

Research on Psychological Capital Intervention Strategy of Enterprise Employees

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Abstract

As the fourth largest capital beyond material, human and social capital, psychological capital has received extensive attention of scholars and entrepreneurs since proposed. Psychological capital can be intervened and developed, and it has significant influence on employee's performance according to a number of domestic and overseas empirical studies. Therefore, the intervention on psychological capital has both potential and practical significance. After the introduction of connotation of psychological capital, this article will refer to the intervention strategies from the perspective of employee and organization according to the concept and characteristics of its four factors of psychological capital, and the intervention strategies include not only the development strategies put forward by Luthans but also the "suppress" strategies, aiming to provide advice and reference for the enterprise employees' psychological capital intervention.

Key words: Psychological capital; Psychological capital intervention; Performance

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INTRODUCTION

In the hypercompetitive knowledge-based economy era, employees are the key resources of an enterprise. The

three most important capitals that employees have, which means the human capital including intelligence, education, skills, experience, body health, insight and creativity, the social capital including harmonious interpersonal relationship, supportive social network and so on as well as the psychological capital, is the powerhouse of employees to create performances. Psychological capital is the key psychical element which is beyond human capital and social capital, and its "transcendence" is embodied in that psychological capital can largely determine the utility of the human capital and social capital. The relationship of these three kinds of capitals can be understood like this: human capital is the well water, social capital is the well, and psychological capital is the well pump. Therefore, how to exert the effectiveness of employee's psychological capital is very important.

Psychological capital is unique, positive, state, developable and effective (Li, 2014, pp.38-39), which means that psychological capital can be intervened and used. Meanwhile, psychological capital is cognitive according to the scientific researches from the perspective of mental and physical point of view (Li, 2014, p.27).

According to a series of comprehensive statistical analysis of the intervention and application of psychological capital, Professor Luthans has draw two conclusions (Ibid., p30). Firstly, the positive relationship between psychological capital and individual performance is 0.45, namely in all the factors which have promoted effect on individual performance, psychological capital can explain 45% of the individual performance. Secondly, psychological capital miniature intervention can make individual psychological capital increase at least by 2%.

Therefore, psychological capital intervention both has potential and practical significance.

1. THE CONNOTATION OF PSYCHOLOGICAL CAPITAL

Psychological capital, a new concept after the material capital, human capital and social capital, were originated from the “positive psychology movement” at the end of 20th century and firstly appeared in Goldsmith’s economics papers in 1997. In 2002, the existence problem of psychological capital was firstly discussed, and then Professor Luthans, Avolio and Cole did systematic researches about it. In 2007, Luthans, Youssef and Avolio further revised the connotation of psychological capital and put forward its nature (Luthans, 2008, p.1) that the academic circle commonly agreed with at that time—psychological capital is a kind of positive psychology presented in the process of the individual’s growth and development, including self-efficacy, optimism, hope and resilience.

1.1 Self-Efficacy

Based on Bandura’s abundant researches on self-efficacy, Luthans considers self-efficacy as the belief or confidence that individuals can stimulate the motivation, mobilize cognitive resources and take the necessary actions to successfully complete a particular work in specific situations. Self-efficacy has five characteristics. First, self-efficacy is associated with a specific area. Second, self-efficacy always has room for improvement. Third, self-efficacy is based on practice or master. Fourth, self-efficacy can be influenced by others, based on the Pygmalion Effect. Fifth, self-efficacy is changing (Ibid., pp.32-34).

The meta-analysis of 114 studies conducted by Luthans shows that the positive relationship between self-efficacy and performance is 0.38, which means that self-efficacy can explain 38% of performance in the four key elements of psychological capital (Li, 2014, p.63).

1.2 Optimism

Sligman believes that optimism is a kind of explanation and attribution style. The optimistic explanation and attribution style will attribute positive events to their own, persistent and universal reasons while attributing negative events to external, temporary and contextual causes. By contrast, the negative interpretation and attribution style will attribute the positive events to external, temporary and contextual causes while attributing the negative events to its own, persistent, and universal reasons (Luthans, 2008, p.82).

Studies conducted by Luthans show that the positive relationship between optimism and performance is 0.16, namely optimism can explain 16% of performance in four key elements of psychological capital (Li, 2014, p.111).

1.3 Hope

Professor Rick Snyder, recognized creator and researcher in the field of Hope, pointed out that hope is a kind of

positive state based on the mutual interactions between successful agent (pointing to the target of energy level) and the path planning (goals). It can be said that the hope of psychological capital contains goal, motivation and way (Luthans, 2008, p.60).

Studies conducted by Luthans show that the positive relationship between hope and performance is 0.22, namely hope can explain 22% of performance in four key elements of psychological capital (Li, 2014, p.87).

1.4 Resilience

From the perspective of clinical medicine, Masten and Reed defined resilience as a kind of phenomenon which has the characteristics that actively adapt to the big trouble or dangerous situation. Luthans thought the resilience of psychological capital contains not only the ability to recover from the very active and challenging things but also the willpower beyond the ordinary (Luthans, 2008, p.106).

Studies conducted by Luthans show that the positive relationship between resilience and performance is 0.24, namely resilience can explain 24% of performance in the four key elements of psychological capital (Li, 2014, p.136).

2. GENERAL STRATEGIES ANALYSIS ON PSYCHOLOGICAL CAPITAL INTERVENTION OF ENTERPRISE EMPLOYEE

From the perspective of economics, only in certain “threshold” level, the psychological capital and its four elements can affect performance. Otherwise, too high or too low will be counterproductive. The level of the four elements of enterprise employees’ psychological capital could be high or low. Therefore, the general strategies analysis on psychological capital intervention of enterprise employee should include “development” and “suppression”.

The followings are the analysis of intervention strategy from the perspective of employee and organization according to the concept and characteristics of the four elements of psychological capital.

2.1 The General Intervention Strategy Analysis of Self-Efficacy

The concept and characteristics of self-efficacy implies that self-efficacy directly comes from the inspiration of “individual achievement through effort” and “other people’s praise” while indirectly comes from the one of “achievements gained by people who is similar to one’s capacity or from the most similar workplace”. Additionally, self-efficacy is affected by organizational resource, organization atmosphere and other organizational factors. Considering the origins and influence factors of self-efficacy, the general strategies of developing employee self-efficacy are shown in Table 1 below.

Table 1
The General Strategies Summary Table of Developing Employee’s Self-Efficacy

Perspective	The general strategies of developing employee’s self-efficacy
Employee	By participating in professional training, asking others and studying hard to improve professional quality and skills, employee can obtain professional achievements and then increase self-efficacy, especially in the particular field he is good at. Example motivation (Luthans, 2008, pp.40-41): After the factor analysis of the success one gained from similar levels of oneself or high similarity of the job scene, employee can increase self-efficacy through enhancing the factors which are beneficial to success and reducing the harmful ones.
Organization.	Organization should give employee positive reinforces, such as attention, recognition and positive feedback, to take advantage of the positive effect of the Pygmalion Effect. Organization should provide employee with rich professional trainings and other employee assistance programs to improve their abilities. Organization should establish open and equal enterprise culture, provide health and fitness programs, informal social activities and parties to fire up employee psychologically and physiologically and then enhance their health level.

According to the concept of self-efficacy, the self-efficacy of psychological capital not only refers to the general sense of “confidence” but also puts more emphasis on “work hard”, which means that people with modest self-efficacy think: I have confidence in the completing a specific work and this confidence comes from the master of the resources (the resources may need to obtain from others) needed to complete the work and the required voluntary pay (the pay is likely to cooperate with others). It is different form excessive self-efficacy. In practice, there are two kinds of excessive self-efficacy employee. Firstly, someone has confidence but is lack of down-to-earth efforts; secondly, someone who relies on their own old qualifications, expertise and once successful thinks that they can effectively complete work without others’ help and cooperation. As for the excessive self-efficacy employees, organization must take appropriate measures to suppress them. For example, organization must punish

the first-kind employee mentioned above when they make mistakes because of the lack of the necessary efforts, and pay more attention to review their work process. For the second-kind employees, organization should award their contributions with clear reward reason. In addition, organization should get them more involved in teamwork to cultivate their team spirit.

2.2 The general Intervention Strategy Analysis of Optimism

The application of optimism in the workplace has three kinds of mechanism—cognitive, social and behavioral (Luthans, 2008, p.95). Cognitive mechanism is for employee’s cognitive concepts; social mechanism is about employee’s social relations; behavioral mechanism is of the organization management. Considering the related factors, the general strategies of developing employee optimism are shown in Table 2 below.

Table 2
The General Strategies Summary Table of Developing Employee’s Optimism

Perspective	The general strategies of developing employee’s optimism
Employee Cognitive Perspective	Tolerance past (Luthans, 2008, p92): employee should objectively face his or Others’ setbacks, treat controllable factors oriented with problems, do one’s proper Judgment and analyze uncontrollable factors from the angle of the best possible. Cherish now: Employee should carry on the visualization of active meditation to arouse the power of the subconscious mind. No matter how bad the situation is, employee should see and enjoy the positive side (Cao, 2012, p.135). Think about the future: employee should rationally attribute the positive aspects to own, persistent and universal reasons. When positive turned into his subconscious, employee can always find opportunities in the future.
Social perspective	Beneficial social capital such as harmonious interpersonal relationship, supportive social networks and so on can enhance the level of employee’s optimism. By associating with positive people, taking part in positive social activities and others, employee can shape and improve their ability of optimism.
Organization behavior perspective	Organizations should create a positive and relaxing organization atmosphere, and conduct more informal activities. Managers should be optimistic. Optimistic managers, concerning about the development of the subordinates, help employees make progress and success through authorization and imparting knowledge, skill and ability. They also guide employee to attribute success to own, persistent and universal causes. Managers should give employees more rewards, especially positive, constructive feedback and social recognition and attention.

The optimism of psychological capital is characterized practical and flexible. Peterson, presenter of this concept, points out (Luthans, 2008, pp.86-87) that individual should objectively evaluate reality, and then select

optimistic kind of explanation, attribution style or negative kind of explanation, attribution style, neither will success is attributed to its own reasons, try to control all aspects of life, nor will all failed due to external causes,

and to evade responsibility. We need to clearly distinguish between own, persistent, universal reasons and external, temporary, contextual causes. After understanding this, we have the direction to make efforts and breakthroughs. A general sense of optimism is a personal point of view with subjective capriciousness, which can be easily formed a kind of “blind optimism”. Peterson found that such blind optimism will intensify the negative impact of negative events on physical health and mental health. As for blind optimism, the organization must give employees proper warning and inhibition. For example, if employees

attribute the reason to objective conditions instead of reflecting their dereliction of duty when analyzing his work mistakes, the organization must find out the truth and give appropriate punishment if it is fault of employees’.

2.3 The General Intervention Strategy Analysis of Hope

Based on the target, motivation and way of hope connotation, the general strategies of developing employee hope are shown in Table 3 below.

Table 3
The General Strategies Summary Table of Developing Employee’s Hope

Perspective	The general strategies of developing employee’s hope
Employee	Employee should set clear, practical and challenging target, which can be decomposed step by step. As a result, victories of small targets can increase the hope of achieving ultimate goal.
	Employee should have a clear cognition of strong motivation to achieve goal, which can reduce the risk of giving up goals when getting in troubles.
	Employee should make more plans for target to increase the possibility of success.
Organization	Managers should be hopeful. Hopeful managers can guide employees to set elastic targets through authorization, bottom-up decision-making and communication.
	Organizations should provide employees with supportive resources, such as fund, interaction and sharing training to help them overcome impediments and ultimately achieve goals. Organizations can make each member draw up a plan through team cooperative system, and let them constantly adjust the plan in line with actual development until the achievement of goals, which can enhance their ability to make, manage plans and the ability to deal with emergencies.

The hope of psychological capital refers to not only the “target” but also the “motivation” and “way”. Way means that the hope is realistic instead of unrealistic fantasy. Organization must pay more attention to the harm of unrealistic hope. There are two kinds of hazards in common. Firstly, false hope results in a decline in performance. Hope and success probably are an inverted U relationship. When hope becomes impractical, performance might sharply drop (Luthans, 2008, p.72). Secondly, excessive hopeful people have a sense of urgency to achieve the target, so it is likely that they achieve the goal by hook or by crook. As for this, organization can separate power, reduce supportive resources and provide appropriate counseling to restrain employee’s unrealistic hope.

2.4 The General Intervention Strategy Analysis of Resilience

Positive psychology has found and proved that three factors could promote or hinder the development of resilience, including resilience assets, risk factors and values. Resilience assets include human capital, social capital and other positive mental ability. Risk factors refer to these factors which may improve the possibility of negative consequences, such as bad living habits and poor health resulted from it, stress and burnout, low education level and unemployment. Values can guide and shape employee’s cognition, emotion and action, and also give them consistency and meaning (Luthans, 2008, pp.106-107). Considering the role of three kind of elements , the general strategies of developing employee hope are shown in Table 4 below.

Table 4
The General Strategies Summary Table of Developing Employee’s Resilience

Perspective	The general strategies of developing employee’s resilience
Employee	Improve resilience assets: Employee should improve his education, knowledge and skills (human capital) through learning; build supportive social networks (social capital) through participation of social activities as well as do more exercise and maintain good habits to ensure a healthy body and abundant energy (positive psychology).
Organization	Organization should guide employees to establish values, such as keeping balance between work and daily life and keeping good living habits, to be beneficial to the organization’s performance and the development of employee.
	By building team’s social relationship, organizing team discuss, establishing social trust and finishing the work through cooperation, organization can develop employee’s social capital. Organization should pay close attention to employee’s thoughts and feelings in the face of adversity, and take effective coping mechanisms to help them overcome adversity to achieve growth.

It depends on actual situations whether resilience assets, risk factors and values will promote or hinder resilience. For example, in terms of resilience assets, high education level and high capacity are resilience assets, which will also be harmful factor once exaggerated too much. Concerning the negative effects of poor interpersonal relationship resulted from pride, organization can make them understand the meaning of the team through organizing team activities.

CONCLUSION

Li (2014) thinks that three breakthroughs have been made in the intervention of psychological capital. First, research emphasis of psychology has been transferred from solving problems to make employee more successful and happy through exploiting potentialities. This research key point caters to not only the needs of enterprise to develop employees' potential to the maximum limit but also the needs of employee's growth and mental well-being. It is consistent with the "people-oriented" concept

of the society. Second, self-help guide way has been transferred from theoretical sermon to scientific operation. Psychological capital and its factors can be measured and analyzed through questionnaires while corresponding intervention measures can be made according to measure results. Intervention results can be quantified evaluated. Third, organizational behavior research content has transferred from organizational behavior rules to further intervention management. Psychological capital not only points out the employee's behavior, but also can be intervened and used, which is helpful to improve the employee management scientifically and effectively.

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