



# Journal of Applied Sciences

ISSN 1812-5654

**science**  
alert

**ANSI***net*  
an open access publisher  
<http://ansinet.com>

## Mediating Impact of Social Capital on the Relationship Between Perceived Organizational Support and Employee Well-being

Chung-Hung Tsai

Department of Health Administration, Tzu Chi College of Technology, R.O.C.

**Abstract:** The study aims to explore the relationship among perceived organizational support, social capital (interpersonal trust and institutional trust), employee well-being (job satisfaction, physical health and mental health). A survey of 2884 employees of 16 hospitals were selected as research subjects. The findings show that a good overall fit of the proposed model with the empirical data. This study also demonstrates that perceived organizational support has significantly positive effect on interpersonal trust and institutional trust. Furthermore, interpersonal trust and institutional trust are vital mediators between perceived organizational support and employee well-being (job satisfaction, physical health and mental health). The contributions of this study are as follows: First, this study validates the mediating role social capital in the improvement of employee well-being theoretically. Second, this study provides important implications that organizational support, and social capital should be simultaneously valued and reinforced by organizations to achieve better employee well-being.

**Key words:** Organization support, social capital, institutional trust, interpersonal trust, employee well-being

### INTRODUCTION

Due to a high risk, extremely stressful, and competitive industrial environment, doctors and nursing personnel of hospitals tend to have a poor valuation of employee well-being (job satisfaction, physical health and mental health). An individual's subjective perception may affect their physical and mental health and wellbeing, further affecting their devotion to work and loyalty to an organization. Owing to high-risk, knowledge-intensive, extremely stressful and competitive industrial environment, medical institutions gradually value the concepts of social capital, reflecting the industrial trend and highlighting professional needs. Social capital exists in interpersonal relationships, explaining and understanding individual pro-social behaviors in communities, and encouraging interpersonal cooperation and coordination to achieve collective benefits of communities.

However, building a hospital environment with high social capital needs organizational support. Managers must advocate policies and invest relevant resources to support innovative and reformative ideas and methods. The new ideas also require inclusion in policy design and implementation, to establish an invisible norm and culture that may be integrated into daily routines, which is the meaning of organizational support.

This study proposed a research model and hypotheses to illustrate the relationships between the

relevant concepts, verifying the research method using actual sample data collected by hospitals in Taiwan, to examine the fitness between the empirical data and the proposed model. Finally, the proposed conclusion provides the managers of hospitals with the insight and implications regarding the practices of organizational support, social capital, and health in hospital.

### LITERATURE REVIEW

**Perceived organizational support:** Eisenberger *et al.* (1986) suggested that perceived organizational support is employees' general belief concerning the extent to which the organization values their contributions and cares about their well-being. From the perspective of social exchange theory, perceived organizational support is an exchange between the organization and the employee that benefits the employee, which creates in the employee the obligation to reciprocate with an exchange that will benefit the organization (Watson and Hewett, 2006). When employees feel that their contributions are recognized and appreciated by the organization, they are more likely to engage in more positive and productive behaviors.

**Social capital:** Coleman (1990) proposed that social capital includes several aspect of social structure, and facilitate certain actions of individuals who within the structure. Meanwhile, Putnam (1993) argued that social capital indicates the features of social structure, such as

networks, norm and social trust, which facilitate coordination and cooperation for mutual benefits. Woolcock (1998) also stated that social capital includes the information, trust, and norm of reciprocity inhered in one's social networks.

Social capital can help organizations solve conflicts, speed up the learning process, and integrate tacit knowledge. This especially applies to hospitals because hospitals employ numerous occupational groups who often show a deep demarcation (Zigan *et al.*, 2009). Social capital is usually measured by social trust. Social trust refers to the expectation that an individual or institution will act competently, fairly, openly, and considerately. (Putnam, 1993; Mohseni and Lindstrom, 2007).

**Trust:** Mayer *et al.* (1995) defined trust as “the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party”. McKnight *et al.* (1998) suggested that trust is one believes in, and is willing to depend on, another party.

Generally, trust can be divided into interpersonal trust and institutional trust. Interpersonal trust is a type of general trust in others, whose definition is an expectancy held by an individual or a group that the word, promise, verbal or written statement of another individual or group can be relied upon (Rotter, 1967). Institutional trust refers to the trust of citizens in the institutions, especially in the public institutions within society (Lindstrom and Janzon, 2007).

**Relationship between perceived organizational support and Trust:** Tan and Tan (2000) found that perceived organizational support is an antecedent of institutional trust. Peelle III (2007) also indicated that perceived organizational support is correlated to a supervisor's trust-building behaviors. Ristig (2009) also proved that perceived organizational support is positively correlated to trust.

Albrecht and Travaglione (2003) stated that perceived organizational support is an antecedent of interpersonal trust. Lin (2006) confirmed that perceived organizational support positively affects interpersonal trust.

**Relationship between perceived organizational support and job satisfaction:** Based on the norm of reciprocity, Rhoades and Eisenberger (2002) proposed that perceived organizational support affects general affective reactions

of employees to their job, which includes job satisfaction and positive mood. Dupre and Day (2007) also illustrated that supervisor support and organizational support strongly influence job satisfaction.

**Relationship between perceived organizational support and health:** Wilson *et al.* (2004) proposed a model of healthy work organization. Wilson *et al.* (2004) extended the model and further argued that organizational characteristics affect organizational climate, further job design as well as job future, and influence psychological work adjustment, impacting the health and wellbeing of employees. Furthermore, Dejoy *et al.* (2010) proposed that organizational support encourages employees to share relevant information, to provide opportunities of meaningful participation and to allocate necessary resources for making structural and operational changes. After a long process of intervention, the health and wellbeing of employees can be achieved.

**Relationship between trust and job satisfaction:** Gill (2008) showed that trust affects job satisfaction of employees. Tan and Tan (2000) found that the trust of employees in supervisors was related to satisfaction with the supervisors. Paille *et al.* 2010 also demonstrated that a positive correlation exists between trust and job satisfaction. In addition, Ommen *et al.* (2009) confirmed that interpersonal trust significantly affects job satisfaction. Besides, Rowe and Calnan (2006) argued that institutional trust is also important to organizations in promoting job satisfaction.

**Relationship between trust and health:** Paul and McDaniel Jr. (2004) stated that interpersonal trust is crucial for healthcare delivery. Healthcare delivery is a cooperation-based activity, whose quality, efficiency, and responsiveness can be improved by employing cross-disciplinary teams. As a result, team members must rely on individuals whose professional training and perspectives are significantly different.

Institutional trust is also highly relevant to healthcare systems. Russell (2005) argued that the performance of any healthcare system is based on institutional trust, which enables individuals to trust healthcare providers without possessing any personal knowledge of them. Mohseni and Lindstrom, 2007 suggested that trust in the healthcare system is a significant factor associated with care-seeking behavior.

The foregoing discussion leads to the proposed research model depicted in Fig. 1.

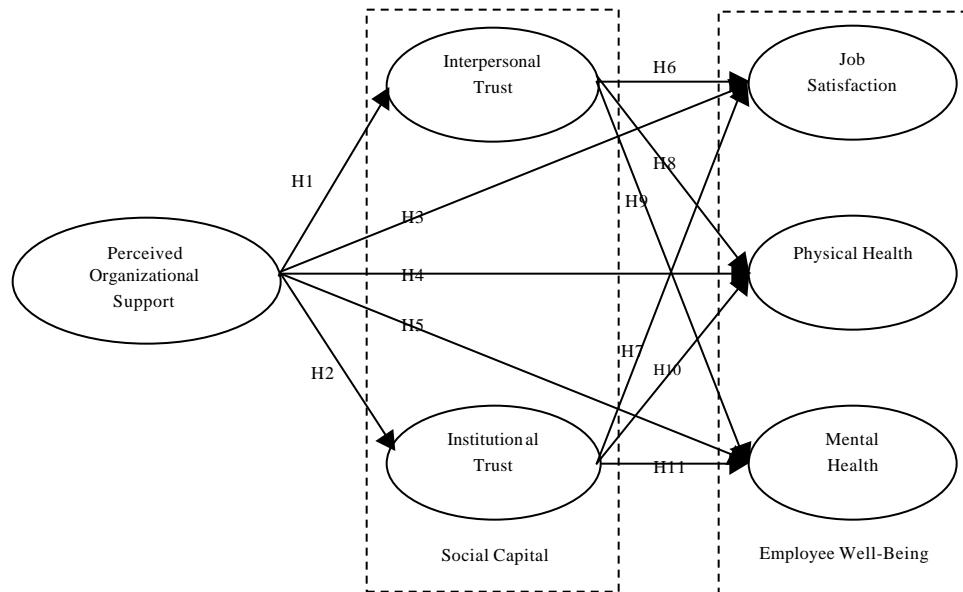


Fig. 1: Research model

**MATERIALS AND METHODS**

**Study population and data sample:** The full-time employees of 16 hospitals which were implementing health promoting hospitals practices were selected as research subjects. 3042 copies of questionnaires were distributed. After questionnaires were collected, the invalid questionnaires which were incompletely or regularly answered were deleted. There are 2884 copies of valid questionnaires. The valid response rate is 95%.

**Survey method:** We used a self-report questionnaire to empirically examine the proposed research model. Self-report method refers to the approach in which observation data are provided by participants rather than raters or coders. All measurement items were adjusted from previous studies and rated on 5-point Likert-type scales, ranging from 1 (very strongly disagree) to 5 (very strongly agree).

**Statistical method:** To empirically examine the proposed model, the structural equation modeling (SEM) was used to validate the model and hypotheses. The SEM analysis proceeds according to the two-step approach recommended by Anderson and Gerbing, 1988. First, the assessment of the measurement model consisting of the latent factors includes reliability, discriminant validity, and convergent validity of the scales. Second, the structural model is validating individually with the series of path relationships linking the latent constructs.

**RESULTS AND DISCUSSION**

**Descriptive statistics results:** Of these 2884 respondents, 558 were male (19.3%) and 2326 were female (80.7%). Most respondents were at the age group of 18-34 years (55.8%). Most respondents hold bachelor’s degrees (84.3%). A majority of the respondents were nurses (35.8%), followed by administrative staffs (32.0%). 1050 of respondents (36.4%) had at most five years of professional experience, 644 had 6-10 years (22.3%), and 637 had 11-15 years (22.1%). The mean scores of the six constructs are all close to the middle of the 5-point Likert-type scales, showing a reasonable dispersion in their distributions across the ranges.

**Measurement model results:** As shown in Table 1, the Cronbach’s  $\alpha$  of every subscales ranged from 0.84 to 0.92, which were above the acceptability value 0.7 (Nunnally, 1978). Besides, the composite reliability values ranging from 0.84 to 0.92 and the average variances ranging from 0.50 to 0.75 were all within the commonly accepted range and greater than 0.5 (Hair *et al.*, 1998). In addition, all measures were significant on their path loadings at the level of 0.001 and the goodness-of-fit indices were all excellent.

According to Fornell and Larcker (1981), discriminant validity can be tested among all constructs by comparing the Average Variance Extracted (AVE) of each construct with the squared correlation of that construct and all the other constructs. Table 2 lists the squared correlation

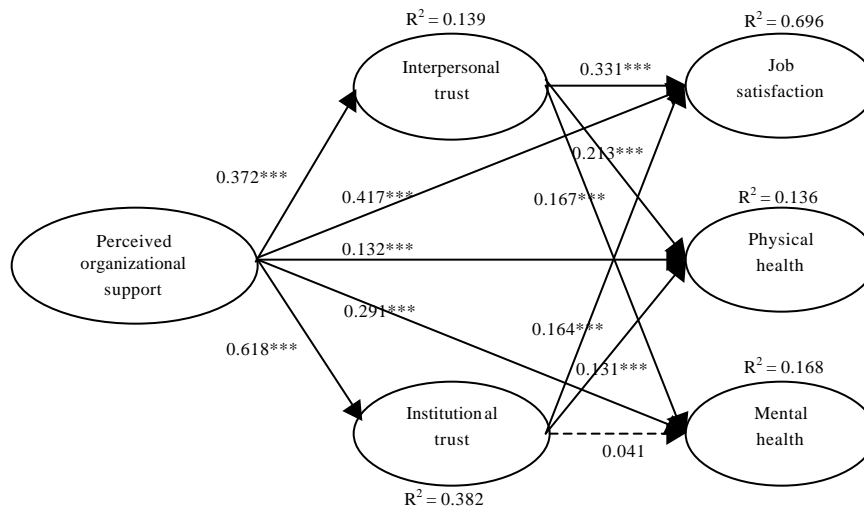


Fig. 2: Final proposed model

Table 1 Results of Confirmatory Factor Analysis

Construct	Cronbach $\alpha$	Composite Reliability (CR)	Average variance Extracted (AVE)
Perceived organizational Support	0.92	0.92	0.75
Interpersonal trust	0.92	0.92	0.65
Institutional trust	0.92	0.90	0.65
Physical health	0.84	0.84	0.72
Mental health	0.87	0.88	0.59
Job satisfaction	0.87	0.85	0.50

Table 2: Comparison of squared correlation and average variance

	1	2	3	4	5	6
1. Perceived organizational Support	(0.75)					
2. Interpersonal Trust	0.11	(0.65)				
3. Institutional Trust	0.32	0.32	(0.65)			
4. Physical Health	0.24	0.28	0.29	(0.72)		
5. Mental Health	0.35	0.26	0.29	0.41	(0.59)	
6. Job Satisfaction	0.42	0.21	0.41	0.34	0.41	(0.50)

All correlations are significant at the 0.001 level, and diagonal elements are the average variance extracted (AVE)

Table 3 Fit Indices for the Structural Model

Structural model statistic	Fit indexes	Recommended threshold
$\chi^2/ d.f.$	11.670	<8.00
Goodness-of-fit index (GFI)	0.910	>0.90
Root mean square residual (RMR)	0.054	<0.08
Root mean square error of approximation (RMSEA)	0.061	<0.08
Adjusted GFI (AGFI)	0.890	>0.80
Normed fit index (NFI)	0.940	>0.90
Relative fit index (RFI)	0.930	>0.90
Comparative fit index (CFI)	0.940	>0.90

matrix, with squared correlations among constructs and the AVE on the diagonal. As shown in Table 2, all squared correlations between two constructs were less than the AVE of both constructs. Therefore, the results confirmed that the discriminant validity of constructs in the study was satisfactory.

**Structural model results:** The goodness-of-fit statistics are summarized in Table 3, the goodness-of-fit indices are almost within accepted thresholds, except for  $\chi^2/ d.f.$ , which is slightly higher than the commonly cited threshold. Therefore, the summary of the overall goodness-of-fit indices demonstrated a good overall fit of the structural model with the data.

Figure 2 illustrate the estimated standardized path coefficients and their significance in the structural model. As predicted, all proposed hypotheses except for H11 are supported. Figure 2 also illustrates the squared multiple correlations ( $R^2$ ) of all endogenous variables in the model. The estimated standardized path coefficients indicate the strength of the relationships between the dependent and independent variable. Meanwhile, the  $R^2$  value represents the proportion of variance that is explained by the predictors of the variable in the model.

## CONCLUSION

This study is one of the pilot researches to explore the relationship among perceived organizational support, social capital (interpersonal trust and institutional trust), and employee well-being (job satisfaction, physical health and mental health). The results illustrate that perceived organizational support, and social capital jointly have significantly positive effects on employee well-being. This study also confirms that both interpersonal trust and institutional trust are important mediators between perceived organizational support and employee well-being. That is, perceived organizational support facilitates the development of interpersonal trust, and institutional trust, which in turn, improves the job satisfaction, physical health and mental health of employees.

However, institutional trust has insignificant effect on mental health. The unexpected finding can be explained that interpersonal trust may fully mediate the influence of institutional trust on mental health. That is, institutional trust indirectly affects mental health of employees via interpersonal trust. The implications of this study are that organizational managers should simultaneously and continuously improve organizational supportive climate and trust culture because these practices will help organizations to enhance employee well-being which at the end will contribute to the organizational success and growth.

### REFERENCES

- Albrecht, S. and A. Travaglione, 2003. Trust in public-sector senior management. *Inter. J. Human Res. Manage.*, 14: 76-92.
- Anderson, J.C. and D.W. Gerbing, 1988. Structural equation modeling in practice: A review and recommended two-step approach. *Psychol. Bull.*, 103: 411-423.
- Coleman, J.S., 1990. *Foundations of Social Theory*. Harvard University Press, Cambridge, UK..
- DeJoy, D.M., M.G. Wilson, R.J. Vandenberg, A.L. McGrath-Higgins and C.S. Griffin-Blake, 2010. Assessing the impact of healthy work organization intervention. *J. Occupat. Organ. Psychol.*, 83: 139-165.
- Dupre, K.E. and A.L. Day, 2007. The effects of supportive management and job quality on the turnover intentions and health of military personnel. *Human Res. Manage.*, 46: 185-201.
- Eisenberger, R., R. Huntington, S. Hutchison and D. Sowa, 1986. Perceived organizational support. *J. Applied Psychol.*, 71: 500-507.
- Fornell, C. and D. Larcker, 1981. Evaluating structural equation models with unobservable variables and measurement error. *J. Marketing Res.*, 18: 39-50.
- Gill, A.S., 2008. The role of trust in employee-manager relationship. *Inter. J. Contemporary Hospitality Manage.*, 20: 98-103.
- Hair, Jr. J.F., R.L. Tatham, R.E. Anderson and W. Black, 1998. *Multivariate Data Analysis*. 5th Edn., Prentice Hall International, Englewood Cliffs, New Jersey, London, ISBN-13: 978-0138948580, pp: 169-215.
- Lin, H.F., 2006. Impact of organizational support on organizational intention to facilitate knowledge sharing. *Knowledge Manage. Res. Pract.*, 4: 26-35.
- Lindstrom, M. and E. Janzon, 2007. Social capital, institutional (vertical) trust and smoking: A study of daily smoking and smoking cessation among ever smokers. *Scand. J. Public Health*, 35: 460-467.
- Mayer, R.C., J.H. Davis and F.D. Schoorman, 1995. An integrative model of organizational trust. *Acad. Manage. Rev.*, 20: 709-734.
- McKnight, D.H., L.L. Cummings and N.L. Chervany, 1998. Initial trust formation in new organizational relationships. *Acad. Manage. Rev.*, 23: 473-490.
- Mohseni, M. and M. Lindstrom, 2007. Social capital, trust in the health-care system and self-rated health: The role of access to health care in a population-based study. *Soc. Sci. Med.*, 64: 1373-1383.
- Nunnally, J.C., 1978. *Psychometric Theory*. 2nd Edn., McGraw-Hill, New York, USA.
- Ommen, O., E. Driller, T. Kohler, C. Kowalski and N. Ernstmann *et al.*, 2009. The relationship between social capital in hospitals and physician job satisfaction. *BMC Health Services Res.*,
- Paille, P., L. Bourdeau and I. Galois, 2010. Support, trust, satisfaction, intent to leave and citizenship at organizational level: A social exchange approach. *Inter. J. Organ. Anal.*, 18: 41-58.
- Paul, D. L. and R.R. McDaniel Jr., 2004. A field study of the effect of interpersonal trust on virtual collaborative relationship performance. *MIS Q.*, 28: 183-227.
- Peelle III, H.E., 2007. Reciprocating perceived organizational support through citizenship behavior. *J. Managerial Issues*, 19: 554-575.
- Putnam, R., 1993. *Making Democracy Work: Civic Traditions in Modern Italy*. Princeton University Press, Englewood Cliffs, NJ., ISBN-13: 978-0691037387, Pages: 258.
- Rhoades, L. and R. Eisenberger, 2002. Perceived organizational support: A review of the literature. *J. Applied Psychol.*, 87: 698-714.
- Ristig, K., 2009. The impact of perceived organizational support and trustworthiness on trust. *Manage. Res. News*, 32: 659-669.
- Rotter, J.B., 1967. A new scale for the measurement of interpersonal trust. *J. Pers.*, 35: 651-665.
- Rowe, R. and M. Calnan, 2006. Trust relations in health care?the new agenda. *Eur. J. Public Health*, 16: 4-6.
- Russell, S., 2005. Treatment-seeking behaviour in urban Sri Lanka: Trusting the state, trusting private providers. *Soc. Sci. Med.*, 61: 1396-1407.
- Tan, H.H. and C.S.F. Tan, 2000. Toward the differentiation of trust in supervisor and trust in organization. *Genet. Soc. Gen. Psychol. Monogr.*, 126: 241-260.

- Watson, S. and K. Hewett, 2006. A multi-theoretical model of knowledge transfer in organizations: Determinants of knowledge contribution and knowledge reuse. *J. Manage. Stud.*, 43: 141-173.
- Wilson, M.G., D.M. DeJoy, R.J., Vandenberg, H.A. Richardson and A.L. McGrath, 2004. Work characteristics and employee health and well-being: Test of a model of healthy work organization. *J. Occupat. Organ. Psychol.*, 77: 565-588.
- Woolcock, M., 1998. Social capital and economic development: toward a theoretical synthesis and policy framework. *Theor. Soc.*, 27: 151-208.
- Zigan, K., F. Macfarlane and T. Desombre, 2013. The identification of important intangible resources in hospitals. *Inter. J. Public Administration*, 32: 1162-1181.