

## Impact of Perceived Organizational Support on Employee Engagement: A Study of Indian Banking Sector

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### ABSTRACT

The current research aims at investigating the impact of perceived organizational support on employee engagement among 600 employees from six selected banks (three public and three private) in India. Data were collected through an online survey questionnaire that included validated measures of Perceived organizational support and employee engagement, which helps in examining the way in which various elements of perceived organizational support impact different dimensions of employee engagement. The study's findings will provide valuable insight on how employee engagement, particularly in the banking industry, might be improved by perceived organizational support. Fairness emerged as a key driver for employee engagement as it has significant positive impact on dedication and vigor. The results may be used by bank management in creating a positive and fair work atmosphere enhancing employee engagement and, in turn, improving overall organizational performance.

**Keywords:** Perceived organizational support, Employee Engagement, Fairness, Job conditions, HR policies, Banking sector.

### Introduction

The environment in which banks operate has been changing dynamically; the expectations of employees are evolving, tech-based advancements and rapid adaptation to external influences appear very challenging while it comes to policy making. Whatfix's associate VP of HR highlights that HR managers have become more responsible in ensuring that workers feel engaged and connected at workplace. A shift like this reveals that employee's well-being is important to organizational success. Now employees expect more from the organizations, they don't settle for just achieving the targets and meeting the deadlines, rather they demand for a fulfilling work experience out of their jobs. Employee engagement remains a critical focus for HR professionals worldwide, as it directly impacts business success. According to a recent Gallup report, "quiet quitters"—employees who are disengaged and minimally productive—constitute at least 50% of the US workforce. This trend of quiet quitting correlates with low employee engagement, underscoring the importance of making jobs engaging, challenging, and rewarding. Engaged employees are more likely to remain with their organizations and invest themselves in their work, whereas disengaged employees can underperform and create friction for their more engaged colleagues. Understanding what workers perceive of their responsibilities and their place in the organization is one of the most important factors needs to be addressed if one wants to foster growth in employee engagement and commitment. The perception of employee involves the opinion on the effectiveness of organizations, how vital the corporate training is, how supportive the workspace is, how the strategies affect them in terms of their well being, challenges in the job, and to what extent the onsite health promotion initiatives benefit them. There happens a significant increase in job performance and commitment where there's appreciation given to the employees. This concept thus is known as Perceived Organization support (POS). The belief of employees that the organization values their work and cares about their wellbeing and fulfills their socio- economic needs is reflected by POS. (Eisenberger et al., 2020; Rhoades & Eisenberger, 2021).

Since the banking industry is well known for its dynamic and high pressure working atmosphere, it's especially crucial to understand how POS impacts employee engagement. In this industry, lack of employee engagement can have serious repercussions like high employee turnover, reduced efficiency and subpar customer services. Ensuring high level of engagement and achieving organizational success depends on making sure that

the employees feel included, supported and valued especially in light of the sector's challenges and demands (Ahmed et al., 2018; Kurtessis et al., 2017). Even though it is widely acknowledged that POS is important, various businesses are having trouble implementing strategies that will make it better. Following are some of the commonly faced problems:

- **Lack of Communication:** Ineffective communication channels often lead to employees feeling undervalued and unsupported.
- **Inadequate Training and Development:** Inadequate chances for personal development can raise intentions to leave and lower involvement.
- **High Job Stress:** The rigorous demands of the banking industry can increase stress and, if left unmanaged, result in disengagement. (Newman et al., 2019).
- **Resistance to Change:** Employee engagement and organizational support may be further impacted by opposition to the implementation of new technology and procedures.

It offers a more thorough understanding of how supportive organizational practices, especially in the banking sector, can enhance employee engagement. The study offers both conceptual knowledge as well as practical suggestions on developing a more encouraging and simulative work environment, keeping the focus on enhancing employee wellbeing and organizational success. The observations are specifically aimed at banking sector, bringing attention to distinct sectoral dynamics and contrasting majority of the existing work on these variables, which is usually sector specific or generalized.

This paper is organized as follows:

Section 2 provides detailed review of literature on POS, Employee engagement and theoretical framework for the study followed by research objectives.

Section 3 covers research methodology, including research design, sampling method, data collection techniques, and statistical tools applied for data analysis.

Section 4 includes data analysis and result interpretation and discussion, highlighting the key findings such as the significant impact of fairness on employee engagement dimensions.

Section 5 concludes the paper summarizing the implications, limitation of the study, and recommendations for future research.

### **Review of literature**

This part focuses on the comprehensive literature review of the variables of the study and how these variables are related.

**Perceived organizational support:** Perceived organizational support (POS) implies to employee's perceptions regarding the employer that to how much extent the organization "values their contributions and cares about their well-being", Eisenberger et al (1986). POS boost employees' affective attachment to the organization and their expectation of desired rewards for their efforts done to meet organizational goals; this was revealed in the foundational study done by Robert Eisenberger and Robin Huntington. More the employee's perception of organization's commitment towards them, the better the employee's commitment towards the organization; was the overall conclusion. The impact of perceived organizational support (POS) on various aspects of employee attitudes and actions has been the focus of plenty of studies.

There was found a significant correlation between job involvement, and organizational commitment and perceived organizational support (POS) (Chin Ling Hngoi et al (2024)). According to the research job participation, job insecurity and POS altogether predicts organizational commitment, with job insecurity serving as a mediator in the relationship between POS and organizational commitment. Employees with high levels of perceived organizational support will encourage job engagement and employee innovation more than those with low levels of perceived organizational support, Hazem Aldabbas et al. (2023). Mingxing Li et al (2022) POS is characterized as the extent to which employees perceive that their supervisors are concerned about their career well-being and personal needs. This study emphasized the importance of supervisors recognizing employees' contributions and creating a supportive environment. Li Sun (2019) It is emphasized that POS highlights a unilateral relationship between the organization and its employees; Sun's review connected POS to lower absenteeism, higher happiness, organizational citizenship behavior, job satisfaction, and improved organizational performance; it also noted that POS is impacted by various elements, including organizational fairness, working conditions, employee characteristics, HR practices, leadership, and management communication. Nasir Arshadi (2019) POS was positively related to employees' felt obligation and was positively related to organizational commitment as well as in-role performance. Additionally, it was negatively related to turnover intention.

**Employee Engagement:** Employee engagement defines as “the harnessing of organization members’ selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances”, Kahn (1990). The cognitive aspect of employee engagement concerns with employees’ beliefs about the organization, its leaders and working conditions. Achievement of employee engagement can be done through the creation of an organizational environment where positive emotions like involvement and pride are encouraged, resulting in improved organizational performance, lower employee turnover and better health (Robinson, 2006)). It’s found that “Employee engagement is found to have a positive relationship with individual performance (organizational commitment, positive behavior, etc.) and organizational performance (customer satisfaction, financial return, etc.), Li Sun and Chanchai Bunchapattanasakda(2019). The emphasize on the notion that employee engagement fosters a deeper understanding of employee expectations and lays out a path for businesses to achieve those objectives. Engaged employees contribute more to the organization's productivity and help maintain a higher level of commitment. In an empirical study on the effect of demographic characteristics on employee engagement, the variables determining engagement are explored and shown that factors like age, gender, and education greatly impact engagement levels Rana, Goel, and Rastogi (2019).” Employee engagement aids in the understanding of employee expectations and lays out a path for businesses to achieve those objectives. Motivated and engaged employees contribute more to the organization's production and help to maintain a higher level of commitment”, Joshi Sugandha(2022).

According to an analysis of the relationship between psychological capital components and educational attainment, higher education levels can improve psychological resources, which in turn can positively enhance employee engagement (Sharma, Patel, and Mehta's 2023). In an investigation of the impact of gender on employee perception of fairness in organizational support, noting that perceived fairness plays a crucial role in enhancing employee engagement (Chandra and Kumar, 2023). In a similar manner, age-related differences in psychological capital and employee engagement were explored, revealing that understanding these differences can help tailor engagement strategies effectively (Wang, Liu, and Zhao, 2023). In a study to look into how demographics affected employee engagement in a high-stress business, it was discovered that these factors had a big impact on engagement levels, which in turn had an impact on organizational outcomes (Ribeiro, Gomes, and Kurian, 2024).

**Perceived organizational support and employee engagement:** The relationship between occupational stress management and employee engagement was investigated and it was discovered that that POS has a beneficial impact on employee engagement, which in turn aids in the management of occupational stress (Joshua et al. (2024). Likewise a longitudinal study’s findings suggest that POS positively effects employee engagement and commitment as well as there are significant correlations among POS, role security, and ethical value conflicts (Skyvell Nilsson and Bäckström(2024). While investigating the relationship between perceived organizational support and employee engagement, it was discovered that sustained organizational innovation acts as a mediator in this relationship and higher level of POS encourages innovation among employees resulting in enhancement of employee engagement (Aldabbas et al. (2023). Prior studies examined the connection between POS and employee engagement from the perspectives of organizational fairness and organizational identification showing that by promoting a sense of justice and belonging inside the company, POS improves employee engagement Dai and Qin (2016).

### **Theoretical framework**

There are several HR theories supporting the idea of POS impacting employee engagement; Social exchange theory, Organizational support theory, Job demands- resources (JDR) model

**Social exchange theory** The core idea of this theory addresses that social behavior is an outcome of an exchange process aimed at maximizing benefits and minimizing risks. In workplace context, the theory posits the relationship between an employee and organization is based on a series of reciprocal exchanges (Blau 1964). When an employee’s perception about the organization is positive i.e. they view organization as fulfilling its part of exchange relationship, this perception encourages employees to reciprocate by displaying positive behavior such as increased engagement, loyalty and effort. For instance, an employee who feels supported by the organization is more likely to take initiative, work beyond their job description, and invest emotionally in their work.

**Organizational support theory (OST)** this theory specifically focuses on how POS affects employees’ attitudes and behaviors. It posits that employee develop a general perception concerning the extent to which the organization values their contributions and cares about their well being (Eisenberger et al. 1986). It suggests that employees who perceive high levels of organizational support believe that the organization values their contributions and cares about their well being. High sense of POS enhances the employees’ sense of belonging, increasing their engagement. This feeling of being valued strengthens their identification with the organization and encourages them to reciprocate through higher levels of engagement and performance. Employees are likely to be more committed and motivated as well as more likely to invest emotionally and cognitively in their work when they feel supported by their organization.

**Job demands- resources (JDR) model** this model categories aspects of work into two categories: job demands

(aspects that require effort and can lead to stress) and job resources (aspects that help achieve work goals, reduce demands, and stimulate personal growth) (Demerouti et al. 2001). Here POS is considered as a key job resource. It helps the employee to deal with job demands, such as workload or emotional labor, by providing necessary tools, recognition and social support. Job resources like POS are instrumental in fostering employee engagement. It can buffer the effects of job demands, resulting in lower stress and promoting a more engaged and motivated workforce. Engaged employees are more resilient to job demands and more capable of sustaining high performance over time.

### **Research Objective**

This study aim is to investigate and analyze the relationship between perceived organizational support (POS) and employee engagement within the banking industry. The study was undertaken to have an in-depth perspective on the impact of dimensions of perceived organizational support (POS) i.e. fairness, job condition and HR policy on the dedication, absorption and vigor (Employee engagement) as well as to contribute valuable insights into the importance of perceived organizational support in fostering a highly engaged and productive workforce within the banking sector.

### **Research Methodology**

**Research design** The study adopts a quantitative research approach. It employs descriptive and correlational research design to explore the impact of perceived organizational support on employee engagement within the Indian banking sector. The study seeks to identify the relationship between POS and employee engagement and to determine whether POS is a significant predictor of engagement in this context.

**Sample and Sampling Methodology** The targeted population for this study consists of employees working in the Indian banking sector. Three public sector banks and three private sector banks made up the six banks from which the study was performed among 600 workers. The study utilized a stratified random sample technique to guarantee the inclusion of both public and private banks. Additional stratification of the sample was done using demographic factors like qualification, age, and gender. This approach ensures that different segments of banking sectors are adequately represented in the sample.

### **Data Collection**

Data was collected using an online survey questionnaire. The survey was distributed electronically to selected participants to ensure a higher rate of response and convenience. The Survey of Perceived Organizational Support (SPOS) is done using the 36-items questionnaire developed by Eisenberger et al. which assesses employees' perceptions of organizational support, including extent to which they believe the organization values their contributions and cares about their well-being, focusing on the dimensions; fairness, job conditions and HR policy. Respondents rate their level of agreement with the statements related to these dimensions on a Likert scale. Utrecht Work Engagement Scale (UWES-9) is used for the survey of employee engagement (22). This 9-item scale measures employee engagement, focusing on three dimensions of employee engagement: vigor, dedication, and absorption.

### **Variables**

The study includes two variables; Perceived Organizational Support as independent variable and Employee Engagement as dependent variable.

Table 1 - Description of variables

Variable category	Variable name	Definition	Previous Research Literature
Independent	Perceived Organizational Support	It refers to the extent to which employees believe that the organization values their contributions and cares about their well-being. It encapsulates the employees' perception of how much their organization is committed to them, recognizes their efforts, provides adequate support, and is concerned with their satisfaction and welfare.	Eisenberger et al. (1986), Eisenberger et al. (1996), Nasir Arshadi (2011), Li Sun (2019), Mingxing Li et al. (2022), Chin Ling Hngoi et al. (2024)
Dependent	Employee Engagement	It pertains to the degree of zeal, dedication, and affective bond that workers have towards their company and its objectives. It is defined by the degree to which workers are driven to contribute to the success of the company, show positive work habits, and are willing to expend discretionary effort.	Kahn (1990), Robinson (2006), Li Sun et.al(2019), Joshi Sugandha (2022), Saks (2006), Aldabbas et al. (2023), Li, Sun, & Li (2022), Dai & Qin (2016)

**Data Analysis and Interpretation**

The following section highlights the statistical output of the data analysis and their interpretation:

**Table 2 - Sampling Adequacy Test**

Kaiser-Meyer-Olkin Measuring of Sampling Adequacy		0.912
Barlette Test o Sphericity	Chi Square	8267.34
	Sig.	0.000

*Source: SPSS Output*

The results exhibited in Table 2 suggest the data is highly suitable for applying factor analysis. The Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy is 0.912, which is considered excellent, demonstrating that the variables are closely correlated and compact, making them ideal for factor extraction. Additionally, Bartlett’s Test of Sphericity is highly significant, with a Chi-square value of 8267.34 and a p-value of 0.000, confirming that the correlation matrix is not an identity matrix. Together, these results confirm that the dataset is appropriate for conducting factor analysis.

**Table 3 - Total Variance Explained**

Component	Initial Eigen Values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	33.414	44.552	44.552	33.414	44.552	44.552	14.68	19.577	19.577
2	6.539	8.719	53.271	6.539	8.719	53.271	7.331	9.774	29.352
3	4.058	5.411	58.681	4.058	5.411	58.681	6.952	9.269	38.621
4	3.575	4.767	63.448	3.575	4.767	63.448	5.276	7.034	45.655
5	3.134	4.178	67.627	3.134	4.178	67.627	5.158	6.877	52.532
6	2.757	3.676	71.303	2.757	3.676	71.303	4.946	6.595	59.127
7	2.501	3.334	74.637	2.501	3.334	74.637	4.565	6.086	65.213
8	2.159	2.878	77.516	2.159	2.878	77.516	4.375	5.833	71.046
9	1.833	2.444	79.959	1.833	2.444	79.959	4.173	5.563	76.610
10	1.483	1.977	81.936	1.483	1.977	81.936	3.580	4.773	81.383
11	1.295	1.727	83.663	1.295	1.727	83.663	1.568	2.090	83.473
12	1.066	1.422	85.085	1.066	1.422	85.085	1.209	1.612	85.085

The above table indicates, all the values that have eigen value greater than 1. It shows the 12 factors explained the 85% of variance in the overall model.

	Component											12
	1	2	3	4	5	6	7	8	9	10	11	
PC1				.737								
PC2				.764								
PC3				.806								
PC4				.837								
PC5				.831								
PC6				.832								
PC7					.735							
PC8					.828							
PC9					.801							
PC10					.778							
PC11					.761							
PC12					.795							
PC13							.684					
PC14							.795					
PC15							.822					
PC16							.782					
PC17							.750					
PC18							.727					
PC19						.642						
PC20						.773						
PC21						.825						
PC22						.813						
PC23						.714						
PC24						.690						
EE1										.720		
EE2										.727		
EE3										.624		
EE4										.738		
EE5										.826		
EE6								.720				
EE7								.680				
EE8								.770				
EE9								.811				
EE10								.744				
EE11								.827				
EE12									.694			
EE13									.705			
EE14									.778			
EE15									.695			
EE16									.666			
EE17									.742			
PO1	.755											
PO2	.717											
PO3	.698											
PO4	.776											
PO5	.783											
PO6	.817											
PO7	.811											
PO8	.775											
PO9	.835											
PO10	.812											
PO11	.854											
PO12	.692											
PO13	.644											
PO14	.743											

PO15	.683												
PO16	.678												
PO17			.689										
PO18	.716												
PO19	.757												
PO20	.672												
PO21		.646											
PO22		.878											
PO23		.911											
PO24		.836											
PO25		.800											
PO26		.742											
PO27		.738											
PO28			.604										
PO29			.788										
PO30													
PO31			.633										
PO32			.725										
PO33			.760										
PO34			.810										

Extraction Method: Principal Component Analysis.  
 Rotation Method: Varimax with Kaiser Normalization.  
 a. Rotation converged in 11 iterations.

The above table 3, presents Rotated Component Matrix using Principal Component Analysis (PCA) with Varimax rotation shows the factor loadings for 34 variables distributed across 12 components. Each variable has a significant loading on a specific component, indicating its alignment with that factor. For instance, PC1 through PC6 load strongly on components 1 and 2, while PC7 to PC12 load on components 3 and 4, showing clear grouping patterns. The high loadings (above 0.6) demonstrate that the variables are well-represented by the components, with varimax rotation helping to maximize the variance of each factor, ensuring that each variable is strongly associated with one component. This rotation method facilitates clearer interpretation by ensuring each factor explains distinct aspects of the data, and the convergence after 11 iterations confirms the stability of the solution.

**Table 4 - Nomenclature of Factors**

Factor	Name	Statements	Cronbach's Alpha
F4	Self-Efficacy	PC1-PC6	0.954
F5	Optimism	PC7-PC12	0.944
F7	Hope	PC13-PC18	0.925
F6	Resilience	PC19-PC24	0.933
F10	Dedication	EE1-EE5	0.894
F8	Absorption	EE6-EE11	0.908
F9	Vigor	EE12-EE17	0.931
F1	Fairness	PO1-PO16, PO18-PO20	0.986
F2	Job Condition	PO21-PO27	0.957
F3	HR Policy	PO17, PO28-PO34	0.965

Source: Authors' own work

The above table 5 indicates that Fairness Job condition and HR policy represents the Perceived organizational support while Dedication, Absorption and Vigor are the factors represents the Employee engagement. The statistical values of Cronbach's Alpha assessed the internal consistency or reliability. It indicates how well a set of items (e.g., survey questions or statements) measures a single latent construct. It ranges from 0 to 1, where higher values indicate better reliability of the scale.

By taking the mean values of the statements of Perceived organizational support Fairness, Job condition and HR Policy, Regression analysis has been conducted.

**Table 5 - Regression Statistics of impact of perceived organizational support on Dedication**

Model	Unstandardised Coefficients		Standardised Coefficients	t-statistics	Sig.	R-square	F- Stat	Sig. Value
	B	Std. Error	Beta					

(Constant)	2.558	0.105		24.413	0.000	0.269	73.227	0.00
Fairness	0.468	0.047	0.564	9.924	0.000*			
Job Condition	-0.002	0.039	-0.002	-0.040	0.968			
HR Policy	-0.046	0.048	-0.058	-0.952	0.341			

Source: SPSS Output \*significant values

The above table indicates the regression model statistics. The unstandardized co-efficient value indicate that Job condition and HR policy have negative relationship with dedication. The t-statistics indicates whether independent variable has statistically significant relationship with the dependent variable. The results, depicted in the above table shows that Fairness has significant impact on the dedication ( $t = 9.924, p < 0.05$ ). It reflects as the fairness increases in the organization work policies, the dedication among the also increases significantly. While job condition and HR policy has no significant impact on dependent variable (dedication) as their p-values are higher than 0.05 and t- statistics are lower than 1.96.

The R-square values indicates that 26.9% of the variance in the dependent variable (dedication) is explained by the independent variables (Fairness, Job Condition, HR Policy). Hence, r-square values show a moderate fit of the model. The F-statistic is used to assess the overall significance of the regression model. The value in the table depicts that the model is statistically significant ( $F=73.227, p<0.05$ ). It shows that the independent variables collectively explain a significant portion of the variance in the dedication.

**Table 6 - Collinearity and Autocorrelation Statistics**

Variables	Collinearity		Autocorrelation
	Tolerance	VIF	Durbin Watson
Fairness	0.380	2.632	1.903
Job Condition	0.525	1.904	
HR Policy	0.334	2.995	

Source: SPSS Output

The above table indicates the collinearity statistics in terms of tolerance and VIF values. As the values of the tolerance statistics are lower than 1, and VIF values are near 2, it indicates, collinearity is not an issue in the data. The Durbin Watson value (1.903) is below the threshold limit 5 that indicates auto-correlation among the regression residuals does not exist.

Hence, the results show there are no major issues with collinearity or autocorrelation in the model, and the independent variables are reasonably distinct from each other in explaining the dependent variable.

**Table 7 - Regression Statistics of impact of perceived organizational support on Absorption**

Model	Unstandardised Coefficients		Standardised Coefficients	t-statistics	Sig.	R-square	F- Stat	Sig. Value
	B	Std. Error	Beta					
(Constant)	2.201	0.117		18.743	0.000	0.224	57.203	0.00
Fairness	0.369	0.053	0.409	6.983	0.000*			
Job Condition	0.013	0.044	0.015	0.299	0.765			
HR Policy	0.058	0.054	0.067	1.078	0.282			

Source: SPSS Output \*significant values

The above table indicates the regression model statistics. The unstandardized co-efficient value indicates that Fairness, Job condition and HR policy have positive relationship with absorption. The t-statistics indicates whether independent variable has statistically significant relationship with the dependent variable. The results, depicted in the above table shows that Fairness has significant impact on the absorption ( $t = 6.983, p < 0.05$ ). It reflects as the fairness increases in the organization work policies, the absorption among the also increases significantly. While job condition and HR policy has no significant impact on dependent variable (absorption) as their p-values are higher than 0.05 and t- statistics are lower than 1.96.

The R-square value indicates that 22.4% of the variance in the dependent variable (absorption) is explained by the independent variables (Fairness, Job Condition, HR Policy). Hence, r-square values show a moderate fit of the model. The F-statistic is used to assess the overall significance of the regression model. The value in the table depicts that the model is statistically significant ( $F=57.203, p<0.05$ ). It shows that the independent variables collectively explain a significant portion of the variance in the absorption.

**Table 8 - Collinearity and Autocorrelation Statistics**

Variables	Collinearity		Autocorrelation
	Tolerance	VIF	Durbin Watson
Fairness	0.380	2.632	1.783
Job Condition	0.525	1.904	
HR Policy	0.334	2.995	

Source: SPSS Output

The above table indicates the collinearity statistics in terms of tolerance and VIF values. As the values of the tolerance statistics are lower than 1, and VIF values are near 2, it indicates, collinearity is not an issue in the data. The Durbin Watson value (1.783) is below the threshold limit 5 that indicates auto-correlation among the regression residuals does not exist.

Hence, the results show there are no major issues with collinearity or autocorrelation in the model, and the independent variables are reasonably distinct from each other in explaining the dependent variable.

**Table 9 - Regression Statistics of impact of perceived organizational support on Vigour**

Model	Unstandardised Coefficients		Standardised Coefficients	t-statistics	Sig.	R-square	F- Stat	Sig. Value
	B	Std. Error	Beta					
(Constant)	1.396	0.117		11.954	0.000	0.296	83.702	0.00
Fairness	0.484	0.053	0.513	9.211	0.000*			
Job Condition	0.070	0.044	0.075	1.590	0.112			
HR Policy	-0.021	0.054	-0.023	-0.393	0.695			

Source: SPSS Output \*significant values

The above table indicates the regression model statistics. The unstandardized co-efficient value indicates that HR policy has negative relationship with vigor. The t-statistics indicates whether independent variable has statistically significant relationship with the dependent variable. The results, depicted in the above table shows that Fairness has significant impact on the vigor ( $t = 9.211, p < 0.05$ ). It reflects as the fairness increases in the organization work policies, the vigor among the also increases significantly. While job condition and HR policy has no significant impact on dependent variable (vigor) as their p-values are higher than 0.05 and t- statistics are lower than 1.96.

The R-square value indicates that 29.6% of the variance in the dependent variable (vigor) is explained by the independent variables (Fairness, Job Condition, HR Policy). Hence, r-square values show a moderate fit of the model. The F-statistic is used to assess the overall significance of the regression model. The value in the table depicts that the model is statistically significant ( $F=83.702, p<0.05$ ). It shows that the independent variables collectively explain a significant portion of the variance in the vigor.

**Table 10 - Collinearity and Autocorrelation Statistics**

Variables	Collinearity		Autocorrelation
	Tolerance	VIF	Durbin Watson
Fairness	0.380	2.632	1.887
Job Condition	0.525	1.904	
HR Policy	0.334	2.995	

Source: SPSS Output

The above table indicates the collinearity statistics in terms of tolerance and VIF values. As the values of the tolerance statistics are lower than 1, and VIF values are near 2, it indicates, collinearity is not an issue in the data. The Durbin Watson value (1.887) is below the threshold limit 5 that indicates auto-correlation among the regression residuals does not exist.

Hence, the results show there are no major issues with collinearity or autocorrelation in the model, and the independent variables are reasonably distinct from each other in explaining the dependent variable.

**Discussion**

The study investigates the impact of POS on employee engagement within the banking industry of India. The results provide revelation about relationships between different dimensions on POS and employee engagement in banking sector. The findings revealed that fairness is a critical factor influencing multiple dimensions of engagement whereas HR policies and job condition have diverse impact depending on the dimensions of

engagement. To start with fairness, it's found to have significant positive impact on dedication which is quite consistent with earlier studies identifying it as key driver of employee's engagement particularly their emotional commitment and their willingness to put effort in their job. In an organization, when employee's perception of fairness is positive they feel valued resulting in increased dedication, Rhoades and Eisenberger (2002). This is in line with the work of Colquitt et al. (2001), in which it was found that procedural justice (fairness's component) significantly influences organizational commitment positively, further supports our finding. It is interesting to notice that Job conditions and HR policies showed negative relationship with dedication, suggesting that in banking sector certain HR policies or job related factors might perceived as demotivating, which could be a possibility due to rigid structures or high demands that creates conflicts with personal goals resulting in decreased dedication. This result is quite contrary to previous studies; in a study it was found that HR policies generally enhance engagement in employees, Katou and Budhwar (2006). However there's specific work environment in banking industry which may explain this sort of divergence, as certain policies does not align with expectations and well being of employees in every working environment.

Only fairness has significant impact on absorption, though job conditions and HR policies are positively related to absorption. It is fairness that plays pivotal role in ensuring that employees feel deeply absorbed while job conditions and HR policies might help employees immerse themselves in their work. This aligns with the work of Saks (2006), it was found that if employees feel fairness and organizational support they are more likely to experience enhanced sense of absorption in their roles.

Hr policies and vigor's relationship was notably negative, indicating that certain organizational policies might be hindering employees enthusiasm, whereas fairness once again showed significant positive impact on vigor. The finding is in line with the previous studies suggesting that fairness boosts vigor by fostering a sense of empowerment and energy among employees, Bakker and Demerouti (2007).

To sum it up, the findings reinforce critical role of the construct fairness of POS in fostering employee engagement across its multiple dimensions i.e. dedication, absorption and vigor. The results are consistent with, yet expand upon, existing literature by demonstrating the complex interplay between different components of POS and employee engagement in the banking sector.

#### **Implications**

The implications of this research are far-reaching, influencing both theoretical understanding of employee engagement as well as the practical approaches used by banks to enhance it. By addressing the critical role of POS, the study provides valuable insights that can be used to improve HR practices, management strategies, and industrial policies, ultimately contributing to the creation of more supportive and engaging work places within the Indian banking sector. The study not only contributes to refinement and extension of several organizational behavior theories like OST, SET and JDR model, but also offers contextualizing of these theories within the Indian banking sector. The findings underscore the importance of culturally sensitive organizational practices and suggest that while the foundational principles of these theories hold, the application must be adapted to align with the particular culture and industry context. Further the study offers actionable insights for improving employee engagement through enhanced organizational support. By focusing on culturally adapted, strategically aligned, and managerially effective support initiatives, banks in India can foster a more engaged, and loyal workforce.

The findings of the study aids the managers to develop targeting initiatives to enhance POS as well as to customize employee programs focusing on certain high impact aspects such as supervisor support, fairness in rewards etc. By doing so, banks can ensure that resources are allocated where they will have the most significant effect. The research underlines the importance of managerial practices in shaping POS. Banks should invest more in management training programs that focus on improving emotional intelligence, leadership skills and communication. Managers who provide support and recognition to the employees can significantly improve employee engagement levels. The study suggests the need for HR policies that aligns with the cultural values and regional differences, given the unique cultural context of Indian banking sector. By examining the link between POS and employee engagement the study provides significant information helping banks to strategically enhance POS to reduce turnover and improve talent retention. This dual assistance- advancing theoretical understanding while providing practical insights makes the study a significant piece of research offering guidance in academic inquiry as well as organizational strategy in diverse settings.

The study suggests the need for longitudinal research in future to understand how this relationship between POS and employee engagement evolves over time. While this study focuses on Indian banking sector, future researches can be done as comparative studies among different sectors. Such comparisons would help to identify whether the observed effects are specific to banking sector or are applicable across various sectors.

#### **Conclusion**

This paper sheds light on how perceived organizational support (POS) affects employee engagement in the Indian banking sector, and draws attention to the significance of individual dimensions of POS. These findings highlight the importance of fairness in POS and its influence on employee engagement across dimensions (dedication, absorption, and vigor). This shows that there is a higher chance of dedication, motivation, and enthusiasm for employees when they feel they are treated fairly and honestly by the organization. On the other hand, job

conditions and HR policies, this relationship seemed to be more complex. As indicated, these factors have a negative impact on dedication and vigor, thus it is possible that some sorts of organizational structure or policies in the banking industry may not be contributing to the commitment and involvement of its employees. These factors had a positive association with absorption, which meant that if the work and HR policies were friendly, the employee tended to get more deeply absorbed in his exhibits.

Given the results from this research, banks need to make fairness in their organizational support systems a priority as part of increasing overall engagement among employees (explained by a serious dose of dedication and vigor), while also rethinking around job conditions and HR policies that erode these elements. Fairness — Organizations that are seen to be working on what is considered fair or just, will engage more of their workforce which only leads overall to better performance and ultimately organizational success. Future research should also examine other potential moderating and mediating variables that would make it clear about the way POS & change in job discretion interact with different dimensions of employee engagement. Overall, this research contributes to deeper understanding of how different constructs of organizational support influence attitudes of employee and their behavior in such highly structured and competitive industry like banking.

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