



DOES PSYCHOLOGICAL CAPITAL INCREASE WORK ENGAGEMENT? A KEY TO IMPROVING ORGANIZATIONAL CITIZENSHIP BEHAVIOR

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Abstract

This paper examines 1) the effects of psychological capital (PsyCap) and work engagement on organizational citizenship behavior (OCB) and 2) whether a mediation mechanism of work engagement explaining such a relationship. We propose that OCB is highly exhibited when employees are high with their PsyCap and engagement at work. Data were collected among 136 employees from oil and gas companies. Results supported the hypotheses and suggested that work engagement partially mediates the effect of PsyCap on OCB. Specifically, employees with high PsyCap are more engaged with their work and more likely to go above and beyond their duties. The practical implications of this study are discussed and the study concludes that PsyCap can be developed through training interventions that may increase valuable positive psychological resource, which leads to greater engagement and exhibit more OCB.

Keywords: *Psychological Capital, Work Engagement, Organizational Citizenship Behavior, Mediation, an Oil and Gas Company*

Introduction

Engagement is an important topic for business success since it contributes to the bottom line. Business practitioners tend to utilize performance management system around the understanding of human basic needs for psychological engagement to get the most of their employees. Previous studies have shown that work engagement has been related to organizational commitment (Abu-Shamaa, Al-Rabayah & Khasawneh, 2015), organizational citizenship behavior (OCB: Babcock-Roberson & Strickland, 2010), and job performance (Bakker, Tims & Derks, 2012). Drawing on the job demands-resources (JD-R) model, engaged employees have a better ability to utilize their job resources to cope with their job demands and exhibit better job performance (Bakker & Bal, 2010). However, a recent report shows that engaged employees are only 23% whereas 73% are disengaged in Thailand (Gullup, 2017). Accordingly, a focus of the setting for this study is in Thailand.

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The perspective of positive organizational behavior becomes an important paradigm to understand employees' psychological engagement. While the psychological and attitudinal strengths of employees are ultimately relevant to their performance, Luthans, Avolio, Avey, and Norman (2007) introduce psychological capital (PsyCap) to represent individual motivational propensities that accrue through the four components of psychological state of development and are characterized in terms of efficacy, optimism, hope, and resilience.

That is, PsyCap has been found to relate to positive desirable employee attitudes and behaviors (Avey, Reichard, Luthans & Mhatre, 2011), such as job satisfaction (Luthans et al., 2007), organizational commitment (Paek, Schuckert, Kim & Lee, 2015), and OCB (Bouzari & Karatepe, 2017). As PsyCap has been an important concept for organization success, this perspective leads to the focus of this study on the investigation of PsyCap and work engagement.

OCB has been receiving substantial attention from researchers. However, researchers appear to have several views regarding the dimensions of OCB and how it should be operationalized. A widely used definition by Organ (1988, p. 4) refers to OCB as "individual behavior that is discretionary, not directly or explicitly recognized by the formal reward system and that in aggregate promotes the effective functioning of the organization". While Organ (1988) used five types of behavior: altruism; conscientiousness; sportsmanship; courtesy; and civic virtue, Podsakoff et al. (2011) refer to three dimensions of OCB consisting of helping behavior, voice behavior, and organizational loyalty. In support, Farh, Zhong, and Organ (2004) categories helping behavior as reflecting 'individual' citizenship behavior whereas voice behavior reflects the 'organizational' perspective of citizenship behavior. Similar approach in defining OCB is categorized by Williams and Anderson (1991) referring to OCBO as employee behaviors that generally benefit to firms whereas OCBI that provides immediate benefits to the employees and indirect benefits to the organizations. By focusing on an individual's helping behavior, such as assisting other colleagues, solving coworkers' problems, and voluntarily orienting new staff, this behavior can support the entire team performance, resulting in more efficient operations and use of financial and human resources (Organ, 1988). Hence, the present study aims to examine the effects on OCB. In addition, the selection of OCB for this research specifically investigates an individual OCB in encouraging employees to go above and beyond the call of their duties.

Research objectives

Recent studies have examined whether a psychological approach affects work-relation outcomes. For instance, Ozyilmaz (2019) finds that the associations of hope with task performance occur through work engagement while the motivational mechanism of work engagement leads to improvement in OCB. In a similar effect, Gupta, Shaheen, and Reddy (2017) have investigated such a relationship in the context of employees working in the service sector in India and found that work engagement mediates the effect of

PsyCap on OCB. However, the previous research has little attention to look into the linkage between PsyCap, work engagement, and OCB while limited studies have examined using the mediating role of work engagement.

Further, several studies focusing on PsyCap have examined with hospitality employees (Kang & Busser, 2018), IT professionals (Sihag & Sarikwal, 2014), and call centre employees (Simons & Buitendach, 2013). While the setting of their research in different industries, no study is carried out in the oil and gas industry. In support, offshore oil and gas employees work under high-pressure conditions, including a dangerous physical environment filled with complex machinery and environmental stressors, long working hours, extreme of heat and cold, and sometimes close or uncomfortable working conditions (Clarke, 2006). These conditions could give employees high burnout and turnover intention (Bakker, Demerouti, & Sanz-Vergel, 2014). Moreover, the PsyCap concept suggests that high levels of PsyCap may be an effective assessment at offsetting some employee's stressors and improving engaged employees and other performance (Luthans, Avey, Avolio, Norman, & Combs, 2006).

The present study aims to examine 1) the effects of PsyCap and work engagement on OCB and 2) whether the mediating mechanism of work engagement explaining such a relationship. The results from this study are anticipated to offer HR practitioners in designing HR practices that promote employee engagement and OCB. In support, the empirical findings will suggest that whether PsyCap is an important antecedence for work engagement. Figure 1 illustrates a conceptual model to be examined in this study. A set of hypotheses are as follows:

- Hypothesis 1:* Psychological capital has a positive influence on OCB.
- Hypothesis 2:* Psychological capital has a positive influence on work engagement.
- Hypothesis 3:* Work engagement has a positive influence on OCB.
- Hypothesis 4:* Work engagement mediates the effect of psychological capital on OCB.

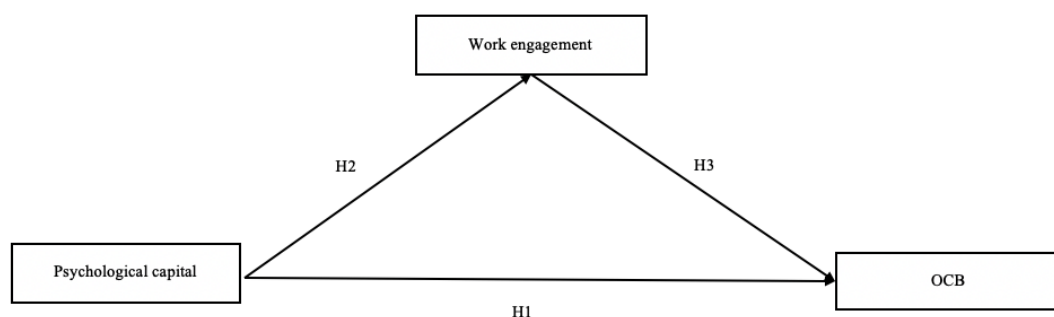


Figure 1 Conceptual Model



Research methodology

The sample of this study was purposively selected that draw from a specific site of data collection in an oil and gas company located at Songkhla province. This selected company gave consent to collect data from all employees who were currently working full-time. In support, the focus unit of analysis was the employee level. Thus, this purposive approach was considered desirable. Further, 136 responses were received from all employees consisting of 61 percent of males and 39 percent of females. All employees were aged ranging from 22-42 years old. The majority of respondents were bachelor degree holders (64%) and earning from 10,001 to 15,000 baht per month (41.2%). Most respondents were engineers (24.3%) as the job position (drilling, engineering, etc.) more than other job functions with 4 - 6 years of work experience (32.4%).

The self-administered questionnaire comprised statements to measure three constructs: PsyCap, work engagement, and OCB. A short version of PsyCap was adapted from PCQ-12 using Avey et al. (2011) with a six-point Likert-scale ranging from strongly disagrees to strongly agree. In addition, work engagement was adopted from Schaufeli, Salanova, González-Romá, and Bakker (2002) using nine items with a five-point Likert-scale. Six items for OCB were adapted from Williams and Anderson (1991). The analyses used for this study were exploratory factor analysis (EFA), correlation matrix, and regression analysis using PROCESS command. EFA was utilized to ensure the interpretation in each question that communicate clearly and not to convey more than one meaning (Field, 2013). The mediation analysis using PROCESS command was performed to examine the direct effects of PsyCap and work engagement on OCB and the mediation role of work engagement.

Results

EFA results in Table 1 reveal that a three-factor solution was preferred when removing four items, explaining a total variance of 75% consisting of 33 percent in PsyCap, 26 percent in work engagement, and 16 percent in OCB. The Kaiser-Meyer-Olkin measure of sampling adequacy (KMO) measure verified the sampling adequacy for the analysis, which was above acceptable limit (KMO = 0.95). Results of Bartlett's test of sphericity were significant ($\chi^2(253) = 3775.09, p < 0.01$). Factor loadings were above 0.61 and the alpha levels for each variable were higher than 0.89. In addition, Table 2 shows the results of correlation matrix. The strongest correlation value was between PsyCap and work engagement ($r = 0.83, p < 0.01$). Based on the EFA results suggesting a three-factor solution, it means that these variables are distinct from each other



Table 1 EFA Results

Variables and Items	Load. ^a	Com. ^b	Eigen. ^c	%Var. Exp. ^d	α
Psychological capital			7.56	32.87	0.98
I feel confident in representing my work area in meeting with management.	0.79	0.79			
I feel confident contributing to discussions about the organization's strategy.	0.82	0.87			
I feel confident presenting information to a group of colleagues.	0.83	0.90			
If I should find myself in a jam at work, I could think of many ways to get out of it.	0.72	0.82			
Right now, I see myself as being pretty successful at work.	0.68	0.73			
I can think of many ways to reach my current work goals.	0.72	0.81			
At this time, I am meeting the work goals that I have set for myself.	0.79	0.80			
I can be "on my own," so to speak, at work if I have to.	0.77	0.83			
I can get through difficult times at work because I've experienced difficulty before.	0.67	0.72			
I always look on the bright side of things regarding my job.	0.67	0.75			
I'm optimistic about what will happen to me in the future as it pertains to work.	0.69	0.77			
Work engagement			5.98	25.99	0.95
I look forward to going to work.	0.61	0.58			
Time goes very quickly when I am working.	0.69	0.69			
My work is very absorbing.	0.74	0.69			
I get fully immersed in my work activities.	0.67	0.72			
I am proud of the work that I do.	0.69	0.72			
I am enthusiastic about my work at my work place.	0.74	0.77			
I feel inspired when I am at work.	0.76	0.76			
I always persevere, even when things do not go well.	0.75	0.84			
Organizational citizenship behavior			3.77	16.38	0.89
I help my co-workers when their workload is heavy.	0.74	0.73			
I help my co-workers who have been absent to finish their work.	0.69	0.57			
I take time to listen to my co-workers' problems and worries.	0.69	0.65			
I go out of my way to help new co-workers.	0.78	0.80			

Note. ^a Factor loadings. ^b Communalities. ^c Eigenvalues. ^d Percentage of Variance Explained. (Method: Principal Axis Factoring. Rotation method: Varimax with Kaiser Normalization. Rotation converged in 6 iterations.)

Table 2 Correlation Matrix

Variable	Mean	SD	1	2	3
1. Psychological Capital	4.26	1.08	1		
2. Work Engagement	3.66	0.74	0.82**	1	
3. Organizational Citizenship Behaviour	3.68	0.77	0.68**	0.66**	1

Note. ** $p < 0.01$

Further, a series of regression was performed using the PROCESS command to examine the effect of PsyCap on OCB through the mediating role of work engagement. PsyCap was entered as the predictor of interest, OCB as the dependent variable, and work engagement as the mediator. Table 3 shows the results of direct and indirect effects. Results indicated that PsyCap has a significant and strong effect on work engagement ($b = 0.56, p < 0.001$), suggesting Hypothesis 2 is supported. The effect of work engagement on OCB was significant ($b = 0.33, p < 0.001$), supporting Hypothesis 3. In addition, PsyCap was found to have a significant effect on OCB ($b = 0.30, p < 0.001$), indicating the support for Hypothesis 1. Figure 2 illustrates the results for direct effects. Furthermore, the bootstrap analysis revealed that the 95% bias-corrected confidential interval for the indirect effect did not include zero (0.08 to 0.31, $p < 0.001$), suggesting there is a partial mediating role of work engagement in the effect of PsyCap on OCB ($b = 0.19, p < 0.001$). Thus, Hypothesis 4 was supported.

Table 3 Results of Regression Analysis using PROCESS (Model 4)

Variable	Work engagement	Organizational citizenship behavior
Psychological capital	0.56***	0.30***
Work engagement	-	0.33***
Constant	1.23***	1.19***
R ²	0.67***	0.50***
Indirect effect		0.19***

Note. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

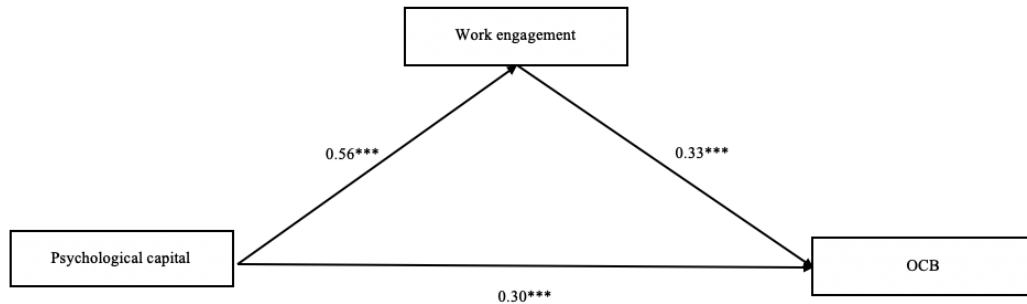


Figure 2 Hypothesized Model Results

Conclusion and Discussion

The results of this paper provide support to a set of hypotheses. OCB is found to be predicted by work engagement and PsyCap. This finding is supported by previous studies that have found work engagement (e.g., Suthinee & Bartlett, 2012) PsyCap (e.g., Simons & Buitendach, 2013) to be predictive of OCB. Furthermore, work engagement is found to be a partial mediator between PsyCap and OCB. It explains how engaged employees are likely to use psychological resources to exhibit more OCB in helping their coworkers and customer. In line with recent studies (Gupta et al., 2017), the process mechanism of work engagement can be further explained using JD-R framework. That means engaged employees are likely to have better ability to utilize their own job resources in order to cope with their job demands and exhibit better job performance (Bakker & Bal, 2010). The current finding lends support to the notion that when employees with PsyCap is present, employees are likely to be more engaged in their work, which exhibits more OCB that in turn indirectly benefits the organizations.

Recommendations

An interesting finding in this study is that there exists a strong positive effect of PsyCap on work engagement. It indicates that employees with high PsyCap are likely to be highly engaged employees. This finding builds more evidence supporting the development of employee's PsyCap may, in turn, increase valuable positive psychological resource that leads to greater engagement (Sweetman & Luthans, 2010). The current finding also extends recent paper's expectation of Ozyilmaz (2019) that hope as a component in PsyCap is positively related to work engagement. In addition to hope, the present study confirms that other components of PsyCap, including optimism, resilience, and self-efficacy, also explains the development of engagement in employees.

Moreover, it brings to an understanding that employees' psychological beliefs in hope, optimism, resilience, and self-efficacy may be seen as a potential source of employee's attitudes, and behaviors, such as work engagement and OCB. In practice, there are various mechanisms in relation to PsyCap (Sweetman



& Luthans, 2010), such as building employees' confidence in their abilities to perform challenging tasks, enhancing goal attainment, and directing expectation of positive outcomes and willpower to bounce back and putting effort above and beyond job demands and obstacles. As PsyCap can be developed through training interventions from one to three hours training (Sweetman, Luthans, Avey, & Luthans, 2011), HR practitioners may design the training programs in developing the mechanisms for employees' PsyCap in the organizations, which may lead to them being more engaged and exhibit more OCB.

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