



TO STUDY AND MEASURE THE PSYCHOLOGICAL CAPITAL AND ITS DIMENSIONS AMONG THE EMPLOYEES IN THE SELECT BANKS IN INDIA

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ABSTRACT

Today, in the competitive world employees in most of the business organization are quite disturbed and dissatisfied both in their professional and personal lives. With increasing competition in Indian banking sector need for high positive behaviour and employee engagement has become the need for sustaining the employees. The field of positive psychology is increasing its interest in psychology and positive organizational behaviour has given positive results in the organizations and at individual development The psychological capital is a higher order construct having four dimensions of hope, resiliency, self-efficacy and optimism. This study measures the psychological capital and its dimensions among the employees in Indian banking sector. A data of 474 employees working at different managerial levels was collected. The results showed that psychological capital and its dimensions are high among the employees working in banking sector in India.

Keywords: Positive Organizational Behaviour, Psychological capital, Indian banking sector.

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Today, in the competitive world employees in most of the business organization are quite disturbed and dissatisfied both in their professional and personal lives. With the increase in work pressure and demands has led to lower down in the overall life satisfaction of the employees which resulted into decrease in organizational efficiency. This has led to research the new aspects in behavioural sciences to redefine the positive domains of the employee with respect to his job. It has become a challenge for the modern psychologists and researchers to define the determinants for a well being and organizational behaviour of the employee. The psychological capital is an emerging psychological concept having its conception based on four of its determinants viz., self-efficacy, hope, resiliency and optimism. As well being of an employee is one of the harmonizing factors between the different components of life of an employee both at personal and professional level, the psychological capital plays an important role in achieving the same at both individual and organizational level.

Psychological Capital

The field of positive psychology is increasing its interest in psychology and has given positive results in the field of organizational behaviour and its development (Snyder and Lopez, 2002). Positive psychology has aimed to understand the dynamics of how individuals flourish at both individual and professional level (Seligman and Csikszentmihalyi, 2000). The positive psychology has shifted the interest from negative feelings to the positive aspects of individual personality. Further, (Gable and Haidt, 2005) defined positive psychology as the study of human happiness: the conditions and processes that contribute to the flourishing or optimal functioning of people, groups, and institutions, thus promoting the role of positive emotions and individual strengths that are towards success of the individual.

Luthans et al (2007) proposed that psychological capital of an individual's is developed by hope, optimism, self-efficacy and resiliency which constitute a positive psychological state of an individual. Stajkovic and Luthans (2003) used four constructs of psychological capacities in core confidence factor for work motivation and psychological capital represented how hopeful, resilient, confident and optimistic employees are in their working conditions. Avey et al, (2009) found that the integration of hope, efficacy, resilience,

and optimism represented the core construct psychological capital. Luthans et al (2007) found that psychological capital was the study of positive organizational behaviour and its constructs emerged from positive psychological literature. Further, Luthans (2002) defined positive organizational behaviour as psychological capacities that can be measured, developed, and effectively managed for improving the performance of an individual that has positive human resource strengths. Thus, positive organizational behaviour can be defined as the relationship among the positive psychological capacities of an individual with the efficacy of the organization.

Luthans (2002) identified from positive psychology literature the various psychological capacities as self-efficacy, hope, resilience, and optimism as being relevant to positive organizational behaviour. Luthans et al (2007) defined psychological capital as “an individual’s positive psychological state of development and is characterized by: having confidence (self-efficacy) to take on and put in the necessary effort to succeed at challenging tasks; making a positive attribution (optimism) about succeeding now and in the future; persevering toward goals and, when necessary, redirecting paths to goals (hope) in order to succeed; and when beset by problems and adversity, sustaining and bouncing back and even beyond (resilience) to attain success”.

Avey et al. (2009) emphasized that psychological capital and its components are to be considered as state-like constructs as opposed to trait-like constructs and they have the developmental potential for an individual. Luthans and Youssef (2007) in their trait-state continuum explained the difference between state-like and trait like constructs whereas trait-like constructs refer to relatively stable psychological characteristics, at the other end of the continuum and its components tended to be malleable and open to development whereas state-like trait is open to development and improvement by using simple training interventions which can have long lasting impacts on performance of the employee. To include any variable in the conception of psychological capital, it should be based on the theory and research parameters having valid measurement and unique in the field of organizational behaviour state-like (Luthans, 2002a.b; Luthans and Youssef, 2004; Luthans et al, 2007). Also, the constructs of psychological capital were found to meet the above said inclusion criteria and can be developed to increase efficacy of the individual through training interventions. Psychological capital is a higher order core construct that integrates the various positive organizational behaviour criteria meeting capacities, not only additively but also

perhaps, synergistically. The sum of the constructs of the psychological capital viz. self-efficacy, resiliency, optimism and hope are greater than the individual constructs itself. Thus, by investing in totality in psychological capital as whole shall be yielding better results in terms of satisfaction and efficacy than on the individual capacities alone (Luthans, et al 2007).

Defining the various distinctions of the Psychology Capital dimensions

A lot of overlapping exists in the definition of the psychological capital dimensions. Table 1, below, summarises the primary value contributed to psychological capital by each component affective state.

Table 1.1: Component contributions to psychological capital

Affective State	Directionality	Contribution
Confidence	Present-to-future focussed	Provides for openness to challenges and a willingness to expend effort on the pursuit of a goal (perhaps because of the expected return on that investment)
Hope	Future focussed	Provides goals and desire to attain those goals (implying a link to motivation), as well as planning or strategic response to enable the attainment of those goals
Optimism	Future focussed	Provides buffers between negative impact of unfavourable events and (a persistently positive) expectation for the future, and enhances or capitalises on the positive impact of favourable events
Resilience	Past-to-present focussed	Provides for recovery from previous or present unfavourable events or stressors and maintains (or exceeds) the status quo

The difference between the factors of psychological capital is very subtle but each factor when added becomes a unique value which can be measured. Take an example of hope and optimism which are closely related but when measured in totality can give unique value.. Further, hope and optimism are related to each other as internal resources through which one can achieve the desired targets. However, the difference in the two existed as hope is more future oriented (for both short and long term targets and strategies) and optimism is more present oriented towards various challenges. Also, hope is having internal oriented

motivation to achieve targets and optimism is preparing oneself for the present and future challenges, which is external driven motivation.

The same difference between self-efficacy and optimism is very subtle. According to Scheier and Carver(2003), in self-efficacy the individual's self is defining agent, thus for a successful outcome the internal resources of the individual is to be judged for the outcome. But in the case of optimism, an individual can be confident of the positive outcome and they need not to be internal. Also, self-efficacy is an intention to take actions to meet the challenges whereas optimism is only a future orientation for the challenge. Thus, even with these subtle distinctions, the psychological capital determinants when taken into totality give a unique advantage in measuring the value of the organization along with human and social capital.

Need of the study

The rise and growth of banking sector has made it imperative now to study these positive psychological behaviours in the organization to increase efficacy among employees. As Indian banking sector is undergoing through dynamic changes to become a world leader, the need to study these concepts have become necessary. Psychological capital has emerged as a new concept in the field of human resource management. The psychological capital and its dimensions are need to be measured at an individual level and at the organizational level. The organization's productivity and its efficacy are affected by employees' psychological capital which is reflected in the behaviour of employees. In Indian context no major research has been done as compared to other countries especially in the field of psychological capital and employee behaviour. Further, the studies which have been done are not related to Indian banking sector. Thus, this study, intended to measure the psychological capital and its dimensions among the employees in banking sector in India.

Research objectives

To study the psychological capital and its dimensions viz. hope, optimism, self-efficacy and resilience of the existing employees in the select banks.

Scope of the research study

The research study is on Indian banking sector and northern region banks are covered under its scope. In total the research study has included seven banks i.e. SBI, two associate

banks of SBI, three nationalized banks and three private sector banks. The various employees who are working at managerial position in the above banks would be sample frame for the research study. The various banks included in the study are majorly taken from the states of Punjab, Haryana, Chandigarh and Himachal Pradesh. The banks were selected according to their rank as per the list given in the RBI bulletin for the year 2015-16 according to their deposits as per Annexure II.

Research design

The determinants of the variables to be studied in the present research study are psychological capital and its dimensions viz. hope, optimism, self-efficacy and resilience

Population and sample size

The managers who are working at various managerial levels in the banks in the states of Punjab, Haryana, Chandigarh and Himachal Pradesh are taken as population of the study. A sample of 474 respondents working at various managerial levels in the banks is the sample size of the research study.

Source of the Data

The data collection has been done from the primary as well as secondary sources. A questionnaire was given to the employees of the banks and the responses become the primary source of the study. The data collected from various books, journals, documented reports, online resources, researches done on the variables etc. become the secondary source of the data.

Data collection tools

To collect the data from the various respondents a standardized questionnaire of psychological capital (PsyCap-24) by (Luthans et al., 2007) was employed to the employees of the various banks under the study.

Descriptive analysis of the psychological capital and its dimensions among the employees of the selected banks under study

Psychological capital: Description of the scale: PsyCap was measured on a rating scale of one to seven, with one suggesting a low score on PsyCap and seven suggesting a high score.

For ease of interpretation, the mean scores were calculated and plotted against the scoring key to indicate the level of PsyCap, as follows:

≤56 = Low score on PsyCap or PsyCap dimension
57 – 112 = Medium score on PsyCap or PsyCap dimension
>112 = High score on PsyCap or PsyCap dimension

The scoring key for the self- efficacy, hope, resiliency and optimism dimensions of the psychological capital is, as follows:

≤14 = Low score on PsyCap dimension
15 – 28 = Medium score on PsyCap dimension
>28 = High score on PsyCap dimension.

Table 2: Descriptive statistics for scores of psychological capital and its dimensions

	N	Mean	Median	Std. Deviation	Skewness	Kurtosis	Minimum	Maximum
Self-efficacy	47	32.43	33.00	5.17	-0.95	1.99	8.00	42.00
Hope	47	32.13	33.00	5.02	-1.07	2.59	6.00	42.00
Resiliency	47	30.81	32.00	5.30	-1.08	1.85	7.00	40.00
Optimism	47	31.45	32.00	4.70	-0.97	1.94	7.00	40.00
Psychological capital	47	126.83	129.00	16.95	-1.12	3.01	28.00	160.00

As can be seen in Table 2, the mean score for the psychological capital (126.83) falls into the high range suggesting that, on average, the employees score high on psychological capital. This is supported by a median of 129.00. It is seen that for the most part, the employees have high levels of psychological capital. Further, the mean scores of four of the psychological capital dimensions were namely self-efficacy (32.43), hope (32.13), resilience (30.81) and optimism (4.15). The psychological capital in total and all the four dimensions of

psychological capital negatively skewed. With all the skewness coefficients displaying negative signs, it is an indication of a negatively skewed distribution, which in this instance means that respondents tended to score on the high side.

Table 3: Frequency distribution of scores of psychological capital

		Frequency	Percentage
Psychological capital Level	Low Score	1	.2%
	Medium Score	81	17.1%
	High Score	392	82.7%
	Total	474	100.0%

The frequency distribution Table 3 supports the first descriptive statistics table giving information about psychological capital level of employees. Looking at the mean value it is referred that the majority of employees are at high percentage 82.7%, 17.1% employees are at medium level and .2% are at lower level of psychological capital.

Frequency distribution of scores of the dimension of psychological capital i.e. self-efficacy

The frequency distribution Table 4 supports the first descriptive statistics table giving information about the self-efficacy dimension of psychological capital level of employees. Looking at the mean value it is referred that the majority of employees are at high percentage 80.4%, 19.0% employees are at medium level and .6% are at lower level of self-efficacy dimension of psychological capital.

Table 4: Frequency distribution of scores of self-efficacy

		Frequency	Percentage
Self-efficacy level	Low Score	3	.6%
	Medium Score	90	19.0%
	High Score	381	80.4%
	Total	474	100.0%

Frequency distribution of scores of the dimension of psychological capital i.e. optimism

The frequency distribution Table 5 supports the first descriptive statistics table giving information about the optimism dimension of psychological capital level of employees. Looking at the mean value it is referred that the majority of employees are at high percentage 77.8%, 21.7% employees are at medium level and .4% are at lower level of self-efficacy dimension of psychological capital.

Table 5: Frequency distribution of scores of optimism

		Frequency	Percentage
Optimism level	Low Score	2	.4%
	Medium Score	103	21.7%
	High Score	369	77.8%
Total		474	100.0%

Frequency distribution of scores of the dimension of psychological capital i.e. hope

The frequency distribution Table 6 supports the first descriptive statistics table giving information about the hope dimension of psychological capital level of employees. Looking at the mean value it is referred that the majority of employees are at high percentage 81.2%, 18.1% employees are at medium level and .6% are at lower level of hope dimension of psychological capital.

Table 6: Frequency distribution of scores of hope

		Frequency	Percentage
Hope level	Low Score	3	.6%
	Medium Score	86	18.1%
	High Score	385	81.2%
Total		474	100.0%

Frequency distribution of scores of the dimension of psychological capital i.e. resilience

The frequency distribution Table 7 supports the first descriptive statistics table giving information about the resiliency dimension of psychological capital level of employees. Looking at the mean value it is referred that the majority of employees are at high percentage 73.4%, 25.1% employees are at medium level and 1.5% are at lower level of resiliency dimension of psychological capital.

Table 7: Frequency distribution of scores of resilience

		Frequency	Percentage
Resilience level	Low Score	7	1.5%
	Medium Score	119	25.1%
	High Score	348	73.4%
Total		474	100.0%

Conclusion

The mean score for the psychological capital (126.83) falls into the high range suggesting that, on an average, the employees working in the banking sector are having score high on psychological capital. This is supported by a median of 129.00. It is seen that for the most part, the employees have high levels of psychological capital. Further, the mean scores of four of the psychological capital dimensions were namely self-efficacy (32.43), hope (32.13), resilience (30.81) and optimism (4.15). The psychological capital in total and all the four dimensions of psychological capital negatively skewed. With all the skewness coefficients displaying negative signs, it is an indication of a negatively skewed distribution, which in this instance means that respondents tended to score on the high side. One of the practical implications of psychological capital is identifying the employee's strengths and use them to increase and sustain their respective wellness levels in the organization. A better healthy work environment in the terms of effectiveness and efficiency can be achieved when psychological capital is applied accurately where the employees get an opportunity to use their skills in the organization. By changing the working conditions the organization may increase the stress level of its employees if there is lack of support by the organization in achieving goals by the employee.

Limitations of the Study

In the research the researcher has to design the research in such a way that all the possibilities are taken into account so that the planned objectives are successfully attained with minimum error and better applicability. The intervening variables are controlled in the research by designing a research plan which minimizes the effect of intervening variables. However in every research there are some limitations which cannot be controlled as the research is done on the working population in banking sector only which limits its generalization on general population and the present study has dealt only with the effect of positive variables and ignores the effect of negative variables. Lastly, the sample size of the research study is taken only from the banking sector in Northern India and an effort to study psychological capital of employees was made. The variables should be studied on larger sample for better generalization and applicability.

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