

## Psychological Capital as Predictors of Organizational Commitment and Organizational Citizenship Behaviour

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The study aimed at exploring psychological capital in two kinds of organizations (public and private). The study further explored how psychological capital influences organizational commitment and organizational citizenship behaviour in public and private organizations. The sample comprises 160 junior and middle level managers, 80 each from two organizations. Dimensions of psychological capital were measured by four different scales. Hope was measured by Snyder et al scale, resiliency by Neil and Dias scale, self efficacy by Jerusalem and Schwarzer's scale and optimism was measured by Scheier & Carver's scale. Organizational Commitment was measured by Allen and Meyer's scale and organizational citizenship behaviour by a scale developed by Chattopadhyay. The results showed that all the dimensions of psychological capital were significantly different in the two organizations. Regression analyses showed that psychological capital as a whole couldn't predict organizational commitment and organizational citizenship behaviour in both the organizations.

**Keywords:** Psychological capital, Organizational commitment, Organizational citizenship behaviour

Positive organizational behaviour and psychological capital are very significant developments in the recent time and their root can be traced to positive psychology movement in Psychology. Human capital as conceptualized by Fitz-enz (2000) consists of four subsets: Psychological capital, Intellectual capital, Emotional capital, and Social capital termed as "PIES". The concept of Psychological capital is proposed as one of important subsets of human capital which can help to address some of the human issues in the organizations. Psychological capital can be defined as an individual's positive psychological state of development, which consists of four dimensions: self-efficacy/confidence, hope, optimism, and resiliency. The emergence of the positive psychology movement provided an increased awareness on the relative importance that positive psychological strengths and capacities can

have on human functioning. Luthans (2002a, 2002b) and Cameron et al. (2003) took the initiative to take positive psychology movement to the work domains which recently culminated in the publication of an edited volume on Positive Organization Behaviour (Nelson & Cooper, 2007).

As mentioned above the psychological capital is a composite construct consisting of four dimensions – confidence (efficacy), hope, optimism and resilience (Luthan, Luthans, & Luthans, 2004), a brief explanation of the dimensions is presented below:

**Confidence/ Self-efficacy:** It refers to people's convictions about their own capacity for successfully executing a course of action that leads to a desired outcome (Bandura, 1997). Self confidence people choose challenging task and endeavor to successfully accomplish their goals. Confident people achieve goals and persevere in the face of

obstacles. Bandura (2000) has noted that self-efficacy plays a critical role in important human performance determinants such as goals, aspirations, and the perceived opportunities of a given project. Stajkovic and Luthans (1998) conducted a meta-analysis of 114 studies and 21,616 subjects and found a positive and highly significant .38 weighted average correlation between self-efficacy and performance outcomes.

**Hope:** It is the sum of “willpower” and “way power.” Snyder (2000) demonstrates that hope is a multidimensional construct comprised of both an individual’s determination to set for and maintain effort toward goals and that individual’s ability to discern alternative courses of action to attain those goals. It is a motivational state that has three elements – goal, agency and pathways. Hopeful people have the desire or agency to achieve goals and have the capability to develop various pathways or strategies toward goal accomplishment.

**Optimism:** Luthans and Youssef (2004) defines optimism as “explanatory style that attributes positive events to internal, permanent and pervasive causes and negative events to external, temporary and situation specific ones”. Optimistic people take credit for good things that happen to boost morale and distance themselves from bad things that happen. Optimism has been associated with the improvement of performance (Martin, Sarrzon, Peterson & Famose, 2003).

**Resilience:** It refers to having the capacity to bounce back from adversity, failure or even seeming overwhelming positive changes such as increased responsibility. Resilient individuals possess a ‘staunch acceptance of reality, a deep belief, often buttressed by strongly held values, that life is meaningful and an uncanny ability to improvise’ (Coutu, 2002). Recent analysis by organizational scholars suggests that resilient people can thrive and grow through setbacks

and difficulties.

Each of the above mentioned elements of PsyCap has been explored to some extent within the organizational literature (Petersons & Luthans, 2003; Schepman & Richmond, 2003). Luthans and colleagues have demonstrated a clear linkage between psychological strengths and positive workplace outcomes in a variety of contexts and industries. For example, Peterson and Luthans (2003) have noted that leader’s hope significantly relates to business unit financial performance (.35), employee satisfaction (.41), and employee retention (.37), while another study focused on entrepreneurs indicated a significant positive link (.57) between the business founder’s reported hope levels and his/her satisfaction with business ownership (Jensen & Luthans, 2002). A study of Chinese manufacturing employees (Luthans et al., 2004) also indicates a significant positive link between work performance and the workers’ levels of resiliency (.36) and hope (.25). Seligman (1990) found a highly significant linkage between measured optimism and performance in the life insurance industry. The research so far suggests that PsyCap is negatively related to employee absenteeism, employee cynicism and intentions to quit, and positively related to job satisfaction, commitment, organizational citizenship behaviours, employee performance and leadership effectiveness (Luthans, Avolio, Walumbwa, & Li, 2004). These results have also been successfully replicated in China (Zhong, 2007). However, we couldn’t find studies on it in the Indian context. Moreover, dimensions of psychological capital are ‘state’ and not ‘trait/disposition’ (Youssef & Luthans, 2007), therefore the context of organization may influence them. Thus the hypothesis is:

H1: Perceived Psychological capital will be different in different organizational context such as public and private sector organizations.

**Organizational Commitment (OC):** It is a concept that seeks to capture the nature of the attachments formed by individuals to their employing organizations. Meyer and Allen (1997) proposed a three component model of organizational commitment – affective, continuance, and normative commitment. This model has been subjected to the empirical scrutiny and has also got adequate support (Meyer & Allen, 1997). Affective commitment describes an alignment that employees feel between their organization and their personal value systems and desires. The continuance commitment refers to a state whereby employees are bound to their organization to the extent they “have to be” due to the benefits associated with staying versus the personal costs associated with leaving. Finally, the normative component refers to commitment based on a moral belief or obligation that “it is the right and moral thing” to remain with the organization.

It has been found to be correlated with Hope, Optimism, and Resilience (Youssef & Luthans, 2007), and with many other variables such as self-efficacy, Locus of Control etc. Sinha, Talwar, and Rajpal (2002) studied the relationship between self-efficacy and organizational commitment in a sample of 167 managers and found that organizational commitment is positively related with self-efficacy. The research findings above show that different dimensions of psychological capital were positively correlated with organizational commitment but we couldn't find enough Indian studies on this. We couldn't also find studies where different dimensions of commitment, affective, normative and continuance, were examined in relation to different dimensions of psychological capital. Moreover, the manifestation of various dimensions of Psychological capital, their antecedents and consequences on organizational commitment would vary in public and private organizations (Lyons, Duxbury, & Higgins, 2006), therefore the hypothesis proposed is:

H2: The effect of psychological capital on organizational commitment will be different in different organizations.

**Organizational Citizenship Behaviours (OCB):** It is a unique aspect of individual activity at work, first mentioned in the early 1980s. Organizational Citizenship Behaviours are individual behaviours that promote the goods of the organization by contributing to its social and psychological environment. Such behaviours include helping another employee finish a project, providing helpful advice or suggestions, and offering positive feedback on work tasks (Organ and Ryan, 1995; Podsakoff, MacKenzie, and Hui, 1993). OCB is also referred to as “contextual performance” or “prosocial organizational behaviour” (Borman & Motowidlo, 1997) to emphasize the voluntary nature of the activity and to distinguish it from “task performance” or one's assigned duties. Avey, Wernsing & Luthans (2008) found that psychological capital was related to attitudes (engagement and cynicism) and behaviours (organizational citizenship) in a study on 132 employees from a broad cross-section of organizations. Venyu Su (2004) also found that self efficacy is correlated with organizational citizenship behaviour. Niranjana, Phalgu, Pattanayak & Biswajeet (2005) conducted a study to examine the functional relationship between organisational citizenship behaviour, learned optimism and organizational ethos. The result shows that learned optimism, confrontation and pro-action influence organisational citizenship behaviour significantly. Above studies clearly show that dimensions of psychological capital are related to dimensions of organizational citizenship behaviour, but we couldn't find any study of this sort in Indian context. Keeping in view these, the hypothesis formulated is:

H3: The effect of Psychological Capital on organizational citizenship behaviour will be different in public and private sector organizations.

## Method

### Sample:

The sample comprises of 160 lower and middle level managers, 80 each from one IT major (Private) and the second was Oil major (Public Sector). The mean age was 30.25 years. The experience was in the range of 3-8 years (the mean was 5.6 years).

### Measures:

**Psychological Capital:** It comprises of four underlying constructs. Different tools were used to measure them. Hope was measured by a 'state' hope scale by Snyder, Sympson, Ybasco, Babyak and Higgins (1996). It has 6 items in which three are agency and three pathway items. Resiliency was measured by Neil and Dias scale (2001). It has 15 items and derived from the factor analysis. The factor analysis resulted in a single factor and the items have the factor loadings in the range of 0.56 to 0.64. Self efficacy was measured by General perceived self efficacy scale of Jerusalem and Schwarzer (1993). It has 10 items and is one-dimensional construct. Croanbach's alpha has been obtained on the sample of more than 20 countries and in the majority of cases it was in the 0.80s. Validity has been obtained by the authors with the help of convergent and divergent methods. Optimism was measured by 'The Life orientation test' of Scheier and Carver (1985). It is 8 item scale and has a Croanbach's alpha of 0.82.

**Organizational commitment questionnaire** developed by Allen & Mayer (1997) was used to measure the commitment. The scale consists of 18 items based on the three dimensions of organizational commitment – Affective Commitment, Normative Commitment and Normative commitment of 6 items each. Coefficient alphas for the affective, normative and continuance commitment were 0.85, 0.73 and 0.79 respectively.

**Organizational Citizenship Behaviour:** It was measured by a scale developed by

Chattopaadhyay (1999). It has 35 items for the 5 dimensions –Altruism (11 items), Justice (5 items), peer relation (6 items), self esteem (6 items), and interdependence (6 items). Inter item reliability were as follows – for altruism 0.91, justice 0.95, for peer relation 0.82, for self esteem 0.87 and finally for interdependence 0.80.

## Results and Discussion

The obtained data were analyzed with the help of t-test and multiple regression analysis.

**Table 1: Mean, SD and t –values of different dimensions of psychological capitals in two types of organizations**

Dimensions	Org	Mean	SD	t values
Optimism	Public	20.40	3.80	12.9**
	Private	22.98	1.43	
Self efficacy	Public	38.8	2.30	2.47*
	Private	38.5	2.11	
Resilience	Public	59.0	2.72	1.25
	Private	58.8	2.37	
Hope	Public	19.2	1.11	5.00**
	Private	19.3	1.07	

\* p < 0.01 \*\* p < 0.05

Table 1 clearly reveals that except the resiliency all the three dimensions of psychological capital were significantly different from each other in the two organizations. This finding partially supports the first hypothesis. Luthans et al (2004) advocated that the dimensions of psychological capital are 'state' and not trait dispositions therefore could be developed in the organizations by careful planning hence different organizations might differ in terms of how much effort is actually put in by the organizations to develop the psychological capital. Take the case of self efficacy. Bandura (1997, 2000) argued that self efficacy can readily be developed in the organizations. Bandura recommended that by allowing employees to actually experience success and mastery of the task at hand and by vicarious learning, self efficacy can be developed in the organization. The above results show that the mean values of self efficacy was more in

public than in private organization. This indicates that self efficacy as perceived by the employees of public sector was more than the employees of private sector . It may sound odd as we don't have very good images of public organizations in India. However, the public organization where data were collected was one of the best employer and one of the Navratna companies of Government of India. Psychological capital 'hope' can also be developed and managed by careful planning. Snyder ( 2002) has suggested that by setting and clarifying organizational and personal goals that are specific and challenging, acknowledging the enjoyment in the process of working towards goals and not focusing merely on the final attainment etc can lead to the development of hope in the organization. Psychological capital of hope was reported more in the private as compared to public sector organization. Many participants of the private organization reported that goals are clearly set in the organization and employees are also involved in this process as compared to employees of public organization. In the similar vein, psychological capital 'optimism' will also be influenced by the context of the organization. Optimism was reported more by the employees of private sector than their counterparts in public sector. The antecedents to optimism are not so well defined as self efficacy and hope (Luthans et al, 2004). However, there are some suggestions by Luthans and others which might lead to the development of optimism in the organization.

**Table 2: Organizational commitment as a function of psychological capital in two types of organizations**

Organizations	PS	Private Sector
R	0.25	0.30
R Square	0.06	0.09
Standard error	2.46	2.52
F	1.28	1.87

It is clear from the above table that multiple R ranges from 0.25 to 0.30 for public and private sector respectively which indicates

that psychological capital and organizational commitment were not very highly related to each other. R Square ranged between .06 to .09 for public sector and private sector respectively. It means that psychological capital is influencing commitment by 6% in public sector and 9% in private sector. This supports the second hypothesis, however this amount of prediction is not significant and obtained F value corroborates this. The present finding is not in sync with the existing researches. Psychological capital as a construct is new, however, researches have clearly shown its strong relationship with outcomes variables including commitment, and its ability to influence commitment (Luthans, Bruce, Avolio & Avey, 2008). As we know that both commitment (especially affective and normative) and psychological capital are positive constructs so their chances of influencing each other are very high but there may be some moderating variables as highlighted by Luthans et al (2008), so the present result.

**Table 3 : Organizational Citizenship Behaviour as a function of Psychological capital in two types of Organizations**

Organizations	PS	Private Sector
R	0.14	0.35
R Square	0.02	0.12
Standard error	13.9	3.34
F	0.37	2.77

It is clear from the above table (No.3) that multiple R is 0.14 for public sector and 0.35 for private sector organization. R Squares were .02 and .12 for public and private sector organization respectively. It implies that only 2% of variance in OCB was influenced by psychological capital in public sector while it was 12% in private sector . This finding supports the third hypothesis. However , this amount of variance in the criterion variable is not significant as indicated by insignificant F. Like commitment, the previous researches have shown significant relationship and influence of psychological capital on OCB

(Zhong, 2007), however, we couldn't find the significant relationship and influence in the present study. Nevertheless, the relationship and impact of psychological capital was different in public and private organization. This supports our contention that the context of organization is very important in impacting the relationship between psychological capital and OCB.

### Conclusion

Positive organizational behaviour and psychological capital are recent developments and have implications for many personal and organizational related constructs. However, not many Indian studies could be found on this. The present research has shown that the dimensions of psychological capital were significantly different in the two organizations but one. This implies that the context of organization is very important in influencing the psychological capital. It also implies that if organizations seriously cultivate positive organizational culture, it will go a long way in developing psychological capital in the organizations which would eventually help the organizational bottom line. The results of the present study also showed that psychological capital differently influences organizational commitment and organizational citizenship behaviour in public and private organizations. As psychological capital is related to many other personal and organizational outcomes, it is imperative for the organizations to invest in developing psychological capital to really harness its benefits both for the employees and also for itself.

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