

CHAPTER 1 INTRODUCTION

I. RESEARCH BACKGROUND

In today's day of globalization, a corporation must be able to survive in the business world, where competition is becoming increasingly fierce. An organization should have decent management and the ability to improve human resource quality. Human resources are part of the key major components of a firm or organization that operates in the academic sector and play a significant role as the main driver (Abbood Bandar et al., 2020). Human resources are the most supreme for an organization and in the academic area since human resources decide a company's or organization's direction and goals. Indeed, human resources are an important element of any organization. Employees or temporary employees are crucial in an organization that have an extraordinary role in the preparation and development of organizational affairs (Davidescu et al., 2020). Organizations employ temporary staff to adapt immediately to changing environmental conditions and to support the strategic and long development (de Jong et al., 2019). Hiring temporary workers to temporarily replace permanent personnel, providing numerical flexibility at times of high demand, and lowering overhead expenses are some of these key reasons.

The rise on temporary workers trend is slightly higher in developed countries such as USA and Japan where the number of temporary workers comprise about 14% of the workforce (Statistics & Workers, 2019). While one out of every four employees in Indonesia is temporary, it is believed that 65 percent of all

employed workers in formal firms were non-standard since 2010 (International Labour Organization, 2016). In the global market, temporary employment is becoming more popular. A study by Morris et al., (2001), the number of persons employed in this field has been steadily increasing at a rate of 20% per year. They further claim that only students enrolled in school between the ages of 16 and 24 are satisfied with this type of work for the goal of gaining experience for a better job (Morris et al., 2001). As a result, this appears to be a kind of work that is here to stay and organizations that use this form of employment should handle it as if it were a permanent job. People engage in temporary labour for a variety of reasons (De Jong et al., 2009). Several studies have found (Bajorek & Guest, 2019), A third or more of people choose temporary work because it enables them to combine their work and non-work commitments while still meeting their family or educational needs. Others, like entertainers, can use temporary employment as a stepping stone to long-term employment by proving their value to a prospective employer (Hopp, C., Minten, A., & Toporova, 2016)

EOR (employee-organization relationship) is a term used to describe both formal and informal relationship that exists between an employer and its employees. Following the concept of employee-organization relationship from (Tsui et al., 1997), to classify E.O.R into four different types, the author can use two elements: incentive and expected contribution. Although employees have an impact on E.O.R, it is the employer, not the employees who has the authority to decide on employment contracts. As a result, this study focuses solely on the employer's perspective on EOR which is a long-term exchange and open-ended

relationship marked by mutual commitment and emotional engagement. Academic institution can benefit from E.O.R in a variety of ways including increased commitment of temporary employee and enhancement of their individual performance (Yu et al., 2018)

In this context, employee-organization relationship is fundamental especially in an academic institution because the work output of temporary staff at UMY needs to be considered, trusted and valued as well by the university (Huang, 1997). Employees are given input on the content of what they perceive to be promises of some future action to which the university has committed itself through spoken and written communication as well as acts taken by the organization (Rousseau, 1995). On the other hand, temporary employees believe that the university is also expected to supply some commodities in exchange, the most fundamental of which are pay and wages as well as the possibility to be promoted as permanent workers at UMY (Rousseau, 2001). Moreover, individuals noted their employment as a reciprocal relationship that displays a relative dependency that extends beyond a formal contract with a relevant business and that employees and organizations have reciprocal ties (Yang et al., 2021) (Yih, W. Wu., & Htaik, 2011)

In order to achieve the academic institution's objectives of Universitas Muhammadiyah Yogyakarta (a non-profit private higher-education institution) founded in 1981 in Bantul. It must have an excellent and high-quality of human resources. Temporary staff at UMY are under pressure to keep up their high levels of performance and productivity in order to meet students demands for outstanding service. Performance of temporary employees in academic services has an

important role for the improvement of administrative services. A great service is a service that is carried out politely, fairly, appropriately, and has good ethics in order to fulfil needs and satisfaction of those who receive it. Each university temporary employees have its own problems in improving academic services. One of them is the problem with the work schedule that they are required to spend at least 40 hours/week with their co-workers and superiors, employees who work more than they should without getting commensurate compensation and so on. The other problem is the length of time of temporary staff at UMY is just two years, and sometimes not all field or work unit of temporary staff were given transition time to leave their work and let the other staff come in and take that position, so that is also challenging for them because they are unfamiliar with their job. Facing problems around the world of work, employees are often the object of sufferers.

As a result, the author has decided to investigate the elements that influence the temporary employee performance in universities. Employee performance refers to the actions that employees take in carrying out the tasks assigned to them by the company. Individual abilities, skills, and characteristics determine performance in carrying out responsibilities (Falabiba, 2019). Employee performance is one of the most fundamental factors of organizational performance because an organization's people resources are viewed as its most valuable assets. Human resource is one of an organization's capital resources that not only improves the efficiency and effectiveness of the organization, but also serves as an unrivalled source of competitive advantage. Many elements in a company can impact and shape employee performance; one of these factors is the employee perceived

organizational support (Nwanzu & Babalola, 2021). Values, norms, attitudes, practices, and structures can all be used to infer how concerned an organization is about its employees' well-being. When awards are judged fair, employees perceive their organization as supportive and when they engage in decision-making, their supervisors are concerned about their well-being. Human resource planning, training and development and performance review are further elements that influence employees' perceptions of their businesses' support (Al-Hawary et al., 2017). Employees who receive good support from their businesses will reciprocate by engaging in effective job behavior, based on the social exchange theory (Nwanzu & Babalola, 2021). However, if some workers believe they have a lower status than their co-workers it might have an impact on their attitudes and behaviors at work that are significant to corporate operations.

Perceived organizational support (POS) which is a form of social support that is included in job resources. The idea of perceived organizational support (POS) refers to the degree to which employees believe the organization cares about their well-being and values their contribution, is one way to measure this relationship (Fitria et al., 2018) (Nwanzu & Babalola, 2021). POS in this study is focusing on the employee's perspective about whether an organization really cares about the welfare of its employees/ always provides opportunities to its employees to be more developed (training and development) or when employees who have an outstanding performance are given opportunities for promotion and if employees feel the organization is trying to create the best working conditions possible, then it will create a positive, harmonious work environment that will enhance the

employee's performance. In spite of that, (Boswell et al., 2012) claimed that contract workers have a low sense of job security and are easily replaceable. Because many organizations hire such individuals for a specific purpose, they stand out due to visible recognized marks such as various task assignments and rules that emphasize differences from normal employees (Broscha et al., 2006). The perception of a contract worker being less valued than regular employees at the organization is a bad experience that may be linked to reduced affective commitment and may break the employee-organization relationship (Houldsworth, E., & Jirasinghe, 2006)

Previous researchers's study (Balz, 2017) (Luppi et al., 2021) (Redpath et al., 2007) revealed that most of the time temporary workers are having job insecurity issues and they might lose their job if their performance is not meeting the expected goal. Employees who perceive their job as insecure claimed to be less motivated and have low performance at work (de Jong et al., 2019). Research conducted by Mayssara A. Abo Hassanin Supervised, (2014) indicated that employees are leaving their job because of work flexibility related issues because most of the employees are millennial and they require a balance in both professional and personal lives leading to a higher job satisfaction and performance as well as company's overall improvement (Stich, 2019). There are also some research gap such as inconsistency of findings done by several researchers on the effect of work flexibility like (Kattenbach & Demerouti, 2010); (Lilian M. De Menezes; Clare Kelliher, 2016) revealed that

work flexibility does not fully impact employee job performance because work flexibility models and empirical study outcomes is diverse.

Moreover, several researchers like (Yang, F., Liu, P., & Xu, 2021; Lv, 2018) have analysed the relationship between employee-organization relationship on perceived organizational support through the mediating variable of OCB but on employee performance. Hence, the researcher chose employee performance as the dependent variable to explore the relationship between POS and EOR. This research is expected to contribute to the management of human resources for temporary employees at a private university with a high ranking. At this time, supervisory support is critical in organizations, so this study includes perceived organizational support as an exogenous variable, with the goal of analyzing the effect of work flexibility and perceived organizational support on temporary staff performance using the employee-organization relationship as an intervening variable.

1.1 RESEARCH QUESTIONS

From the background of the problems that have been described previously, the main problems in this paper are:

- a) How does work flexibility affect the employee-organization relationship?
- b) How does perceived organizational support affect employee-organization relations?
- c) How does work flexibility affect the temporary employee performance?

- d) How does perceived organizational support affect the temporary employee performance?
- e) How does the employee-organization relationship affect the temporary employee performance?
- f) How does work flexibility affect temporary employee performance through employee-organization relationship as an intervening variable?
- g) How does perceived organizational support affect the performance of temporary employees through the employee-organization relationship as an intervening variable?

1.2 RESEARCH PURPOSE

The aim of this study is to get a detailed picture and provide empirical evidence regarding the effect of leadership style and compensation on job satisfaction and its effect on employee performance.

Based on the context and the formulation of existing problems, this research was carried out with the following objectives:

- a) To determine the effect of work flexibility variable to the employee-organization relationship
- b) To determine the effect of perceived organizational support variable to the employee-organization relations
- c) To determine the effect of work flexibility variable to the performance of temporary employees

- d) To determine the effect of perceived organizational support variable to the performance of temporary employees
- e) To determine the effect of the employee-organization relationship variable on temporary employee performance
- f) To determine the effect of work flexibility variable on temporary employee performance through employee-organization relationship as an intervening variable
- g) To determine the effect of perceived organizational support variable on temporary employee performance through the employee-organization relationship as an intervening variable.

1.3 RESEARCH BENEFITS

The results of the implementation of this research are expected to provide benefits, namely:

1. For Practical implications

With this research, it is hoped that the results of this study can provide valuable information for companies or academic institutions, especially in terms of managing HR management and all policies that are directly related to HR aspects in a better way.

2. For Theoretical implications

The results of this study are expected to contribute in the form of reference materials for further researchers in the field of human resources, especially regarding temporary employee performance.