How can Organizational Support Increase Employee Motivation and Performance? Studies on Employees of MSMEs in Indonesia

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ABSTRACT

Purpose – This study aims to investigate how the supervisor support (SVS) and co-worker support (CWS) affects employees in micro, small and medium enterprises (MSME) in Yogyakarta, Indonesia.

Aims(s) – This study tested and strengthened the results of previous research regarding how SVS and CWS increased the motivation and performance of employees in the MSME sector in Yogyakarta, Indonesia.

Design/methodology/approach – This study used 426 employees who were collected using a questionnaire. After the questionnaire was declared valid and reliable using the data collected, it was continued with testing the research hypothesis using structural equation modeling (SEM) with a two-step approach.

Findings – The results of this study found that employees do need support from supervisors and co-workers, so that all variables in this study are correlated. In addition, employee motivation was directly influenced by emotional CWS, while employee performance was influenced by instrumental CWS. SVS had no direct effect on motivation and performance but encouraged employees to provide support to their co-workers both emotionally and instrumentally.

Limitations of the study – The limitations of this research were using cross-section data to test the mediation model and using self-assessment in filling out the questionnaire which caused common method variance. Future research would be better if longitudinal data and other ratings were used to overcome this problem.

Practical implications – Supervisor support has an effect for increasing co-worker support. These two forms of support are very necessary in increasing employee motivation and performance.

Originality/value – Unlike the results of previous research, this research found that leader support cannot immediately improve employees’ performance. Supervisor support was mediated by other variables, which in this case was co-worker support which can motivate employees to improve their performance.

1 INTRODUCTION

The work environment has been shown to influence how employees meet the demands of their jobs. In addition to the availability of materials and resources, quality interpersonal relationships within organizations or companies can also produce positive outcomes such as employee motivation, performance, and retention (Tews et al., 2013). The results of previous research found that interpersonal relationships between leaders and employees as well as relationships between employees are factors in the success of people-oriented individuals and organizations (e.g., Lv et al., 2022; Zhang et al., 2023). This relationship can be in the form of support, both from supervisors and coworkers. The results of previous research found that CWS and SVS have been shown to be related to and influence employee behavior (e.g., Guo et al., 2019; Yan et al., 2016), because this support is a resource for employees (Kelly et al., 2020).
However, the SVS and CWS are generally associated with stress (Azila-Gbettor et al., 2022; Kokoroko & Sanda, 2019; Yang et al., 2016), emotional labor (Kim et al., 2017), employee engagement (Lee & Shin, 2023), and turnover intention (Pinna et al., 2020). Research Pedersen et al. (2019) used CWS as a motivational driver but did not use SVS. Meanwhile, research by Halbesleben and Wheeler (2015) uses CWS as an antecedent of organizational citizenship behavior (OCB).

CWS contributes to increased psychological well-being, reduced stress and increased employee motivation (Pedersen et al., 2019). However, the relationship with co-workers can also have a negative impact, namely the emergence of hostility (Chiaburu & Harrison, 2008), which results in a decrease in performance. Meanwhile, supervisor support is carried out by providing resources, feedback, and career opportunities for employees (Potipiroon & Faerman, 2020). The existence of CWS has a greater influence than the presence of supervisors in influencing employee attitudes, opinions, commitment, involvement, and satisfaction at work (Pedersen et al., 2019).

SVS is more informational in nature by providing solutions, appreciation, and motivation, while CWS is instrumental support that helps colleagues solve work-related problems and emotional support in the form of security, emotional well-being, feelings of comfort, and non-judgmental (Haas, 2020). Social capital that exists in organizations can encourage employees to be involved in all activities and be motivated to achieve achievements (Kroll et al., 2019). Researchers have proven the influence of SVS and CWS on individual and organizational performance (Eldor, 2018; Lee & Shin, 2023).

CORT, SET, and ORT state that reciprocal relationships between individuals and other parties, both supervisors and co-workers have a positive impact on individuals and organizations (Halbesleben & Wheeler, 2015; Lee & Shin, 2023). The exchange process will begin when co-workers or supervisors treat their colleagues or supervisors treat their employees positively or negatively. The treatment will be responded according to what is received. Organizational support which includes the support of co-workers and supervisors considers welfare and values individual contributions to the organization (Li et al., 2022).

The results of previous research found that supervisor support is consistently a predictor of motivation (e.g., Blume et al., 2010; Huang et al, 2015; Hughes et al., 2020) and employee performance (Deci et al., 2017; Salamon et al., 2021). Supervisors are required to meet the needs of employee autonomy, increase employee competency, and create good relationships with other employees (Kaabomeir et al., 2022). Leaders or supervisors have been tested in many theoretical and empirical studies proven to increase and influence task performance and behavior of members or followers (Cai et al., 2019). Meanwhile, CWS can help individuals because co-workers function as confidants, help lighten the workload, and can make a difficult work environment easier to deal with (Norling & Chopik, 2020).

However, several studies have found that SVS is a moderating variable in the relationship between leadership and employee motivation and behavior (e.g., Afsar et al., 2016; Kim et al., 2017; Potipiroon & Faerman, 2020), while other researchers use CWS is also a moderating variable (Guo et al., 2019; Menguc & Boichuk, 2012). In previous studies SVS and CWS were associated with employee retention, this study linked these two supports with employee motivation and performance. This study tested and strengthened the results of previous research regarding how SVS and CWS increase the motivation and performance of employees in the MSME sector in Yogyakarta.

2 LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Social support is a form of communicative transaction between individuals who need support and parties who are willing to provide support (Boren 2014). Social support is a multidimensional construct which includes sources of support (supervisors, co-workers), levels of support (high, medium, low), and types of support (instrumental and emotional) (Kokoroko & Sanda, 2019). This social support is based on the organization, so it is considered capable of providing a work environment that supports employee behavior at work. Social support is a source of employee welfare and performance (Kossek et al., 2012). The impact of support depends on the recipient's perception and motivation of the supporter (Aknin et al., 2013). The results of previous research found that the positive contribution of social support was also influenced by the recipients of support (Zeijen et al., 2020).

Furthermore, SVS and CWS can increase work engagement and job satisfaction, and reduce turnover intention (Pinna et al., 2020). In addition, SVS and CWS also increase employee motivation (Hughess et
al., 2020) and performance (Ng, 2017), and reduce employee stress (Yang et al., 2015). Employee performance increases if supervisors understand employee conditions, encourage self-initiation, provide useful feedback, and give freedom to employees (Deci et al., 2017). High SVS and CWS provide intangible benefits to employees. On the other hand, employees expect attention and organizational rewards. This can increase trust between employees. Organizational support, both from SVS and CWS will encourage employees to perceive the organization positively (Pinna et al., 2020). In other words, SVS and CWS have effects on employee outcomes (Azila-Gbetter et al., 2022).

Based on CORT, SVS and CWS are additional resources for individuals who can motivate them to achieve the expected performance (Halbesleben & Wheeler, 2015). According to this theory, employees invest their resources to achieve goals (Kelly et al., 2020). The relationship and support of supervisors and co-workers can increase resources and trust, so that it is beneficial for the interests of individuals and organizations (Zeijen et al., 2020). SET states that employees will behave positively when they also receive positive treatment at work (Li et al., 2022). The relationship between employees and between employees and supervisors has a positive effect on employee performance (de Vries et al., 2018). In addition, according to OST, reciprocity in the workplace shows organizational appreciation for the efforts and contributions of employees and an organizational concern for the welfare of employees (Eisenberger et al., 2016). These supports can increase employees’ motivation to further contribute to the success of the organization, which in turn can improve the individual performance of these employees (Chiang & Hsieh, 2012; Lee & Shin, 2023).

CWS is how colleagues can help solve work-related problems and can be relied upon when needed (Menguc & Boichuk, 2012). CWS is a component of social support which is a social resource (Mazetti et al., 2016). This support can refresh employees when they face problems, thus reducing the negative feelings of employees (De Clercq et al., 2020). CWS is a form of trust that can lighten the workload of employees (Lopez et al., 2019). Various previous studies have proven that CWS has a positive impact on work (Ahmed et al., 2016; Barkhuizen et al., 2013; Caesens et al., 2014), increases well-being (Zeijen et al., 2020) reduces negative impacts such as stress and emotional exhaustion (Azila-Gbetter et al., 2022; Potipiroon & Faerman, 2020; Shin et al., 2022).

Meanwhile, SVS refers to how employees perceive their supervisors to provide support, praise, reward employees’ efforts and performance fairly, provide positive reactions to employee mistakes, and make what employees do meaningful (Eisenberger et al., 1986). SVS can increase motivation (Huang et al., 2015; Hughess et al., 2020) and job satisfaction (Chen et al., 2016), work engagement (Ahmed et al., 2016), and performance (Caesens et al., 2014).

Furthermore, there are various types of support from both supervisors and co-workers, namely informational, instrumental and emotional support (Lancaster & Di Milia, 2015). Informational support is supervisor support to provide correct information to employees (Lancaster et al., 2013). Individuals who receive informational support can increase awareness of the problems they face (Macias-Velasquez et al., 2017). Instrumental support is the support or assistance of co-workers to solve problems related to their work (Tews et al., 2013). This support can reduce the workload and stress at work.

Meanwhile, emotional support is also the CWS or assistance to increase co-worker morale (Macias-Velansquez et al., 2017). Emotional support is generally based on friendship and personal attention (Tews et al., 2013). This support can improve employee retention in the workplace. There is no doubt about the relationship between employee motivation and performance. Researchers have confirmed how motivation relates to and influences performance in both the academic and practical sectors (e.g., Alrahlah, 2016; Ciobanu & Androniceanu, 2015; Dorta-Afonso et al., 2021; Joye et al., 2022; Rukayah et al., 2022). Employees are expected to perform better on quality relationships between leaders and followers and get strong support from co-workers. Social support from organizations, both SVS and CWS can increase motivation because it can increase feelings of fulfilling psychological needs (Chong et al., 2021).

Employees who get support at work will increase their productivity because they feel at home in the organization (Chen & Wang, 2019) so that companies also excel in competition (Fang et al., 2021). Based on various studies of previous research results, this study aims to investigate how to model the relationship between organizational social support which includes SVS and CWS, employee motivation, and performance of employees working in MSME. Based on the theory and results of previous studies, the hypothesis formulated is:
H1: SVS increases employee motivation.
H2: instrumental CWS increases employee motivation.
H3: emotional CWS increases employee motivation.
H4: SVS improves employee performance.
H5: instrumental CWS improves employee performance.
H6: emotional CWS improves employee performance.
H7: work motivation improves employee performance.

3 METHODS

3.1 SAMPLE AND PROCEDURES

This research was conducted at MSME in Yogyakarta, Indonesia with employees as research subjects. The research used a survey method using a questionnaire distributed to 600 MSME employees who had worked for at least two years at the company. Determining the number of samples using multivariate criteria, namely five times the number of indicators in the questionnaire (Hair et al., 2014). This study used 44 indicators, so the number of samples is at least 220 people. Therefore, as many as 426 employees who were willing to complete the questionnaire distributed using the Google form in full (71% response rate) for four months have met the number of samples used in this study.

The data that has been collected was used to test the validity and reliability of the questionnaire. Validity was measured using factor analysis with a Kaiser Meyer Olkin Measure of Sampling (KMO) value of more than 0.5, a significance value of Bartlett's Test of Sphericity (BTS) of less than 5%, and a loading factor of more than 0.5 as a practically significant requirement (Hair et al., 2014). Meanwhile, reliability was measured using internal consistency with Cronbach Alpha (Sekaran & Bougie, 2016). Indicators or question items that have been declared valid and reliable were used in testing the relationship model using SEM with a two-step approach (Byrne, 2010).

3.2 MEASUREMENT

This study used a questionnaire adapted from several previous studies. SVS questionnaire adapted from Eisenberger et al. (2002). Of the 12 existing question items, only 6 valid and reliable question items with KMO = 0.880, BTS 1190.118 and sign. 0.000, loading factor 0.730 to 0.857, α = 0.873, and the average is 4.443. CWS questionnaire adapted from Tews et al. (2013) which includes instrumental support and emotional support. Instrumental support used 6 question items which are all valid and reliable with KMO = 0.774, BTS = 1202.247 and sign. 0.000, loading factor 0.717 to 0.811, α = 0.864, and the average is 4.333. Emotional support used 8 question items which are all valid and reliable with KMO = 0.803, BTS = 1934.224 and sign. 0.000, loading factor 0.705 to 0.809, α = 0.894 and the average is 4.222. Motivation used 6 question items adapted from Shahzadi et al. (2014), but only 4 question items were declared valid and reliable with KMO = 0.710, BTS = 1050.811 and sign. 0.000, loading factor 0.691 to 0.875, α = 0.802 and the average is 4.259. Meanwhile, the performance questionnaire was adapted from Hasib et al. (2020). Of the 12 question items used in this study, there were 10 items that were declared valid and reliable with KMO = 0.828, BTS = 3590.192 and sign. 0.000, loading factor 0.724 to 0.828, α = 0.926 and the average was 4.408. Based on the results of the validity and reliability tests, the measuring instruments used in this study were valid and reliable and the data used was sufficient.

4 RESULTS

4.1 PRELIMINARY ANALYSIS

Before testing the model using SEM with a two-step approach, initial testing was carried out to examine the relationship between the variables studied.
Table 1. Correlation, Mean, and Composite Reliability

<table>
<thead>
<tr>
<th>Variables</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supervisor Support (1)</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instr. Co-worker Support (2)</td>
<td>0.703**</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emot. Co-worker Support (3)</td>
<td>0.588**</td>
<td>0.662**</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motivation (4)</td>
<td>0.502**</td>
<td>0.497**</td>
<td>0.682**</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>Performance (5)</td>
<td>0.567**</td>
<td>0.508**</td>
<td>0.626**</td>
<td>0.668**</td>
<td>1.000</td>
</tr>
<tr>
<td>Mean</td>
<td>4.443</td>
<td>4.333</td>
<td>4.222</td>
<td>4.259</td>
<td>4.408</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>0.46512</td>
<td>0.43962</td>
<td>0.49355</td>
<td>0.49551</td>
<td>0.42311</td>
</tr>
<tr>
<td>Composite Reliability</td>
<td>0.951</td>
<td>0.925</td>
<td>0.998</td>
<td>0.903</td>
<td>0.963</td>
</tr>
</tbody>
</table>

** sign at p ≤ 0.01

The results of the correlation test between the variables studied show that the correlation between the variables is moderate to strong. The correlation between SVS and instrumental CWS is strong, as well as between motivation and emotional CWS and employee performance. Meanwhile, the correlation between employee performance and SVS, instrumental and emotional CWS, the correlation between motivation and supervisors and instrumental CWS is moderate. While the correlation between emotional CWS and SVS and instrumental CWS is also moderate. Composite Reliability of the variables studied are all above 0.90 which indicates that the reliability is very good because it exceeds 0.80 according to Zikmund et al. (2010).

4.2 RESULTS OF TESTING THE RELATIONSHIP MODEL

This study examines the relationship model according to the underlying theory. SVS and CWS dimensions influence employee motivation, then work motivation effects on improving employee performance. In other words, motivation mediates the relationship between SVS and CWS and employee performance. However, based on the results of model testing using SEM with a two-step approach, the model that is most fit with the data is presented in Table 2 and Figure 1.

Table 2. The Most Fit Relationship Model with Data

<table>
<thead>
<tr>
<th>The Influence of the Independent Variable on the Dependent Variable</th>
<th>β</th>
<th>Critical Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supervisory Support → Instrumental Co-worker Support</td>
<td>0.526**</td>
<td>15.283</td>
</tr>
<tr>
<td>Supervisory Support → Emotional Co-worker Support</td>
<td>0.662**</td>
<td>10.599</td>
</tr>
<tr>
<td>Emotional Co-worker Support → Instrumental Co-worker Support</td>
<td>0.423**</td>
<td>8.524</td>
</tr>
<tr>
<td>Emotional Co-worker Support → Motivation</td>
<td>0.780**</td>
<td>18.479</td>
</tr>
<tr>
<td>Instrumental Co-worker Support → Performance</td>
<td>0.362**</td>
<td>7.212</td>
</tr>
<tr>
<td>Motivation → Performance</td>
<td>0.534**</td>
<td>10.273</td>
</tr>
</tbody>
</table>

Chi-Square = 7.000      p = 0.136   Chi-Square/ df = 1.750
GFI = 0.993   AGFI = 0.975   CFI = 0.997
TLI = 0.994   NFI = 0.994   IFI = 0.997
Based on the results of testing the model in Table 2, it was found that the model fit the data. This can be seen from the three goodness-of-fit index criteria which are more than 95% (goodness of fit index = 0.993, adjusted goodness-of-fit index = 0.975, comparative fit index = 0.997). The results of this study indicate that the model has a good fit. In addition, the probability value of chi-square which is more than 0.05 indicates that the empirical data is identical to the theory or model. The Normed Fit Index (NFI) which must be used together with the Tucker Lewis Index (TLI) also shows that the model being tested is in accordance with the baseline model or is called comparative suitability. In this model, NFI = 0.994 and TLI = 0.994.

In accordance with the model fit requirements, these two fit indices are more than 0.95. Table 2 also shows that SVS can increase emotional CWS and instrumental CWS. In addition, emotional CWS is proven to increase instrumental CWS. Meanwhile, employee motivation can only be increased directly by emotional CWS, but not by instrumental CWS. Meanwhile, employee performance can be improved by employee motivation and instrumental CWS. This study also found that SVS does not directly increase employee motivation or performance but is mediated by instrumental and emotional CWS.

5 DISCUSSION

This study examined the model of the relationship between SVS, CWS, work motivation, and employee performance. The results show that the four variables are significantly positively correlated. Employees cannot be separated from the support of the people around them. At work, employees need support from their supervisors or leaders, such as information and opportunities for personal and career development. In addition, support from colleagues, both support in solving work-related problems (instrumental CWS), and emotional support (emotional CWS) because friendship and mutual concern among employees is very meaningful for their existence. This study supports previous research regarding SVS and CWS which is very meaningful for employee behavior (e.g., Azila-Gbettor et al., 2022; Guo et al., 2019; Kokoroko & Sanda, 2019; Zeijen et al., 2020).

Close relationships with colleagues are a resource for employees. Such relationships can increase trust in colleagues. Organizational support which includes support from supervisors and co-workers can encourage employees to strive to achieve organizational goals in accordance with SET. This has been extensively researched (e.g., KAndyom et al., 2021, Kim et al., 2017; Yang et al., 2016). Good communication and relationships between supervisors and employees apply to all types of companies, including micro, small and medium enterprises (Tucker & Singer, 2015).

This study found that SVS has no direct effect on employee motivation and performance. This shows that although employees want to get support from their supervisors, this support cannot increase their motivation and performance directly. This study does not confirm previous research which found that SVS can increase employee motivation (e.g., Kaabomeir et al., 2022; Ng, 2017; Salamon et al., 2021). Furthermore, this study also found no effect of SVS on the performance of MSME employees. This study does not confirm previous studies (e.g., Haas, 2020; Saleem et al., 2022). However, this study supports the previous studies which state that the influence of SVS on performance is not direct, but is mediated by other variables (e.g., Kelly et al., 2020; Li et al., 2022).

Furthermore, the results of testing the relationship model show that emotional CWS influences instrumental CWS. Close relationships with co-workers can affect how employees can solve work-related problems with co-workers. This is evident in the direct effect of instrumental CWS on employee performance. In other words, employee motivation can be increased by close relationships with co-workers, while employee performance can be improved by CWS related to problems at work. This supports the results of previous studies (e.g., Guo et al., 2019; Kim et al., 2017; Menguc & Boichuk, 2012; Pedersen et al., 2019).

Meanwhile, employee motivation is only influenced by emotional CWS, but not by instrumental CWS. MSME employees' work motivation can be increased by increasing comfortable, friendly, and mutually caring relationships. The results of this study indicate that employees are closer to their co-workers than their supervisors, so that co-workers can increase employee motivation. This study does not confirm Kim et al. (2017) and Zhang et al. (2023) who found that SVS can increase employee motivation. This study also
does not confirm Guo et al. (2019) who found that SVS can improve employee performance and Chen et al. (2016) who found that work motivation mediates the influence of SVS on employee performance.

6 CONCLUSION

Work environment support is not only in the form of support for facilities, jobs, and other non-living environments. The support needed is more on the support of human resources such as supervisors and their colleagues. SVS can move employees to want to provide support to their co-workers. SVS can improve CWS on both the emotional and instrumental dimensions. Employees working at MSME in Indonesia are motivated primarily by the emotional CWS. Close relationships with colleagues can increase work motivation and increase support in solving problems related to their work. This research further adds to the strong finding that work motivation influences employee performance.

This research confirms SET, CORT, and ORT, where these theories state that reciprocal relationships between supervisors or leaders and employees can provide positive outcomes for individuals and organizations. The practical contribution of this research is the need to create an atmosphere of comfort and mutual support in working for optimal results. This atmosphere must start from a leader or supervisor who sets a good example by giving positive support to employees.

This research has several weaknesses. First, cross-sectional data have weaknesses when used to test relationship models, especially when there are mediating variables. Second, self-report in filling out the questionnaire can increase the beta value so that the strong and weak effects are not so precise. Future research is expected to minimize the weaknesses of this study, namely by collecting data using other raters and using longitudinal data.

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REFERENCES


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