

PSYCHOLOGICAL CAPITAL (PSYCAP) AMONG STUDENTS - A STUDY EXPLORING THE RELATIONSHIP WITH CAREER CHOICES.

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ABSTRACT

The aim of this article is to study the psychological capital among students and compare the psychological capital of MBA students with entrepreneurship specialization and other specializations. Psychological Capital or PsyCap refers to individual's positive psychological state of development. The article first elaborates on the evolution of PsyCap, explains its uniqueness, moves onto its dimensions and then empirically analyses the psychological capital among students of two different courses. It has been hypothesized and proven through inferential statistics that the aspiring entrepreneurs are definitely much higher on scores of psycap as a whole and especially with confidence.

Keywords : *psychological capital, entrepreneurs*

1. INTRODUCTION

Positive psychology is concerned with concentrating on people's strengths rather than on their weaknesses (Seligman & Csikszentmihalyi, 2000; Snyder & Lopez, 2002). It evolved due to the deliberate effort of Seligman (1998b) and many other research psychologists who pleaded that research must focus more on positivity. Applying the same logic, Luthans (2002a, 2002b) came up with POB. Positive Organizational Behavior (POB) is 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 in today's workplace" (Luthans, 2002a, p. 59). Positive Organizational Behavior (POB) (Luthans, 2002a,

2002b; Luthans & Youssef, 2004) thus has its roots in positive psychology. It draws from theory and research done in positive psychology and applies it to the workplace. More formally, POB was 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 in today's workplace" (Luthans, 2002a, p. 698). Luthans' criteria for inclusion into POB consisted of the positive variable having strong research, theory, valid measurement, had to be state like or open to development, and can lead to increased performance (Luthans, Youssef, & Avolio, 2007). Luthans has highlighted hope, self-efficacy, resiliency and optimism as positive psychology



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variables that fit the POB criteria. While studying hope, optimism, self-efficacy and resilience within the workplace Luthans found that these four variables interacted to form a higher order construct that increases performance, satisfaction and commitment beyond the summation of these four variables (Luthans, Avolio, Avey, & Norman, 2007; Luthans, Norman, Avolio, & Avey, 2008; Luthans, Youssef, & Avolio, 2007). This higher order construct has been named psychological capital or (PsyCap).

Psychological capital has been formally defined as “an individual’s positive psychological state of development characterized by: (1) having confidence (self-efficacy) to take on and put in the necessary effort to succeed at challenging tasks; (2) making a positive attribution (optimism) about succeeding now and in the future; (3) persevering toward 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 (resilience) to attain success (Luthans, Youssef & Avolio, 2007, p. 3).

Optimism : Optimism is the propensity to look at the bright side of any situation and expect the best possible outcome from any series of events. Optimism is an emotional competence that can help boost productivity, enhance employee morale, overcome conflict and have a positive impact on the bottom line.

Resiliency : Psychological resiliency is the ability of people to return to normal by bouncing back from the ups and downs of life. Luthans (2002b) defines resilience as “the positive psychological capacity to rebound or ‘bounce back’ from adversity, conflict and failure or even positive events, progress and increased responsibility” (p. 702). Resilience is an adaptive

system which enables an individual to rebound or “bounce back” quickly from a setback or failure. According to Masten and Reed (2002), resilience is a positive reaction or adaptation process in situations of adversity.

Hope : Hope is ‘a desire accompanied by expectation of or belief in fulfillment.’ Hope is comprised of three components; goals, agency thinking (will-power) and pathways (way-power). Individuals with higher levels of hope have the capacity to set and pursue goals in such a way that they stay motivated throughout the pursuit process. Pathway thinking allows one to generate multiple pathways (or routes) to a goal and to identify, anticipate and prepare for obstacles using contingency plans through establishing multiple pathways, individuals with higher hope can continuously envision goal attainment and success as they are prepared with alternative routes in the case of an obstacle blocking the current path.

Confidence (self efficacy): It is an individual’s belief concerning their ability to perform specific tasks successfully. It is the self perception of how well a person can cope with situations as they arise. Sources of self efficacy are performance accomplishments, modeled exposure, verbal persuasion, physical status. Self efficacy beliefs impact thoughts, feelings and behavior through cognitive, motivational, affective and selection process.

Importance of the study: This study is one of the few studies on psychological capital in the young aspiring entrepreneurs who are also students of MBA courses. The observation can be useful in order to design effective training programs. The study also highlights some of the characteristics present in students pursuing entrepreneurship.

REVIEW OF LITERATURE:

Psychological Capital and Performance Impact in Educational Organizations
Psychological capital has shown to have performance impact within a variety of business organizations. Scholars have yet to consider fully the impact of psychological capital within educational organizations. Traditionally, educational organizations have been concerned with other forms of capital (i.e., human, social, and financial capital), thus it is proposed that a fourth form of capital needs to be considered. Educational organizations have not considered the development of psychological capital in their teachers and students. This paper proposes a framework for considering psychological capital (PsyCap) in educational organizations for performance impact.

- A grounded investigation of Chinese employees' psychological capital Yong Han. This paper explores the "Western" concept of psychological capital in the People's Republic of China (PRC) and highlights critical areas of divergence and notable dimensions of similarity. This research showed that the concept of psychological capital appears to have a degree of applicability and salience in China. A series of dimensions common in Western organizations were found in our research, including Optimism, Creativity, Resiliency, Self-confidence, Forgiveness and Gratitude, Courage and Ambition (Hope). These were found to be common types of psychological capital both in China and in the West. However, the dimensions of Courtesy and Humility (Qian-gong-you-li in Chinese), Self-possession and Sincerity fell into the "different" category.

A Case Study on Psychological Capital and Teaching Effectiveness in Elementary Schools by

J. H. Wang, Y. T. Chen and M. H. Hsu, this research purpose is to study the current status of the psychological capital of elementary schools' teachers. By analyzing all aspects of situations caused by background variables, this research concludes the relationship from all aspects of factors which could affect the psychological capital and the teaching effectiveness. The survey is done by questionnaire, and sampling from elementary schools' teachers in the Chaiyi County in Taiwan and using stratified sampling from schools with teachers.

Shamas-ur-Rehman Toor, George Ofori, 2010 Positive Psychological Capital as a Source of Sustainable Competitive Advantage for Organizations. The current study reports the results of a questionnaire survey that was conducted in the construction industry of Singapore. The survey explored the correlations of PsyCap with authenticity, leadership, and leadership outcomes. The results show that PsyCap significantly correlates with authenticity and transformational leadership. It was also found that transformational leadership plays a mediating role for PsyCap to predict leadership outcomes (effectiveness, extra effort, and satisfaction). The discussion in the paper also considers the implications of PsyCap for leadership development and effectiveness in general and in the context of the construction industry.

OBJECTIVES OF THE STUDY:

- To assess the level of psychological capital among the students of management course.
- To make a comparison between the psychological capital among the students of management course with different aspirations of being an entrepreneur and being an employee.

RESEARCH METHODOLOGY:

As the study is to find if there are any differences in the Psycap of students opting for entrepreneurship specialisation, the questionnaire was executed on students of entrepreneurship specialisation and also the students of other non entrepreneurial specialisations. The study is done on the understanding that all the students who have opted for entrepreneurship specialisations are the ones who want to start off their own business right after their business administration course. A self rating questionnaire was administered on a total sample of 59 students.

Only 54 responses were complete and returned on time. The respondents therefore comprised of 27 MBA students with entrepreneurship specialization and 27 students who have opted for specialisations other than entrepreneurship like systems, information technology, international business etc. The sample has been very limited as the number of students opting for the entrepreneur specialisations are relatively lesser. The sample collection was on a convenient data collection method. The psychological capital questionnaire (PCQ24 by Luthans) was used in this study to find the levels of various components of psychological capital among the sample.

Psycap dimensions	Con	Opt	Hope	Res	pc
Mean +- S.D	29.89+ ₋	29.56+ ₋	26.63+ ₋	26.85+ ₋	112.93+ ₋
(Entrepreneurs sp)	2.940	3.309	3.607	3.047	9.988
Mean +- S.D	27.21+ ₋	28.13+ ₋	24.13+ ₋	25.67+ ₋	105.96+ ₋
(other sp)	3.945	3.153	3.153	2.010	6.196
T value	2.771;	1.576;	1.676;	1.616;	2.948;
Sig level	p=.008	p=.122	p=.100	p=.112	p=.005

Intercorrelations among COHR in aspiring to be entrepreneurs

	con	opt	Hop	res
Con	1	.461*	.603**	.716**
Sig. (2-tailed)		(.012)	(.001)	(.000)
Opt		1	.320	.385*
Sig. (2-tailed)			(.090)	(.039)
Hop			1	.515**
Sig. (2-tailed)				(.004)
Res				1
Sig. (2-tailed)				

*. Correlation is significant at the 0.05 level (2-tailed). **. Correlation is significant at the 0.01 level (2-tailed).

Inter Correlations among COHR in aspiring to be employees

	con	opt	Hop	res
Con Sig. (2-tailed)	1	.035 (.870)	-.019 (.929)	.259 (.211)
Opt Sig. (2-tailed)		1	.011 (.957)	-.402 (.047)
Hop Sig. (2-tailed)			1	-.269 (.194)
Res Sig. (2-tailed)				1

*. Correlation is significant at the 0.05 level (2-tailed). **. Correlation is significant at the 0.01 level (2-tailed).

Findings : The data obtained from the responses was analyzed using statistical methods like means, standard deviation and correlation. The means and standard deviations were calculated for individual elements of confidence, optimism, hope and resilience and also for the psychological capital as a whole. The means of the four elements of confidence, optimism, hope and resilience are found to be high in students aspiring to be entrepreneurs than the others who is aspiring to be employed. Therefore the overall psycap is also higher in students aspiring to be entrepreneurs than the others who is aspiring to be employed. The psychological capital score was calculated by totaling up the scores from all the four elements of confidence, optimism, hope and resilience. The psychological capital questionnaire makes use of a likert scale of 1-6, 1 being strongly disagree and 6 being strongly agree. The score for each subscale were calculated separately and average was determined.

The data was subjected to 2 sample t test for checking the significance of means in the subscales scores of COHR and also the overall psycap score. As observed in the table the students with entrepreneurship specialization are more confident, optimistic, hopeful and resilient in

comparison to the others. There is a significant difference between levels of confidence at p value (0.008) between the two different groups of students. There is a significant difference between the overall psycap of students aspiring to be entrepreneurs than the others who is aspiring to be employed. It is also observed in the study that there is a significant relationship between age and psychological capital. However though with a lower level of significance it is to be noted that the aspiring entrepreneurs are scoring high on all the COHR. It is found that the age and optimism is correlated .284(.037). As the sample size is relatively small more elaborate research is needed to substantiate the findings completely. Also as the demographic details reflect most of the aspiring to be entrepreneurs students are from families already into business and that boosts up the hope and optimism level in them.

CONCLUSION:

Most of the researches done on psychological capital is from western countries. By the literature review it was found that the number of researches done on Psycap in India is very less and also the few researches done are mostly based on sample surveys and therefore more concretization of the results can be done by studies with a larger sample

size. As the PCQ 24 is a tool designed to cater to the western work scenario, studies can be done to empirically understand the constructs in Indian culture. A more elaborate tool can also be studied into for a more deeper evaluation of the construct of psychological capital. On the basis of the findings, students can be advised to take cognizance of their personality since it can go a long way to determine their success or failure in their chosen area.

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