

# The Effect of Perceived Organizational Support on Flexible Working Arrangement and Task Performance: The Mediating Role of Organizational Commitment

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## ABSTRACT

The Covid-19 Pandemic affects the way of working in Indonesia that forces the banking industry to adjust its leading service while ensures employees finish their task-performance well by giving them the support they need. This research examines the effect of employees' perceived organizational support on implementing flexible working arrangements and its impact on task performance through organizational commitment. This research uses a quantitative research design through primary data collection, collecting 361 data at PT. Bank X. Then, the data is analyzed with Structural Equation Modelling (SEM) to test the overall construct of the research model. The results indicate that perceived organizational support has a significantly positive effect on the flexible working arrangement, and therefore reinforces organizational commitment, then as a sequence impacts task performance. Finally, these results suggest that PT. Bank X continues implementing flexible working arrangements by creating a permanent company policy that leads to higher organizational commitment after the pandemic and gives more supporting tools to help employees finish their task performance. This research can help companies in the same type of industry to implement flexible working arrangements and increase their employee task performance

**Keywords:** *perceived organizational support, flexible working arrangement, task performance, organizational commitment.*

## 1. INTRODUCTION

According to the PWC research work from home (WFH) method is the most common policy implemented in many organizations to cope with the pandemic situation. According to a PWC report, 50% of leaders from Indonesia make the work from the home method the main policy for an employee to work during this pandemic [11]. According to Maxwell, Rankinne, Bell, MacVicar [1], and Lewis [12], work from home itself is one of the Flexible working arrangement types, organization is forced to adopt this to comply with governance rules and to help stop the covid-19 pandemic. This pandemic also forces the banking industry, including PT.Bank X to accelerate their digitalization [4] and adopt a flexible working arrangement policy.

PT.Bank X is a state-own company that has been established for a decade and has already passed many changes in the political and economic environment since its establishment, as a banking company itself involve highly on people interaction between banking employees and their customer in order to deliver their main services, as it is a service industry that also highly regulated. The pandemic and digital mindset growth force PT. Bank X to adjust its main service while ensuring its employees keep performing. To maintain company performance, the organization needs to come out with the right policy that supports their employee performance.

To support their employee performance, PT.Bank X tries to implement flexible working arrangements, to do so, the first organization needs to bring out this policy formally and create the protocol and all necessary support

that their employees need. By formally placing the flexible working arrangement policy, the employee will perceive the organization supports them. This perception that comes to employees is known as perceived organization support. Rhoades and Eisenberger [3] found that positive perceived organizational support will help an organization to easily implement their company policy due to their employee good and positive perception of their organization.

The main issues after a flexible working arrangement policy are in place is, that there is only a small direct impact on performance [5]. Meanwhile, PT.Bank X needs to keep their employee productive by doing their task performance; the employee needs to show an effort to achieve their task to do to finish the job they have been given [2, 13]. With only a small direct impact from establishing a flexible working arrangement policy to performance, a mediating variable is needed to strengthen it. The flexible working arrangement itself know to have a strong effect on increasing organizational commitment [7]; employees feel with a flexible working arrangement policy in place, will help them to feel more appreciated and feel being acknowledged by the organization so they will have a stronger commitment to their organization. A previous study from Bal and De Lange [8] on organizational commitment can moderate organization human resources (HR) policy to employee performance.

With the need for good employee task performance, PT.Bank X needs to place a flexible working arrangement policy and give all the necessary support that their employee will perceive as a good and positive perceived organization support, with good perceived organization support will effectively help PT. Bank X to implement their flexible working arrangement policy, this will cause an improvement in employee organizational commitment [8] and then finally give impact employee task performance.

The first section of this paper highlights the emergence of work from the home policy as one of the main working policy options for organizations to cope with the Covid-19 pandemic and how perceived organizational support would affect the implementation of flexible working arrangements and task performance with the mediating role of organizational commitment on PT.Bank X employee. In the second section of this paper, a literature review of perceived organizational support, flexible working arrangement, organizational commitment, and Task Performance is explained, including the development of hypotheses this study proposed. The third section describes the research methodology: population, sample, data collection technique, and measurement of the variables in this study. In the fourth section, the findings and results of the study are discussed, while the last section describes the

conclusions, limitations, and recommendations for future research.

### ***1.1 Perceived Organizational Support***

Rhoades and Eisenberger [3] define perceived organizational support as the general belief felt by employees that the organization where they work appreciates their contributions and welfare of employees. Perceived organizational support is also defined as the form of organizational readiness to appreciate their employee which can be in financial form or non-financial form that can improve employee welfare [6].

In previous research, perceived organizational support will help an organization easily implement any organization policy [3, 6]; this comes from the emergence of positive perceptions that employee believes about their organization. This perception comes into employees' minds after seeing and feeling the acknowledgment from the organization they are working for and open communication between organization management and their employee [13]. Previous research also found perceived organizational support capable of positively increasing employee performance in the organization [13].

### ***1.2 Flexible Working Arrangement***

The definition of flexible working arrangement is defined as any kind of policy that formal or informally permit employees to choose where and when they do their work [1]; it means that a flexible working arrangement gives flexibility to the employee in how they have done their job. Other studies also define a flexible working arrangement as a policy or organizational practice that gives the employee the flexibility on how and when a job has been done that differs from any conventional way of work [11].

Flexible working arrangements, in general, include flexi-time, work from home, teleworking, part-time, and any other policy that involves the flexibility to do a job [1, 12]. According to Baruch, flexible working arrangements will be able to implement if there is support given to employees, including IT support such as laptops, integrated systems, and easy access to company sources for data [15]. As the flexible working arrangement is one of the organization's policies, it will be effective if the organization acknowledges this policy to be implemented and gives the support needed to make sure this implementation runs well.

Relationship between perceived organizational support and flexible working arrangement

As the flexible working arrangement is one kind of policy, it can only be implemented if there is support from the organization; Maxwell et al. suggest that support from the organization is highly needed to implement

flexible working arrangements [1]. On the other hand, Rhoades and Eisenberger strongly believe that perceived organization support will help the organization deploy and implement any kind of policy [3]. Baruch also enforces organizations to support their employees with the tools they need to do their job from anywhere they choose to do their task to do, including IT support from the organization [15].

Thus, the hypothesis proposed in this study is

H1: Perceived organization support has a direct and positive relationship with the flexible working arrangement in PT.Bank X.

### **1.3 Task Performance**

Koopmans, Bernaards, Hildebrandt, Schaufeli, De Vet Henrica, and Van Der Beek explain work performance with four domains: task performance, interpersonal performance, and downtime behavior destructive behavior [2], in this study Koopmans, explain that each domain can be measure independently. This research focuses on Task performance, defined as a set of skills or competencies that employees have to accomplish their main job [2]; Pradhan and Jena describe task performance as employee behavior that affects their way of working directly or indirectly [14].

A study by Kattenbach, Demerouti, and Nachreiner, is trying to prove the connection between flexible working arrangements to task performance and found out that there is no significant effect of flexible working arrangements on task performance [5].

### **1.4 Organizational Commitment**

Allen and Meyer define organizational commitment as an intention from employee to stay in an organization where they belong at that time [10], this intention comes from three aspect that drives organizational commitment, first affective commitment is a commitment that occurs because of comfortable feeling that a person or employee feels to their organization, the second is continuance commitment a commitment that occurs due to employee believe of return of investment they will get from the organization as a recognition of their achievement, and third is a normative commitment a commitment that occurs from social beliefs about what is right or not.

A study by Bal and De Lange found out that organizational commitment is capable of strengthening the effect of any HR policy being in place on employee performance, including task performance [8].

Thus, the hypothesis in this study is

H2a: Flexible working arrangement has a direct and positive relationship with organizational commitment in PT.Bank X employee

H2b: Flexible working arrangement has a direct and positive relationship with Task Performance in PT.Bank X employee

H3: Organizational commitment mediate the relationship between flexible working arrangement and Task Performance in PT.Bank X employee,

In the end, the presence of good perceived organization support through the implementation of flexible working arrangements will keep an employee at PT. Bank X to increase their organizational commitment, leading to an increase in their task performance.

## **2. METHODS**

### **2.1 Research Design**

This research was conducted in 2 stages: pre-test and main test. The pre-test stage was carried out on 29 respondents to test the validity and reliability of the instruments used. Then the main test is carried out to obtain the main data, which will later be analyzed in-depth to find out how the relationship between each variable.

This research was conducted through primary data collection using a quantitative research design, and the data were collected online using Google Form. In addition, this study uses a single cross-sectional design method, which means that data collection is carried out once for each sample taken (Cooper and Schindler, 2014). The target population in this study is permanent employees in PT Bank X from all of PT Bank X head offices and regional offices across Indonesia. 379 people participate to become respondents in this study, but only 361 people meet the criteria of the research sample. This data is analyzed using structural equation modeling (SEM) to test the overall construct of the research model.

### **2.2 Measurement**

Three self-report instruments were used to measure variables in this research, with a seven-point Likert scale ranging from 1 = strongly disagree to 7 = strongly agree were used in all measurement instruments in this study.

The instrument used to measure Perceived organizational support is measured using the short version of the survey of perceived organizational support instrument developed by Eisenberger et al. (1986); Rhoades and Eisenberger (2002) with eight indicators, Cronbach alpha for this instrument is 0.651. Sample questions are "The organization values my contribution to its well-being," and "The organization takes pride in my accomplishments at work."

The FWOQ is used to measure flexible working arrangements, which consists of 11 questions developed by Albion (2004). Cronbach alpha for this instrument is

0.525, and sample questions are “Flexible working arrangements help me balance life commitments,” “Flexible working arrangements enable me to focus more on the job when I am at the workplace.”

To measure organizational commitment, this research uses the Allen and Meyer organizational commitment survey developed by Allen and Meyer (1990) with 24 indicators with Cronbach alpha is 0.908, and the sample question is “I would be happy to spend the rest of my career with this organization,” “it would be very hard for me to leave this organizations event if I want to,” “I was taught to believe in the value of remaining loyal to the organization.”

For task performance, the measurement used the IW PQ instrument dimension of task performance developed by Koopmans (2014) with seven questions and Cronbach alpha 0.899. The sample of questions is “I can make a plan to do my job so it will be done,” and “I always set a goal to achieve.”

The result from the pre-test that was calculated using SPSS 22 shows that all four instruments were valid and reliable to be used in the main test with no indicator being taken out.

**3. RESULTS AND DISCUSSION**

Data collection was conducted between April – Jun 2021. The majority of sample from 361 respondent are female (n =204; 56.51%), age between 26-30 years old (n =85; 23.35%), has been working in PT.Bank X for more than 10 year (n =191; 52,91%), had bachelor degree (n =300; 83.10%), job position as assistant manager (AMGR) (n =184; 50.97%) Respondents also consist from regional office and headquarter.

**Table 1.** Demographics of respondent

Profiles	Frequency	Percentage (%)
Gender		
Male	157	43.49%
Female	204	56.51%
Age		
21-25	20	5.54%
26-30	85	23.55%
31-35	80	22.16%
36-40	35	9.70%
41-45	74	20.50%
>45	67	18.56%
Years of employment	38	10.53%

Profiles	Frequency	Percentage (%)
<3	52	14.40%
3 - 5	80	22.16%
5 - 10	191	52.91%
>10		
Educational Background		
Highschool	4	1.11%
Diploma	17	4.72%
Bachelor	300	83.10%
Master	40	11.08%
Job Position		
Assistant	119	32.96%
Assistant Manager	184	50.97%
Manager	58	16.07%
Regional Office		
Head Office	57	15.79%
Regional Branch	304	84.21%

**3.1 Measurement model analysis**

This study used Lisrel 8.8 program to analyze both measurement and structural models. Table II below shows the standardized loading factor (SLF), construct reliability (CR), and average variance extracted (AVE) for each variable in this study. According to the results presented in Table 2,

**Table 2.** Reliability Results

Variable	CR	AVE	Result
Flexible Work Arrangement	0,70	0,16	Reliable
Perceived Organizational Support	0.87	0.47	Reliable
Organizational Commitment	0.89	0.27	Reliable
Task Performance	0.95	0.74	Reliable

Table 2 shows CR (Composite Reliability) and AVE (Average Variance Extracted) of the construct. The CR should be greater than 0.7 [9]; in this study, it ranged from 0.70 to 0.95, hence, acceptable. The AVE of the construct ranged from 0.16 to 0.74; some are not greater than the accepted value of 0.50 [9] but still can be accepted to be used since CR is still good [9].

Almost all variables also have met the validity criteria, having already passed the minimum requirement of 0.50 for the Standardized Loading Factor (SLF) [9]. In

this study SLF value of 7 perceived organization support (POS) indicator passed the requirement (POS1=0.87; POS2=0.90; POS3=0.78; POS4=0.84; POS5=0.92; POS6=0.86; POS8=0.81) while POS7 is only 0.25 but still be used because it's still capable to measure perceived organizational support. For variable, flexible working arrangement, there are three indicators that have not passed the requirement but are still used due to the nature of the FWOQ that needs all of its indicators. For organizational commitment, all indicator has passed the requirement range from 0.50 to 0.78. while all task performance indicators passed the requirement.

**3.2 Structural Model Analysis**

Analysis of the goodness of fit for the research model is summarized in Table III below. Table III shows three indexes with poor fitness levels and one marginal fit level that doesn't meet the minimum criteria of good fitness level, even after respecification adjustment on the Lisrel program. Although not all of the goodness of fit index in the model is considered as a good fit, the model is considered acceptable since it has already surpassed the minimum number of three of the goodness of fit indexes that reach the good fit level [9].

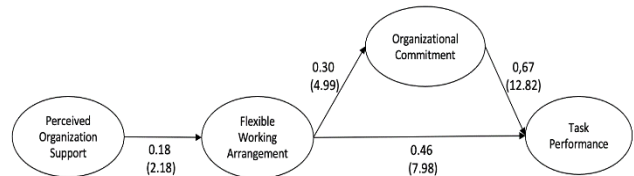
**Table 3.** Structural model analysis

Goodness of Fit	Structural Model		
	Benchmark	Result	Remarks
Chi-Square	≤ 0.05	6567,52	Poor fit
Standardized Root Mean Square Residual (SRMR)	≤ 0.05	0.19	Poor fit
Root Mean Square Error of Approximation (RMSEA)	≤ 0.05	0.094	Poor fit
Goodness-of-Fit Index (GFI)	≥ 0.90	0.59	Marginal fit
Non-Normed Fit Index (NNFI)	≥ 0.90	0.93	Good fit
Normed Fit Index (NFI)	≥ 0.90	0.90	Good fit
Relative Fit Index (RFI)	≥ 0.90	0.90	Good fit
Incremental Fit Index (IFI)	≥ 0.90	0.93	Good fit
Comparative Fit Index (CFI)	≥ 0.90	0.93	Good fit

**3.3 Hypothesis Testing**

The structural model of this study is shown in Figure 1 below. The hypothesis is considered accepted if the t-value ≥ 1.64 [9]. Based on the result, employees strongly perceived organization support with the

implementation of flexible working arrangements (t-values = 2.18). With flexible working arrangements in place, employees have a higher level of organizational commitment (t-values = 4.99) and, at the same time will do their best to do their task performance (t-values = 7.98). Employees will also show higher task performance if they have a higher organizational commitment (t-values = 12.82). The role of organizational commitment plays an important role in strengthening the relationship between flexible working arrangements and task performance among PT.Bank X employees.



**Figure 1** Research Model Results

From the result shown above, respondents perceived that PT. Bank X gives the necessary support they need during a pandemic by implementing a flexible working arrangement policy, it is shown from the significance of perceived organizational support to the flexible working arrangement, by implementing flexible working arrangement policy PT. Bank X also increase employee organizational commitment that also helps to increase their task performance [8]. Respondent shows that they could deliver the task they had been asked for even though they do their job from home. Respondents also showed that they feel more attached and more eager to do their best for the company by intentionally willing to stay at PT. Bank X.

Organizational commitment also proves to be significantly positive, moderating the impact of flexible working arrangements on task performance that has an indirect effect of 0.67. higher than if there is no organizational commitment as the moderating effect with only have line coefficient of 0,46.

**Table 4.** Hypothesis Test

Hypothesis	Elements	t-value/ z-value	Result
H1	Perceived Organization Support → Flexible Working Arrangement	2.18	Significant
H2a	Flexible Working Arrangement → Organizational Commitment	4.99	Significant
H2b	Flexible Working Arrangement → Task Performance	7,98	Significant
H3	Flexible Working Arrangement → Organizational Commitment → Task Performance	12,82	Significant

Hypothesis	Elements	t-value/ z-value	Result
	Commitment □ Task Performance		

This study finds that employees in PT. Bank X during a pandemic are more attached to the organization, it shows from the respondents answer strongly to stay in this organization at this time and keep their commitment to finish all the tasks given to them. Respondents also showed that organizations can still give more support than they already receive so far, such as more clear boundaries between work time and private time and more benefit allowance to help them work.

*Discussion*

Previous research has found a direct and positive effect of perceived organizational support on company policy, as Eisenberger (2002) suggests [6]. This study shows similar results in explaining how positive organizational support affects the employees' acceptance level and willingness to comply with organizational policies. PT.Bank X has been able to create enough socio-emotional aspects and welfare for their employee, so implementing a flexible working arrangement policy is certainly accepted, especially with the pandemic that happens at the same time as this policy is being implemented. Results show that employees of PT. Bank X perceived the organization as able to give them the right policy and all the infrastructure needed in response to the pandemic situation by implementing a flexible working arrangement policy.

Results also showed the positive effect of perceived organizational support to flexible working arrangements has also developed a stronger and higher employee organizational commitment to PT.Bank X, according to the respondent, they choose to stay at this company and will not easily move to other organization. Respondents also show that they feel PT. Bank X's policy to implement flexible working arrangements is a good move so they can be working with less worried about being infected by the COVID-19 virus.

The employee in PT.Bank X also shows their willingness to finish every task performance given to them by the organization. Respondents value flexible working arrangement policy by giving their best to apprehend every obstacle in order to finish their job. The result of this study answer previous research from Katzenbach, Demerouti, and Nachreiner that doesn't find a significant effect of flexible working arrangement to performance [5] while in PT.Bank X employee it has a significant and positive effect. This showed that employees of PT. Bank X were still able to do their task performance while working from home.

Results also showed the mediating effect of organizational commitment that strengthens the

relationship between flexible working arrangements and task performance. This research also supports previous research that said that organizational commitment is capable of strengthening any HR policy to increase performance [8]. This mean employee in PT.Bank X feels more committed to the organization after implementing a flexible working arrangement that brings more productive and strong will to finish their task performance.

The finding of this study also showed that in PT.Bank X employee, perceived organizational support have a significant effect to strengthen the implementation of flexible working arrangement policy and also to keep their task performance well, the mediating role of organizational commitment also help strengthen employee task performance from the implementation of flexible working arrangement in PT.Bank X employee.

The managerial implication of this study is to encourage PT Bank X to apply a permanently flexible working arrangement policy in the future event after the pandemic. PT Bank X to keep their support for their employee to keep the perceived organization giving the necessary support and acknowledging their work.

The limitation of this study is caused by unbalanced numbers to exactly represent each regional area because of different local cultures and local government policies that vary from one another. This study also captured more on the middle-lower management that might be different if it also includes the middle-upper management level. Further research might be considered if it happens after the pandemic with the same policy still in place and to include middle-upper management as the research respondent.

**4. CONCLUSIONS**

PT Bank X so far has been able to deliver suitable policy in responding to the Covid-19 pandemic that also follows government order and policy. The impact of the implementation of flexible working arrangements is to increase employees' organizational commitment to PT Bank X, employees believe that organization will survive the pandemic, and that their welfare will be fulfilled from PT Bank X, employees also see organization support by deploying flexible working arrangement policy as a strong point to help them choose to stay and keep working wit PT Bank X. This encourages employees to stay productive and willing to do their task performance. In the end, PT Bank X's goals to survive and also be productive during a hard time for business because of the pandemic by giving their employees task performance they need to do will respond positively by employees because employees are already feeling more engaged and committed to staying productive due to company support with flexible working arrangement policy.



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