PSYCHOLOGICAL CAPITAL AND JOB SATISFACTION IN EXECUTIVES

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ABSTRACT

The purpose of the present investigation was to examine the relationship between Psychological Capital and Job Satisfaction among executives. Using psychometrically sound instruments to measure Psychological Capital and Job Satisfaction on a sample of 274 executives the primary data for the study was generated. Data analysis revealed that there is a significant positive relation between psychological capital and Job Satisfaction of executives. The meaning of this result and implications of this finding are discussed in this study.

Key words: Positive Psychology, Psychological Capital, Job Satisfaction, Work Attitudes

INTRODUCTION

Positive Psychology is a recently established branch of knowledge. Positive psychology as a field of study focuses on the development of individuals through an encouraging outlook on life (Seligman, 1998). Over the years considerable research attention has been given to positive psychological capacities in the workplace. This growing research stream has led to a more specific interest in the topic of positive organizational behavior (Luthans, 2002a, 2002b; Nelson and Cooper, 2007; Wright, 2003; Wright and Cropanzano, 2007; Luthans and Youssef, 2007). Positive organizational behaviour is defined as “the study and application of positively oriented human resource strengths and psychological capacities that can be measured, developed, and effectively managed for performance improvement” (Luthans, 2002, p. 59). Psychological capital is one such second order core construct identified by Luthans, Youssef and Avolio (2007) from the study of positive organizational behaviour. According to them psychological capital is a latent variable reflected by self-efficacy, optimism, hope and resilience. Avolio and Luthans (2006) suggest that psychological capital can be viewed as ‘‘who you are’’ and ‘‘what you can become in terms of positive development’’ and is to be differentiated from human capital (‘‘what you know’’), social capital (‘‘who you know’’), and financial capital (‘‘what you have’’).

Research on positive organizational behaviour has documented that employees psychological capacities play a significant role in successfully completion of work (Luthans, 2002a; Nelson and Cooper, 2007; Wright, 2003; Wright and Cropanzano, 2007; Luthans and Youssef, 2007). In the contemporary world of work, to compete effectively, companies not only must
recruit the top talent, but must also inspire and enable employees to apply their full capabilities to their work (Bakker, Albrecht, & Leiter, 2011). Contemporary organizations need employees who are psychologically connected to their work; who are willing and able to invest themselves fully in their roles; who are proactive and committed to high quality performance standards (Bakker & Leiter, 2010). They need employees who feel energetic, and are satisfied with their job. Much of the research on psychological capital and job satisfaction has been carried out in the North American and European context. Very little research has been carried out in the Indian context. The present study attempts to investigate the relationship between psychological capital and job satisfaction of executives working in Indian organizations.

JOB SATISFACTION

Job satisfaction has been one of the most researched work attitude in the organizational behavior literature (Spector, 1997) and one of the important constructs in psychology (Cooper-Hakim and Viswesvaran, 2005; Maertz, Griffeth, Campbell, and Allen, 2007). Spector (1997) considers job satisfaction as constellation of attitudes comprising about various aspects or facets of the job or as a global feeling about the job. Job satisfaction is generally defined as an employee’s affective reactions to a job based on a comparison of desired outcomes and actual outcomes (Cranny, Smith, & Stone;1992). Job satisfaction is the degree to which people like their jobs (Spector, 1997). Job satisfaction leads to employee behaviors that affect organizational functioning and performance (Rowden, 2002).

THEORETICAL FRAMEWORK

Locke (1969) defined job satisfaction and dissatisfaction as complex emotional reactions to the job (p. 314) Smith, Kendall, and Hulin (1969) conceptualized job satisfaction as “feeling or affective responses to facets of the situation”(p. 6), this seems to suggests that job satisfaction is positively associated with the construct of psychological capital. Further, job satisfaction is most of the times considered as a proxy for an employee’s well being at work (Grandey, 2000). Psychological capital is a second order construct comprising of self-efficacy, hope, optimism and resilience. Research in the area of self-efficacy indicates that self efficacy has a significant relationship with job satisfaction (Erez & Judge, 2001; Judge, Bono, & Locke, 2000; Luthans, Zhu, & Avolio, 2006; Luthans, Avolio, Avey, & Norman, 2007); research studies done in the area of hope, optimism, and resilience, seen from an individualistic perspective, indicates that they all have a significant relationship with job satisfaction (Luthans, Avolio, Avey, & Norman, 2007; Luthans and Youssef, 2004; Youssef & Luthans, 2007; Luthans and Jensen, 2002; Peterson and Luthans, 2003;Adams, Snyder, Rand, King, Sigmon, and Pulvers, 2003; Luthans, Zhu, & Avolio, 2006 ). Thus it can be hypothesized that there will be positive relationship between psychological capital and job satisfaction of executives

METHOD

Research Design

The present research study is designed on a quantitative research framework which utilized a descriptive research perspective. This study was a non experimental research study in nature, and no variables were manipulated in the study. The study adopted a cross sectional survey
research method in which psychometrically sound instruments-questionnaires were used to collect primary data from the executives working in different organizations.

SAMPLE

The sample for the present study comprised of 274 executives drawn from six organizations. Their age range was from 34 to 51 years. Most of the executives were holding middle level managerial position.

MEASURES

Psychological capital scale: For measuring psychological capital the scale developed by Luthans, Avolio, Avey, and Norman (2007) was used. This scale comprises of 24 items, having a response format ranging from 1 = strongly disagree to 6 = strongly agree, thus the possible score on this scale range from 24 to 144. High scores on this scale indicate high psychological capital. The cronbach’s alpha for this scale in the present study was found to be 0.77. This scale has demonstrated adequate internal consistency and construct validity in the literature (Luthans, Youssef, and Avolio, 2007).

Job Satisfaction Scale: For measuring job satisfaction the job satisfaction survey developed by Spector (1997) was used in the study. This scale is a 36 item scale, having a response format ranging from 1 = strongly disagree to 5 = strongly agree. The minimum and maximum possible scores on this scale range from 36 to 180. High scores on this scale indicate high job satisfaction, and low scores on this scale indicate low job satisfaction. This scale measures job satisfaction on nine different facets, however for the purpose of the present study, the total score on all the 36 items was taken as the measure of job satisfaction. Several studies have employed this job satisfaction scale and have obtained satisfactory internal consistency-reliability coefficients. This scale has also demonstrated construct validity and reliability (Spector, 1985, 1997).

PROCEDURE

Both the questionnaires along with the covering letter were bound in form of a booklet, the executives were briefly explained about the manner of responding to the items on the two questionnaires. Executives were encouraged to give frank and honest responses to the items in both the questionnaires. After giving a gap of two weeks the filled in questionnaires were collected back from the executives.

RESULTS AND DISCUSSION

To examine the relationship between psychological capital and job satisfaction the correlation coefficients between psychological capital and job satisfaction, were computed and is presented in table 1.
Table 1
Means, Standard Deviations and Correlation Coefficients between Psychological Capital and Job Satisfaction

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>SD</th>
<th>Correlation Coefficient</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Psychological Capital</td>
<td>105.2299</td>
<td>26.48107</td>
<td>0.418</td>
<td>0.000</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>133.7263</td>
<td>29.85254</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

From table 1 it can be observed that the correlation coefficient computed between psychological capital and job satisfaction is positive and found to be significant (p<0.001). This indicates that there is significant positive relationship between psychological capital and job satisfaction. To further examine whether psychological capital scores of executives would predict their job satisfaction scores, simple linear regression analysis was carried out. Job satisfaction scores were treated as criterion variable and psychological capital score as predictor variable. The result thus obtained is presented in table 2.

Table 2
Results of Regression Analysis with Psychological Capital predicting Job Satisfaction of executives

<table>
<thead>
<tr>
<th>Variable</th>
<th>F</th>
<th>df</th>
<th>Adj. R²</th>
<th>β</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dependent Variable: Job Satisfaction</td>
<td>57.740**</td>
<td>1 272</td>
<td>0.172</td>
<td>0.418**</td>
</tr>
<tr>
<td>Psychological Capital</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**p<0.001

It can be observed from table 2 that the F value is significant (p = 0.000) this indicates that there exists a linear relationship between psychological capital and job satisfaction and approximately seventeen percent (Adjusted R² = 0.172) of the variation in the job satisfaction scores of executives can be explained by the changes in the psychological capital scores of the executives. The last column in table 2 indicates the standardised regression coefficient (β), is found to be significant (p = 0.0000), this indicates that there is a significant influence and impact of psychological capital on job satisfaction.

The positive and significant correlation between psychological capital and job satisfaction and the emergence of psychological capital as significant predictor of job satisfaction indicates that the psychological capital of executives influences and predicts their job satisfaction.. This result confirms the hypothesis formulated in the present study.

CONCLUSION

The results of the present study suggest that psychological capital is a significant predictor of job satisfaction of executives. This demonstrates the importance of psychological capital for developing positive work attitude namely job satisfaction among the executives. This suggests the need for psychological capital training of executives. Basic training in the four
abilities namely self efficacy, hope, optimism, and resilience that comprise psychological
capital would enable employees to develop their psychological capacities and result in
increased job satisfaction. Luthans and his team have found that psychological capital can be
developed in employees with a two to three hour intervention (Luthans, Youssef & Avolio,
2007) from the study of positive organizational behaviour. According to them psychological
capital. The development of psychological capital in employees may develop sufficient
competence in them to take up the challenges of globalization and enhance their job
satisfaction resulting in increased human resource development for the organization Human
resource managers may also assess the psychological capital and may include it as one of the
criterion during the selection process of the personnel. In future further studies may be
carried out by conducting an intervention, to enhance the psychological capital of executives,
and the difference in job satisfaction that it brings may also be examined.

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