

PSYCHOLOGICAL CAPITAL (PsyCap) OF HUMAN RESOURCE IN WORKPLACES

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ABSTRACT

The study focuses on association of psychologically capital & its impact in the workplace. Every organization holds certain standards at their workplaces which are mainly attributed towards maintaining their performance, their employee's satisfaction, motivation, their productivity, commitment, etc. But the companies require a PsyCap strategy irrespective of their field or sector in every company in a customized manner to improve the loyalty or organizational citizenship behavior of their employees. Only after achieving this an organization can be effective & may deliver the desired performance which may help it in its growth & substance in the current business landscape.

In this particular research a descriptive methodology was utilized to statistically analyse the association between psychological capital in association with human resource and, its impact & interaction with the workplace. During this study primary data was collected from a structured questionnaire from 100 participants. This study mainly explored the rapid transformation of the workplace & its impact on the psychological state of the human beings working in the organization as the employees and, the changes & impact of that in the workplace. The study aims to contribute a significant outcome by identifying the drivers of commitment, loyalty & a better employee engagement for the organizations.

Keywords: *Psychological capital, employee engagement, organizational citizenship, organizational commitment, human resource management, PsyCap, etc.*

INTRODUCTION

In the organizations due to the unprecedented demands & different types of workplace models & cultures most of the organizations constantly face the problems associated with attrition & retention of employees (Gallup, 2025). The psychological capital is mostly defined as the individual's positive psychological state of development which may be affected by hope efficiency resilience & optimism (Luthans, 2025).

The psychological capital is widely utilized in workplaces especially in case of human resource management. It is applicable for the tasks or operations of recruitment, training, talent management, employee development, leadership development, etc. It also affects several other complex factors, i.e., leadership development, employee well-being programs & the execution of changes in the organization. While handling the challenges associated with human resource management it also helps in handling cultural differences, identifying & measuring issues & it also sometimes helps in industry-specific practices. Thus, it can be said that a company cannot ensure its success without paying attention to PsyCap. Therefore, it can be stipulated that in many organizations the organizational success may be interpreted in

terms of the stability of psychological capital of that particular organisation. This research paper examines the outcomes, interventions, other traits & factors which are associated with psychological capital & their impact on the HR strategies.

OVERVIEW OF PSYCHOLOGICAL CAPITAL (PsyCap)

The success of the organizations depends upon their productivity which is directly or indirectly influenced by their adaptations at technological levels. The smaller & larger changes associated with the organization all are affected by the psychological strength, positive mental capabilities & it influences the capacities of the employees working in that organisation. The psychological capital works on two areas or phenomenon, i.e., the state-like phenomenon & the trade-like phenomenon.

Over the course of time several academic & other studies were conducted focusing on the psychological capabilities. Thus, several observations & indications were presented over these few decades indicating a strong relationship to be observed between the performance, satisfaction, organizational commitment, innovation, employee engagement, employee well-being, creativity, etc. It can be said that in an organization there are three kinds of capital forces which include- the psychological capital, human capital & social capital. These are the three aspects on which are organization revolves around.

Table-1: Depicting the Structure of PsyCap in an Organization

S.No.	Type of Capital	Meaning
1	Human Capital	Knowledge, skills & abilities
2	Social Capital	Relationships & networks
3	Psychological Capital	Positive psychological strengths

THEORETICAL FRAMEWORK

Traditionally it was believed that the psychology of an organization focuses on the stress, conflict, satisfaction, burnout, etc, later a shift was observed towards strengthening some parts of a human behaviour, i.e., happiness, resilience & flourishing. It was followed by the positive organizational behavior (POB) theory given by Luthans, which focuses on resilience mainly. In 2007, Luthans focused on psychological behaviour of the organization & came up with the framework of POB theory according to which the positive psychological state of a person can be identified on the basis of four major sections or states. Firstly, they should have the confidence to take necessary effort to move in the direction of their task number; secondly -they should have positive attribution; thirdly, they should have preserved attitude towards goals & should be redirecting their parts, if that is required & lastly about their resilience from adversity. POB aligns with another theory it is associated with positive state which expands to cognition, building enduring resources. It is called as Broaden-and-Build Theory (BBT). The Conservation of resources (COR) Theory deals with the upward (gain) or downward (loss) of PsyCap spirals which keeps on moderating with the job demands-resources. The Job Demands-Resources (JD-R) Model handles the aspects of burnout & motivation. The social cognitive theory emphasises that cognition, belief & the environment influence one's behaviour. The social exchange theory deals with high PsyCap signals reciprocity & enhancing leader-member exchanges. The Integrative models propose that the PsyCap mediates organizational climate-performance links, etc. Ultimately, the Hero model framework was devised based on the fact that psychological capital works with major components, i.e., hope, self-efficacy, resilience & optimism.

Table-2: Depicting the theories & the roles played by them in PsyCap in an Organization

S.No.	Theory	PsyCap Role	Key Evidence
1	POB/BBT	Resource builder	Increases engagement
2	COR/JD-R	Stress buffer	Reduces turnover
3	Social Exchange	Reciprocity enhancer	Moderates leadership

DIMENSIONS OF HERO THEORY & ORGANIZATION

Hope

It is believed that the people working in the organization also have their own set of goals. They have their own pathways focusing to achieve. They want to be motivated towards achieving their own success but during this course of time they experience different kind of energy shifts & obstacles at the end their determination decides how much work they need to put into their success.

Self-Efficacy

Every employee should have the confidence in their ability that they could successfully complete a task which is allotted to them. If they have that kind of confidence, they will be able to accept challenges, they will be persistent in their work, they might even take initiative to handle hard work. Such kind of behavior can be also influenced by making them learn new things making certain decisions for them motivating them & helping them with assistance & problems solving.

Resilience

It indicates towards the innate strength with which the employee handle their adverse times they recover from setbacks failures & stress. & in case of others they won't be able to recover from crisis of their job situations & it will build a stress on them which will eventually affect their stability physical & emotional.

Optimism

Employees should always have a positive approach in life. Such employees have positivity & motivation. The companies often organize several seminars for their employees which can help them in dealing with their issues & in order to promote positivity & motivation in their employees.

Table -3: Depiction of HOPE Model

S.No.	Dimension	Meaning
1	Hope	Goal-oriented motivation
2	Self-efficacy	Confidence in ability
3	Resilience	Ability to recover
4	Optimism	Positive expectations

PSYCHOLOGICAL CAPITAL (PsyCap): EMPLOYEE ENGAGEMENT, PERFORMANCE, COMMITMENT & JOB SATISFACTION

All the employees who have a good psychological capital must be able to contribute to the performance & productivity of the company they should be able to work efficiently. They should indicate a higher level of motivation & must demonstrate innovative behavior where they proactively try to help the others & achieve the desired results, they will be more

engaged in their works & they will contribute towards the success of the company significantly.

Work engagement is oriented towards handling the concerns like – employees will have a better emotional & cognitive involvement with their work they will try to demonstrate a higher amount of focus & dedication. During the times of crisis, they should act as dependable.

When focusing on employee's commitment level it can be clearly stated that they will show emotional & personal attachment towards the company & they will not exhibit the traits of disengagement & traits of attrition. They may even exhibit leadership qualities & try to be supportive & empowered. Such identifiers are easy to identify among the others & even the other employees look forward to them especially while they need mentoring or coaching. This kind of behavior exhibited by the employee's acts as a positive attribute towards the culture of the organisation. It brings out a positive attitude from all the other employees too.

Such employees bear a tremendous role during the times of crisis & stress because when other people see them they felt relieved & the disruptions & uncertainties among the people are also diminished under the guidance of these people. They adapt more towards work & maintain morale of the other people too. Since they remain goal oriented & do not exhibit burnout, anxiety, or exhaustion people always look forward to talking to them especially at the time of their own distress. Most of the people also try to mirror them just for the sake of promotion or success in future. Thus, they act as a true role model for the modification of the behaviour of the other people who are working as the employees.

RESEARCH GAP

It is summarized as follows:

1. Few such studies are conducted in developing economies like India.
2. Mostly the need of some specifications like industry's specific analysis were neglected earlier.
3. The hybrid nature or remote nature of the workplace also affects it but it is often ignored or not taken into account much.

RESEARCH OBJECTIVES

They are summarized as follows:

1. To understand the details of the concept PsyCap & workplace environment.
2. To understand & identify the role of employee engagement, employee performance, employee commitment & employee's job satisfaction in context with psychological capital.
3. To identify the relationship between employee engagement, performance, commitment & job satisfaction.

RESEARCH QUESTIONS

They are summarized as follows:

1. Role of psychological capital in employee engagement.
2. Role played by psychological capital in terms of employee performance & organizational performance.

3. Role of psychological capital in terms of commitment & loyalty of employees.
4. Role of psychological capital in Indian business landscape influencing jobs & satisfaction.

HYPOTHESIS

They are summarized as follows:

- H1: Psychologically capital positively affects employee engagement.
H2: Psychological capital positively affects employee performance.
H3: Psychological capital positively affects employee commitment.
H4: Psychological capital positively affects job satisfaction.

RESEARCH METHODOLOGY

This study tries to find out the relationship between psychological capital employee performance, engagement, commitment & satisfaction. During this study descriptive research methodology was applied.

Along with quantitative research approach, across sectional survey methodology was used to identify the participants. The data gathered primary & secondary both was analysed. During this study the primary data was collected through a structured questionnaire using 5 point likert type rating scale by conducting survey & interviews from a sample size of 100 people from corporate world. The primary data was gathered by convenient sampling method in urban locations & analysed through SPSS software by performing correlation & analysis.

RESULTS

The results of qualitative & quantitative data analysis both supported the hypothesis of this study. The qualitative data analysis emphasized on many attributes along the with indicating an association among PsyCap, employee engagement, performance, commitment & job satisfaction The quantitative analysis results are summarised below:

Table-4: Results of Correlation Analysis

S. No.	Particular	Values
1	Employee Engagement	0.40
2	Employee Performance	0.50
3	Employee Commitment	0.47
4	Job Satisfaction	0.53

The results of correlation (table-4) & regression analysis (table-5) clearly indicate that the results were found to be significant & the results clearly indicate that a certain association is present between jobs satisfaction, engagement, performance & commitment based on the results. Which means that PsyCap is definitely related with employee engagement, performance, commitment & job satisfaction.

Table-5: Results of Regression Analysis

S. No.	Predictor	Beta (β)	Significance
1	Employee Engagement	0.42	0.000
2	Employee Performance	0.47	0.000
3	Employee Commitment	0.45	0.000
4	Job Satisfaction	0.48	0.000

$R^2 = 0.45$

CONCLUSION & RECOMMENDATIONS

It can be clearly concluded that the psychological capital is affected by employee engagement, performance, commitment & job satisfaction. Thus, psychological commitment is a very essential part of the organization since it influences so many traits which are vital for the success & survival of the organization in present business landscape. It can also be confirmed that if psychological capital is strategically used as a resource than it can contribute to sustainable organizational success.

It can also be recommended that resilient training programs & positive work culture can be promoted by using psychological capital. The employees can be oriented towards positive thinking & self-development along with ensuring that they have emotional intelligence. It can be extremely useful for the HR department to utilize psychological capital in their practice especially during counselling sessions so that they can engage & motivate their employees and, ensure their satisfaction & commitment in the long run. Thus, the importance of psychological capital cannot be neglected as it ensures success of the organization in the long run and, it also affects the physical & mental state of the employees of that organization.

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