



# Umbrella Summary

## Psychological Capital

A Summary of Workforce Research Evidence Relevant to the Child Welfare Field

### What is psychological capital?

Psychological capital (PsyCap) is a composite of four positive psychological resources—efficacy, optimism, hope, and resilience. More specifically, PsyCap is

an individual's positive psychological state of development characterized by: (1) having confidence (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).

PsyCap was developed as part of the birth of positive organizational behavior (Luthans, 2002), which stemmed from the growth of positive psychology (e.g., Seligman & Csikszentmihalyi, 2000). Both fields are characterized by a focus on positive human characteristics and behavior, rather than on dysfunction and deficiency. Their goals are to understand and promote factors that allow people to flourish and thrive. More specifically, the field of positive organizational behavior seeks to improve employee and organizational effectiveness. In line with this goal, PsyCap is focused on the work domain, though it is not evident from the definition. As a constellation of psychological resources, PsyCap is regarded as another form of capital for organizations to leverage for success (Luthans, Luthans, & Luthans, 2004). In human services, human capital (i.e., employees' knowledge, skills, experience, etc.) is a critical ingredient for effectiveness. As an extension of human capital (which can be labeled as "what you know"), PsyCap is another critical resource (which can be described as "who you are") that is also important for motivation and therefore effectiveness (Luthans, Avolio, Avey, & Norman, 2007; Luthans et al., 2004).

The primary measure of PsyCap is the 24-item Psychological Capital Questionnaire, which asks respondents to describe how they feel about themselves right now (Luthans, Avolio, et al., 2007; Luthans, Youssef, et al., 2007). Example items from each factor include, "I feel confident helping to set targets/goals in my work area" (efficacy); "If I should find myself in a jam at work, I could think of many ways to get out of it" (hope); "I always look on the bright side of things regarding my job" (optimism); and "I usually take stressful things at work in stride" (resilience; Luthans, Youssef, et al., 2007). For readers who are not familiar with the four factors that comprise PsyCap, it should be noted that these factors pre-date the development of PsyCap and had already been extensively studied. In developing PsyCap, the researchers drew on all the previous research on these factors to inform the theory, measurement, and management of PsyCap (e.g., Luthans, Avolio, et al., 2007; Luthans & Youssef, 2004). Thus, though it is a more recent development, it is built on a strong foundation.

## Why is PsyCap important?

PsyCap is important because it is associated with several job attitudes, stress indicators, and behaviors. Specifically, PsyCap is strongly related to job satisfaction, organizational commitment, psychological well-being, and organizational citizenship behaviors, which are discretionary extra-role behaviors, such as volunteering and helping others, that benefit the group and organization (Avey, Reichard, Luthans, & Mhatre, 2011). It is moderately and negatively related to stress and turnover intentions, such that people who are higher in PsyCap are likely to report lower stress and lower intentions to leave the organization (Avey et al., 2011). Finally, PsyCap is moderately related to job performance (Avey et al., 2011). Looking across many types of jobs, it has been established that the relationship between PsyCap and positive work outcomes is stronger for service-related jobs than non-service-related jobs (Avey et al., 2011).

## How can PsyCap be increased?

A central principle of PsyCap is that it is more like a state than a fixed trait or personality, in that it can be developed and improved (Luthans et al., 2004). Though there is insufficient research to conduct a meta-analysis, there are brief workplace interventions being tested for their ability to improve PsyCap through training and coaching. Based on the foundational research on the four components of PsyCap, the Psychological Capital Intervention focuses on the following kinds of strategies: hope—identifying goals, developing pathways to goals, and anticipating and planning for obstacles; optimism and efficacy—facilitator modeling, vicarious learning, social persuasion, and positive feedback; and resiliency—changing perceptions of influence over setbacks (Luthans, Avey, Avolio, Norman, & Combs, 2006; Luthans, Youssef, et al., 2007).

## QIC-WD Takeaways

- ▶ PsyCap is a composite of four positive psychological resources—efficacy, optimism, hope, and resilience.
- ▶ PsyCap is a) strongly related to job satisfaction, organizational commitment, psychological well-being, and organizational citizenship behaviors and b) moderately related to job performance.
- ▶ PsyCap is moderately and negatively related to stress and turnover intentions, such that people who are higher in PsyCap are likely to report lower stress and lower intentions to leave the organization.
- ▶ The relationship between PsyCap and positive work outcomes is stronger for service-related jobs than non-service-related jobs.
- ▶ There are no meta-analyses assessing the relationship between PsyCap and turnover. Because PsyCap is predictive of performance, it is possible that it may be associated with lower involuntary turnover caused by poor performance, but research is needed to test that question.

- ▶ The Psychological Capital Intervention is a training to improve PsyCap. More research is needed to test it and other strategies to improve PsyCap and to test whether improving PsyCap improves work outcomes.
- ▶ Practitioners or researchers who would like to assess PsyCap should consider the 24-item *Psychological Capital Questionnaire*.

## References

- Avey, J. B., Reichard, R. J., Luthans, F., & Mhatre, K. H. (2011). Meta-analysis of the impact of positive psychological capital on employee attitudes, behaviors, and performance. *Human Resource Development Quarterly*, 22, 127–152.
- Luthans, F. (2002). Positive organizational behavior: Developing and managing psychological strengths. *Academy of Management Executive*, 16, 57–72
- Luthans, F., Avey, J. B., Avolio, B. J., Norman, S. M., & Combs, G. M. (2006). Psychological capital development: Toward a micro-intervention. *Journal of Organizational Behavior*, 27, 387–393.
- Luthans, F., Avolio, B. J., Avey, J. B., & Norman, S. M. (2007). Positive psychological capital: Measurement and relationship with performance and satisfaction. *Personnel Psychology*, 60, 541–572.
- Luthans, F., Luthans, K. W., & Luthans, B. C. (2004). Positive psychological capital: Beyond human and social capital. *Business Horizons*, 1, 45–50.
- Luthans, F., & Youssef, C. M. (2004). Human, social, and now positive psychological capital management: Investing in people for competitive advantage. *Organizational Dynamics*, 33, 143–160.
- Luthans, F., Youssef C. M., & Avolio B. J. (2007). *Psychological capital*. New York: Oxford University Press.
- Seligman, M. E. P., & Csikszentmihalyi, M. (2000). Positive psychology: An introduction. *American Psychologist*, 55, 5–14.
- Edmondson, A. (1999). Psychological safety and learning behavior in work teams. *Administrative Science Quarterly*, 44, 350–383.

## Author(s)

Megan Paul, PhD, University of Nebraska-Lincoln

## Suggested Citation

Paul, M. (2020, June 3). *Umbrella summary: Psychological capital*. Quality Improvement Center for Workforce Development. <https://www.qic-wd.org/umbrella/psychological-capital>

For general information about Umbrella Summaries, visit <https://www.qic-wd.org/umbrella-summaries-faq>

For more information about the QIC-WD, visit [qic-wd.org](http://qic-wd.org) or contact: Michelle Graef, Project Director, at [mgraef1@unl.edu](mailto:mgraef1@unl.edu).

This Summary was developed with funding from the Department of Health and Human Services, Administration for Children and Families, Children’s Bureau, Grant #HHS-2016- ACF-ACYF-CT-1178. The content of this publication does not necessarily reflect the view or policies of the funder, nor does mention of trade names, commercial products or organizations imply endorsement by the US Department of Health and Human Services.