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# THE PSYCHOLOGICAL CAPITAL AS PREDICTOR FOR ORGANIZATIONAL COMMITMENT AND OCCUPATIONAL STRESS

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KEYWORDS	ABSTRACT
Psychological Capital, Organizational Commitment and Occupational Stress	The employees' psychological capital, characterized by constructs of positive-psychology (hope, courage, optimism, resilience), has effects on the organizational behavior and performance. These abilities help employees to enhance their commitment and manage occupational stress. These positive and negative relationships of the psychological capital with the commitment and occupational stress were tested empirically using primary school teachers in the schools of District Bakhar. Based upon the 'positivist' philosophy, 'scientific methods' including survey approach and statistical analysis were used to test hypothesis generated from literature over the thematic-analysis. The findings are supportive: psychological capital has emerged as the strong predictor of both commitment and occupational stress; both positive and negative links of predictor with criterion variables were established with significance; Demographic impacts on respondents' opinion is critical and significant showing decisive implications for the stakeholders.

# **INTRODUCTION**

The psychological capital (self-efficacy, optimism, hope and resilience) is reported the ability of employees which creates organizational commitment as well as helps managing occupational stress (Seligman & Csikszentmihalyi, 2000). By the end of 1990's, positive psychology emerged through a research by Seligman and colleagues under the umbrella of organizational behavior (Seligman, Steen, Park & Peterson, 2005). The positive psychology diverted attention towards positive-organizational-behavior in work environment and emphasized to measure and manage the employees' psychological powers instead of their weaknesses (Avey, Reichard, Luthans & Mhatre, 2011; Luthans, Avey, Avolio & Peterson, 2010). The psychological capital is defined as investigating those processes which produce positive attitudes, feedback, and criticism and

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thereby contribute to the development of individual employees and groups (Bergheim, Eid, Hystad, Nielsen, Mearns, Larsson & Luthans, 2013; Petersen, 2015). Besides these studies found evidence connecting PsyCap with improved psychological and physical well-being and reduction of occupational stress (Lee, Chou, Chin & Wu, 2017).

The psychological capital is positively linked with the organizational commitment due to the development in their positive psychology of hope, optimism, self-efficacy and resilience (Kong, Tsai, Tsai, Huang & Cruz, 2018). During last three decades, research has been undertaken to understand nature and consequences of organizational commitment (Jena, 2015). Employee commitment is critical because higher levels of the organizational commitment motivate to a number of workplace outcomes. The research tells that commitment is negatively related to turnover, absenteeism, and negative behavior while positively associated with motivation, job satisfaction, and organizational citizenship behaviors (Giri, Nimran, Hamid & Musadieq, 2016). Further, research shows that positive correlation between workplace commitment and the job performance. Lower levels of commitment have also been associated with lower morale and reduced altruism (Manivannan & Kathiravan, 2016). Non-committed employees describe the workplace negatively to outsiders thereby constraining the organization's ability to hire quality workforce/employees (Rustamadjia & Zulkifli, 2018).

Stress causes (demands/stressors), consequences (distress/eustress), and modifiers create the psycho-physiological construct known as the stress response. Emergency response was coined as the label for the combined mind and body actions called stress response. Stress is a risk factor for several health disorders and diseases (Jehangir, Kareem, Khan, Jan & Soherwardi, 2011). The literature revealed that stress is also caused the lower performance and lower commitment on the part of the employees in the organizations. The discussions on occupational stress was initiated in 1980s as one of the critical occupational health problems in the United States and throughout Western nations (Malik & Noreen, 2015). Occupational stress is directly associated with leading causes of death across the globe with cardiovascular disease as the leading cause for both male and female employees (Malikeh & Rahele, 2013). The stress in the workplace is a risk factor for the health disorders however, it can be manageable with the positive psychology (Kassa, Afenigus, Meteku, Mengisitie, Telila, 2017).

# LITERATURE REVIEW

# **Psychological Capital**

The psychological capital emerged as the consequence of a distinct research by Seligman et al. (2005) initiated in the context of 'positive psychology.' It was a shift from the investigation of human's psychological weaknesses. The scientific studies were undertaken to explore positive psychological attributes in humans and it was found that groups and organizations can develop

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and succeed (Luthans et al., 2010). In the background of workplace, Luthans suggested the psychological concepts of optimism, self-efficacy, happiness, hope, and resilience to constitute PsyCap. All these concepts fulfill the requirements of positive attitude, theoretically-founded, and flexible to develop, change, and administer in interest of organization (Luthans, Morgan, & Avolio, 2015; Joya & Edan, 2016). Luthans and Youssef combined these states (hope, optimism, resilience, and self-efficacy) into the higher-order concept of 'psychological capital' (Ding, Yang, Yang, Zhang, Qiu, He, Wang, Wang & Sui, 2015).

The construct offers stakeholders a new model for realizing competitive edge through workforce (Kong et al., 2018). The above-cited dimensions of the psychological capital can be measured, developed, and changed as per needs of effective performance (Bergheim et al., 2013). Hope is a positive motivational state, derived from the senses of success to meet goals by streamlining energy toward the goal-achievement (McKenny, Short & Payne, 2013). The optimism contains explanatory behavior of describing the events as external, temporal, and context-specific with positive expectations from future to succeed and develop (Ding et al., 2015). Self-efficacy is to an in-built belief of an individual about his/her abilities to capitalize on the cognitive assets, progressions of functions, and motivation to work as per standards. The resilience is the ability of an employee at workplaces to recover from conflicts, increase in the responsibilities, failures, adversities and challenges (Lee et al., 2017).

## **Organizational Commitment**

The organizational commitment is the readiness of employees to stand with organizational goals and perform as per standard requirements. Commitment is affective, economic and normative in terms of making employees work with interest (Habib, Aslam, Hussain, Yasmeen & Ibrahim, 2014). The employees have some volume of each of these types of commitment. Some employees wish or like working in an organization therefore start working with the affective or emotional commitment which drives them and inspires them to get ready to work attentively (Giri et al., 2016). An employee living for the survival, commits to work for earning the livelihood so, the commitment is more economic. Finally, normative commitment means that when employees feel serving organization as an obligation or personal responsibility to work hard as religious, moral and communal duty (Rustamadjia & Zulkifli, 2018).

The committed employees take interest in their job and have high level of resilience against bad emotional and physical experiences in the workplace due their own and others mistakes or poor performances (Habib et al., 2014). As per the types of commitment, the emotional attachment (affective), the social obligation (normative) and economic consideration (continuance) are the primary factors onto which commitment and its level is founded (Jena, 2015). Most of the employees have some levels of all three types of commitments, however, due to demographic differences, every employee has different level of every mode of commitment (Manivannan &

Kathiravan, 2016). Further, according to Maslow's theory of 'Hierarchy of needs' suggests that humans are motivated to commit themselves to work starting from physical needs over security, social, self-esteem and self-actualization (Giri et al., 2016).

#### **Occupational Stress**

In workplace, occupational stress is also called job/work stress. The Stress can either be positive (eustress) or negative (distress). Some level of eustress is necessary for the motivation and employees' change for development of the organization (Jehangir et al., 2011). In the workplace, stress creates conflict and disagreements for organizations and for employees. The occupational stress was previously more associated with higher levels of the management however, at the moment it is an issue for every employee at any level of work (Malik & Noreen, 2015). Job stress is harmful both physically and emotionally. Stress emerges when job requirements are beyond the potentials of employee. Stress instantly affects the psychological and emotional conditions of the employee. But if the stress conditions continue for long time, physical impacts crop up like, problems of stomach, blood pressure and heart problems (Ahmad & Ashraf, 2016). Every individual processes information in the distinct manner and approaches to deal with the stress (Jehangir et al., 2011).

The stress has both physical and emotional consequences for the employees/individuals. Some factors which causes occupational stress includes the changing HRM policies, adoption of the new technologies, organizational changes, economic conditions, workload, job satisfaction and security (Ahmad & Ashraf, 2016). These factors influence the stress level among the workforce which consequently affects employee and his/her organizational performance and productivity. Stress in work-environment faces sociological and psychological issues, which has implications for the organizational behavior of individual and groups of employees (Kassa et al., 2017). Stress is emotion-related behavior that is influenced by perception based anxiety (Malikeh & Rahele, 2013). Several internal and external factors significantly contribute to the level of occupational stress. Employees in educational institutions also face occupational stress (Tahseen, 2015). The stress levels vary for public and private sector employees because difference in organizational structure and other aspects of the work and workplace environment and rules of the business (Ahmad & Ashraf, 2016).

The work productivity is affected by how individuals process and perceive information. The NIOSH (national institute for occupational safety and health) defines occupational stress as the emotional and physical harmful responses that happen when job requirements mismatch the resources and abilities of worker (Kassa et al., 2017). The constructs of psychological capital, organizational commitment and occupational stress are well developed and researched issues/ constructs in the literature with established interrelationships which have been verified by the researchers over and over (Luthans, Avey, Avolio, & Peterson, 2010). These are considered as

the leading issues towards the organizational development. The emerging hypotheses are that psychological capital has positive link with organizational commitment and negative impacts on occupational stress.

#### **Demographic Impacts**

Demographic attributes of the respondents are critical in changing the opinion of sample with group mean differences (Tahseen, 2015). All studies on the social research and particularly organizational behavior measure the demographic impacts on the responses of the subjects included in the sample (Rustamadjia & Zulkifli, 2018).

# **RESEARCH DESIGN**

#### Philosophy and Approach

Current study has been conducted using 'Positivism' as philosophical stand onto which whole set of beliefs and methodologies have been selected and exercised. Positivism suggests that when facts and figures are verifiable, we can treat them as knowledge. Verification has to be based on scientific research methodology applying observational methods of data collection and analysis. Likewise, Survey-approach was adopted as a strategy to access data.

#### **Reliability and Validity**

Reliability of the instrument is its ability to reproduce same results if repeated in the similar situation, like survey of same sample twice. Cronbach Alpha technique have been used to measure the statistical significance of reliability measure of the working concepts. Validity is the capacity of an instrument to measure exactly what it is supposed to measure. Factor-analysis was applied to compute statistics on validity of all four research variables.

S. No	Variables/Instrument	Cronbach's Alpha	No. of Items					
1	Psychological Capital	.894	9					
2	Organizational Commitment	.918	9					
3	Occupational Stress	.830	8					
4	4 Questionnaire .738 26							
Required	Required Critical Value = or > .7							

Table 1	Reliability	Statistics	on V	ariables/	/Instrument
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## Validity Statistics

A. Required Critical-values

- 1. KMO test [Sampling Adequacy]: = or > 0.7
- 2. Bartlett's test [test of Sphericity]: = or < 0.05
- 3. Factor-loading: = or > 0.4

	Psychological Capital	Organizational Commitment	Occupational Stress
KMO test	.872	.866	.843
Bartlett's test	Chi-square	Chi-Square	Chi-Square
	[1161.581] [df.36]	[1862.739] [df.36]	[663.130] [df.28]
	p-value = .000	p-value = .000	p-value = .000

#### Table 2 Pretests (KMO & Bartlett)

Table 3 Factor-Loadings

Psychologie	cal Capital	Organizational	Commitment	<b>Occupational Stress</b>			
Items	Loadings	Items	Loadings	Items	Loadings		
PC1	.753	OC1	.917	OS1	.828		
PC2	.673	OC2	.544	OS2	.546		
PC3	.698	OC3	.543	OS3	.556		
PC4	.797	OC4	.715	OS4	.637		
PC5	.690	OC5	.808	OS5	.634		
PC6	.808	OC6	.841	OS6	.813		
PC7	.755	OC7	.853	OS7	.679		
PC8	.739	OC8	.880	OS8	.704		
PC9	.719	OCs9	.865				

#### **FINDINGS OF STUDY**

#### **Descriptive Results**

The descriptive statistics uses the data to provide descriptions of the population, either through numerical calculations or graphs or tables.

	Experience/Gender					Decori	ntivo S	tatistics		
]	Experience	Ge	ender	Total	-	Descriptive Statistics				
		Male	Female			Ν	Min	Max	Mean	SD
	>10	86	40	126	Capital	253	2.00	5.00	3.466	.6945
	<10	56	71	127	Commitment	253	1.89	4.11	3.017	.5588
	Total	142	111	253	Stress	253	1.00	4.00	2.723	.6791

Table 4 Descriptive Statistics

The above table provide the information through the cross-tabulation and descriptive statistics. The cross tabulation provides information over concerning demographic variables (experience & gender) while the descriptive statistics prove information towards the research variables thereby showing that the psychological capital got highest score followed by the occupational stress and organizational commitment.

# **Testing of Hypotheses**

This section provides the information through statistical procedures about the relationships among research variables (considerations psychological, occupational stress & organizational commitment.

H<sub>1</sub>: Psychological Capital is significantly associated with both Criterion variables.

#### Table 5 Correlations Analysis (n = 253)

		Psychological Capital	Organizational Commitment								
Organizational Commitment	Pearson Correlation	.703**	1								
	Sig. (2-tailed)	.000									
Occupational Stress	Pearson Correlation	612**	458**								
	Sig. (2-tailed)	.000	.000								
**. Correlation is significant at	the 0.01 level (2-tailed)	).	**. Correlation is significant at the 0.01 level (2-tailed).								

The first hypothesis was related with the association among research variables. The association of predictor is huge and significant on both positive (.703) and negative (-.612) relationships therefore H1 is substantiated with supporting statistics.

H<sub>2</sub>: Organizational Commitment is 'Positively' predicted by Psychological Capital.

Table 6 Regression Analysis

	Model Summary												
Μ	odel	R	R <sup>2</sup>	Adju	sted R <sup>2</sup>	Std	l. Error	F	Si	g.			
	1	.703a	.494	.4	492		.39837	244.988	.00	0b			
					Coeffi	cien	ts						
M	odel			Unstar	Unstandardized		Standardized		t	Sig.			
				Coef	Coefficients		Coeffi	cients					
				В	Std. Er	ror	Be	eta					
1	1 (Constant)			1.057	.128				8.279	.000			
Psychological Capital			.566	.566 .036 .703		03	15.652	.000					
a. :	Predic	ctors: (Con	stant), Ps	ychosocia	l Capital	1	b. Criterion:	Organizatio	onal Com	nitment			

The second hypothesis was related with cause-&-effect relationship among research variables under study. The results show that 50% of change in the organizational commitment is due to the psychological capital and significant ( $R_2 = .494$ ). Further, it is positive saying that the organizational commitment is increased by the growth in psychological capital. H<sub>2</sub> is therefore substantiated and accepted.

H<sub>3</sub>: Occupational Stress is 'Negatively' explained by Psychological Capital.

	Model Summary												
Model	R	I	$\chi^2$	Adjus	ted R <sup>2</sup>	Std.	Error F		Sig				
1	.612a	.3	75	.3	72	.53	809	150.416	.000	)b			
				(	Coeffic	ients							
Model			Unstandardized			1	Standardized		t	Sig.			
			Coefficients				Co	efficients					
			B Std. Er		rror Beta		Beta						
1 (Consta	1 (Constant)		4.1	798	.173				27.813	.000			
Psychological Capital			599 .049612		-12.264	.000							
b. ]	Predictors:	(Con	stant),	PsyCap	o a. Dep	enden	t Variał	ole: Occupati	onal Stress				

#### Table 7 Regression Analysis

The third hypothesis was about the negative impact of psychological capital on the occupational stress. The results show that psychological capital is responsible for 38% of change in criterion variable. Further, the relationship is negative meaning that increase in predictor decreases the score of occupational stress. Therefore, from results, H<sub>3</sub> is accepted.

H<sub>4</sub>: Males are scoring higher on PsyCap and OC while OS has greater score by Female.

	Group Statistics											
	Gender	N	Mean	Std. Deviation		Std. Error Mean						
Psychological Capital	Male	142	3.6197	.64	4018	.053	372					
	Female	111	3.2693	.7	1422	.067	779					
Organizational Commitment	Male	142	3.0743	.5	6450	.047	737					
	Female	111	2.9449	.54	4554	.051	78					
Occupational Stress	Male	142	2.6452	.6	5852	.05526						
	Female	111	2.8232	.69484		.06595						
	Indepe	endent S	Samples T	est								
			F	Sig.	t	df	Sig.					
Psychological Capital	EV assum	ned	5.985	.015	4.106	251	.000					
	EV not as	ssumed			4.052	222.949	.000					
Organizational Commitment	EV assumed		.068	.794	1.836	251	.068					
	EV not assumed				1.844	240.019	.066					
Occupational Stress	EV assumed		.870	.352	-2.082	251	.038					
	EV not as	ssumed			-2.068	230.171	.040					

Table 8 Group Mean Differences (Independent Samples Test)

Males have significantly scored higher than females on psychological capital. On organizational commitment the opinion is similar. However, occupational stress has got more score by female

respondents with significant score showing their problems in the workplace. H4 is therefore accepted as true.

H<sub>5</sub>: Seniors are scoring higher PsyCap and OC while juniors have greater score on OS.

Group Statistics										
	Experience	Experience N			SD	SE Mean				
Psychological Capital	>10	126	3.864	.4	7742	.042	253			
	<10	127	3.070	.6	5010	.057	769			
Organizational Commitment	>10	126	3.285	.4	8594	.043	329			
	<10	127	2.751	.4	9719	.044	12			
Organizational Stress	>10	126	2.459	.5	7983	.05166				
	<10	127	2.985	.6	7086	.05953				
	Independe	nt Sam	ples Tes	st						
			F	Sig.	t	df	Sig.			
Psychological Capital	EV assumed		20.02	.000	11.056	251	.000			
	EV not assur	med			11.069	231.31	.000			
Organizational Commitment	EV assumed		.035	.852	8.641	251	.000			
	EV not assumed				8.642	250.94	.000			
Organizational Stress	EV assumed		4.42	.036	-6.669	251	.000			
	EV not assur	med			-6.673	246.38	.000			

Seniors have significantly score high on psychological capital and organizational commitment. Likewise, junior have significantly given high score on organizational stress. H5 is substantiated with significant group mean differences on all three variables.

# **DISCUSSION & CONCLUSION**

Logical hypotheses generated from the literature in the form of theoretical framework has been substantiated significantly with variations in statistics showing the conditions in the local work environment of teachers in their schools of Northern Punjab. The documented evidence on the positive relationships of psychological capital with organizational commitment has successfully been supported by the field study. Further, the logical negative relation of psychological capital with occupational stress has also emerged as significant in the organizational behavior of the teachers in schools. It is therefore concluded on basis of empirical evidence that psychological capital is significantly connected with both organizational commitment and organizational stress.

The HRM of education department and head-masters have to recognize the importance of the teachers' psychological capital and capitalize on it to ultimately increase their performance by

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reducing stress and increasing organizational commitment. Likewise, the female teachers gave higher scores on occupational stress, which is alarming towards the performance of the female teachers. It must be addressed with attention. Both teachers and HRM of schools need to ponder regarding the increase in performance of employees based on guidelines emerging from this study about the organizational behavior of teachers. The junior teachers are also the victim of occupational stress. They should be provided adequate mentoring and coaching by the senior teachers as well as the education management.

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