



IMPACT OF PSYCHOLOGICAL CAPITAL AND WORK VALUES: AN EMPIRICAL STUDY ON INDIAN RETAIL SECTOR

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ABSTRACT

In today's competitive world the success of the organization is measured by the work value and positive behaviour of its employees. The psychological capital on the emerging concept of positive psychology focuses on the approach of human at work. The psychological capital is a higher order construct having four dimensions of hope, resiliency, self-efficacy and optimism. Work values are intended to be an index of a person's attitudes towards work in general rather than his feelings about a specific job. Work values refer to general attitudes regarding the meaning that an individual attaches to his work role having three dimensions viz., competency and growth; comfort and security and status and independence. This study investigates the impact of psychological capital on work values in Indian retail sector. A data of 108 employees working at different managerial levels was collected from retail sector. The Pearson's correlation and regression analysis were performed. The results showed that psychological capital is positively related to work values at workplace in Indian retail sector.

Key words: Psychological capital, Work Values, Retail sector.

Introduction

In today's competitive world the success of the organization is measured by the work value and positive behaviour of its employees. The psychological capital on the emerging concept of positive psychology focuses on the approach of human at work. Psychological

capital is one of the most influential areas of positive psychology because of its relevance to industries and organisations and has been believed a recent approach emerged from positive organisational behaviour (Luthans, 2002a, 2000b), which primarily stresses upon “strength based approach” and avoids “deficits based approach” (Fineman, 2006). Positive organisational behaviour plays a vital role for developing a conceptual and ideological foundation of positive constructs for psychological capital. Such positive constructs include hope, optimism, self-efficacy and resiliency (Luthans, 2002; Luthans and Avolio, 2003; Luthans and Youssef, 2004; Youssef and Luthans, 2007). These constructs are state-like approach rather than trait-like approach which can be measured, developed and effectively managed for performance improvement in today’s workplace (Luthans, 2002). The concept of work values may be regarded as a special use of the general concept of values; and may be defined as the conception of what is desirable that individuals hold with respect to their work activity. "Work values reflect the individual's awareness of the condition he seeks from the work situation and they in turn, regulate his actions in the pursuit of that condition" (Kallegerg, 1977). Work values are generally defined as “the goals or rewards people seek through their work, and they are expressions of more general human values in the context of the work setting” (Schwartz, 1999).

Work values are intended to be an index of a person's attitudes towards work in general rather than his feelings about a specific job. Work values refer to general attitudes regarding the meaning that an individual attaches to his work role (Wallack et al., 1971). Thus, it may be inferred that work values are enduring beliefs about work, which guide actions, attitudes, and judgments beyond the immediate goals in any work situation. Work values are reflected in culture (Hofstede, 1984 and Schneider 1987) and work values at an aggregate level can be interpreted as culture. Ralston et al. (1997) argued that national culture and economic ideology were primary forces that shaped managerial work values. This paper focuses the psychological capital and tries to portray the significance of work values in the organization.

Psychological Capital

Luthans et al. (2007) defined psychological capital as “an individual’s positive psychological state of development and is characterized by: having confidence (self-efficacy) to take on and put in the necessary effort to succeed at challenging tasks; making a positive attribution (optimism) about succeeding now and in the future; persevering toward goals and, when necessary, redirecting paths to goals (hope) in order to succeed; and when beset by

problems and adversity, sustaining and bouncing back and even beyond (resilience) to attain success”.

Avey et al. (2010) further asserted that psychological capital has developmental potential. Also, psychological capital as well as its component capacities is considered to be state-like as opposed to trait-like. (Luthans and Youssef, 2007) described this distinction along a trait-state continuum whereas trait-like constructs refer to relatively stable psychological characteristics, at the other end of the continuum, Psychological Capital and its components tend to be malleable and open to development (Luthans et al., 2007; Avey et al. 2009).

According to Luthans and Youssef (2004), in positive psychological capital, to achieve individual's targets hope is the will power and pathways to achieve those targets. Further, Snyder et al. (1996) 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)."

The other dimension of psychological capital is efficacy that 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. He further stated that it increases effort and motivation to complete a task and leads to perseverance in the face of obstacles. According to Maddux, (2002), having the self efficacy notions are the biggest factors in individual's psychological capacity to make a decision to keep on involved and make efforts when adversary occurs. In other words, efficacy offers a person beneficial cognitive process with determination against adversaries, and a readiness for applying to achieve the targets even though the person expects a positive return on that investment.

The other dimension of psychological capital is resilience, a person's ability to overcome and often flourish from some substantial life events. In psychological capital model developed by Luthans and Youssef (2004), resilience is defined as ability to bounce back from failure, adversaries also from positive but overpowering psychological changes for example higher level of accountability. In the research literature pertaining to organizational behaviour, the research on resilience has been given the slightest attention. Such events are often shocking -tragedy, disaster, accident, breakdown, failure, loss, or catastrophe causes an individual to confront and cope with a situation that often psychologically as well as negatively affects others.

The last dimension of psychological capital model is optimism, as defined by Luthans and Youssef, (2004), it is a positive attribution of internal permanency to various positive events and external transitory to various negative events in individual's life. The concept has been derived from Seligman (1998) who defined optimism as a style that is related to having internal positivity to various positive events and eternal temporary beliefs to negative events in individual's life. Individuals with optimistic explanatory style expect that the causes of the desirable events would continue to exist in future and would also be useful in handling 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 et al 2007). On the other hand optimism is defined as the positive side of an emotion that is utilized to explain good and bad events (Seligman, 1998).

Work Values

Values are desirable ideals located centrally within one's belief system. They are transferred from generation to generation through education, early life experiences in family and schools and through socialization in organizations and institutions. The value pattern of an individual takes shape right from one's childhood. In popular use, value has three types of meaning: (a) the objects have value as they satisfy our needs and we are ready to pay for it; (b) acts, arguments and experiments have value as they serve our goals or objectives; and (c) at a higher conceptual level it means ideals. The terms human values, social values, and cultural values refer to the ideals and norms established by societies and cultures that are highly prized by the individuals and social units constituting the societies or culture. Therefore, values determine desirable and undesirable ideas, things and behaviors. The desirability and undesirability of ideas, things and behaviors however, are socially and culturally determined. Factors, such as hereditary endowment, family background, parents, peer groups, teachers, education and culture influence the value pattern. Values are largely determined by social structure and cultural patterns (Friendlander, 1965).

Work values emerge from the projection of general values onto the domain of work. Most researchers seem to assume that work values do somehow derive from general values, but they are not very explicit about the causal nature of this process. Many studies have found general values to correlate with work values of a similar content (e.g. Kinnane and Gaubinger, 1963; Schwartz, and Bilsk 1987), which is in agreement with this assumption. Work values might, alternatively, be seen as a source from which general values develop. Work values seem to diffuse easily through such channels as management literature,

consultancy, and training, by the way of international conventions and laws (e.g. labour codes), and through multinational corporate management. This especially holds in contemporary globalized business life. In this way modern work practices and standards may generate work-related values that generalize into the wider social life. There is as yet very little empirical evidence to support this position, but a study by Selmer and De Leon (1996) on organizational “acculturation” shows that multinational corporations can play a role in the transmission of values.

Work values are the specific expressions of general values in the work setting. Like basic values, work values are benefits pertaining to desirable end state (e.g high pay) or behavior (e.g. working with people). The different work goals are ordered by their importance as guiding principles for evaluating work outcomes and settings, and for choosing among different work alternatives. Because work values refer only to goals in the work settings, they are more specific than basic individual values. But the work values usually studied are still quite broad. They refer to what a person wants out of work in general rather than to the narrowly defined outcomes of particular jobs. Finally, work values are verbal representations of individual, group and interaction requirements.

Work value is a kind of orientation towards work underlies people's ideas of what is important to them when making occupational choices. Viewing work values as specific expressions of basic values in the work setting implies that there should be four general types of work values. Most of the researchers appear to identify the three types of work values (1) intrinsic or self-actualization; (2) extrinsic or security or materials (3) social or relational (e.g. Alderfer, 1972 ; Borg,1990 and Crites,1961). Elizur (1984) arrived at a related tri-chotomous classifications of work values by considering the modality of their outcomes such as interest and achievement; Affective outcomes such as relations with associates. This classification largely overlaps extrinsic, intrinsic and social respectively.

These three types of work values can be viewed as conceptually parallel to three of the higher-order basic values. Intrinsic work values directly express openness to change values—the pursuit of autonomy, interest, growth, and creativity in work. Extrinsic work values express conservation values; job security and income provide workers with the requirements of needs for general security and maintenance of order in their lives. Societal and interpersonal work values express the pursuit of self-transcendence values: work is seen as a vehicle for positive social relations and contribution to society.

The theory of basic individual values suggests that there should be a fourth distinct type of work values, one that parallel the basic self-enhancement higher order value type.

This type of work values, like self-enhancement, should be concern with prestige or power. Items that refer to prestige, authority, influence, power and achievement in work are common in empirical research on work. These values have usually been classified as extrinsic values (Ginzberg, 1966; Herzberg et al., 1959; Rosenberg, 1957). The work values in the extrinsic region (meaningfulness, responsibility, and use of one's abilities) are values that contribute to a sense of personal growth and whose attainment derives directly from the nature of the work experience. The work values in the prestige region (achievement, advancement, status, recognition independence, company that you are proud to work for, influence in work, influence in the organizations) are values whose attainment entails a comparison of self with others that implies personal superiority.

Significance of the study

As Indian retail sector is highly competitive, the employees have to work in stressful conditions which impact their psychological capital and work values in the job. There is ample work done in the field of psychological capital across various sectors but there was a gap in study i.e., there is negligible work done on the topic of psychological capital and work values in retail sector in India. Thus the study has been undertaken to determine the effect of psychological capital and work values amongst employees in the retail sector.

Objective of the Study

The study has been conceived with the following objectives:

1. To analyze the difference in psychological capital and work values among the demographic variables of employees in retail sector.
2. To analyze the relationship and impact of psychological capital and work values.

Hypothesis

The following hypotheses have been conceived for the study:

1. H1- There is significant difference between the psychological capital and work values with respect to demographic variables amongst the employees working in retail sector.
2. H2- There is a significant relationship between the psychological capital and work values.

Research Design

This study is descriptive cum explanatory in nature. The variables in the study are demographical variables (age, sex, education, marital status and level of management), psychological capital and work values. The population of this study consists of the employees who were working in the retail sector in northern India. The questionnaire was given to 154 employees and sample comprises of 108 respondents working at different levels of management in retail sector.

The Instruments used for data collection

The variables were measured by using standardized questionnaire. The independent variable in this study is psychological capital which was measured using questionnaire developed by Luthans et al (2007) having 24-item questionnaire measuring four dimensions viz. efficacy (Parker, 1998), hope (Snyder et al, 1996), resilience (Wagnild and Young, 1993) and optimism (Scheier and Carver, 1985) and overall three items with reverse scoring. The 6 point likert scale was used to collect the responses using level of agreement or disagreement with each statement from strongly disagree to strongly agree (1 = strongly disagree, 2 = disagree, 3 = somewhat disagree, 4 = somewhat agree, 5=agree, 6 = strongly agree). The independent variable in this study is work values which was measured using Manhardt's (1972) work values inventory having 21 questions. It has three factors viz. competency and growth; comfort and security and status and independence. The 5 point likert scale was used to collect the responses using level of agreement or disagreement with each statement from unimportant to very important (1 = unimportant, 2 = slightly important, 3 = moderately important, 4 = important, 5=very important). The Cronbach's alpha was used to a measure of internal consistency and the Cronbach's alpha for psychological capital was found to be .816 and for work ethics it was found to be .834 which is above the desired value of 0.7.

Analysis of Results

To check the difference of psychological capital and work values among the gender the independent t-test was conducted and the results showed $p > .05$ (.46 for psychological capital and .39 for work values). Thus, there is no significant difference amongst the gender with respect employee engagement and job involvement. However the mean of females were higher than males suggesting female employees have high level of psychological capital and work values than female employees. To check the difference of psychological capital and work values among the marital status the independent t-test was conducted and the results showed $p > .05$. Thus there is no significant difference amongst the marital status with respect

to psychological capital and work values. However the mean of married was higher than unmarried suggesting married employees have high level of psychological capital and work values than unmarried employees. To check the difference of psychological capital and work values among the age the One way ANOVA was conducted and the results showed $p > .05$. Thus there is no significant difference amongst the age with respect to psychological capital and work values. However the mean of age group 50 and above was highest and mean of age group 20-25 was the least.

To check the difference of psychological capital and work values among the level of management the One way ANOVA was conducted and the results showed $p < .05$. The table 1 indicates that for psychological capital $p = .02$ and for work values $p = .001$ (which is in both cases $p < .05$), thus there is a significant difference amongst the level of management with respect to psychological capital and work values. The results showed that employees at senior level of management are having high level of psychological capital and work values than employees at lower level of management. To check the difference of psychological capital and work values among the level of education the One way ANOVA was conducted and the results showed $p > .05$. Thus there is no significant difference amongst the level of education with respect to psychological capital and work values. The results showed that employees who are post-graduates are having high level of psychological capital and work values than employees who are under-graduates.

Table 1

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
mnp	Between Groups	8.166	2	4.083	6.461	.002
	Within Groups	60.663	96	.632		
	Total	68.829	98			
work	Between Groups	9.169	2	4.585	8.010	.001
	Within Groups	54.945	96	.572		
	Total	64.114	98			

Correlation is significant at the 0.05

level (2-tailed).

Thus the hypothesis H1 is rejected i.e. there is significant difference between the psychological capital and work values with respect to demographic variables amongst the employees working in retail sector except the level of management.

To check the relationship between psychological capital and work values, pearson correlation is administered as shown in Table 2.

Table 2

Correlations			
		mnpv	work
mnpv	Pearson Correlation	1	.792**
	Sig. (2-tailed)		.000
	N	108	108
work	Pearson Correlation	.792**	1
	Sig. (2-tailed)	.000	
	N	108	108
**. Correlation is significant at the 0.01 level (2-tailed).			

The correlation psychological capital and work values ($r=.792^{**}$), based on (N=108) observations with pair wise non missing values. The results shows correlation is significant at the 0.01 level. Thus, the psychological capital is found to have positive relationship with work values.

Table 3

Correlations								
		mnsel	mnhe	mnrsl	mnopt	mncg	Mncs	mnsi
mnsel	Pearson Correlation	1						
	Sig. (2-tailed)							
	N	108						
mnhe	Pearson Correlation	.822**	1					
	Sig. (2-tailed)	.000						
mnrsl	Pearson Correlation	.743**	.765**	1				

	Correlation							
	Sig. (2-tailed)	.000	.000					
mnopt	Pearson Correlation	.678**	.680**	.795**	1			
	Sig. (2-tailed)	.000	.000	.000				
mncg	Pearson Correlation	.677**	.728**	.638**	.684**	1		
	Sig. (2-tailed)	.000	.000	.000	.000			
mncs	Pearson Correlation	.652**	.620**	.651**	.603**	.788**	1	
	Sig. (2-tailed)	.000	.000	.000	.000	.000		
mnsi	Pearson Correlation	.644**	.583**	.656**	.592**	.693**	.770**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	108	108	108	108	108	108	108
**. Correlation is significant at the 0.01 level (2-tailed).								

The table 3 shows that the all the dimensions of psychological capital viz. self-efficacy, hope, resilience and optimism are having significant positive relationship with the all the dimensions of work values viz. competency and growth; comfort and security and status and independence.

Table 4

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.792 ^a	.628	.624	.49604
a. Predictors: (Constant), mnpv				

The table 4 shows the linear regression model summary and overall fit statistics for the dependent variable work values. We find that the adjusted R^2 of model 1 is .624 with the $R^2 = .628$. This means that the linear regression explains 62.8% of the variance in the data in model.

Table 5

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	40.247	1	40.247	163.568	.000 ^b
	Residual	23.867	97	.246		
	Total	64.114	98			
a. Dependent Variable: work						
b. Predictors: (Constant), mnpv						

The F -ratio in the ANOVA table tests whether the overall regression model is a good fit for the data. The table shows that the independent variable (psychological capital) statistically significantly predicts the dependent variable (work values), $F = 163.568$, $p < .01$ (i.e., the regression model is a good fit of the data).

Table 6

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.400	.309		4.537	.000
	mnpv	.765	.060	.792	12.789	.000
a. Dependent Variable: work						

Unstandardized coefficients indicate how much the dependent variable varies with an independent variable when all other independent variables are held constant. The unstandardized coefficient, B₁, for psychological capital is equal to .765. The regression equation can be presented in a way

$$\text{Work Value} = 1.400 + .765 * \text{psychological capital}$$

t-value and p-value tells that whether a given coefficient significantly from 0. The coefficient of Employee engagement is significantly from 0 as $t = .000$, $p < .01$ at 95% level of significance. Thus hypothesis H2 is accepted i.e. there is a significant relationship between the psychological capital and work values.

Conclusion and Recommendations

The present study examined the relationship between psychological capital and work values in Indian retail sector. The results of Pearson correlation showed there is significant positive relation among the variables and the hypothesis was accepted. However with respect to demographic variables p-value were not significant suggesting there is no significant difference among the employees with respect to age, gender, marital status and level of education except level of management in relation to psychological capital and work values. Thus, it can be said that psychological capital is positively related to work values. The study was carried out with limited samples i.e. a total of 108 in number. An increase in the samples included in the research would have yielded better results. The study was limited in scope in the sense that the study was restricted only to one sector, it did not take into account the other sectors of the economy apart from the retail sector. Also, the participants were conveniently sampled based on easy accessibility and the employment of a cross-sectional design did not

allow the establishment of causal direction of relationships psychological capital and work values.

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