CHAPTER 2

LITERATURE REVIEW

To understand the role of positive PsyCap in the proposed theoretical model, the literature review is organized as follows—in the first section, the theoretical foundation of Psychological Capital (PsyCap) in positive psychology and positive organizational behavior (POB) is explained. Next, the relevant theoretical and empirical literature on the other variables of this study—work performance behaviors (in-role and extra-role behavior), intrinsic motivation, goal-commitment, organizational justice, core job characteristics, and co-worker’s undermining behavior are discussed.

2.1. Positive Psychology Movement

Martin E.P. Seligman, one of the previous president of American Psychological Association (APA), along with his colleagues initiated positive psychology movement (Seligman & Csikzentmihalyi, 2000). The positive psychology movement focuses on the positive side of people that is on the positive strengths and virtues of people. This movement marked a paradigm shift in the field of psychology from its past orientation on the dysfunction, weaknesses, and pathologies of people. Through this movement, a concern was raised that social, behavioral, and clinical scientists have forgotten the real missions of the field of psychology. The three foregone missions of the field of psychology are: (i) curing mental illness; (ii) making the lives of all people more productive and fulfilling; and (iii) identifying and nurturing strengths and virtues of people, were recalled. Positive psychologists found the field of psychology, after the World War II, has turned into a science of pathological treatment that focuses only on curing mental illness and pathologies of human life, whereas the other two missions had been ignored or forgotten.
(Seligman & Csikzentmihalyi, 2000; Sheldon & King, 2001; Snyder & Lopez, 2009). They suggested that one should learn from the victims of World War II who were regaining their normal life without undergoing any clinical treatment. As such, they advised the scholars to examine and understand the inherent source of energy of these victims which helped them in regaining their normal life. Positive psychology urges to revisit the functioning of human life with an intention to find out “what works, what is improving” in the people (Sheldon & King, 2001), and to employ strength-based approach towards the problems of human life.

Focus on the use of positive assets of people, such as “skills and capacities” of “individuals, associations and institutions” to resolve challenges and hurdles of people and community, is considered as using strength-based approach to resolve issues. On the other hand, addressing the weaknesses and problems of people directly is considered as using deficit-based approach to handle the problems (Green & Haines, 2008; Kretzmann & McKnight, 1993). Though deficit-based approach has its own importance (Fineman, 2006), some scholars have countered that the strength or positive approach to management challenges are of equal importance (Roberts, 2006). With the advent of positive psychology movement, the strength-based approach has gained momentum and has become one of the sought-after organizational strategy to address the challenges and problems of the work environment (Avey, 2007; Roberts, 2006).

Luthans (2002a, 2002b) brings this notion of positive psychology to the workplace to understand and examine the positive strengths and virtues of employees which provide energy to face the workplace challenges and sustain work performance. This relatively new inquiry on the positive strengths and virtues of employees, is termed as positive organizational behavior (POB), and has been discussed in the next section.
2.2. Positive Organizational Behavior: The Framework of PsyCap

Luthans (2002a) in an essay on the need for positive organizational behavior (POB) has suggested that similar to the field of psychology, the orientation of organizational behavior till date has been towards negativity. For instance, he found studies on negative concepts such as stress, burnout, resistance to change, deficiencies and dysfunctions of managers, and the deviant work-place behaviors were more in numbers compared to the studies on positive concepts such as eustress, positive affect, and the strengths and capacities of employees.

The author advised the scholars of organizational behavior to learn from the propositions of positive psychology, which states that strength-based approach makes human life more meaningful and flourishing. As such, he suggested for more theory building and empirical studies on the positive strengths and virtues of employees. They developed a theory of positive strengths and virtues called POB. The authors explained the theoretical foundation of POB in positive psychology and state-like variables such as efficacy, hope, optimism, and resilience were suggested as best fit for inclusion in POB. The author stated that the focus of positive psychology is much broader and includes positive states, traits and process both at the individual and institution level (Roberts, 2006; Seligman & Csikszentmihalyi, 2000), whereas the focus of POB is only on the individual level positive states and not of the fixed traits and the organizational level positive processes.

The word ‘state’ is used to refer developmental characteristics of an individual which has a limited but still some degree of stable properties. The difference between a state-like and trait-like variable was also provided to bring to the forefront the benefits of state-like variables. State-like variables can be developed and managed to have the desired variation in its outcomes. For instance, state-like efficacy can easily be enhanced with interventions and counseling to have the
desired effect on work performance. State-like variables are suggested as neither fixed nor momentary in nature and are said to be lying on a continuum in between fixed trait-like variables such as personality traits (Barrick & Mount, 1991) and momentary unstable variables such as moods or emotions (Avey, 2007; Luthans et al., 2007c).

The author accepted the fact that study on positivity is not unique to the field of Organizational Behavior (OB). Rather, the main motive of POB is to give attention to the underrepresented and less researched state-like strengths and virtues of employees (Wright, 2003; Luthans et al., 2007c). Examining the impact of strengths and virtues such as optimism, resilience, courage, happiness, gratitude, and mindfulness will be beneficial, as these concepts have beneficial impact on human life functioning (Magaletta, & Oliver, 1999; Scheier & Carver, 1985; Parker, 1998; Snyder & Lopez, 2009; Wagnild & Young, 1993).

Subsequent to the essay on POB, Luthans (2002b) in a conceptual paper suggested POB as one of the strength-based approaches towards workplace hindrances. POB is a study and application of positive strengths and capacities of individuals which can be measured, managed, and developed effectively for improvement in the performance at the workplace. Five specific inclusion criteria or boundary conditions were given to differentiate POB from other theories on positive orientation in the field of OB. This criterion also makes this inquiry unique and provides a foundation for selection of variables in POB. The first criterion is that the included variable should have extensive theory and research foundation and must be grounded in the theory. That is, there should be sufficient empirical research conducted on the variables selected which validate its relationship with other organizational variables. The second criterion is that variable should have valid and reliable measures. The third criterion is that the variable chosen should be relatively new to the field of OB. That is, the contribution of the variable to the field of OB must
be substantiated and relatively new. The fourth criterion is that the variable should be state-like means open to development and change, rather than trait like which is more fixed and stable and less open to change and development. This criterion makes the variable malleable for development and improvement and is closely related to fifth inclusion criteria. The fifth criterion is that the variable should have a significant and positive influence on work performance of the employees. The four state-like psychological strengths which have been identified, on the basis of above criteria, are self-efficacy or confidence, hope, resilience, and optimism (Luthans, 2002a).

In their subsequent studies, Luthans along with his colleagues (Luthans, 2002b; Luthans and Youssef, 2004) integrate these four state-like variables to form a second order core construct called Psychological Capital (PsyCap) (Luthans et al., 2007b) which is discussed in the subsequent section.

2.3. Psychological Capital (PsyCap): Definition and Dimensions
The concept of Psychological Capital (PsyCap) emerged as one of the major contributions to the field of organizational behavior. PsyCap is a construct developed on the basis of POB criteria. It is defined as "an individual's positive psychological state of development that is characterized by (a) having confidence (self-efficacy) to take on and put in the necessary effort to succeed at challenging tasks; (b) having positive expectation (optimism) about succeeding now and in the future; (c) persevering toward goals and, when necessary, redirecting paths to goals (hope) in order to succeed; and (c) when beset by problems and adversity, sustaining and bouncing back and even beyond (resilience) to attain success” (Luthans et al., 2007b, p. 3).
All the four variables share some common variance with each other and represent one of the psychological state-like strengths of an individual (Luthan et al., 2007c). These variables are integrated into PsyCap on the basis of the psychological resource theory of Hobfoll (2002). The psychological resource theory postulates that individual level psychological capacities, that are the individual level resources such as efficacy and resilience, should be treated as a manifestation of an integrated resource set. Similarly, the theory of coherency (Antonovsky, 1979) states that individual psychological capacities or key resources (Hobfoll, 2002) can be combined, to form a multi-component resource set, if these variables have some common linking thread between each other. A common thread which links all the four variables is that they lead to "positive appraisal of circumstances and probability for success based on motivated effort and perseverance" (Story et al., 2013). Thus, based on the inputs from these theories, the four state-like psychological capacities (self-efficacy, hope, resilience, and optimism) are integrated to form a multi-component factor, Psychological Capital (PsyCap). Empirical evidence, to date, has supported the higher order structure of PsyCap showing a better fit when PsyCap is treated as a second-order latent factor of these four primary factors (Avey et al., 2011; Gooty, et al., 2009; Luthans et al., 2007c).

Definition and inclusion compatibility of all the four variables included in POB in general and PsyCap in specific are discussed in the following section.

**PsyCap Efficacy: Having Confidence in One’s Ability**

The concept of PsyCap efficacy or confidence was borrowed from the rich and extensive research on Bandura’s social cognitive theory (Bandura, 1986; 2001). PsyCap efficacy is defined as an individual’s self-belief about their own ability to mobilize their motivation, cognitive
resources, and courses of action required to execute any specific task successfully within a given context (Stajkovic & Luthans, 1998). In this definition, self-efficacy is discussed as task and context specific, but self-efficacy has also been studied as “generalized” level of efficacy across different work domains, challenges, and contexts (Parker, 1998). The generalized self-efficacy is an individual's self-belief in one’s ability to perform in different domains and tasks and not related to one specific task or situation. PsyCap efficacy is one such generalized efficacy which is not specific to any particular work or situation and is a relatively new concept in organizational behavior. Though self-efficacy concept was conceptualized several decades ago, but it was not an integral part of the previous personality theories of organizational behavior because at that time focus were mainly on dispositional and trait-like characteristics and virtues (Luthans et al., 2007).

PsyCap efficacy is a state-like variable and can be developed through the five identified cognitive processes discussed in social cognitive theory (Bandura, 2001). These cognitive processes are symbolizing, forethought, observation, self-regulation, and self-regulation. The word efficacy and confidence are used interchangeably in the literature of positive psychology, as being efficacious in an applied sense means being confident about one's own abilities (Kanter, 2004). In a meta-analysis of 114 empirical studies, Stajkovic and Luthans (1998) examined the relationship between self-efficacy and work-related performance. Results indicated a significant and positive relationship between self-efficacy and work-related performance. Efficacious individual’s exhibits certain specific characteristics which differentiate them from others, such as they set high goals for themselves and chose difficult tasks for themselves, they remain persistent towards goals, past experience and successes keep them highly motivated. Efficacious individuals are always ready to invest necessary efforts required to accomplish the goal
These characteristics make high PsyCap efficacy individuals capable of performing independently and effectively. These individuals don’t wait for others to set high and challenging goals for them, rather they create discrepancies in their own performance and set higher and challenging goals for themselves (Bandura & Locke, 2003).

**PsyCap Hope: Having Willpower and the Way**

Hope is commonly used in everyday language and is misunderstood with wishful thinking (Lopez, 2014). But, the dimension ‘hope’ of PsyCap is different and is defined as a “positive motivational state” which is derived from the interaction of two factors— agency (goal-directed energy), and pathways (contingency plans to achieve a goal) (Snyder, 2002). From the definition, it is clear that PsyCap hope has a goal-setting framework, where the agency component implies a goal-oriented energy or will power and pathways imply perseverance towards goal with back-up or contingency plans. The pathways component of PsyCap hope, differentiate it from the everyday common usage of the term hope. PsyCap hope is the most unique variable of POB (Luthans, 2002b), and is a new concept in the field of OB. It is mostly studied in association with academic achievement, survival skills and coping efforts, and other well-being outcomes (Lopez, 2014; Snyder, 2000).

Relationship of hope with work performance is not examined in detail in the past studies, except for few recent studies such as of Youssef and Luthans (2007), where the level of hope in managers is found positively related to their performance and other work-related outcomes. Similarly, Peterson and Byron (2008) found that service workers, telecommunication executives, and mortgage brokers who were high on hope display higher level of work performance. Hope can change over the course of hours and days. One can capitalize hope through the nurturing of
its components: goals, agency, and pathways (Ouweneel, Le Blanc, Schaufeli & van Wijhe, 2012). Several approaches have been found successful in developing hope, such as goal setting initiatives (Lopez, 2014), mental rehearsals (Gollwitzer & Sheeran, 2006), and stepping that is breaking the tough goals into sub-goals to make it achievable (Luthans & Youssef, 2004). Effective allocation of work resources (Luthans & Youssef, 2004), and consistent and appropriate rewards and feedback (Stajkovic & Luthans, 2003) are also suggested as effective measures to develop hope.

**PsyCap Optimism: Having Positive Attribution**

In simple term, an optimist is a person who expects positive and good things to happen to them, whereas a pessimist is always occupied with negative thoughts and believe that undesirable things will happen to them (Carver & Scheier, 2005). There are two explanatory frameworks for optimism. First is the expectancy framework which was given by Carver and Scheier (2005). In this explanatory framework, optimists are able to excel in coping with negative and neutral events because they expect positive things to happen to themselves.

The second framework is given by Seligman (1998), where optimists are suggested using attribution framework. In this positive explanatory framework, optimists attribute positive things as internal, stable, and pervasive, that is they believe that positive things have occurred because of their internal and personal abilities and it will likely to happen again in the specific and also in other contexts. Contrarily this explanatory style assigns negative things as external, temporary, and situation specific. These attributions are dependent on the perception of the association between an action and its outcome. That is when an individual perceive that he has a control over
his actions, and there is a connection between his action and the desired outcome, then he feels motivated and gives his best efforts (Peterson & Steen, 2002).

Optimistic explanatory style facilitates a positive outlook and view of the complex situation. It allows internalization of good aspects of life not only in the past and the present, but also into the future. It also allows experiencing negative events or situations as external, temporary, and situation specific. Thus, PsyCap optimism continues to keep an individual positive and confident about the future events. PsyCap optimism can be developed through three perspectives: leniency for the past, appreciation for the present, and opportunity seeking for the future (Schneider, 2001). Past failures should act as lessons for learning the mistakes. That is, one should be realistic in analyzing the past failure and should build upon it to avoid such mistakes in the present or future. Further, one should appreciate the present situation and look at its positive side even if it’s tough and challenging, similar to the metaphor of finding a silver lining in the clouds. Finally, while learning from past failures and appreciating positive aspects of the present situation, one should be attentive to the future opportunities. Lessons learned from the past and present should be employed to reap benefits from future (Luthans et al., 2015).

Optimism is a relatively new concept in OB. With the advent of POB, studies on the association between optimism and work performance have been initiated in the field of organizational behavior, such as Seligman and Schulman (1986) found insurance agent's optimism has a positive relationship with their higher level of performance. Similarly, in the Chinese context factory worker's optimism has been seen having a positive impact on their work performance (Luthans et al., 2005). In an experimental analysis of working group in U.S.A Tenney, Logg, and Moore (2015), found that optimism improves performance expectations.
PsyCap Resilience: Ability to Bounce Back

In general term, resilience is an ability to bounce back from adversities. The concept is new to the field of OB and has its origin in clinical psychology especially as a coping and adaptive mechanism for children (Masten & Reed, 2002). In an organizational context, resilience is characterized by a transparent view of reality (Coutu, 2002). It has been defined as “positive psychological capacity to rebound, to ‘bounce back’ from adversity, uncertainty, conflict, failure, or even positive change, progress and increased responsibility” (Luthans, 2002a). That is, resiliency can be described as an individual’s positive response to not only adverse situations but also to an extremely positive event (such as getting promoted and handling new profile) that causes adverse effects and adds stress and pressure to the individuals.

At the workplace, employees who are resilient are able to deal with the workplace demands in a better way, especially when demands require them to deal with constantly changing priorities. Empirical studies on the resilience and its association to workplace outcomes are scarce (Norman, 2006), except for few studies such as Luthans, Avolio, Walumbwa, and Li (2005) who found a positive relationship between the resilience level of Chinese factory workers and their work-related performance.

Resilience has state-like nature and can be developed through three development strategies identified by Masten and colleagues (2009). The first strategy is the asset-focused strategy where workplace assets such as human (e.g., knowledge, education, skill sets), social (networks and relationships), and psychological resources (e.g., efficacy, hope, optimism) should be enhanced through training, interventions, recognition, teamwork, transparency, and open communication. The second strategy is the risk-focused strategies where risks and challenges (for instance a promotion can be viewed as an opportunity, but it may be associated with higher responsibilities
and pressure to perform) should be mitigated with new learnings, mentoring, coaching, innovation, and creativity. The third strategy is the process-focused strategy where processes such as guidance and supervision from supervisors and conducive environment for innovation and coordination should be implemented to facilitate proper usage of assets.

Thus, all the four dimensions of PsyCap discussed above have sufficient research support and are meeting the criteria of POB. PsyCap hope has positive impact on academic, athletic, and health outcomes (Snyder, 2000, 2002); PsyCap optimism has positive association with coping, recovery, and well-being (Peterson, 1999; Seligman, 2002); PsyCap efficacy has a positive relationship with individual’s outcomes (Luthans, 2002b), and PsyCap resilience has extensive application in clinical and development psychology (Masten, 2001; Masten & Reed, 2002). These four components are relatively new to the field of OB, are state-like and developable in nature, have valid measures, and have positive relationship with work-related outcomes and performance (Luthans et al., 2005; Peterson & Byron, 2008; Seligman & Schulman, 1986; Stajkovic & Luthans, 1998; Tenney et al., 2015; Youssef & Luthans, 2007).

2.4. Measurement & Consequences of Psychological Capital (PsyCap)

To operationalize PsyCap and develop a measure for PsyCap, two studies were conducted by Luthans et al. (2007). The first study consisted of three sample sets of 167, 404, and 174 management students from local universities of Midwestern state in the USA. The second study consisted of two sets of working professionals, 144 from a service sector firm, and 115 from a high-tech manufacturing firm. These firms were selected from Fortune 500 companies. To develop a measure for PsyCap, 24 items (6 items for each dimension) were selected from previously validated scales of self-efficacy, hope, optimism, and resilience.
Two points were kept in mind while borrowing the items— (i) the items should be relevant and applicable to the workplace, and (ii) wordings of the items should be adaptable to the workplace. They called it PCQ-24, in which the items were to be rated on 6-point Likert-type scale ranging from strongly disagree to strongly agree. From the data of the first study, the authors examined the reliability values of PCQ-24 and dimensionality of PsyCap (i.e. self-efficacy, optimism, hope, and resilience). The reliability values of all the dimensions and overall PsyCap ranged between 0.66 to 0.89.

EFA was not conducted as the factor structure was pre-determined. CFA was done to check the dimensionality of PsyCap, model fit indices were within the acceptable range (SRMR=0.051, RMSEA= 0.046, CFI= 0.934). A correlation matrix of discriminators with PsyCap has been generated and was found that PsyCap was not related to big five personality traits and core self-evaluation. Further, hierarchical regression analysis was conducted on the data of the second study to check the unique variance predicted by PsyCap in job satisfaction and affective organizational commitment other than personality traits and core self-evaluation. Previous validated scales of job satisfaction (Hackman & Oldham, 1980), affective organizational commitment (Allen & Meyer, 1996; 1990), personality traits (Gosling, Rentfrow, & Swann, 2003), and core self-evaluation (Judge et al., 2003) were taken to measure these constructs.

The significant increase in $R^2$, when PsyCap was added in the analysis following the related constructs confirmed that PsyCap predicts unique variance in the two dependent variables: job satisfaction and organizational commitment apart from personality traits and core self-evaluation. Correlation analysis was also done on the data of the second study to test the positive relationship between PsyCap and work performance. Further, usefulness analysis (Darlington,
was done to check whether overall composite higher order construct (PsyCap) has a stronger relationship with job satisfaction and work performance than its four individual dimensions.

The findings of the first study confirmed PsyCap as a multi-dimensional construct, having four-factor structures and PCQ-24 as a reliable and valid tool to measure PsyCap. The second study confirms that the PsyCap predicts unique variance in employees' job satisfaction and affective commitment other than the two related constructs—personality traits and core self-evaluation. The result of the correlation analysis confirms a positive relationship between PsyCap and work performance. Results of usefulness analysis confirm that overall composite PsyCap has a stronger relationship with job satisfaction and work performance than its individual dimensions (self-efficacy, hope, optimism, and resilience).

This study provides a valid and reliable scale for measuring PsyCap and provides preliminary evidence of the positive association of overall PsyCap with employees’ favorable outcomes such as job satisfaction, organizational commitment, and work performance. Subsequent to this study, a shorter version scale called PCQ-12 with 12 items was developed by Luthans et al. (2007b). Those items which have higher loadings in PCQ-24 were selected to develop this scale. To date, several scholars have used PCQ-12 to measure PsyCap in their studies (for e.g., see Luthans, Youssef, Sweetman, & Harms, 2013; Avey et al., 2011; Luthans et al., 2008a; Norman, Avolio, & Luthans, 2010). Psychometric properties of PCQ-12 have been examined across 12 nations (Brazil, China, Germany, India, Italy, Mexico, Poland, South Africa, Sweden, Turkey, the United Kingdom, and the United States) and confirmed by Wersing (2014).

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1 “Usefulness analysis provides evidence for the utility of a measure in predicting variance in outcome variables beyond existing measures” (Luthans et al., 2007b). Usefulness analysis uses hierarchical regression analysis to test the contribution of an independent variable in the unique variance of the dependent variable beyond the contribution of another independent variable (Darlington, 1990).
Several empirical studies have further analyzed the positive influence of PsyCap with workplace outcomes. In one such study, Avey, Wernsing, and Luthans (2008), PsyCap was found predicting positive emotions among employees during organizational change. The authors conducted a cross-sectional study on a heterogeneous sample of 132 working professionals from a wide cross-section of U.S. organizations. The participants were part of a research project on "Motivation and Leadership' sponsored by Midwestern University. The objective of the study was to test how PsyCap fosters employees' positive attitudes and positive behaviors needed for the organizational change. The authors hypothesized that PsyCap will influence the positive emotion of the employees which will further increase their positive attitude (employee engagement) and positive behavior (such as organizational citizenship behavior or OCB) and reduces their negative attitude (cynicism) and negative behavior (deviance behavior). The participants were approached and contacted with the help of the faculty members and students of the university. Those who agreed to respond were provided an online link, where they gave their consent for participation in the survey and registered their e-mail address. The survey questionnaire was sent to their email addresses.

The positive emotion was found closely related to PsyCap with a correlation value of 0.70. Further, through hierarchical regression analysis authors tested the hypothesized relationship between PsyCap and employees' positive emotions, and their positive attitudes and behaviors. In the first step all covariates (education, gender, age, job level, and tenure) were added and then in the second step, PsyCap was added to the model. PsyCap was seen having a positive influence on employee engagement and OCB. The positive emotion was found mediating the effect of PsyCap when it is added to the model in the third step. Thus, the results suggest that employees' PsyCap significantly impacts the positive emotion of the employees which in turn enhances their
engagement in their work and motivates them to display citizenship behaviors needed for organizational change. The study confirms the direct influence of PsyCap on employees’ positive emotion and their positive work attitudes and behaviors.

PsyCap has gained attention among the scholars of different countries and field of study for its positive workplace outcomes. In a meta-analysis on the favorable outcomes of PsyCap, Avey et al. (2011) found that PsyCap has a significant influence on employees’ work-related attitudes and behaviors in both the manufacturing and service sectors and in both U.S and non-U.S contexts. A review of 51 empirical studies, that covers combined result from the studies on the total sample of 12,567 employees, was done to report the empirical results of the relationship of PsyCap with both positive and negative employees’ attitudes, work behaviors, and work performance. Meta-analysis is a statistical method where the results from different studies selected on the basis of the objective of the study and are analyzed to find some common findings or patterns across the results. Based on the sources of agreement and disagreement among the results of these studies further conclusion is delineated. Only those studies which were empirical in nature and had taken PsyCap as a unified construct were selected for analysis.

The findings suggested that PsyCap has a positive relationship with employees’ favorable and desirable attitudes such as job satisfaction, organizational commitment, and overall well-being, and with employees’ desirable work behavior such as organizational citizenship behavior, and work performance. The findings also confirmed a significant negative relationship between PsyCap and employees’ undesirable attitudes (cynicism, stress, anxiety, and turnover intentions) and undesirable behavior (deviance behavior). The authors concluded and validated that PsyCap is a positive psychological resource which had a significant and positive impact on the employees' workplace behaviors, attitudes, and work performance.
PsyCap was also found having a positive influence on another type of work behaviors such as change-oriented behaviors that are crucial for the survival of the organization in a hyper-competitive and dynamic environment. In a cross-sectional study on working professionals of Taiwan, Lin, Kao, Chen and Lu (2015) examine the relationship between LMX, positive affect, PsyCap, change-oriented behaviors represented by creative performance, and taking charge. The authors examined how, in an unpredictable, fast-growing, and competitive business environment, employees’ positive affect and their proactive state represented by PsyCap leads to the positive change-oriented behaviors, which are crucial to the success and survival of the organization. Change oriented behaviors are those active work behaviors that allow employees' actively taking charge of the situations to bring positive and favorable outcomes for the organization (Morrison & Phelps, 1999). Two change-oriented behaviors—creative performance and taking charge are found shaping the employees' capability to cope and adapt to the dynamic environments (Parker & Collins, 2010). Past studies have shown leader’s relationship with the employees (LMX) facilitates employees’ change-oriented behaviors (Volmer, Spurk & Niessen, 2012).

But, the mechanism by which LMX leads to these behaviors is not explored in previous studies. Further, broaden and build theory of positive emotions (Fredrickson, 2001, 2004, 2009) postulates that positive emotions broaden and build the personal resources such as hope and resilience of individuals. Thus, based on the gap in the past studies, Lin et al. (2015), examined how leader-followers relationship (LMX) influences the positive emotions of the employees which broaden and build their personal resource, i.e., PsyCap. That is, how employees’ PsyCap lead to the two change-oriented behaviors— creative performance and taking charge. Positive affect was hypothesized as mediating the relationship between LMX and PsyCap, and PsyCap was suggested as mediating the relationship of LMX and positive affect with the creative
performance and taking charge. Standardized scales were used to elicit responses from 248 full-
time working professionals and their 40 team leaders of multiple organizations from Taiwan. The
respondents were invited by the researchers to participate in the survey. Hierarchical linear
modeling through Mplus package was used to test the direct and indirect relationships between
the variables.

All the hypothesized relationships were found significant. That is, positive affect was found
mediating the relationship between LMX and PsyCap, and PsyCap was found mediating the
relationship between positive affect and— a) the creative performance, and b) the taking charge.
The results confirm that there is a positive association between employees’ positive emotions,
PsyCap, and workplace behaviors. That is, PsyCap is an important predictor of work behaviors
(creative performance and taking charge) which are important in a dynamic and unpredictable
work environment.

2.5. PsyCap and Work Performance: In-role (Task Performance) and Extra-role (OCB)
Several studies, to date, have examined the association between PsyCap and work performance.
Three comprehensive literature reviews on PsyCap and its consequences and two exclusive
books on PsyCap and its components confirm that PsyCap is an important antecedent of work
performance (Avey et al., 2011; Donaldson & Ko, 2010; Luthans et al., 2007a, 2015; Newman et
al., 2014).

The relationship between PsyCap and work performance has also been tested and
validated in different cultures such as Luthans et al. (2005) found the core construct PsyCap
significantly correlated with the performance of two samples of Chinese workers. In the first
sample of Chinese worker’s (n=422) performance was measured on the basis of the evaluations
of the supervisor, where criteria such as productivity, quality, efficiency, and cooperation with the team members of these workers were evaluated. In the second sample (n=272) performance was measured through the data obtained from merit based salary system. Results from hierarchical regression analysis suggested an increment in the values of R-square (with the change in R-square values of 0.07 and 0.10 for both the samples) of the second model when PsyCap was entered into the model following the demographics (age, gender, education, and tenure) for both measures of performance (supervisory and objective). The results of this study validate the propositions that PsyCap has a positive relationship on work performance.

In one of the longitudinal study, Peterson et al. (2011) examined the impact of PsyCap on work performance. The authors argued that previous studies which examined the relationship between PsyCap and work performance were mostly cross-sectional and correlation studies. These studies have not captured the within and between individual change in the state of psychological capital. PsyCap is malleable or developable in nature. PsyCap of an individual can be increased or decreased with the changes and interventions in the work environment, as such the authors examined the variability in the individual employees’ psychological capital, over time, and its impact on the work performance. The sample for this study comprised of 179 employees engaged in advisory services of a large financial service organization of northeastern United States. Around 84% of them were male and their average tenure with the firm was three years. The performance of these employees was based on the revenues brought by them. PsyCap was measured with PCQ-24 and performance was measured both objectively in terms of achievement of sales target and subjectively in terms of supervisory ratings. Objective measures were collected from the firm and a web-link of the survey was sent to the supervisors of these employees for their ratings. Employees responded on the PsyCap measure. Both, PsyCap and
performance were captured repeatedly three times with a time lag of three months and it took approximately seven months to complete the data collection. The response rate was 82% across the three waves of data collection. Multiple indicator latent growth modeling was used to check the variability in PsyCap level.

The findings suggest that PsyCap is malleable in nature and changes over a period of time. But, in the present study, the variability in the PsyCap showed a decreasing trajectory. Past studies have suggested that PsyCap can be increased even with short interventions (Luthans et al., 2010). The authors concluded that no interventions were given to the employees; as such the PsyCap has a declining trajectory from Time 1 to Time 3. Further, using cross-lagged panel analysis in MPlus, three different models with three causal paths between PsyCap to performance, performance to PsyCap, and a reciprocal relationship between PsyCap and performance, were examined. It has been found that the model where the causal path between PsyCap to performance was specified has a better fit compared to the other two models. Thus, the findings suggested a causal reciprocal relationship between PsyCap and performance (both objective and supervisor’s rating). The findings of this study confirm two things first PsyCap is a state-like and thus developable in nature and second, it has positive impact on work performance.

The significant impact of PsyCap on work performance further led to its exploration in marketing literature. In a conceptual paper, Friend, Johnson, Luthans and Sohi (2016), through an extensive literature review on PsyCap and its components, suggested that focus on the development of sales team’s PsyCap will result in the increase of sales performance. They opined that PsyCap can influence the attitudes and cognitions of sales team members at different
levels such as the individual level, the intra-organizational level, and the extra-organizational level.

Based on the findings of previous meta-analysis study, the author concluded that PsyCap has positive and significant impact on work attitudes, behaviors, and performance of the sales person and the customer service representatives. Similarly, based on the findings of Norman et al. (2010), the authors suggested that PsyCap of leaders boosts the level of trust and effectiveness of the followers; as such, at the intra-organizational level, PsyCap will have a positive influence on the relationship of sales managers and leaders with their sales team members. At the extra-organizational level, based on the findings of McKenny, Short, and Payne (2012), the authors opined that PsyCap of sales team members can have significant impact on the relationship between the sales team members and the customers, which will further impact the firm performance outcomes.

Work performance in past studies have been measured either objectively (collected performance data from the organization) or subjectively (supervisor’s evaluation) (Avey et al., 2011). There is paucity of studies in the field of positive organization behavior, where the two types of work behaviors— in-role or task performance behaviors and extra-role or organizational citizenship behaviors are studied as indicators of work performance.

Williams and Anderson (1991) conducted a study on workplace behaviors and reported that work performance can be explained in terms of two types of work behaviors: in-role behaviors (IRBs) and extra-role behaviors (OCBs). In-role behaviors are recognized by formal reward system of the organization and are prescribed as essential duties and responsibilities in the formal job description. Following the conceptualisation of OCB by Organ (1988), Williams and Anderson (1991) suggested extra-role behavior or OCB as one of the components of work
performance. These behaviors are not recognized by any formal reward system of the organization. The sample for Williams and Anderson’s study (1991) constituted of (a) 461 full-time employees of various organizations from Midwestern city, who were enrolled for evening MBA course at local universities, and (b) their 127 supervisors. A scale of 20 items was developed by the authors to measure work performance behaviors (both in-role and extra-role). The items for this scale were borrowed from the previous literature on in-role and extra-role behaviors (e.g., Bateman & Organ, 1983; O'Relly & Chatman, 1986). The performance scale was given to 127 supervisors. They were requested to respond to this scale and rate the work behaviors of the 461 full-time employees working under them. Factor analysis with maximum likelihood and oblique rotation was conducted on the supervisor's response data. The results indicated three factors: in-role behavior and two facets of OCB (OCB-I behaviors directed towards individuals, and OCB-O behaviors directed towards organization). Further, regression and canonical analysis were conducted to test the relationship between attitudinal predictors, such as job satisfaction and organizational commitment, and OCB. IRB was kept as control variable, as it was expected that it will confound the relationship of predictor variables with OCB. Previous reliable and validated scales were used to measure job satisfaction (Burke, 1989) and organizational commitment (O'Reilly & Chatman, 1986). The performance was measured by the 20 items scale developed in this study. Canonical analysis was used in addition to regression analysis because the two facets of OCB (OCB-I and OCB-O) were highly correlated to each other. The results confirmed that the job satisfaction was significantly predicting both the facets of OCB, but the relationship of OCBs with the organizational commitment was found insignificant. These findings validate that IRB and OCB are two separate workplace behaviors and can be two important determinants of work performance.
Employees generally complete their task through certain work behaviors and these behaviors are categorized by Williams and Anderson (1991) as in-role and extra-role work behaviors. In the PsyCap literature, with the exceptional to organizational citizenship behaviors as one of the positive and desirable work behaviors, limited studies have examined the association of PsyCap with the in-role and extra-role work behaviors as two determinants of work performance. Even, Williams and Anderson (1991) suggested that when the objective of the study is to measure overall work performance, one should examine both the work behaviors, that is in-role task performance behaviors and extra-role organizational citizenship behaviors, rather than any one of them.

2.6. PsyCap and Intrinsic Motivation

PsyCap has a motivational agentic influence\(^2\) on individual’s commitment towards goal (Luthans et al., 2007c; Story et al., 2013). Organizational behavior scholars have put forward their arguments regarding some variables which affect the cognitive and affective level of the employees and keep them motivated and committed to their work performance. PsyCap is one such variable which has an agentic cognitive belief that affects the individual’s motivation and determination to perform (Youssef et al., 2007). Out of the two types of motivation, intrinsic motivation explains higher level of variance in work performance (Ryan & Deci, 2000; Joo, Jeung & Yoon, 2010; Prabhu, Sutton & Sauser, 2008; Siu, Bakker & Jiang, 2014).

Deci and Ryan (1985) suggested two types of motivation on the basis of different goals which give rise to different actions: intrinsic and extrinsic motivation. Intrinsic motivation is a motivation to do something because the task itself is interesting and enjoyable whereas extrinsic

\(^2\)“Agency embodies the endowments, belief systems, self-regulatory capabilities and distributed structures and functions through which personal influence exercised, rather than residing as a discrete entity in a particular place” (Bandura, 2001, p.2).
motivation refers to doing something because the task is linked to some external rewards like incentive, promotion, and recognition. In today’s turbulent VUCA world, extrinsic motivation is more prevalent as the work structure is more complex owing to 24X7 working environment, changing technology, and intensive competition. This dynamic work structure reduces motivation, as the work is more challenging and less interesting, which further affects the work performance (Luthans et al., 2007b). To improve performance and motivate employees, work is linked to external rewards and recognition such as promotions, enrichment of jobs, fringe benefits such extended holidays and family benefits (Chestnut-SHRM, 2016). But, since intrinsic motivation is more closely related to job satisfaction and work performance Deci and Ryan (1985) on the basis of self-determination theory delineated that extrinsic motivation can be converted to intrinsic motivation through a series of processes ranging from external regulation to the internalization of the task. An individual can internalize the whole task and can self-endorse the goal, which will lead to intrinsic motivation.

A great deal of research on motivation has reported intrinsic motivation as an essential component which predicts work performance. One such study is of Joo et al. (2010). The authors did a cross-sectional survey in Korea to investigate the influence of Core Self-Evaluation (CSE), job autonomy, and intrinsic motivation on employees' in-role job performance. They translated four validated scales into Korean language: CSE Scale of Judge et al. (2003); job autonomy items from Job Diagnostic Scale of Hackman and Oldham (1980); intrinsic motivation scale of Tierney et al. (1999); and Podsakoff and Mackenzie's (1989) in-role job performance scale. It was administered to 283 employees in a Fortune Global 100 company. The responses were captured on 5-point Likert-type scale ranging from 1-strongly disagree to 5-strongly agree. Structural equation modeling was used to test the measurement and the hypothesized models. The results
confirmed that employees' CSE and intrinsic motivation has a significant relationship with work performance. Like PsyCap, CSE is also a higher-order construct that explains the individual’s evaluation of his or her personal capabilities and is composed of self-esteem, generalized self-efficacy, and locus of control. CSE has been seen influencing various workplace outcomes and predicts job satisfaction, motivation, and work performance (cf. Joo et al., 2010).

Both the constructs, CSE and PsyCap, report a cognitive process of evaluation of one’s psychological abilities. But, CSE has been suggested as trait like which remains fixed over a period of time, whereas PsyCap is state-like that is it is open to development. The findings of this study are in alignment with the previous propositions that personal resources impact the workplace outcomes, as such in this study CSE is found having significant impact on intrinsic motivation, job characteristics, and in-role work performance. This is possible only when individuals evaluate their own capabilities which are nothing but internalization of the whole process from extrinsic to intrinsic motivation. Only one dimension of job characteristics that is job autonomy has been examined in this study. Whereas, the advocates of job characteristics model has suggested that to understand the full effect of job characteristics one should include all the five dimensions of job characteristics in their study (Hackman & Oldham, 1980).

To date, the relationship between PsyCap and intrinsic motivation is not empirically tested except in one longitudinal study where Siu et al. (2014) analyzed the responses of university students of Hong Kong. Two studies with two different objectives were conducted. The objective of the first study was to check whether PsyCap and student engagement has reciprocal relationship and the objective of the second study was to test the mediation effect of intrinsic motivation between PsyCap and student engagement. Based on the propositions of the Job Demands-Resources model (JD-R) (Bakker, 2011), the authors proposed that the availability of
personal resources, such as PsyCap, will assist students in handling the university demand and will simultaneously stimulate them to learn and grow in their studies. They opined personal resource such as PsyCap makes an individual confident and optimistic about their work situations, which generate a motivational propensity to get immersed and observed in their work that is to get engaged in their work. Engagement in work in a similar manner increases the success and positive experience at the work, which further enhances the confidence and persistent level of an individual, leading to an optimistic and resilient approach. Hence, in this study, a reciprocal relationship between PsyCap and student engagement was proposed. The authors further stated that interest and attraction toward certain subjects make student intrinsically motivated towards their subjects. The motivational effect of personal resource and environment resource on the work engagement as suggested in the JD-R model also confirms that PsyCap as personal resource will have a motivation effect on the employees which will lead to a positive association with the work engagement. Previous standardized scales were used to measure PsyCap, student engagement, and intrinsic motivation. Study one has 103 matched and usable responses (response rate was 83.64%) and study two has 129 matched and usable responses (response rate was 70.80%). A time lag of 4 months was maintained for both the studies. Following a cross-legged design, responses were analyzed using structural equation modeling (SEM).

The model where the reciprocal relationship between PsyCap and student engagement was examined showed a better fit compared to other models ($X^2 = 75.36$, df = 65, $p = .18$, TLI = .99 CFI = .99, SRMR = .045) and both the paths from PsyCap of time 1 to student engagement of time 2 and from student engagement of time 1 to PsyCap of time 2 were found significant. Thus, the result supported the first hypothesis that PsyCap has a reciprocal relationship with student
engagement. Following a cross-legged design response of study 2 was then analyzed using bootstrapping method of SEM. The pathways running between PsyCap of time1 and student engagement of time 2 through intrinsic motivation of time 2 was tested. Based on the suggestions of Baron and Kenny (1986), they checked the direct relationships between PsyCap of time 1 and student engagement of time 2 and found it significant. Similarly, the direct effect of intrinsic motivation of time 2 with the student engagement of time 2 was also found significant. When the direct effects were controlled and mediation of intrinsic motivation was analyzed through the bootstrapping method, the analyses confirmed a significant pathway between PsyCap of time 1 and student engagement of time 2 through the mediation of intrinsic motivation of time 2. Thus, the mediation hypothesis was supported.

Though, this study was one of the empirical studies which supports a direct relationship between PsyCap and intrinsic motivation. But, it was done with the student samples taken from university and hence the findings need to be validated in a workplace context. Further, the study was conducted in the Chinese context, and whether the result is consistent in other cultures also need validation.

2.7. PsyCap and Goal-Commitment

Commitment refers to the psychological attachment of employees to their workplace, occupation, and goal (Becker, Billings, Eveleth, & Gilbert, 1996). Commitment has been defined in various ways on the basis of its foci (Becker et al., 1996). All the conceptualizations of commitment differ in term of origin, but are similar in terms of its meaning that is commitment is an obliging or binding force that gives direction to behaviors (Meyer & Herscovitch, 2001).
Meyer et al. (2001) in a conceptual paper tried to provide a general consensus and understanding of different types of commitment at the workplace. Based on the review of past literature they provided the similarity and dissimilarity between different types of commitment. The common thread in all definition was a binding force which is a psychological state of mind that compels or directs an individual toward a course of action. The authors opined that scholars working on commitment have general consensus on this psychological mindset of commitment. What differentiates them is the nature of this underlying psychological mindset.

Two models of commitment, that are commonly studied, have been further discussed to explain the similarities and dissimilarities between them. These models were provided by O’Relly and Chatman (1986); and Meyer and Allen’s (1991). Meyer and Allen’s model (1991) was based on the argument that commitment binds an individual to their organization and thereby reduces the probability of their turnover. According to this model, the binding force has three motives—first is the affective attachment to the organization, second is the perceived cost of leaving the organization, and third is the obligation to remain attached to the organization. They labeled these motives as affective commitment, continuance commitment, and normative commitment.

On the other hand, O’Relly and Chatman’s model of commitment (1986) was based on the assumptions that commitment represents an attitude towards the organization, and these attitudes can be developed through different mechanisms. Based on the work of Kelman (1958), who examined the relationship between employees’ attitudes and its effect on the changes in behaviors, the authors suggested that commitment can take three different forms— compliance, identification, and internalization. When the motive was to gain specific rewards than specific attitudes and its corresponding behaviors are displayed, and it explains the compliance
commitment. But, when the motive is to accept an influence to maintain or establish a satisfying relationship at the workplace, individuals display an identification form of commitment. Similarly, internalization form of commitment takes place when the influence is accepted and is in congruence with the desired values. The paper concluded with certain recommendations such as the organization should analyze the targets or outcomes of employees’ commitments. As specific target such as customer service only will not be as useful as it should be for the overall growth of the organization.

Meyer et al. (2001) opined that general targets such as an obligation to remain with the organization will not be too useful for individual level achievements. Performance is one of the workplace outcomes that is of equal importance for both the organizations and individuals. Thus, work performance should be the prime target for all types of the commitments, as it will lead to both individuals as well organizational level growths. This will further aid the employees in selecting the appropriate course of actions and behaviors at their workplace, which will lead to commitment towards work performance.

Apart from these two models of commitment which were based on the different motives behind the commitment of the employees, Locke, Latham, and Erez (1988) conceptualised a new type of commitment called goal-commitment. They suggested that goal-commitment is a kind of commitment which is directed towards a work goal and has a close relationship with work performance. In the theory of goal-setting and task performance, Locke and Latham (1990) suggested a specific type of commitment, which explains the determination level of an individual to reach their goal, regardless of the origin of goal that is whether the goal is assigned, participatively set, or self-set. This commitment is defined as goal-commitment. Goal-commitment is more aptly related to performance outcome (Locke et al., 1988, 1990) and is also
fulfilling the recommendation of Meyer et al. (2001), where it has been suggested that commitment should have performance as the main target outcome.

In a field study on 105 salespersons from 25 different departments of four retail organizations of Midwestern metropolitan area Klein and Kim (1998) examined the relationship between situational constraints, leader-member exchange (LMX), goal-commitment and work performance. They suggested that situational factors could be the obstacles to performance and will be negatively related to goal-commitment. The situational factors are features of work environment such as time constraints, lack of resources, materials, and information. They posited that employees who encounter such hindrances get frustrated leading to reduced motivation and expectancy perception which lowers their goal-commitment. The authors opined that supervisory support in the form of relationship with the supervisor (LMX) will increase the goal-commitment as there will be mutual trust and respect between them. It has been suggested that employees perceive and experience support from supervisors and organizations which keep them motivated and persistent towards goals (Cohen-Charash & Spector, 2001).

Similar results have been seen in the study of Klein and Kim (1998). LMX was found to enhance the trust of the employees towards their supervisor. LMX was hypothesized as moderating the relationship between goal-commitment and performance as managers can affect the performance of the individuals by providing encouragement, assistance, and by removing obstacles. Standardized scales were used to measure the constructs such as Graen, Novak, and Sommerkamp (1982) scale for LMX, Mathieu, Tannenbaum and Salas' scale for situational constraints (1992), and Hollenbeck et al. (1989) goal-commitment scale. Sales performance was obtained from organizational records which were averaged over the last three months of the quarter. Multiple regression analysis was used to test the hypothesized relationship between
LMX, goal-commitment and work performance. The findings suggested that situational factors were positively related to goal-commitment, which in turn was significantly related to LMX. The results also confirmed that those employees who are high on LMX perform better as compared to employees who are low on LMX.

Goal-commitment has been seen moderating the association between different levels of goal and task performance in the Hollenbeck and Klien (1987) model. But, Klien and Kim (1988) study suggested a direct relationship between goal-commitment work performance. Goal-commitment has also been shown as an important predictor of work performance in-role and extra-role behaviors (Piccolo & Colquitt, 2006).

Commitment is a psychological attachment towards work (Cohen-Charash & Spector, 2001). Similarly, PsyCap makes an individual attached and persistent towards work, as they are confident, efficacious, optimistic, full of energy, resilient, and having multiple pathways to accomplish the task (Luthans et al., 2007c; Story et al., 2013). Though these constructs have a common goal (that is an accomplishment of work and dedication towards tasks), to date, scant studies are available where the associations between the two constructs have been empirically examined.

Based on the theoretical definition and explanation it can be said that PsyCap will have a positive relationship with goal-commitment. Past studies have delineated that individual level states and traits have a positive influence on the commitment level of the employees (Hackman & Oldham, 1976; Locke et al., 1998). The dimensions of PsyCap such as hope makes an employee dedicated and persistent towards goal by providing willpower and contingency plans to reach the goal (Snyder & Lopez, 2009; Story et al., 2013). Dedication and persistent is a kind of commitment towards goal. In a similar manner another dimension of PsyCap— resilience
provides an individual with a drive to rebound and bounce back with renewed energy towards the task. Also, self-efficacy and optimism make an individual confident about success, thus it can be said that they will increase the level of persistent and perseverance towards work (Luthans et al., 2007c). In short, at the dimensional level of PsyCap—self-efficacy provides confidence to reach the goal, hope provides energy and multiple pathways to reach the goal; optimism provides positive attribution of goals and hence, increases the attachment with the goal, and resilience keeps the individuals persistent towards goal.

Based on the theory behind PsyCap and cumulative effects of its dimension, one can expect a positive relationship between PsyCap and goal-commitment, as both the variables have been found to be related positively to work performance. Employees high on PsyCap are expected to be more committed towards goal as they are confident about their own abilities (efficacy), have necessary willpower, energy and pathways to reach their goal (hope) (Avey et al., 2011; Story et al., 2013).

2.8. PsyCap and Organizational Justice

Apart from these two factors— intrinsic motivation and goal commitment—which affect the employees’ motivational and cognitive levels, perception about the way employees are treated in the workplace is also an important factor which impacts the judgment and decision about work. Perception of fairness and equal treatment, of all the actions and contributions of employees by their organization (organizational justice), is one such factor which has been seen empirically fostering favorable workplace outcomes (Cohen-Charash et al., 2001). In a cross-sectional study on working professionals in tier-I and tier-II cities in India, Totawar and Nambudiri (2014) explored the relationship of employees’ PsyCap with their perception of fairness and justice in
their organizations. Perception of justice was found to be significantly related to employees’ PsyCap and their job satisfaction and organizational commitment.

The term organizational justice (OJ) was first coined by Greenberg (1987). OJ was defined as the perception and reaction of employees towards the fair and just treatment of their contributions to their organizations. In a review on organizational justice, Cropanzano, Bowen, and Gilliland (2007) suggested it as a multi-component construct with three components: distributive, procedural and interactional justice which interact with each other to produce beneficial workplace outcomes. Distributive justice is the perception of fairness of the allocation of resources and distribution rewards for the efforts of the employees. Procedural justice refers to the perception of fairness in the process by which decisions for the reward and resource allocation are taken. Interactional justice refers to the perception of fair and just behaviors of the people who are controlling and making decisions on resource allocations and distribution of rewards.

But, there are researchers who have questioned the benefits of focusing on various facets of organizational justice (Hauenstein, McGonigle, & Flinder, 2001; Tornblom & Vermunt, 1999; Ambrose & Arnaud, 2005). They argued that one should not focus solely on any specific type of justice rather focus should be given to the broader picture of overall justice in an organization. Hence, it was suggested that only a unified/overall justice should be considered as it can explain the overall justice perception of an employee.

Ambrose and Schminke (2009) conducted two cross-sectional studies on employees working in different functional departments and industries in the southeast USA to test the uni-dimensionality of the overall perceived organizational justice (POJ) and its impact on employees' job attitudes and behaviors. In the first study, self-report data was collected from 425 employees
from 54 different organizations and industries such as technology, insurance, financial and government services, retail, manufacturing and medical organizations. The three components of OJ were taken as an antecedent of POJ whereas three job attitudes: job satisfaction, organizational commitment, and turnover intention were taken as consequences. It was hypothesized that POJ will mediate the three components of OJ and the job attitudes. Standardised scales were used to assess the perception of specific components of OJ (Colquitt, 2001), POJ (Lind, 2001), and job attitudes such as job satisfaction (Brayfield & Rothe, 1951), organizational commitment (Meyer & Allen, 1991; Meyer, Allen, & Smith, 1993), and turnover intention (Cropanzano, James, and Konovsky, 1993). The survey questionnaire was distributed in packets with a postage-paid envelope to six to seven employees in each department of all organizations. Confirmatory factor analysis (CFA) and SEM was used to test the measurement and structural model.

Results indicated a full mediation of POJ between three components of OJ and employees’ job attitudes. To eliminate the shortcomings of self-report the authors conducted a dyadic study where data was collected from 137 employees- supervisor dyads a total of 274 individuals from 58 organizations in southwest U.S.A. It was hypothesized that POJ will mediate the three components of OJ and the job behaviors. Similar to the first study, the three components of OJ were taken as antecedents of POJ but the outcome variables were three work behaviors: OCB, task performance, and organizational deviance. Same standardized scales for the OJ and POJ, used in the first study, were employed in the second study. For outcome variables such as task performance and OCB— in-role and extra-role behaviors scale given by William and Anderson (1991) and Bennett and Robinson’s (2000) scale for deviance behavior were used in the second study. CFA and SEM were used to test the measurement and structural model.
Findings confirmed a full mediation of POJ between three components of OJ and three work behaviors. The two studies confirm that the holistic influence of overall justice on employee outcomes is more prominent and justifiable than the three different types of justice. A reliable and valid scale to measure the perception of employees for overall justice (Cronbach α .93) was also provided in this study. In this study, task performance is studied as one of the work behavior, similar to Williams and Anderson (1991) study and OJ was examined as a uni-dimensional construct.

Influence of OJ on job attitudes such as job satisfaction and organizational commitment was also found among employees working in Indian companies. Totawar and Nambudri (2014) conducted a cross-sectional study on 440 employees from Tier-I and Tier-II cities of India. PsyCap was hypothesized as mediating the influence of three components of OJ (distributive, procedural, and interactional) on employees' job attitudes such as job satisfaction and organizational commitment. Data was collected through both offline and online medium. CFA and SEM were used to analyze the measurement and structural model. The results suggested a full mediation of PsyCap between the influence of three components of justice and employees job attitudes. The study confirms a significant relationship between OJ and employees outcomes. The mediation of PsyCap between OJ and two work outcomes was partial, which suggests that PsyCap is not carrying the full influence of OJ. Further, most of the studies which have explored the importance of PsyCap were conducted in U.S. context (Avey et al., 2011), but this study is one of its kind which confirms the impact of PsyCap on employees' outcomes in India. Respondents are selected from the service sector of India. The service sector in India has different industries, but industry wise breakup is not given.
2.9. PsyCap and Core Job Characteristics

Apart from the perception about fair treatment, employees also hold perceptions about various characteristics of their job. It has also been found that higher level of intrinsic motivation, persistent towards goal, high quality of work performance all are dependent on the employees' perception of the various characteristics of one's job, that is how meaningful and significant in their job or whether they prefer autonomy and identify themselves with the results of the job or not (Hackman & Oldham, 1976). In a study on leadership (Piccolo & Colquitt, 2006), job characteristics are suggested as mediating the effect of transformational leadership on employees task performance and citizenship behavior (Piccolo & Colquitt, 2006). Since, employees' perception of the elements of the job determines the level of motivation and effort they will exert at the workplace, factors affecting this perception needs exploration.

Hackman and Oldham (1976) proposed a conceptual model which explains how the various attributes of job and the characteristics of individuals interact with each other to predict how characteristics of a job will lead to beneficial workplace outcomes. The authors postulated five characteristics of a job: variety, identity, significance, autonomy, and feedback. Task variety is the degree to which different skills and abilities are required to complete the job. Task identity is the knowledge of the completion of a ‘whole' or a piece of work as expected by individuals. Task significance is the degree to which the job has meaning and substantial influence on the lives of other people. Task autonomy is the degree of freedom and independence desired by the individuals from the job. Feedback is the clear and direct appraisal received by the supervisors on the effectiveness of the individual performance. These characteristics of job predict high internal motivation, high quality of work performance, high job satisfaction, and low turnover and absenteeism. Out of the five characteristics of the job, three characteristics: task variety, task
identity, and task significance generate meaningfulness among the employees. Meaningfulness generates positive feelings among employees as they found themselves contributing meaningfully. Grant (2012) opined that seeing the meaningful consequences of their activities individuals become more involved and motivated to perform. This will also impact the personal resource (PsyCap) of the employees as employees use these personal psychological resources to complete their work.

Piccolo and Colquitt (2006) theorized that characteristics of the job will mediate the relationship between Transformational Leadership (TL) and employee's intrinsic motivation and goal-commitment. The authors also posited that a motivated and committed follower will achieve his goal more easily and will engage in extra-role behaviors (OCB). They suggested that leaders can develop intrinsic motivation and goal-commitment in their follower only through the transformational effect of TL. Job characteristics will mediate the effect of TL on follower's motivation and commitment to perform. The proposed model was tested on 283 working individuals and 217 supervisors from a broad cross-section of job types. Standardized scales were used to measures the constructs: TL was measured by the Multifactor Leadership Questionnaire developed by Bass and Avolio (1995). Revised form of Job Diagnostic Survey of Hackman and Oldham (1976) was used to measure job characteristics. Intrinsic motivation, goal commitment, task performance, and OCB were measured by the scales developed by Hackman and Oldham (1976), Klein et al. (1999), Williams and Anderson (1991), and Lee and Allen (2002) respectively. Structural equation model was used to test the measurement and structural model. The findings confirmed the mediation of job characteristics between TL and employee’s intrinsic motivation and goal-commitment. The results also confirmed a significant and positive relationship between employees’ intrinsic motivation, goal-commitment and employees’ task
performance. But the relationship of goal-commitment with employees’ extra-role behavior (OCB) was found insignificant. The authors explained that the employees who were goal-committed may find the OCB behavior as distracting and diverting from their goals. The results of the study indicate that job characteristics are related to the leadership’s transformational effect, and employee’s intrinsic motivation and goal-commitment towards their work performance.

When the objective is to capture leadership effect on employees' motivation and attitudes, one should also explore the psychological states of subordinates as leaders have a contagion effect on emotions of their subordinates (Cherulnik, Donley, Wiewel, & Miller, 2001). Thus, this contagion effect could be one of the influencing factors between the effect of TL on employees' job perception.

Finally, PsyCap is a higher order construct which predicts higher level of work performance and positive workplace attitudes and behaviors (Luthans et al., 2007a, 2007b; Luthans et al., 2008a; Avey et al., 2011). But, limited research has explored the process or path by which PsyCap impacts the employees' performance and bring favorable workplace outcomes. The variables which will intervene, interact or carry the effect of PsyCap on the employees' in-role and extra-role performance are not examined and discussed in previous studies (Newman et al., 2014). Characteristics of the job are found mediating the relationship between employees' personal characteristics like core self-evaluation and transformational leadership (Piccolo & Colquitt, 2006; Joo et al., 2010). Overall organizational justice is found to predict employees' attitudes like job satisfaction, organizational commitment, turnover intention, and workplace behaviors like OCB and deviance behavior (Ambrose and Schminke, 2009). Similarly, intrinsic motivation and goal-commitment are found positively related to employees' self-evaluation of
their abilities and supervisor support to predict work performance (Piccolo & Colquitt, 2006; Joo et al., 2010; Klien et al., 1998). These factors are theorized to have some relationship with PsyCap, as PsyCap is an individual's cognitive belief about self-capabilities, which has a positive association with employees' attitudes and behaviors (Avey et al., 2011; Luthans et al., 2015).