A Review of Literature on Psychological Capital

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Abstract. Now internal and external environment has undergone tremendous changes, the enterprise has shifted the research focus of human resource management to employees’ psychological capital. This paper reviews the concept and connotation of psychological capital, and summarizes the psychological capital measurement tools, antecedents, variables, mediating roles and intervention. Finally, the research prospect is concluded.

Introduction

With increasingly rapid globalization and various technological developments, economic competition among enterprises has become increasingly fierce. It cannot rely on the traditional sense of patent data, plants, funds, equipment and other economic capitals to maintain long-term competitive edges and improve the business performance, because it is very easy to copy and imitate the economy capital. Enterprises must put emphasis on investment and development of human resources, including human capital, social capital and the development of so-called human capital, which refers to an individual's knowledge, skills, cognitive abilities, competency, etc. These capabilities can be obtained through education, training and work experience. Social capital refers to various human resource networks, which is trusted by the daily work and life, and built up between people and cumulativeness. According to the relevant researches, the positive impact of human capital and social capital on the enterprise has been obvious. In 2004, Luthans analyzed the economic capital, human capital, social capital, positive psychology and positive organizational behavior framework, then put forward the concept of positive psychological capital and the concept of positive psychology whereby domestic and foreign experts and scholars began to focus on the relationships between psychological capital and job performance, psychological capital and work attitude, psychological capital and work behavior, psychological capital and innovation[1].

The Concept of Psychological Capital

Researchers from different disciplines have different perspectives towards the psychological capital. At the end of the 20th century, Goldsmith, Veem and Darity (1997) found that certain personality characteristics of psychological capital had great impact on the employees’ work attitudes, work efficiency and work ethic [2]. Through a large number of field survey data, they found that psychological capital had a significant positive correlation on labor productivity. In the 21st century, the researches on the psychological capital have been gradually increased, which are mainly based on the psychology. Through extensive literature studies, it was found that there were
lots of differences mainly in the definition of psychological capital. For example, psychological capital is stable or flexible. Representative studies are divided into two categories: the first category is that Hosen, Cole (2003) and the other human representatives considered individuals could obtain relative stable and durable internal mental infrastructure (psychological infrastructures) after investing on learning, mainly referred to the inherent characteristics of the individual, including the individual's cognitive abilities, self-management skills and personality traits. The other category is represented by Luthans, psychological capital emphasized that individuals manifested a positive state of mind in the growth and development, including the specific performance of self-efficacy, optimism, hope, tenacity, and these states could be measured and developed. Luthans’s review became the mainstream of the Western Research on Psychological capital. Although scholars have defined the concept of psychological capital and summarized the characteristics of psychological capital, but it still needs to make empirical research on the structure of psychological capital from the status and characteristics.

**Dimensions and Measuring Tools of Psychological Capital**

Based on different views and understandings of psychological capital, domestic and foreign researchers developed the measurement tools of psychological capital. Goldsmith (1997)’s Psychological Capital meter was based on self-esteem and the control point [3]. Jensen (2003) designed psychological capital rating scale, which was focused on four dimensions, including the desired state, the state of optimism, self-efficacy and resilience. Letcher (2004) performed Big Five Personality Inventory from five dimensions to evaluate the individual psychological capital level from emotional stability, openness, extroversion, agreeableness and responsibility. Luthans (2005) et al. developed and designed psychological capital questionnaire (psychological capital PCQ-24 scale) to measure the psychological capital from hope, self-efficacy, realistic optimism and resilience. Although the measurement scales of psychological capital were different, but most of them focused on self-esteem, self-efficacy, resilience and other dimensions. Ke Jianglin (2006) designed China's domestic psychological capital scale by comparing with the Western psychological capital scale, and he found that the psychological capital had two factor structures in China. In China, the local psychological capital is composed of two factors: transactional psychology and interpersonal psychological capital. This psychological capital scale has good reliability and validity, which is suitable for the Chinese people by comparing with the western psychological capital scale [4]. Hou Erxiu (2013) constructed and validated the contents, structure of knowledge and the employees' psychological capital in Chinese enterprises by making the factor analysis and confirmatory factor analysis [5]. Sun Lingxi (2016) applied the Quality Function Deployment (QFD) into the evaluation of psychological capital, and selected scientific and technological employees as the research object, and the results showed the effectiveness of the application of QFD model on the psychological capital.[6] Xiang Gaoyue (2016) found that the collective psychological capital consisted of five dimensions, including vision, team effectives, team resilience, team optimism and team sense of belonging.[7].

**Variables of Psychological Capital**

**Antecedents of Psychological Capital**

Rego (2012) and Nikpay (2014) claimed that the integrity leadership directly or indirectly played a regulating intermediary role in the psychological capital, so as to improve the employee performance [9]. Rodopluaehin (2014) found that managers and organizations directly affected the
employee's psychological capital and individual performance through the work engagement, performance, work authorization, transformational leadership and organizational support. Norman made deep research on the influence of the trust of leadership on the psychological capital. Li Yang (2014) found that psychological contract had a positive impact on the psychological capital from three dimensions, including the interpersonal psychological contrast normative responsibility, developing oriented responsibility, interpersonal responsibility, and those three dimensions had impacts the on psychological capital to different extents, wherein the psychological contract normative responsibility had the greatest impact on the psychological capital.

Psychological Capital as a Result Variable and Intermediary Variable

Sema Polatci (2014) explored the relationship between psychological capital and performance, and identified the work family spillover and psychological well-being as the mediating effects of psychological capital on the performance. Xu Liping (2016) probed into the relationship between the psychological capital and the performance, taking Tu Youyou as an example. The results found that psychological capital contained six dimensions, which had positive effects on the performance [10]. Steven A. Schulz (2014) found that the psychological capital had a significant positive correlation with the job satisfaction and the organizational commitment, while the psychological capital had a significant negative correlation with the turnover intention of employees. Özer (2013) discussed that the positive psychological capital of employees could mediate and support the organization's positive atmosphere. Ali (2014) explored the relationship between psychological capital and job satisfaction and the job burnout. Erkutlu (2014) researched on the relationship between the psychological capital and narcissism and the psychological well-being [11]. Badran (2015) discussed the influences of the psychological capital on the creativity of employees. Zhang Zhengang (2015) explored that the psychological capital was positively related to creative behavior according to the questionnaires of 310 employees [12]. Gao Jianli (2015) discussed the relationship of psychological capital and employee engagement through 270 personnel, and the results found that psychological capital had positive impacts on the employee engagement [13]. Sun Hongfei (2016) made an empirical research and took knowledge workers as the research object, and the results found that the psychological capital had positive impacts on performance [14]. Zheng Jianjun (2015) discussed the role of the psychological capital according to the role stress and mental health of 579 grassroots civil servants. Self-confidence and optimism had significantly positive effects on the mental health of the grassroots servants [15]. Xu Zhenting (2016) explored the influence of the mechanism of collective psychological capital on the employee creativity, and the results found that the collective psychological capital had positive impacts on the employee creativity [16].

Psychological Capital Intervention

Luthans (2004) constructed an effective confidence development plan. Luthans (2007) suggested that the short-term Web-based training intervention had a positive role on the psychological capital. The training intervention had a positive impact on hope, optimism, resilience and self-confidence. The core factors of psychological capital could develop and intervene through a two-hour online training. Larson (2014) suggested developing the psychological capital of new employees and helping them set objectives, in order to achieve those goals together and eliminate the expected obstacles and setbacks. Therefore, it was more important to develop the psychological capital of new employees than later in the development. Xichao Zhang (2014) introduced an effective structured reading material, which was easy to be used as the basis of psychological capital intervention programs. Luthans and Avey constructed the short-term goal-oriented
micro-psychological capital intervention model based on analysis of the measured data, and
discussed positive psychological impacts on the individual states in the workplace by strengthening
learning, training, etc. Huang Xianwei (2014) suggested that developing employees’ psychological
capital could start from the staff training, salary system, labor relations, performance management
and the employee assistance plan.

Conclusions and Research Prospect

(1) From the studies, it can be found that there are inadequate studies on the mechanism of
psychological contract that has impact on the psychological capital, and the majority of researches
focus on single external factors, such as organizational commitment, the feedback of organization,
organizational support, compensation and benefits, individual personality and other aspects. It is
necessary to make the mechanism analysis of psychological contract on the psychological capital,
the mediating and moderating mechanisms of the antecedent variables and psychological capital.
Furthermore, it is necessary to explore the integration mechanism of the antecedents and
consequences of psychological capital. In the future, it will be essential to explore empirical
research and data to verify the relationship between psychological capital and psychological
contract. From the study of the psychological capital structure, the psychological capital is divided
into two-dimensional view, three-dimensional view, four-dimensional view and multi-dimensional
view. It will still need to explore the connotation and the elements of psychological capital. From
the above studies, the research objects mainly focused on general staff, knowledge employees,
MBA students and university teachers, so in the future it is necessary to pay attention to the
psychological capital of business management personnel.

(2) Longitudinal research on psychological capital. Currently, most researches mainly use the
cross-sectional study rather than the longitudinal study, so it is difficult to explain the development
and change of the psychological capital, such as the influences of the psychological capital on
different ages and different sexes. The longitudinal intervention of psychological capital has been
just started, it is necessary to testify the changes and effects of the intervention of psychological
capital in the near future. It should combine with the long-term follow-up study, long-term track
individual innovative behavior through experimenters to make research on the individual innovative
behavior, explore various of influencing factors on innovation behavior, find the regulation of the
environment factors, individual characteristic factors and innovation behavior.

(3) Intervention on psychological capital. At present, scholars have tried to use the methods and
techniques of cognitive neuroscience such as EPR, Fmri and biological multi-channel instrument
equipment to explore the cognitive and neural mechanisms, so as to provide the evidence of
individual cognitive neural changes through the intervention. The study of psychological capital
should pay more attention to individual positive psychological resources to study the effects of
psychological capital on the leadership and employees by measuring and developing the individual
positive psychological resources. The development and intervention system of the psychological
capital will be one of the key researches in the future. It is practical to explore the goal-oriented
management strategy through the intervention system of psychological capital. Moreover, it also
needs to explore and develop methods of psychological capital on different kinds of groups and
different industry. In addition to the development and intervention on the psychological capital, how
to maintain the positive state of psychological capital will be also the direction of future research.

(4) Research on the cross-industry and cross-cultural psychological capital. Now a large number of
western psychological capital questionnaires have been used for the existing theory of
psychological capital from the West, but the research object often comes from the domestic country.
It is necessary to combine with the characteristics of Chinese culture and make researches on the right distance, collectivism and tradition as the regulating variables. Based on the Western culture, it is vital to testify that whether it is applicable to the Chinese characteristics in different cultural backgrounds and whether the results of the study are consistent with the results in the West. The subsequent researches should be explored on the Chinese characteristics, and whether the psychological capital of western theory is suitable for China. Accordingly, it requires comparing the research results in China with the ones in the West and carrying out the cross-cultural study. In view of Chinese culture and Chinese people's psychological characteristics, it is necessary to select and measure the dimensions of factors that are associated with the Chinese characteristics so as to improve the accuracy of the research, and then discuss the psychological capital from different cultural backgrounds and different industries.

(5) Although domestic and foreign scholars have made some progresses in the research on the psychological capital, there are still some limitations. Future researchers should consider the effects of group psychological capital on the organizational level and external environment. Researchers need to establish a multi-layer model to study the influence of the mechanism of group psychological capital. The research on group psychological capital can improve the competitiveness of the team and establish sustainable competition of the organization. The development and management of team psychological capital will be a new trend of future research in this field.

References


