

PSYCHOLOGICAL CAPITAL AND OPTIMISM AS A PREDICTOR OF WORKPLACE HAPPINESS IN SERVICE-BASED INDUSTRIES IN INDIA

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ABSTRACT

Working in multinational corporations (MNCs), multicultural work environments present obstacles. In today's tumultuous workplace, it's more crucial than ever for businesses to ensure that their employees are happy and productive. This is because increasing production is dependent on employee contentment. The paper attempts to elucidate three critical factors that affect an organization's corporate culture. The three factors that form the crux of the argument are Psychological Capital, optimism, and workplace happiness. The study was conducted on 101 employees from the service Industry. Both employee psychological capital and optimism are significantly related to greater work happiness within and across time. PsyCap and Optimism are strongly correlated with work place happiness. An employee who has an optimistic mindset can see, understand, and adapt things better as they can understand that the new initiative might bring something positive or modified. Conclusions and implications were

discussed for the findings, and limitations were also discussed.

Keywords: *Optimism, Psychological capital, workplace happiness, motivation*

INTRODUCTION

In today's business environment, things are very competitive, and financial stability is not the only measure to sustain and have a competitive advantage. In response to this requirement, positive psychological capital and intellectual capital play a key role in an individual's career success. Psychological capital is a concept that relates to positive organizational behavior (POB) literature. Positive organizational behavior is defined as: 'the study and application of positively oriented human resource strengths and psychological resource capacities that can be measured, developed, and effectively managed for performance improvement in today's workplace.' (Jensen S. M., 2006). Positive organizational behavior and PsyCap are embedded in the Positive Psychology movement

(Donaldson, 2010). The Positive Psychology movement emphasizes the concepts of excellence, thriving, happiness, strengths, virtues, excellence, thriving, happiness, flourishing, resilience, flow, and optimal functioning (Donaldson, 2010). (Cavus, 2015) Psychological capital plays a vital role in the corporate world; one can say that measuring standards for psychological capital can also help in improving work happiness and increase the levels of optimism.

LITERATURE REVIEW

Psychological Capital

(Luthans F., 2006) His studies mentioned that human capital had played a significant role in building and growing the market. One of the essential characteristics businesses are trying to find in a potential workforce is commitment and optimism. Through our research, we tried identifying the relationship between psychological capital and the employee-employer relationship, which is quite prevalent.

We also came across the importance of the leader-member exchange theory that encourages engagement between employers and employees and effective workforce management through extensive research. Therefore, worker commitment is a variable among LMX, task execution, and psychological capital. Thus, we can identify the results indicating the commitment level as an interceding variable. Originality is essential in the corporate world as it ensures and helps create unique and innovative ideas and techniques. (Dirzyte, 2009).

The study helped understand the role of psychological capital through a multi-dimensional approach by linking the common practices of the human resources department

of an organization. The study further elaborates on the several ways of management using positive psychological capital and the innovative capabilities of employees. Through the various studies surrounding the concept of psychological capital, one can identify several principles and proofs that validate a link between human resource management and innovation/creativity could provide a considerable amount of knowledge about the grey areas of management.

(Arménio Rego N. R., 2010) in their study also indicates that innovation and originality go hand in hand and are linked directly to positive psychological capital. Thus, talking further about how psychological capital plays a vital role in the corporate world, one can say that measuring psychological capital standards can also help improve work happiness and increase the levels of optimism.

(Ours, 2008) Their research concluded that motivation specialists have always argued that several developments are better when they come after long hauls. Several express measures will probably be better indicators in the shorter run. (Monkevicius, 2014) his study on the factors affecting the psychological capital also enlightens us about the factors affecting human resource management directly and indirectly and tells us the result of the same in the long run. Motivation, personality traits, and creativity play a crucial role in improving the efficiency of the employees in the workplace. This study further emphasizes several critical aspects of Psychological Capital.

(Huang, 2016) another study talks about the leader-member exchange theory and recognizes the challenges business people and entrepreneurs

meet. (Avey, 2010) Their analysis helps uncover the facts connected to the relationship between the entrepreneurs' positive psychological capital and their leadership approaches and styles. This study also helps us identify the new and evolving theories of positive psychological capital and put these theories into well-established practices.

(Fred Luthans, Steven M. Norman, Bruce J. Avolio, James B. Avey, 2008) in their studies also assist the employees in perceiving, creating, and utilizing the positive psychological capital of businesses to lead their organization to success and help the shareholders bear the fruits for their trust and financial support. (Luthans F., 2006) The studies also help analyze the existing industry trends on psychological capital (PsyCap) in scientific and corporate studies. The PsyCap model was created by F. Luthans and several other colleagues and supporting staff. The research provides some evidence on how the components of PsyCap affect employees independently.

The components of the model were self-efficacy, hope, optimism, resilience. These components have enabled the possibility of analyzing the psychological capital based on the impact on performance. (Shahryar Sorooshian, 2018) The concept of Psychological capital has evolved and become a recognized one (including efficiency, optimism, and hope). These factors have been the most recurring ones, and further help analyze the worker's attitude, behavior, and performance. (Fred Luthans, Psychological Capital Development: Toward a Micro-Intervention, May 2006) The study further provides the initial evidence that PsyCap is more likely to be a positive resource that can be used to enhance and improve the employee's

psychologically motivated well-being. The study indicates that well-being tends to display common effects on various aspects such as work happiness, job satisfaction, and other behavioral factors. There is a relationship between the Psychological Capital and the well-being of a worker over time and has been proved as the worker's potential to influence the well-being to understand the same effectively.

This kind of testing is to identify the various types of psychological capital and use the inferences to develop the worker's well-being further and develop the worker mentality in the field of administration. Overall, (Shukla, 2014) study has established that the evidence that has been accumulated from previous studies show that psychological capital, which consists of resilience, efficacy, optimism, and hope, has a relatively strong positive relationship with job satisfaction, attitude, performance, and organizational citizenship behaviors among employees.

(Seligman, Martin & Csikszentmihalyi, Mihaly, 2000) Their research had inferences that showed that one's positive traits and optimistic organizational promises help to improve quality of life and prevent the negative thought process that arises when life is unproductive and worthless. The primary reason is to position the mental capital research status in India. The article likewise features the hole in the region, which causes the specialists to distinguish regions for further investigation. As a field of study, positive psychology has started developing at a snail's pace in India.

Optimism

(Donald H., 2009) Past research shows that business visionaries are commonly high in

dispositional good faith - the inclination to expect positive results notwithstanding when such desires are not soundly legitimized. Discoveries of the present investigation exhibit a negative connection between business people's positive thinking and their new pursuits' execution (income and work development). (Seligman, 2002), in his research mentioned the importance of optimism, stating that hope causes better resistance to depression when something is not working fine and leads to better performance at work, particularly in jobs that are challenging in nature, and better physical health."

But beware of two pitfalls. You want to avoid being surrounded by sycophants who think optimism means not telling you the truth. And you don't want to mistake optimism for always being friendly, specifically when evaluating performance. You will still need to hold difficult conversations about performance with subordinates, holding them accountable.

Workplace Happiness

The study on work happiness primarily surrounds the relationship between psychological capital and optimism concerning work happiness. The study also focuses on the inter-relationship between casual and permanent employment concerning psychological well-being and job satisfaction. The study further focuses on its hypothesis wherein the authors concluded women generally take up simple employment options. In contrast, men are most likely to be more comfortable with permanent employment options. The authors also believe that an organization's work environment directly impacts employee morale. (Fisher, 2010) Some drivers of workplace happiness are:

Community, Enjoyment, Enrichment, Leadership, Relationships, Work-life Balance,

Variety in work, Equity, Engagement (Zetlin, 2013) Positivity and optimism go hand in hand. The need for both in the organization is pivotal for the organization's success. Several psychologists feel that optimism and flexibility result in a forward-looking corporate culture. These factors have proved to be highly valuable in increasing productivity. This optimism will further increase the level of confidence of the employees and, in turn, will motivate them to have a positive outlook towards their work and try and ensure that the employees have a positive work environment and workplace happiness. (Arménio Rego N. R., 2010) The study on work happiness primarily surrounds the relationship between psychological capital and optimism concerning work happiness. The study also focuses on the inter-relationship between casual employment and permanent employment concerning factors such as psychological well-being and level of job satisfaction. (Margaret H. Greenberg, 2006). Their survey proved that higher levels of values promoted much higher levels of work happiness. The study demonstrates its arguments by surveying 145 questionnaires collected by a government organization. The analysis was conducted using quadratic regression tests, and the surface analysis of polynomial regression tests was collected more at a micro-level. (Sousa, 2015) The various tests performed concluded that employees' productivity is directly proportional to happiness at the workplace or organization workplace. Thus, the authors reiterate that the challenge of maintaining a healthy and effective work environment is also dependent on the employees. The author tries to identify the impact of the relationship mentioned above

on the organization's productivity and how well they can use their resources to the best of their ability. This relationship, if not optimistic, may hinder the organizational objective of profit maximization. (Lynn R. Kalnbach, 1997) (Gupta, 2014) this research aimed to emphasize the role of job satisfaction towards motivating good connections between the two parties and endorses recommendations on how the said relationship can be achieved. (Baron, 2009) At long last, there might be extra PsyCap parts that should be added to the present four as more research is collected. By and by, even though this and other research is required, the build of PsyCap and the miniaturized scale mediation portrayed here to create as it appears in any event worth 'hatching' for what's to come. (Lindström, 1994) Their article proposes a positive way to deal with hierarchical conduct (OB). Even though the significance of positive emotions has been perceived during that time in the scholastic OB and mainstream writing, both administration researchers and professionals have taken an opposing point of view now, endeavoring to fix what's up with administrators and workers and focusing on shortcomings. Constructive authoritative conduct (POB) pursues the lead of late rising formative brain research, which is driven by hypothesis and research concentrating on individuals' qualities and mental capacities.

RESEARCH METHODS

The research paper comes under descriptive research design, as we have three different variables, i.e., Psychological capital, workplace happiness, and optimism, that might affect employees' job performance. The study population was 200

professionals working in various service industries. It consists of managerial and non-managerial employees of the service industry in Bangalore. The sample for this study was initially derived by randomly selecting 70 managerial and 130 non-managerial employees employed in various service industries. We could only receive 115 responses, after omitting the incomplete questionnaire, our sample size reached 101 employees.

Variables

Dependent variable: work happiness, psychological happiness

Independent variable: optimism

Hypothesis

H1: There is a positive relationship between workplace happiness, psychological capital, and optimism.

H2: Individual optimism has an impact on workplace happiness

Data Collection Methods

Primary source: Questionnaire The quantitative study is conducted on a broad group of respondents. The same sample size answered a well-structured questionnaire. An online questionnaire selected to collect data provides easy access to all the respondents in the most cost-effective manner.

For this research, the questionnaire was administered by email. The sample was circulated with the questionnaire through their work email. Face to face or telephone questionnaires were not considered as the sample size was very varied, and the timeline was limited.

There were three sections to the questionnaire. The first section checks the factors contributing to work happiness and how much employees believe positive work happiness contributes to employee job performance. The second

section asks respondents about their views on psychological capital and if they think that positive psychological capital is some factor to be considered when checking an employee's personality. Lastly, the third section of the questionnaire consists of questions about optimism; answering these questions will give us a clear understanding of how many

respondents have an optimistic approach towards life and believe that this kind of practice has helped them improve their job performance. (Luthans F., 2002)..

The data were analyzed through (SPSS) version 20. The authors of this study checked for missing values and removed the outliers which) that do not fit the trend shown by the remaining data

DATA INTERPRETATION AND DISCUSSION

Table 1: Descriptive Statistics.

Variable	N	Minimum	Maximum	Mean	Std. Deviation	α
WPH	101	2.6	6	4.9297	0.92	0.918
PsyCap	101	2.8	6	4.9713	86000	0.964
Opt	101	1	6	4.7901	5000	0.871

*WPH=Workplace Happiness, PsyCap: Psychological Capital, Opt: Optimism

The reliability test is done to find out the consistency of the questionnaire. It depicts whether the questionnaire used for data collection has been receiving consistent responses and whether the data received is valid for testing or not. Cronbach alpha coefficients should be greater than or equal to 0.70 to be regarded as reliable and acceptable. The Cronbach alpha reliability for the total Workplace happiness was ($\alpha = 0.918$). The one-factor model representing the called psychological capital had a Cronbach alpha reliability of ($\alpha = 0.964$), and the last model optimism had Cronbach alpha reliability of ($\alpha = 0.871$). The descriptive statistics showed psychological capital having the highest mean of 4.97 and SD .86 and can be interpreted as being the most important factor amongst the three variables

Pearson's Correlation

This test is used to measure the relationship between two variables. These variables have to be continuous. They don't need to have a dependent relationship of any kind. The coefficient value that is derived is symmetric. The variables might have either a negative or a positive relationship, which can vary in a degree from high to low, and also none at all.

Table 2: Inter-correlations among measures.

Variables		Workplace Happiness	Psychological Capital	Optimism
Workplace Happiness	Correlation	1	.827**	.715**
Psychological Capital	Correlation	.827**	1	.840**
Optimism	Correlation	.715**	.840**	1

As we can see in the above table, workplace happiness, psychological capital, and optimism. This result can reject the null hypothesis and accept a relationship between workplace happiness and psychological capital and optimism.

Regression Models

Linear Regression is used to model the relationship between the dependent and independent variables. When we set out to model the relationship between one independent and one dependent variable, the statistical tool used is simple linear regression. The predictor variable, the independent variable, explains the percentage of variance in the dependent variable. An ANOVA table is representative of the results of the null hypothesis. If R-square is zero, there is no linear relationship between the variables. If the significance level of the computed F statistic in the ANOVA table is less than 0.05, then the null hypothesis thus created is rejected, and the alternate hypothesis is accepted. The coefficient table displays the standardized Beta coefficient between the independent variable and the dependent variable

Table 3: Regression between work happiness and optimism.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1.	.715a	0.512	0.507	0.6472

Table 4: ANOVA Table between work happiness and optimism

	Model	Sum of Squares	df	Mean Square	F	Sig.
	Regression	43.483	1	43.483	103.812	.000b
1.	Residual	41.468	99	0.419		
	Total	84.951	100			

a. dependent variable: work happiness
predictors: (constant), optimism

Table 5: Regression Coefficients.

	Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
		B	Std. Error	Beta			
1.	(Constant)	1.937	0.301			6.439	0
	Optimism	0.625	0.061	0.715		10.189	0

Statistical Inference:

Regression is merely the square of multiple correlations listed under r in the linear Regression table 5. It depicts the proportion of variance that accounts for work happiness (dependent variable) by optimism (independent variable). The R-value here is 0.715 (which describes multiple correlation coefficients), and the value of R square here is 0.512.

The ANOVA (Analysis of Variance) section in table 4 displays the F statistic of 103.812 and the observed significance level at 0.000. It's inferred that a linear relationship exists between the dependent variable work happiness and the independent variable optimism. The coefficients section in table 5 states the Beta coefficient amongst the variables work happiness and optimism. The standardized Beta coefficient is positive, and significant at 0 level (Beta = 0.715, $t = 10.189$, $p = 0.00$). Therefore, if there is an increase in optimism, there will be a rise in the value of work happiness. Due to the existence of only one predictor variable, the multiple R coefficients and the standardized beta coefficients' value are the same.

The relationship between the above variables proves that the psychological capital must be positive about maintaining an ideal workplace behavior that involves cooperation and coordination. Workplace happiness is necessary when looking at quick labor turnover as a satisfying workplace that directly influences employees' attitudes towards every situation. Organizations should not just perform these test cross-sectionals, but to achieve such factors' natural and extensive effect on employees, they should perform such tests longitudinally. So on a larger scale, they can understand the

implication of such factors on their employees, and it can help them motivate their employees in the right way.

DISCUSSION

Psychological capital has been the core construct of various studies on Positive psychology, optimism, positive organizational culture and has contributed immensely to varied sectors of health education, sports, manufacturing, and life in general (Luthans, F & Youssef-Morgan, C.,2017). The present study throws light on how the factors like psychological capital, work happiness, and optimism affect employees' attitudes and performance. The statistical tests prove that a relationship exists between work happiness, psychological capital and optimism. Further it is established that a linear relationship exists between the dependent variable work happiness and the independent variable optimism. Optimism is essential in creating a collaborative work environment that drives decision-making, citizenship behavior, and workplace happiness. The study suggests that organizations that concentrate on long-term returns should build optimistic leadership because the impact of a promising leader can create an encouraging and collaborative work environment. Optimism is connected with a sentimental and behavioral dimension that influences trust among people. Therefore, optimism helps in developing trust among leaders and team members. Work happiness primarily surrounds the relationship between psychological capital and optimism, influencing work happiness. Over the research, we can see that psychological capital directly connects with optimism; an employee who has an

optimistic mindset can understand and adapt things better to know that the new initiative would create a futuristic workplace. When an employee is given a challenging assignment, an optimistic employee would be able to take up the responsibility with enthusiasm looking at the learning curve it would provide, which relates to work happiness.

Collaborative work environment where team leaders give their team members a lead role in tasks or making them part of the discussion process makes employees feel valued. Employees should be able to experience personal and professional growth in the organization. Organization that creates an environment where employees' individual goals are encouraged alongside company goals builds a healthy but competitive spirit. Psychological capital plays a vital role in the corporate world; one can say that measuring standards for psychological capital can also help in improving work happiness and increase the levels of optimism.

We cannot conclude if these three factors (psychological capital, work happiness, and optimism) can operate individually or not but we can conclude that each element has a significant role in the employees' minds. Organizations should frequently analyze such

factors within every employee's mind to know if they are motivating their employees in the right direction.

CONCLUSION

In recent times, with the industry gaining its pace and experts know the value of human resources, researchers are trying to understand the factors that motivate employees to perform better. After extensive research, we realized how psychological capital, work happiness, and optimism directly influence employees' attitudes. In this research, we tried to understand the inter-correlation between the aforementioned variables and their impact on employees.

Employees who operate in a creative atmosphere are more likely to have increased confidence in their abilities and optimism about their chances of achieving their objectives. As a result, employees with more resources have a better chance of succeeding. Further studies can explore

Furthermore, employees with a high PsyCap are less likely to exhibit uncivilized behavior with their coworkers and experience lesser stress and anxiety (Avey et al., 2011) and emotional weariness (Bitmiş and Ergeneli, 2015), which creates work happiness and fulfillment.

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