

# Study on Psychological Capital and Organizational Identity

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**Abstract:** The research conceptualization and hypotheses are proposed firstly in the paper, then the author sets the Chinese workers as the research object, using questionnaire survey and statistic analysis, verifies the follow relations: the psychological capital of staffs is obviously positively related with organization identity, the hope of staffs is positively related with organization identity, the optimism is negatively related with organization identity, and the resiliency is positively related with organization identity.

**Key words:** Psychological capital; Organizational identity; Hope; Resiliency

## 1 Introduction

The concept of “Psychological capital” first appeared in documents involved economics, investment and sociology. Economists like Goldsmith, Darity and Veum (1997,1998) think that “Psychological capital” refers to individual productivity which can affect some of the personality features. These features reflect one's self viewpoint or self-esteem, dominating a person's motives and general attitude towards work<sup>[1]</sup>. In 2004, Luthans and some other economists first arose the concept of “Positive Psychological Capital” centering on Positive Psychology after analyzing and comparing economic capital, human capital and social capital based on Positive Psychology and Positive Organizational Behavior. From now on, the public interest in “Psychological capital” had been raised<sup>[2]</sup>. After the perfection in 2005, Luthans and the fellows defined “Psychological capital” as “The core mental element of individuals which is beyond the human capital and social capital to arise general enthusiasm, shown in details like mental statements in accordance with the standard of the optimistic behavior. One can obtain advantages through this by targeted investment and development.”<sup>[3]</sup> Besides, Luthans believed that Psychological capital majorly consisted of hope, optimism and resiliency. Hope is referred to as a state of motivation which is based on the interaction of goal, path and determination. It is not only referred to as the determination of achieving individual goals but also including the way of achieving the goal and the belief in achieving it. Resiliency is referred to as having an ability of recovering from the adversity, indeterminacy and failure. Optimism is referred to as a kind of future causality or as an expect.

The domestic research into Psychological capital has just been raised, but the positive influence can not be neglected. The author believes that there are inner connections between Psychological capital and organizational identity based on the existing research results. Therefore, the author brings out the thesis's research conceptualization and hypotheses, uses the concept of the psychological capital and the questionnaire designed by Luthans and his fellows, tries to analyze the connections between hope, optimism, resiliency, psychological capital and organizational identity.

## 2 Research Hypotheses

According to research the author raise the following hypotheses:

**Hypothesis 1: Employees' psychological capital is observably positively correlated with organizational identity;**

**Hypothesis 2: Employees' hope level is observably positively correlated with their organizational identity;**

**Hypothesis 3: Employees' optimistic level is observably positively correlated with their organizational identity;**

**Hypothesis 4: Employees' resiliency is observably positively correlated with their organizational identity.**

## 3 Questionnaire Design and Survey

The Psychological capital questionnaire adapts the scale from the psychological capital questionnaire by Fred Luthans (2005) in the research of Chinese staffs<sup>[4]</sup>. The hope part consists of 6

questions which are developed by Snyder, Sympson, Ybasco, Babyak, Higgins etc. The optimism part consists of 10 questions which are from Life Orientation Test (LOT). The Resiliency part consists of 14 questions which are referred to Blcok, Kremen (1996) and the research of Klonhlen. Given to the needs of statistics analysis, the standard-scored sum of the 3 variables including hope, optimism and the resiliency is supposed to be the measured value of psychological capital. The questionnaire is evaluated by Likert5<sup>[5]</sup>. These scales have been so widely used that we believed in the validity of this questionnaire. We test the reliability of the questionnaire by using the Cronbach internal consistency and Reliability coefficient and split-half reliability. Generally speaking, a reliability coefficient above 0.90 is very good and above 0.80 to be good while the reliability coefficient is mostly above 0.70. It has been tested that the split-half reliability and the coefficient of Cronbach's  $\alpha$  of these three questionnaire are both above 0.7. It is obvious that the reliability has been controlled in the acceptable range and the consistency has been good.

**Table 1 The Reliability of The Psychological Capital Questionnaire**

	split-half reliability	the coefficient of Cronbach's $\alpha$
hope	0.787	0.787
optimism	0.763	0.763
resilience	0.705	0.705

The Organizational Identification Questionnaire is based on the organizational identification scale established by Milleretal (2000), and had 8 questions in total. The questionnaires were evaluated by Likert5. To analyze the exploratory elements, the KMO sample measure and the Bartlett's sphere inspection square is mainly used. The test results showed that the KMO of The Organizational Identification Questionnaire is 0.787 while the significance of the Bartlett's is 0.0000, which is in accord with the standard of performing the elements analysis perfectly.

To make sure of the convenience of collecting the questionnaire and the accuracy of the results, the author adopted a different approach to accomplish this process. The author took advantage of the internet and distributed the questionnaires via email. In total, 110 questionnaires were distributed, among which 108 were returned and 102 were valid.

## 4 Analyses of Relationships Between Hope, Optimism, Resiliency, Psychological Capital and Organizational Identity

### 4.1 The general condition of employees ' psychological capital and organizational identity

According to the faction by measuring the sampling questionnaire, we compare the median in each questionnaire with the average of the faction of hope, optimism, resiliency, psychological capital and organization identity of all the testees, in order to test the average amount of these variables. And the test results are shown in the chart below:

**Table 2 The Test Results of All the Testees**

	number	average	standard deviation	t	Sig.
hope	6	20.2255	2.99474	68.209	0.000
optimism	10	32.2745	3.43008	95.029	0.000
resiliency	14	51.0490	6.27801	82.123	0.000
psychological capital		103.6275	8.98505	116.481	0.000
organizational identity	8	27.6667	4.64872	60.107	0.000

We can learn from the chart above that:

(1) The average on the hope is 22.255; with standard deviation to be 2.99474 and single sample t equals to 68.209,  $p < 0.05$ , which means the testees' average is obvious differ from the samples and the testees score higher.

(2) The average on the optimism is 32.2745, with standard deviation to be 3.43008 and single sample t shows a much more differences between the testees and the sample ( $t = 95.029$ ,  $p < 0.05$ ), which means the testees and tend to be more optimistic.

(3) The average on the resiliency is 51.0490, with standard deviation to be 8.98505 and the results in single sample t shows obvious difference with the sample result which is 52 ( $t = 82.123$ ,

p<0.05) ,which means the level in the resiliency is slightly below the sample results.

(4) The average on the psychological capital is 103.6275, with standard deviation to be 8.98505 shows obvious difference with the sample result which is 100 (t=116.481, p<0.05) ,which means the testees score higher.

(5) The average on the organizational identity is 27.6667, with standard deviation to be 4.64872, and single sample t shows a obvious difference between the sample result which is 24 (t=60.107, p<0.05) ,which means the identity of the testees is much above the average level.

**4.2 The correlation analysis between hope, optimism, resiliency, psychological capital and organizational identity**

The organizational identity essentially implies the opinions of very each staff in a whole, and these opinions are influenced by the staffs’ states of mind. Now we are trying to analyze the connections between hope, optimism, resiliency, psychological capital and organizational identity. The SPSS13.0 has been used and the correlation matrix of each variable is shown below:

**Table 3 The Correlation Matrix of Each Variable**

	hope	optimism	resiliency	psychological capital	organizational identity
hope		0.07	0.259(*)	0.544(**)	0.461(**)
optimism	0.07		0.032	0.449(**)	-0.018
resiliency	0.259(**)	0.032		0.812(**)	0.275(**)
psychological capital	0.544(**)	0.449(**)	0.812(**)		0.379(**)
organizational identity	0.461(**)	-0.018	0.275(**)	0.379(**)	

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

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

We can learn from the chart above that:

(1) The hope of staffs is positively related with organization identity, and the Correlation coefficient is 0.461, hypothesis 1 has been proved.

(2) The optimism is negatively related with organization identity, and the correlation coefficient is -0.018 but there is not so much relevance in both.

(3) The resiliency is positively related with organization identity, and the correlation coefficient is 0.275, hypothesis 4 has been proved.

(4) The psychological capital is obviously positively related to organization identity, and the correlation coefficient is 0.379, hypothesis 1 has been proved.

**4.3 The regression analysis between hope, optimism, resiliency, psychological capital and organizational identity**

And now we continue to certify the connections between hope, optimism, resiliency and the combination of those three. We are still doing analysis of regression with those four variables. The analysis of regression is divided into two parts: first, the three variables which are all integrated of order one will be put into one model; next, the hope, optimism and resiliency will be replaced by psychological capital in the model. We wish to find out whether the hypothesis 1 is true. And the analysis results are shown in the chart below:

**Table 4 The Regression Analysis Results of Organizational Identity**

model	variables	unstandardized regression coefficient	standardized regression coefficient	t	Sig.	R	R <sup>2</sup>	F	Sig.
		B	Beta						
1	constant	10.416		1.960	0.053	0.492	0.242	10.411	0.000
	hope	0.654	0.422	4.619	0.000				
	optimism	-0.072	-0.053	-0.604	0.547				
	resiliency	0.124	0.168	1.843	0.000				
2	constant	7.366		1.479	0.142	0.379	0.143	16.736	0.000
	psychological capital	0.196	0.379	4.091	0.000				

In the first model from the chart above we are trying to put the three variables into one regression equation, after that we will notice the model works well with the coefficient of determination  $R^2$  to be 0.242,  $F$  to be 10.411 and significance level to be  $0.000 < (0.05)$ , then the regression model is consequently statistical significance. The standardized coefficient of the three variables is 0.422, 0.0053 and 0.163 respectively while the Pearson coefficient are 0.461, -0.018 and 0.275 respectively and accordance with the related analysis matrix could be found. After we test the variable  $t$  we found that the optimism is not so obvious while hope and resiliency is quite obvious which is in accordance with the results from above the correlation analysis.

In the second model hope, optimism and resiliency had been replaced by psychological capital and we may find out the coefficient of determination  $R^2$  in the model is 0.143, figure  $F$  of statistical test is 16.736 and significance level is  $0.000 < (0.05)$  which is statistical significance. Meanwhile, the standardized coefficient of psychological capital is 0.379, the significance level of  $t$  is  $0.000 < (0.05)$  which means that psychological capital is positively related to organizational identity--- hypothesis 1 has been proved and psychological capital could be a explanatory variable to staffs' organizational identity as a macro-variable.

## 5 Conclusion

Psychological capital have an obvious effect on the domestic employees 'work performance, work satisfaction and organizational commitment. The employees who have achieved higher level of psychological capital will have better work performance with higher job satisfaction; meanwhile, it more easily helps build organizational identity. By the statistical analysis, the research shows that the overall level of employees' psychological capital and organizational identity is higher than average level; this could be possibly connected with the factors include current macroeconomic conditions, Labor market conditions, recruitment system and so on..Meanwhile, Employees' psychological capital and its structural elements are observably positively correlated with organizational identity. Therefore, while enterprise strengthens the competencies such as working skills, should also attach importance to employee's psychological construction and psychological capital development. Enterprise should strengthen the employees of positive psychology by individual care, pledge to keep employee's performance at a high level internally and lay a solid foundation for improving employee's performance and organizational identity.

The specimen which distributed in different industries and enterprises in the research all are collected randomly, so the conclusion is of universality only in this study; If we want to know whether the conclusion is effective in other certain specific industry, such as the nurse studied by Luthans, it still needs further study to investigate the relationship between organizational identity and psychological capital.

## References

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