CHAPTER SEVEN

CONTRIBUTIONS, IMPLICATIONS, LIMITATIONS, AND FUTURE RESEARCH DIRECTION

7.1. Contribution

The study extends the literature of psychological capital by contributing to its nomological network. The study suggests several workplace consequences, moderator, and antecedent of PsyCap that are not discussed previously. PsyCap is found explaining a significant variance and predicting the two types of work behaviors (in-role and extra-role behaviors), intrinsic motivation, and goal-commitment. Further, past studies have confirmed that PsyCap has a positive impact on work performance (Luthans et al., 2007a; Avey et al., 2008b, 2011; Newman et al., 2014), but to date limited studies have examined the path or mechanism by which PsyCap impacts work performance. Present study has tried to fulfill this gap and intrinsic motivation and goal-commitment are found as two proximal outcomes of PsyCap which leads to work performance. Also, in the present study organizational justice is found influencing the relationships of psychological capital with intrinsic motivation. It is found strengthening the impact of PsyCap on its outcomes such as intrinsic motivation. These contributions are discussed in detail in the following section—

PsyCap has been conceptualized as an employees' psychological resource which has a positive impact on work performance (Luthans et al., 2007b). Findings of the present study also establish and validate this proposition. PsyCap is found having a positive and significant impact on work performance. Further, to date in the PsyCap literature work performance has been measured as a unidimensional construct either objectively or subjectively through supervisor’s rating (Avey et al., 2011). Present study moves one step ahead and suggests that work
performance is a multi-dimensional construct and can be measured through two types of work behaviors— in-role and extra-role behaviors. This conceptualization of work performance is in congruence with Williams and Anderson’s (1991) study, who opined that work performance is accomplished through various work related activities and these activities can be categorized broadly into two factors— in-role and extra-role. Also, in today’s VUCA (volatile, uncertain, complex, and ambiguous) world simply completing in-role or prescribed duties is not sufficient and employees are expected to go beyond their job to meet the expectations of the customers (Ball & Barnes, 2017). Going beyond the work is nothing but indulging in extra-role work behaviors. Thus, in today’s VUCA world work performance is completed only when it encompasses both in-role and extra-role behaviors. In the present study PsyCap, along with intrinsic motivation and goal-commitment, is found explaining 14% variance in the in-role/task performance and 8% variance in extra-role/OCB performance. The significant amount of variance explained in OCB performance suggests that in today’s volatile and dynamic work environment employees involve themselves in both the prescribed in-role duties and beyond the job extra-role duties. It could be because extra-role behaviors are not considered as extra-role in today’s dynamic world rather they are embedded in the job of service contexts (such as IT/ITes industry in the present study), where the interface with the customers and colleagues is high.

Apart from work performance several other beneficial outcomes of PsyCap are explored and examined by scholars, as confirmed by Avey et al. (2011) in a meta-analysis of 51 empirical studies on the consequences of PsyCap. But, in spite of the significant role of intrinsic motivation and goal-commitment at the workplace (Deci & Ryan, 2000; Locke & Latham, 1990), to date, no studies have tried to empirically examine the relationship of PsyCap with intrinsic motivation and goal-commitment. In the present study, PsyCap is found predicting both
the intrinsic motivation and the goal-commitment. The four first-order positive resources of second-order core construct PsyCap (self-efficacy, hope, optimism, and resilience) generate a motivational propensity among the employees to put forth their efforts at the workplace (Story et al., 2013). Similarly, these first-order dimensions of PsyCap make employees confident, provide necessary will power, and extend multiple pathways to reach the goal (Sweetman & Luthans, 2010). The results of the present study confirm intrinsic motivation and goal-commitment as two important consequences of PsyCap.

Further, though the positive impact of PsyCap on work performance has been documented by previous studies (Luthans et al., 2007a; Avey et al., 2008b, 2011; Newman et al., 2014), no studies are available which explores the mechanism or path by which PsyCap brings about this favorable impact on work performance. This study tries to fill this gap and explores paths by which PsyCap leads to improved performance. The significant and positive relationships of intrinsic motivation and goal-commitment with the two types of work performance behaviors (in-role and extra-role) along with PsyCap suggests that PsyCap first makes individuals intrinsically motivated and committed towards their goal, which in turn results into the accomplishment of work performance. The underlying mechanism or path by which PsyCap brings favorable impact on work performance is provided through the empirical results of the present study. It can be concluded that there are two possible paths, one through intrinsic motivation and other through goal-commitment, by which PsyCap impacts work performance.

Another contribution of the present study is that organizational justice is found moderating the positive relationship of PsyCap with intrinsic motivation. Past studies have delineated that studies on PsyCap are yet to mature and are still in the nascent stage (Avey et al., 2011; Newman et al., 2014; Luthans et al., 2015). They suggested that to enhance and increase the favorable and
positive impact of PsyCap, exploring moderators which strengthen the positive impact of PsyCap on workplace outcomes will be beneficial. As such in the present study organizational justice is examined as a significant moderator between PsyCap and intrinsic motivation. Equity theory (Adams, 1965) has suggested that organizational justice is a vital element which impacts the intention, motivation, and commitment level of the employees.

As a post-hoc analysis, after controlling the confounding effects of coworker’s undermining behaviors, the impact of PsyCap on two types of work performance behaviors was also analyzed and found significant. In today’s volatile and competitive work environment, undermining behaviors from the coworker is quite evident (Duffy et al., 2012). Present study is among the first few studies to analyze and validate the positive impact of employees’ personal psychological resource (PsyCap) on work performance in presence of undermining and diminishing behaviors from the fellow workers such as intentionally delaying the work, not adhering to the work promises, and giving excuses when asked for. It was expected that high PsyCap employees’ efforts will slow down in presence of coworker’s undermining behaviors, but the results confirmed that efforts and dedication level of high PsyCap employees’ are not getting affected by the external challenges such as the demeaning behavior from the colleagues. This result contributes to the PsyCap literature, by confirming and augmenting the previous findings that PsyCap has a positive impact on work performance.

Further, most of the studies done on PsyCap are limited to USA context, except few studies that are conducted in other countries such as in China and South Africa (Reichard, Dollwet, & Louw-Potgieter, 2014; Zhou et al., 2017). Limited empirical work on PsyCap and its positive influence is available in developing and emerging countries such as India, as confirmed by Avey et al. (2011), Newman et al. (2014), and Luthans et al. (2015). Present study is among the few
such studies that have extended the literature of PsyCap in emerging country such as India. Empirical evidence from a different culture makes a construct robust and enhances its generalizability. Indian culture is different from USA (Hofstede, 1983). India is at par with the USA on masculinity and low on individualism dimensions of culture (Hofstede, 1983). This suggests that in India people are more success and achievement oriented similar to the USA, and believe in working in groups contrary to the USA. The results of the present study justify these scores. High PsyCap employees, in India, are expected to be success and achievement oriented and consistent results are found in the present study. High PsyCap employees are intrinsically motivated and goal-committed. They are performing their in-role duties efficiently. Further, in the present study, high PsyCap employees are also found indulging in beyond the job extra-role behaviors. This finding provides justification to the low individualism score of India on Hofstede culture-dimensional scale (Hofstede, n.d.). No significant association between OCB and PsyCap was found in one of the studies conducted on a working sample of USA (Avey, Luthans, & Youssef, 2010). Thus, present study is one of the few studies which provide support to the positive influence of PsyCap on work performance behaviors and other employee outcomes in Indian context.

7.2. Managerial Implications

Present study provides several implications to the practitioners and work managers. Firstly, positive psychologists have suggested that exploration and development of the positive resources and capacities of individuals will make them happy, positive, productive, and efficient (Seligman
and supports these arguments. The findings confirm that high PsyCap employees are intrinsically motivated, goal-committed, and are high performers. They indulge not only in in-role performance behaviors but also in the extra-role work performance behaviors. Thus, developing and managing PsyCap among the employees will be beneficial for the overall organization.

Secondly, in today’s VUCA world, employees’ who are positive, optimistic, hopeful, and resilient are considered as assets for the organization (Bennett & Lemoine, 2014; Luthans et al., 2015). High PsyCap employees are a source of competitive advantage for the organization as suggested by Toor and Ofori (2009). Present study confirms that PsyCap is a higher order core construct of four primary positive resources and it engenders positivity, confidence, optimism, and resilience among the employees and keep them motivated and committed to their work behaviors.

Thirdly in India, IT/ITes industry is characterized as dynamic and highly competitive (Alok et al., 2014). The industry has its client base in different countries such as USA and Australia. Due to varied client base locations, the industry operates in different time zone and has 24X7 working culture. Also, having client base in different locations makes the industry vulnerable to changes in the world economy such as changes in dollar prices which impact its revenue and cost structure (Alok et al., 2014). Adding to this, Indian IT sector has more than 16000 members registered under Nasscom1, which indicates the competition level of the industry. Further, continuous advancement in the technology in IT sector is another factor which brings about continuous change in the industry. Due to these factors employees working in IT/ITes sector are always under work pressure and demands. They are working at odd hours to meet the client requirements. They compete aggressively with the fellow workers to excel in their work. They

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1 http://memberdirectory.nasscom.in/MemberCompanyFreeSearch
witness frequent changes in their work environment. Past studies have suggested that PsyCap is a personal psychological resource which combats work stress and work pressures and keeps employees engaged in their work (Avey, Luthans, & Jensen, 2009a; Bakker & Demerouti, 2008). It has also been stated that PsyCap makes employees resilient and positive in adverse situations (Luthans et al., 2015). The findings of the present study provide empirical evidence for these statements.

Thus, the overall findings of the present study provide evidence-based support for the positive impact of PsyCap on their work motivation and goal-commitment level. It also provides some insights about fostering PsyCap, which will lead to both in-role and extra-role performance. HR managers and practitioners should look for the avenues to promote PsyCap level of their employees that keeps them confident, hopeful, resilient, intrinsically motivated, and committed to their work goals. Regular intervention should be arranged to boost the PsyCap level of the employees. New recruits should be evaluated on the dimensions of PsyCap to hire the right person for the competitive and challenging jobs.

Also, moderating role of organizational justice on the influence of PsyCap on intrinsic motivation, suggests that employees react and respond positively if they found fair and equal treatment of their contributions. Equal treatment at the workplace makes employees happy, satisfied, and motivates (Totatwar, 2016). As such, organizations should make sure that they maintain a transparent, equal, and fair treatment of the employees’ contribution at the workplace.

Lastly, the positive influence of core job characteristics on PsyCap, suggests that PsyCap level of the employees can be enhanced through variations in the characteristics of the job. For instance, providing opportunity to use variety of skill set will make the employees develop mastery and confidence. Providing significance and meaning to the job will enhance the
optimism level of the employees. Thus, practitioners can design jobs to increase the confidence, hope, optimism, and resilience level of the employees.

7.3. Strengths and Limitations

As with any study, the design and analysis of this study have certain strengths and limitations which are to be noted to understand the significance of the conclusions and to interpret the findings with caution. Firstly, the study has used a robust multivariate technique SEM to analyze the data. The hypotheses of this study are examined through path analysis of SEM, which is considered an advance tool over other multivariate techniques such as regression analysis and factor analysis. Errors are accounted at the measurement level only. This provides a reliable and valid measure to test the hypotheses. Secondly, Hackman (2009) points out few perils of studies which focus exclusively on positive aspects of human life such as PsyCap. They opined that these studies are overshadowed with positive view points and negative aspects of the situation and events are overlooked. But, present study is among the few studies where the positive influence of PsyCap is examined and validated in presence of both positive and negative aspects of employees’ behaviors such as OCB and coworker's undermining behaviors.

One of the limitations of this study is the cross-sectional design of the present study. In the Future, longitudinal and experimental studies may explore causal inferences on the relationship between the constructs of this study. The second limitation of this study is that the sample has been limited to only one sector—IT/ITes sectors of India. To make the findings of this study generalizable to other contexts, future research from across industries is required. The
A third limitation is that no specific suggested measures to control the common method variance (Podsakoff et al., 2003) have been employed in the present study. Though care was taken to collect data on different scale points and the items of constructs are spread in different sections to prevent respondent from understanding the causal association between the variables. Similar methods are employed by Hackman and Oldham (1976) in their job design studies to reduce the common method variance. Further, the results of Harman’s common factor test in SPSS and common latent factor in AMOS also provide support that present study doesn’t suffer from common method variance (Eichhorn, 2014).

7.4. Future Research Directions

Avenues for future research are many, for instance, as PsyCap is an employee level positive construct having positive impacts on employees’ level of outcomes, future studies may examine its influence on other employee level variables such as innovative behaviors, abusive behaviors, and knowledge sharing behaviors. Scholars may also conduct a multi-level study to extend the positive impact of individual level PsyCap on group level outcomes such as group level efficacy, optimism, and performance. Future studies can also explore more positive constructs to be included in the factor structure of PsyCap (Luthans, et al., 2015; Youssef & Luthans, 2012). For example two positive constructs— mindfulness and gratitude can be examined as primary key variable for the second-order factor structure of PsyCap. These constructs adhere to all the five conditions of POB, i.e., they are relatively new to the field of organizational behaviors, have theoretical foundation and valid measures, are malleable in nature, and have close relationship with work performance.
Lastly, PsyCap is conceptualised to have developmental impact on work performance of the employee. In the present study a work performance model of Psychological Capital has been examined and tested. The work performance model provided by the present study can be expanded to the organizational level performance and productivity. The work performance model of the present study can also be tested in other contexts with different sample sets. This will not only provide empirical support to the results of the present study, but will also lead to a development of a comprehensive work performance model of PsyCap.

7.5. Conclusion

To conclude, in today’s VUCA world where work environment is highly competitive, achieving effective performance is always a challenge (Bennett & Lemoine, 2014). Organizations can survive and thrive only through their employees. Positive and resilient employees are the source of competitive advantage for the organization that is operating in a volatile and dynamic world (Quick & Quick, 2004; Toor & Ofori, 2009). Based on the findings of the study, it can be concluded that PsyCap is the personal psychological resource which keeps employees positive, confident, resilient, motivated and committed to their work behaviors. The dedication and motivation of the high PsyCap employees can be treated as intangible assets for the organization. The findings of the present study affirm the propositions of positive psychology, positive organizational behavior, and broad-and build theory of positive emotions that focus on the positive aspects of individuals has meaningful and beneficial effects at the workplace.

Further, the moderating effect of organizational justice provides further avenues by which the influence of PsyCap on employees’ intrinsic motivation and goal-commitment can be strengthened. The positive influence of organizational justice on the linkage of PsyCap and intrinsic motivation provide justification to the findings of previous studies (Ambrose & Arnaud,
2005; Colquitt, 2001; Totawar, 2016) that perception about organizational has significant impact on the employees’ perception and motivation to extend their efforts at the workplace. Hence, by improving justice perception and maintaining an equal and fair treatment of the employees’ contribution organizations can keep their employees highly motivated and committed. Social exchange theory also suggests that there is a transactional relationship between employees and employers, as such organizations should see that employees are equally benefitted in exchange of their contributions (Blau, 1987; Cook, Cheshire, Rice, & Nakagawa, 2013).

Similarly, characteristics of jobs can be used as a tool to increase the level of PsyCap the employees. In the present study, it has been seen that variety, significance, and autonomy in jobs have positive impact on PsyCap. Lastly, high PsyCap employees remain positive and focused even during demeaning behaviors from their fellow workers. It suggests that PsyCap is a psychological resource of an employee, enhancing and managing it will lead to involvement in both in-role and extra-role work performance.