

Psychological Capital: Origin, Connotation and the Related Factors

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Abstract

Upon psychological capital which is accumulated, renewable and difficult to imitate appeared, it gets close attention from many scholars and entrepreneurs. About it, from the theoretical basis, connotation, structure to factors influencing psychological capital, its influence, intervention strategy, the scholars have carried out extensive and in-depth researches. According to the existing researches, this article will conduct a summary about psychological capital's origin, connotation and the related factors.

Key words: Positive psychology; Psychological capital; Related factors

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INTRODUCTION

The traditional human capital and social capital can not bring companies "sustainable" competitive advantages any more because of their replicability, but in the hyper-competitive knowledge-based economy era, the psychological capital which is accumulated, renewable and difficult to imitate is expected to break the limitations. Therefore, research of psychological capital has profound significance to the overall understanding of the employees'

quality and mining potential and also improves the competitiveness of the employees and the organization. In order to deepen the understanding of psychological capital theory, this article explores the origin of psychological capital from the perspective of psychology and capital on the basis of existing research results and then summarizes its connotation and related factors.

1. THE ORIGIN AND CONNOTATION OF PSYCHOLOGICAL CAPITAL

1.1 The Origin of Psychological Capital

As the name implies, psychological capital can be understood from two perspectives —“psychology” and “capital”. There is no doubt that the origin of psychological capital will also be analyzed from psychology and capital.

1.1.1 The Origin From the Perspective of Psychology

From 1879 when psychology became an independent subject to the Second World War, the psychology's three missions that “treat mental illness, help healthy people to be happier and more successful and inspiring peoples' potential” have got the equal attention of psychologists. But after the Second World War, considering the huge demand of the whole society for restorative therapy, the psychologists pay more attention to the first mission while neglecting the latter two mission. Until the turn of the century, Martin Seligman found that psychology researches on the first mission have been fruitful when summarizing the developments of psychology after the Second World War, but psychologists paid little attention to the latter two missions. So, Martin Seligman called for psychologists to carry out psychology movement positively and encouraged the society to focus on another two which have been forgotten. From then on, the door of the development of psychological capital opened. On this basis of that, Luthans and other people introduced positive

psychology to the organization and management and finally achieved research results. From the perspective of

psychology, the origin and development of psychology capital can be concreted in Table 1 below.

Table 1
The Origin and Development of Psychology Capital

NO.	Time	Representative	Research content	Status
1	1990 s	Sligman etc.	Launch positive psychology movement and change the original negative psychology study	Positive psychology movement is origin of the concept of psychological capital research
2	2000	Sligman	Formally put forward positive psychology (Seligman et al., 2000, pp.5-14)	
3	2002	Sligman	Discussed the existence of psychological capital (Seligman, 2002)	
4	2002	Luthans	Put forward the concept of Positive Organization Behavior (POB) which focuses on the advantages of human resources and the measurement, development and application of energy measurement (Luthans, 2002, p.16)	Positive organizational behavior is the theoretical basis of the concept of psychological capital
5	2004	Luthans	Introduce positive psychology to organization and management and put forward the psychological capital which is themed at the positive psychological power of people. (Luthans, et al., 2004)	
6	2005	Luthans	Firstly define psychological capital as the core psychological factors of individual general enthusiasm, which embodied in accord with standard of positive organizational behavior psychology and can make the individual gain competitive advantage through targeted investment and development (Luthans et al., 2005)	
7	2007	Luthans, Youssef & Avolio	Psychological capital had a operational definition: Psychological capital is a kind of positive psychological situation presented in the process of the individual's growth and development, including self-efficacy, optimism, hope and resilience (Luthans, 2008, p.1)	

1.1.2 The Origin From the Perspective of Capital

As a product of the development of commodity economy, capital firstly appeared in Italy in 12th-13th century, which was used to represent the loan principal, contrast to interest. In classical economics, capital was gradually evolved into one of the three factors of production (labor, land and capital), mainly referring to workshop, equipment, buildings and other physical capitals. For quite a long time, physical capital determinism constituted the core of traditional economics. Until the 1950s, the emergence of revolution of science and technology greatly improved the development of human social and economic. Meanwhile, the traditional economic theories centered by material capital were encountered with a series of challenges by economics mysteries (such as mysteries in the long-term changes of capital—output ratio, in the Simon Kuznets ,in the growth of workers income as well as in the rapid rise of the losing countries of WWII (Huang, 2014, p.10).

Based on the new demands put forward by the technological revolution for economic development and the unsolved economic mysteries, many scholars have conducted a series of researches. Actually, Adam· Smith and Alfred Marshall have paid attention to the “people”—a special capital at an early time. However, restricted and influenced by era development level and theory evolution process, especially people’s cognitive level and the material capital determinism deeply rooted in traditional economics, the revolutionary expansion of the connotation

of “capital” was not accepted by many people. In 1950’s and 1960’s, Theodore W. Schultz, Father of Human Capital, realized that the traditional economic theory lacks a complete capital concept. To that end, he then broke the framework of traditional economics of capital connotation and launched a series of researches, putting forward abundant human capital theories. Meanwhile, he explained the economic mysteries from the perspective of human capital. Schultz believed that human capital, formed by investments, included knowledge, skills, qualifications, experience, health and so on, and education investment was an important way for the formation of human capital (Schultz,1990, p.3).

Human capital mainly means measurable capitals, such as qualifications, skills, intelligence, a healthy body, etc., but people’s sociality and imperfection decided that others need your capitals and you also need other people’s capitals. So, social capital appeared when people gradually realized the economic value of social ability. Sociologist Bourdieu thought that social capital refers to the sum of social joint that individuals or groups have, and the acquisition of social capitals requires the establishment, maintenance and resource exchange of social joint (Bourdieu, 1986, pp.241-258). In other words, social capital is the resources of social relations between the enterprise and employees.

As the hyper-competitive knowledge-based economy era comes, the explicit human capital and social capital can’t bring enterprises “sustainable”

competitive advantage any more. Besides, more and more companies discovered that the influence that employees' psychological health problems exert on the full play of human capital and social capital utility and organizational performance is increasingly significant. Meanwhile, numerous studies had shown that positive work attitude,

good mental state and good psychological quality are directly related to individual competitiveness. Based on this, some scholars believe that positive psychological elements can be individually called psychological capital.

Based on the above analysis of two aspects, the origin of psychological capital can be shown in Figure 1.

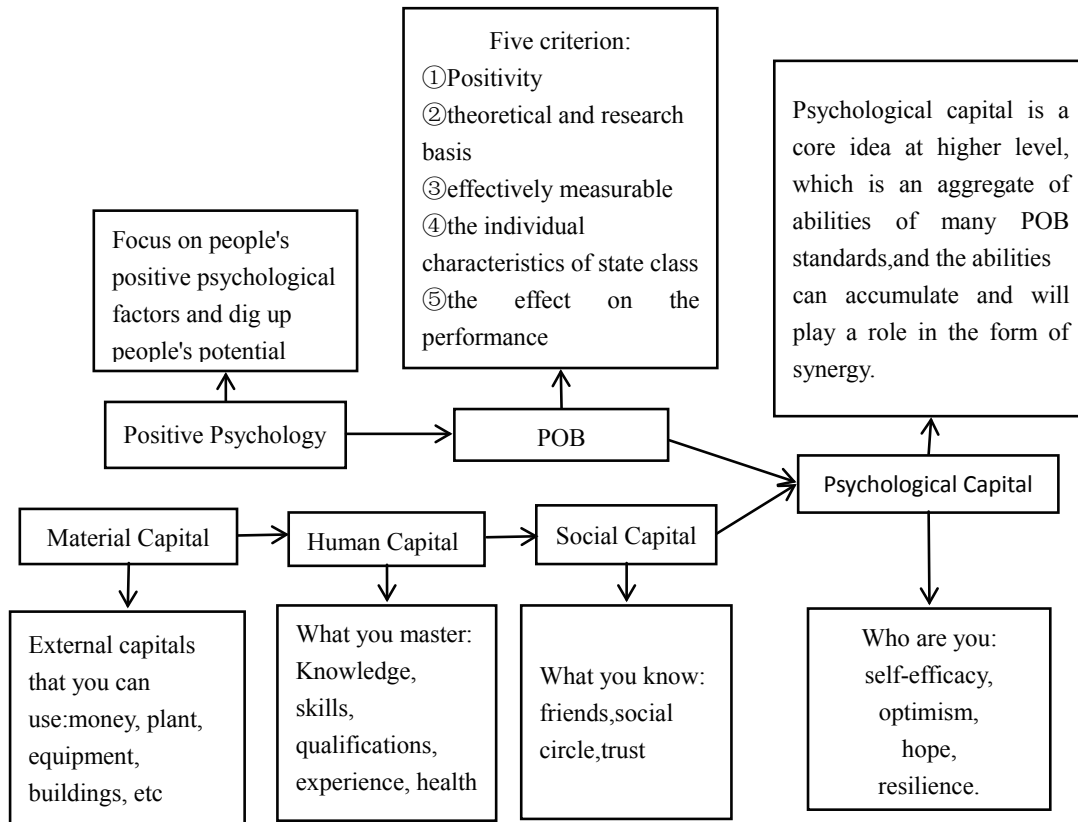


Figure 1
The Development Process of Psychological Capital Theory

1.2 The Connotation of Psychological Capital

After the appearance of psychological capital, there are endless researches about its connotation and structure both at home and abroad. Talk about its connotation, there are three kinds of views: the “quality” point of view (representative: Hosen, Lehcher, Cole), the “state class” point of view (representative: Goldsmith, Tettegah, Avolio) and the “comprehensive” point of view (representative: Bandura, Carver, Snyder). As for psychological capital structure, there are four main point of views: two-dimensional structure represented by Goldsmith, three-dimensional structure represented by Larson, Jensen, four dimensional structure represented by Judge, Cole, Luthans, Youssef and five dimensional structure represented by Letcher, Page. Of course, many scholars including Luthans have said that psychological capital is a developing concept, and psychological factors in accordance with positive organizational behavior can be incorporated into the dimensions of psychological

capital structure. For example, Luthans thought that subjective happiness, wisdom and creativity are potential psychological capitals. Domestic researches on psychological capital mainly consider that psychological capital is a kind of “state”. Talking about psychological capital structure, most domestic scholars have used the view of Luthans, for example, Jiang and Zhao (2007) proposed the four-dimensional structure: self-efficacy, hope, optimism and resilience. Tian (2009) proposed the five-dimensional structure: self-efficacy, hope, optimism, resilience and positive abilities. Cao (2006) proposed the six-dimensional structure: hope, optimism, subjective well-being, emotional ability, resilience and civil organization behaviors. Many domestic empirical studies adopted Luthans’ four-dimensional structure, but some studies added the Chinese elements and built a psychological capital structure of Chinese style, for example, Ke, Sun and Li (2009) pointed that the psychological capital is divided into transactional

psychological capital (confidence, braveness, optimism, hope, strenuous enterprising, resilience) and interpersonal psychological capital (modesty, forgiveness and gratitude, respect comity, dedication). Based on empirical studies, Hui (2009) indicated that the psychological capital of Chinese worker includes calmness, hope, optimism and confidence. Hou et al. show that the psychological capital of knowledge workers include task type psychological capital, relational psychological capital, learning psychological capital and innovative psychological capital.

Although opinions varied about the connotation and structure of the psychological capital, however, comparing domestic and foreign related ideas, scholars from both at home and abroad generally agreed the view of Luthans in book *Psychological Capital*, which pointed that psychological capital is a kind of positive psychology presented in the process of individual's growth and development, including four aspects: (a) facing with a challenging job, individuals have confidence (self-efficacy) and pay necessary efforts to get success, (b) individuals have positive attribution for present and future success (optimism), (c) individuals stuck to the target. when necessary, they could adjust approaches to success (hope), (d) when troubled in adversity and problems, individuals could persevere, quickly recover and transcend (resilience), namely, Luthans thought psychological capital is a kind of state and the four-dimensional structure—self-efficacy, optimism, hope and resilience.

2. RELATED FACTORS RESEARCHES OF PSYCHOLOGICAL CAPITAL

2.1 Factors Influencing Psychological Capital

Based on the existing researches of factors influencing psychological capital, it roughly included individual characteristic factors, organizational factors as well as social and cultural environment factors

2.1.1 Individual Characteristic Factors

Psychological capital focuses on “who are you”. So, some objective and subjective characteristics factors will affect the employees' psychological capital. Existing research results show that individual characteristic factors can be summarized as gender, age, education, personality traits, self-reinforcing personality characteristics and so on. Li and Liao (2011) found that man's psychological capital is greater than the women. Hao (2010) and Ren (2014) indicated that age has a significant impact on employees' psychological capital, and Fang (2012) found that adolescents' psychological capital will be improved with age. Babalola (2009) suggested that individuals with high degree of education are more likely to produce a high level of confidence and optimism. Personality traits have significant influence on the individual psychological

capital, and it can predict 10%-20% of psychological capital's variation (Wei, 2012). Self-reinforcing means that individuals positively encourage themselves and suggest motivation and behavior. Tang (2012) pointed that self-reinforcing had positive influences on individual psychological capital; Greenwald (1980) argued that individuals keeping constantly self-reinforcing showed higher resilience and are more likely to rebound from the adversity.

2.1.2 Organizational Factors

Employees' psychological capital is influenced by organizational support, job characteristics, leadership style, organizational climate and other factors. Researches indicated that organizational support has a positive impact on employees' psychological capital and its four elements (Scheier, 1986; Eisenberger, 1997; Luthans, Norman, Avolio, & Avery, 2008; Hui, 2009; Tian & Xie, 2010; Zhang & Hu, 2015). Hackman and Oldham (1976)'s study of job characteristics model showed that if employees work can reflect the value of employees, the work has intrinsic motivation on employees and makes staff inner emotions with enthusiasm. Whereas, if employees' work lacks meaning, work only let employees experience negative inner emotions. For example, Averiu, Catlin and Chon (1990) indicated that challenging work tends to strengthen hope, which reflects the thoughts of objective management theory. Ren et al. (2014) found that leader professional support can improve team members' psychological capital and eventually bring more organizational citizenship behaviors. Luthans et al. (2008) argue that supportive organizational climate is the necessary condition to promote employees to achieve good performance and positive work behaviors, and supportive organizational climate has created a boost psychological capital condition actively so as to help staff generate and develop positive work attitude and behavior.

2.1.3 Social Cultural and Environment Factors

When talking about the effects social and cultural environment factors exert on psychological capital, there are more basic theory researches instead of empirical researches. Zhu (2012) points out that per capita income, good interpersonal relationship, and harmonious relationship with family and culture have important effects on employees' psychological capital. When analyzing the relationship between per capita income and happiness, Myers found that income has a certain influence on people's happiness, but when the per capita income surpasses 8,000 yuan, the relationship will disappear. Harmonious interpersonal can satisfy individuals' psychological needs of recognition and acceptance and also enhance psychological capital, especially in cultivating individual's resilience and hope. Family attachment makes people having a positive experience: satisfaction or happiness.

2.2 The Influence of Psychological Capital

A large number of studies at home and abroad have shown that psychological capital affects employee's attitude, behavior, performance and happiness.

2.2.1 Psychological Capital's Influence on Attitude

The influence that psychological capital exert on attitude are mainly reflected in job satisfaction, organizational commitment, job burnout, job involvement, job stress, turnover intention etc.. A large number of empirical studies have shown that the psychological capital (Xu, Duan, & Lin, 2015; Larson & Luthans, 2006; Youssef et al., 2008; Chen, 2012) and its hope and optimism (Chen, 2012) are positively related to job satisfaction. Moreover, compared with human capital and social capital, the positive relationship between psychological capital and job satisfaction is stronger (Larson & Luthans, 2006; Chen, 2012). Meanwhile, Ke and Sun (2014) showed that the transactional psychological capital, interpersonal psychological capital and the overall psychological capital have significant positive effects on job satisfaction. In addition, the studies also showed that the psychological capita (Larson & Luthans, 2006; Zhong, 2007) and its hope, optimism and resilience (Zhong, 2007) have positive influences on organizational commitment. The psychological capital and its four elements are negatively related to job burnout (Li & Zhou, 2013; Zhao & Zhang, 2010; Wang et al., 2013). Considering the current situation of the enterprise employees' job burnout, Lu and Ge (2008) analysed the causes of employees' job burnout from cational interest, competence characteristics, personality traits and the organizational structure, and explored how to carry out psychological capital management practice from the individual and organization aspects so as to effectively prevent and reduce the job burnout. Liang (2011) and Avey (2009) found that psychological capital can positively reduce work stress. Psychological capital has a significant negative effect on turnover intention (Avey, Luthans & Youssef, 2010; Xu, Duan, & Lin, 2015).

2.2.2 Psychological Capital's Influence on Behavior

The influences that psychological capital exert on behavior are mainly manifested on organizational citizenship behavior, absenteeism, turnover intention, cynicism, counterproductive behavior, training behavior migration behavior, etc. a large number of studies At home and abroad have demonstrated that the psychological capital (Norman et al., 2010; Avey, Luthans, & Youssef, 2010; Zhong, 2007; Ren et al., 2014; Zhang & Hu, 2015) and its hope, optimism and resilience (Zhong, 2007) have positive effects on organizational citizenship behavior. In addition, Avey et al. (2006) pointed out that hope and optimism are negatively related to voluntary and involuntary absenteeism, and compared with self-efficacy, optimism and resilience, the overall psychological capital can better predict the employee's voluntary absenteeism.

Avey (2010) found out that state of psychological capital is significantly negatively related to turnover intention, cynicism and counterproductive behavior. Combs (2009) pointed out that psychological capital has positive effects on employees' study motivation and the output of training education. Individuals with high level of psychological capital can learn more effectively, and they can convert learned knowledge and applied them to the working situation.

2.2.3 Psychological Capital's Influence on Performance

Impact on performance is the purpose of-organization managing employee's psychological capital. A large number of studies at home and abroad have demonstrated that the psychological capital (Li, 2008; Zhong, 2007; Zhang, 2010; Xu, Duan, & Lin, 2015; Avey et al., 2011) and its hope, optimism and resilience (Li, 2008; Zhong, 2007) have significantly positive effects on performance. At the same time, Gallup's leadership institute of university of Nebraska-Lincoln got the same results, and it put forward with that training aiming at raising the level of psychological capital can significantly improve employees' performance. Meanwhile, Goldsmith, Veum and Darity (2002) and Luthans (2007) suggested that the relationship between psychological capital and wage is significantly positive. In addition, Zhou (2011) suggested that the psychological capital have significant positive influence on task performance and relationship performance, and the latter is greater than the former.

2.2.4 Psychological Capital's Influence on Happiness

Few studies explored the relationship between psychological capital and happiness. Xiong and Ye (2014) summarized its relationship, namely, psychological capital has significant influence on employees' happiness, and as time flies, the effect becomes more and more profound.

CONCLUSION

The origin and development of psychological capital shows that its emergence has both profound theoretical basis and objective actual demand. As to its connotation and structure, scholars will continue to explore, however, scholars quoted more ideas in Luthans's *Psychological Capital*. Researches on factors influencing psychological capital are not too much, so this will be the direction of the scholar's efforts. The existing researches provide us a thinking direction about improving the level of individual's psychological capital. The influences of psychological capital show its practical value, which is the meaning of scholars and entrepreneurs' study on it.

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