For years, economic capital including finances and tangible assets such as plant equipments, patents, data etc. has received all the attention. But slowly business academic and practitioners recognized the importance not only of tangible assets, physical resources and finances, but also of the intangible human capital, sometimes called as intellectual capital.

The idea that human intelligence can be managed for competitive advantage like financial assets has gained immense importance. In today’s competitive world, employee’s knowledge, education, experiences, skills, institutions, attitude and expertise, collectively connoted as “human capital”, has become a key factor for organizational performance. Human capital is simply “what you know”, whereas another related concept, social capital is “who you know”, as shown in Figure 1.

Social capital has been introduced as an extension to physical and human capital. Social capital refers to resources of relationships, network of contacts and friends. These social relationships are formed through connections, norms and trust.
Traditional economic capital | Human capital | Social capital | Positive psychological capital
---|---|---|---
What you have → What you know → Who you know → Who you are
* Finances * Experience * Relationships * Confidence
* Tangible assets (plant, equipment, patents, data) * Education * Network of contacts * Hope
* Skills * Knowledge * Friends * Optimism
* Ideas * * Resilience

Figure 1. Expanding capital for competitive advantage. Source: Luthans, Luthans & Luthans (2004).

Like changes in economic capital, represented by technological change, rapid innovations and advanced equipments, improvements and investments in human capital through developing knowledge, skills and abilities, and valuing social capital, valuing relationships between people and social networks developed over time, seems vital to the success and competitive advantage of the organization. However, in today’s scenario there is a need to go beyond human and social assets and recognize the positive capacities within the individual, termed as “Positive Psychological Capital”.

Need for Positive Psychology

Meeting and exceeding performance requirements in today’s hyper-competitive environment are becoming increasingly difficult as organizations vie for the same pool of talented human resources. To further complicate the current situation, a new psychological contract has emerged in which neither employers nor employees are willing or able to sustain their mutual commitment and loyalty for extended periods of time. Adding to the complex equation of today’s competitive battles for talent and market share are the challenges of a global economy with borderless and ever-changing political, economic, technological, social and ethical climates.

Moreover, most organizations do not realize the full potential of their human resources (Avolio, 2005). They do not believe in the
true value of human resource and thus, neither invest in nor develop their invaluable human resource. However, more recently, a trend towards a positive research framework has gained momentum. Under the leadership of Martin Seligman (1998), the positive psychology movement emerged as a reaction to preoccupation of psychology with what is wrong and dysfunctional with people. This negativity also penetrated into the organizational behaviour and HRM fields and exposes individuals and organizations to the danger of shifting to a fight-or-flight mode, where scarce time, energy and resources are only invested in basic tried-and-true survival mechanism (Luthans, Youssef and Avolio, 2007).

**Value of Positive Psychology to Organization**

Two major parallel and complementary positive movements, being observed in the industrial - organizational world, are positive organizational scholarship (POS) and positive organizational behaviours (POB). POS tends to concentrate more on the macro, organizational level, while POB at micro, individual level. Positive organizational scholarship emphasizes the positive characteristics of the organization that facilitates its ability to function during crisis. Positive organizational behaviour focuses on positive psychological abilities of the employees.

It is in the work of Luthans (2002a) that the value of positive psychology to organizations is most evident. He helped to bring the notion of positivity to the disciplines of leadership and organizational behaviour by extending the construct of POB, which he defined as “the study and application of positively oriented human resource strengths and psychological capacities that can be measured, developed, and effectively managed for performance improvement (Luthans, 2002 b).

**POSITIVE PSYCHOLOGICAL CAPITAL (PSYCAP)**

Extending further the positive organizational behaviour frame work for organization, Luthans and his colleagues present positive psychological capital (PPC) as a key contributor to the competitive advantage of organizations (Luthans, Luthans and Luthans, 2004; Luthans & Youssef, 2004).
The widely recognized human and social capital, is a take off from economic capital, whereas psychological capital goes beyond human (‘what you know’) and social (‘who you know’) capital and is more directly concerned with ‘who you are’ and ‘who you are becoming’. Luthans, Youssef and Avolio (2007) operationally define PsyCap as follows:

“An individual’s positive psychological state of development that is characterized by: (1) having confidence (self-efficacy) to take on and put in the necessary effort to success at challenging tasks; (2) making a positive attribution (optimism) about succeeding now and in the future; (3) persevering towards goals, and when necessary, redirecting paths to goals (hope) in order to succeed; and (4) when beset by problems and adversity, sustaining and bouncing back and even beyond (resiliency) to attain success.”

For a variable, to be included in the conception of PsyCap, the following criteria must be met: (1) grounded in theory and research; (2) valid measurement; (3) relatively unique to the field of organizational behaviour; (4) state –like (i.e. open to development and improvement using relatively brief training programs); (5) have positive impact on sustainable performance (Luthans, 2002a, b; Luthans and Youssef, 2004; Luthans, Youssef and Avolio, 2007). Till now confidence/self-efficacy, optimism-hope and resiliency have been found to best meet the PsyCap inclusion criteria (Luthans, 2002a; Luthans and Youssef, 2004).

PsyCap is a higher order core construct that integrates the various POB criteria-meeting capacities, not only additively but also perhaps, synergistically. Thus, the resulting impact of investing, developing and managing over all PsyCap on performance and satisfaction is expected to be larger than the individual, positive psychological capacities that comprise it (Luthans, Avolio, Avey & Norman, 2007). In simple words, the whole PsyCap may be greater than the sum of its parts i.e. confidence/self-efficacy, optimum, hope and resiliency.

The four major positive psychological capacities, as depicted in figure 2 are described as follows:
1. **Confidence/Self-Efficacy**

This positive psychological capital PsyCap efficacy is founded on the extensive work of Bandura (1997) and is defined as, “an individual's conviction (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” (Stajkovic & Luthans, 1998a). In positive psychology the two terms, self-efficacy and confidence are used interchangeably. However, confidence is the commonly used term in the applied domains of performance.

![Diagram: Dimensions of Positive Psychological Capital](image)

**Figure 2: Dimensions of Positive psychological Capital. Source:** Luthans and Youssef (2004).

According to Luthans *et al.* (2007), self-efficacious people are distinguished by five characteristics, which help them to develop independently and perform effectively even with little help from external sources. The important five characteristics are setting high goals for oneself, thriving on challenge, high self-motivation, investing the necessary effort to accomplish one's goals and persevere when faced with obstacles.
2. Hope

Hope is a commonly used term in everyday life. However, positive psychological capital model describes hope as “having the will power and pathways to attain one’s goals” (Luthans & Youssef, 2004). Snyder, Irving and Anderson (1991) the most widely recognized researcher group on hope in the positive psychological movement, defined hope as “a positive motivational state that is based on an interactively derived sense of successful (1) agency (goal-directed energy) and (2) pathways (planning to meet goals)”.

Hope is a cognitive or thinking state in which individual is capable of setting realistic but challenging goals and then reaching out for those goals through self directed determination, energy and perception of internalized control, referred by Snyder and his colleagues as “agency” or “willpower”. They defined another equally important and integral component of hope, “pathways” or “way power”, as capability of generating alternative paths to their desired destinations when the original ones become blocked (Snyder, 1994, 1995a, 2000; Snyder, Ilardi, Michael and Cheavens, 2000; Snyder, Rand & Sigmon, 2002). According to Snyder (1993, 2000, 2002), there is a continuous reiteration between agency and pathways, in which one’s willpower motivates the search for new pathways, while creativity, innovation, and resourcefulness involved in developing pathways in turn ignites one’s energy and sense of control, which when taken together, result in an upward spiral of hope.

3. Optimism

The PsyCap model considers optimism as an “explanatory style that attributes positive events to internal permanent and pervasive causes, and negative events to external, temporary, and situation specific ones” (Luthans & Youssef, 2004). It draws on the concept given by Seligman (1998) that optimism is an explanatory style that attributes positive events to personal, permanent, and pervasive causes and interprets negative events in terms of external, temporary and situation specific factors. Individuals with optimistic explanatory style expect that the causes of the desirable events would continue
Development of Positive Psychological Capital

to exist in future and would also be useful in handing other situations across life span. Thus, optimists positively view and internalize the good aspects of their lives not only to past and present, but also into future (Luthans, Youssef and Avolio, 2007).

On the other hand, a pessimistic explanatory style would interpret positive events with external, temporary and situation specific attributes and explain negative events in terms of personal, permanent and pervasive causes (Seligman, 1998). Pessimists do not only give themselves credit for positive events that occur in their lives and tend to blame themselves for negative aspects of their lives. They assume that bad things will continue to exist for them into future and therefore, threaten their success and wellbeing in similar as well as different domains of lives (Luthans, Youssef and Avolio, 2007).

However, a non scrutinizing optimistic explanatory style may have some undesirable side effects like under estimating the potential dangers of the risks. Optimists are less likely to learn from their mistakes. This is because they externalize the risk factors. Unrealistic optimists are unable to properly analyze the situation to understand which causes could have been personal, permanent, or pervasive and which can be safely externalized or less emphasized as temporary or situation specific. Optimistic may also try to exert too much control over their lives and destinies, thinking that if they try hard enough, they will always be successful, and that they should take credit for their success (Luthans et al., 2007). Such unrealistic high expectations and pressures can lead to undesirable outcomes or consequences. Peterson and Chang (2002) found that unrealistic optimism exacerbates the negative implication of repeated negative life events on physical health and psychological well-being.

For PsyCap, Luthan et al. (2007) emphasized the need for the strength of optimism to be realistic and flexible. Effective PsyCap optimism should not take extremes, either in internalizing success or in externalizing failures. The realistic, flexible optimists can enjoy and learn from various life and work place event to the fullest (Avolio & Luthans, 2006).
4. **Resiliency**

Relevant to the times is resiliency, as positive psychological capital, is described as “having the capacity to bounce back from adversity, failure or even positive but seemingly overwhelming changes such as increased responsibility” (Luthans & Youssef, 2004). Researches in the field of positive psychology have identified various factors that influence resiliency. These factors can be classified into assets, risk factors (Masten, 2001; Masten & Reed, 2002; Youssef & Luthans 2005a) and values (Coutu, 2002; Kobsa, 1982; Richardson, 2002; Youssef & Luthans, 2005b). There is also recognition of adaptation processes that tie these three factors additively, interactively and synergistically resulting in resiliency (Cowan, Cowan & Schuly, 1996).

Resiliency asset is defined as a measurable characteristic in a group of individuals or their situation that predicts a positive outcome in the future on a specific outcome criterion (Masten & Reed, 2002). Masten (2001) identified cognitive abilities, temperament, positive self-perceptions, faith, a positive outlook on life, emotional stability, self-regulation, sense of humor, and general appeal or attractiveness as potential assets that can contribute to higher resiliency. A list of similar assets or strengths was offered by Wolin and Wolin (2005), which included insight, independence, relationships, initiative, creativity, humor, and morality. Masten and Reed (2002) defined resiliency risk factors as those that cause an “elevated probability of an undesirable outcome”. Kirby and Frases (1997) had referred to it as “Vulnerability factors”. Risk factors may include clearly destructive and dysfunctional experiences, such as alcohol and drug abuse (Johnson, Bryant, Collin, Noe, Strader & Berbau, 1998; Sandau-Beckler, Devale & de la Rosa, 2002) and exposure to trauma, such as experiencing violence (Qouta, EL-Sarraj & Punamaki, 2001). Some risk factors can also be less obvious and gradual, but eventually detrimental factors, such as stress and burnout (Smith and Carlson 1997), poor health, education and unemployment (Collin, 2001). Values and beliefs are systems that guide and help individuals in elevating themselves over difficult and overwhelming present, linking them to a more pleasant future.
in which they can look forward (Luthans et al., 2007). Religiosity (e.g. Bergin 1983) and Morality (Wolin & Wolin, 2005) help in enhancing resiliency through aligning one’s actions to a value system that guides judgment (distinguishing good and bad), principles and service (contributing to others well-being).

**Extending Positive Psychological Capital**

The positive psychological capital model is preliminary and as research in positive psychology is in progress other dimensions or components may also be added. For any positive construct to be included in PsyCap model, certain criteria must be met, as mentioned earlier i.e. grounded in theory and research, valid measurement, state-like (i.e. open to development) and have a positive impact on performance.

![Figure 3. Potential Positive psychological Capital constructs classified into four categories](image)

Luthans *et al.* (2007) classified the potential PsyCap constructs into four broadly defined categories: cognitive, affective, social and higher order, as depicted in figure 3. The potential positive constructs that meet the criteria for inclusion in cognitively oriented category
are Creativity and Wisdom, because these are related with thought processes. On the other, subjective well-being, flow, and humor are relatively more affective and emotionally based, thus classified in affective category. The potential socially oriented capacities or constructs that meet the criteria for an expended scope of PsyCap are gratitude, forgiveness and emotional intelligence. And for the category of positive higher-order strengths, Luthans et al. (2007) suggested spirituality, authenticity and courage to be the potential PsyCap capacities.

**Cognitive Strengths**

**Creativity:** Creativity is generally associated with original and revolutionary ideas that help to find novel approaches for day-to-day problem-solving, as well as to adapt new ideas and circumstances. It also influences one’s performance in the workplace. Particularly relevant for the workplace are intrinsic motivators (e.g. interesting and challenging job, sense of autonomy, satisfying work environment, and encouraging and supportive peers, supervisors, top management, and organizational systems) that enhance creativity in the workplace, whereas, extrinsic motivators (e.g. competition with peers, arbitrarily set deadlines and goals, inadequate resources, performance monitoring, rigid structures, inflexible policies and procedures, and uncaring supervisors and managers) hinder creativity. It is not true that creativity cannot exist where extrinsic motivators like monetary compensation and specific performance expectations are present but in such cases there is a need to selectively utilize extrinsic motivators to confirm and reward, rather than control, creative behaviour.

**Wisdom:** Another cognitively based potential PsyCap is wisdom. In positive psychology, wisdom is defined as “an expert knowledge system concerning the fundamental of life, including knowledge and judgment about the conduct and meaning of life” (Baltes & Freund, 2003, Baltes & Staudinger, 2000). According to Sternberg (1998), wisdom involves a balance between pursuing one’s personal interests and pursuing those of others, that is, the common good. A number of factors have been found to contribute to wisdom like
professional experience, resilience and adjustment, creativity, motivation for learning and generativity, acceptance of life choices and outcomes, self-directed goals and tasks, relationship and career changes, and positive and negative life and career events (Hartman, 2004). People seem to benefit from stressful life experiences, particularly if they respond well to them. But as the ratio of negative to positive life experiences tips in favor of the negative, wisdom is inhibited (Hartman, 2000).

Explicit theories of wisdom offer three distinct conceptualizations, the first views wisdom as an individual difference or personality trait and second explain wisdom in terms of transcendent maturity, dialectical thinking, and tolerance for ambiguity, uncertainty, and relativism. The third, and the most relevant to PsyCap, is the cognitively, socially, and behaviorally integrated conceptualization of wisdom as an expert system that pragmatically deals with the practical, applied side of life, giving it meaning and value (Baltes, Glück, and Kunzmann, 2002; Staudinger & Leipold, 2003).

**Affective Strengths**

**Subjective Well-Being (SWB):** Subjective Well-Being as potential PsyCap encompasses one’s perceptions and feelings of emotional wellbeing which includes positive and negative affect, life satisfaction, and happiness; psychological well-being *i.e.* self-acceptance, personal growth, purpose in life, environmental mastery, autonomy, and positive relations with others; and social well-being (social acceptance, actualization, contribution, coherence, and integration) as seen by Keyes (1998), Ryff (1989), Ryff and Keyes (1995), Diener, Suh, Lucas, and Smith (1999), and Keyes & Magyar-Moe (2003). People are said to have high SWB if they are satisfied with their life-conditions, and experience frequent positive emotions and infrequent negative emotions.

**Flow:** Mihaly Csikszentmihalyi’s concept of flow is a state attained when one has both high skills and is undergoing a significant challenge (Csikszentmihalyi, 1997). In flow accomplishing a task becomes rewarding as an end in itself rather than a means towards other goals *e.g.* pay, promotion, causing the individual to become
completely absorbed in the activity (Nakamura & Csikszentmihalyi, 2002). Flow takes place when one’s subjectively experienced level of opportunity or challenge in a situation is balanced with one’s perceived abilities and skills to meet the demands of that situation. When challenges exceed or are below one’s skill level, the individual loses flow (Csikszentmihalyi, 2000).

**Humor:** In Ruch (2004) view humor has three dimensions: “(a) the playful recognition, enjoyment, and/or creation of incongruity, (b) a composed and cheerful view on adversity that allows one to see its light side and thereby sustain a good mood, and (c) the ability to make others smile or laugh”. He also distinguished between good humor, which is associated with sympathy, tolerance, and benevolence (e.g., laughing at oneself, making fun of one’s own misfortunes and mistakes, not taking oneself too seriously), versus wit, which may be rude, sarcastic, and disrespectful of others.

**Social Strengths**

**Gratitude and forgiveness:** Gratitude and forgiveness are commonly used term in everyday language. In the Positive Psychology movement, Emmons (2004) defines gratitude as “a sense of thankfulness and joy in response to receiving a gift, whether the gift can be a tangible benefit from a specific other or a moment of peaceful bliss evoked by natural beauty”. Thus, gratitude is experienced when a motivationally relevant, congruent, and/or desirable outcome is received and attributed to the efforts of another (Emmons & Shelton, 2002). In other words, where it may not be possible for an optimistic explanatory style to internalize a positive event, gratitude may become a substitute for a pessimistic, external appraisal. Forgiveness, on the other hand, is defined in positive psychology as: the framing of a perceived transgression such that one’s attachment to the transgressor, transgression, and sequel of the transgression is transformed from negative to neutral or positive. The object of forgiveness may be oneself, another person or persons, or a situation that one views as being beyond one’s control (Yamhure-Thompson & Snyder, 2003). Although positive psychology tends to treat gratitude and forgiveness as two separate constructs, Luthans
et al., 2007 simply introduce them as potential PsyCap and consider them together, as two sides of the same coin. On one side, grateful individuals choose to focus on and appreciate the positives in their lives. On the other side of the coin, forgiveness is a positive approach in dealing with the negatives in one’s life.

**Emotional Intelligence:** Howard Gardner’s (1983) original work on multiple intelligences was one of the developments that triggered attention towards the concept of emotional intelligence. Gardner did not specifically include the term “emotional intelligence,” but following his recognition of inter and intra personal intelligence, Salovey and Mayer (1990) are usually given the credit for the first academic work on emotional intelligence. However, it was Daniel Goleman’s work (1995, 1998) that popularized the concept. Goleman (1998) identifies the most important dimensions of emotionally intelligent individuals as self-awareness, self-management, self-motivation, empathy, and social skills. Of all the dimensions of PsyCap (both the major four and the potential ones), emotional intelligence has undoubtedly received the most attention in the practice of management. Goleman, Boyatzis & McKee (2002) have attributed applications of emotional intelligence to effective organizational leadership and work teams. The contribution of EI to performance was found to be even more substantial at higher level professional and managerial positions (Goleman, 1998).

**Higher Order Strengths**

**Spirituality:** Hill and colleagues (2000) defines spirituality as “the feelings, thoughts, experiences, and behaviours that arise from the search for the sacred. The term ‘search’ refers to attempts to identify, articulate, maintain, or transform. The term ‘sacred’ refers to a divine being, divine object, Ultimate Reality, or Divine Truth as perceived by the individual”. They also differentiate it from religiousness by adding two further dimensions to the above definition of spirituality (Hill, Pargament, Hood, McCullough, Swyers, Larson & Zinnbauer 2000). The first dimension contributing to religiousness is membership in, identification with, and validation and support from a group of people which provides the means and methods for
the search of the sacred (e.g., organized religions). The second distinguishing characteristic of religiousness is the potential for nonsacred goals (e.g., belonging, identity) to also be sought in the process. In other words, religiousness incorporates spirituality, as well as membership and conformance with both intrinsic sacred and extrinsic nonsacred factors.

**Authenticity:** In positive psychology, Harter (2002) defines authenticity as “owning one’s own personal experiences, be they thoughts, emotions, needs, wants, preferences, or beliefs . . . [so] that one acts in accord with the true self, expressing oneself in ways that are consistent with inner thoughts and feelings”. The concept of authenticity as used here traces its roots to ancient Greek philosophers’ dictates of “know thyself” and “to thine own self be true.” Sheldon, Davidson, & Pollard (2004) described authenticity in terms of one’s ownership, acceptance, responsibility, and accurate public and private representation of internal states, commitments, feelings, intentions, and behaviours. An authentic leader is one who is not only true to him/herself, but behaves in such a way that followers are also able to gain self-awareness and psychological strength (Luthans and Avolio, 2003). Substantial work has been published on Avolio and colleagues’s authentic leadership development. Avolio and Luthans (2006) define authentic leadership development as “the process that draws upon a leader’s life course, psychological capital, moral perspective, and a highly developed supporting organizational climate to produce greater self-awareness and self-regulated positive behaviours, which in turn foster continuous, positive self-development resulting in veritable, sustained performance”.

**Courage:** Courage is not simply fearlessness or just a virtue that presents from extremely risky situations. In positive psychology, courageous individuals are generally defined as those who are able to accomplish worthwhile goals despite fear or opposition (Peterson & Seligman, 2004). However, courage can be exhibited in both ordinary and extraordinary occasions (Lopez, O’Byrne, & Peterson, 2003). In the context of organizations, although perceived or actual risk is usually considered a prerequisite for the manifestation of
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courage, prudent assessment of potential risks and acceptance of the possibility of undesirable consequences also represent integral components of courage (Worline & Steen, 2004). Indeed, Worline (2003) describes courage as the linkage between “making up” and “making real,” or the impossible made possible, in an organization.

The above mentioned Potential Positive Psychological capacities do seem to meet most of the PsyCap inclusion criteria of being positive, theoretically based, measurable, developmental, and related to workplace performance, but still considerable theory-building and research on all dimensions are needed before they can be fully embraced as a part of PsyCap.

POSITIVE PSYCHOLOGICAL CAPITAL AND PERFORMANCE AT WORKPLACE

A number of researches have been conducted to study the relationship between Positive Psychological Capital and different organizational outcomes like lower employee absenteeism, less employee cynicism and intentions to quit, and higher job satisfaction, commitment, and organizational citizenship behaviours. Luthans, Avolio, Avey and Norman (2007) found that PsyCap has positive correlation with performance and satisfaction. PsyCap also decreases absence from work (Avey, Patera, and West, 2006). High PsyCap may contribute to lower levels of sickness or to the ability to recover from sickness and get back to work which in turn results in lower levels of absenteeism. The findings of the research conducted by Hmieleski and Carr (2007) demonstrated not only a positive relationship between psychological capital and job satisfaction and a negative relationship between work tension and job satisfaction, but also reported that psychological capital reduces the negative effects of work tension on job satisfaction. The relation of each positive psychological capacities and work performance is being discussed briefly in the coming section.

Efficacy and Work Performance

Stajkovic and Luthans (1998b) offered meta-analytic evidence that self-efficacy and performance are strongly related. Efficacy
has also been found to be a significant contributor to effective functioning under stress, fear, and challenge (Bandura and Locke, 2003). High self-efficacy also correlates with high annual income (Markman, Balkin and Baron, 2002). Holden (1991) found PsyCap efficacy to be related to enhanced health and psychosocial capacities.

PsyCap efficacy is domain specific including leadership efficacy (Chemers, Watson & May, 2000; Luthans, Luthans, Hodgeth & Luthans, 2001), entrepreneurial efficacy (Laguna, 2006a; Luthans & Ibrayeva, 2006, Chen, Greene & Crick, 1998), moral or ethical efficacy (May, Chan, Hodges & Avolio, 2003; Youssef & Luthans, 2005), creative efficacy (Tierney & Farmer, 2002) and Computer efficacy (Thatcher & Perrewe, 2002). Researches have also indicated some other efficacies like job-change efficacy, participation efficacy, cases-decision making efficacy and learning efficacy. These efficacies, besides being related to performance outcomes, have also been found to be correlated to work attitude (Luthans, Zhu & Avolio, 2006).

**Hope and Work Performance**

The relationship between hope and performance in various domains of life has received considerable support through empirical research. Such domain include, academic and athletic achievement, physical and mental health survival & coping beliefs and skills, and other desirable, positive life and well-being outcomes (Curry, Snyder, Cook, Ruby & Rehm, 1997; Kwon, 2000; Onwuegbuzie & Snyder, 2000; Range & Pentin, 1994, Sciolli, Chamberlin, Samor, Lapointe, Campbell, Macleod & McLenon, 1997; Synder, 2000). Positive relationship between hope and work performance have also been reported in a number of the studies (Adams, Synder, Rand, King, Sigmin & Pulvers, 2003; Jensen & Luthans, 2002; Luthans, 2002a, 2002b, Luthans, Avolio, Walumbwa, & Li, 2005; Luthans & Jensen, 2002; Luthans, Van Wyk, & Walumbwa, 2004; Luthans & Youssef, 2004; Peterson & Luthans, 2003; Youssef & Luthans, 2003, 2006). Adams et al. (2003) reported a positive relationship between employee hope and organizational Profitability. Entrepreneur’s hope levels have positive relation with expressed satisfaction with business
Development of Positive Psychological Capital...

ownership (Jensen & Luthans, 2002). Positive relationship between organizational leaders' levels of hope and the profitability of their units and the satisfaction and retention of their employees (Peterson & Luthans, 2003) and hope level was also found to be positively related to performance, job satisfaction, work happiness and organizational commitment in managers and employees (Youssef, 2004). Hope has also turned out to be a significant predictor of the entrepreneurial intention as well as assessment of the goal importance and the chances of success (Laguna, 2006b).

Snyder and Shorey (2003) suggested that effective organizational leaders create environments of hope and high-hope leaders are stronger leaders because of their ability to set goals, create pathways, and think of alternatives.

**Optimism and Work Performance**

About work performance impact, Seligman (1998) found that optimistic sales representatives sold significantly more life insurance policies than pessimistic. Seligman concludes that optimism is extremely important in insurance sales positions, may be even beyond technical knowledge. Further, research supports that leaders who are positive are also more authentic and effective (Avolio & Luthans, 2006; Jensen & Luthans, 2006; Luthans, Norman & Hughes, 2006). Leaders who think positively are more effective interpersonally and in terms of the quality of their decisions, including superior ability to collect and use more information and to identify and act on situational contingencies (Staw & Barsade, 1993). Optimism was also significantly and positively related to job performance (Luthans, Avolio, Walumbwa & Li, 2005). On the other hand, negatively has been shown to be related with various performance inhibiting mechanisms (Judge & Ilies, 2004).

Organizational leaders with a high level of PsyCap optimism are risk-takers, but because they are realistic and flexible, they tend to take only calculated and necessary risks. They do not resort to blame-shifting and shallow impression-management techniques in order to take credit for more than their efforts have warranted or to avoid responsibility or accountability (Luthans et al., 2007).
Resiliency and Work Performance

Today’s work place has become increasingly competitive rapidly changing and dominated by shades of grey. Resiliency has gained a lot of attention among researchers and practitioners. Researches related to PsyCap have found a positive relationship between resiliency and workplace outcomes (Luthans, Avolio, Walumbwa & Li, 2005; Youssef, 2004). Hamel & Valikangas (2003) reported that the organizations now a days look for top performers who can thrive on chaos, proactively learn and grow through hardships and can also excel no matter how many or how intense the inevitable setbacks. Similar results were also reported by Ryff and Singer (2003) who found that resilient people experience enhanced self-reliance, self-disclosure, relationships, emotional expressiveness, and empathy.

Luthans and his colleagues supported the view that resiliency is related to improved performance and bottom-line gains (Luthans, Vogelgesang, & Lester, 2006; Luthans, et al., 2005; Youssef, 2004), job satisfaction, organizational commitment and social capital (Luthans et al. 2007).

Maddi (1987) studied 13,000 employees who were downsized in one year from Illinois Bell Telephone (IBT) and the downsizing created adverse situations for many employees. He observed that two-third of the employees suffered significant decrement in performance, leadership and health, whereas one-third thrived during the upheaval despite the same stressful downsizing. Author concluded that the resilient employees maintained their health, happiness and performance and even renewed enthusiasm.

Cognitive Strengths and Work Performance

Creativity and work performance: Creativity in the workplace can be defined as the production of novel and useful ideas or solutions concerning products, services, processes, and procedures (Amabile, 1988, 1996; Oldham & Cummings, 1996; Peterson & Seligman, 2004; Zhou & George, 2001, 2003). Employee creativity is of crucial importance in today’s high-pace, hypercompetitive
Development of Positive Psychological Capital...

business environments (Malakate, Andriopoulo & Gotsi, 2007). Employee creativity is a necessary step or precondition required for innovation and, in the contemporary volatile working environments, it may be vital for organizational success (Amabile, 1988; Egan, 2005; Malakate, Andriopoulo & Gotsi, 2007; Shalley & Gilson, 2004; Tierney, Farmer & Graen, 1999; Zhou & George, 2001). With employees’ creative potential, innovation, change, learning, performance and competitiveness can be achieved which is necessary for survival and prosperity of the organization (McAdam & Keogh, 2004; Woodman, Sawyer & Griffin, 1993).

Wisdom and work performance: In organizations managers and employees are constantly bombarded with overwhelming amounts of information which compete for decision-makers’ attention and input into decisions, that are likely to influence the effectiveness or even the survival of the organization. In today’s highly competitive work environment where at times even accurate information is lacking managers and employees are still expected to make wise decisions and actions. Thus, wisdom has become very relevant and highly important for organizational leaders in today’s morally challenged environment, and there is a need for exclusive attention to wisdom related performance. Baltes, Glück and Kunzmann (2002) suggested that the ages of life have their own wisdom knowledge specialities. When the content of wisdom tasks is age-matched, people show higher levels of performance (Staudinger, 1999).

Affective Strengths and Work Performance

Subjective Well-Being (SWB) and work performance: SWB has been shown to be directly related to various desirable work performances (Russell, 2008). A meta-analytic study by Harter, Schmidt, and Hayes (2002) provide substantial support that workplace well-being is positively related to unit-level productivity, employee retention, customer satisfaction, safety, and ultimately profitability and stock value of the company. The “happy worker is a productive worker” hypothesis has been extensively studied and supported by considerable research over the years (Quick & Quick, 2004; Wright & Cropanzano, 2004). Also, research by Judge and colleagues
supports the contention that life satisfaction and subjective well-being are causal antecedents of job satisfaction (Judge & Watanabe, 1993). This in turn is strongly related to work performance (Judge, Thoresen, Bono, & Patton, 2001) i.e. workers who are “happy” tend to have higher job performance than workers who are less happy. Life satisfaction may influence (moderate) the relationship between job satisfaction and performance; that is, the link between job satisfaction and performance tends to be present only if the employee also reports high levels of well-being or life satisfaction (Wright, Cropanzano, and Bonett, 2007).

Flow and work performance: Besides the book by Csikszentmihalyi (2003) which has been devoted to applying flow to the business world, some empirical connections have been made between the positive effects of transformational leadership on group fluency and flexibility (Sosik, Avolio, & Kahai, 1998) and the role of flow and anonymity as mediators between transformational leadership and creativity (Sosik, Kahai, & Avolio, 1999). These studies examined how leadership mediated through technology impacted levels of creativity and flow in groups working with group-decision support systems. Flow has also been shown to be related to desirable outcomes in software design, computer-mediated communication, medical surgery, and has directly been focused on the implications for business activities of all kinds (Csikszentmihalyi, 1997, 2003). Like other PsyCap states, flow has also been shown to relate to academic, artistic, literary, and sports performance, as well as to physical and psychological health (Nakamura & Csikszentmihalyi, 2002).

Humor and work performance: Humor has always been commonly used in the workplace. O’Hare (1992) found the use of humor as an important ingredient in organizational interactions. Scholars have suggested humor as a tool for effective management (Duncan, Smeltzer, & Leap, 1990). Avolio, Howell, and Sosik (1999) reported a positive connection between the use of humor and bottom-line performance in a Canadian financial service institution. Leaders can use humor to deliver a difficult message to associates, as well as to reduce social distance, if the humor is viewed as self-
disparaging (Geuens & De Pelsmacker, 2002). Humor has been shown to be linked to managerial effectiveness (Rizzo, Booth-Butterfield, & Wanzer, 1999). Fredrickson (2003) reported link between the use of humor and the creation of positive emotions that result in “upward spirals towards optimal individual and organizational functioning”. In a recent study, Hughes (2008) found that sense of humor and PsyCap are positively and significantly related. A positive and humorous work environment is likely to enhance teamwork, foster effective problem-solving, promote wider acceptance and tolerance of oneself and others, and encourage challenge-seeking and attaining results and thus, today’s business environment is in great need of more humor and laughter.

**Social Strengths and Work Performance**

- **Gratitude, forgiveness and work performance:** Researches have emphasized upon the impact of gratitude and forgiveness on performance. Organizational leaders’ gratitude (e.g. feedback and social recognition towards employees) can also be viewed as a form of positive reinforcement with performance impact (Stajkovic & Luthans, 2003; Peterson & Luthans, 2006). Leaders’ gratitude to employees may result not only in improved performance but also in more frequent exhibition of organizational citizenship behaviours and decreased incidences of destructive behaviours, such as violence, sabotage, theft, stress, and burnout.

  Worthington, Berry, Shivy, and Brownstein (2005) applied the concept of forgiveness to current work environment and proposed that forgiveness is necessary and applicable in the case of downsizing. They suggested that forgiveness can be facilitated through establishing realistic expectations regarding the relative stability of the job, ensuring that the organization acts responsibly and in a transparent manner, and striving to provide help and support for displaced employees. By following guidelines for procedural justice, it is expected that employees who have been downsized would be more willing to forgive their organizations.

- **Emotional intelligence (EI) and work performance:** Goleman and colleagues (2002) have attributed applications of emotional
intelligence (EI) to effective organizational leadership and work teams. He reports that across organizational sizes, managerial levels, and even national cultures, elements of emotional intelligence account for about two thirds of the competencies sought by organizations as critical to high performance. The contribution of EI to performance becomes even more substantial (as high as six out of seven competencies) at higher level professional and managerial positions (Goleman, 1998). Law, Wong, Huang and Li (2008) reported EI as a significant predictor of job performance beyond the effect of the General Mental Ability (GMA) battery on performance. Ngah, Jusoff and Rahman (2009) in their study examined the relationship between emotional intelligence and work attitudes in the university setting and found EI to be positively related to work-attitude. The appraisal and expression of emotion were moderately correlated to job performance and job satisfaction. In a study of working adults, Hooda, Sharma and Yadava (2008) found that two components of emotional intelligence i.e. appraisal of negative emotions and appraisal of positive emotions are positively and significantly correlated with life satisfaction. As discussed earlier, life satisfaction and subjective well-being are causal antecedents of job satisfaction which in turn is strongly related to work performance. Thus, research suggests that people with high level of EI lead more effectively (Rosete & Ciarrochi, 2005); feel satisfied with their job (Dimitriades, 2007); are efficient job performers (Abraham, 2000; Carmeli, 2003) and committed both to their career and to their employing organization (Carmeli, 2003).

Higher Order Strengths and Work Performance

Spirituality and work performance: Spirituality is recently finding its way into organizational behaviour. Those with spiritual PsyCap may perceive their jobs as a calling rather than just the traditional transactional employment contract. They may also have sense of team membership, meaning and sense making. To meet or exceed expectations intrinsic motivation is more important to them than extrinsic motivation. Put in other terms, those with spiritual PsyCap may exhibit organizational citizenship behaviours that are above and beyond the call of duty, even when they are not directly recognized
by the organization’s extrinsic reward system (Organ, 1988). Dent, Higgins, and Wharff (2005) reviewed 87 scholarly articles written on spirituality and found that most hypothesized relationships between spirituality and organizational performance. Reave (2005) also reported similar findings that aspects of spirituality associated with integrity, honesty, and humanity have also been found to be related to leadership success on numerous occasions. Duchon and Plowman (2005) reported a positive relationship between work-unit spirituality in hospitals and unit performance, such as patient satisfaction.

**Authenticity and work performance:** Authentic leadership is presented as an approach that creates conditions for higher trust, which helps people to build on their strengths and be more positive, to broaden their thinking, to add value and a sense of what is right to their decisions, and to improve the overall performance of their organization over time (Avolio, Gardner, Walumbwa, Luthans and May, 2004). A business founder who displays such authentic leadership may, therefore, be better equipped to withstand the challenges typically faced by new business ventures and realize the full potential of his/her vision. Authentic leaders recognize that task accomplishment and associate development are intertwined and are equally important objectives (Luthans and Avolio, 2003). Authenticity is not limited to just the role that it plays in leadership, for example, research on self-determination has shown that when leaders facilitate autonomy, provide uncontrolled positive feedback, and acknowledge others’ perspectives, this can be conducive to their followers’ authenticity (Sheldon, 2004). Building authentic followers can result in perceptions of affect towards, and satisfaction with, their work teams and the organization. Deci, Connell, & Ryan (1989) found that such authenticity may manifest itself in terms of increased trust, quality of supervision and of the organizational environment, good feelings, and satisfaction with job characteristics. Authenticity has also been found to be associated with self-esteem, positive affect, and hope (Harter, 2002), as well as sustained efforts and an upward spiral of goal attainment (Sheldon, 2004). At the group or organizational level, authenticity may also enhance trust, which in turn can increase communication, creativity, innovation, initiative,
and ultimately employee performance, commitment, and retention. In simple words, authenticity has been shown to be associated with positive psychological functioning and desirable performance and attitudinal work outcomes.

**Courage and work performance:** Courage is viewed as a virtue in positive psychology (Peterson & Seligman, 2004) and thus a highly desirable virtue in the organizational field, but it may have both positive and negative outcomes. Innovators and change agents in an organizational climate need courage to effectively communicate their ideas and perspectives (Worline & Quinn, 2003). A study conducted on firefighters by Harvey (2007), showed that courage attitudes predicted better performance and suggested that courage attitudes may be an important factor in effective firefighter performance in addition to any other alternative and complementary health practices (ACHP) that could enhance performance. The courageous employee may reap material, physical, social, and psychological gains, but there are potential risks associated with a courageous act. For example, courageously telling the truth (blowing the whistle) regarding a colleague’s wrong doing may save the organization substantial financial resources and reinforce its ethical values and culture, but it may also weaken interpersonal trust within the work team and other risks like loss of one’s job, retaliation, or social disapproval.

**ASSESSMENT OF PSYCAP**

Theoretical framework supporting PsyCap measurement still needs further exploration, but the measures generally assume independent positivity, should be state-like, and thus developmental, rather than just being stable, relatively fixed dispositional traits. Some of the positive psychological measures make a clear distinction regarding this vital criterion. For example Snyder (2000) provides two different scales, a state hope scale (Snyder, Sympson, Ybasco, Borders, Babyak, and Higgins, 1996) and a dispositional hope scale. There are scales for each of the positive construct included in the Positive Psychological Capital e.g. State Hope Scale (Snyder et al. 1996), Optimism by Life Orientation Test (Scheier and Carver,
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1985) and Resilience (Wagnild & Young, 1993), but the most popular and comprehensive scale for PsyCap is provided by Luthans and his colleagues (2006). They, in developing PsyCap Questionnaire (PCQ) drew items from recognized and published measures of efficacy (Parker, 1998), hope (Snyder, et al., 1996), optimism (Scheier & Carver, 1985), and resilience (Wagnild & Young, 1993). The 24-item PCQ consist of six items selected by an expert panel from each of the four standard measures. The wording was adapted as needed for the workplace and to be state-like, and responses were put into a 6-point Likert scale.

DEVELOPING PSYCAP IN THE WORKPLACE

Positive organizational behaviour (POB), that focuses on positive psychological abilities of the employees, include positive psychological capacities that are state-like and malleable. Being state-like (rather than trait-like), these positive capacities are open to development and improvement using relatively brief training programs, on-the-job activities, and short, highly focused “microinterventions” (Luthans, Avey, et al., 2006). By emphasizing states rather than traits, POB creates new opportunities and dimensions for human resource development and performance management.

Developing Efficacy/ Confidence

Bandura (1997) and others have demonstrated that efficacy can be developed through the opportunities to experience mastery/success, vicarious learning/modeling, social persuasion and positive feedback, and psychological and physiological arousal and well-being (Bandura, 1997, 2000; Hannah, 2006; Luthans, et al., 2001; Luthans, Luthans, & Luthans, 2004; Luthans & Youssef, 2004; Maddux, 2002; Stajkovic & Luthans, 1998a, 1998b). Luthans et al. (2007) elaborated on the four major sources of efficacy which helps in building self-efficacy.

(i) Mastery and Successful Experiences: The most tried-and-true approach, “practice makes perfect” that is repeatedly experiencing success in accomplishing the tasks in which efficacy is to be built, helps in developing PsyCap
confidencet therapy efficacy. Another approach is to break down a complex task into subcomponents and teach each simple subskill, one at a time. Thus, experiencing “small successes” more frequently helps in building PsyCap efficacy. These simpler tasks and skills can then be gradually made more complex. Another way to provide mastery experiences is to intentionally place individuals in situations with relatively higher probability of success, where they have a good chance to experience success and in turn build efficacy. For organizational participants to build efficacy through success, they should be allowed to do what they do best every day (Buckingham & Coffman, 1999).

(ii) Vicarious Learning/Modeling: Observational experiences allow individuals to process and learn from the success and mistakes of others and to selectively imitate the model’s successful actions. This in turn enhances the observer’s own chances for future personal mastery experiences and success. For modeling experiences to be effective, there must be both model and situational similarity. The more similar the role model is to the developing individual, the more likely the observer’s PsyCap efficacy will be affected by that role model’s success and desired, reinforcing consequences. Greater the degree of similarity of the situation being observed to the real task, makes it more likely that the observational experience will enhance PsyCap efficacy. In highly technical and complex situations, the developing individual not only needs to observe the final decisions and behavioral patterns of a role model but also the logic, reasoning process, criteria, and underlying assumptions that led to the selected course of action and/or pattern of behaviour. In such complex situations, the model can facilitate building the PsyCap efficacy of the observer by “thinking aloud” and encouraging the vicarious learner to do the same as they cognitively contemplate situational complexities and weigh potential alternatives.
(iii) Social Persuasion/Positive Feedback: Today’s organizations invest heavily in technical training and financial reward systems, while ignoring the powerful resource of acknowledging, appreciating, and providing feedback and recognition to employees that they possess in unlimited amounts and at no cost. This resource helps to build PsyCap efficacy (Stajkovic & Luthans, 1997, 2003).

(iv) Psychological and Physiological Arousal/Well-Being: Individual’s psychological and physiological arousal/well-being can also contribute to their PsyCap efficacy. A positive psychological state can energize people’s cognitive processes whereas, negative psychological state tend to experience hopelessness, helplessness, and pessimism, there by resulting in deterioration of efficacy. Regarding physical health, it is observed that a good physical condition can have a positive impact on one’s cognitive and emotional states, including efficacy beliefs and expectancies. On the other hand, being ill and fatigued can have a negative impact, as under stress physiological responses are degraded which in turn, negatively affect the psychological state.

In today’s highly stressful work environment, many organizations organize on-site exercise and wellness programs, family-friendly benefits (such as childcare facilities), comprehensive employee-assistance programs, and even informal social activities and gatherings for managing the psychological and physical toll of their employees.

Developing Hope

A number of approaches have been found to be successful in developing and nurturing hope (Luthans et al., 2007).

(i) Goal-setting: Goals that are self-made, participatory, or even assigned but explained using a logical rationale (i.e. agency component of hope) tend to yield higher performance than dictated, unexplained goals (Latham, Erez, & Locke, 1988; Latham, Winters, & Locke, 1994). Appropriate goal-setting
influences one’s level of motivation, choices made, effort extended, persistence and also the willingness and ability to design creative ways by which to achieve one’s goals (Latham, 2000), that is, hope pathways.

(ii) **Stretch goals**: Stretch goals are those that are difficult enough to stimulate excitement and exploration and yet are still perceived to be within reach. They warrant trial and reasonable expectations of accomplishment, given extra effort that helps in developing and nurturing hopeful thinking.

(iii) **Stepping**: What Snyder (2000) calls “Stepping” in his hope training involves breaking down of difficult and long-term goals into smaller and more manageable ones. As gradual progress is made towards distant goals, agency and pathways are enriched, building a more sustainable base for pursuing one’s extreme challenges successfully (Latham, 2000; Luthans, Van Wyk, & Walumbwa, 2004; Luthans & Jensen, 2002; Luthans & Youssef, 2004; Snyder, 1995a, 1995b; Youssef & Luthans, 2006).

(iv) **Involvement**: Bottom-up decision-making and communication, opportunities for participation, employee empowerment, engagement, delegation, and increased autonomy have documented, desirable workplace outcomes like increased performance, increased employee satisfaction, commitment, psychological engagement and identification (e.g. Conger & Kanungo, 1988; Hackman & Oldham, 1980; Harter, Schmidt, & Hayes, 2002; Spreitzer, 1995; Srivastra, 1986).

(v) **Reward systems**: A well-designed reward system is integral to the success of the hope development program. Most of the organizations do not frame appropriate reward systems that could result in sustainable motivation and performance. Many individuals do not see a connection between what they do and the recognition that they receive at work (Luthans, 2000). This disconnect can drain one’s motivation and lower performance.
(vi) Resources: Material resources, managerial support and commitment are some of the important resources vital to sustain hope by alternating one’s pathways to find the route that will work to achieve one’s goals.

(vii) Training: Hope-promoting training are interactive, participative and oriented towards enhancing general competencies and developing talents into strengths, which can be adapted to various situations. Hope-related training demonstrates positive impact on developing hope (Luthans et al., 2007). Such microinterventions have significantly developed the hope (and overall PsyCap) of management students, managers, engineers, and employees (Luthans, Avey, Avolio, Norman, & Combs, 2006).

Developing Optimism

PsyCap optimism can be developed by enriching the optimistic explanatory style. Schneider (2001) presents three perspectives that are particularly applicable to developing realistic optimism in the workplace:— (i) leniency for the past, (ii) appreciation for the present and (iii) opportunity seeking for the future. In relation to developing PsyCap Optimism, leniency for the past, is a positive reframing technique that acknowledges the realities of the situation. It helps guide goal-setting efforts so that individuals can accurately assess their resources and abilities and thus, set realistic, attainable goals for themselves and their associates. The second strategy of developing realistic and flexible optimism is to learn to appreciate the present. The flexible optimism can redirect the perspective away from dwelling on the negatives and towards focusing on the positives. Appreciation of the present can protect an individual from a defeatist attitude, which may paralyze the planning efforts and motivation for future improvement.

Developing Resiliency

Masten and Reed (2002) identified three sets of resiliency development strategies that can be adapted to the workplace. These can be summarized as follows.
(i) **Asset-focused strategies:** These strategies focus on enhancing the perceived and actual level of assets and resources that can increase the probability of positive outcomes. These assets not only include resiliency but also human capital (education, experience, knowledge, skills, abilities), social capital (relationships, networking), and even other positive psychological capital components (self-efficacy, hope, optimism).

(ii) **Risk-focused strategies:** According to Masten and Reed (2002) risk factors are factors that lead to lower levels of resiliency or even other positive PsyCap. These strategies emphasize on the management rather than the avoidance of most risk factors (Luthans, Vogelgesang, & Lester, 2006). Through risk-management approaches, an inventory of assets which is relevant to the new challenge is built. This asset inventory, then help the individual in perceiving the new risk factors as developmental opportunities and draw from them to bounce back and beyond. This is simply using the time-tested strategy of turning a threat into an opportunity.

Both assets and risks are acquired at a young age and are predominantly stable over the course of one’s adult life. However, these resilience factors can be managed, developed, and accelerated in later life (Masten, 2001). The most effective development strategies are based on enhancing assets and proactively avoiding risky, potentially adverse events.

(iii) **Process-focused strategies:** These strategies identify, select, develop, employ, and maintain the proper mix of assets in managing pertinent risk factors. This allows overcoming and growing through adversities. Harland, Harrison, Jones, and Reiter-Palmon (2005) in their study of workplace resiliency clearly distinguish between avoidance-coping and approach-coping. Luthans and his colleagues (2007) observed approach-coping techniques to be more positively associated with resiliency while avoidance-coping techniques tend to be negatively related to the impact of resiliency.
Wolin and Wolin (2005) used resiliency assessment and training in their Resilience Project, which has been effective in various contexts, including education, treatment, and even prevention. Various resiliency development programs, training interventions and solutions have also been conducted for companies for enhancing resiliency in the workplace (Conner, 1993; Reivich and Shatte, 2002; Waite and Richardson, 2004).

Luthans and his colleagues present a micro-intervention to develop psychological capital (PsyCap). These microinterventions consist of 1- to 3-hour (the length depends on the size of the group
and how many exercises and video clip examples are used) workshops generally following the PsyCap Intervention (PCI) model shown in Figure 3. Drawn from hope, optimism, efficacy, and resiliency development, this PsyCap Intervention (PCI) shows support for not only increasing participants’ PsyCap, but also financial impact and high return on investment (Luthans, Avey, Avolio, Norman and Combs, 2006). Based on several approaches and specific guidelines for developing each of the PsyCap strengths, as discussed above, Luthans et al. (2006) developed PsyCap microintervention that are short, highly focused interventions. Luthans, Avey and Patera (2008) using a pre- post test experimental design found that psychological capital can be developed through a highly-focused, two-hour web-based training intervention.

CONCLUSION

The value of recently introduced Positive Psychological Capital has increased in relation to earlier widely recognized human and social capital. PsyCap as a positive higher order construct synergistically encompass and manifest not only through self-efficacy, hope, optimism, and resiliency, but also through other potential positive capacities such as cognitive (creativity and wisdom), affective (subjective well-being, flow, and humor), social (gratitude, forgiveness and emotional intelligence) and higher-order strengths (spirituality, authenticity and courage). As research in positive psychology is in progress other dimensions or capacities may also be added. There is still a dearth of literature bridging the theory-application gap. Future research needs to examine not only the impact that the PsyCap has on performance but also of micro-intervention on organizational behaviour outcomes. Thus the concept is in its early stages and requires rigorous exploration.

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