliged to repay the organization with something good, one of which is through optimal performance so as to create mutually beneficial relationships (Susmiati & Sudarma, 2015).

The findings revealed that perceived organizational support positively influenced organizational-based self-esteem. We suggest that the favorable treatment that employees receive from organization, form the sense of self-worth and competence in them as an organization member. Consistent with the study by Lee & Peccei (2007), this study also found that perceived organizational support has a positive influence on organizational-based self-esteem. These findings suggested perceived organizational support is able to fulfill the employees’ socio-emotional needs in being accepted and respected (Eisenberger et al., 2004). Those who perceive that the organization accepts error occurrence tend to think that the organization values and supports them, which, in turn, boosts their organizational-based self-esteem and eventually positively influences their general psychological well-being (Wang et al., 2020). Consistent with social exchange theory, when employees perceived organization as a supportive institute which satisfy their socio-emotional needs and provide favorable job conditions for them, they will obligate to reciprocate the organization care by forming a psychological attachment relationship with it. When one feels that he or she is accepted and respected, the individual will make a positive internalisation in relation to himself or herself such as feeling that he or she is appreciated and important (Lee & Peccei, 2007).

We showed that organizational-based self-esteem positively influence employee performance. This result is consistent with this perspective that high organizational-based self-esteem individuals maintain positive job attitudes and exhibit high levels of job performance to be compatible with their self-worth. Research from Strauss (2005) shows that organizational-based self-esteem has a strong influence on performance. The results of Strauss (2005) research are in line with this study although the background of the respondents and the conceptual framework of each study are different. Recent research conducted by Kuo & Wu (2022) reveals performance goal orientation was found to buffer the negative effect of workplace ostracism on job performance via organization-based self-esteem. The findings of this study provide strong evidence that having pride in one's self as part of an organization will lead to the emergence of high performance. The existence of these findings provides explanations and input for policy makers to be able to encourage increased pride and self-esteem of employees towards their organizations so that employees will eventually have their own awareness of their duties and responsibilities, in the end this will encourage increased performance.
Our hypotheses regarding mediating role of organizational-based self-esteem in the relationship of perceived organizational support with employee performance were significant. Chen et al., (2005), reported that organization-based self-esteem was full mediator in the relationship between perceived organizational support and job performance. Liao et al., (2021) revealed that organization-based self-esteem fully mediated the influence of on-the-job embeddedness on job performance and organizational citizenship behavior-altruism and partially mediated on-the-job embeddedness’s influence on innovative behavior. Consistent with organizational support theory, perceived organizational support will satisfy the socio-emotional needs such as need to approval and self-esteem and leading employees to feel self-worth and competence. According to self-consistency theory, individual are motivated to engage in behaviors and possess attitudes that are consistent with their self-image. Therefore high organizational-based self-esteem employees have tendency to promote their level of employee performance which are compatible with their self-worth as an organization member.

Conclusion

Organization-based self-esteem are critical for perceived organizational support and employee performance. This study examined perceived organizational support role in employees in the general banking sector in East Java, Indonesia. The results show that high perceived organizational support positively affect employees’ performance in general banking sector in East Java, Indonesia. Moreover, organization-based self-esteem levels would positively mediate the influence of perceived organizational support on employees’ performance in general banking sector in East Java, Indonesia.

Limitation and Future Research Direction

This study has some limitations. First, we only drew our samples from employees in the general banking sector in East Java, Indonesia. This limits the generalization of our results to other samples. Second, given the cross-sectional design of this study, causal relationships among the variables cannot be established. Longitudinal studies should be employed to test the hypotheses. All the questionnaires which we used in this study were self-reports. It is better to use a combination of self-report questionnaires and objective assessments. Finally, future researchers can take into account the factor of psychological well-being and culture as a research model development.

References


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