The Mediation of Psychological Capital in the Relationship of Perceived Organizational Support, Engagement and Extra-Role Performance

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ABSTRACT
Organizations become vulnerable to the loss of the tacit and explicit knowledge when employees leave the organization. To mitigate this loss, organizations adopt flexible labor model, where employees are managed as flexible workers. But, engaging these workers becomes another challenge for the organization, as due to limited interaction they are less attached with the organization. Data is collected from 212 insurance agents of India and structural equation modeling (SEM) was done to analyse the responses. The results obtained indicated a significant positive influence of perceived organizational support (POS) on work engagement level and the extra-role performance behaviors (ERB) of the flexible workers. Personal resources of employees (i.e., psychological capital) that aids in positive evaluation of a situation is found mediating the influence of POS on work engagement and ERB. Present study is among the few studies that provide avenues to keep flexible workers engaged and motivated towards ERBs in knowledge intensive organizations.

KEYWORDS
Extra-Role Performance, Flexible Knowledge Workers, Insurance Agent, Psychological Capital, Work Engagement

INTRODUCTION
The tacit and explicit knowledge of the employees are considered as the primary drivers of competitive advantage in a dynamic and competitive market (Darroch, 2005). The knowledge if properly managed, to the extent that they are unique and difficult to imitate, then the knowledge confers sustainable competitive advantage to the firm (Honeyenuga, Tuninga, & Ghijsen, 2016). The tacit and explicit knowledge of employees play an important role in the process of knowledge management, which starts with the acquisition, organization, and application of the knowledge and ends with the sharing and renewing of the acquired knowledge (Darroch, 2005). But, when an employee leaves an organization, it has an adverse effect on the whole process of knowledge management. Organization faces a loss of knowledge with the loss of the employees (Gonzalez, 2016). Past studies have provided empirical evidence that employee loss causes loss of knowledge (Eugene Jennex, 2014; Jennex & Durcikova, 2013). The loss of knowledge can reduce the competitive advantage and can also lead to several economic difficulties (Caroline Martins & Meyer, 2012).
To mitigate the negative impact of the loss of knowledge, organizations are seen to adopt different trends of the labor market (Borbley, 2009). One such trend is the flexible labor model (Benner, 2008; Connelly & Gallagher, 2004). The flexible labor model helps in deciding the percentage of employees to be retained as full-time and the percentage of the employees to be recruited as temporary or on contract (Benner, 2008; Cummings, 2017; Johnson, 2004; Lisi & Malo, 2017), as temporary or contractual employees.

The McKinsey Global Institute’s report (Manyika, Lund, Robinson, Valentino & Dobbs, 2015) and the business articles in the Forbes magazine (Manyika, Lund, Robinson, Valentino, & Dobbs, 2015) have also witnessed ‘blended workforce’ (a mix of both flexible and permanent workers), as one of the global trends that are shaping the modern-day business market. Similarly, Paul Daugherty, Accenture’s chief technology officer also acknowledge the same even suggested that liquid workforce is one of the strategic moves by which organizations can handle the adverse effects of employee exits and the changing market demands (Schawbel, 2016). However, along with the benefits, organizations are also facing several challenges related to liquid workers.

The flexible nature of the work has limited the interaction of the liquid workers with the firm agents, which in turn affects the level of involvement and attachment with the work and the organization (Daugherty, Carrel-Billiard, & Blitz, 2016). In this situation, the pertinent question an organization would like to address is about the measures that the organization should take to keep the liquid workers engaged in their work. Previous studies have suggested that employees’ perception about support and care from the organization not only enhances their energy level towards work but also fosters a feeling of obligation, which keep them dedicated and involved in their work (Kurtessis et al., 2017). Perceived organizational support (POS) explains this perception and is reported to have several workplace benefits (Eisenberger & Stinglhamber, 2011, Saks, 2006). On the basis of the findings of the past studies, it is observed that for engaging the liquid workers, organization should encourage a supportive and compassionate environment.

Subsequently, to meet the requirements of the dynamic market organization expect their employees to display extra-role performance (Shaheen, Gupta, & Kumar, 2016). For exhibiting extra-role work behaviors, employees can involve in helping and sharing at the workplace, especially in a knowledge intensive firm, where sharing and distribution of knowledge is of immense importance (Jennex & Durcikova, 2013).

Moreover, the past studies have provided support for the positive influence of employees POS on work engagement and extra-role performance, but recently positive psychologists have argued that individual’s personal resources play a significant role in the perception process (Luthans, Norman, Avolio, & Avey, 2008). Personal resources such as self-confidence, optimistic approach, hopefulness, and the state of being resilience affect the employees’ self-evaluation about themselves and their work environment (Gupta, Shaheen, & Das, 2018). PsyCap is composed of four such personal resources, and it provides assistance in the positive appraisal of the situation, which leads to positive attitudes and work behaviors (Shaheen, 2017). In the context of knowledge management, the motivation to acquire, distribute, and share knowledge depends largely on the appraisal of the work environment (Zhu & Mu, 2016). Hence, the second pertinent question that organizations would like to address is about taking vital steps apart from providing support to engage the workers in their prescribed duties as well as in the extra-role performance.

Scant research is available that has addressed these questions. These questions call for a thorough exploration and examination of the antecedents of work engagement and extra-role performance in the context of liquid knowledge workers. To address these questions, the two objectives of the present study are examination of the impact of POS on the work engagement and the extra-role job performance of the flexible knowledge workers and inspection of the role of the employees’ personal resources (in the form of psychological capital) in the relationship among POS, work engagement, and extra-role job performance. In the subsequent sections, the literature review is presented, which is followed by hypotheses development and the methodology employed to conduct this study. The paper concludes with a discussion on the obtained results and future research directions.
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