

Impact of Psychological Capital on Job Performance and Satisfaction

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ABSTRACT

The study aims to investigate and assess the impact of psychological capital on employee happiness and job performance, using mediating characteristics such as job happiness and job security, competency, commitment, and passion. The study's main conclusions include making recommendations to researchers on resource conservation and understanding the notion of psychological capital to improve employees' job performance. Employee job performance is boosted through psychological capital. The link between psychological capital, employee happiness, and job performance is complex. They were investigated in this study using secondary data. Business executives have worked hard to improve their competitive climate and boost staff productivity.

As a consequence of the research, it was discovered that satisfied employees were observed more favorably than dissatisfied employees, resulting in a significant contribution to the organization's growth. As a result, every firm must use numerous approaches and ways to encourage and satisfy their personnel to achieve high performance and growth.

KEY WORDS: *Psychological capital, well-being, Job performance, Job satisfaction*

INTRODUCTION:

Psychological capital is defined as "a person's optimistic view of their situation and the likelihood of success based on hard work and tenacity." Psychological capital is a type of psychological skill specific to specific situations or activities and can change over time. Psychological capital is a multifaceted concept related to a person's healthy psychological development. The word "psychological capital" refers to a set of characteristics that an individual possesses (Luthans et al., 2007), Having the confidence (self-efficacy) to take on and put in the necessary effort to succeed at complex tasks.

- Assigning a positive attribution (optimism) about current and future success.
- Persisting in achieving goals and, as required, diverting paths to goals (hope); and
- Maintaining and bouncing back (resiliency) when faced with obstacles and hardship to attain success.

How to cite this paper: Arpita Shukla | Dr. Javed Alam "Impact of Psychological Capital on Job Performance and Satisfaction" Published in International Journal of Trend in Scientific Research and Development (ijtsrd), ISSN: 2456-6470, Volume-6 | Issue-4, June 2022, pp.1339-1345, URL: www.ijtsrd.com/papers/ijtsrd50316.pdf



IJTSRD50316

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Both employers and employees profit from psychological capital. Employees who have a high psychological capital perform better than their counterparts. Employers place high importance on employee performance, as we all know! According to the findings, organizations should help employees improve their psychological capital. While more research is needed, we know that supervisory support and company culture can benefit. Employees with a positive work environment and helpful bosses will have more outstanding psychological capital and perform better.

The success with which a person fulfills their tasks determines the quality of their work performance. Physical demanding tasks, employee happiness, mental stress, working more hours, training, and innate aptitude all affect productivity. A pathetic work environment and higher stress levels can result in harmful behaviors such as smoking and consuming

poor food, which can hurt employee performance. Individuals could perform better in the workplace when they have well-designed work surroundings, are stress-free, and have a friendly boss. Work efficiency and security are affected by employee performance.

Several factors influence job performance, including business development, expansion, and output. A healthy workforce under proper working circumstances increases constant production, lowers the risk of accidents and injuries, and saves money on healthcare costs. Commonly disabling health issues, on the other side, can deplete a company's money and productivity. Being overweight, for example, is indeed a common ailment that increases the risk of stumbling, cardiovascular disease, orthopedic degeneration, and even loss of hearing.

To some extent, examinations like fitness for work and personality tests can aid in predicting an employee's employment success. However, various factors influence real-world work performance, and such factors may not be evident until after it has begun to impact performance negatively.

Literature Review

Psychological capital (PsyCap) is a term that describes a person's positive psychological assets as one such characteristic that has the potential to influence both innovation and stress. It can also be the most significant reservoir of psychological resources that can help with effective job idea invention and stress reduction. PsyCap is made up of four components that are derived from positive organizational behaviors: hope, efficacy, resilience, and optimism. PsyCap has been linked to several critical employment outcomes, including job performance, organizational commitment, job satisfaction, and the likelihood of turnover.

One of the most significant subjects in the literature on organizational behaviors is job performance. Both managers and scholars are interested in it because of its critical significance in organizational success. As a result, it's critical to comprehend the procedures that impact work performance. This study intends to contribute to the existing learning body by elucidating the connection between job performance and organizational and individual factors. (Tüzün et al., 2018).

Psychological capital affects managers' job effectiveness directly and indirectly mediated through the Work attractiveness, quality of life at work, and job performance. (Tho et al., 2014).

Managerial coaching has a positive impact on job performance and team commitment. Psychological capital was found to be a significant mediator in the

links between management coaching and job performance and the relationship between executive coaching and team commitment. (Hsu et al., 2019).

Psychological Capital (PsyCap) & Job Satisfaction

The contribution of PsyCap to job fulfillment may be instrumental in establishing a better comprehension of the positive function attitude in the workplace. The significance of this relationship has been postulated for two reasons. For starters, work satisfaction has long been acknowledged as emphasizing the intrinsically compelling aspects of the profession. On the other hand, the plethora of contextual elements in the corporate environment is likely to impact other attitudinal and behavioral consequences. Given that this is the initial investigation to use psychological capital, it appears muchly reasonable to focus on psychological capital for more immediate results before moving on to a variety of other consequences that are likely to occur and impacted by those environmental variables second, among the most potent known correlations between work happiness and job performance is job satisfaction. Because objective performance is scarce and various businesses use indicators, job fulfillment can be a valid alternate result indicator.

PsyCap can improve employee work satisfaction through a variety of techniques. To begin, work satisfaction comprises favorable overall assessments of the task, happiness with the work involved, and emotions of achievement because of performing that particular job. PsyCap can help employees positively perceive their situation and boost their projected likelihood depending on the agency's success, drive, persistence, and endeavor. As a result, PsyCap may significantly improve Egyptian workers' job happiness by improving their assessments of their roles, responsibilities, and accomplishments. Low PsyCap, on the other hand, would result in negative evaluations and expectations, reduced intrinsic motivation, and a simultaneous concentration on extrinsic rewards like compensation, working environment, and job stability, most of which have been compromised extensively and are controlled and now threatened by the post-revolution transitory economic.

Well-being

Employee well-being relates to how a person's employment, expectations, and work environment influence their overall health and happiness.

Even if you treat your employees like gold, they may not feel well. Even if your company has well-defined goals or whether you provide people money, incentives, or titles. Not everyone, but some

employees will be unhappy. It's because there are so many aspects to happiness.

Building psychological capital i. e. efficacy, resilience, hope and optimism in the workplace helps in improving the employee well-being by minimizing stress level, mental illness, emotional, physical and economic health of the employees. It is influenced by various factors like their relationship with co-workers, the decisions they make and the tools and resources they have access to. Hours, pay, and workplace safety also have a significant impact on wellbeing.

The following are a few dimensions of employee happiness:

1. Psychosocial well-being
2. Emotional health
3. Health of the environment
4. Physical health
5. Workplace health

Job Performance: How well people do their tasks is used to assess their work performance. Physically demanding activities, employee motivation, anxiety, long working hours, learning, and innate talent are all factors that affect job success in the workplace (such as skill or an intrinsic proficiency with numbers). Poor working conditions and high levels of stress can result in bad habits like smoke and consuming a poor diet, which can negatively impact employee productivity. Well-designed work environments, minimal anxiety, and a helpful employer, and from the other hand, can help employees become more productive at their work. Job performance has a significant impact on workplace productivity and safety.

Individuals who have high level of psychological capital i.e. efficacy, resilience, hope and optimism

Data Analysis & Interpretation:

Working Conditions Play an Important Role in Measuring Job Performance.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	75	48.1	48.1	48.1
	Disagree	2	1.3	1.3	49.4
	Neutral	5	3.2	3.2	52.6
	Strongly agree	72	46.2	46.2	98.7
	Strongly disagree	2	1.3	1.3	100.0
	Total	156	100.0	100.0	

This table depicts that most respondents agreed that working conditions play an essential role in measuring job performance.

were found to experience positive impact on their job performance. Job performance is positively related with psychological capital and employee provide their best in the organization which leads to success and growth. Due to presence of psychological capital in the organization, employee performs well and satisfy with their job and duties assigned to them.

Objectives

- To determine the role of psychological capital on employee job performance in various organizations.
- To understand the importance of psychological capital on job satisfaction in different organizations.

Methodology

The poll gathered data from 156 full-time employees from a variety of companies. Among the enterprises identified are A drug manufacturer, two oil and gas companies, a candy store, a food processing plant, an auto assembly line, a company finance company, a telecommunication services provider, and info tech company, a public institution, and a private organization were among the businesses that were targeted.

The Psychological Capital Questionnaire, which has been widely utilized in contemporary PsyCap research, can be used to quantify PsyCap.

Data collection

A survey questionnaire form was created and sent to 200 people online using their

E-mail Id, social media platforms, etc. Out of which 156 responses have been received, data analysis has been done using SPSS software. Primary data is collected in questionnaires, and secondary data is collected from Journals, newspapers, books, etc.

Anxiety Is Connected with Employees Performance in An Organization.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	48	30.8	30.8	30.8
	Disagree	2	1.3	1.3	32.1
	Neutral	12	7.7	7.7	39.7
	Strongly agree	92	59.0	59.0	98.7
	Strongly disagree	2	1.3	1.3	100.0
	Total	156	100.0	100.0	

This table depicts that most respondents strongly agreed that anxiety is connected with employee performance in an organization.

Employee Performance Is Affected Due to Employee Recognition.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	62	39.7	39.7	39.7
	Disagree	3	1.9	1.9	41.7
	Neutral	11	7.1	7.1	48.7
	Strongly agree	76	48.7	48.7	97.4
	Strongly disagree	4	2.6	2.6	100.0
	Total	156	100.0	100.0	

This table depicts that most respondents agreed that employee performance is affected due to employee recognition.

Employee Job Competency May Motivate Employees to Delivering Best Performance from His/her Side.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.0	15	9.6	9.6	9.6
	2.0	100	64.1	64.1	73.7
	3.0	15	9.6	9.6	83.3
	4.0	15	9.6	9.6	92.9
	5.0	11	7.1	7.1	100.0
	Total	156	100.0	100.0	

This table depicts that the majority of the respondents agreed that employee job competency motivates them to deliver the best performance in an organization.

As per your opinion, a Heavy workload can significantly impact employee Job Performance in an organization?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	57	36.5	36.5	36.5
	Disagree	6	3.8	3.8	40.4
	Neutral	7	4.5	4.5	44.9
	Strongly agree	81	51.9	51.9	96.8
	Strongly disagree	5	3.2	3.2	100.0
	Total	156	100.0	100.0	

This table depicts that most of the respondents strongly agreed that heavy workload significantly impacts employee job performance in the organization.

Your organization pays more attention to psychological capital when developing human resources.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.0	15	9.6	9.6	9.6
	2.0	102	65.4	65.4	75.0
	3.0	21	13.5	13.5	88.5
	4.0	13	8.3	8.3	96.8
	5.0	5	3.2	3.2	100.0
	Total	156	100.0	100.0	

This table depicts that most respondents pay more attention to psychological capital when developing human resources.

Have you ever faced a stressed situation due to the working environment of an organization?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Maybe	52	33.3	33.3	33.3
	No	13	8.3	8.3	41.7
	Yes	91	58.3	58.3	100.0
	Total	156	100.0	100.0	

This table depicts that majority of the respondents agreed that they had faced stressful situations due to the working environment of an organization.

Hope, Efficacy, Resilience, Optimism, and other psychological capital play a vital role in improving job performance and satisfaction.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.0	16	10.3	10.3	10.3
	2.0	100	64.1	64.1	74.4
	3.0	25	16.0	16.0	90.4
	4.0	9	5.8	5.8	96.2
	5.0	6	3.8	3.8	100.0
	Total	156	100.0	100.0	

Most respondents agreed that psychological capital is crucial in enhancing job performance and job happiness, as seen in this table.

What Is the Quality of The Employee's Work and Performance?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Average	37	23.7	23.7	23.7
	Below average	2	1.3	1.3	25.0
	Excellent	9	5.8	5.8	30.8
	Good	107	68.6	68.6	99.4
	Poor	1	.6	.6	100.0
	Total	156	100.0	100.0	

This table depicts that most replies rated Good about the quality of the employee's work and performance.

Findings:

- The findings shows that psychological capital has positive relationship with job satisfaction and job performance.
- Job satisfaction has a favourable influence on job performance as well.
- A good working environment motivates employees to perform their best in the organization.
- Employee performance has been declined due to anxiety at the workplace.
- Employee recognition plays a crucial function in delivering exemplary performance in the organizations.
- Heavy workload in the organization has a significant impact on employee performance and will tend to decline.
- The stressed situation faced by the employee in the organization hurts the employee's performance.

Recommendations

According to the study's suggestions, managers may improve employee performance by increasing psychological capital and job happiness. Despite the fact that many managers in the United States are unfamiliar with the concept of positive psychological capital, they perceive it as a tool that can help workers improve their quality of work life. Recognizing about the psychological capital, designing a survey questionnaire to determine its degree based on work and industry characteristics, conducting annual evaluations, and organizing short-term psychological training classes for employees are some of the measures that managers might take. Furthermore, to improve employees' job performance, managers should implement efficient two-way internal communication activities that mix and match employees' requirements, working goals, and assigned tasks on a personal level.

More research is needed to investigate the link between psychological capital, employee job effectiveness, and other specific employee behaviours. Psychological

capital should also be explored at personal, team, and organizational levels. Managers will be able to make better managerial decisions based on the more specific information received from these study results, which will assist them in increasing employee work performance and productivity.

Conclusion

According to this study, the more psychological capital is engaged and deployed, the higher the increase in employee engagement; psychological capital has a favorable and significant impact on employee engagement. Increasing employee job satisfaction boosts organizational productivity in the economy, just as psychological capital influences employee performance positively and significantly. Employee engagement is related to performance. The higher the degree of engagement and the deeper the engagement, the better the performance. Higher levels of job satisfaction among employees in firms are almost certain to increase employee performance. The more satisfied people are with their occupations, the more likely they will contribute to the organization's success.

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