Understanding Organizational Working Environment and Job Satisfaction in the Context of Psychological Capital

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Received: August 22, 2018 Accepted: October 4, 2018 Online Published: October 9, 2018
doi:10.5539/ibr.v11n11p19 URL: https://doi.org/10.5539/ibr.v11n11p19

Abstract

In addition to suitable organizational working environment effective management of human psychological capital has become very important for any organizational success in today’s complex business world. This study aims to investigate the relationship between organizational work environment, psychological capital and job satisfaction by using a sample of 176 employees from four departments of civil secretariat government of Balochistan. According to correlation and regression analysis there was significant statistical relationship between organizational work environment, psychological capital and job satisfaction. Employees with positive psychological capital are more satisfied from jobs if working in even less conducive environment.

Keywords: work environment, psychological capital, job satisfaction

1. Introduction

Human capital is very much important for any organization to achieve success and obtain competitive advantage. With rise of war for talent hunt, it has become important for every organization to investment in human capital for achieving organizational success in the competitive business world (Youssef and Luthans, 2007).

Number of researchers has largely focused on negative aspects of human’s working including mental illness and distress of people (Luthans, 2002; Gable and Haidt, 2005). Within the boundary of organization a similar trend has occurred, where research has generally focused on negative aspects of organizational functions that is resistance to change and stress etc. (Luthans, 2002). Though, latest research in the field of positive psychology has focused primarily on developing the strengths and qualities of individuals rather than fixing weaknesses (Luthans, 2002) in the domain of psychological capital.

In 2002, Luthans and his team identified the need of studying psychological capital (PsyCap) to generalize its effects on different work related variables in different environment. Majority of the research of PsyCap has been conducted in western countries and China but no traces of research in the context of Balochistan.

Psychological capital is regarded as psychological state, as it transient human phenomena, meaning that they are changeable and can be developed with in a person, it can be developed in a person at any time during their life time. Psychological capital possess the basic premise of positive psychology that seeks to encourage as well as develop positive qualities with in a person (Setar, S.B., Buitendach, J.H., & Kanengoni, H., 2015)

Moreover, it is not enough to examine PsyCap as only predictor of employee job performance. Other factors may also affect job performance, such as work place environment. It is anticipated that psychological capital can impact the relation between employee environment and job satisfaction. Employees with more self-confidence, hopeful, optimistic and resilience may be more satisfied if employee work environment is not appropriate.

Therefore the purpose of this paper is to develop a conceptual framework so as to understand the impact of PsyCap on job satisfaction and employee work environment in Balochistan, Pakistan. The research findings will benefit both Government and private sector employees and management.
2. Literature Review and Theoretical Framework

2.1 Psychological Capital

It is one’s positive psychological state of development which consists of: (a) confidence (self-efficacy) to take challenging tasks and make necessary efforts to achieve it; (b) make positive attribution (optimism) about following today and in future; (c) resolute toward target and when needed, readressing pathways to goal (hope) in order to be successful; and (d) power to bounce back and even beyond (resilience) to achieve target when contracted with problem. (Luthans, Youssef 2007).

Psychological capital is much more than traditional, social, human and economical capital. Economic capital traditionally focuses on tangible asset and finance (i.e. what you have), while human capital focuses on education, ideas and skills, (i.e. what you know).Social capital primarily focuses on relationships (i.e. who you know) while Psychological capital focuses on who you are and it focuses on self-efficacy optimism, hope and resilience (Luthans, Avolio, Avery & Norman, 2007).

In today's business world improvement brought about the resources creates competitive advantage. Although traditional means of competitions such as financial, technological and physical capitals are essential but capital such as human, social and psychological have its own implications (Luthans and Yousaff, 2007).Psychological capital is considered one of the most powerful mean in attaining the desired organizational goals and performance. Psychological capital is a faith in an individual to complete the work task when in risky situation. A person with high psychological capital will not be discouraged and rather will learn from failures, develop numbers of ways to achieve the desired goals and demonstrate everything in positive way with optimism. People with high level of efficacy have high level of self-confidence resulting in greater job satisfaction and better work behavior. People with high hope make better use of will power and thinking to achieve the goals, resulting in reduced job turnover. People with high optimism have positive expectations and attitude. Such people have high level of job satisfaction and reduced job turn over. Lastly people with high resilience know more about protective factors to resist against pressure situation and overcome the situation. Therefore, there is no doubt in saying that PsyCap positively influence the work behavior (Dirzyte, 2013)

Four dimensions of PsyCap namely, self-efficacy, Hope, Resiliency, Optimism (Luthans & Youssef, 2007) are discussed as below.

2.1.1 Hope

Hope has been widely researched by Synder (2000) and his fellows. They define hope as positive motivational state that consists of activity (will power), pathway (way power) and goal components. The agency component involves having the motivation and will power to reach the preferred goal.

Hope is an idea that an individual can have an optimistic view of future outcomes (Snyder, 2000). Snyder’s hope theory showed that the individual mind should be clear about their objectives, and they develop certain way for achieving those goals.

Hope has made remarkable contribution to +ve psychological capital and has very much importance in work place (Luthans and Jensen, 2002). However it is found that it has positive effect on employee commitment, job satisfaction and employee happiness at work. Hope also controls individual predictability and controllability (Snyder, 2000). Employees hope is very important for employee wellbeing.

Research also supports that there is positive relationship between hope and work place performance, and also between entrepreneurs’ hope and satisfaction with business (Jensen and Luthans, 2002). It has been found that there is positive relationship between level of hope of organization leaders and profitability of their units as well as the satisfaction of employees (Luthans, Avolio, Avery & Norman, 2006).

In none-supportive organization, hope full employees become too much frustrated because they have energy but not able to use that energy. Their satisfaction and commitment decreases with time may create negative impact on performance (Allen and Meyer, 1990).

2.1.2 Optimism

Optimism is most concerned with positive psychology in general than other concepts (Luthans, 2010). According to Seligman, (2002) optimism is not to expect good things to come in your way but to countering the problems with confidence and higher level of personal ability. Seligman definition comes from attribution theory in terms of two key dimensions that is good and bad events, permanence and pervasiveness. In short, optimist people take bad events as being only short-term, while pessimist people take bad events as being lasting. Optimists consider failure, bad luck or bad happenings as not their fault, pessimist people on the other hand consider the failure, bad
incident bad luck as their own fault (Luthans and Church, 2002). If optimism is high one consider positive events

to be internal and permanent on the other side negative events as external and temporary. More precisely, it is

about having confidence in yourself and in your capability to recover situation.

In Psychological capital optimism is an explanatory style that features positive events to a person’s permanent
generality, while negative events are features in term of temporary external as well as specific situation aspect.

According to these definitions optimist can take full credit for happiness in his life viewing events as being in

control and expecting to continue in future as well. It can be further explained that optimist employees receiving

positive feedback from boss will attribute it to work ethics and always ensure to work hard in regular manner at

job.

According to research optimism is positively related with favorable out comes that includes work performance

(Luthans & Avoilo, 2006). According to Seligman, (2002) optimism is negatively related with emotions,

irrational, shallow and misleading illusions. Optimist employees take charge and control of own destiny.

According to past research highly optimist leaders are more effective in term of decision, use information and act

according to situation (Staw and Barsade, 1993). Organizational leaders having high level of optimism are

usually more risk taker, flexible, use the information wisely, and take calculated and necessary risk (Luthans,

Avery, Avolio, Norman & Combs, 2006).

2.1.3 Self- efficacy

Self-efficacy is higher order construct of Psychological Capital (Luthans, Avery, Avolio, Norman & Combs,

2006). Self-efficacy is defined as the ones belief about his abilities to organize the motivation, intellectual

resources and ways of action needed to effectively accomplish a specific task. Self-efficacy is defined as people

confidence in his abilities to increase the motivation, utilize resources and necessary actions to be taken to

perform specific tasks (Luthans, Avery, Avolio, Norman & Combs, 2006). However, Bandura (1997) uses the

word confidence as conceptually subordinate to efficacy, especially in positive psychology the both terms are

used interchangeably, being confidence most commonly used in today’s world. People with high self-efficacy

have some attributes, such as, setting high and difficult targets for themselves, ready to take challenges,

internally motivated, putting necessary efforts to complete targets when in difficulties. People with high efficacy
don’t depend on others to set goal for them instead they set goals for themselves. They highlight deficiencies by

repeatedly setting challenging goals for themselves. Negative feedbacks, setbacks and failures can be very

dangerous for people with low efficacy.

In past research the relationship between efficacy and work performance has been established. Luthans, Avery,

Avolio, Norman & Combs, 2006) research explains a positive correlation between efficacy and work

performance. Moreover, large scale analysis explains a strong bonding between efficacy, motivation and

employee performance.

2.1.4 Resilience

Resilience is one’s ability to control his environment with success in order to be protective from the negative or

adverse events. Luthans, (2002) defines it as people’s ability to bounce back from negative circumstances. After

facing stressful situation and bad events resilient people become strong enough to manage resources for

resolving the problems.

Research by Masten (2001), indicates that resilience comes from every day magic of ordinary and normative

human resource that are helpful for promoting competencies in employees. He categorized these factors into

three areas namely; assets, risk and influence process. Firstly, asset factor is such which has effect on individual

resilience if it’s not present, such as sound home condition and education. Secondly, risk factor is such that bring

decreased level of resilience and occurs at micro and macro level (Luthans, Avery, Avolio & Norman, 2006). At

micro level they are internal such as bad home environment and at macro level they are external such as poor

economic conditions.

Past research indicates that there is positive relation between work place performance and resilience (Luthans

and Youseef, 2007). The concept of resilience is very important in today’s work place, which is associated with

increased competitive advantage.

Employees and managers today recognize that organizations are looking for top performer, who can learn and

grow through difficult situations, and can bounce back from difficult situations (Hamel and Valikangas, 2003).

Bouncing back to initial point is not much sufficient now, such employee cannot full fill organization rapid

growing expectations. Psychological capital is not only coping in difficult time, it is a proactive approach leads
to positive gain. The proactive approach of resiliency, as power to overcome the bad situation and bounce back,
getting new knowledge and experience, strong relations with others and also gets the meaning in life.

2.2 Job Satisfaction

Job satisfaction is defined as employee satisfaction level regarding their job and work condition (Wageeh Nafei, 2015). Job satisfaction and Commitment are the two most researched work attitudes in organizational psychology. Robbins (1994) has defined job satisfaction as a positive feeling about one’s job resulting from an assessment of its characteristics. Job satisfaction focus on overall positive emotions an employee has toward his job while other measures of job satisfaction are feature specific. This means that job satisfaction is measured in terms of features such as pay or working conditions (Fisher et al., 2003).

Job satisfaction is the degree to which a person is happy with job in a way that he is happily willing to perform his duties at an optimum level (Hoffman & Miller, 2013). It can be further defined as ones’ favorable and positive attitudes toward their job (Armstrong, 2006). Job satisfaction is sum of collection of beliefs as well as feelings of an employee towards their present job.

Employees, who tends to have high level of job satisfaction, are very punctual on job duties, remains less absent from work, have increased productivity and very much emotionally satisfied. Such employees have very high commitment to jobs and with the organization.

2.3 Workplace Environment

According to Duncan (1972), organizational work environment is defined as “Physical as well social factors taken into consideration in the decision making process by the employees in an organization”. According to Duncan both physical and social factors explain external and internal environment of an organization. His work, based on the findings of Rice (1963), focuses on only organizational internal working environment. Dill (1958), introduces task environment as a part of external factors which he feels are very important in organizational goal settings.

Lindsay & Rue, (1982) tries to explore various effects of organizational work environment on long term planning. According to him organizations try to adopt long term planning as instability of organization working environment increases. There are various external factors that force organization to change its strategic planning as well as its implementation.

2.4 Organizational Work Environment and Job Satisfaction

The relationship between organizational work environment and job satisfaction has gained much importance with the passage of time. According to a Danish study a firm may increase its production by improving physical dimensions of work environment that is internal climate of the organization.

Herzberg et al, (1959) established a motivation model for job satisfaction. According to him job related factors can be divided into two categories that is hygiene factors and motivational factors. Hygiene factors, such as, interpersonal relations, supervision, and conducive work environment etc. are very important to employees and lack of such may lead to dissatisfaction. On the other hand motivational factors are those having long term effect as they create positive feeling towards job. In the absence of hygiene factors i.e., work conditions, job security, interpersonal relations and salary etc. the employee’s dissatisfaction chances are increased.

Sell & Cleal, (2011) study job satisfaction with integrating economic and work environment variables. They analyze the reaction of employees in hazardous environment with high level of monetary benefits and nonhazardous environment with low financial benefits. The research reveals that work environment have direct impact on employee job satisfaction. Stable working conditions are very important for job satisfaction. If employees work under adverse work conditions, it may cause dissatisfaction and may lead to increased turnover. Productivity of employees as well as of organization increases through healthy work environment. On the basis of existing literature, this study examines the relation between work environment and employee job satisfaction to test the following hypotheses:

\[ H_1: \text{Good organizational working environment has favorable relation with employee’s job satisfaction.} \]

2.5 Psychological Capital and Job Satisfaction

Previous research about PsyCap has shown a positive relation with employee job satisfaction. According to Luthans (2007), Psychological Capital explains state like character reflected through +ve appraisal of situations and chances of success based on motivated efforts and persistence. With reference to job satisfaction one should expect that employees with higher level of psychological capital complete tasks in more +ve way and therefore are very much satisfied with their work situation.
According to Luthans, (2007) many factors constituting psychological capital positively relate with job satisfaction and also with some other constructs, such as, employee performance and employee commitment. In addition to this, resiliency increases employee job satisfaction as employee bounce back from bad situation. It creates sense of satisfaction organizational commitment, increased social capital as well as increased performance.

Research also supports a +ve relationship between hope and work place performance, and also between entrepreneur’s hope and satisfaction (Jensen and Luthans, 2002). It has been found that there is a +ve relationship between level of hope of organization leaders and profitability of their units as well as the satisfaction of their employees. In non-supportive organization where work environment is not suitable for employees, hopeful employees become too much frustrated because they have energy but unable to use it. Their satisfaction and commitment decreases over time and may create -ve impact on performance (Allen and Meyer, 1990).

Based on above discussion we propose following hypothesis about psychological capital effecting employee job satisfaction.

H2: Psychological capital has positive relation with job satisfaction

Individual with high level of PsyCap exhibits high level of confidence for achieving tasks and also achieve high level of job outcomes (Bandura, 1997). Self-efficacy as a component of PsyCap acts as moderator and weakens the effect of challenging job routine being an internal environmental factor.

Employees’ psychological capital when considered in a certain work environment provide support to job satisfaction by fulfilling deficiencies of one resource or another and also help the individual to successfully adapt the challenging situation (Youssef and Luthans, 2007; Luthans, Norman, Avolio & Avery, 2008). Development of PsyCap is likely to favor employee commitment and job satisfaction as it moderates the relation between organizational work environment and job satisfaction. Employees with high PsyCap can cope effectively with difficult work conditions hence creates satisfaction. Lorenz, Putz & Heinitz (2016) describes that employees who are more hopeful and efficacious are more satisfied with their jobs as a result of their better performance. Such employees are more confident to persist, accept challenges and put effort into achieving their goals.

Self-efficacy has +ve relation with employee performance and job satisfaction. Many researchers have described the relationship between self efficacy and job satisfaction as an outcome. Employee with high efficacy and optimism easily cope with difficult work conditions leading to grater satisfaction. According to Setar, S.B., Buitendach, J.H., & Kanengoni, H. (2015) PsyCap adheres to the basic premise of +ve psychology, which seeks to encourage and develop +ve qualities within a person. This positive attribute acts as a moderator to the impact of employee work environment on job satisfaction. If employees’ work environment is not even conducive, employee with high psychological capabilities may cope up situation with ease resulting in high performance and job satisfaction.

Based on such arguments, we anticipate that when individuals have difficult or unsupportive work environment their psychological capital may help them to successfully reduce the stress there by reducing the influence of difficult work environment on outcomes. Subsequently we hypothesize that:

H3: PsyCap moderates the impact of working environment on job satisfaction

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3. Methodology

This quantitative research has targeted middle level employees of Government departments of Balochistan Civil Secretariat (finance, education, health, planning and development) stationed in Quetta a provincial capital of Balochistan of Pakistan. Targeted population of all Government secretariat employees is approximately 417. The primary data was collected from 201 employees at confidence level of 95% with margin error of 5% (aged 18-60 years) through questionnaire by using convenience and snow ball sampling technique resulting in 88% (n=176) response rate.

After detailed literature review regarding the variables of interest, researcher used past valid scales at 5 category levels with 1 representing strongly disagree to 5 strongly agree. Psychological Capital (Hope, Self-efficacy, Optimism and Resilience) was measured with four items proposed by (Luthans, F., Avolio, B., Avey,J., Norman, S. (2006). They determines the internal consistency of such variables as Hope α=0.72, Efficacy α=0.87, optimism α=0.78 and Resilience α=0.72 with overall internal consistency of PsyCap questions α=0.91 (Luthans et al, 2010). Questionnaire was all about asking the participants regarding their views about current job and organizational working environment.

Employee working environment is measured by scales developed by Mohapatra and Srivastava (2003) with alpha coefficient 0.86. Job satisfaction scale includes both extrinsic as well as intrinsic aspects of job satisfaction by Griffin, Patterson and West, (2001) with reliability value of 0.92.

3.1 Data Analysis and Results

Data was analyzed by IBM SPSS version 16 for detailed analysis. Correlation analysis was used in order to find the direction and strength of the relation between independent variables (organizational working environment and psychological capital) and dependent variables (job satisfaction). While regression was used to find the dependency and interaction effect among variables. Table 1 and 2 show participants’ characteristics and description about variables under study.

Table 1. Characteristics of participants

| Variables       | |%
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Departments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance</td>
<td>45</td>
<td>25.56</td>
</tr>
<tr>
<td>Education</td>
<td>58</td>
<td>32.95</td>
</tr>
<tr>
<td>Planning and Development</td>
<td>37</td>
<td>21.02</td>
</tr>
<tr>
<td>Health</td>
<td>36</td>
<td>20.45</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20-30</td>
<td>49</td>
<td>27.84</td>
</tr>
<tr>
<td>31-40</td>
<td>79</td>
<td>44.88</td>
</tr>
<tr>
<td>41-50</td>
<td>29</td>
<td>16.47</td>
</tr>
<tr>
<td>50 and above</td>
<td>19</td>
<td>10.79</td>
</tr>
<tr>
<td>Tenure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 1 year</td>
<td>17</td>
<td>9.66</td>
</tr>
<tr>
<td>1 year to 5 year</td>
<td>59</td>
<td>33.52</td>
</tr>
<tr>
<td>5 year to 10 year</td>
<td>61</td>
<td>34.66</td>
</tr>
<tr>
<td>More than 10 year</td>
<td>39</td>
<td>22.16</td>
</tr>
</tbody>
</table>

Variables were tested for checking the normality through kurtosis and skewness coefficients. For full filling normality assumption the value of kurtosis and skewness must be lie between -1 to +1. Kurtosis and skewness coefficients clearly explains that all the dependent as well as independent variables lies with in the -1 to +1 range as shown in Table. 2.

Table 2. Descriptive Statistics

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>SD</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hope</td>
<td>3.99</td>
<td>0.54</td>
<td>-0.429</td>
<td>-0.648</td>
</tr>
<tr>
<td>Efficacy</td>
<td>3.66</td>
<td>0.52</td>
<td>-0.384</td>
<td>-0.513</td>
</tr>
<tr>
<td>Optimism</td>
<td>3.76</td>
<td>0.51</td>
<td>-0.494</td>
<td>0.181</td>
</tr>
<tr>
<td>Resilience</td>
<td>3.50</td>
<td>0.51</td>
<td>-0.188</td>
<td>-0.447</td>
</tr>
<tr>
<td>PsyCap</td>
<td>3.73</td>
<td>0.41</td>
<td>-0.422</td>
<td>-0.634</td>
</tr>
<tr>
<td>OWE</td>
<td>3.57</td>
<td>0.57</td>
<td>-0.023</td>
<td>-0.453</td>
</tr>
<tr>
<td>Job satisfaction</td>
<td>3.50</td>
<td>0.56</td>
<td>0.099</td>
<td>-0.392</td>
</tr>
</tbody>
</table>

Value of Cronbach alpha 0.7 and above is considered acceptable for internal reliability (Nunally, 1978). Values of Cronbach’s alphas of all three scales are above 0.7 as shown diagonally in Table 3, with acceptable range of Correlation coefficients.
Table 3. Pearson Correlation Coefficient

<table>
<thead>
<tr>
<th></th>
<th>PsyCap</th>
<th>OWE</th>
<th>JS</th>
</tr>
</thead>
<tbody>
<tr>
<td>PsyCap</td>
<td>0.915</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OWE</td>
<td>0.549**</td>
<td>0.832</td>
<td></td>
</tr>
<tr>
<td>JS</td>
<td>0.492**</td>
<td>0.506**</td>
<td>0.884</td>
</tr>
</tbody>
</table>

(PsyCap = Psychological capital, OWE = organizational working environment, JS = job satisfaction)

In this study the first research hypothesis was about the relation between organizational working environment and the dependent variable job satisfaction? Correlation coefficient for organizational working environment and job satisfaction 0.506 is significant i.e. \((p = 0.000)\). We can say that a statistically significant correlation exists between organizational working environment and job satisfaction. Regression analysis shows significant \((p = 0.000)\) dependency \((b = 0.493)\) and the value of \(R^2 (0.256)\) mentions for approximately 25% of variance perceived job satisfaction is explained by organizational working environment, hence proving H₁.

H₂ was about the relation between psychological capital and the dependent variable job satisfaction. Correlation test shows the significance \((0.000)\) relationship \((r = 0.49)\) between psychological capital and job satisfaction for \((N = 176)\). It means that variation in job satisfaction is significantly related with psychological capital. Entry of Psychological Capital in second model of the regression analysis produced \(b = 0.224\) significant \((0.000)\) variation in perceived job satisfaction \((R^2 = 0.154)\) as shown in Table 5, hence proving H₂.

Table 4. Regression Analysis

<table>
<thead>
<tr>
<th></th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
<th>Model 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>1.740</td>
<td>1.500</td>
<td>1.217</td>
<td>2.231</td>
</tr>
<tr>
<td></td>
<td>0.493**</td>
<td>(0.064)</td>
<td>0.405**</td>
<td>0.401**</td>
</tr>
<tr>
<td>OWE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.075)</td>
<td></td>
<td>(0.07)</td>
<td></td>
</tr>
<tr>
<td>PsyCap</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.095)</td>
<td>0.224</td>
<td>(0.106)</td>
<td>0.124</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(0.169)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0.094</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(0.011)</td>
<td></td>
</tr>
<tr>
<td>OWE x PsyCap</td>
<td>0.536</td>
<td>(0.095)</td>
<td>0.27</td>
<td>0.28</td>
</tr>
<tr>
<td>R²</td>
<td>0.256</td>
<td>0.154</td>
<td>0.27</td>
<td>0.28</td>
</tr>
</tbody>
</table>

Note. Job Satisfaction dependent variable for all models.

In order to analyze the moderating effect of psychological capital on organizational working environment and job satisfaction the interaction term of organizational working environment and psychological capital were calculated in the form of multiple regressions as shown in Model 4 of Table 5. The coefficient of interaction term \((b_3 = 0.094)\) shows that a unit change in the effect of \(X_1\) (work environment) as \(X_2\) (Psychological capital) changes is significant \((P = 0.000)\). The \(b_1\) and \(b_2\) coefficients in Model 4 represents the effect of \(X_1\) & \(X_2\) (Work environment and Psychological capital) respectively, when the other independent variable is zero. If we compare Model 4 with Model 3 (an unmoderated equation) the value of \(R^2\) increases, showing the moderating effect at work hence proving H₃.

To summarize the findings of the study PsyCap dimensions, organizational work environment and job satisfaction have positive relation. The same is indicated by Luthans, (2010) that many factors constituting psychological capital are positively related with job satisfaction and also with some other constructs such as employee performance and employee commitment. Organizational work environment and job satisfaction is also positively related as described by Bakotic and Babic, (2013). Stable working condition is very important for job satisfaction otherwise employee turnover may increase.

4. Conclusion

The results obtained during this study have theoretical as well as practical implications for managers and organizations. Findings show that suitable work environment are most important for employee work related attitude. If employees have high psychological capital it adds in employee’s commitment leading towards job satisfaction. The role of work environment is important for the growth and development of employee, as they feel safe and committed to work and to the organization resulting in greater employee satisfaction.

Psychological capital involvement contains training activities that take place outside work place. In addition, employees’ commitment is very important for organization in today’s world. Employees are the life blood of any organization. Organizations don’t want to lose employees on regular basis as it creates problem for their survival. Organizations by providing suitable and stable working conditions attract proper employees for the organizations.

It is recommended therefore that organization should implement healthy working environment for the employees
in order to improved employee commitment and job satisfaction. Findings from this research would have many practical implications. Employees with high hope, optimism, efficacious, and resilient may be more confident to face dynamic environment. Beside investment in human capital other implication is the effective utilization of employees PsyCap to improve work performance.

Generalizability of this study could be a limitation as respondent were only from a government sector of a particular province. To establish generalizability further studies could be conducted on different areas. Future research can also be look into the effect of Psycap on other behaviors such as work place stress and deviant behaviors.

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