

Role of Psychological Capital in Increasing Positivity & Productivity in an Organization

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Abstract - As an additional objective, this article will investigate the role of positive psychological strengths and capabilities in inspiring workers to go above and beyond the call of duty, which in turn boosts organizational effectiveness (PsyCap). A total of 297 individuals served as the sample. Pearson's correlation coefficient and multiple regression were used to examine the data. For this complete operation, we utilised SPSS 21. Employee productivity was shown to be positively correlated with the various components of psychological capital ($P < 0.001$). The R^2 value showed that 15% of production variance may be attributed to psychological capital.

Keywords - psychological capital, staff productivity

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INTRODUCTION

As a result of these profound societal shifts, most modern educational institutions are enormous, intricate bureaucracies. They serve an essential role in the development of every society's social, cultural, and economic spheres, and have progressed from rudimentary structures to complex ones throughout time. A successful educational system achieves its goals by helping its students develop their full intellectual, emotional, and physical potentials, while also producing the skilled workers the economy and society need to thrive.

In order to boost productivity in the workplace, researchers and practitioners have begun to examine the strengths and emotional capacity of human resources. Emotions are important, despite the fact that they aren't accounted for in mainstream economic theory. They have an impact on how much you put in, how hard you work, and what you get out of it. Changeable and malleable psychological capital is rare in the study of business psychology.

PsyCap receives funding from four states, each of which reaps the benefits of increased production, satisfied customers, and loyal workers.

- (1) Self-efficacy, or "the belief that one has the motivation, cognitive resources, and action plans necessary to effectively perform a certain activity within a given setting," is the focus of this definition.
- (2) Hope describes it as "a positive motivational condition that is built on an interactively formed feeling of effective (a) agency (goal-oriented energy) and (b) routes (planning to fulfill objectives)."

- (3) Optimism is defined in terms of the two most important elements of one's explanatory style of good and bad events: persistence and pervasiveness, and is, like hope, a regularly used phrase.
- (4) Resilience, According to Coutu (2002), the characteristics of those who are able to bounce back from adversity include a firm acceptance of reality.

An individual's PsyCap may shift in response to environmental factors (such the presence of a motivating leader) and private attributes.

Training in psychological capital development takes a human capital-based approach, incorporating concepts like concepts from clinical and developmental positive psychology. Psychological resources may be boosted with the use of a quick web-based training programme that places an emphasis on concentrated and short-term training, leading to improved corporate performance. Creating psychological capital involves cultivating a constructive inner dialogue. We will be emphasizing goal-setting, strategy development, and overcoming adversity. The focus is on the practical application of these methods in the business setting. The participants' expectations are raised thanks to these research.

Based on the premise that living a fruitless and pointless existence is the root cause of many diseases, positive psychologists have pushed for a shift in emphasis away from trying to fix people's flaws and toward cultivating their strengths instead. Subjective, individual, and organizational are the three levels of expression used to describe the domain of interest for positive psychology in this

setting. Subjective, objective, and meta-levels are all explored in the pursuit of well-being, fulfilment, hope, optimism, flow, and enjoyment in the here and now. The idea of "well-being" is central to this method.

Subjective happiness, which is the emphasis of hedonistic methods, and objective happiness, which is the focus of functional (edamonic) approaches, are the primary concerns of positive psychology in this setting. It's impossible to track the growth of positive psychology because of how many fields it influences. Fred Luthans proposed the notion of psychological capital as part of the larger field of good organisational behaviour. According to the theory of psychological capital, a company's success is directly linked to the happiness of its personnel.

LITERATURE AND REVIEW

Minjung Kim et al (2018) Examining psychological capital as a potentially helpful concept in modern organisational behaviour is a proactive way to tackling mental health concerns in the workplace. The purpose of this study was to investigate the role of psychological capital in influencing workers' levels of satisfaction and engagement on the job via the use of a randomised controlled trial. A total of 708 workers from Division I sports departments were enlisted to help test 11 hypotheses. According to the findings, The elements that contribute to high levels of work satisfaction and psychological well-being are multifaceted, including workers' access to meaningful work and a supportive corporate environment. Psychological capital also served as a mediator, either completely or partially. The authors of this article provide a novel viewpoint on the mental health outcomes of sport workers, focusing on the importance of constructive organizational behavior in the sporting context.

Xiaofen Yu et al (2019) Examining how these optimistic traits relate to those of hope, self-efficacy, and resilience is the focus of this study to better understand how each of these factors contributes to overall psychological capital influence the level of creativity within an organization's workforce. Based on findings from the literature on creativity and the psychological capital theory, we argue that fostering an environment of optimism and hope among workers improves their sense of self-efficacy and their ability to bounce back from setbacks. The authors also postulate that self-efficacy and resilience, which are central to the concept of psychological capital, have a moderating function in the context of creativity at work. Several manufacturing companies were surveyed to collect data on their employees' psychological capital and levels of creativity. The predictions about the relationship between psychological capital and inventiveness were put to the test in a sample of 468 workers using structural equation modeling. The findings prove that only resilience acts as a buffer between optimism and hope and worker innovation. According to their research, According to their findings, the authors found a positive correlation between high

levels of psychological capital and employee creativity. Prospective Uses These findings provide insight on how to best handle the intangible assets of psychological capital and motivation that fuel employees' innovative problem solving on the work. More specifically, by illuminating the cause and consequence of psychological capital, this research offers an argument for encouraging the inventiveness of workers. Originality/value This investigation into the influences of psychological capital's four unique but connected aspects on workers' inventiveness is the first of its kind. This study's results help fill in the blanks of a conceptual model exploring the link between psychological capital, creativity, originality, and innovation.

Fred Luthans et al (2017) PsyCap, as its now-popular acronym stands for "psychological capital," is rooted in both positive psychology and positive organizational behavior (POB). First-order positive psychological resources make up PsyCap and include concepts like the HERO (or "hero inside") that serves as a source of inspiration and motivation. The article begins with a definition and brief history of PsyCap before moving on to an in-depth examination of the concept's measurements, theoretical processes, antecedents and results, degrees of analysis, present status, and future research needs. The practical ramifications, including the creation of PsyCaps, the promotion of good leadership, and the introduction of creative applications like the use of video games and gamification approaches, are given special attention.

Ann-Christin Grözinger et al (2021) In this research, we analyze how a company's level of psychological capital affects its ability to weather a crisis. We claim that small and medium-sized enterprises (SMEs) draw on their intangible assets to weather storms like the recent COVID-19 epidemic. As a result, Organizational citizenship conduct, teamwork, and unity are examined as examples of intangible resources, and cooperation contribute to an organization's performance and creative innovation. Based on a dataset of 379 SMEs, we use a mixed-methods approach using structural equation modeling and regression analysis. Our findings provide credence to the idea that a company's psychological capital has a constructive effect on small and medium-sized enterprises' (SMEs') capacity for creative innovation and, Finding that SMEs' psychological resources might boost performance in crisis and assist prepare for future crises is new information for the field of organizational behavior.

METHODOLOGY

PsyCap and organizational effectiveness instruments were included in the survey. About 297 completed questionnaires were returned to the investigator.

Finally, SPSS Software Version 21 was used to gather and evaluate the data. The data was evaluated using descriptive statistics like mean and standard deviation as well as statistical tools were utilized concurrently to analyze the data in respect to the study hypothesis.

Table 1. Demographic profile

Variable	Level	Frequency	Frequency Percentage
Working experience	1-5 years	34	11.4
	6-10 years	62	20.9
	11-15 years	38	12.8
	15-above	163	54.9
	20-29 years	38	12.8
Age	30-39 years	116	39.1
	40-49 years	122	41.1
	50-above	21	7.1
	Male	151	50.85
Gender	Female	146	49.15
	Elementary School	108	36.4
Education	Middle School	68	22.9
	High School	111	37.4
	Administrative	10	3.4
	Associate Degree	64	21.5
Qualification	Bachelor of Arts	207	69.7
	Master of Arts/Science	26	8.8

Male workers make up 50.85% of the sample and female employees 49.15%, as shown in Table 1; of these. According to the data, the biggest percentages of workers fall into the following categories: employees with a bachelor's degree (69.7%), employees with 15+ years of service (54.9%), and employees aged 40–49 (41.1%).

Table 2. Mean, standard deviation and correlation matrix of the research variables

Model	Variables	Mean	SD	Self-efficacy	Hope	Resiliency	Optimism
1	Psychological Capital	119.94	9.70				
2	Self-efficacy	31.86	3.78	1			
3	Hope	31.82	3.06	0.44**	1		
4	Resiliency	29.58	3.19	0.28**	0.54**	1	
5	Optimism	26.68	3.84	0.14**	0.29**	0.50**	1
6	Productivity	88.77	14.19	0.27**	0.30**	0.35**	0.21**

P<0.016 ** P<0.001

The analyzed variables' central tendency, variation, and correlation coefficient are all shown in Table 2. The average amount of psychological capital is 119.94, with a standard deviation of 9.7. The average productivity is 88.77 and the standard deviation is 14.19. Yet, after controlling for other factors that affect productivity, Productivity is positively correlated with measures of psychological capital and its components. (P0.001).

Table 3. Summary of the multiple regression analysis

Model	Statistic	Sum of squares	df	Mean of Squares	F
Regression	Source of change	959.934	4	2398.733	14.01
Inter	Remainder	49978/952	292	171.161	
	Total	9573.886	296		

Using simultaneous multiple regression analysis, we analysed how various aspects of employees' psychological capital affected their productivity. The effects of psychological capital on output are seen in Table 3; these effects are statistically significant (F (292, 4) = 14.01, P<0.001), and the corrected R2 value suggests that the predictor factors account for 15% of the variation in workers' output.

Table 4. Standardized and unstandardized regression

Statistic Variable	Unstandardized Coefficient		Standardized Coefficient	t-value	Significance	Partial Correlation Coefficient
	B	SD	β			
Constance	19.161	9.655		1.984	0.048	
Self-efficacy	0.641	0.251	0.153	2.552	0.011	0.148
Hope	0.433	0.317	0.093	1.367	0.173	0.080
Resiliency	1.053	0.313	0.237	3.363	0.001	0.193
Optimism	0.160	0.229	0.043	0.702	0.483	0.041

Table 4 reveals that the coefficients for self-efficacy and resilience were both significant predictors of productivity, but the coefficients for hope (0.093) and optimism (0.43), respectively, were not. According to the coefficients, resilience is the most important factor. Moreover, partial correlation coefficients demonstrate that resilience is the most important factor in explaining production.

A substantial positive correlation exists between hope and productivity as a kind of psychological capital (P<0.001). These results match the ones that were previously published. People's job happiness and loyalty would increase since optimism motivates them to work hard and keep going. Individuals who have a lot of optimism in their lives tend to be more ambitious, flexible, and capable of setting and achieving long-term goals.

The psychological capital factor of resilience correlates positively and significantly (P<0.001) with output. The coefficient of determination suggests that the component's resilience accounts for 12% of the observed productivity variation. When workers are unprepared for dangerous jobs or encounter challenges at work, their resilience plays a significant role in keeping them safe. Employees with high resilience are better able to adjust to both the internal and external environments of the business, maintain positive relationships with coworkers, and keep their motivation and personal assets intact despite setbacks.

Relationship between Constructs

Regrettably, more evidence is needed to support the theory that productive organizational practices, effects, and behavior are all interconnected. Positive practices have been shown to have a beneficial impact on people's well-being and behavior, including increased job satisfaction, less stress, reduced conflict, and greater feelings of social connection.

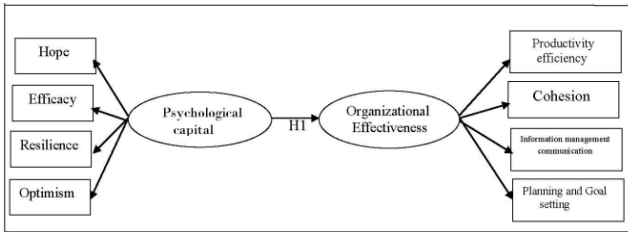


Fig. 1: The Hypothesized Model (M1)

H1: PsyCap will significantly predict organizational effectiveness (Productivity efficiency, cohesion, information management communication, planning and goal setting).

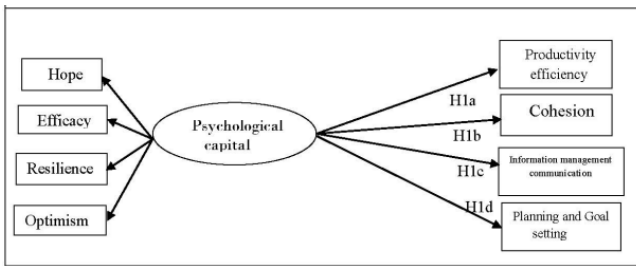


Fig. 2: The Hypothesized Model (M2)

For evidence of the postulated connection, we calculated the Pearson correlation between the variables. The research variables and their descriptive analyses and correlations are shown in Table 5. With a calculated $r = 0.45$, the relationship between PsyCap and organizational performance is favorable and statistically significant (significant at 0.01 level). The findings indicate that a high level of psychological capital contributes to productive organizations. The correlation matrix backs up our theory, showing a significant positive link between PsyCap and the four success variables.

Table 5: Descriptive Analysis and Correlations

Dimensions	S.D	1.	2.	3.	4.	5.	6.	7.	8.	9.
1. PsyCap	11.2	-								
2. Hope	4.05	0.83**	-							
3. Efficacy	3.46	0.81**	0.67**	-						
4. Resilience	3.61	0.68**	0.40**	0.38**	-					
5. Optimism	3.65	0.72**	0.43**	0.45**	0.30**	-				
6. OE	12.5	0.45**	0.42**	0.40**	0.41**	0.26*	-			
7. PE	3.47	0.23*	0.25*	0.32**	0.32**	0.19*	0.83**	-		
8. Cohesion	4.39	0.46**	0.49**	0.47**	0.17*	0.32**	0.88**	0.60**	-	
9. IMC	3.22	0.30**	0.30**	0.33**	0.18*	0.22*	0.87**	0.75**	0.65**	-
10. PDS	3.57	0.33**	0.37**	0.25*	0.33**	0.25*	0.85**	0.54**	0.71**	0.65**

The results demonstrate that PsyCap has a positive association with and a strong relationship to organisational performance (0.50). These results are in line with previous research indicating that organisational members' positive psychological capital significantly affects their levels of work satisfaction, and they are also consistent, to a lesser extent, with those of earlier studies showing that hotel employees' Job contentment is correlated with levels of psychological capital including confidence, hope, and resilience. These traits also increase employee happiness and engagement, which in turn helps businesses reach their goals.

CONCLUSION

Up to this point, we have looked at the theoretical connections between positive notions like positive psychology and psychological capital, and offered some recommendations for boosting morale in the workplace. Factors such as workers' exposure to meaningful work and a pleasant corporate climate influence the development of psychological capital, whose outcomes include job satisfaction and general mental health. That's why it's important to prepare managers at all levels with both theoretical and practical training to maximize the return on this investment.

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