

**THE IMPACT OF DEMOGRAPHY ON PSYCHOLOGICAL CAPITAL:  
AN EMPIRICAL STUDY IN INDIA**

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**Abstract**

*Purpose-*Most of the research conducted in the western nations found a relationship between psychological capital and gender. This assumption has been tested empirically in this paper in the Indian scenario. *Design-* Using a cross sectional field study design, the authors collected responses of 398 employees in India. Judgmental sampling was used for the research. Employees from the 3 manufacturing and 3 service sector companies participated in the study. *Psycap* was measured using the 16-item scale created by Gupta and Singh (2004) which captured the dimensions hope, optimism, resiliency and self-efficacy. The computed internal consistency reliability for this measure was 0.70 using coefficient Alpha.

*Findings-* Male employees experienced higher hope as compared to female employees. Female employees experienced higher optimism, resiliency and self-efficacy. The statistical significance of the difference in the means were estimated using the T-test.

*Research limitations/implications-* By conducting the research on a large sample, this study could evaluate the role of gender on *PsyCap*. However, as the data were collected from the same source at one point of time, common method variance is a potential issue.

*Practical implications-* The findings suggest that managers need to focus in developing employees *PsyCap*, if they want to avail the advantages of mindfulness.

*Social implications-* By identifying and then developing employee's *PsyCap*, organizations can help employees to reduce stress, burnout and improve their work life quality.

*Originality/Value-* Using a large sample, this study identifies a relationship between gender and *PsyCap* in the Indian context.

**Keywords:** Psychological Capital, Gender, Hope, Optimism, Resiliency, Self-Efficacy.

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**Introduction**

Organizations globally, want the best of employees to work with them and help them achieve their goals over a long period of time. That means the organizations want to select the best- best in terms of knowledge, skill and attitude. This can help to develop work engagement and subsequently, loyalty over a period of time. But the challenge for the employers is to identify, measure and control all these

among employees. So, it would be wise that one psychological aspect of an individual is chosen which is measurable and have an impact on the above-mentioned variables. The organizations should also be able to train and develop their employees on this psychological aspect.

Psychological Capital is seen to have an influence on citizenship behaviour (Avey et al., 2008), work engagement (Sweetman and Luthans, 2010), increased performance

including employee satisfaction, commitment, and other desirable attitudinal outcomes such as psychological engagement and identification (Cogner & Kanungo, 1988; Hackman & Oldham, 1980; Harter, Schmidt & Hayes, 2002) and turnover intentions (Avey et al., 2009).

Positive organisational behaviour plays a vital role for developing a conceptual and ideological foundation of the positive constructs for psychological capital. The positive constructs are hope, self-efficacy, resiliency and optimism (Luthans, 2002; Luthans & Avolio, 2003; Luthans & Youssef, 2004; Youssef & Luthans, 2007). These constructs are state-like approach and not trait-like approach. All these dimensions are measurable, can be developed and effectively managed for performance improvement in today's workplace (Luthans, 2002).

PsyCap capacities like hope and optimism are sources for generating positive emotions (Snyder et al., 1991). Positive employees are considered to be helpful in creating a positive environment in the organisation. Positive organization environment can increase the comfort level of employees which will have an impact on their personal success thereby, contributing to the achievement of the organization goals.

Turnover intention is considered to be a big threat for organisation. Study by Avey et al (2009) indicates that there is a significant negative relationship between psychological capital and turn over intention which means that employees having higher perception of the components of PsyCap have lower intention to leave. Avey et al (2010) further strengthened this relationship when he established a negative correlation between PsyCap and intention to quit.

With the importance of PsyCap well

established in the literature due to its impact on several work-related attitudes, it is important to understand if the perception of hope, self-efficacy, resiliency and optimism is affected by demography and particularly, gender. This is important as more and more organizations are employing women employees in the workforce. This helps them to develop diversity and obviously, uphold the legal requirements. Studies by Felton et al (2010) and Xiaofei (2006) indicate that there is a difference in perception of some of PsyCap and its dimensions among male and female employees. But these studies have primarily been conducted in the western culture. To the best of researcher's knowledge there is no research using a large sample size, investigating into the role of gender on PsyCap in the Indian scenario.

The current research focuses attempts to find if there is difference in perception of PsyCap among male and female employees in India.

## **Literature Review and Hypotheses Development**

### ***Psychological Capital and Gender***

Organizations as never before, are concerned with the work attitudes of employees as more and more organizations are understanding and appreciating the idea of "hire for attitude and then train for skills". Employee attitude is a functional aspect of employees associated with their concerned organisation or technically it might be interpreted in terms of positivity (desirable aspect) or negativity (undesirable aspect). In order to gain profitability, the organisation lays emphasis upon employees' desirable attitude like job satisfaction, organisational commitment, and job involvement. A number of researches have tested and found relationship between psychological capital and employee attitudes.

PsychCap is defined as a positive state of development characterized by self-efficacy, hope, resiliency, and optimism (Luthans, Avolio, Avey, et al., 2007). PsychCap has arguably been described as a multidimensional construct but the core construct of PsychCap has been observed to account for more variance in predicting outcomes as opposed to each individual component (Law et al 1998, Luthans 2007). Luthans et al (2007) suggested that the employee having high Psychological capital state-like constructs of optimism, hope, self-efficacy and resiliency perceive more satisfaction and display more organisational commitment (Luthans et al., 2008). A study conducted by Cetlin (2011), found psychological capital to be positively related to job satisfaction attitudes and organisational commitment. Avey's et al., (2008) study revealed that psychological capital is significantly related to positive emotion and employee engagement which in turn plays an important recourse which is associated with the desired attitude of an organisation.

Costa et al (2001) analyses of over 23,000 respondents from 26 different cultures revealed that personality differences across genders do exist. Personality of employees has been found to predict burnout and work engagement (Langelaan, 2006; Bakker 2012), Organization Citizenship behavior (Mahdiun, 2010) and job performance (2012). So one can assume, that there will be a difference in perception of PsychCap among male and female employees.

*H<sub>01</sub>: There is a difference in perception of Psy Cap among male and female employees in India.*

### ***Hope and Gender***

Hope is considered to be an important component of psychological capital. It is considered to be a state-like construct, which involves development of clearly

defined goals, along with the perceived capacities to produce the routes to achieve those goals. Therefore, both agency (goal directed energy) and pathways (planning to meet goals) are considered important components of hope (Snyder et al, 1991). Youssef's (2004) study on managers found that there was a positive influence of hope on job attitudes like job satisfaction, work happiness, and organisational commitment. Hopeful employees can be expected to display show consistent attachment to their work which can result in increased performance including commitment, employee satisfaction and other desirable attitudinal outcomes such as identification and psychological engagement (Hackman & Oldham, 1980; Cogner & Kanungo, 1988; Harter, Schmidt & Hayes, 2002). Othman & Nasurdin (2011) in their study found hope to be a predictor of work engagement. Hopeful employees can be expected to have a better at understanding or imagining the multiple pathways in order to reach the goal. Avey's et al., (2010) study also inferred that employee with high in hope capacity actually have reduced perceived need to quit the work place.

Ferguson's (2006) cross-sectional study revealed that adolescent girls were more hopeful and reported higher spiritual well-being than age the boys. He revealed gender may influence adolescents' levels of hope, spiritual well-being, religious well-being, and existential well-being as they cope during the cancer experience.

*H<sub>02</sub> : There is a difference in perception of hope among male and female employees in India.*

### ***Optimism and Gender***

Optimism is a state-like construct of psychological capital. Seligman (2010) defined optimism as causal attribution to explain positive and negative experiences or events. Optimism can be further classified into two forms - learned

optimism (Seligman, 1998) and dispositional optimism (Scheier & Carver, 1985). Learned optimism can be defined in terms of distance between negative outcomes (past) and positive outcomes (future). That means the individual always tries to maintain distance from past and links himself positively to the future, called optimism. Dispositional optimism can be loosely defined as “how far one believes one can go”. Scheier and Carver (1985) defined dispositional optimism as an expectation that more good and desirable things will happen than bad things in the future.

Youssef & Luthans (2007) research suggest that optimism was related significantly to work happiness, employee performance, job satisfaction, and organisational commitment. Indian psychologists Ramchandran & Krishnan, (2009) found affective and normative commitment was significantly positively related to transformational leadership. Literature on positive organization behavior support the relationship between optimism and employee performance and their consistent engagement (Jensen, Luthans, Lebsack, & Lebsack, 2007). reported that Optimistic employees have more perseverance when they face obstacles (Stajkovic and Luthans, 1998). These people do not quit easily as they look into the brighter side of the future.

Xiaofei's (2006) research results showed that the gender difference generally exists in optimism and risk-taking tendency of an individual. Felton, et al (2010) research examined the role of gender and optimism on the riskiness of investment choices of students. Data suggested that males make more risky investment choices than females, and that this difference was primarily due to the riskier choices of optimistic males. So, the researcher can assume that the perception of optimism can vary among male and female employees.

*H<sub>03</sub> : There is a difference in perception of optimism among male and female employees in India.*

### ***Resiliency and Gender***

Block & Kremen (1996) inferred that positive emotion is an important determinant of resilient people. They have greater ability to rebound from negative circumstances, especially when they recognize threats (Masten, 2001). Luthans (2002) defined resiliency as the capacity of the individual to adapt positively to the different negative environmental occurrences like conflict, adversity, difficulty and failure or positive events with individual like increased status and responsibility. It is a process of positive adaption to the different adversities and risk (Masten and Reed, 2002). In the dynamic business environment, resiliency in an employee is one of the most desired attitude sought after by the employers. It has an influence on the employee performance in the workplace (Coutu, 2002; Waite & Richardson, 2004; Luthans et al., 2005; Luthans et al, 2006;). Literature supports the fact that resiliency is positively related to job satisfaction, organisational commitment and work happiness (Youssef & Luthans, 2007; Pepe, 2011). Othman & Nasurudin's (2011) research on staff nurses indicated positive relationship between resiliency and work engagement.

Thurnton et al (2006) and Wagner (2001) reported a significant relationship between gender and resiliency. Susan (2006) in his research in the western context reported boys were less resilient than girls in adolescence. Individual differences in boys' resiliency levels were more stable over the 13-year span than girls'. To the best of researcher's, no research has been conducted to explore the relationship between gender and resiliency in the Indian context.

$H_{04}$  : *There is a difference in perception of Psy Cap among male and female employees in India.*

### ***Self-Efficacy and Gender***

Bandura (1997) defined self-efficacy as “people’s belief in their capabilities to produce desired effects by their own actions”. Stajkovic and Luthans (1988) meta-analysis work displayed a strong relationship between self-efficacy and job-related performance. In a study conducted in India by Sinha et al (2002), it was observed a positive relationship between organisational commitment and self-efficacy. Employee’s self efficacy is positively related to many work attitudinal outcomes like organisational commitment, job satisfaction and preparedness for organisational change (Schyns & Collani, 2002, Schyns, 2004;).

Durndell (2000) studied 200 Romanian and 148 Scottish students who completed a computer self-efficacy scale. Overall males were more confident than females in advanced and file and software computer skills, but of similar confidence for beginning skills. Scots of both genders were more confident than their Romanian equivalents for beginning computer skills, whilst Romanians were more confident for advanced computer skills. Wilson’s (2007) study on the effects of entrepreneurship education in MBA programs revealed stronger entrepreneurial self-efficacy for women as compared to men.

$H_{05}$  : *There is a difference in perception of self-efficacy among male and female employees in India.*

### ***Need and Rationale***

The importance of investigating the link between demographic variables and PsyCap in empirical research has been suggested by Avey, Nimnicht and Pigeon

(2010). Previous empirical studies have also indicated male-female differences in levels of hope, optimism, self-efficacy and resiliency with contradicting results. This finding may offer suggestive evidence that there may be gender differences in the levels of PsyCap and its components.

Most of the empirical studies on PsyCap have been conducted in the western context and limited attention has been paid to the exploration of this construct in other cultural contexts. Therefore, the present study attempts to understand the contextual applicability of PsyCap in Indian organizations.

### **Research Methodology**

#### ***Sampling Design***

Judgmental sampling was used for the research. Employees from the 3 manufacturing and 3 service sector companies participated in the study. Only those respondents were considered who had a minimum of 6 months of work experience. The data was collected from employees working in manufacturing and service sector in the India. The data was collected in the months of July and August 2017.

Participation in the study was voluntary; employees were informed that the study was for research and their response would be anonymous. Participants responded to a questionnaire of 16 items on a 5-point Likert scale ranging from *strongly disagree* to *strongly agree*.

The sample size is 398. In terms of age, most samples were less than 35 years (85%). 69% of the respondents were male, 93% of the them were having at least graduates and 53% were married. most of the respondents fall into the category of Non- Managers (61%) having less than 5 years’ experience (76%).

**Methods of Data Collection**

PsychCap was measured using the 16-item scale created by Gupta and Singh (2004) which captured the dimensions hope, optimism, resiliency and self-efficacy. The questionnaire comprised of 4 items each measuring optimism and self-efficacy, 3 items for measuring hope and 5 items for resiliency. Example items are “I’m optimistic about my future” (optimism), “I am highly skilled at my work” (self-efficacy), “There are lots of ways to overcome any problem” (Hope), and “My belief in myself gets me through hard times”( resiliency). Employees were asked to mark the extent to which they agreed or disagreed with the statements concerning their behavior on a 5-point Likert scale ranging from 1(strongly disagree) to 5 (strongly agree). The computed internal

consistency reliability for this measure was 0.70 using coefficient Alpha.

A questionnaire using Google form was prepared for the respondents, where the views of employees were collected. The questionnaire was distributed to all the employees and the responses were collected from them. There was a personal interaction held with the HR in order to get more clear view.

**Statistics**

Descriptive statistics and T Test were used to test the hypotheses in Microsoft Excel Version 2010 and SPSS Version 17.

The Kolmogorov-Smirnov significance values of Psychological Capital (0.216) are greater than 0.05, indicating that the data is normal and thus ensuring the implementation of parametric tests.

**Results**

**Table 1: Descriptive Statistics**

	<i>Mean</i>	<i>Std Dev</i>	<i>PsyCap</i>	<i>OPTIMISM</i>	<i>SELF EFFICACY</i>	<i>HOPE</i>	<i>RESILIENCY</i>
PsyCap	58.87	6.84	1				
OPTIMISM	15.83	2.44	0.67	1			
SELF EFFICACY	15.51	2.72	0.70	0.21	1		
HOPE	12.01	1.98	0.64	0.31	0.30	1	
RESILIENCY	15.52	2.75	0.75	0.34	0.35	0.30	1

**Table 2: Gender-wise Mean Values of the Variables**

	<i>PsyCap</i>	<i>OPTIMISM</i>	<i>SELF EFFICACY</i>	<i>HOPE</i>	<i>RESILIENCY</i>
Male	58.94	15.81	15.55	12.02	15.52
Female	58.74	15.89	16.05	11.99	15.59

The perception of PsyCap is higher among males (mean=58.94 ) as compared to females (mean= 58.74) . But there was a not a significant difference in the means of the perception of PsyCap among males (M=58.94, SD= 7.14) and females (M= 58.74, SD= 6.18) ;  $t(272)=0.28$ ,  $p = 0.77$ .

The perception of PsyCap is higher among males (mean=12.02) as compared to outcomes”. *Journal of Organizational Behavior*, 30, 173-191.

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