

# **IMPACT OF PSYCAP ON EMPLOYEE ENGAGEMENT & ORGANIZATIONAL EFFECTIVENESS**

**Ph.D. THESIS**

*by*

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**DEPARTMENT OF HUMANITIES AND SOCIAL SCIENCES  
INDIAN INSTITUTE OF TECHNOLOGY ROORKEE  
ROORKEE – 247 667 (INDIA)  
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# **IMPACT OF PSYCAP ON EMPLOYEE ENGAGEMENT & ORGANIZATIONAL EFFECTIVENESS**

**A THESIS**

*Submitted in partial fulfilment of the  
requirements for the award of the degree*

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*in*

**PSYCHOLOGY**

*by*

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## CANDIDATE'S DECLARATION

I hereby certify that the work which is being presented in the thesis entitled **“IMPACT OF PSYCAP ON EMPLOYEE ENGAGEMENT & ORGANIZATIONAL EFFECTIVENESS”** in partial fulfilment of the requirements for the award of the Degree of Doctor of Philosophy and submitted in the Department of Humanities and Social Sciences of the Indian Institute of Technology Roorkee, Roorkee is an authentic record of my own work carried out during a period from July, 2013 to October, 2018 under the supervision of Professor Renu Rastogi, Department of Humanities and Social Sciences, Indian Institute of Technology Roorkee, Roorkee.

The matter presented in this thesis has not been submitted by me for the award of any other degree of this or any other Institution.

**(KUMARI SONI)**

This is to certify that the above statement made by the candidate is correct to the best of my knowledge.

**(Prof Renu Rastogi)**  
Supervisor

**Date:**

## **ACKNOWLEDGMENTS**

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**KUMARI SONI**

## ABSTRACT

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Organizations are a hallmark of society. Modern societies produce and distribute goods and services, educate people, provide health care and so on- by using special purpose organizations. How well these organizations perform their work consequently affect how well societies accomplish their objectives. Specially, in case of developing nations, it has been suggested that a major task facing these nations is to develop a system which can make the operation of old organizations and newly emerging organizations more and more effective to meet ever-changing demands. Human beings are the main assets of any organizations. Organizations may have a sophisticated technology, a huge amount of capital, and other resources but without dedicated workforce, these resources cannot be utilized to their fullest extent. In order to achieve that, human capital has received a tremendous attention and encouragement with the arrival of the Positive Psychology Movement in approximately every ambit of human existence including organizations as well. Organizational psychologists, who follow the positive psychology approach, propagate the investment of focused efforts and energies towards enabling employees to align their personal goals with organizational goals. With this view in line, the current research is an attempt to study the link between Psychological Capital (PsyCap), Employee Engagement and Organizational Effectiveness. Till date, a couple of empirical studies have found a positive connection between PsyCap and work attitude, job satisfaction, performance, and organizational commitment but the relationship of employee engagement and psychological capital with organizational effectiveness has so far not been dealt with by any research. After reviewing the literature, it has been found that earlier researches were conducted in the USA (Luthans et al.2005) and not in an Indian setting. This study attempts to fill the gap in literature and to identify the correlation between psychological capital and employee engagement with organizational effectiveness.

For the purpose of this study, primary responses were assimilated from 484 employees working in India in IT organizations. In order to gain access to such a sufficiently large sample, purposive sampling was chosen for data collection. AMOS©21 and SPSS©17 were used for data analysis. Data were assessed for missing values, linearity, normality, reliability, homoscedasticity and non-multi-collinearity. This study used Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA) to check the fitness of the obtained factor pattern on the study sample and the factor structure. Multiple hierarchical regression model

and Structural Equation Modeling (SEM) was utilized to scrutinize the study hypothesis through a mediation model.

The findings of the study are likely to have significant practical implications for Human Resource Management and its future development. Employees who seem to be more buoyant, hopeful, efficacious, and tough may more likely be able to “weather the storm” of dynamic, global environmental conditions that many organizations face today. They may be deemed as more desirable than their counterparts with lesser PsyCap. Even though, this requirement forces organizations for persistent investment in financial, social and human capital at present time. Earlier utility analysis showed that the investment in psychological capital could produce very fruitful yields than other more conventional forms of capital investment (Luthans et al., 2007). From this study, initial evidence can be established that a common core exists within various positive constructs of PysCap, mentioned earlier (Hope, Resilience, Efficacy, Optimism) as they can be measured and related to performance. Further, research in future may unearth other constructs which can be assessed, developed and further investigated with respect to performance enhancement.

**Keywords:** Psychological Capital, Employee Engagement, Organizational Effectiveness, Structural Equation Modelling (SEM)

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## **LIST OF ABBREVIATION**

CFA	Confirmatory Factor Analysis
DV	Dependent Variable
EFA	Exploratory Factor Analysis
EE	Employee Engagement
HR	Human Resource
IT	Information Technology
IV	Independent Variable
SD	Standard Deviation
SEM	Structural Equation Modelling
OC	Organizational Commitment
OCB	Organizational Citizenship Behaviour
OB	Organizational Behaviour
PsyCap	Psychological Capital

# **CHAPTER-I**

## **Introduction**

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Organizational effectiveness is, quite naturally, a pervasive concern for all organizations. Today's organizational world confronts complex performance drivers, such as the globalization of organizational capacities coupled with a requirement to pursue advanced and innovative strategies for a more effective development of organizations. The imperative prerequisite towards expanding organizational efficiency and effectiveness is, undoubtedly, to have a talented and devoted workforce, something perceived as vital. Employees are the most important aspect of any organization, but very few organizations still bestow complete faith into the idea that employees are primary resources that lead to progress, and that its mismanagement leads to decline. Another significant challenge that arises for organizations is in the desire to see its employees as proactive, imaginative, and focused towards work and organization. The current era, where cut-throat competition determines the majority of non-personal interaction, demands employees to be highly knowledgeable and human capital to be growingly successful. These challenges require organizations to strike a strong and positive relationship with workers.

In prevailing times a queer change has been noticed by businesses and society in the nature of work all over the world. Organizations are advancing and moving towards a boundary-less environment. It is critical for organizations to, therefore, hire the right talent at the right time, and to retain, engage, develop and attract this talent, which has become essential in the process of gaining competitive advantage (Ashton & Morton, 2005). Organizational leaders also frequently recognize that knowledgeable employees are their chief organizational assets, and the key to their sustainable competitive advantage (Tripathi & Tripathi, 2000). Along these lines, organizations have started looking for talented individuals who are highly competent and perform well at the workplace (Berger, 2004). The accomplishment of any organization in this grow-or-die marketplace depends on its workforce (Shrivastava & Purang, 2009). Organizations require adaptable and imaginative workers who are willing to contribute more than a formal set of responsibilities earmarked in business contracts and go "well beyond the letter" (Hartley et al., 1995). In such an emerging economy, competing rivals are present at a global level, they have ample capital, and their business ideas can easily be developed rapidly and effectively. Individuals also change jobs frequently. Organizations suffer the loss of skilled people if the employees are treated indecently by them. In such a situation, engagement of employees becomes important to

competitive advantage. Every organization has a very small number of ‘top employees’ or ‘star performers’ who seem to be the pillars on which the success of the company largely depends. Such employees are mostly powerhouses, work excites them, and they are totally goal oriented (Macey & Schneider, 2008; May et al., 2004). These ‘stars’ need special attention if they are expected to continue performing the way they do or to make themselves even better. One of the most important tools to engage employees is to influence them and develop their commitment to tasks through an implementation of varied policies, by generating incentives that would get them motivated (Tripathi & Tripathi, 2001). Those organizations that perceive the situations which can strengthen an employee’s participation and motivation would have attained something that competitors would have difficulty in easily emulating. Moreover, various employees looking out for conditions that makes them feel that their contribution to the organization has been far more positive.

Keeping the above factors in mind, it can be said that employees are the main asset of an organization. Hence, an understanding of their personality, needs, strengths, and weaknesses is required to realize that they are more than just a group of people together to achieve some common goals. It has now become important for organizations to realize that they need to give more in terms of positive workplace practices and not just financial advantages. This will positively affect the employees and get them motivated in coming out with astounding results through their work and performance, and in return help organizations to attract and be able to hold talented employees as well. It is required for an organization to thus look beyond the physical and cognitive energies of its workers, and to increase sustainable business growth for effective functioning. The employees need to physically, psychologically, cognitively feel attached to their work, so that it subsequently leads to better output. However, the role played by each individual changes, to make organization better, as the individuals are required to be ready for their activities in the achievement of shared targets (i.e. the organizational goal). The effectiveness of an organization can be seen by the extent to which its individuals are successful in this attempt. Clearly, what makes a difference is the efficiency of an organization i.e the employee’s attitude while working within the organization. This necessity towards a positive attitude started with the development of positive psychology research. Positive psychology research contributes to the broader field of psychology by opening up the domain of what is occupational health psychology. Occupational health psychology eliminates traditional psychopathology (Luthans & Youssef, 2004) and focuses its research on procedures and conditions that bring about an individual’s

wellbeing, institution or group, and its functionality, instead of just centring on the negative situations that bring about strain at the workplace (Gable & Haidt, 2005).

Positive psychology diverts the focus away from what may be wrong with individuals, the treatment of pathological conditions, and the diagnosis of mental instability towards understanding what is right with individual and by making life more productive and beneficial by actualizing and channelizing such a human potential (Larson & Luthans, 2006). On one hand, essential discoveries are being made through mainstream psychology (encompassing clinical, social as well as health psychology), which is about diagnosing and treating mental instability, personality disorders, low self-esteem, and the negative impacts of environmental stress on psychological well-being. On the other hand, corresponding research in positive psychology continues to concentrate on individual strengths and virtues that need to be harnessed instead.

Therefore, positive psychology mainly aims to bring about a change from treating pathologies to build positive and constructive qualities in a person. Positive psychology aims at three levels: individual, group, and subjective. Positive psychology at the subjective level centres on enhancing prosperity, contentment from the past, hope and optimism about the future, and to add to it, satisfaction and happiness in the current situation, which is all part of the “subjective” experience. Positive psychology at individual level emphasizes on individual traits, which include valor, social skills, and perseverance while at a group level it focuses on responsibility, hard-working attitude, tolerance, civic virtues and work ethics (Seligman & Csikszentmihalyi, 2000).

Constructs that are positive, but for various reasons they may not prove themselves worthy of any enhancement (Luthans & Avolio, 2009). When these constructs are collated into positive factors of efficacy, hope, optimism, and resilience, they yield in the efficacious functioning of an organization or an individual. Luthans and colleagues theoretically recognized these elements (Luthans et al., 2007) as Psychological Capital (PsyCap), and turned into the most famous construct in POB till date. In the past, studies from POB have repeatedly established that PsyCap reduces anxiety, stress and turnover of employees, at the same time improving work engagement as well (Görgens & Herbert, 2013).

The recent interest in positive occupational psychology has focused on trying to understand how some employees, when exposed to distressful circumstances and antagonistic conditions, nonetheless remain strong and maintain optimistic attitudes and hopefulness,

while certain others do not. The examination of employees' attitudes can become imperative to understand this duality. Positive psychology, in addition, puts forward the point that some buffering factors are there that can be enhanced to secure oneself against the development of psychopathology. Studies concerning these guarding factors are important in guiding effective prevention efforts (Suldo & Huebner 2004a; Suldo & Huebner 2004b). It is thus critical to understand the defensive procedures and instruments by which people manage life changes and conditions, and requires attention from positive psychology (Rutter, 1987).

After the positive psychology movement, organizations have shifted to another new perspective and research, which concentrates on what is ideal with individuals (constructive thriving, virtues, hopefulness, and trust) (Roberts, 2006; Luthans & Youssef, 2007) instead of focussing on the wrongs of individuals. Positive organizational behavior (POB) taking on from positive psychology theory and putting it into practice in the workspace environment, has immensely focused itself on ameliorating knowledge of state-like capacities (Wright, 2003) like hope (Snyder et al., 1996), resilience (Masten, 2001), optimism (Seligman, 1998), and self-efficacy (Bandura, 1997). POB's research area has developed into looking out for a higher order factor included with these four constructs into Psychological Capital "PsyCap" which is characterized as "an individual's positive psychological state of development" (Luthans et al., 2007, p.3). In order to understand better why some employees despite difficulties are engaged in their work, while others don't feel associated with an organization or with their work. Despite PsyCap having a very strong bearing on the employee's performance, the challenges in organizations, and being a vital factor impacting organizational effectiveness, it largely remains unexplored as an area.

However, it is not only psychological capital that leads to organizational effectiveness. The emotional and intellectual bonding of employees with their jobs, peer group, their subordinates, and their supervisors also plays a very significant role in organizational effectiveness, which has been highlighted by Shuck & Wollard (2010) as employee engagement which is "an individual employee's cognitive, emotional, and behavioural state directed towards desired organizational outcomes".

Similarly, employee engagement is characterized in the literature as a vital mechanism through which organizational effectiveness buffers itself against undesirable employee disposition. Employee engagement is characterized as the worker's eagerness, and commitment towards work. Thus, it can be said that engagement is not a concept

characterized by a single indicator, but rather involves a diverse domain of psychological states which guarantee attitudinal and behavior energies at workplace. It is not possible for any organization to achieve its operational and strategic target without boosting an employees' contribution, which includes dynamic emotional, physical and intellectual intimacy with work. As a matter of fact, the evolution of this prevailing point of view on 'employee engagement' is a promising approach that enhances the effectiveness of an organization.

A worker may be able to highlight exactly what level of work engagement indicates a more positive and satisfying state of mind, based on an assessment of his or her work settings (Shuck & Herd, 2012). Keeping in mind an end goal to spur employees to express themselves physically, cognitively and psychologically, organizations must provide a favorable environment to them and at the same time develop a psychological condition of meaningfulness, welfare, and openness at the workplace (Sakes, 2006).

Organizations are persistently trying to innovate procedures and approaches to enlarge work intimacy, by doing this, they attempt to ameliorate organizational effectiveness (Macey & Schneider, 2008; Macey et al., 2009; Vinarski-Peretz et al., 2011). There has been supportive evidence in literature over the connection between employee engagement and organizational effectiveness, and on how employees' engagement plays an imperative part in accomplishing the results the organizations intend to produce. The process of employee engagement has always been referred as a vital element in enhancing the effectiveness of an organization (Saks, 2008; Sundaraya, 2011; Welch, 2011; Cameron et al., 2011).

The present study explores the relationship between psychological capital, employee engagement and organizational effectiveness. Till date, a couple of empirical studies have discovered a positive link among PsyCap and performance, work attitude, job contentment and commitment to the organization, but till date, no detailed research has been done on the relationship of psychological capital and employee engagement with organizational effectiveness. A review of the literature brings forth the understanding that most research in this area was carried out in the west. Given how rapidly India is growing as an economy, with large organizations as its pillars, it is reasonable that there should be studies that explore this subject in the context of Indian culture. This study attempts to just do that: to bridge the research gap and to identify the correlation between psychological capital and employee engagement with organizational effectiveness.

## 1.1 RESEARCH GAP

India is hugely dependent on human capital for its swiftly growing economy. Thus, there is expanding attention on ways to improve organizational effectiveness in the Indian work environment. An important resource for any organization is undoubtedly human capital and it is also a vital benefactor to competitive advantage. As the competition for talent rises, what becomes important is an investment in human capital for organization to run smoothly. Organizations are always keen to lure and strive to retain their employees, precisely who are talented, and who would contribute to the excellence and success of the organization. Hence, so as to run organizations successfully it is imperative for organizations to create and invest in the incessant development of their employees

India is a collectivistic society, and a positive attitude is imperative for it to create eagerness towards work, the significance of task, and allegiance to task objectives. Help and cooperation (Cappelli et al., 2010) make an impact on the employee-job fit and workforce quality (Godard, 2004; Guest, 1997; MacDuffie, 1995). Such attitudes are exhibited by employees through their behavior pattern within the organization. Studies, for instance, have shown that both PsyCap and employee engagement are a POB construct, and are positively related to the employee's desirable behavior at the workplace. It, therefore, seems valuable to study the occurrence of such behavior and how it is important to achieve and determine organizational excellence. Evidence from the available literature suggests that inclusion of PsyCap and the concept of employee engagement are imperative components of organizational effectiveness.

Describing the alliance of PsyCap with employee engagement together with the organizational effectiveness will decide whether or not employees who have higher PsyCap, experience engagement at higher levels remain dedicated to their organizations as compare to those employees who have a lower PsyCap. This study attempts to give descriptive information to address this gap in research. This study shows that there is a link between employee engagement and PsyCap since both are POB constructs. Hence, it is imperative to investigate the association amongst the constructs, as well as the predictive ability of one construct on the other in the context of this study. When the PsyCap is on the higher side, it is likely to bring potentially desirable positive attributes amongst employees, which again leads to employee engagement, and shows that employee engagement does mediate the association with PsyCap and organizational effectiveness.

Given the importance of PsyCap in organizations, it is increasingly being understood and recognized that it is employees who create value for businesses today, backed by their respective levels of positive attitude. This develops greater engagement and higher quality of work, which are the most important elements of growth and productivity (Cameron et al., 2011). Therefore, being empathetic about the ways by which employee's willingness can be advanced is an area of study that is in great need. This will enable involvement into the facilitation of employee performance at the workplace, and will in turn benefit organizations. This evidence calls into consideration the role of PsyCap and employee engagement as crucial determinants of organizational effectiveness.

There are several challenges and gaps in the domain that this research is going to address.

**Firstly**, In spite of the large number of support to establish psychological capital as a booster of employee's engagement, earlier researchers have failed to provide empirical evidences in support of an association between these variables.

**Secondly**, Organizational literature has concentrated largely on organization-level outcomes of PsyCap, but its individual level outcomes like employee engagement, have been disregarded heavily. Nearly all studies till date have centered on the effect of PsyCap concentrating on workplace outlooks and performance at work. Additionally, PsyCap has been associated with greater job satisfaction and citizenship behavior (Youssef & Luthans, 2007).

**Thirdly**, despite the increasing significance of employee engagement for IT professionals, identification of factors responsible for employee engagement is rare in the IT literature (Chiang et al., 2013).

**Fourthly**, the desire to performances more than the expectations in the workplace has been increasing and this led to the use of positive psychology at work. But it is predominantly the white population who have analyzed these studies, and in the Indian context studies undertaken have been limited.

**Fifthly**, although noticeable progress has taken place in trying to make a better and holistic understanding of the mechanism involved in the association between PsyCap, organizational effectiveness, employee engagement, there still is a considerable lot of room left for the growth of intermediate psychological processes and mechanisms underneath.

**Sixth**, this study analyzes the inter-mediatory role of employee engagement between PsyCap and organizational effectiveness, which has hardly been studied in earlier researches.

**Finally**, there is no other study that weaves the three constructs PsyCap, employee engagement, and organizational effectiveness into a single study.

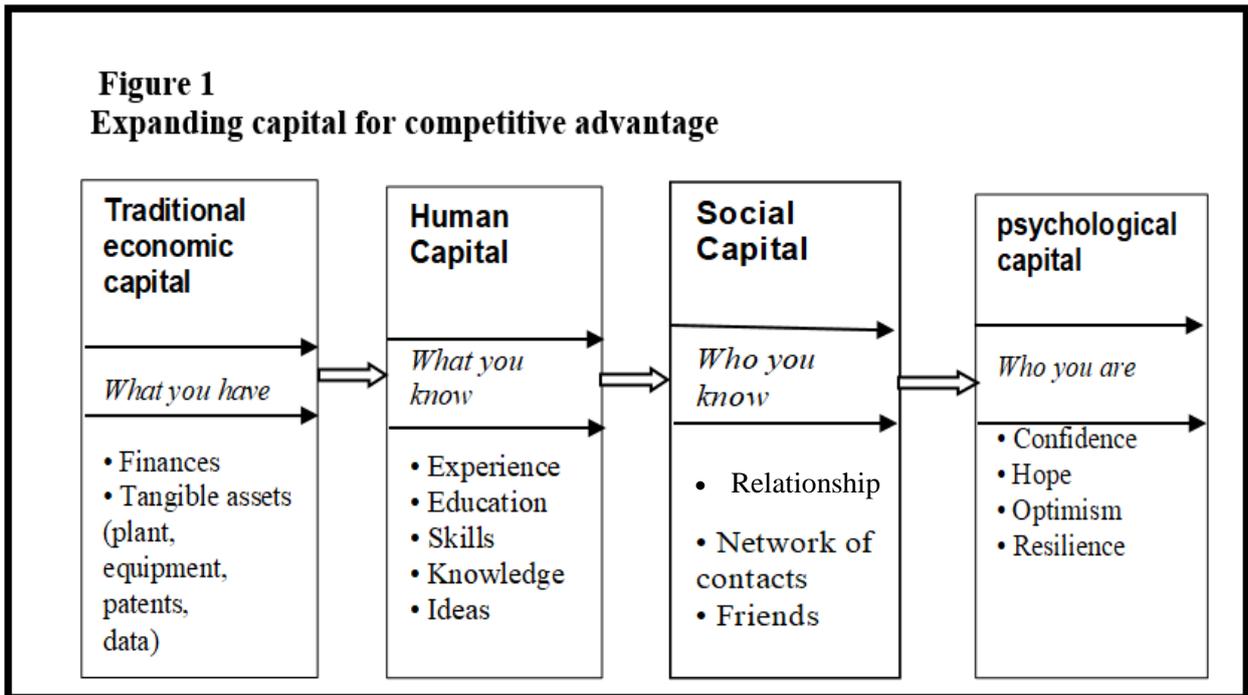
## **1.2 CONCEPTUAL CONSIDERATION**

### **1.2.1 Psychological Capital (PsyCap)**

Generally referred as PsyCap (Psychological capital), Luthans and Colleagues (Luthans, et. al., 2007) identified it is an imperative construct consisting of the four positive psychological resources, i.e. efficacy, hope, optimism, and resilience which, when put together, have been empirically identified to be a second-order core construct (Luthans, et. al., 2007). The four elements of positive psychological resources such as hope, efficacy, resiliency, and optimism sometimes referred as 'HERO'. The conceptual definition of PsyCap is "an individual's positive psychological state of development (Luthans et al., 2007, p.3)". The four key elements of the PsyCap construct are briefly described as:-

- **Hope:** Control and perseverance toward goals and, when required, centering on attaining the target.
- **Efficacy:** It is the credence in one's capacity to take care of a situation, especially those which are not familiar.
- **Resilience:** The capacity to take up protracted mental and physical stress. It pinpoints endurance from adversities and failure (Luthans et al. 2007).
- **Optimism:** A sustained positive effort so as to attain the goal now and in the future as well.

**Figure 1**  
**Expanding capital for competitive advantage**



Source: Luthans et al., (2004)

Psychological capital surpasses the realm of the traditional and older social or human capital. Human capital focuses on skills, education, ideas, and experience, (what you know). While social capital focuses on social networking among employees (Singh et al., 2015). Human capital is, “what you know”, and social capital, that is, “who you know” (Adler & Kwon, 2002), however, PsyCap deals with “who you are” and, in the progressive sense, “who you are becoming” (Avolio et al., 2004). However, how PsyCap goes beyond human and social capital, and especially the developmental piece of “what you are becoming” is explained by Luthans in his studies i.e., PsyCap recognizes moving (developing) from the actual self (human, social, and psychological capital) to the possible self ( Avolio & Luthans, 2006).

Psychological capital is open to develop and earlier researches done on hope, self-efficacy, optimism, and resilience have supported this idea (Luthans et al., 2007, 2004). Bandura (1997) highlights the ways to increase self-efficacy, while Snyder (2000) establishes that hope can be evolved on the state-hope scale. Strategies to develop optimism were examined by Carver & Scheier (2005). Masten & Reed (2002) spoke about plans for resilience-based development interventions.

To give support to the PsyCap theory as a core construct or a higher-order construct, we can likewise draw from psychological resource theory (Hobfoll, 2002). It has also been

mentioned by Luthans in his book “Psychological Capital; Developing the Human Competitive Edge” (Luthans et al., 2007). It emphasizes the need for treating individual assets as appearances of a hidden core construct or as an incorporated recourse set (for this situation PsyCap), instead of in segregation.

Furthermore, literature has established that PsyCap is linked to work outputs like job contentment and job performance (Avey, et. al., 2006; Luthans et al., 2007; Luthans, et. al., 2008). It has been highlighted by evidence that all the four dimensions of PsyCap are linked to outcomes which are similar. Research in the past has suggested that PsyCap is associated positively to employee’s desirable behavior and contrarily to undesirable employee’s demeanors. A possible explanation for PsyCap’s impact on employee demeanors is that those who reported higher on PsyCap, expect that great things take place at work (optimism), believe that their own prosperity (hope and efficacy ) is self-made, and go on to stay more impenetrable to setbacks (resilience) when compared with those who were reported lower on PsyCap. It is generally observed that anticipation of success come from optimism, and the confidence in individual capacities come from efficacy, employees high on PsyCap are reported to be more satisfied with their employment and committed to their organizations (Luthans, et. al., 2007, 2008). PsyCap has been observed as an important and significant element which is highly related to organizational commitment, so organizations (as a referent) need to satisfy the requirements for these four factors, to enhance PsyCap in their employees. In return, employees will probably embed themselves more, and be excited about their work (engagement). Further, this bond between employee’s positive attributes with their work displays a strong association between positive psychological strengths and subjective well-being (Khan, 2013).

Thus, previous researches have observed PsyCap be contrarily associated with undesirable employee dispositions. For example, this may involve a cynical attitude toward change or turnover intentions. On the other hand, those higher in PsyCap have been found as being more open and less cynical about change at the workplace because of hopeful expectations of future occasions, and additionally, resilience to adversities. Further, Avey and Youssef (2010) take note of how "PsyCap's agentic thinking has a persuading sway, which can upgrade determination, internalization, and pathways thinking, which repudiate with the 'surrendering' and despair, related with cynicism." It will allow them as well to choose for challenging situations themselves (Bandura, 1997), get involved with imperative ventures and

assets, and face even a difficult situation (Stajkovic & Luthans, 1998b), instead of becoming “quitters”.

### 1.2.2 Employee Engagement

Engagement is a dynamic procedure that throws light on every person’s distinctive, personal association with their work (Litten et al. 2011). Macey & Schneider (2008) opine that “engagement” is a complex feeling or emotion, which makes it all the more difficult for it to be measured. An extensive area of research has referred engagement as a “psychological state”, such as participation, attachment, commitment and mood, performance construct; like in the case of measurable behavior, consisting of organizational citizenship behavior and pro-social behavior.

The term employee engagement emerged in the 1990s when Gallup’s State of the Global Workforce report (Endres & Mancheno-Smoak, 2008; Little & Little, 2006) first used the term. Kahn (1990) was the first to use employee engagement as an abstraction in academic research, utilizing a framework of ‘personal disengagement’ and ‘personal engagement’. Kahn in 1990 defined personal engagement as “the harnessing of organizational members’ selves to their work roles. In the engagement, people employ and express themselves physically, cognitively and emotionally during work role performance.” Over the past few years, however, many studies have presented a wide array of definitions about engagement. “Employee Engagement” as a term thus has been conceptualized and analyzed in various ways.

- *Kahn in 1990 put forward and first coined engagement as “the harnessing of organization members’ selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances”.*
- *Employee engagement is described as “a distinct and unique construct that consists of cognitive, emotional, and behavioral components that are associated with individual role performance” (Saks, 2006, p. 602).*
- *Employee Engagement has been defined by Schaufeli et al. (2002) as “a positive, fulfilling, work-related state of mind characterized by vigor, dedication, and absorption” (Schaufeli, Salanova, Gonzalez – Roma, & Bakker, 2002, p. 74).*

- *Shuck & Wollard, (2010) said that employee engagement is “an individual employee’s cognitive, emotional, and behavioral state directed towards desired organizational outcomes”.*
- *Harter et al., (2002) described engagement as “the individual’s involvement and satisfaction with as well as enthusiasm for work”.*

Thereafter, a number of definitions have been utilized to define engagement but common consensus reached on it has been meager. Of all the above definitions, the most popular is the one that consider engagement as “a positive, fulfilling, work-related state of mind characterized by vigor, dedication, and absorption” (Schaufeli et al., 2002). This has been validated in a number of countries, which has also added to its popularity.

Identification and energy are symbolized by dedication and vigor. These concepts have appeared as two direct opposites to the two “burnout” dimensions, which comprises of cynicism and emotional exhaustion (Maslach & Leiter, 1997; Schaufeli et al., 2002). As a matter of fact, “burnout” shows the pathological facet of psychology, which centres its attention on the impairment process of human health, whereas work engagement connects positive human energies (physical, emotional, and cognitive) to work, and at the same time lays importance on positive side of psychology. So, in a particular way, burnout and engagement have been seen as two utmost opposite expressions of well-being.

Hence, employee engagement is more frequently and favorably seen as a critical psychological state of mind, which is characterized by the psychological states of dedication, vigor, and absorption.

- **Vigor (positive aspect)** – This term that defines work engagement refers to energy and mental resilience at a high level. It also refers to the inclination to invest dedication in one’s work, and even persistence in difficult situations.
- **Dedication (motivation aspect)** – This refers to being robustly involved in your work, and undergo a sense of importance, liveliness, pride, inspiration, and challenge.
- **Absorption (cognitive aspect)** – Refers to concentration and the feeling of happily being involved, so much so that the passing of time becomes irrelevant and there are difficulties in trying to disengage oneself from it.

Contemporary organizations require enthusiastic and energetic employees who are dedicated, which actually means that they require people who get involved with their work.

Hence, a certain degree of proactive behavior is expected by these organizations, which requires responsibility and initiation for the employee's personal development. Hence, those employees who are wholly involved, engaged, and passionate about their work are the ones who are in demand. Hence, employee engagement is a heightened intellectual and emotional link experienced by an employee with their work, manager, organization or colleagues, which, in turn, influences them to apply more discretionary effort to their work.

When practically seen the relevant literature alludes to the engagement of an employee as “an individual employee's cognitive, emotional, and behavioral state directed towards desired organizational outcomes” (Shuck & Wollard, 2010). On the basis of this literature, it may be stated that employee engagement is an intellectual and emotional bonding of employees with their work, colleagues, supervisors, and subordinates, making them put greater effort into their work (Gibbons, 2006). Such employees express themselves either emotionally, cognitively or physically (Kahn, 1990):

- Emotional engagement comprises of meaningful bonding, and concern for others.
- Cognitive engagement deals with belief and sensitization of the employees about an organization's mission, culture, and perception.
- Physical engagement deals with the amount of employees' endeavor exerted into their work.

Such an engaged workforce works passionately and feels connected with the organization. This leads to organizational effectiveness, because when employees work passionately and feel connected to their jobs, then they do their best in accomplishing tasks and in meeting unforeseen challenges. While placing emphasis on a particular role of an individual in the organization, Saks (2006) has understood employee engagement to be role-specific with regard to one's work role, and also with regards to being a member of the organization. Following this, engagement is differentiated in terms of job participation and engagement of the organization. Similarly, Andrew and Sofian (2012) encouraged the idea and brought into light the empirical difference between organization engagement and job engagement.

Engaged workers differ from obsessive workers who are habitual specialists, feel a misrepresented impulse to work, which now and again jeopardizes their well-being and satisfaction, and lessens their social working (Schaufeli et al., 2008). But, when the opportunity is given to be tactful and nonparticipation in work exercises is not mandatory,

workers who are obsessive spend a lot of effort in those very work exercises. They do not seem very willing to give up on work, and continuously keep thinking for improvement. Compulsive workers get fixated on their efforts and become habitual laborers, dissimilar to being connected with representatives who do not show the run of the mill impulsive drive (Bakker, et al., 2008). In contrast, an engaged employee works when he is needed to and works efficiently. Bakker (2009) expressed that such representatives perform far superior to workers who are no-engaged workers. He recommended that connected-with workers regularly encounter positive feelings, (for example, satisfaction and bliss), encounter better physical and mental health, make their own particular occupation and individual assets, (for example, bolster from others) and even go ahead to exchange their engagement to other laborers. (Bakker, 2009)

For more than 20 years the concept of engagement has been discussed and used. But it has also drawn attention to misconceptions regarding its distinctive existence in organizational science (Kataria, et. al., 2013). For example, it is regularly confused with the hitherto prevailing terminologies like job organizational commitment, job involvement, and job contentment. Several research articles refer to it in ways that see engagement as a construct overlapping with some already-existing variables like, job involvement, job satisfaction, affective dedication , proactive behavior or Organizational citizenship behavior (OCB) (Frank et al. 2004; Robins et al. 2004; Macey & Schneider, 2008; Scott et al. 2010; Welfald & Downey, 2009). Hallberg and Schaufeli, (2006) opined that the conceptualization of work engagement includes commitment and attachment to one's work. It is superficially described sometimes in terms of employees' emotional attachment to their organization and work, or as a level of involvement and commitment that an employee has towards an organization and its values.

Further, many researchers have demonstrated empirically that engagement is a different construct. It has been argued that job satisfaction is more similar to satiation, whereas engagement is activation (Ericksion, 2005; Macey & Schneider, 2008; Christian et al., 2011). Further, Robinson et al (2004) stated that engagement contains many of the elements of both commitment and OCB. What is more common in these constructs is their two-way nature and the extent to which engaged employees are expected to have an element of business awareness.

In addition, Saks (2006) said that engagement can be distinguished from many related constructs, most of all organizational commitment (OC), organizational citizenship behavior (OCB) and job involvement. For example, organizational dedication means a person's positive attitude and closeness towards their organization. Engagement is not an attitude; it is the degree to which an individual is attentive and absorbed in the performance of roles. Christian et al. (2011), in support of this, found that engagement construct which has a broader paradigm in that it includes a holistic investment of the entire self. Involvement and commitment of job might be the components of engagement but do not suffice for engagement (Christian et al., 2011). Cognitive judgment regarding jobs results in involvement, whereas engagement is associated with the active use of employees' emotional, physical and cognitive energies in their job performance (Saks, 2006). In addition, engagement's focus is one's performance role in the formal sense, more than extra-role and voluntary behavior.

It has been suggested as well that it surpasses commitment and satisfaction; that enhances both personal satisfaction and a positive contribution to the organization. Employee engagement is a positive, affective-motivational state of fulfillment. It has also been established that employees who remain engaged are less absent, remain longer in workplace. Also, they are more contented, devoted, and high yielding (Harter et al, 2002; Sonnentag, 2011). They are able to promote innovation and are ready to provide discretionary effort to push the organization ahead (Boyd & Sutherland, 2006; Lockwood, 2007; Bernardin & John, 2003). An employee's degree of participation and cooperation is highly dependent on an employee's work engagement which also influences their term in the organization (Gibbons, 2006), which as a matter of fact has been seen to be an important indicator of organizational effectiveness. Relevant facets like these of employee engagement have made it a particular research variable of the present study.

### **1.2.3 Organizational Effectiveness**

Organizational effectiveness gained popularity in the late 1970s when it started becoming a concept rather than a construct (Henry, 2011). Issues like the ability of an organization to access and assimilate assets and thus get points were related to this concept (Federman, 2006). As stated by Gigliotti (1987) that a Unit's failure is for sure if it is exclusively not effective with regards to its synergy with the rest of the organization. Cameron (1978) opined that organizational effectiveness is the ability of the organization in

addressing basic assets. Over the previous years, however, many studies have exhibited a wide array of definitions on effectiveness, with a more or less comparative perspective on effectiveness. The term "organizational effectiveness" has been conceptualized and measured in differing ways.

*Organizational effectiveness is defined in terms of the “extent to which an organization achieves its goals”. (Steers, 1977)*

*Cameron (1978) posited “organizational effectiveness is the proficiency of the organization at having access to essential resources”.*

*Organizational effectiveness is “a company’s long-term ability to achieve consistently its strategic and operational goals.” (Fallon & Brinkerhoff, 1996)*

*Hannan and Freeman (1977), characterized it as “the degree of congruence between organizational goals and observable outcomes.”*

*Mott (1972), “the ability of an organization to mobilize its centres of power for action, production, and adaptation”.*

As indicated by Drucker (1974), "Effectiveness talks about doing things right". Though this notion of Effectiveness is widely accepted there are ambiguities over how to execute the concept (Quinn & Rohrbaugh, 1983; Seashore, 1983; Steers, 1977). As effectiveness talks about doing tasks accurately, who at that point see what is right, what comprises the right things, and how can they be measured? Writings on organizational effectiveness have various comparative perspectives. In fact, effectiveness has always faced challenges like various constituencies cannot regularly agree to the weights or variables under which such evaluative judgments are premised (Griesingev, 1996). In spite of all obstructions to a consensual meaning of organizational effectiveness, four different perspectives were widely followed by researchers to understand organizational effectiveness.

**Table 1.1 Several Approaches of Organizational Effectiveness**

<b>Approach</b>	<b>Viewpoint on effectiveness</b>	<b>Viewpoint on organization</b>	<b>Main emphasis</b>	<b>Criticism/Support</b>
<b>Goal-Approach (Price, 1968)</b>	“As the degree to which an organization achieves its goals”	Organizations are rational, deliberate, target seeking entities that are made to attain specified and predetermined aims	Is on the identification of organizational goals and operating objectives like profits, productivity, quality etc. to measure performance	A partial measure of organizational effectiveness, conflicting goals of organization can change over the due course of time because of external and internal irregularities.
<b>The System Resource (Yuchtman &amp; Seashore, 1967)</b>	“As the ability of an organization, in either absolute or relative terms, to exploit its environment in the acquisition of scarce and valued resources to sustain its functioning”	Views organization as an open system of various interrelated subsystems. The organization is able to attract resources to ensure viability.	Is on inputs, attracting necessary resources and on the transformation processes. It is concerned with the extent to which resources drawn from the environment are used to create goods or services (Schermerhorn et al., 2004).	Failure to address the organization’s political nature. Measurement of all needs of the systems are arduous to develop.

<p><b>Internal process (Steers, 1977)</b></p>	<p>Organizations that can offer a harmonious and efficient internal environment are considered as effective such as integrated systems, faith and proper functioning.</p>	<p>A clear linkage between the internal processes of an organization and its desired outputs.</p>	<p>It is on the internal logic and consistency among the organizational processes that convert their inputs into desired outputs.</p>	<p>It involves only one-side of effectiveness and it lacks to identify the methods to assess the failure.</p>
<p><b>Strategic constituency (Connolly et al., 1980)</b></p>	<p>Strategic constituent groups determine the way organizations are functioning and what is to be perceived as effective or ineffective</p>	<p>The organization has a number of constituencies, with different degrees of power, and each trying to satisfy its demands.</p>	<p>Is on the human resources. Particularly, this approach draws its attention on very little satisfaction of all the strategic constituencies of the organization, for e.g., costumers of the products, facilitators, supporters dependents and the resource providers (Cameron, 1981; Ashraf &amp; Kadir, 2012).</p>	<p>Evaluation of organizational effectiveness differs in their external and internal perspective.</p>

<b>Competing values (Quinn &amp; Rohrbaugh, 1981;1983)</b>	This approach combines four basic models of organizational effectiveness, each concentrating on a different criterion.	Organizations can be evaluated in varied ways assuming there is “no best” criteria that are valued and utilized in scrutinizing organizational effectiveness.	Is on maintaining balance or capacity among the focus of the organization (people vs. organization), the organizational structure (flexibility vs. control) methods and outputs (means vs. ends).	An improved method to understand organizational effectiveness.
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Source: Goodman et al. (1977), Cameron (1984)

### **The Goal Approach**

This approach is the first widely used approach in organizational effectiveness. It focuses on the results while making sense of the rudimentary working objectives like development, benefit and eventually product quality (Schermerhorn et al. 2004). This approach assumes certain things like, general concession to achieve specific aims being mandatory, and that the people participating in it should demonstrate high levels of commitment while achieving them. Additionally, it establishes that there must be a limit to the number of objectives and that achieving them will need certain rudimentary assets (Robbins, 2003). Altschuld & Zheng (1995) criticise the goal approach in the assessment of the effectiveness of research organizations and academic establishments for its unreasonable emphasis on the estimation of the outcomes.

### **The System Resource Approach**

The system resource approach is the second approach which concentrates on the benefaction of the empirical data. It describes effectiveness from the perspective of the capacity to get basic imperative assets from the surroundings beyond the organization (Schermerhorn et. al., 2004). A clear connection between the resources received by an

organization and the goods and services it produces conveys that the system resources are fruitful (Cameron, 1981). This approach views the organization in general, and also as a part out of a big group. The dominating idea is that a single activity of an organization has an effect on each part of the organization (Mullins, 2008).

### **The Process Approach**

It concentrates on the transformation process and is keen on checking the degree to which resources are exploited so as to provide services or to furnish products (Schermerhorn et. al., 2004). All the members are the constituents of the system and the system itself works easily. The link between the members is dependent on genuineness, trust, and a positive outlook. Eventually, the information flow is rooted on a horizontal and vertical premise (Cameron, 1981). This approach is being used widely in higher educational establishments (Kleijnen et al., 2009).

### **The Strategic Constituency Approach**

Strategic constituency approach is the fourth approach. It tackles the organization's impact on the shareholder and their interests (Schermerhorn et. al., 2004). According to this approach, effectiveness indicates the minimum satisfaction of all the plans and constituencies of the organization. Each member of the general population is included in this, which in some way or another is linked to the organization. The roles of these individuals may be distinct, e.g., the consumer of the services or the organization's output, the suppliers of resource, and the facilitators of the association's output, the primary promoters and the organization's dependents (Cameron, 1981). T. Dalton and L. Dalton (1988) observed that this approach anticipates an in-depth disposition for effectiveness and scrutinizes the elements within the environment as well as inside the organization. From this viewpoint, the thought of social responsibilities is considered. This thought did not find a place in methodologies conventional in nature. But was immediate importance for research organizations and scholars.

### **The Contending Values Approach**

This is one of the most influential and rigorous, multidimensional approach. It was conceptualized to ensure that the concept of organizational effectiveness is captured in an empirical approach, as deemed necessary by a few scientists (Mahoney, 1967; Seashore & Yuchtman, 1967). Steers states that "a meaningful way to understand the abstract idea of

effectiveness is to consider how researchers have operationalized and measured the construct in their work” (1975, p. 546). Quinn & Rohrbaugh’s (1981, 1983) competing –values approach is a conspicuous effort along those lines. Quinn and Rohrbaugh used special expert assessment to put in order a list of effectiveness criteria dispensed by Campbell (Campbell, 1977). Following scientific taxonomy, they reveal three different dimensions with competing foci: (1) internal versus external, (2) flexibility versus control and (3) means verses ends. The initial two dimensions have been combined together into four different perspectives: (1) the rational-goal perspective (prominent emphasis on external factors and control), (2) the open-system perspective (prominent emphasis on external factors and flexibility) (3) the human-relations perspective (prominent emphasis on internal factors and flexibility) and (4) the internal-process perspective (prominent emphasis on internal factors and control). Effectiveness criteria can be associated either to the means or to the ends, out of these four perspectives (Quinn & Rohrbaugh’s third dimension of taxonomy).

However, due to a paradoxical and multidimensional nature, ensuring organizational effectiveness is not easy (Cameron, 1986). Hence one criterion can judge an organization’s effectiveness and another criterion judge the ineffectiveness. Due to a deficiency of consensus on a considerable set of effectiveness paradigm, it is suggested that different models should be used for studies on organizational effectiveness (Cameron, 1981; Daft, 2004). The following nine perspectives have been laid down by Pounder (1999) in order to assess organizational effectiveness:

1. Productivity-Efficiency
2. Quality
3. Cohesion
4. Adaptability- Readiness
5. Information Management-Communication
6. Growth
7. Planning- Goal Setting
8. Human Resource Development
9. Stability-Control

In Pounder’s research, the study group consisted of academic and non-academic staff from seven institutions. Pounder (1999) established that the study ’s result showed improvement in the scales for valid and reliable self-rating in such areas as planning-goal setting, information management-communication, cohesion, and productivity-efficiency.

- **Productivity-Efficiency:** This facet of an organization's output has to do with behavior that shows the degree to which it is related to the volume or quantity of what it produces and the operation's cost.
- **Cohesion:** Cohesion is to do with teamwork, staff morale, interpersonal association, and a sense of belonging.
- **Information Management-Communication:** It shows the degree of its capability to dispense accurate and timely information required by its members to do their tasks.
- **Planning-Goal Setting:** It shows the degree of its capability to lay aims and ends and plan systematically for the future.

Unfortunately, there is a need for empirical confirmation to develop a relationship of organization effectiveness with positive practices in the workplace, positive individual behavior, and positive effect. It has been empirically established that positive effects are produced by positive practices in individuals like job satisfaction, personal welfare, intention to leave (reversed), dispute (reversed), and social satisfaction and contentment with the job which are essential elements to the managerial success of 'organizational excellence' (Cameron et al, 2003; Fineman, 1996 ; Lyubomirsky et al., 2005). When organization members perceive and experience compassion, love and other emotions that are positive in nature, their pride in the organization increases along with the inclination to enjoy the work.

## **CHAPTER-II**

# **Review of Literature**

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This chapter deals with research on the constructs that have been taken up in the current study. Global and wholesome views of the variables have been provided in the review of literature. It also presents the readers with the past and present scenario and the future perspectives.

## **2.1 POSITIVE ORGANISATIONAL BEHAVIOR (POB)**

Despite perceived achievements in discovering successful treatments for mental illness and abnormal behavior, psychology as a discipline has provided comparatively meager consideration to nourishing people in terms of growth, development, and self-realization. Seligman and few others gave a call to divert the two overlooked missions of psychology; i.e. helping individuals who are healthy to become more cheerful and accomplishing human potential in the direction of effectiveness, have brought an outpour of interest coupled with theory and experimental research in what is currently known as “positive psychology” (Aspinwall & Straudinger, 2003).

Except for Positive Psychology, the literature of organizational theory has found two vital but parallel and corresponding actions. These frequently allude as Positive Organizational Scholarship (POS), which emanated from main research at the University of Michigan (Cameron, 2003; Dutton & Quinn, 2003), and Positive Organizational Behavior (POB) that came from the University of Nebraska's Gallup leadership Institute. Though both methodologies definitely adjunct one another but POS is inclined to concentrate more on large scale and on the organizational level while POB focuses more on small-scale and on an individual level. Other recognizable differences are that while POS focuses on constructs such as empathy and virtuousness which are not sure to develop in nature or being potentially associated with performance impact (Cameron & Caza, 2004), being incorporated in POB means the construct needs to meet the standards of being state-like alongside these lines that are open to betterment, and linked to performance outputs. PsyCap is derived from the POB establishment and standards (Avolio & Luthans, 2006; Luthans, 2004; Luthans & Youssef, 2004).

Luthans particularly defines POB as “the study and application of human resource strengths and psychological capacities, which are positively oriented and which can be

measured, evolved, and efficaciously managed for overall performance development in nowadays place of work". Hence, psychological capital needs to fulfill some standards in order to be considered as the construct of POB. PsyCap and employee engagement are the elements that could have their roots in POB constructs. The high-quality elements of hope, self-efficacy, resilience, optimism are PsyCap's dimensions that were recognized as a satisfactory assembly in the inclusion standards (Avey et al., 2010; Luthans & Avolio, 2009).

## **2.2 THEORETICAL FOUNDATION**

This study's foundation, i.e., the proposed relationship among PsyCap, employee engagement, and organizational effectiveness can be explained by the broaden-and-build theory of Fredrickson's (1998, 2001). Broaden- and-build theory includes the capability to build resources that reduce emotions which are negative while at the same time bringing in positive emotions. The theory proposed in support of incorporating the importance of narrowing negative components and broadening positive components in order to build personal resources. Negative emotions are normally implicated in the narrowing process. It is only positive emotions that can counterbalance the unfavorable effects of negative emotions.

Fredrickson's indigenous broaden-and-build model concentrated primarily on the widening of attention via optimistic emotions. The adaptations seem to be advantageous when traversing how positive emotions can help in everyday situations, like educational and career endeavors. Wright et al. (2007) have studied the important effects of positive emotions and resource development so as to assist psychological welfare and provide job contentment and performance. The hypothesis of this research aimed to test if the enhancement of abilities and skills linked to a particular job performance output could be an indicator of better job performance (Wright et al., 2007). Empirical findings concluded that when satisfactory psychological skills are displayed by individuals, a high degree of job contentment is experienced by them and in return, it enhances their job performance. The more optimism an employee experiences, the more it widens their positive thoughts and actions which in turn enhances personal positive resources (Aspinwall, 2001; Fredrickson et al., 2003).

## **2.3 PSYCHOLOGICAL CAPITAL**

Luthans, Youssef, and Avolio (2007) acquiring from the positive organizational behavior approach advocated the concept of PsyCap as an individual motivational disposition that individuals use to overcome obstacles and hindrances all through their life. At the individual level, these motivational dispositions are psychological resources which could

boost the overall performance. At the organizational level, social and human capital, may provide leverage, return on investment, and competitive edge through the overall performance of employees. Due to this result, the growth of interest is not surprising, given the argument and emerging evidence that a competitive and beneficial additional role gesture may uniquely contribute to the overall organizational effectiveness. Literature has confirmed that all four constructs of PsyCap have become progressively significant and crucial for employees performance (Youssef & Luthans, 2007).

Similarly, Luthans, Avolio, Walumbwa and Weixing Li (2005) have observed the relationship between human resources and especially, psychological capital of Chinese workers with their performance. Results showed that people who were high on the amalgamation of all the construct of PsyCap perform better than those who were high on single construct of psychological capital, notably combined PsyCap correspondence was slightly higher than its single construct with performance. A study of workers (n = 272) also observed a considerable relationship between people of high-quality psychological capital and the performance outcome of people.

Another study by Luthans, Avolio, Avey, and Norman (2007) scrutinized PsyCap's influence on work performance and content on a specimen of 404 divergent management students from Midwestern University. The outcome indicated that PsyCap was positively linked to satisfaction and work performance. The study also indicated that PsyCap was far more effective as a higher-order construct, rather than individual construct, in terms of optimism, hope, resilience, and efficacy. Results showed that PsyCap as an overall concept was more efficacious in foreseeing work performance than its individual components.

The effect of PsyCap on emotion, work-related behaviors, and attitudes of employees were also studied by Avey, Wernsing, and Luthans (2008). The outcome proposed that the relation between PsyCap and emotion was a positive one. Attitude related to work in concerning engagement had a positive correlation and cynicism has a negative correlation with PsyCap. Employee's behavior in terms of organizational citizenship behavior and deviance is also related to PsyCap.

In order to see the engagement and commitment through PsyCap of employees, Simons and Buitendach (2013) proposed to analyze the link between PsyCap, organizational commitment, and work engagement. A positive link in their study was seen between PsyCap,

organizational commitment, and work engagement. It was found that work engagement was an important indicator of organizational commitment.

Avey, Luthans, and Youssef (2010) found a robust and important link between PsyCap and employee's positive attitudes like job satisfaction, enthusiasm, and reliance in personal capabilities. In addition to a desirable attitude, PsyCap is negatively linked to an employee's unwanted attitude like skepticism regarding change and turnover intentions. It is believed to append variation to desired behavioral and attitudinal outputs, positively well-known oriented constructs like core self-evaluations, personality traits, person-organization, and person-job fit.

### **2.3.1 Research on PsyCap constructs:**

#### **Self-efficacy**

The self-efficacy was best defined by Bandura (1997) as "beliefs in one's capabilities to organize and execute the courses of action required to produce given attainments". Similarly, Stajkovic and Luthans (1998b) also provided a definition which was widely accepted and considered as "an individual's convictions (or confidence) about his or her abilities to mobilize the motivation, cognitive resources, and courses of action needed to successfully execute a specific task within a given context". In varied meta-analysis studies, Judge et al., (2007) found that self-efficacy were work-related performance are robustly and positively linked with each other.

#### **Optimism**

Optimism has been defined by Seligman (1998a) as "An attribution style that explains positive events in terms of private, everlasting, and pervasive reasons, and negative events in terms of external, transient, and situation-precise ones". It has been found that optimism is linked to various work setting effects like overall performance, job contentment, job happiness (Youssef & Luthans, 2007). Luthans and Church (2002) conducted a study on optimism and found that undeviating uses of optimism in the work setting have provided substantially positive results. Seligman's mentioned his study at Metropolitan life Assurance, in his book *Learned Optimism* to decide the explanatory style of skilled sales dealers at Met life. It was shown in his results that sellers who are optimistic had extra to offer in their role rather than those sellers who were pessimistic within a year of getting employed at Met life, and were less probable of giving up. Various other research works that studied the effect of

optimism in the workplace noticed considerable effects in management which were positive. This was because positive leaders were seen to be extra powerful in starting up change.

## **Hope**

The definition of Hope was given as “a positive motivational state that is based on an interactively derived sense of success”. (1) Again, hope shows an individual’s conviction to achieve targets successfully. It is the self that develops hope and initiates, unlike other constructs like optimism, where the others shape the expectancies and is forced away from oneself (Luthans & Church, 2002; Snyder, 2002). Hope is seen to have an efficacious impact on psychological well-being, success in education and potential to face the difficulties (Luthans & Church, 2002). More goal oriented personnel with surfeit degree of hope seem to be more challenged to achieve the targets and work towards achieving these objectives. They encounter marginal stress and enjoy socializing with people. Further, they adapt effectively to circumstances and make adjustments in the environment (Luthans, 2002). This kind of profile is very advantageous for companies. It suggests that those employees who have a higher degree of hope do not get tired easily and are more certain to practice their jobs, even if the profession is annoying which involves human services (Luthans & Church, 2002).

## **Resilience**

Luthans (2002a) defined resilience as “the capability to rebound or get better from adversity, struggle, failure, or even positive occasions, progress, and extended responsibility”. A lot of studies have found the efficacious link between resilience and the performance at work setting (Youssef & Luthans, 2007). Resilience identifies the necessity for improvisation, flexibility, and difference in undetermined circumstances (Youssef & Luthans, 2007). Personnel who were focused found to be more resilient, though approaches did not pass in accordance to plan, and they were flexible as well with changes at the workplace (Youssef & Luthans, 2007). Also, they proved themselves as problem-solvers and possessed a feeling of responsibility for their own actions (Luthans et al., 2004).

**Table 2.1 Some of the Previous Studies on PsyCap**

<b>Author and year</b>	<b>Sample</b>	<b>Aim</b>	<b>Results and Findings</b>
<b>Luthans, Avolio, Walumba, and Li (2005)</b>	422 employees working in factories located in China	To examine the positive correlation between PsyCap and performance	The result indicated a significant positive correlation of PsyCap with performance.
<b>Larson and Luthans (2006)</b>	74 personnel in a small Midwestern medium-tech manufacturing business	To see the potential additional value of PsyCap in predicting work attitudes	A significant positive association was found among PsyCap, job contentment, and organizational dedication. Employee PsyCap had a notable additional effect on both job satisfaction and organizational commitment.
<b>Avey, Paterraand West (2006)</b>	105 respondents who were engineering managers from a large firm	To examine the implications of positive PsyCap on employee absenteeism	PsyCap was negatively related to employee absenteeism behaviors.
<b>Luthans, Avolio, Avey, and Norman (2007)</b>	Study 1: stage 1 included 167 management students from Mid-Western University and stage 2 included 404 various management	To analyze how PsyCap predicts work performance and satisfaction	Study 1 showed significant finding for PsyCap as a second-order core construct Study 2 findings indicated a significant and positive correlation among PsyCap, work performance, and job satisfaction.
<b>Avey, Wernsing, and Luthans (2008)</b>	132 employees from different IT organizations	To see the impact of PsyCap and emotions on	PsyCap was related to positive emotions and work attitudes such as engagement and cynicism, organizational

		relevant work related attitudes and behaviors and interaction of mindfulness	citizenship behavior and deviance. Mindfulness also interacted with PsyCap to predict positive emotions.
<b>Avey, Luthans, and Youssef (2009)</b>	336 respondent from different organizations	To examine the additional value of PsyCap in predicting work attitudes and behaviors	Results indicated a positive correlation between PsyCap and extra-role OCB and negatively correlated with organizational cynicism, intention to quit and counterproductive work behaviors.
<b>Avey, Luthans, and Jensen (2009)</b>	416 employee working in different industries	To examine the relationship among PsyCap, employee stress, and turnover intention	PsyCap was negatively related with employee stress turnover intention.
<b>Avey, Luthans, Smith, and Palmer (2010)</b>	280 respondents from a Midwestern University	To analyze the relationship between two measures of psychological well-being and levels of PsyCap	PsyCap was correlated to both measure of well-being measurement, first was General Health Questionnaire and second was Index of Psychological Well-Being
<b>Culbertson, Fullagar, and Mills (2010)</b>	102 participants from a Midwestern state in the USA	To examine the relationship between PsyCap and employees' eudaimonic and hedonic well-being	Results indicated a positive relationship between PsyCap and employees' eudaimonic and hedonic well-being.

<b>Toor&amp;Ofori (2010)</b>	Quantitative study; Chief executives and directors from the construction industry in Singapore	To investigate the relationship of PsyCap with authenticity, leadership and leadership outcomes	The study investigated the relationship of PsyCap with authenticity, leadership and leadership outcomes. The results indicated the positive and significant relationship of resilience with one of the components of transformational leadership – intellectual stimulation and with effectiveness.
<b>Luthans, Youssef, Rawski (2011)</b>	Quasi-experimental, 1526 adult employees	To examine the impact of PsyCap in problem-solving performance	The study findings revealed a positive correlation between the role of PsyCap in problem-solving performance
<b>Yan and Lingli (2011)</b>	Empirical study; 208 young staff working for a big corporation in China	To examine the relationship between PsyCap, commitment, job satisfaction and job performance	The results revealed that PsyCap positively related to job performance and organizational commitment partially mediated this relationship.
<b>Liu, Hu, Wang, Sui, and Ma (2013)</b>	1900 male correctional officers from 4 male different prisons in a northeast province of China	To examine the relationship between perceived organizational support and PsyCap with depressive symptoms	PsyCap and perceived organizational support were negatively associated with depressive symptoms and perceived organizational support was positively associated with PsyCap.

<b>Naran (2013)</b>	50 participants from a non-profit organization (NGO) in KwaZulu-Natal	To examine the relationship of PsyCap with job satisfaction, organizational commitment and supervisor support	There was moderate positive relationship between PsyCap and job satisfaction. Supervisor assistance was linked to job contentment and organizational dedication. Another finding established that supervisor support moderated the link between PsyCap and job satisfaction.
<b>de Waal and Pienaar (2013)</b>	163 respondent from South Africa working in a chemical factory	To conceptualize and analyze the link between PsyCap and engagement by using longitudinal data	There was no significant predictive ability in PsyCap to predict engagement in the study.
<b>Dollwet &amp; Reichard (2013)</b>	Study 1: 361 USA and non-USA participants living in the USA Study 2: 2134 USA and non-USA participants living in the United States of America	Study 1: To validate an emerging scale of PsyCap to measure cross-cultural skills and effectiveness Study 2: To use the validated PsyCap scale to investigate its validity in terms of discriminant, convergent and predictive validity	The scale showed construct validity to judge cross-cultural skills in deciding cross-cultural effectiveness. Second finding reported that cross-cultural PsyCap had a positive impact on cultural intelligence and negative impact on ethnocentrism.

<b>Beal, Stavros, and Cole (2013)</b>	97 participant from governmental companies that offer life-cycle professional management support	To investigate the impact of PsyCap on organizational citizenship behavior by examining the mediating role resistance to change	The study found a positive effect of PsyCap on Organizational Citizenship Behavior. This relationship was partially mediated by a high level of resistance to change.
<b>Siu (2013)</b>	287 participants who were health-care workers in China	The aim was to study the impact of PsyCap on the outcomes of work well-being and work-life balance	PsyCap had a notable effect on the positive relationship with work-life balance and works welfare.
<b>Liu (2013)</b>	370 participants working in Taiwan from a life insurance Industry	The aim of the study was to identify the relationship among PsyCap, perceived supervisor support, and job performance	PsyCap significantly mediated the relationship between job performance and perceived supervisor support PsyCap had a positive impact on job performance. Perceived supervisor support had a positive impact on job performance.
<b>Simons and Buitendach (2013)</b>	106 participants working in a call center employees from a South African company	To determine the impact of PsyCap on organizational commitment and work engagement	A positive relationship was found between PsyCap, work engagement, and organizational commitment.

<p><b>Li, Ma, Guo, Xu, Yu, and Zhou (2014)</b></p>	<p>381 participants were psychology students from China at a University in Wulan</p>	<p>To examine the importance of PsyCap in the relationship between subjective well-being and social support</p>	<p>A positive relationship was found among PsyCap, social support, and subjective well-being PsyCap significantly mediated the relationship between subjective well-being and social support.</p>
<p><b>Rabindra Kumar Pradhan et al. (2016)</b></p>	<p>The study examined 212 employed professionals working in Indian manufacturing and service industries.</p>	<p>The purpose of the study is set to investigate (a) the relationship of psychological capital (Psycap) on organizational citizenship behavior (OCB)</p>	<p>The results revealed that PsyCap is linked positively to OCB. The study's major hypothesis that EI moderates the relationship between Psycap and OCB was also supported.</p>
<p><b>Wang et al (2017)</b></p>	<p>A cross-sectional study was performed from six universities to randomly selected 1,210 participants from Shenyang China.</p>	<p>The aim of this study was to explore the association between occupational stress and depressive symptoms and assess the mediating role of psychological capital between these variables</p>	<p>Occupational stress was found to be a risk factor for depressive symptoms; psychological capital was negatively associated with depressive symptoms among university teachers.</p>

<p><b>Batel Liran and Paul Miller(2017)</b></p>	<p>The study examined 250 BA students at the University of Haifa; 60.4% of them were in their second year and 39.6% were in later years. First-year students were not chosen because that level may not be suitable for assessing academic adjustment</p>	<p>To investigate the potential of psychological capital as a resource for academic adjustment</p>	<p>Correlational as well as SEM analyses recommend that psychological capital is a positive resource with a central role in students' academic adjustment. The study extended knowledge on the impact of psychological capital on positive organizational behavior by generalizing it to higher education.</p>
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## 2.4 EMPLOYEE ENGAGEMENT

In social science research, the impetus gained by positive psychology made way for the popularity of the positive organizational behavior construct of employee engagement (Demerouti et al., 2010; Simpson, 2009). Employee engagement is defined as “a positive, fulfilling, work-related state of mind characterized by vigor, dedication, and absorption” (Schaufeli et al., 2002).

Employee engagement has achieved an outstanding amount of attention as it has been seen to be the imperative rationale of individual attitudes, overall performance and behaviors, organizational efficiency, dedication and holding of the employee. High-quality organizational outputs like overall task performance, less turnover intention, organizational dedication, right health, and fruitful yields, were seen to have links with employee engagement (Bakker & Demerouti, 2008; Du Plooy&Roodt, 2010; Luthans et al., 2010). Personnel who are more engaged are concerned, encounters fruitful engrossment in their work, and work harder as they perceive work to be more enjoyable (De Waal &Pienaar, 2013).

In this given context, employee engagement is evolving as an important area of interest, as a lot of research is being done to explore the yields of this important psychological state of employees. There is proof that work engagement has an impact on performance overall and the level of productivity of groups, employees, and organizations. The result of these studies demonstrated the clean impact that employee engagement has on performance and finally, on the organizations' monetary success. Personally, The Company Leadership Council (2004) showed that employees who were quite well-engaged and performed at average rankings were 20 percentile points better than those with average ranges of engagement. It was discovered by Shih-Yi and Mujtaba, (2007) that the more important an employee's job was, the more content the worker was with her or his job. If the scope of activities is big, naturally, the personnel will find their job to be more meaningful.

Additionally, Bates (2004) examines a workplace of an insurance income and finds that the difference in output (income) of employees who are engaged less and those who are moderately engaged is quite insignificant. However, those who are especially engaged performed better than the disengaged employees by a means of 28 percent and the reasonably engaged by 23 percentage.

However, the most significant finding related to employee engagement and an organization's overall performance was from a study by Hewitt (2004). Earlier research had shown only a connection between economic overall performance and engagement. This study shows that there could be a causal relation between them. Hewitt, over a period of 5-years, studied the engagement and a number of economic indicators of not just one organization but many and found equal link of overall performance. It was discovered by Hewitt that when there was an increase in worker engagement levels, there was an increase in economic performance indicators at the same time. This lead-lag proof reveals that employee engagement vividly leads to a boom in an organization's overall financial performance.

Christian et al., (2011) while examining work engagement used a meta-analytic path modeling to examine the link between organizational (contextual performance and job performance) and individual factors, and the mediating impact of involvement in this relationship. The study finds that work engagement exhibit a distinguishing cogency over job attitudes (job contentment and job engagement and organizational commitment).

Gupta and Kumar (2013) studies and analyses the link between engagement and perception of performance appraisal in the Indian business context. Informational justice dimensions and distributive justice were seen to have a robust effect on engagement.

Adding further to the field of human resource management, Karatepe (2013) tests the impact on employee engagement of high-performance work practices (HPWPs). The work engagement was made a mediating constituent in the link between job performance and HPWPs, and additional role customer service. HPWPs with regards to employees' assessment of training, reward and empowerment were found to intensify an employee's work engagement which impacts the tendency of job performance and extra-role customer services.

In tune with this, Babcock-Oberon and Strickland (2010) examined the link between OCB and charismatic leadership through employee engagement. A charisma of a leader was found to have much influence on employee engagement at work which led to further participation in OCBs. Salanova et al., (2011) reported the undeviating effect of transformational leadership on work engagement and noticed that work engagement arbitrates the impact of transformational leadership and self-efficacy on the extra-role performance of nurses.

Shantz, Alfes, Truess, and Soane (2013) examined the role of engagement in the link between task performance and job design, citizenship, and aberrant behaviors. Employees, who view job attributes in terms of task variety, high-level autonomy, and task significance, were seen to be more involved, displaying more citizenship behaviors in organizations. Laying stress on the individual characteristics role in influencing the degree to which employees may feel involved in their work, Bakker, Tims, and Derks (2012) analyzed the agile personality role and job-making ability on employee engagement and in-role job performance. The study recommends that those employees who have a personality that is proactive were better at job performance.

Bakker, Demerouti, and Brummelhuis (2012) in another study examined the link between performance and employee engagement and scrutinized how engagement was seen to be linked positively to contextual task performance, and active learning, especially for employees whose conscientiousness was higher. Bakker and Xanthopoulou (2013) contributing more, analyzes the job role and personal resources on engagement to measure the degree of its effect on charismatic leadership and creative task performance. Employee engagement has the complete mediating effect of job and personal resources on charismatic

leadership and creativity. In addition, a number of authors have worked on employee engagement. Rothmann, for example, observed that police officers who are engaged have an agile coping mechanism. Another study conducted on South African police officers by Storm (2003) found that they were capable of reorganizing stressors and detach themselves by taking agile strides that are focused on the problem.

Further, Xanthopoulou, Bakker, Demerouti, and Schaufeli (2007) analyzed Dutch technicians who were highly skilled, and established that persons who were engaged were comparatively self-efficacious, and were considered to be able of making the needs they face in various contexts. In addition, engaged workers are of the agreement that they will indulge in the true outcomes of life (optimistic) in unison and conviction that they can fulfill their wants by way of getting involved as a part in the organization.

**Table 2.2 Some of the Previous Studies on Employees Engagement**

<b>Authors and year</b>	<b>Sample</b>	<b>Aim</b>	<b>Findings</b>
<b>Fred Luthans &amp; Suzanne J. Peterson (2001)</b>	170 workers were used as participants in this study.	The aim of the study was to analyze the co-relational effect between manager's-self-efficacy and employee engagement and also its mediating effect on managerial effectiveness.	Results revealed that manager's self-efficacy was slightly mediating the link between employee engagement and the manager's effectiveness. These findings all in all also provided a proof that managerial effectiveness was optimistically influenced by both manager's self-efficacy and employee engagement.
<b>Corporate Leadership Council (2004)</b>	This study included more than 50,000 participants from 59	The aim of the study was to investigate the	The findings of this study were significant: 1. There was a direct impact on

	international companies	impact of both performance and retention and to compare the effectiveness between emotional drivers in yielding better performance than are rational drivers.	performance on retention and 2. The emotional drivers were four times more effective in producing improved performance than were the rational driver.
<b>Bates, S. (2004)</b>	Empirical study	The study examined the role of Employees engagement on employee's performance.	Findings demonstrated that, those who were highly engaged performed 28 percent more than disengaged employees and 23 percent more than moderately engaged employees.
<b>M. Drizin (2005)</b>	This study was conducted by the Performance Assessment Network, Inc. to assess Workforce Engagement	To investigate the most significant motivators of engagement	The important findings of this research was that the most considerable drivers of engagement had everyday satisfaction with one's task, ethics, and challenge for personnel, the reputation of the management group, and effectiveness of senior leadership.

<b>John Gibbson,2005</b>	Conceptual review	The study investigated the concept of employee engagement and to study its effect on performance.	The findings proved that the employee engagement significantly influenced the performance and levels of productivity on the individual, team, and organizational levels.
<b>Alan M. Saks (2006)</b>	A survey was completed by using 102 personnel operating in various jobs and businesses.	This study was done to check a model of the antecedents and effects of job and organization engagements basically based on social exchange theory.	The findings of this study recommend that there is a notable difference between organizational engagement and job. Perceived organizational assistance predicts both job and organization engagement.
<b>Ivan T. Robertson &amp; Cary L. Cooper (2010)</b>	This conceptual review introduced the concept of “full engagement,”	This article proposed that high well-being of employees is substantially contributing to high employee engagement	A broader meaning of engagement (known as “complete engagement”), which incorporates employee well-being, is a better foundation for developing sustainable benefits for people and companies.
<b>Chughtai&amp; Buckley (2011)</b>	168 research scientist drawn from 6 Irish science research center	Analyzing the link between trust and engagement	A noteworthy and positive link was seen between trust in supervisor and trust propensity and work

			engagement.
<b>Salanova, Llorente, Chanel, &amp; Martinez (2011)</b>	280 days from a large Portuguese hospital	To study the role of work engagement and self-efficacy in the link between transformational leadership and extra-role performance.	Findings suggested that work management and self-efficacy significantly influenced extra-role performance and transformational leadership.
<b>Shuck, ReioJr, Rocco (2011)</b>	283 workers from different organizations	Objective of the study was to see the association between affective commitment, job fit, psychological climate and worker engagement, and intentions to turnover.	A significant association was found between employee engagement with job fit, affective commitment, and psychological climate, and turnover intention.
<b>Bakker, Demerouti, and Brummelhuis (2012)</b>	144 employee from several occupations	The objective was to study the interaction between work engagement and personality trait while predicting and three types of performance: task performance,	Conscientiousness moderated the link between engagement and three types of performance like task and contextual performance, and active learning.

		contextual such as performance, and active learning.	
<b>Bhatnagar (2012)</b>	291 managers from Indian industrial sectors	To study the link between innovation work engagement, psychological empowerment, and turnover intentions.	This study found a notable empirical link between innovation work engagement, psychological empowerment, and turnover intentions.
<b>Biswan, Verma, &amp; Ramaswani (2012)</b>	238 managers and executives from 12 manufacturing and service firms in India	To examined the influence of distributive and procedural justice on employee engagement.	Employee engagement was found to effects the influence of procedural and distributive justice.
<b>Song, Kolb, lee, &amp; Kim (2012)</b>	432 (low-level employees and middle-level managers) from 6 different types of organizations.	To assess the impact of work engagement on the relationship between transformational management and organizational information creation practices in the Korean business context	The result showed that employee engagement was a substantial mediator within the association between transformational management and organizational knowledge creation practices.
<b>Sulea, virga, maricutoiu,</b>	258 employees from three Romanian	To analyze the mediating effect	Work engagement explained that all

<p><b>schaufeli,Dumitru, and sava (2012)</b></p>	<p>organizations</p>	<p>of work engagement on job resources and positive extra-role behaviors, between job demands and negative extra-role behaviors and personal resources with positive and negative extra-role behaviors.</p>	<p>hypothesized model has a direct and indirect relation with positive and negative extra- role behavior.</p>
<p><b>Anitha J. (2013)</b></p>	<p>383 employees were used from managerial level small-scale organizations worked as middle and lower level by simple random sampling.</p>	<p>The paper was taken up with the purpose to identify the important determinants of employee engagement and how does it impact employee performance</p>	<p>67.2 % work engagement was influenced by factors – operating setting, leadership, team and workfellow relationship, coaching and career development, compensation program, policies and procedures and welfare</p>
<p><b>Pedro Ferreira and Elizabeth Real de Oliveira (2014)</b></p>	<p>193 samples from three different groups of respondents have used with three different Corporate Social Responsibility (CSR) scenarios (general, internal,</p>	<p>To measure work engagement regardless of the claim that inner corporate social duty plays a crucial function</p>	<p>The results showed that there were no statistically significant differences in levels of engagement between employees exposed to external and internal CSR practices. Nevertheless, employees</p>

	external) to measure employee's work engagement.		exposed to internal CSR are more engaged than those exposed only to external CSR practices.
<b>R.Umamheshwari, and DR. Swarnalatha (2015)</b>	220 scientist and arts college faculty	To examine the impact of work engagement on work satisfaction	The result of this study showed that teachers with higher levels of work engagement significantly affect the work satisfaction
<b>Paluku Kazimoto (2016)</b>	This study was administered to 120 selected respondents, from Uganda using purposive sampling technique.	The study focus on measuring the employee engagement in relation to the organizational performance.	This study showed that despite the association between employee engagement and job satisfaction, there was no relationship between employee engagement and job assignment, which is an important key factor for organization performance. The results revealed that job assignment is critical for engaging employees to ensure organizations' longevity and profitability
<b>Arianna Costantini (2017)</b>	A semi-experimental research design (pre-test and post-test) was used to conduct this study. Participants were	The main aim of this study was to examine the extent to which an improvement	Results showed that there was a positive relationship between psychological capital and work engagement in the

	<p>54 employees working in an Italian public health administration. In the pre-test and post-test stages, data were collected by using the psychological capital and work engagement scales.</p>	<p>in psychological capital, as a personal resource, might enhance work engagement of employees in the public sector</p>	<p>pre-test and post-test stages, considered separately. In addition, comparing pre-test and post-test results revealed that the intervention programme significantly improves both psychological capital and work engagement.</p>
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## 2.5 ORGANIZATIONAL EFFECTIVENESS

Deeply embedded in the organizational literature is the construct of effectiveness (Quinn & Rohrbaugh, 1983). It is one of the most prominent dependent variable and worth concern in organizational sciences. Organizational effectiveness should cope with the need to keep internal efficiency, organizational sources, growth adaptability and capacity to preserve from outside inconsistencies, and to attain its objectives and desires properly. However, organizational effectiveness is a broader word encompassing more than one ingredient for measuring organizational overall performance. Consequently, organizational effectiveness has been connoted as one issue of organizational overall performance (Lee & Choi, 2003).

Measuring organizational effectiveness is hard due to the multidimensional and paradoxical nature (Cameron, 1986). Accordingly, a company may be simultaneously judged powerful by using one criterion and useless by some other. Because of lack of consensus on a valid set of effectiveness criterion, it is suggested that studies of organizational effectiveness should use multiple criteria (Cameron, 1981; Daft, 2004). Similarly, the organizational theory has additionally produced an expansion of models (rational goal, system resource, inner process, and participant satisfaction) referring to organizational effectiveness.

Organizational effectiveness (OE) has been one of the significantly researched problems because of the early development of organizational idea (Rojas 2000). Notwithstanding some consensus, there is a great loss of settlement at the definition of this concept (Cameron 1986). It was observed that the terms ‘performance’ and ‘effectiveness’ are used interchangeably because problems associated with their definition, measurement,

and clarification are virtually equal (March & Sutton 1997). In essence, organizational effectiveness represents the outcome of organizational activities whilst overall performance dimension consists of an assessment device to measure effectiveness.

To understand more about the element of an effective organization and its direct measure, organizations need to focus on aligning and engaging their people, the management system, structure and capabilities, and strategies. Organizations that fail to fully engage their workforce in the business strategies will fail to produce reliable, sustainable business results. Therefore, the link of organization effectiveness with effective practices within the place of work, positive impact, effective individual conduct, regrettably, needs empirical affirmation. It has been set up empirically that positive practices produce tremendous effect in people which include satisfaction with work, personal well-being, purpose to give up (reversed), conflict (reversed), and social satisfaction (Lyubomirsky et al., 2005; Donovan, 2000; Foster, et al., 2004; Cooper, et al., 1992).

Bono and Ilies (2006) determine similar outcomes that leaders who foster nice feelings additionally generated more commitment and satisfaction amongst others. When corporation contributors look at and experience love, compassion, and other positive emotions, they enhance their level of satisfaction in corporation, the amusement of the work, and pride with the task which are necessary elements to the managerial achievement and the 'organizational excellence' (Cameron et al, 2003; Fineman, 1996).

Gupta (1994) attempted to compare three types of organizations, viz., public, private and co-operative sectors in the sugar industry of India in terms of organizational effectiveness. Organizational effectiveness was measured in terms of objective variables such as growth, new business, profitability, labor turnover, and absenteeism.

Vinitwatanakhun's (1998) illustrated that organizational effectiveness needs to focus on human resources and groups and help individuals to gain skills and self-esteem so as to manage the brand new environment and discover protection and support. Inside the literature, there isn't a single model of organizational effectiveness to in shape all groups.

Malik et al. (2011) found some factors which some or the other way affecting organizational effectiveness includes performance, customer satisfaction, motivation, retention, level of business, organizational environment, managerial expertise, creative synergy, multi-ethnic and racial background.

French (2002) has defined Organizational effectiveness as the ability of a firm to obtain resources, use them efficiently in order to attain specific goals, satisfying at the same time, the interest of all the stakeholders. Further, he has identified many organization development interventions. The OD (Organization Development) experts bring four sets of attributes to the organizational setting, namely, a fixed values, a fixed assumptions about human beings, corporations and interpersonal relationships, a fixed goals for the practitioner and the company individuals and a hard and fast of established activities that are the means for reaching the values, assumptions and goals.

The following variables has been considered as an important indicator of organizational effectiveness: Corporate image, Organization Competency, Customer satisfaction, Retention of employees, Corporate Social Responsibility, Level of new business, Level of repeat business, Quality cost, Profits and Return on investment

**Table 2.3 Some of the Previous Studies on Organizational Effectiveness**

<b>Authors and year</b>	<b>Sample</b>	<b>Aim</b>	<b>Findings</b>
<b>Qianhong Fu, 2004</b>	Theoretical study	The role of social capital and trust in organizational capital	Social capital and trust appeared to be positively related to organizational effectiveness. The paper concluded that organizational effectiveness is mutually reinforcing by trust and social capital.
<b>Bandana Nayak and B. B. Mishra, 2005</b>	Data were collected from 10 departments of Rourkela Steel Plant. Participants included 68 supervisors and 241 managers by using Pearson's correlation	To examine the impact of leadership styles on Organizational Effectiveness	The findings suggested that the leadership styles like bureaucratic, authoritative and participative are the important factors of organizational effectiveness for the lower income group.

	matrix and multiple regression models		
<b>Mohammad Reza Noruzi 2010</b>	Theoretical study	This paper explored the relationship between EI and OE as well.	A supervisor with good Emotional Intelligence and competitive intelligence can adapted to the market and organizational actual conditions well than other people who don't have more EI. Along these lines, a manager who had an amazing EI can deal with the circumstance and maintain the business more effectively than the others.
<b>Mpaata Zaid,2011</b>	The aggregate example populace was 336. A correlational study was utilized to examine the relationships between variables.	The aim of the study was to establish the association between visionary leadership and organizational effectiveness.	Findings uncovered that there is a positive significant connection between all the investigation factors and anticipated or clarified 39.5% of authoritative viability.
<b>Kim Cameron, Carlos More &amp; Trevor Leutscher (2011)</b>	Two examinations; one in money related administrations and second is healthcare	The study meant to explore the relationship between positive practices and indicators of organizational effectiveness	The results explained that positive practices foresee organizational effectiveness. All of the greater imperatively, change in positive practices predicts improvements in unique markers of adequacy after some time. The results are clarified

	industry.		by the innate growing, buffering, and heliotropic effects of positive thought in the human system.
<b>Bijaya Kumasundarya (2011)</b>	Conceptual review	The aim was to focus on various factors which lead to employee engagement and what is required for a company to motivate their employees to become more engaged.	Results suggested that organization can increase engagement by proper engagement strategies and that will improve the organizational effectiveness in terms of a various indirect measure of effectiveness.
<b>Nien-chi Liu, Shu-Yi Chou &amp; Chih-Yuan Wang (2013)</b>	Data collection was done through a questionnaire survey in addition to secondary data.	This study aimed to explore the impacts of a group of external human capital acquisition (EHCA) practices on organizational performance and to study the moderating effects of two contingencies, environmental turbulence, and the knowledge-sharing climate, on the effectiveness of these EHCA practices	The findings suggested that organizational abilities to attract and acquire human capital become a key competence for high-performance companies. After successfully selecting and retaining external intelligence from outside, a firm can expect to accumulate, diversify, and then utilize its knowledge stores to promote operational efficiency
<b>Kataria, Garg, and Rastogi</b>	A research by utilizing current theoretical and	This paper means to investigated the association among	Results revealed that employee engagement is potentially effective to drive OCB, and these employees

<b>(2013)</b>	empirical research to establish a relationship between employee engagement, OCB and organizational effectiveness.	employee engagement, OCB, and organizational effectiveness	are highly capable of encouraging organizational effectiveness.
<b>A. Rahmawati et al. (2016)</b>	209 employees working at the regional work units (SKPD) Provincial Government of South Sulawesi.	This study aimed to investigate and analyze the influence of leadership, competence, OCB behavior of an employee's performance against the organizational effectiveness	Good leadership and high competence and OCB can increase employee performance management in a higher direction. Leadership and competence cannot increase the effectiveness of the organization towards high, while the OCB and management performance can increase the organizational effectiveness.
<b>My Linh Nguyen (2017)</b>	For this study, the survey was conducted on a large sample size of 3230 students studying at Vaasa University of Applied Sciences.	The objective of the study was to find out the impact of employee motivation on organizational effectiveness. The study focused on (1) defining the motivation concepts and methods, (2) identifying the most motivating factors, and the linkage of	The study pinpointed money, personal growth, and work-life balance as the three most influential motivation factors for employees. Nonetheless, the research also reveals the factors that motivate employees were not the same as the factors that retain employees at work. While there might still other ways to increase employee' level of motivation, the practice of combining both physical incentives and spiritual

		employee motivation with an organization's productivity and effectiveness.	stimulation was proved to be the most effective.
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## 2.6 RELATIONSHIP BETWEEN VARIABLES

### 2.6.1 Psychological Capital and Employee Engagement

A number of studies suggest that PsyCap turns out to be the most important asset for employees to deal with disturbing events or situations at work, hence minimizing signs and symptoms of stress (Lazarus 2003). Studies indicate that managers with higher levels of hope have correspondingly better charges of workplace overall performance as well as multiplied retention and greater happy personnel (Peterson & Luthans, 2003). There additionally seems to be a connection between hope and job satisfaction and organizational dedication (Luthans & Jensen, 2002; Youssef & Luthans, 2007). Research suggests that resilient individuals are open to new life events, are flexible to changing needs, and display extra emotional balance whilst confronted with adversity (Tugade & Fredrickson, 2004). The latest research also demonstrates a high-quality association among resilience and worker overall performance (Luthans et al. 2007), task pride, organizational dedication (Youssef & Luthans, 2007), work happiness and the capability to deal with huge corporate downsizing (Maddi, 1987). Efficacy has been strongly connected with work associated performance consequences (Bandura& Locke, 2003; Stajkovic & Luthans, 1998a). A higher level of optimism has been considered by Totterdell et al (2002) to “be endowed with added protection” and less likely to experience symptoms of stress in the workplace.

Although PsyCap is an emerging area of research, individually all positive first-order constructs of PsyCap have been studied in organizational literature and shown to have a positive correlation with employee and organizational level outcomes (Luthans et al., 2008). Snyder (2002) explains hope as an individual's ‘willpower’ and ‘way power’ to originate an action and referred to it as a multidimensional construct. Hope enables employees to evolve a workable solution to various problems with varying degree of complexity by the best way (Avey et al., 2008). As a matter of fact, it has been discovered that hope does not only generate a positive outlook but also forecast job performance. Furthermore, Luthans (2007) finds that hope is positively related to work happiness and satisfaction. People with an optimistic outlook put in sustained effort to achieve the objective in spite of obstacles and

setbacks and perceive these setbacks as challenges and opportunities which guide to success (Luthans et al., 2005). Resilience characterized as one's strength to keep oneself composed in adverse situations enabling one to be steady in facing and handling such situation successfully (Baumgardner & Crothers, 2010). Self-efficacy is a conviction of an individual about his/her own capabilities (Bandura & Locke, 2003) to appreciate and take purposive risks willingly and see challenges as beatable with proficiency and effort (Avey et al., 2009).

Furthermore, as aforementioned, PsyCap encourages employee engagement and PsyCap has been well documented in literature augmenting the engagement of employees. (Bakker et al., 2006, 2008).

### **2.6.2 Employee Engagement and Organizational Effectiveness**

It is not unreasonable to say that employee engagement is a key motive for organizational achievement. It emphasizes the total investment of the energies of an individual into the task. Hence, it is very broad concept that entails holistic investment of the total self. This may facilitate the organizational effectiveness. It is accepted that employee engagement is a higher order psychological concept that leads to the fulfillment of human potentialities. Employee engagement is considered very important especially in the IT sector where knowledge workers are investing their resources to earn the revenues. Thus it is very important to study the role of employee engagement which leads to the effectiveness of the organizations. Engaged employees are characterized as committed and full of enthusiasm to show their readiness to spend their physical and mental strength towards the achievement of organizational goal.

Further, Audit, Jones, and Harter (2005) observed that employee engagement has a positive association with the intention to stay, both in terms of quick-term (twelve months) and long-term durations. Employees' investment in terms of their work talent, persistent effort, intellectual, and dedication is of maximum significance and acts because of the constructing block for the sustenance and growth of any company. Noted in a similar direction, employees' energetic commitment and involvement are of greater substance in terms of innovation, organizational overall performance, and competitive gain (Bakker & Schaufeli, 2008). There are two motives that allow the study to associate employee engagement with organizational effectiveness. First, employee engagement has emerged as a vital element for business achievement (Slatten & Mehmetoglu, 2011). There is a support and mounting proof that employee engagement is strongly correlated to many people, group, and

corporate overall performance consequences which include recruiting, retention, turnover, individual productiveness, customer support, and consumer loyalty increase in operating margins, extended income margins, or even revenue increase rates. Second, engaged employees are more likely to exert more efforts and show citizenship behaviors which include altruism, civic-virtue, sportsmanship, and so on. (Christian et al, 2011; Schaufeli et al, 2006; Shimazu&Schaufeli, 2009), by which they tend to facilitate efficient functioning and easy running of the company and thereby enabling businesses to maintain high overall performance.

Employee engagement has been related to diverse performance indicator variables consisting of employees' better rating on in-role and additional function performances (Gorgievski et al., 2010), work performance (Xanthopoulou et al., 2008), task satisfaction and purpose to give up (Burke & El-kot, 2010), better job resources (Bakker & Bal 2010), transformational leadership (Zhu et al., 2009), organizational justice (Inoue., et al. 2009), work interference with family (Halbesleben et al., 2009), mental agreement fulfillment (Parcefall & Hakanen 2010) and self-efficacy (Roux & Dannhauzer 2010).

Employee engagement is an important component of character for organizational achievement. There may be a widespread notion that there is connection between worker engagements as an individual level construct with their organizational performance. Employee engagement predicts worker consequences, organizational achievement, and economic performance (Bates, 2004; Baumruk, 2004; Harter et al., 2002; Richman, 2006). The impact of engagement (or disengagement) can take place itself through productiveness and organizational performance, outcomes for clients of the employer, employee retention costs, organizational tradition, and advocacy of the company, safety results, and its outer image. A fairly engaged employee will always deliver beyond expectancies (Harter et al., 2002).

The Gallup organization (2004) found important links between employee engagement, client loyalty, business growth, and profitability. It additionally acts as a catalyst for the retention of a group of workers. Greenberg (2004) finds that employee engagement is vital to any company that not only seeks to retain valued personnel but also increases its levels of achievement. Hewitt Associates LLC (2005) sets up a conclusive association between engagement and profitability through higher productiveness, income, client pride, and employee retention. Engaged employees now not only make extra contributions, but they

are extra dependable also and therefore, have much less probability to voluntarily go away from the company.

Consequently, engaged personnel in recent times are the important attention of diverse businesses. Even though emergence and considerable recognition of the concept have often been attributed to practitioners' network, a super deal of studies from researchers and academicians organizing the instrumentality of the concept, and identifying its differential antecedents and consequences have been flourishing these days (Sonnetag, 2011; Rurkkhum & Bartlett, 2012).

They may be incredibly attached and devoted to their work and organization. They're less probably to look ambiguous events and reflect effective behavior and live happier lives leading to greater powerful overall performance for their work and employer. They foster innovation and are willing to invest discretionary attempt to transport the agency forward (Boyd & Sutherland, 2006; Lockwood, 2007; Bernardin & John, 2003). The degree of worker's engagement affects the worker's level of participation and collaboration and eventually their life in the company (Gibbons, 2006), which has been suggested as a great predictor of organizational effectiveness.

Similarly, it is advised that engagement 'is going beyond' commitment or satisfaction and is an enhanced condition of thinking that brings both personal success and high-quality contributions to the business enterprise. Employee engagement is an effective, affective-motivational state of fulfillment. It has also been observed that engaged employees file much less absenteeism, live with the organization longer, and are happier being proactive, and extra productive (Harter et al, 2002; Sonnentag,2011).

Engagement is a fulfilling experience for employees (Sonnentag et al., 2012), which drives proactivity, innovation at work setting, and will increase personnel' potential to evolve to workplace adjustments in emergencies. Moreover, they have a tendency to be resilient in case of problems and therefore drive organizational flexibility. Second, whilst employees are engaged they may be more likely to do things that substantiate organizational effectiveness (Saks, 2008). Engaged employees have a tendency to work harder and pass beyond the requirement of the duty (Chalofsky& Krishna, 2009). In addition, engaged personnel enjoy the splendid passion for his or her work, produce better best goods, and sense that their contribution enables in transferring the employer forward (Kennedy &Daim, 2010). Thus, it

is generally accepted that employee engagement influences organizational effectiveness in some proportion or the other.

The availability of literature on employee engagement indicates that so far employee engagement has been studied in the context of performance, commitment, organizational citizenship behavior. Although the relationship of employee engagement with organizational commitment, job performance, and organizational citizenship behavior has been studied over the years, there is a need to understand its relationship with organizational effectiveness. To fill the gap in literature this study investigates whether the employee engagement plays a role in organizational effectiveness.

### **2.6.3 PsyCap and Organizational Effectiveness**

Initially, PsyCap was primarily linked to productivity (Goldsmith et al, 1998) but later, researchers suggested that the benefits of this capital are not restricted to individuals only. At the aggregate level, it can be a source of competitive advantage for the entire organization (Luthans& Youssef, 2004). Even though PsyCap has a visibly strong bearing on the performance of employees and PsyCap is one important factor that may influence the organizational effectiveness. It is increasingly challenging for organizations to cultivate PsyCap.

The link of organization effectiveness with positive practices in the workplace, positive effect, positive individual behavior, unfortunately, is in need of empirical confirmation. It has been mounted empirically that positive practices produce positive experiences in individuals which include satisfaction with work, personal well-being. Bono and Ilies (2006) find, for instance, that leaders who foster fine emotions also generate extra dedication and pleasure amongst others. Whilst corporation contributors observe and experience love, compassion, and other wonderful feelings, they increase their pleasure in a corporation, entertainment of the work, and pride with the activity which are imperative elements to the managerial achievement.

Psychological capital is currently receiving tremendous attention in its concept that the individual is a brand new paradigm in human resources development. For that reason, psychological capital not only improves the performances through revolutionary mind and actions, but also the usage of their own high-quality psychological strength approximately their given environment, however, it is also identified as an assist element to organization

performances. As it is remotely associated with employee attitudes and behaviors, it additionally influences job satisfaction or job involvement indirectly. Earlier research has supported this idea and has suggested significant relationship among PsyCap and direct measures of organizational effectiveness along with process overall performance, output, high-quality, customer satisfaction, income, and commercial enterprise boom (Buckingham & Coffman, 1999; Coffman & Gonzalez, 2002; Buchanan, 2004).

## **CHAPTER-III**

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## **Research Methodology**

In order to identify the variables to be studied, a systematic literature review has been done in the previous chapter. The previous chapter has also described the importance of employees' increased contributions at the workplace in the multi-faceted business environment and the significance of PsyCap and employee engagement to enhance organizational effectiveness. The present chapter describes the objectives of the study and the methods of accomplishing these objectives.

### **3.1 RESEARCH OBJECTIVES**

The study aimed to explore the factors leading to enhanced organizational effectiveness at the workplace. This study also examines the relationship between PsyCap and organizational effectiveness as mediated by employee engagement. In order to provide a point of view for this research, the decision had to be made between two choices: whether to view this problem from an organization's perspective i.e. what an organization is doing to enhance organizational effectiveness at workplace or to study it from an individual's perspective, i.e. what motivates an employee to exhibit sustained efforts at workplace. This research chose the latter, as in order to promote the efficiency of any organization, it is important to understand the value of targeted employees and then build the strategies accordingly because the success of any organization largely depends upon its employees and their contribution for the organization.

#### **OBJECTIVES OF THE STUDY**

1. To study the impact of psychological capital (Hope, Resilience, optimism, self-efficacy) on organizational effectiveness.
2. To study the impact of PsyCap on employee engagement.
3. To study the impact of employee engagement on organizational effectiveness.
4. To study the mediating role of employee engagement on the relationship between psychological capital and organizational effectiveness.

### **3.2 RESEARCH HYPOTHESES**

The research hypotheses of the study:

- **H1.** PsyCap (Hope, Resilience, optimism, self-efficacy) of employees will significantly predict the organizational effectiveness of an organization.

- **H2.** PsyCap (Hope, Resilience, optimism, self-efficacy) of employees will significantly predict employee engagement.
- **H3.** Employee engagement in terms of vigor, dedication, and absorption will significantly predict the organizational effectiveness.
- **H4.** Employee engagement will significantly mediate the relationship between PsyCap and organizational effectiveness.

### 3.3 SAMPLE

Respondents were selected by using purposive sampling method from employees working as software developer, programmer and project managers in IT organizations from India. They were approached either through personal contact or suggested by friends and family. The total number of participants for the present study was 484. The demographic characteristics of these participants are shown in **table 3.2**. The average age of the participants was 35. The age profile of the sample was: 26.20 percent were less than 30 years, 56.8 percent were between 30 to 40 years, and 17.10 percent were more than 40 years. In the present study, 77 percent of the respondents were male and 22 percent were female. 64 percent were married and 35 percent were unmarried participants. 44% of the participant had bachelors (engineering degree) and 56% of the participants had management (masters) degree. 26.60 percent participants were having 1 to 3 years of work experience, 42.60 percent participants were having 3 to 6 years of work experience, and 30.80 percent participants were having more than 6 years of work experience.

#### 3.3.1 Personal Information Section

Personal information section included gender, age, marital status, educational qualification, and job tenure.

*Table 3.1 Demographic Characteristics of the participants*

Variables (Age in Years)	Number	(%)
<30	126	26.20%
30-40	275	56.80%
>40	83	17.10%
<b>Total</b>	<b>484</b>	<b>100.00%</b>

<b>Gender</b>		
<b>Male</b>	376	77.60%
<b>Female</b>	108	22.40%
<b>Total</b>	<b>484</b>	<b>100.00%</b>

<b>Marital status</b>		
<b>Single</b>	170	35.20%
<b>Married</b>	314	64.80%
<b>Total</b>	<b>484</b>	<b>100.00%</b>

<b>Education</b>		
<b>Bachelors</b>	270	53.30%
<b>Masters</b>	218	44.70%
<b>Total</b>	<b>484</b>	<b>100.00%</b>

<b>Work Experience (Years)</b>		
<b>&lt;3</b>	122	26.60%
<b>3-6</b>	222	42.60%
<b>&gt;6</b>	140	30.80%
<b>Total</b>	<b>484</b>	<b>100.00%</b>

(Note: source primary data)

### 3.4 DATA COLLECTION PROCEDURE

Primary data were used for testing the hypotheses. A survey was carried by means of a self-administered scale. Initially, a cover letter delineating the research purpose and, assurance of confidentiality was drafted and was sent to the heads of the companies and consent was gathered for data collection for the fulfilment of the requirements of the study. While administering the test, respondents were not asked to write their any identifiable information to maintain the anonymity of responses and instructions for survey completion were attached to each questionnaire. The questionnaire was made up of 67 survey items under three sections: Psychological Capital, Employee Engagement, and Organizational Effectiveness. About 800 questionnaires were distributed with the help of mail and posts. Out of these questionnaires 500 questionnaires were returned to the researcher. After preliminary screening, a sample of 484 questionnaires was found suitable for further analysis. Scoring was done manually after receiving the responses in accordance with the instructions given in the manuals of the respective scale (attached with respective scale in *Appendix I*). A brief description of the questionnaire has been given as under:

#### 3.4.1. Measures

After a review of the relevant literature pertaining to the variables of interest, previously validated scales were identified for this study. All items from the Psychological

Capital Questionnaire (PCQ-24), Utrecht Work Engagement Scale (UWES-17) and Organizational Effectiveness Questionnaire, together with demographics questions were compiled into a questionnaire of 67 items. The pre-existing measures were selected based on a high Cronbach's Alpha ( $\alpha$ ) of above  $\alpha=0.70$  (Pallant, 2011). Detailed descriptions of the scales are presented below:

### 3.4.2 Psychological Capital (PsyCap)

PsyCap was measured by using the PsyCap Questionnaire (PCQ) developed by Fred Luthans (2006). The scale consists of 24 items with four dimensions as: hope, efficacy, resilience, and optimism. The scale captures the four dimensions of PsyCap as; hope ( $\alpha = 0.92$ ), efficacy ( $\alpha = 0.90$ ), resilience ( $\alpha = 0.82$ ), optimism ( $\alpha = 0.88$ ). The Cronbach's alpha reliability of the combined scale has been reported to be 0.95. Participants were asked to assess 24 items on a 6-point scale ranging from 6 (totally agree) to 1 (totally disagree). The scale includes positive and negative keyed items with reversed scoring for negative items. The sample items for the four dimensions are:

- (a) **Hope:** *"I feel confident in representing my work area in meetings with management" and "I feel confident contributing to discussions about the company's strategy"*,
- (b) **Efficacy:** *"If I should find myself in a jam at work, I could think of many ways to get out of it" and "Right now I see myself as being pretty successful at work"*.
- (c) **Resilience:** *"When I have a setback at work, I have trouble recovering from it, moving on (R)" and "I usually manage difficulties one way or another at work"*,
- (d) **Optimism:** *"When things are uncertain for me at work, I usually expect the best" and "I'm optimistic about what will happen to me in the future as it pertains to work"*.

### 3.4.3 Employee Engagement

Employee engagement was measured by (17-items) Utrecht Work Engagement Scale (UWES-17) developed by Schaufeliet al., 2006. The UWES-17 measures three sub-dimensions of employee engagement as: vigor ( $\alpha = 0.86$ ), dedication ( $\alpha = 0.87$ ), and absorption ( $\alpha= 0.69$ ). Cronbach alpha for the combined scale has been reported to be 0.92. In the present study, participants were asked to assess 17 items of each dimension on 7 points Likert scale ranging from 0 to 6 ( $0=Never$  to  $6=always$ ). Sample items include:

- (a) **Vigor:** *"At my job, I feel strong and vigorous" and "When I get up in the morning, I feel like going to work"*.

(b) **Dedication:** *“I find the work that I do full of meaning and purpose” and “I am enthusiastic about my job”.*

(c) **Absorption:** *“I get carried away when I am working” and “It is difficult to detach myself from my job”.*

### 3.4.4 Organizational Effectiveness

The Organizational effectiveness scale consists of 26 items with 4 factors as: productivity- efficiency, cohesion, information management communication, planning and goal setting developed by Ponder et al. (1999). The internal consistency of the organizational effectiveness subscales has been reported as: productivity- efficiency:  $\alpha = .80$ ; cohesion:  $\alpha = .86$ ; planning and goal-setting:  $\alpha = .75$ ; and information communication management:  $\alpha = .87$ . The internal consistency of the complete questionnaire was found to be high as  $\alpha = .91$ . This self-report questionnaire consists of 4 subscales and each subscale is measuring different attributes accordingly.

(a) **Productivity efficiency:** was assessed by respondent’s perception of organization’s behavior that reflects the extent to which it is concerned with the quantity or volume of what it produces and the cost of operation. An example of productivity-efficiency item includes *“Our customers’ / stake holders appreciate the services offered” and “Our products are highly demanded in the market”.*

(b) **Cohesion:** was assessed by items that refer to the employees’ perception of an institution’s behavior that reflects the extent to which it is concerned with staff morale, interpersonal relationships, teamwork, and sense of belonging. An example of cohesion item includes *“We all work together as a team to arrive at our goals” and “We all make appropriate decisions by consensus”.*

(c) **Planning and goal-setting:** were assessed by items that refer to the respondent’s perception of institution’s performance that has to do with behavior that reflects the extent of its ability to set goals and objectives and systematically plan for the future. An example of planning and goal setting item includes *“Our leaders strategically plan for any action in the institution” and “Planning for any action in all sections/departments is done efficiently”.*

(d) **Information management communication:** was assessed by items that refer the employee’s perception of an institution’s performance that has to do with behavior that reflects the extent of organization’s ability to distribute information timely and

accurately needed by members to do their jobs. An example of information management communication item includes *“There is free access to information to all employees in the organization”* and *“There is an efficient flow of information both vertical and horizontal”*.

### **3.5 CONTROL VARIABLES**

Employee age, gender, education, and work experience were kept as control variables. Age was measured as a continuous variable. Employee gender was showed as a categorical variable (0 – female, 1 – male). Employee work experience was measured as years in service and was showed as a continuous variable.

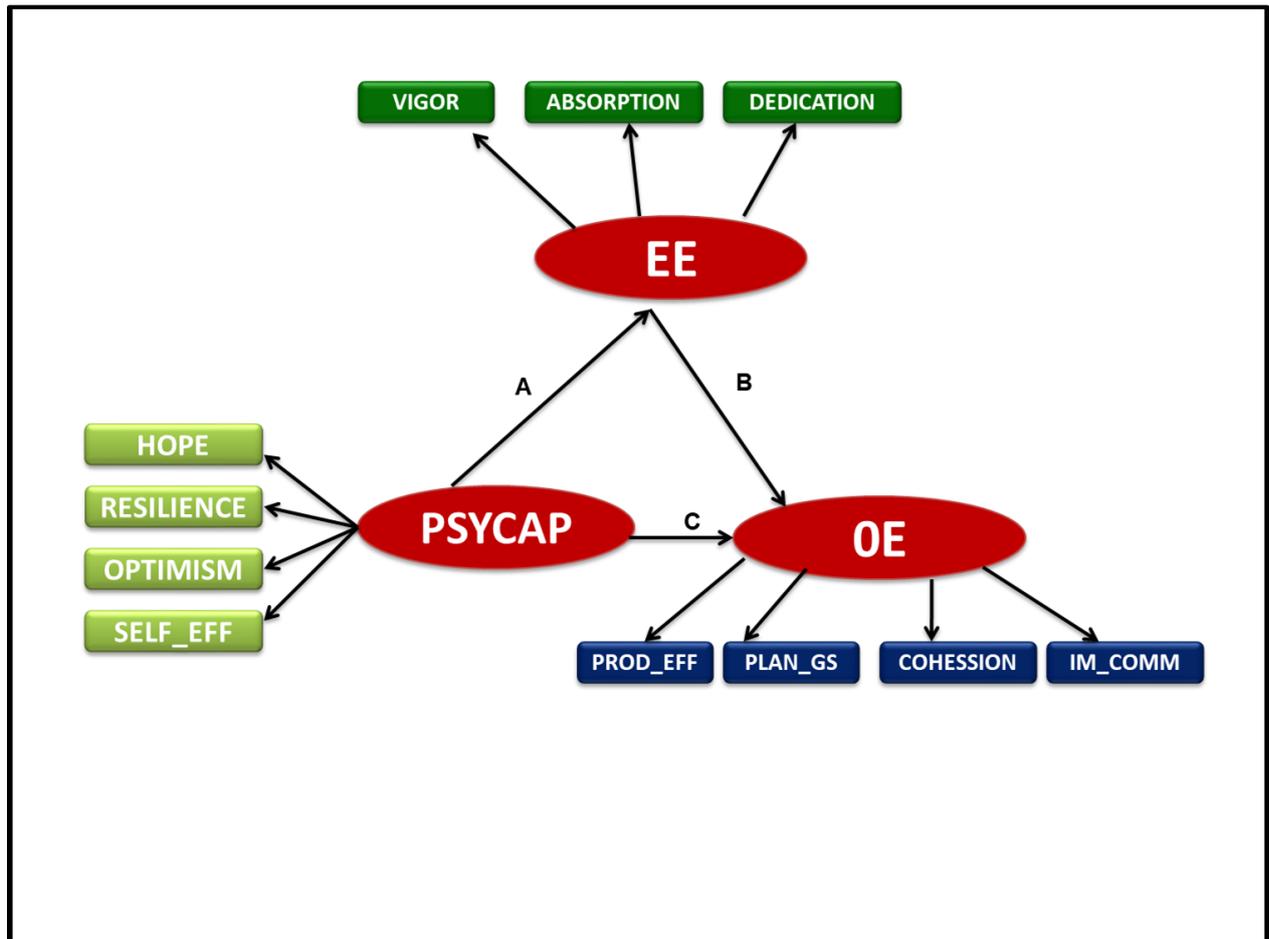
### **3.6 DATA ANALYSIS**

Collected responses were analyzed by using SPSSv. 20 and AMOSv. 21. Data was cleaned for missing values, normality, linearity, reliability, non-multi-collinearity and homoscedasticity. Skewness and Kurtosis were tested to measure the normality. The gained skewness and kurtosis coefficient fall within the accepted range ( $\pm 3\sigma$ ) of standard deviation. Negatively skewed variables indicate the presence of outliers but the present outliers fall within accepted range, therefore, create no threat for normality. For the assessment of linearity, scatter plots were drawn among predictors and criterion variables. To measure the reliability of the study measures, Cronbach alpha score was used. To check the multicollinearity, Variance inflation factor (VIF) score was calculated which indicate a value below 10, hence there is no multicollinearity issue for the present study.

To check the homoscedasticity (equality of error variance), the plot and graph verified the assumption of homoscedasticity. After that, exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) were performed to get the factor structure and fitness of the model.

The third phase of analysis includes testing of study hypotheses. Multiple hierarchical regression was employed to test the hypothesized relationship between the predictor variables and criterion variable. Finally, SEM was run to test the research model of the study. Detailed descriptions of the results are given in chapter 4.

**Figure 3.1 Proposed Model**



**Legends:** In the diagram shown above, the indirect effect is the product of path coefficients "A" PsyCap to Employee Engagement (EE) and "B" Employee Engagement to Organizational Effectiveness (OE). The direct effect is the coefficient "C" PsyCap to Organizational Effectiveness. Prod\_eff- Productivity efficiency; COH- Cohesion; Plan\_GS- Planning and Goal Setting; IM\_Comm- Information and Communication.

## **CHAPTER IV**

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## **Results & Discussion**

The obtained data were subjected to statistical analyses pertinent to the research objectives of the study. Exploratory Factor Analysis and Confirmatory Factor Analysis were done to find the factor structure, descriptive analysis, reliability, and validity of the instruments.

Hierarchical multiple regression technique has been used to test the first three hypotheses. In the first regression analysis for **hypothesis 1**, the criterion variable was organizational effectiveness whereas PsyCap was predictor variable in terms of hope, efficacy, resilience, and optimism. For **hypothesis 2** in the multiple regression analysis, employee engagement was studied as a criterion variable whereas PsyCap was considered as predictor variable. Third regression analysis for **hypothesis 3**, the criterion variable was organizational effectiveness whereas employee engagement was considered as predictor variable. Finally, **hypothesis 4** was tested through SEM approach using AMOSv 20 to test the mediating effect of employee engagement on the relationship between PsyCap and organizational effectiveness. Baron and Kenny (1986) method has been used to test the mediation model in the present study because of its wide acceptance. Though, Preacher and Hayes (2004) model is a updated method to test mediation nowadays.

### **4.1 PRELIMINARY SCREENING OF DATA**

The coefficient of normality (i. e skewness and kurtosis), reliability (i.e. Cronbach alpha) and multicollinearity have been represented in **Table 4.1**. PsyCap is negatively skewed (-0.22) which does not create any threat for normality. Since, Variance Inflation Factor (VIF) was found to be less than 10, so representing non-multicollinearity. A value below 10 lies in the acceptable range of VIF, and also results show that VIF values of independent variables of the present study ranged 1.452, which is considered within the acceptable range, which signifies the non-multi-collinearity (O'brien, 2007) of the data.

#### **4.1.1 RELIABILITY OF THE SCALE**

Reliability shows the consistency of the scale, acceptable or not so significant change in the measurement will be observed with no inconsistency even if the scale is used several times in different situations. In the present study, the scales were found to be highly reliable as the value of Cronbach's alpha for all the scales was higher than 0.85 with the application of

the SPSS. The reliability values for the scales were: PsyCap = 0.95, EE= 0.92, OE= 0.91. The acceptable limits of alpha coefficient show higher range, above 0.7 (Cho et al., 2014). These results show that the questionnaires were reliable with no exception or inconsistency.

**Table-4.1: Reliability, Normality and Non-multicollinearity Coefficients**

<b>N 486</b>	<b>Skewness</b>	<b>SE</b>	<b>Kurtosis</b>	<b>SE</b>	<b>Cronbach Alpha</b>	<b>VIF</b>
<b>Psychological Capital</b>	-0.22	.149	5.03	.493	.95	1.452
<b>Employee Engagement</b>	0.19	.149	4.27	.493	.92	1.452
<b>Organizational Effectiveness</b>	0.21	.49	3.48	.493	.91	

(Source: Primary Data, N (Number of participants) = 486, SE= Standard Error, VIF= Variance Inflation Factor, significance level<0.05)

#### **4.1.2 VALIDITY OF THE SCALE**

Validity of the scale is explained as “it is the extent to which the constructs accurately measure what they claim to measure” (AERA, APA, NCME, 1999). Thus, all the items of the scale must signify the same constructs, which validates the scale.

To confirm the factor structure EFA and to validate the relation between observed variables and their underlying latent constructs, CFA were applied. The particular testing of each scale and its results have been presented in **Table 4.3, 4.4, 4.5**, and **Figure 4.1, 4.2 4.3**. It has been observed that factor loading in EFA for the entire construct was higher than 0.4 and for CFA 0.6. Thus, construct validity has been proved.

Further, to see the distinctness of one construct from the other, discriminant validity was examined. As it was observed that the value of average variance extracted for every construct is more than the square of its correlation coefficient then it is considered successful (Fornell & Larcker, 1981). Which means the square root of average variance extracted must be less than the correlation between the two variables. As given in **Table 4.2** all the values of AVE ranging from 0.60 to 0.65. The values of AVE must be more than 0.50 which is acceptable. Hence, the discriminant validity was sufficiently proved as the results followed the accepted order of the AVE for the purpose of the validity.

By comparing the maximum shared variance (MSV) with average variance extracted (AVE) values, the discriminant validity can also be tested. The values of MSV must be less than the values of AVE values (Fornell & Larcker, 1981). With regard to the **Table 4.2**, all the conditions are fulfilled and hence proved the discriminant validity.

**Table 4.2: Discriminant Validity**

construct	CR	AVE	MSV	1	2	3	4	5	6	7	8	9	10	11	12
<b>HO</b>	.902	.607	.599	<b>.779</b>											
<b>EF</b>	.917	.648	.561	.324	<b>.805</b>										
<b>RE</b>	.877	.547	.515	.409	.448	<b>.740</b>									
<b>OP</b>	.902	.698	.599	.291	.384	.396	<b>.836</b>								
<b>VIG</b>	.913	.635	.618	.435	.260	.236	.230	<b>.797</b>							
<b>DED</b>	.917	.648	.641	.184	.302	.250	.384	.384	<b>.805</b>						
<b>AB</b>	.910	.669	.641	.260	.435	.336	.518	.547	.435	<b>.818</b>					
<b>PRE</b>	.945	.657	.450	.230	.409	.280	.212	.396	.325	.313	<b>.810</b>				
<b>COH</b>	.896	.589	.452	.240	.324	.270	.144	.336	.360	.302	.348	<b>.768</b>			
<b>PGS</b>	.914	.638	.452	.168	.372	.360	.211	.396	.384	.348	.230	.396	<b>.799</b>		
<b>IC</b>	.851	.533	.333	.102	.260	.250	.129	.260	.291	.240	.168	.280	.372	<b>.730</b>	

*Note: The values in diagonal represents the squared root estimate of AVE; AVE represents average variance extracted MSV represents maximum shared variance and CR represents composite reliability. All variables are significant on significance level of 0.001. HO- Hope; EF- Efficacy; RE-Resilience; OP-Optimism; PSY- Psychological capital; VIG- Vigor; DED- Dedication; AB- Absorption; EE- Employee Engagement; PRE- Productivity efficiency; COH- Cohesion; PGS- Planning and Goal Setting; IC- Information and Communication; OE- Organizational Effectiveness.*

## 4.2 FACTOR STRUCTURE OF THE SCALES

Before applying factor analysis, data corresponding to the different constructs were checked for internal consistency, item-total correlation, and variance. The items relating to each particular construct were subjected to correlation analysis so as to establish internal consistency. The high correlation between items shows that all items are measuring the same construct leading to internal consistency. In addition, items were analyzed for their removal from the set if they had the least negative effect and more positive effect on  $\alpha$  of the scale.

The measure of sampling adequacy of Kaiser- Meyer- Olkin was near to one which indicated that the pattern of correlations was condensed, and test of Bartlett's test of sphericity was also significant. The factors loading of 0.40 or less were eliminated (Prince & Mueller, 1986). These considerations facilitated appropriate conditions for the application of EFA and to understand the underlying structure of the variables.

The goal of rotation was to provide a better approximation to a simple structure of variables. Principle component analysis using varimax rotation criteria was carried out. Items which were observed as having low single significant loading were further marked for deletion. Items with cross-loading of values above 0.40 on two different factors were deleted provided that the differences between weights for these items were less than 0.10 across factors.

The next stage involves assessing the generalizability of the scales to the population under study. The best factor structure identified from the EFA was subsequently selected for CFA by using AMOS 20. Confirmatory Factor Analysis (CFA) is a more rigorous procedure which assesses the construct validity and unidimensionality of construct while specifying the relationship of the observed measure to their underlying constructs. The model's fit is assessed by means of a chi-square ( $\chi^2$ ) test. The  $\chi^2$  statistic tests the difference between observed and expected values. Generally, a CMIN/DF (minimum discrepancy divided by the degree of freedom) value of less than 5 is acceptable, with lower values being superior (Thomson & Park, 2005). However, Tabachnick and Fidell (2001) emphasized that the  $\chi^2$  test is overly stringent and therefore one should not rely on this. There are alternative fit indices also, which assess the model fit like absolute model fit indices. Qian and Daniels (2008) have suggested the acceptable value for CFI and NFI as 0.95. The accepted standard for GFI indicator is above 0.90 (Kelloway, 1998). The acceptable value for TLI is 0.90 (Hair et al.,

1998). A value of less than 0.06 for RMSEA indicates a good fit (Hu & Bentler, 1999) however, a value of less than 0.08 indicates an acceptable fit (Browne & Cudeck, 1993). The following sections discuss the results of the factor analysis of each scale and subscales.

#### 4.2.1 Exploratory Factor Analysis (EFA) of the PsyCap Scale

To obtain a better knowledge of the factor structure of the PsyCap scale in relation to this study, and to measure the degree of independence between the various dimensions of it, exploratory factor analysis was done using principal component analysis and varimax rotation method. Exploratory Factor Analysis was found suitable as the KMO measure of sampling adequacy was .76, which is well above the recommended value of 0.6 and test of Bartlett’s sphericity was significant ( $\chi^2 = 823.547$ ,  $p < .001$ ). In addition, all communality values were well above 0.50, confirming that each item shared some common variance with another item. Given this consideration, Principal Component Analysis with varimax rotation was carried out. The factor analysis for PsyCaps resulted into a four factorial structure of PsyCap organized as hope, efficacy, resilience, and optimism with an eigen value of greater than 1 together accounting for a cumulative variance of 50.09 % in the sample. No improvement in Cronbach’s alpha value was found by removing any of the items by the item analysis of the responses.

**Table 4.3 Items Included in Each Factors and Factor loading (Psychological Capital)**

<b>Factor/Items</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>Hope</b>				
1. I feel confident analyzing a long-term problem to find a solution	0.44			
2. I feel confident in representing my work area in meetings with management	0.68			
3. I feel confident contributing to discussions about the company’s strategy	0.45			
4. I feel confident helping to set targets/goals in my work area	0.65			
5. I feel confident contacting people outside the company (e.g. suppliers, customers) to discuss problems	0.53			
6. I feel confident presenting information to a group of colleagues	0.42			
<b>Self-efficacy</b>				
7. If I should find myself in a jam at work, I could think of many ways to get out of it		0.72		
8. At the present time, I am energetically pursuing my work goals.		0.51		
9. There are lots of ways around any problem		0.50		
10. Right now I see myself as being pretty successful at work.		0.79		
11. I can think of many ways to reach my current work goals.		0.55		
12. At this time, I am meeting the work goals that I have set for myself		0.58		
<b>Resilience</b>				
13. When I have a setback at work, I have trouble recovering from it, moving on			0.74	
14. I usually manage difficulties one way or another at work			0.69	
15. I can be “on my own,” so to speak, at work if I have to			0.62	

16. I usually take stressful things at work in stride			0.43	
17. I can get through difficult times at work because I've experienced difficulty before			0.68	
18. I feel I can handle many things at a time at this job			0.56	
<b>Optimism</b>				
19. When things are uncertain for me at work, I usually expect the best			0.42	
20. If something can go wrong for me work-wise, it will			0.66	
21. I always look on the bright side of things regarding my job			0.67	
22. I'm optimistic about what will happen to me in the future as it pertains to work			0.62	
23. In this job, things never work out the way I want them to			0.66	
24. I approach this job as if "every cloud has a silver lining"			0.58	
<b>Eigen Values</b>	4.16	3.14	2.26	2.20
<b>Percentage of Variance Explained</b>	17.37	13.11	9.44	9.17

#### 4.2.2 Confirmatory Factor Analysis (CFA) of the PsyCap Scale

The four-factor model derived from the EFA was then evaluated using confirmatory factor analysis to see the fitness of PsyCap scale on the present sample. Thus, in order to confirm four-factor structure of PsyCap CFA was employed which revealed a good model fit ( $\chi^2 (246) = 703.29$  at  $p < .01$ ,  $CMIN/df = 2.85$ ,  $GFI = .89$ ,  $NFI = .87$ ,  $TLI = .90$ ,  $CFI = .92$ ,  $RMSEA = .058$ ). However, it was found that the loading for item Hop5 and Hop6 was below .50 and as suggested by Janssens (2008) it was decided to drop the item to improve the model fit. Again CFA was employed and resulted in a better acceptable good fit statistic with  $\chi^2 (203) = 466.62$  at  $p < .01$ ,  $CMIN/df = 2.29$ ,  $GFI = .90$ ,  $NFI = .93$ ,  $TLI = .95$ ,  $CFI = .96$ ,  $RMSEA = .055$ . Figure 4.1 represents the CFA model of PsyCap scale.

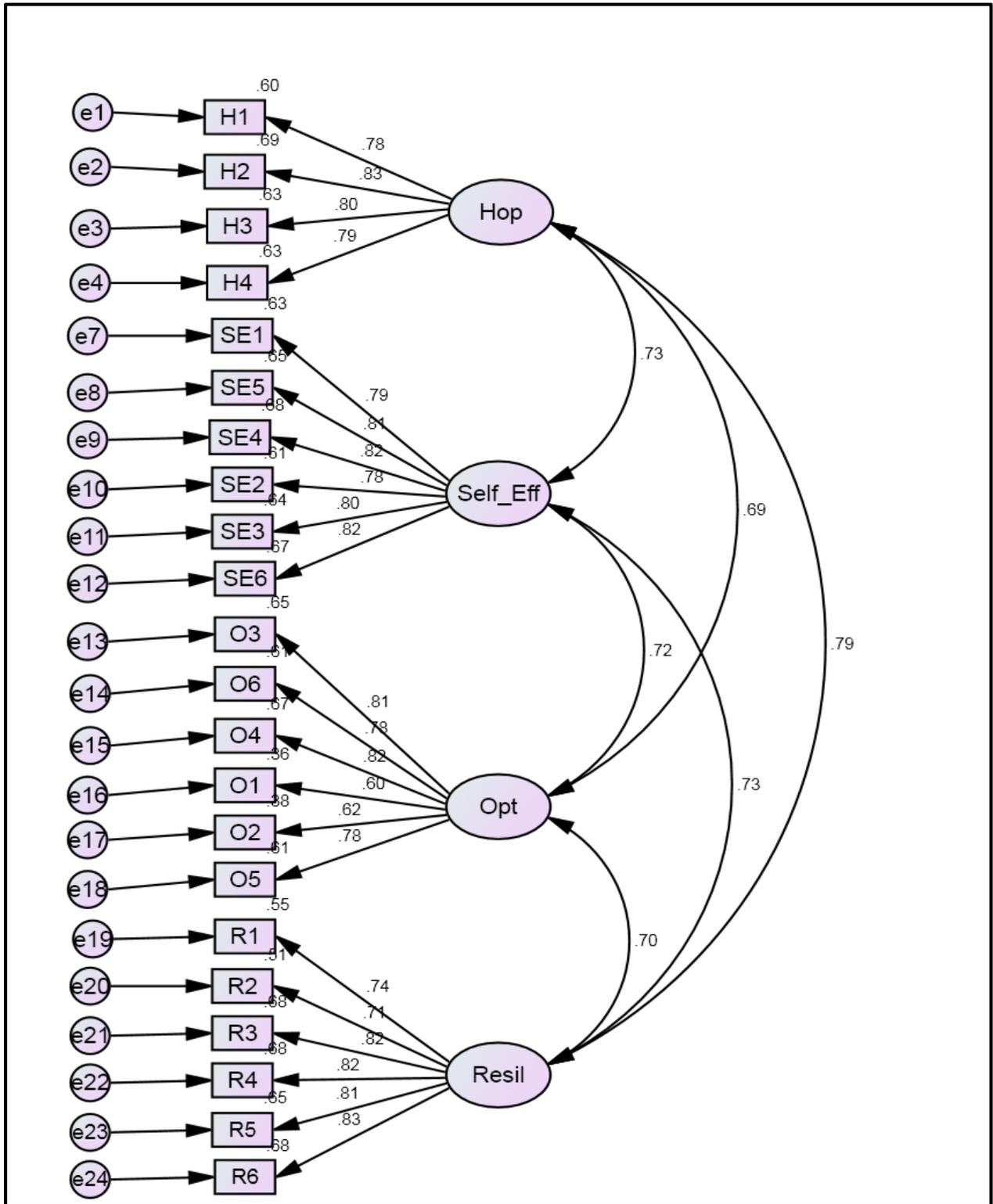


Figure 4.1 Measurement model for PsyCap scale

### 4.2.3 Exploratory Factor Analysis (EFA) of the Employee Engagement Scale

For employee engagement scale also principal component analysis was done using varimax rotation. EFA was suitable to conduct, as the KMO measure of sampling adequacy was .82 and Bartlett's test of sphericity was significant ( $\chi^2(136) = 704.51, p < .001$ ). EFA results revealed three factors with an eigen value greater than 1, explaining 10.54% of the total variance. Results from the three factors EFA are shown in **Table 4.4**, revealing three clean factors that present the eigen values of 4.72, 2.85 and 1.79 respectively and explain a total variance of 10.54%. The three-factor work engagement scale pattern matrix is shown in **Table 4.4**.

**Table 4.4 Items Included in Each Factors and Factor loading (Employee Engagement)**

Factor/Items	1	2	3
<b>Vigor</b>			
1. At my work, I feel bursting with energy	0.68		
2. At my job, I feel strong and vigorous	0.77		
3. When I get up in the morning, I feel like going to work	0.74		
4. I can continue working for very long periods at a time	0.45		
5. At my job, I am very resilient, mentally	0.70		
6. At my work, I always persevere, even when things do not go well	0.78		
<b>Dedication</b>			
7. I find the work that I do full of meaning and purpose.		0.61	
8. I am enthusiastic about my job		0.77	
9. My job inspires me		0.86	
10. I am proud of the work that I do		0.62	
11. To me, my job is challenging		0.73	
<b>Absorption</b>			
12. Time flies when I am working			0.42
13. When I am working, I forget everything else around me			0.59
14. I feel happy when I am working intensely			0.80
15. I am immersed in my work			0.75
16. I get carried away when I am working			0.41
17. It is difficult to detach myself from my job			0.82
<b>Eigen Values</b>	4.72	2.85	1.79
<b>Percentage of variance explained</b>	27.76	16.77	10.54

### 4.2.4 Confirmatory Factor Analysis (CFA) of the Employee Engagement Scale

The three-factor model derived from the EFA was then evaluated using confirmatory factor analysis to see the fitness of employee engagement scale on the present sample. Three-dimension structure of employee engagement has been quite popular in literature and has been used in the Indian context as well. Thus, in order to confirm the three-factor structure of

work-engagement CFA was employed which revealed an acceptable good fit statistic with  $\chi^2$  (116) =250.89 at  $p < .01$ , CMIN/df=2.16, GFI=.94, NFI=.95, TLI=.97, CFI=.97, RMSEA=.04. Figure 4.2 represents the CFA model of work engagement scale.

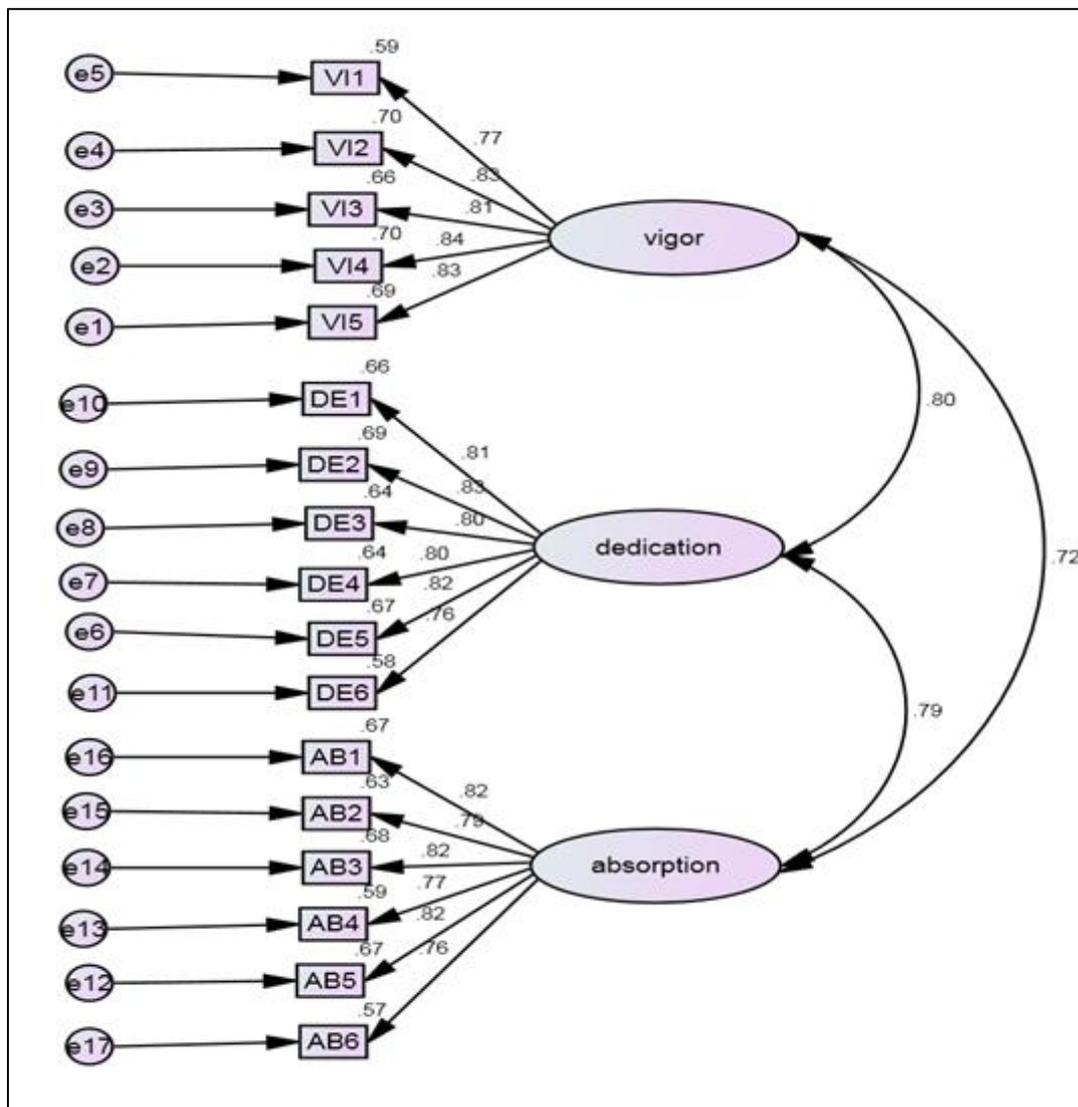


Figure 4.2 Measurement model for employee engagement scale

#### 4.2.5 Exploratory Factor Analysis (EFA) of the Organizational Effectiveness

To obtain a better knowledge of the factor structure of the organizational effectiveness in relation to this study, and to measure the degree of independence between the various dimensions of OE, exploratory factor analysis was done using principal component analysis using varimax rotation. Exploratory Factor Analysis was found suitable to conduct, as the KMO measure of sampling adequacy was .85 and Bartlett's test of sphericity was significant ( $\chi^2(325) = 1.52, p < .001$ ). The results of EFA showed an eigen value more than 1, which is explaining 8.76% of the total variance. Results of these factors of EFA are presented in **Table**

4.5, showing four factors which present the eigen values of 5.22, 4.62, 3.71 and 2.27 respectively and explain a total variance of 8.76%. The four-factor organizational effectiveness scale pattern matrix is shown below;

**Table: 4.5 Items Included in Each Factors and Factor loading for Organizational effectiveness**

<b>Factor/ items</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>Productivity Efficiency</b>	0.45			
1. There is time management among all workers	0.45			
2. All tasks are accomplished in time	0.69			
3. Services offered are of high quality	0.80			
4. Services offered are of skilled nature with efficient providers	0.57			
5. Our customers/stake holders appreciate the services offered	0.56			
6. Our products are highly demanded in the market	0.59			
<b>Cohesion</b>				
7. We all work together as a team to arrive at our goals		0.78		
8. We all make appropriate decisions by consensus		0.61		
9. The group's leadership style is participative		0.69		
10. Our group leader is capable of building the group into high performing team		0.70		
11. There is a high willingness by group members to take risks and try out new ways of making the group better		0.51		
12. There is a great feeling of team spirit		0.57		
13. Members collaborate well with other members		0.52		
14. Am satisfied with the way my work group functions as a team		0.65		
15. There is unity among all members of the organization		0.48		
<b>Planning goal setting</b>				
16. Our leaders strategically plan for any action in the institution			0.59	
17. We have a strategic plan that we all use to implement decisions			0.49	
18. Planning for any action in all sections/departments is done efficiently			0.70	
19. All workers in the university know the strategic goals and objectives of the university			0.62	
20. All our goals planned are achieved			0.71	
21. I normally make my own Individual plan before taking actions			0.69	
<b>Information and communication</b>				
22. There is free access to information to all employees in the organization/ institution				0.47
23. Our leaders freely interact with us on information sharing				0.68
24. Decisions are communicated to all concerned. subordinates before implementation				0.77
25. There is an efficient flow of information both vertical and horizontal				0.70
26. There is a quick flow of information in all departments to all members				0.73
<b>Eigen values</b>	5.22	4.62	3.71	2.27
<b>Percentages of variance Explained</b>	20.8	17.77	14.27	8.76

#### **4.2.6 Confirmatory Factor Analysis (CFA) of the Organizational Effectiveness**

The four-factor model derived from the EFA was then evaluated using confirmatory factor analysis to see the fitness of the Organizational Effectiveness scale on the present sample. Thus, to confirm the four-factor structure of organizational effectiveness, CFA was employed which revealed a good model fit ( $\chi^2 (246) = 703.29$  at  $p < .01$ ,  $CMIN/df = 2.85$ ,  $GFI = .89$ ,  $NFI = .90$ ,  $TLI = .90$ ,  $CFI = .92$ ,  $RMSEA = .06$ ). However, it was found that the loading for item Coh 9 was below .50 and as suggested by Janssens (2008) it was decided to drop the item to improve the model fit. Again CFA was employed and resulted in a better acceptable model fit with  $\chi^2 (269) = 685.74$  at  $p < .01$ ,  $CMIN/df = 2.54$ ,  $GFI = .90$ ,  $NFI = .92$ ,  $TLI = .94$ ,  $CFI = .94$ ,  $RMSEA = .05$ . Figure 4.3 represents the CFA model of organizational effectiveness scale.

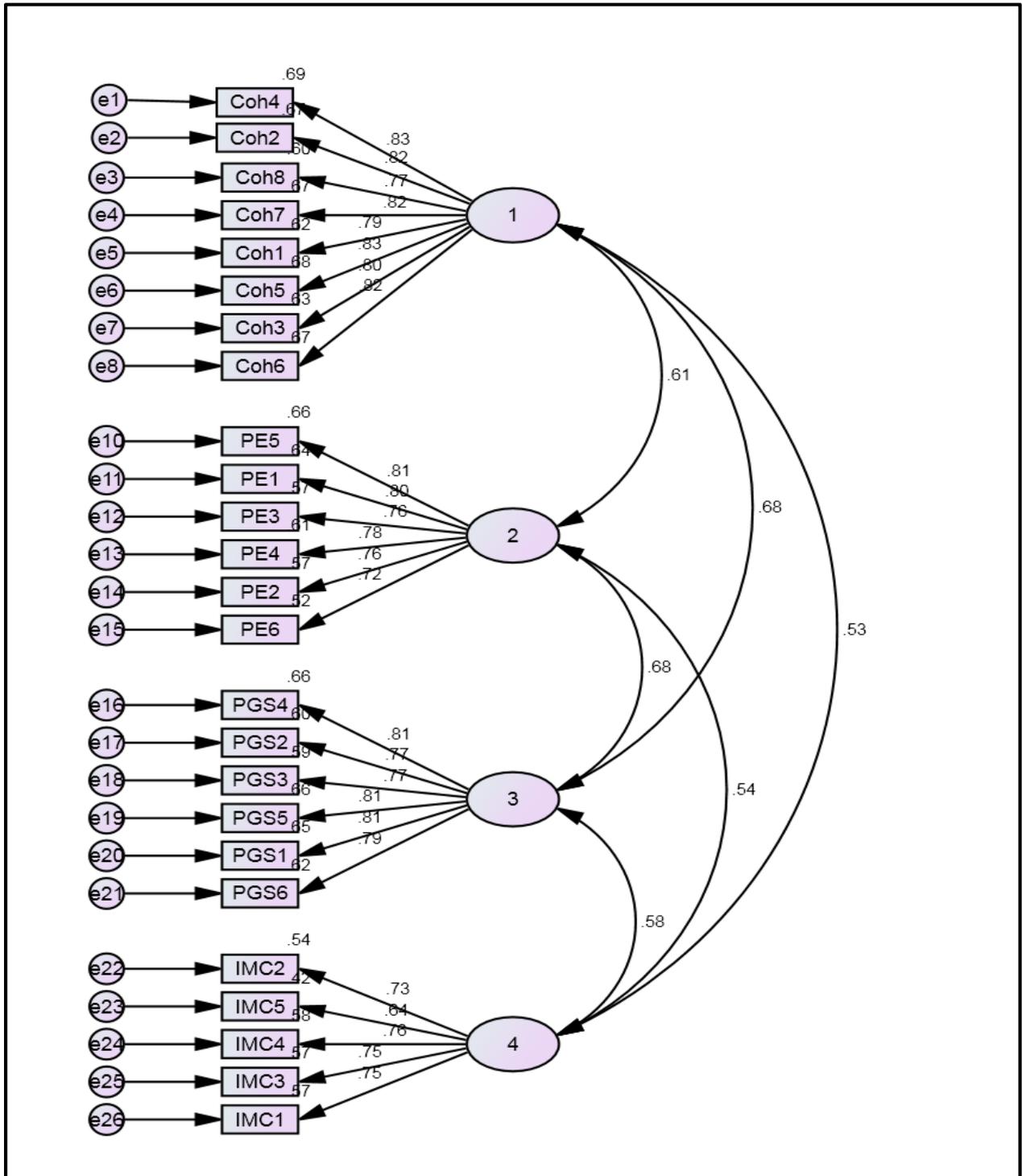


Figure 4.3 Measurement model for organizational effectiveness scale

### 4.3 TEST OF SUBSTANTIVE RELATIONSHIP

After establishing the reliability and validity of measurement models, correlation analysis and hierarchical regression analysis (to examine the hypothesis H1, H2, and H4) were conducted adopting the stepwise method, which establishes the contribution of each

independent variable to the regression models. Next, to test the H4 Structural Equation Modelling approach was used. The statistical analysis included a SEM approach, a two-stage methodology: the measurement model and the structural model recommended by Anderson and Gerbing (1988). CFA was used to test measurement model of the relationship between the indicator and their respective latent variables. Next, a mediating model was allowed to see the mediating effect of variables. Maximum likelihood estimate (MLE) algorithm was used to determine the fit indices. Appropriateness of the model was assessed by applying the absolute and relative indices. The absolute goodness-of-fit indices including the  $\chi^2$  goodness of fit, the Root mean square error of approximation (RMSEA), the Goodness of Fit Index (GFI), the Adjusted Goodness of Fit Index (AGFI) were calculated. A non-significant value of  $\chi^2$  indicates that the hypothesized model fit the data. However, with regard to large sample base,  $\chi^2$  has its limitations in rejecting the good fitting models on the basis of poor evaluation (Giorgi, 2010). To get the better of these fit indices, the computations of relative goodness-fit-indices Tucker-Lewis Index (TLI), Normed Fit Index (NFI), Comparative Fit Index (CFI) is strongly recommended (Bentler, 1990).

#### **4.4 COMMON METHOD BIAS**

Given that the data collection technique employed in the current study was self-reports, common method bias was a concern. The recommendations of Podsakoff and his colleagues (2003) were considered to address this problem. Consequently, a confirmatory factor analysis (CFA) was conducted for the study variables to implement the Harman's single-factor test. All the items from scales used in the study were loaded on a single-factor. If the results indicate that the single factor model fits the data well and that this general model accounts for a disproportionate large variance, then the common-method bias is a serious concern in this study. However, if a single factor model does not fit the data common method variance bias is not a serious deficiency in this study. The output of CFA produced the following fit statistics:  $\chi^2 = 3.57$ ,  $p < .05$ ; NFI=0.05; CFI= 0.58 and RMSEA= 0.11. The fit statistics showed that the 1-factor model did not fit the data. The result of this analysis suggests that one single factor cannot account for the variance in the data and so we cannot consider the common method variance to be a serious concern in this dataset and thus is unlikely to confound the interpretation of results.

**Table 4.6**      *Descriptive statistics of study variables*

Variables	Mean	Standard Deviation
PsyCap		
<b>Hope</b>	18.04	5.32
<b>Efficacy</b>	17.84	6.93
<b>Resilience</b>	18.25	6.68
<b>Optimism</b>	18.46	7.11
Employee Engagement		
<b>Vigor</b>	14.88	8.7
<b>Dedication</b>	17.99	10.29
<b>Absorption</b>	18.24	10
Organizational effectiveness		
<b>Productivity efficiency</b>	18.45	7.89
<b>Cohesion</b>	26.73	11.39
<b>Planning goal setting</b>	18.06	7.3
<b>Information and communication</b>	14.87	6.04

**Table 4.7** *Inter-correlations among study constructs (N=484)*

	1	2	3	4	5	6	7	8	9	10	11	12	13	14
HO	-													
EF	.57**	-												
RE	.64**	.67**	-											
OP	.54**	.62**	.63**	-										
PSY	.79**	.86**	.88**	.83**	-									
VIG	.30**	.51**	.37**	.48**	.50**	-								
DED	.43**	.55**	.50**	.62**	.62**	.73**	-							
AB	.51**	.66**	.58**	.72**	.74**	.66**	.72**	-						
EE	.47**	.64**	.54**	.68**	.70**	.87**	.91**	.89**	-					
PRE	.48**	.64**	.53**	.46**	.63**	.57**	.56**	.47**	.59**	-				
COH	.49**	.57**	.52**	.38**	.58**	.60**	.55**	.44**	.59**	.67**	-			
PGS	.41**	.61**	.60**	.46**	.63**	.62**	.59**	.48**	.63**	.70**	.71**	-		
IC	.32**	.51**	.50**	.36**	.51**	.54**	.49**	.41**	.53**	.61**	.62**	.65**	-	
OE	.52**	.68**	.62**	.47**	.65**	.67**	.63**	.52**	.68**	.86**	.90**	.88**	.80**	-

(\*p<0.05, \*\*p<0.01)

**Legends:** HO- Hope; EF- Efficacy; RE-Resilience; OP-Optimism; PSY- Psychological capital; VIG- Vigor; DED- Dedication; AB- Absorption; EE- Employee Engagement; PRE- Productivity efficiency; COH- Cohesion; PGS- Planning and Goal Setting; IC- Information and Communication; OE- Organizational Effectiveness

## 4.5 Correlation analysis

**Table 4.6** presented mean and standard deviation of PsyCap, employee engagement, and organizational effectiveness and their subscales. The correlation values are listed in **Table 4.7**. The results indicate that PsyCap and employee Engagement is positively and significantly correlated with Organizational Effectiveness (PsyCap and OE = .65\*\*, and employee engagement and OE = .68\*\*;  $p < .01$  two-tailed). The relationship between PsyCap and employee engagement ( $r = .70^{**}$ ) was also found positive. Further analysis was used to explore the relationship between subscales of PsyCap, employee engagement, and organizational effectiveness. The positive and significant correlation was found among all the subscales of three variables.

## 4.6 HIERARCHICAL REGRESSION ANALYSIS

### 4.6.1 The role of PsyCap on OE

The role of PsyCap on OE was examined to test hypothesis 1. To reveal deep insights into the issue, functions of all four PsyCap factors on OE were tested. A hierarchical regression analyzed whether different factors of PsyCap i.e. hope, efficacy, resilience and optimism made a significant contribution to the variance in the OE after controlling the demographic variables i.e. gender, age, marital status, education, and experience. The predictor variables were entered as followed: step one: control variables (gender, age, marital status, education, and experience), step two: step one + hope, step three: step two + self-efficacy, step four: step three + resilience, step five: step four + optimism. **Table 4.8** presented the hierarchical multiple regression analysis.

**Table 4.8** Results of hierarchical regression analysis (PV PsyCap, DV OE)

	Predictors	Step 1 b	Step 2 b	Step 3 b	Step 4 b	Step 5 b
1	Constants	71.464	23.643	18.383	15.141	14.649
	Gender	-.065	-.019	-.028	-.044	.042
	Age	.064	.019	.011	.018	.008
	Marital status	.009	.013	.032	.039	.037
	Experience	.019	.043	.036	.012	.031
	Education	.047	.004	.006	.026	.036
2	1+ hope		.516**	.360**	.179**	.087
3	2+ self-efficacy			.289**	.049	.031
4	3+ resilience				.541**	.449**
5	4+ optimism					.297**
	F change	.685	29.194	33.052	55.227	56.754
	Sig. F	.635	.000**	.000**	.000**	.000**
	R <sup>2</sup>	.007	.269	.327	.482	.519
	Adj. R <sup>2</sup>	-.003	.259	.317	.473	.510
	Δ R <sup>2</sup>	.007	.262	.058	.155	.037

Note: (\* $p < 0.05$ , \*\* $P < 0.01$ , N=484, b Standardized beta Score)

In the first model, demographic variables such as gender, age, marital status, education, and experience explained very little variance ( $R^2$  .007;  $F=$ .685,  $p < .05$ ). In second model hope was added and this increased the variance significantly by 26 percent ( $R^2$  .269;  $F=$ 29.194,  $p > .01$ ). The third model of self-efficacy was added which also significantly increased the  $R^2$  by 6 percent ( $R^2$  .327; 33.052,  $P > .01$ ). The fourth model of resilience was added and which significantly improved the  $R^2$  by 16 percent ( $R^2$  .482; 55.227,  $p > .01$ ). In the fifth model, optimism was added and it also improved  $R^2$  by 4per cent ( $R^2$  .519; 56.754,  $p > .01$ ).

The retained model significantly explained approximately 52 percent of the variance in OE ( $R^2$  .52 per cent, adjusted  $R^2$  .51). The findings exhibited an interesting pattern that the strength of association of hope with criterion variable decreased (from b value .52\*\* to .18\*\*) in presence of self-efficacy and resilience but remained significant. The association turns insignificant in the presence of optimism. Interestingly, in the fourth model, the relationship of self-efficacy with criterion variable became insignificant in the presence of hope and resilience. The same result appears in the fifth model where the relationship of both the factors (hope and efficacy) turns insignificant with criterion variable and only resilience and optimism demonstrate the significant relationship with criterion variable in the study.

The regression results exemplify the fact that employees who have high PsyCap are more likely to influence positively on the effectiveness of their organization. Results indicated that PsyCap interventions in organizational settings may prove to be an effective instrument for determining the performance of an employee which can lead to the success of the organization. This is supported by Avey, Reichard, Luthans, and Mhatre, (2011) who found a significant relationship between psychological capital and employee attitudes such as job satisfaction, commitment, and turnover intentions and employee behaviors such as citizenship behavior and job performance which are direct measures of OE.

#### **4.6.2 The role of PsyCap on Employee Engagement**

The role of PsyCap on employee engagement was examined to test hypothesis 2. To reveal deep insights into the issue, functions of all four PsyCap factors on employee engagement were tested. A hierarchical regression analyzed whether different factors of PsyCap i.e. hope, efficacy, resilience and optimism made a significant contribution to the variance in the employee engagement after controlling the demographic variables i.e. gender, age, marital status, education, and experience. The predictor variables were entered as

followed: step one: control variables (gender, age, marital status, education, and experience), step two: step one + hope, step three: step two + self-efficacy, step four: step three +resilience, step five: step four + optimism. **Table 4.9** presented the hierarchical multiple regression analysis:

**Table 4.9 Results of hierarchical regression analysis (PV PsyCap, DV Employee Engagement)**

	Predictors	Step 1 b	Step 2 b	Step 3 b	Step 4 b	Step 5 b
1	Constants	57.045	16.898	12.075	11.650	5.087
	Gender	-.039	-.003	-.020	-.020	-.024
	Age	-.010	-.052	-.051	-.058	-.065
	Marital status	.041	.037	.014	.012	.008
	Experience	.051	.024	.055	.043	.052
	Education	.049	.010	.020	.026	.026
2	1+ hope		.472**	.149**	.080**	.012
3	2+ self-efficacy			.563**	.484**	.337**
4	3+ resilience				.181**	.032
5	4+ optimism					.455**
	F change	.822	23.333	52.984	59.159	66.383
	Sig. F	.534	.000**	.000**	.000**	.000**
	R <sup>2</sup>	.009	.227	.438	.453	.558
	Adj. R <sup>2</sup>	.002	.217	.430	.444	.549
	Δ R <sup>2</sup>	.009	.218	.211	.015	.105

Note: (\*p<0.05, \*\*P<0.01, N=484, b Standardized beta Score)

In the first model, demographic variables such as gender, age, marital status, education, and experience explained insignificant variance in dependent variable (R<sup>2</sup> .009; F=.822, p < .05). In second model, hope was added and this increased the variance significantly by 22 percent (R<sup>2</sup> .227; F=23.333, p > .01). The third model of self-efficacy was added which also significantly increased the R<sup>2</sup> by 21percent (R<sup>2</sup> .438; 52.984, P >.01). The fourth model of resilience was added which significantly improved the R<sup>2</sup> by 1 percent (R<sup>2</sup> .453; F=59.159, p > .01). In the fifth model, optimism was added and it also improved R<sup>2</sup> by 10 percent (R<sup>2</sup> .558; F= 66.383, p > .01).

The retained model significantly explained approximately 56 percent of the variance in employee engagement ( $R^2$  .55 percent, adjusted  $R^2$  .54). The findings exhibited an interesting pattern that the strength of association of hope with criterion variable decreases (from b value .47\*\* to .15\*\*) in presence of self-efficacy but remains significant. The association turns insignificant in the presence of resilience and optimism. Interestingly, in the fifth model where the relationship of both factors (hope and resilience) turns insignificant with criterion variable, only efficacy and optimism demonstrate the significant relationship with criterion variable in the study.

### 4.6.3 The role of employee engagement on OE

To study the function of work engagement on OE, the predictor role of work engagement factors (vigor, dedication, and absorption) were examined on OE to test hypothesis 3. A hierarchical multiple regression was carried out to see whether factors of work engagement i.e. vigor, dedication and absorption made a significant contribution to the variance in the OE after controlling the demographic variables i.e. gender, age, marital status, education, and experience. The predictor variables were entered as followed: step one: control variables (gender, age, marital status, education, and experience), step two: step one + vigor, step three: step two + dedication, step four: step three + absorption. **Table 4.10** presented the hierarchical multiple regression analysis:

**Table 4.10 Results of hierarchical regression analysis (PV Employee Engagement, DV OE)**

	Predictors	Step 1 b	Step 2 b	Step 3 b	Step 4 b
1	Constants	71.464	23.643	18.383	15.141
	Gender	.065	-.031	-.035	-.036
	Age	.064	.081	.083	.084
	Marital status	.009	.028	.038	.038
	Experience	.014	.032	.042	.042
	Education	.047	.031	.024	.024
2	1+ vigor		.684**	.453**	.221**
3	2+ dedication			.317**	.186**
4	3+ absorption				.312**
	F change	.685	70.932	33.052	55.227
	Sig. F	.635	.000**	.000**	.000**
	$R^2$	.007	.472	.518	.548
	Adj. $R^2$	-.003	.465	.511	.540
	$\Delta R^2$	.007	.465	.036	.030

Note: (\* $p < 0.05$ , \*\* $P < 0.01$ ,  $N = 484$ , b Standardized beta Score)

In the first model, demographic variables such as gender, age, marital status, education, and experience explained very little ( $R^2$  .007;  $F=.685$ ,  $p < .05$ ) variance in dependent variables. In the second model, vigor was added and this increased the variance significantly by 46 percent ( $R^2$  .472;  $F=70.938$ ,  $p > .01$ ). The second model adds dedication which also significantly increased the  $R^2$  by 4 percent ( $R^2$  .518;  $F=33.052$ ,  $P > .10$ ). The third model adds absorption and significantly improves the  $R^2$  by 3 percent ( $R^2$ .548;  $F=55.227$ ,  $p > .01$ ).

The retained model significantly explained approximately 54 percent of the variance in OE ( $R^2$  .55 percent, adjusted  $R^2$  .54). The findings exhibit an interesting pattern that the strength of association of vigor with dependent variable decreases (from b value .68\*\* to .22\*\*) but remains significant in the presence of dedication and absorption. The association of vigor, dedication, and absorption demonstrate the significant relationship with the criterion variable in the study.

## **4.7 TESTING THE STRUCTURAL MODEL**

### **4.7.1 Measurement Models**

The study carried out a series of dimension-level confirmatory factor analysis to examine whether the three study variables capture distinct constructs. The three-factor (PsyCap, employee engagement and organizational effectiveness) model fitted the data well ( $\chi^2$  [df] 54.941[41]; CFI= 0.995; RMSEA= 0.027; SRMR= 0.029; GFI= 0.972).

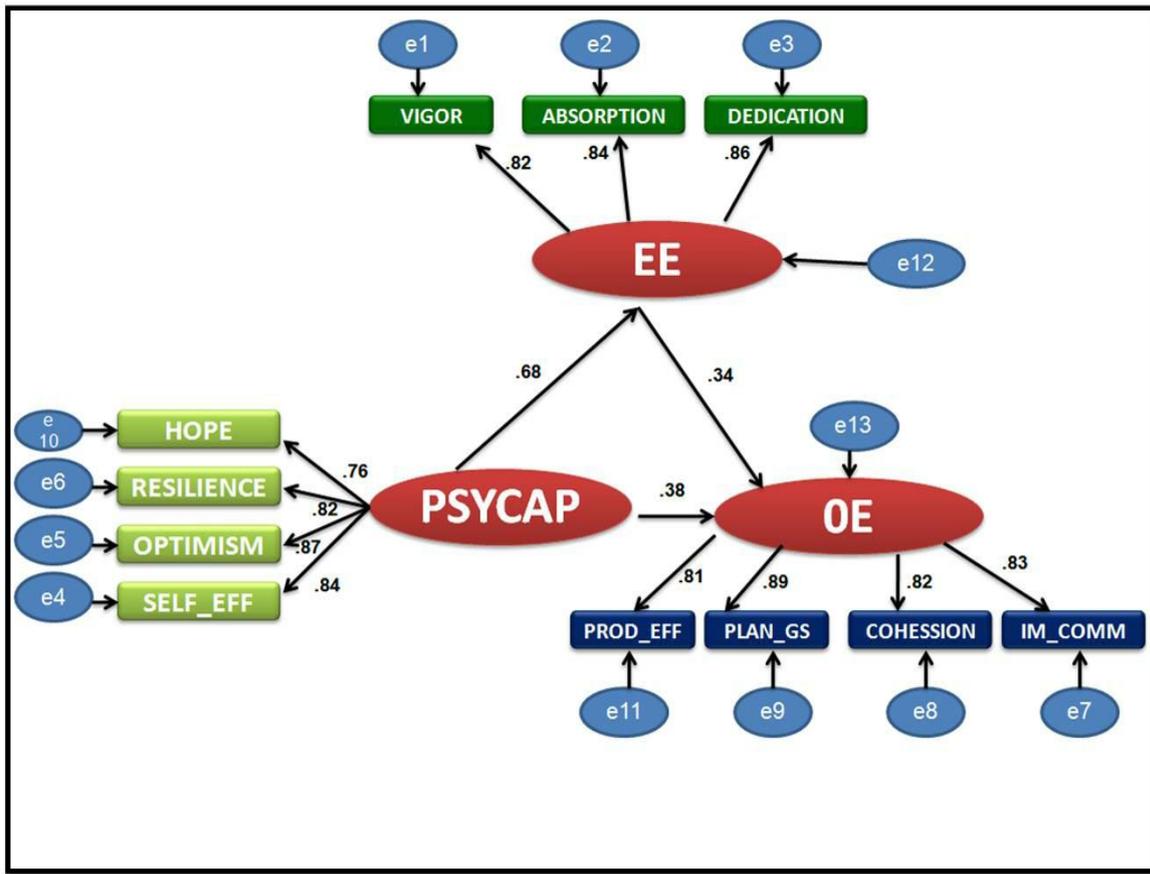
### **4.7.2 Structural Model**

PsyCap, employee engagement, and organizational effectiveness are presented as latent variables in the structural model. Specifically, PsyCap has four indicators, i.e., hope, efficacy, resilience, and optimism. Employee engagement has three indicators i.e., vigor, dedication, and absorption. Finally, organizational effectiveness has four indicators i.e., productivity efficiency, cohesion, planning goal setting, information, and communication.

To establish the mediating effects proposed by the current research and to test the hypothesized mediating role of employee engagement in the relationship between PsyCap and organizational effectiveness, the mediating model was fitted to the data, as presented in **Figure 4.4**. The results show that all the fit indices met the criteria ( $\chi^2$  (df) =237.12 (41); CFI= 0.945; GFI= 0.922; TLI= .927; NFI= .935; RMSEA= 0.05).

The path coefficients from PsyCap to employee engagement ( $\beta=.68$ ,  $p<.01$ ), employee engagement to organizational effectiveness ( $\beta=.34$ ,  $p<.01$ ) and from PsyCap to organizational effectiveness ( $\beta=.38$ ,  $p<.01$ ) (hypothesis H4) were statistically significant. The hypothesis states that employee engagement mediates the relationship between PsyCap and organizational effectiveness. The result demonstrated that both PsyCap and employee engagement have a positive and significant relationship with organizational effectiveness. So the fulfilment of the first three steps was observed: (1) independent variable i.e. PsyCap must affect the mediator variable i.e. employee engagement (2) employee engagement must affect the dependent variable i.e. organizational effectiveness (3) PsyCap must affect the organizational effectiveness. In the fourth step described by the authors, one or more paths (PsyCap to organizational effectiveness) in the hypothesized model was added to analyze the mediating effects of employee engagement (hypothesis H4) (see figure 4.4). Following this, the direct relationship between PsyCap and organizational effectiveness was found to be .38 ( $\beta=.38$ ). So it could be inferred that employee engagement partially mediates the relationship between PsyCap and OE.

**Figure 4.4 The Mediation Model**



**Legends:** The standardized path coefficient ( $\beta = .38, .68$  and  $.34$   $p < .001$ ) suggest that employee engagement mediate the relationship between PSYCAP and OE. PSYCAP- Psychological capital; EE- Employee Engagement; OE- Organizational Effectiveness; Prod\_eff- Productivity efficiency; COH- Cohesion; Plan\_GS- Planning and Goal Setting; IM\_Comm- Information and Communication.

## 4.8 DISCUSSION ON FINDINGS

This section discusses the causes for the relationship found among variables of the study. Importantly, this research totally represents a theory-driven examination of how different factors of PsyCap and employee engagement are associated with organizational effectiveness. In addition, it also discusses how PsyCap combined with employee engagement predicts organizational effectiveness. The results are described as follow;

- A positive relationship was observed among PsyCap, employee engagement, and organizational effectiveness.
- Employee engagement partially mediates the relationship between PsyCap and organizational effectiveness.

### 4.8.1 Hypothesis 1: PsyCap of employees will significantly predict the organizational effectiveness of an organization.

The regression analysis results revealed that PsyCap has a significant positive effect on OE. It also exemplifies the fact that IT employees who benefitted from PsyCap are more likely to contribute to the indirect measures of organizational success. It has been previously observed that PsyCap with all its factors can foster salient productivity related behavior (Larson & Luthans, 2006). A similar result was found in a recent meta-analysis of 51 research samples which showed that the relationships of psychological capital and employee attitudes such as citizenship behavior, job performance-job satisfaction, commitment and turnover intentions (Avey et. al., 2011). These findings indicate a high level of PsyCap in employees which may prove to be instrumental in determining the degree to which an individual employee contributes to success by demonstrating desirable behavior at workplace.

Organizations monstrosly focus on pulling in and holding remarkable workers who are not just fit and willing to perform work errands proficiently but additionally are quick to put additional endeavors in their occupations and achieve organizational viability. Powerful work of an association relies on employees' endeavors reaching out beyond the job necessities (Yen & Niehoff, 2004). In this manner, an ideal worker doesn't just show elevated amounts of assignment execution but also display large amounts of uplifting dispositions. In this relevance, it is not unreasonable to say that by increasing psychological capital and its components, organizational effectiveness and its components also increase. It also argues that

PsyCap in terms of hope, efficacy, resilience, and optimism impacts organizational effectiveness significantly.

In a substantial assortment of literature, strengthens this finding that PsyCap has been appeared to foresee an extensive variety of work-related behavioral and attitudinal results that are considered as measures of organizational excellence. In particular, PsyCap has been identified with increased job performance, work fulfilment, authoritative responsibility, (Avey et al, 2011). Moreover, PsyCap has been observed to be adversely identified with unwanted attitude, from the organizational viewpoint, for example, skepticism, turnover goals, work stretch, tension, abnormality tension, abnormality, work seek practices, measurements of burnout and emotional fatigue, depersonalization, individual achievement, and unproductive work practices (Avey et al, 2010).

The findings of this study are being supported by the conceptual evidences of the previous studies i.e. Youssef & Luthans in 2007. The results pointed out that the inability of some individuals to face the psychological influences of stressors cause them to suffer from various psychological and physical health related problems, on the other hand, some individuals demonstrate the ability to bounce back and show hardly any changes in their behavior because of psychological resources. With a similar view, Tugade & Fredrickson (2004) recognized that these later individuals demonstrate psychological resilience; that is, effective adaptation and coping in the face of adversity. Regardless of the stressful workplace environment, positive and resilient employees acknowledge the fact that they have sufficient resources to counter the distress. Earlier findings indicate that people could endure challenges by being particularly adaptive (Lepine et al., 2005).

Another explanation for this contribution may be the confidence of judgment of how well one can execute courses of action to deal with prospective situations, and believes in one's own capabilities to achieve the target (Bandura, 1997). Self-efficacy is not a skill of an individual but a belief in utilizing those skills that they do have to accomplish any task (Bandura, 1986). It means individual with this beliefs are more concerned with the ability to do rather than the intensions or assumptions to do (Maddux, 2009). Self-efficacy beliefs have been founds to be an underlying feature to achieve task for those individuals who are higher on initiative, and motivation, and more willingly sustain in any unfamiliar situation and major complications (Luthans, 2002a). Various studies have demonstrated the relationships between self-efficacy and work-related performance theoretically and empirically which includes

different areas such as leadership development (Chemers et al., 2000), task performance (Locke et al. 1984), decision making (Lam et al., 2002), work attitudes across cultures (Luthans et al., 2006), creativity (Tierney & Farmer, 2002), entrepreneurship (Boyd & Vozikis, 1994; Luthans & Ibrayeva, 2006), and academic success (Bandura, 1993). Furthermore, self-efficacy relationship with human functioning has been supported by more than ten meta-analyses findings, and at least three of them supports particularly self-efficacy and work-related outcomes (Judge et al., 2007; Sadri & Robertson, 1993).

Results also revealed that hope is another explanation shown by employees to contribute to organizational effectiveness. Employees higher on hope have the “will” (agency) and the “ways” (pathways) both to achieve goals set by them or organizations (Snyder, et al., 1991). Pathways thinking have been described as a potential for future goal achievement. Individual with higher pathways thinking shows the ability to produce more than one possible solution to achieve a goal. This potential makes them more successful as they are having more options to accomplishing their goals (Irving et al., 1998). Agency thinking is a motivation within individual which force them to start and maintain a movement alongside pathways toward completing goals. Higher agencies are particularly advantageous for individual to overcome when they face difficulties in accomplishing their objectives. In such instances, people are able to move on to other pathways towards goal achievement with higher hope (Snyder, 1994). Agency and pathways thinking work together, in the process of goal pursuit and may reciprocally feed off one another (Snyder et al., 1991). Researches related to hope have been linked theoretically, empirically and supported the findings.

To provide further support to the findings, we can also draw from psychological resource theories (Hobfoll, 2002). These widely recognized theories emphasize the necessity of treating individual resources as outcome of underlying core construct (PsyCap in this case) instead of in isolation. To achieve favorable outcomes, for example, Thoits (1994) has argued the importance of individual-level constructs such as optimism, resilience, degree of goal pursuit to manage and adapt other resources in achieving desirable outcomes. Such resources are reported to be cooperative and synergistic through many empirical studies (Cozzarelli, 1993; Rini et al., 1999).

In other words, resource theory supports the findings of this study that synergies may exist as individual PsyCap elements (hope, efficacy, optimism, and resilience) and PsyCap as

a core construct that is instrumental in encouraging and motivating employees to perform at the workplace so as to increase the potential for organizational effectiveness.

Psychological capital has been identified as significant predictor of organizational effectiveness and therefore, it can be concluded that effectiveness of organizations increases with the increment in the psychological capital. These results agree with preceding studies which advocate that positive PsyCap affects job satisfaction significantly and also moderately support the result that PsyCap has a causal relationship with job satisfaction. It can be inferred that organization member's PsyCap gives impetus to desirable working attitude along with imbibing outcomes such as satisfaction and organizational involvement and thus, helps in achieving organization's objectives effectively.

#### **4.8.2 Hypothesis 2: PsyCap of employees will significantly predict employee engagement**

The second hypothesis tested a direct pathway between PsyCap and employee engagement. Earlier evidence assembles over the past years has authenticated that elements of PsyCap, as a second-order core factor is significantly indicating a strong relationship with employee engagement. Taken together, the authentic evidence indicates that PsyCap strengthens employee's attitudes in a desirable direction for meeting the goals of today's challenged organizations. A similar result has been done by Simons and Buitentach in South Africa (2013), in which they found that psychological capital positively influenced work engagement. Other researchers have also found the result in the same manner such as high Psychological capital positively influenced satisfaction and organizational commitment (Luthans et al., 2008). Cetlin (2011) reported that organizational commitment and job satisfaction attitudes were positively related to PsyCap.

In this study, analysis of the effect of dimensions of PsyCap i.e. hope, efficacy, resilience and optimism show a significant positive effect on employees' willingness to perform extra role behavior which has expand the dimensions of PsyCap. One possible explanation for this fact may be that employees carrying these positive construct experiences positive emotions that lead to the positive activities during their work which in return create positive feelings in employees. Another significant reason could be that PsyCap brings a sense of energetic and effective connection with their work and they feel that they are able to handle the demands of their work.

Hope has also made an imperative impression to foster employee engagement because it has been explained by Snyder (2002) as a multidimensional construct consisting individual's perceived capacities or energy to produce pathways. Agency stands for appreciation and readiness to achieve goals and pathways are one's mental and physical application to devise alternative solutions in order to face any obstacles (Snyder et al., 1991). According to Snyder hope is a cognitive state which enables individuals to realize their expectation through their self-determination and make them put in sustain effort by searching for the best alternative (Avey et al., 2008). Moreover, another study which supports these findings was conducted by Youssef and Luthans (2007) has found that it had a positive effect on employee satisfaction, commitment and positive feelings toward work.

Efficacy has been defined by Bandura as an individual's beliefs in their capabilities to face difficulties especially unfamiliar, as well as their coping strategies (Bandura, 2000). People with high on this construct will perceive problems as challenges and face them with sufficient application of proficiency (Avey et al., 2009). Self-efficacy has an important role in the retention of new employees and their socialization (Bauer et al., 2007). Rothmann (2003) found in South African that self-efficacy plays a mediating effect on burnout, work engagement and occupational stress that suggests the absence of these construct help employees to engage with their work.

Luthans has defined resilient people's ability to rebound from external and internal threats. In this regard, resilient people have the capacity to keep themselves buoyant in the negative occurrence of life such as conflict, adversity and/or failure and bring about a cheerful atmosphere. Therefore, resilience enhances the coping ability of the individual to successfully resolve life hassles (Crothers & Baumgardner, 2010). Above fact support our findings that employees with high resilience are engaged in their job because they have the ability to stay protracted from failure. In addition, many studies have found a strong positive relationship between resilience and workplace performance (Luthans et al., 2007). Resilience also enhances adapting mechanisms and behavior to deal with adversity and risk.

Optimism is strongly and closely related to positive psychology (Luthans et al., 2004). In previous research, optimism has been regarded as a dynamic construct that is realistic and can be developed (Peterson, 2000). Optimistic employees perceive the adverse situations as challenges and opportunities which make them engaged in work that lead to success (Luthans et al., 2005). In the work context, optimistic employees are better to assess temporarily

adverse situation than employees who are low optimistic. (Youssef & Luthans, 2007). In further researches, Rothmann and Essenko (2007) found in their study that dispositional optimism has a direct effect on employee's exhaustion and cynicism in an academic institution. Other evidence has also shown in positive psychology literature that optimism is positively correlated with employee performance and engagement and has a positive effect on the accomplishment of job-related goals (Arakawa & Greenberg, 2007).

Frederickson's broaden-and-build theory (1998, 2001), provide further support for the proposed relationship between PsyCap and employee engagement to explicate the mechanism of development of positive resources at the workplace by narrowing negative emotions while simultaneously spiraling positive emotions.

#### **4.8.3 Hypothesis 3: Employee engagement in terms of vigor, dedication, and absorption will significantly predict the organizational effectiveness of an organization**

The third hypothesis examines employee engagement and whether its three dimensions have a significant impact on the organizational effectiveness. The present study is supported by earlier studies and the findings are also consistent with them also (Erickson, 2005; Saks, 2008; Macey & Schneider, 2008; Babcock-Roberson & Strickland, 2010; Sundaray, 2011; Welch, 2011). Results of the study are similar to that of literature that engaged employees are more interested in things that contribute in organizational effectiveness (Saks, 2008). Such contributions are possible because of positive emotions which engaged employees experience during their work (Bindland Parker, 2010; Bakker et al., 2011). Positive emotions includes- empathy, happiness etc. which results in developing positive behavior in organizations like facilitating behavior, thus these positive emotions create an upward spiral (Cameron et al., 2003).

A more accurate explanation can be found in the existing literature for this positive attitude and behavior of employees that motivate them to work for organizational effectiveness, is their high level of energetic and effective association with work activities. They see themselves able to deal with the changing demands of their jobs due to the positive emotional, cognitive, and behavioral framework (Schaufeli, et al., 2006). As mentioned earlier, engaged employees display willingness to exert high level of drive for success of the organization, mental resilience, willingness and perseverance at work even in unfamiliar and difficult situations (Schaufeli et al., 2002). They display dedication as another attribute

towards their organizations which can be conceptualized as positive attachment and involvement in one's work for their employers, which make them feel delighted as seeing themselves as a member of that organization and identifying themselves with it. Dedication for organization is about passion and commitment. When employees are dedicated, it means that they have a tendency to be engaged in their jobs, to involve passion and willingness in their job, as well as striving to improve their skills and abilities for best results. Engaged employees also show positive behavior in the face of challenging situations which may further lead to the development of organizational flexibility and adaptability. Another key driver of employee engagement is absorption, a feeling of involvement, which has the components which include elements such as concentration and engrossment in work. Absorption is all about meaning at work which makes employees to fully involve with work when they find a sense of meaning in their work, which in return has the potential to bring employers and employees closer together. Employees have a need to derive meaning for their work in organization because it has been found to be a significant motivator for employees to be more innovative as they are always looking to complete their task in a better way. They also feel goal-directed and self-directed to produce organizational goal with maximized performance which correspondingly helps to enhance organizational productivity and efficiency.

In the end, it can be concluded that engaged employees are ambitious, energetic, eager, determined, and above all, dedicated. They are always striving for better opportunities for growth, to gain more knowledge, to learn new skills, to widen their network, and to challenge themselves with unfamiliar difficulties. Providing and stimulating employees' engagement is an essential method of increasing the level of effectiveness of any organization.

#### **4.8.4 Hypothesis 4: Employee engagement will significantly mediate the relationship between PsyCap and organizational effectiveness**

In an attempt to discover the mechanism underlying the relationship between PsyCap, employee engagement and organizational effectiveness, based on the appropriate theoretical framework and literature review, employee engagement was tested for its mediation effects. The study results provided partial support for the hypothesis that employee engagement mediates of the relationship between PsyCap and organizational effectiveness. In other words, PsyCap was found to influence employee engagement and employees' engagement found to influence organizational effectiveness. This indicates the direct and indirect influence of PsyCap and employee engagement on organizational effectiveness.

The present study tested a conceptual model that links a direct pathway between PsyCap to organizational effectiveness through the partial mediation of employee engagement. Earlier evidence over the past years has confirmed that hope, efficacy, resilience, and optimism as a second-order core construct is significantly indicating a strong relationship with employee engagement which is a direct measure of organizational effectiveness (Wadud, 2000). Taken together, the authentic evidence indicates that PsyCap strengthens employee's attitudes in a desirable direction for meeting the goals of today's dynamic organizations.

In the current study, analysis of the effect of dimensions of PsyCap i.e. hopes, efficacy, resilience, and optimism show a significant positive effect on employees' willingness to do more than what was require of them, going the extra mile. The results point to the changing nature of technological organizations in India, which instead of focusing on negative effects, such as job stress, burnout and staff turnover, have shifted their efforts to improve performance at work and to understand the conditions in which individuals flourish at work (Seligman & Csikszentmihalyi 2000). The findings of the present study suggest that IT employees who possess a high level of PsyCap are more likely to exhibit organizationally beneficial behavior. For instance, the nature of work in IT organizations requires a high demand for change learning. Employees are required to possess diverse skills and knowledge to perform their job duties efficiently. Considering this, employees may experience a high level of job stress if they are lacking in these positive attitudes of personality. They may also respond in an unkind way and exhibit counterproductive work behavior. Conversely, positive resources, which are represented by Psychological capital, are defined and empirically determined to state like (rather than relatively fixed trait like personality dimensions) and, thus, are open to development and change employee cognitions and reinforce active coping skills, and improving the perceived quality of work life This is consistent with the observations in existing literature i.e. such positive factors enable employees to perform better in current jobs, it is likely that employees respond not only by performing the in-role behaviors but they may also reciprocate in kind and payback while performing extra-role behaviors (Luthans & Avey, 2008; Luthans, et al., 2007).

The available diachronic literature suggests that average employees can produce average performance, which is no longer adequate in today's hyper-competitive business environment. Organizations today are struggling for better utilization of human resources to gain competitive advantages. This struggle has brought the employee organization

relationship in focus among both researchers and practitioners (Purang, 2011). A similar result has been found by Avey and his colleagues that PsyCap can present a unique approach to leveraging employee positivity toward the exceptional level of performance for organizational success (Avey et al., 2011).

In this study, analyses of the effect of dimensions of Psychological Capital have shown a significant positive effect on employees' willingness to perform extra role behavior which has expanded the dimensions of PsyCap. It could be because of the fact that employees carrying these positive construct experiences positive emotions that lead to the positive activities during their work which in return create a positive feeling in employees. Another significant reason could be that PsyCap brings a sense of energetic and effective connection with their work and they feel that they are able to handle the demands of their work. On the other hand, if employees are lacking in such positive resources then it may hamper their performance and they cannot meet the demand of their job.

To give additional support to our proposed hypothesis that PsyCap theory as a core construct enhance engagement, we can likewise draw from psychological resource theory (Hobfoll, 2002) which has been mentioned by Luthans also in his book "Psychological Capital; Developing the Human Competitive Edge" (Luthans et al, 2007). This worldly recognized theory emphasizes the need for treating individual assets as appearances of a hidden core construct or an incorporated resource set (for this situation PsyCap) instead of in segregation. For instance, key resource theories (Thoits, 1994) have distinguished individual-level resources, for example, self-efficacy, optimism, resilience, and hope (the degree of goal pursuit) as basic foundational resources for managing and adjusting different resources to accomplish favorable results. Such key resources have been experimentally upheld as interactive and synergistic (Cozzarelli, 1993; Rini et al, 1999).

Similarly, multiple resources theories support resource synergies, in which the entire is more prominent than the whole of the constituent parts. Example of such theories incorporates the Theory of Sense of Coherence (Antonovsky, 1979), which is conceptually like PsyCap optimism, as well as the outstanding construct of Hardiness (Kobasa, 1979), which in numerous ways parallels PsyCap resilience (Hobfoll, 2002). At the end of the day, Resource Theory could be utilized to bolster the hypothesis that PsyCap is similar to engagement to some extent because of their correlation, in fact, this synergy may exist both

inside the parts of PsyCap and engagement, and also between the constructs that constitute PsyCap as a core and engagement.

Second, Employee engagement is another variable which also contributes to organizational excellence as a key motive. The most significant foundation brick for the sustenance and growth of any organization is its talented and engaged employees. In the same direction, employees' dynamic commitment and the association are of more prominent substance inside an organization to contain employee turnover, improve client loyalty and to achieve organizational overall performance. There are two ways to propose that excessive levels of employee engagement cause tremendous results for both the employees and the organizations (e.g. nice of people's work and their personal reviews of doing that work), because it is a pleasurable feeling for employees which helps them to adjust themselves to the challenging workplace by being more proactive, second, for organizational level consequences (e.g. the growth and productiveness of agencies).

One possible explanation for this contribution has been shown in recent studies, where engagement has been seen as the ability to believe a better sense of work which is a forcing factor for a human to put effort to perform a high level of mental and behavioral functions and causes people to be more committed towards their jobs which correspondingly provide a relationship between performance and organization profitability as well as the relationship with their organization and high ability to influence other employees as well (Luthans et al, 2007).

Engaged employee feel energetic and challenging when they face difficulties specially unfamiliar, as well as demonstrate better coping strategies. People with high scores on this construct will perceive problems as challenges and face them with sufficient application of proficiency (Avey et al., 2009). Employee engagement has been very crucial for the retention and development of new employees and their socialization (Bauer et al., 2007). Rothmann (2003) found in South Africa that engagement plays a mediating effect on burnout, and occupational stress that suggests the absence of these construct help employees to engage with their work. Another research in the same area has found that people with high levels of engagement believe that they are capable of performing the tasks assigned to them and can succeed. So these people believed that stressors and challenges must be overcome to achieve success, and instead of considering them as isolated and scattered problems, when confronted

with a problem, try to act more efficiently and become an asset for the organization (Luthans, 2002).

Since engagement is a positive state, it has the capacity to keep employees proactive in handling negative occurrence at the workplace such as conflict, adversity, and failure and bring about a cheerful atmosphere. In previous research, employee engagement has been regarded as a dynamic construct that is realistic and this dynamism makes them engaged in work that leads to success (Luthans et al., 2005). In further researches, Rothmann & Essenko (2007) found in their study that engagement has a direct effect on employee's exhaustion and cynicism in an academic institution. Other evidence has also shown in positive psychology literature that engagement is positively correlated with employee performance and has a positive effect on the accomplishment of job-related goals. (Arakawa & Greenberg, 2007).

The results of SEM demonstrate the critical role of employee engagement in generating a positive attitude towards their organizations and its values. Corroborating with that PsyCap serves as a monitoring system for employees to make sense of and to perform better at the workplace by developing positive resources.

Further, it is not unreasonable to assert that employee engagement is the necessary component for any organization to be successful. An engaged employee is likely to put more efforts into doing a task and a good result is within expectations. When goals are achieved, it drives a feeling of being satisfied and enjoyment for the employees and creates a positive working attitude in the workplace. Employee engagement at work is considered as an essential drive as it generates effort and action towards work-related activities, for example, employee's willingness to spend the energy to achieve a common goal or reward. When an employee is motivated, he or she shows enthusiasm and eagerness towards the work and a strong determination to implement and accomplish the tasks.

The findings of this study confirmed the predictive ability of PsyCap and employee engagement on organizational effectiveness. This result was consistent with the findings of earlier studies (Bakker & Demerouti, 2008; Herbert, 2011; Luthans et al., 2008; Mills et al., 2013; Simons & Buitendach, 2013).

Thus, it is evident from the studies that the empowered workforce helps the organization in achieving a competitive advantage and also crucial for organizational effectiveness.

## **CHAPTER V**

## **Conclusion**

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This chapter which is the conclusion provides the highlights of the study and lists the contribution made by this research. The chapter then discusses how the significant results of the hypothesis tests have implications for organizations. This is followed by limitations and recommendations for future research.

### **5.1 CONCLUSION**

This competitive arena is experiencing greater tough economic conditions than were visible in more than a generation. The forces of globalization have caused speedy changes within the market place and expanded competition. In those instances of double-digit unemployment, ballooning federal deficits, and imminent periods of inflation, organizations are struggling to sustain. At the same time doing extra with less became a competitive gain; it appears evidently nowadays for those organizations that want to survive these difficult instances. This pressure has forced organizations in India also to undertake a fresh attitude to make an alternative. The paradigm ‘Survival of the Fittest’ has ensuing an urgent shift in practices on the organizational level, which might focus on organizational performance (Sandhu et al, 2013).

So how can organizations survive and prevail? Based on the foundations of traditional economic, human, and social capital, Positive Psychological Capital has gained the attention of researchers as a source of competitive advantage. Studies suggest that making an investment in PsyCap strengthens organizations in an expansion of methods. This study gives an additional guide for this belief; engaged employees with excessive PsyCap provide their companies with vital competitive benefits—together with higher productiveness, customer satisfaction and lower employee turnover. Hence, organizations need to better recognize how exclusive employees are stricken by different factors of engagement and awareness on the ones that allow you to achieve the strategic consequences as well as to enhance standard in an easy yet powerful way. With the aid of applying studies put forth by PsyCap scholars, organizations appear more likely to enjoy each positive and a successful future.

Organizations immensely give attention to attracting and maintaining excellent employees who are not only successful and inclined to carry out duties competently but also keen to voluntarily invest greater efforts at their jobs through which accomplishing and

maintaining organizational effectiveness is possible. In addition, the efficacious working of an employer depends on the personnel's efforts surpassing the normal task necessities (Barned, 1938; Katz & Kahn, 1978). Keeping in tune with this, this study aims to enhance our knowledge of the benefaction of employee engagement towards the effectiveness of the organization. The research aims to improve the theoretical underpinnings of the recent construct, i.e. 'employee engagement' with a distinctive contribution to the literature with PsyCap and organizational effectiveness. It has been deduced that employees who have positive resources are seen to experience more engagement and are more enthusiastic about their work, fully dedicated to their work and are deeply engrossed to put forth their immense energy and intellectual efforts so as to attain their organizational desires. The findings of the study are consistent with the findings of Gibbons (2006) who admit that employees want to experience that the work they do is reputable, valued and contributes to attaining the organization's targets in a significant way.

This study proves that the more the PsyCap, the more the employee engagement and the more the employee engagement the more the organizational effectiveness. The primary contribution of this study is that it appends to PsyCap's literature and employee engagement in the context of work and its capability in bringing organization success. This study's result provides a look at personal resources (PsyCap) contribution can have on increased organizational effectiveness. Furthermore, this is one of the first studies that examined the role of PsyCap, employee engagement, and organizational effectiveness in the Indian context.

It's also aspired that those organizations attempting to improve employee engagement conditions will not neglect this study's findings and endeavor to tackle issues related to engagement by increasing personal sources in their personnel and promulgating activities that improve attention and interest.

## **5.2 CONTRIBUTION OF THE STUDY**

### **5.2.1 Theoretical Contributions**

This study is an important contributor to the field of PsyCap, employee engagement, and organizational effectiveness. It is one of the few studies where all the three variables are investigated in a single study.

The important implication of this study is that past studies in organization literature can be expended to include variables such as strengths, abilities, skills and now PsyCap as

individual level positive psychological properties (Luthans et al., 2007) to enhance employee engagement. Therefore, findings from this study suggest that PsyCap has replaced control, supervision, and monitoring of employees and now they need employees with higher levels of PsyCap who exhibit higher level of employee engagement. In other words, while in the past studies have clearly shown that PsyCap is related to organization outcomes, research here suggests that PsyCap may also affect individual functioning in organizations. If we add insight to organizational literature to adopt strategies to intervene psychological capital properly and systematically then we will be able to make a beautiful platform for employees' performance and well-being automatically.

Earlier studies have primarily focussed on effects that are negative and very less interest has been shown to constructing and exploring positive effects (Schaufeli & Bakker 2004). When the focus is on negative results, doubtlessly the positive outputs of work get ignored. In comparison to growing problem-solving coping techniques, identifying the positive outcomes of effectiveness at work indicates a focal point on efforts to improve overall performance at work. Emanating from the positive psychology movement as Seligman and Csikszentmihalyi (2000) encouraged, employee engagement endeavors to understand the situations wherein people prosper at work. Bakker and Schaufeli's (2008) observe that study has tested the effect of PsyCap on organizational effectiveness through the mediation of employee engagement. For this reason, this study contributes to tremendous organizational results by exploring the diverse mechanisms through which exceptional stages of engagement emerge and the way it affects organizational effectiveness.

Another contribution of this study is that it encourages organizations to look for methods to construct awesome places to work and to improve their performance. This study also shows that PsyCap and engagement can be precious methods to boost desired outcomes in organizations.

The significance of the findings was enhanced by qualifying the mediating role of employee engagement in the relationship between PsyCap and organizational effectiveness, which has been less focused in previous researches explaining the indirect measure of effectiveness. In this research, the psychological well-being indicators that have been assumed as having a close connection with PsyCap, employee engagement representing the active psychological state of employees' positive mind has also been identified as an important precursor of organizational effectiveness.

### 5.2.2 Practical Contributions

This study's findings show many practical implications for the betterment and control of human resources' motivational inclination in today's work stations. Employees who are more hopeful, efficacious, positive and resilient are more likely to face tough situations which have become a part of an organization contrary to those who have a lower PsyCap. In spite of the fact, that continued investment in human, social and financial capital is definitely important. Prior utility analysis recommends that the investment in psychological capital can also result in broad yields further on the alternative extra traditional kinds of capital investment (Luthans et al., 2006; Luthans et al., 2007). This study has prefatory proof that positive constructs coupled with resilience, hope, optimism, and efficacy may have a familiar core that we've labeled for ease as psychological capital that may be computed and linked to overall satisfaction and performance. For the future, studies may find various constructs which are positive that level the inclusion standards for psychological capital that can be analyzed, promoted and leveraged for holistic performance development.

Practically, advocating organizational effectiveness could be achieved by the HR designing mechanism that involves workplace practices that are positive. The link noticed between engagement and organizational effectiveness is judicious and endeavor should be made through selection to take on board those employees susceptible to engagement. This study similarly stipulates organizations to make an environment congenial for human resources, so as to make conditions for a higher level of engagement of employees. A crucial role can be played by HR managers in comprehending the psychological constituents of workplace which can motivate employees intrinsically to invest themselves in executing task responsibilities. Hussain and Mujtaba (2013) viewed human resource as a capital investment and were observed as having a positive influence on job satisfaction. This study contributes to the sparse literature at the function of SHRM within the industry in which dependence on human sources is extra crucial compared to other sectors (Nigam et al., 2011). For example, including the elements of trust with spirituality and integrity in dispensing organizational assistance and justice might also inspire excessive engagement of employees at work. Groups that want to enhance worker engagement ought to cognizance on personnel' perceptions of the assistance they get from their agency (May et al., 2004). More significantly, organizations should comprehend that clarity of employee's work directly have an impact on the level of engagement. Further, task roles show chances for individuals to bid themselves expressively, energetically and behaviorally in a simultaneous and holistic style (Kahn, 1992; Rich et al.,

2010; Christian et al., 2011). The application of such practices in workplace can also prevent many injuries at workplaces. Pathak and Pathak (2011) have pointed out in their studies that human errors are the prime reason in work settings. From plane injuries to underground mine accidents, human errors have continually played an important component.

Addition, there is a need for employees to be psychologically empowered in order to execute their job in organizations where organizational efforts are taken into account to provide the means of their work, chances to ameliorate, and better occupational self-efficacy. HR system needs to keep the employees' psychological requirements and issues in mind at the workplace which can encircle a larger importance on process layout, guidance from management, possibilities of improvement, fairness, and honesty at workplace, and a creative working environment to motivate personnel to reciprocate with intemperate level of engagement with work setting.

To support the above fact that numerous work place constructs are generalizable crosswise over organizational levels but we trust that PsyCap presents noteworthy open doors that are especially important for authentic leadership development. In particular, when PsyCap development efforts are presented inside a positive organizational setting, authentic leaders can improve their self-awareness, self-control, and self-advancement. Furthermore, if the leaders are higher on PsyCap and with more genuine attitude, it results in improvement of supporters in the same manner (Avolio et al, 2004; Gardner, Avolio et al, 2005)

Notwithstanding self-advancement, one of the essential attributes of an authentic leader is that he/she is able to do and can be persuaded to build their supporters. The uprightness, trust, and straightforwardness of the leaders can energize correspondence from adherents and an organizational culture in which openness, sharing, and progressing PsyCap improvement turn into the norms. Therefore, the paper sets forth a new area of potential interest for research and practice in organizational science that could be further explored and built.

### **5.3 LIMITATIONS ANS FUTURE SCOPE OF RESEARCH**

Despite the fact that the study findings are in line with the earlier theories, a few limitations of this study need to be taken into account for future research. The first, predicament is the limited generalizability of the research findings. This study was conducted in a particular context of IT organizations in India. But, the working environment fluctuates substantially across industries. Future studies should be more focused to inspect that

consequences of this study are appropriate or not to generalize to other organizational settings. There will also be some issues regarding the generalizability of the findings to other cultural contexts.

Second, limitation turned into data rated and collected from individual level via self-report may cause “social desirability bias” and “common method bias” even supposing employees are the best choice for answering those questions. Despite the common method found to be insignificant on the CFA assessment, the possibility of this mistake cannot be all collectively discounted. It’s far still vital to keep away from any common method bias and to accumulate extra reliable data for testing the hypotheses. The mediation model of this study needs to be replicated using longitudinal design so one can set up greater certain causality of the connection among the key constructs of precise interest.

The outcome of this research has the ability to furnish interest to each researcher and practitioner. If the study is conducted using various samples, it could be propagated to the managers to discern that personnel’ engagement has a link with positive resources and hence their work could further affect organizational efficiency. Researchers have to recommend the opportunity of exploring individual and organizational peculiarities that could give an explanation for the mechanism via which employee engagement has an impact on organizational effectiveness. In this study, PsyCap has been used as an arbitrator in the link between employee engagement and organizational effectiveness, i.e. a subjective or an individual indicator, this necessarily doesn’t propose that engaged employee will consistently follow approaches to boom the business enterprise; in all likelihood contextual elements feature as a regulative component of engagement and have an effect on the degree to which they affect organizational effectiveness. In addition, the arbitrary, conciliatory organizational level mark that could impact the employee engagement on the effectiveness of the organization can be further seen by using this study’s findings. Ultimately, future researchers are encouraged to discover the capacity presence of moderators including the developmental readiness of the managers, or organizational aid for the PsyCap initiative. This study gives a foundation based on research reviewed and presented in the current study for the future researchers to pursue these and different questions which will completely apprehend PsyCap, engagement, and performance.

Human capital has now become a crucial factor in competitive advantage in organizations. There have been proposals for fresh psychological capital by improving social capital. PsyCap’s subfactor merit special attention for their contributions that hope,

confidence, resilience, and optimism can make to psychological capital. Luthans and his colleagues have developed intervention programmes which can be utilized by researchers for upcoming studies on preferred overall performance consequences in terms of productiveness, customer service, and retention. Surpassing social and human capital to psychological capital, human factors has evolved as a drive that can be better acknowledged and utilized to tackle the colossal problems faced by the organization now and in the future.

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# **APPENDIX**

## Instrument for data collection

Thanks for being willing to take time to fill this questionnaire. The information provided here will be kept confidential and will only be used for academic purposes. Please be open and honest in your responses.

### Personal Information

<b>Name:</b> .....	<b>Present Organization:</b> .....
<b>Age:</b> .....	<b>Designation:</b> .....
<b>Gender:</b> .....	<b>Tenure With Organization:</b> .....
<b>Marital Status:</b> .....	<b>Total Work Experience:</b> .....
	<b>Educational Qualification.</b> .....

## PsyCap Questionnaire (PCQ)

Below are statements that describe how you may think about yourself right now. Use the following scales to indicate your level of agreement or disagreement with each statement. (1 = Strongly disagree, 2 = disagree, 3 = somewhat disagree, 4 = somewhat agree, 5 = agree, 6 = strongly agree)

Circle the number in the appropriate column	Strongly disagree <span style="float: right;">Strongly</span>					
	Agree					
<b>Hope</b>						
<b>1. I feel confident analyzing a long-term problem to find a solution</b>	1	2	3	4	5	6
<b>2. I feel confident in representing my work area in meetings with management</b>						
<b>3. I feel confident contributing to discussions about the company's strategy</b>						
<b>4. I feel confident helping to set targets/goals in my work area</b>						
<b>5. I feel confident contacting people outside the company (e.g. suppliers, customers) to discuss problems</b>						
<b>6. I feel confident presenting information to a group of colleagues</b>						
<b>Self-efficacy</b>						
<b>7. If I should find myself in a jam at work, I could think of many ways to get out of it</b>						
<b>8. At the present time, I am energetically pursuing my work goals.</b>						
<b>9. There are lots of ways around any problem</b>						
<b>10. Right now I see myself as being pretty successful at work.</b>						
<b>11. I can think of many ways to reach my current work goals.</b>						
<b>12. At this time, I am meeting the work goals that I have set for myself</b>						
<b>Resilience</b>						
<b>13. When I have a setback at work, I have trouble recovering from it, moving on</b>						
<b>14. I usually manage difficulties one way or another at work</b>						
<b>15. I can be "on my own," so to speak, at work if I have to</b>						

<b>16. I usually take stressful things at work in stride</b>						
<b>17. I can get through difficult times at work because I've experienced difficulty before</b>						
<b>18. I feel I can handle many things at a time at this job</b>						
<b>Optimism</b>						
<b>19. When things are uncertain for me at work, I usually expect the best</b>						
<b>20. If something can go wrong for me work-wise, it will</b>						
<b>21. I always look on the bright side of things regarding my job</b>						
<b>22. I'm optimistic about what will happen to me in the future as it pertains to work</b>						
<b>23. In this job, things never work out the way I want them to</b>						
<b>24. I approach this job as if "every cloud has a silver lining"</b>						

## Employee engagement

Circle the number in the appropriate column	Never	Almost Never	Rarely	Some times	Often	Very Often	Always
<b>Vigor</b>							
1. At my work, I feel bursting with energy	1	2	3	4	5	6	7
2. At my job, I feel strong and vigorous							
3. When I get up in the morning, I feel like going to work							
4. I can continue working for very long periods at a time							
5. At my job, I am very resilient, mentally							
6. At my work, I always persevere, even when things do not go well							
<b>Dedication</b>							
7. I find the work that I do full of meaning and purpose.							
8. I am enthusiastic about my job							
9. My job inspires me							
10. I am proud of the work that I do							
11. To me, my job is challenging							
<b>Absorption</b>							
12. Time flies when I am working							
13. When I am working, I forget everything else around me							
14. I feel happy when I am working intensely							
15. I am immersed in my work							
16. I get carried away when I am working							
17. It is difficult to detach myself from my job							

## Organizational effectiveness

Circle the number in the appropriate column	Never <span style="float: right;">Very Often</span>				
<b>Productivity Efficiency</b>					
<b>1. There is time management among all workers</b>	1	2	3	4	5
<b>2. All tasks are accomplished in time</b>					
<b>3. Services offered are of high quality</b>					
<b>4. Services offered are of skilled nature with efficient providers</b>					
<b>5. Our customers/stake holders appreciate the services offered</b>					
<b>6. Our products are highly demanded in the market</b>					
<b>Cohesion</b>					
<b>7. We all work together as a team to arrive at our goals</b>					
<b>8. We all make appropriate decisions by consensus</b>					
<b>9. The group's leadership style is participative</b>					
<b>10. Our group leader is capable of building the group into high performing team</b>					
<b>11. There is a high willingness by group members to take risks and try out new ways of making the group better</b>					
<b>12. There is a great feeling of team spirit</b>					
<b>13. Members collaborate well with other members</b>					
<b>14. Am satisfied with the way my work group functions as a team</b>					
<b>15. There is unity among all members of the organization</b>					
<b>Planning goal setting</b>					
<b>16. Our leaders strategically plan for any action in the institution</b>					
<b>17. We have a strategic plan that we all use to implement decisions</b>					
<b>18. Planning for any action in all sections/departments is done efficiently</b>					
<b>19. All workers in the university know the strategic goals and objectives of the university</b>					
<b>20. All our goals planned are achieved</b>					
<b>21. I normally make my own Individual plan before</b>					

<b>taking actions</b>					
<b>Information and communication</b>					
<b>22. There is free access to information to all employees in the organization/ institution</b>					
<b>23. Our leaders freely interact with us on information sharing</b>					
<b>24. Decisions are communicated to all concerned. subordinates before implementation</b>					
<b>25. There is an efficient flow of information both vertical and horizontal</b>					
<b>26. There is a quick flow of information in all departments to all members</b>					