



**INFLUENCE OF PSYCHOLOGICAL CAPITAL ON  
WORK PERFORMANCE: A STUDY WITH SPECIFIC  
REFERENCE TO THE BANK EMPLOYEES IN  
COIMBATORE CITY**

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**ABSTRACT**

*Banking sector is one of the important service sector of the country because development of any country depends upon the banking system. The essence of any service organization is its employees since it highly depends on the employees' service quality. In banking sector, employees' psychological characteristics and psychological strength is vital, because banks are subject to tremendous pressure to perform better and to cope up with competitive forces. The present study aims to investigate the impact of Psychological Capital on Work Performance among the bank employees. Data was collected using standard questionnaire from the public and private sector bank employees in Coimbatore city. The collected data was analyzed using correlation and regression analysis*



## **INTRODUCTION**

In recent years, the banking industry is experiencing a quick transformation all over the world. Information technology has facilitated better tracking and multiple delivery channels to make their customer's banking experience more effective, efficient and convenient. The survival of banks depends on customer service. Banks need to innovate and update to retain their customers and to provide convenient, reliable and useful services. Employees are compelled to work innovatively and required to update themselves technically, since their performance has the direct implication on overall performance of the bank and in turn gain customer satisfaction. Employees Psychological Capital plays essential role in enhancing their work performance.

Work performance is a crucial factor in improving the service quality, customer satisfaction and ultimately, organizational performance. Thus, in the banking sector it is important to find new ways to improve the performance of their employees.

Campbell (1990), describes work performance as an individual level variable, or something a single person does. He claimed that the construct of work performance has not yet been thoroughly mapped. According to Austin et al. (1991) work performance is a key construct in human resource management, because criteria for promotion, as well as for selection validation purposes, are frequently drawn for the job performance domain (The Blackwell Encyclopedic Dictionary of Human Resource Management, 1998, p. 188). Several social psychologists (e.g. Vroom, 1964; Maier, 1955) have emphasized the motivational and behavioral aspects of performance. Similarly, Campbell, McHenry, & Wise (1990) defined the performance as observable behaviors that a person engaged in their duties that are associated with corporate goals. According to Mangkunagara (2001), performance can be defined as a qualitative and quantitative result of work that can be achieved by employees in carrying out their duties in accordance to the responsibilities given to him. Based on previous studies it could be inferred that there are many variables, which influence Work Performance of employees including Job Satisfaction, Performance Appraisal, Motivation, Incentives, Work Passion, Organizational Justice, Psychological Capital etc. Several studies in management have shown that psychological



capital and its various dimensions can have positive effects on performance and attitudes of both managers and employees. Hence this study focuses on investigating the influence of Psychological Capital on Work Performance among bank employees.

Psychological capital (PsyCap) is a relatively emerging personality construct in positive organizational behavior, which 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, 2002, p. 59). Avolio and Luthans (2006) viewed Psychological Capital as “what you can become in terms of positive development” than other forms of capital investments that is human capital “what you know,” social capital “who you know” and financial capital “what you have.” Developed and well-managed, PsyCap can provide enormous potential benefits for organizations and help enterprises to develop a strong workforce. Hence the study choose to examine the influence of Psychological Capital on Work Performance.

The study choose banking industry, since the Indian banking sector is faced with multiple challenges such as increased competition, rising customer expectations, and lessening customer loyalty. The banking industry is also changing at a remarkable speed and Indian consumers demand for competitive, sophisticated retail banking services. The application of IT and e-banking are mandatory for banks to gain competitive advantage. Employees in banking industry need to be innovative, flexible and responsive to change. Their performance can ensure the success of the bank by delivering higher level of customer service.

## REVIEW OF LITERATURE

The review of literature broadens knowledge about the subject matter and they provide a foundation for a new research. It seeks to describe, review, evaluate, clarify and summarize the content of earlier studies. Literature review helps to identify the gap in the literature, to identify information, ideas and methods that could be relevant to the research, to carry on from where others have already reached to construct on the platform of existing knowledge and ideas.



The purpose of this study is to review the existing literature and research works on Psychological Capital and Work Performance and summarize the same.

- Gamini De Alwis et al (2014) investigates the relationships among Psychological Capital (PsyCap), Work Attitudes and Job Performance of the employees in the banking sector in Sri Lanka. The sample consists of 176 managers and 357 non-managerial employees in the banking sector. The employees' PsyCap is measured by standard questionnaire which was originally developed by Luthans et al., (2007). Self-rated & supervisor rated Job Performance is measured using two dimensions (task performance, contextual performance) and Work Attitudes is measured using two dimensions (job satisfaction and affective commitment). The collected data are analyzed using correlation coefficient and regression. The results indicates that PsyCap of employees has significantly and positively correlated to their Job Performance. The results of the study concludes that there is a partial mediating effect of Work Attitudes of the employees on the relationship between Psychological Capital and Job Performance of the employees. In addition to that, the correlation between PsyCap and Job Performance; PsyCap and Work Attitudes; Work Attitudes and Job Performance are significant and positive. Finally the study perceives that understanding these relationships will be helpful to the strategists in the banking sector for formulating strategies regarding managing their human resources.
- Seyed Mousa Golestaneh (2014) studies the relationship between Psychological Capital and Organizational Citizenship Behavior. Through Psychological Capital questionnaire developed by Luthans et al. (2007) and Organizational Citizenship Behavior questionnaire developed by Kane sky and Oregon (1969), the data is collected from 160 education employees of Bushehr. Data is analyzed by using Pearson correlation coefficient and regression analysis. The results shows that there is positive relationship between Psychological Capital and its components and Citizenship Behavior. By increasing Psychological Capital and its components, Citizenship Behavior and its components also increases. The study reveals that Psychological Capital plays a positive role in promoting flexibility and optimism and ultimately will lead to increased Organizational Citizenship Behavior.
- Gökhan Bitmiş and Azize Ergenelib (2015) studies the impact of Psychological Capital on employee's Burnout while investigating the mediating role of Job Insecurity. The survey of



this study consists of a sample of 161 nurses, who work for the hospitals in Turkey. Psychological Capital is measured by 12-item taken from Psychological Capital Questionnaire, which is developed and validated by Luthans, Avolio, and Youseff (2007). Job Insecurity is evaluated using the 4-item from the Job Insecurity Scale, which were originally developed by De Witte (2000). Structural equation modeling is employed in order to test the research hypotheses and the results shows that Psychological Capital affected both Burnout and Job Insecurity in a negative way. Baron and Kenny's (1986) approach and bootstrapping method together is used to test the hypothesized mediating effect. Results reveals that Psychological Capital may play a protective role against stressors such as Job Insecurity, which in turn reduce Burnout. The study suggests that hospital administrators and human resource managers should focus on Psychological Capital in order to reduce perceived Job Insecurity and Burnout in nurses, which are very crucial for effective delivery of healthcare.

- Hassan Jafri (2012) investigates the association and influence of Psychological Capital on Innovative Behavior on employees. Data is collected from 130 employees working at different levels in different fashion houses from Delhi and New Delhi areas. Psychological Capital (PsyCap) is measured using scale developed by Luthans et al., (2007) and Innovative Behavior is measured using the scale used by Ishak (2005). Correlation and regression are used to analyze the obtained data. Results reveals that both the variables are correlated and Psychological Capital significantly explains variance in employee's Innovative Behavior. The study reveals that employees with high on Psychological Capital are more likely to exhibit creative and /or innovative behaviors at the workplace, compared with employees with low PsyCap. The study suggests that organizations should take Psychological Capital as one of the tools to further enhance a climate of Creativity and Innovative Behavior. Thus the study suggests seeming value of employee's Psychological Capital at all levels in promoting Innovative and Creative Behavior of employees which in turn can be a competitive edge for the industry.
- Sinan Yalcin (2016) studies the relationship between teachers' Positive Psychological Capital levels and Organizational Commitment. The sample group consists of 244 teachers working in primary, elementary and high schools in Erzinan city center in 2015-2016 academic year.



The data is collected with Positive Psychological Capital Scale and Organizational Commitment Scale. Positive Psychological Capital Scale developed by Tösten and Özgan (2014) consist of six dimensions namely; self-sufficiency, optimism, extroversion, psychological durability, and hope. Organizational Commitment Scale developed by Balay (2000) consists of three sub-dimensions namely adaptation, identification, and internalization. The data is analyzed by using correlation and regression analyses. The findings show that there is a significant positive relationship between the teachers' Positive Psychological Capital levels and Organizational Commitment in terms of both total scores and sub-dimensions. The study states that in the social structure the importance and role of teachers is highly greater, it is expected that the commitment of the teachers are high. There are many factors in increasing the commitment of the teachers to the school. One of these factors is Positive Psychological Capital. The Organizational Commitment of the teachers is high if their Positive Psychological Capital levels are high.

- Sargent and Terry (1998) studied the effects of Work Control and Job Demands on Employee Adjustment and Work Performance. The respondents of this study are 135 university employees holding administrative positions. Work Control is assessed by the scale developed by Ganster (1989). Job Demands are assessed using scale developed by Rizzo, House and Lirtzman (1970) and Caplan et al. (1980). To assess Work Performance, an item scale is derived from work by Greenberger et al. (1989). Correlation and hierarchical regression analysis is used to analyze data. The results reveals that the effects of Job Demands would be buffered by high levels of Task Control. Results reveal that there is significant main effects of Task Control on Job Satisfaction. The findings suggests that augmenting Task Control should relate positively to employees Job Satisfaction and well-being. Interventions should match with the needs of the person and should be more beneficial than stress intervention programs.
- Chen et al. (2014) studies the relationship among Emotional Intelligence (EI), perceived Transformational Leadership (TFL) and Work Performance. Data are collected from 202 respondents from a military-based research and development institution. To measure EI, Wong and Law EI Scale (Wong and Law, 2002) is used. To measure Perceived TFL, the 8-item perceived TFL style is adopted from Jung and Sosik (2002). The individual's



Performance is evaluated based on their Job Performance and their attitude. Structural equation modelling is used to test the relationship among variables. The results shows the positive relationship between EI and Work Performance and perceived leader's TFL positively moderated the relationship between subordinate's EI and Work Performance. The study reveals that Leaders with TFL style can transform the company's vision and goals to employees, so that employees can deliver satisfactory Work Performance to the organization.

- Nae et al. (2015) investigated the boundary conditions in the relationship between Feedback-Seeking Behavior (FSB) and Work Performance. The data is collected from the sample of 202 employees who are working for a chemical manufacturing company in South Korea. To assess employees' FSB, the four-item measure developed by Fedor et al. (1992) is used. To assess Perceived feedback quality, five-item scale developed by Steelman et al. (2004) is used. To measure employees' Trust in their supervisors, five items developed by Podsakoff et al. (1990) is used. Employees' Work Performance is measured using five items adopted from Ashford (1986) and Janssen and Van Yperen (2004). A hierarchical multiple regression analysis is performed to test the hypothesis. The findings shows that FSB does not always lead to higher Work Performance, and perceived feedback quality moderated the positive relationship between employees' FSB and Work Performance. The study suggests that supervisors can deliver high quality of feedback with expertise and genuine consideration in order to improve employees Work Performance.
- Coulson et al. (2008) studies the influence of workplace exercising on self-reported Workplace Performance. 201 respondents from three organizations (two private and one public) in the same city in Southwest England are the respondents for the study. Momentary assessment is done using the questionnaire developed by Lox et al. (2000). Work Performance is measured by Work Limitations Questionnaire developed by Lerner et al. (2001). The collected data is analyzed by t-test and ANCOVA analysis. The findings reveals that self-directed exercise is associated with important mood benefits and performance increments consistently favored the exercise condition. The process-related variables are connected to overall self-reported performance improvement. The findings suggest that positive changes in



self-reported performance outcomes of white-collar employees are mostly linked to the mood changes brought about by the exercise.

- Randhawa (2007) examines the relationships between Work Performance and a few key variables viz. job satisfaction, turnover intentions and job-specific self-efficacy. The data is collected from 150 scientists working at National Dairy Research Institute (NDRI), Haryana. To measure Job Satisfaction, Brayfield and Rothe's Index of Job Satisfaction (1951) is used. The Intent to Quit is measured using the four items adapted from Hunt et al. (1981) by Shore and Martin (1989). To assess the Self-Efficacy, a job-specific self-efficacy scale developed by Sood (1999) is used. The work outcome scale by Randall et al. (1990) is used to have a fair assessment of Work Performance. The results reveals a significant positive relationship between Work Performance and Job Satisfaction and significant negative relationship between Turnover Intentions and Work Performance. It shows that employees having low intent to quit perform better. The findings of the study shows that work related variables such as Job Satisfaction, Turnover Intentions and Job-specific Self-Efficacy are directly relevant to human performance in organizations. The study suggests that Work Performance can be increased by enhancing the level of satisfaction of scientists.

The above reviews highlight the importance of Psychological Capital of employees in various sectors. Positive psychological capital enhances job performance, organizational commitment, increased organizational citizenship behavior, promotes creative and innovative behavior and reduces job burnout. The reviews also underscore the importance of work performance for organizational success and the relationship between work performance and job satisfaction, turnover intention and emotional intelligence. Quality of feedback will also influence work performance.

From the above literature review it could be inferred that only a few studies have conducted to examine the influence of Psychological Capital on Work Performance in banking sector. Hence this study focuses in examining the impact of Psychological Capital on Work Performance among bank employees.



## **OBJECTIVE OF THE STUDY**

To examine the influence of Psychological Capital on Work performance among bank employees

## **RESEARCH METHODOLOGY**

The study is descriptive in nature. Descriptive research design describes what exists and helps to uncover new facts. It depicts accurately the characteristics of respondents. A questionnaire survey method is used to seek responses from bank employees in public and private sector banks in Coimbatore, since banks are operating in a liberalized and technology advanced environment and it plays a vital role in growth and development of an economy. The questionnaire includes demographic details of the respondents namely age, gender, marital status, educational qualification, sector, designation and experience. Responses for the dimensions of the study is collected using a 6 point Likert scale ranging from 6 – Strongly Agree; 5 – Agree; 4- Somewhat Agree; 3 – Somewhat Disagree; 2 - Disagree; and 1 – Strongly Disagree. The data were collected from 182 respondents during the months of March – July 2017. They were assured that data will be kept confidential and were told that their responses shall be used for the research purpose only.

Using a preliminary draft questionnaire, a pilot study is conducted with 50 employees from 6 banks. Reliability of the variables are ensured by examining the Cronbach's alpha ( $\alpha$ ) coefficient with an alpha value of  $>0.7$  considered to be acceptable (Nunnally, 1978). All the variables had an  $\alpha$  value of  $>0.7$  ensuring reliability of the variables (Table 1). The study uses percentage analysis to portray the demographic profile of the respondents. Descriptive statistics to identify the perceived level of importance of the study variables, correlation analysis to study the association between the dimensions of Psychological Capital and Work Performance and regression analysis to examine the extent of influence of Psychological Capital on Work Performance.



Table 1: Reliability of the Constructs

Constructs	Operational Definition	Author	No of Items	Reliability
Psychological Capital	A positive state of mind exhibited during the growth and development of an individual that includes four core components of self-efficacy, optimism, resiliency, and hope.	Luthans et al (2007)	24. Has 4 sub dimensions namely Self-Efficacy (6 items), Hope (6 items), Resilience (6 items) and Optimism (6 items).	0.821
Work Performance	The degree to which an individual executes his or her role with reference to certain specified standards set by the organization	May et al. (2002)	6	0.781

## ANALYSIS AND DISCUSSION

### Demographic profile of the Respondents

To draw the demographic profile of the respondents' descriptive statistics is presented with frequency and percentage. The demographic factors included in the study are age, gender, marital status, educational qualification, sector, designation and experience. This is the primary step in the data analysis and gives an overview of the characteristics of the respondents. Table 2 depicts the demographic profile of the respondents.



**Table 2: Demographic profile of the Respondents**

Demographic profile	Description	Frequency	Percent
Age(years)	Below 25	47	25.8
	25-35	97	<b>53.3</b>
	35-45	24	13.2
	Above 45	14	7.7
Gender	Male	109	59.9
	Female	73	40.1
Marital status	Married	97	53.3
	Single	85	46.7
Educational Qualification	Diploma	5	2.7
	UG(Arts&Science)	60	33.0
	UG(Engineering)	76	41.8
	PG(Arts&Science)	27	14.8
	PG(Engineering)	14	7.7
Sector	Public	91	50.0
	Private	91	50.0
Designation	Manager	24	13.2
	Senior Manager	21	11.5
	Assistant Manager	86	47.3
	Front Office Staff	51	28.0
Experience(years)	1-5	106	58.2
	5-10	41	22.5
	10-15	15	8.2
	15-20	7	3.8
	Above 20	13	7.1



From Table 2, it is inferred that majority (53.3%) of the respondents are in the age group between 25-35 years. Only 7.7% are above 45 years. Majority (60%) of the respondents are male and 40% of the respondents are female employees. Around (53.3%) of the respondents were married and the remaining were single. Majority (42%) of the respondent's educational qualification is under graduation in Engineering and only 8% of the respondents are PG Engineers. 50% of the respondents are from public sector banks and 50% of the respondents are from private sector banks for equal representation. Majority (47%) of the respondents are Assistant Manager and respondents with the designation as Senior Manager (11.5%) gets the least percentage. 58% of the respondents have work experience of 1-5 years.

### **Descriptive Statistics**

Descriptive statistics are brief descriptive co-efficients that summarize a given data set, which can be either a representation of the entire population or a sample of it. It provides a powerful summary that may enable comparisons across respondents or other units. Table 3 depicts the descriptive statistics of the respondents.

**Table 3: Descriptive Statistics**

<b>Factors</b>		<b>Mean</b>
Psychological Capital	Self-Efficacy	4.937
	Hope	4.932
	Resilience	4.518
	Optimism	4.532
Work Performance		4.79



It is inferred from Table 3 that among the psychological capital dimensions, Self-Efficacy (M=4.937) has the highest mean value indicating respondents who have confidence have the ability to achieve a specific goal in a specific situation. In banking sector employees are ready to tackle challenging tasks and they have ability to attain their goals thus they can perform at their finest level. Self-Efficacy helps them to achieve long term competitive advantage. Hope (M=4.932) has the second highest mean value demonstrating respondents who have positive motivational state with goal oriented determination involve in proactive planning to achieve those goals. It could be inferred that employees in banking sector are motivated and are able to find alternative ways to accomplish their goals. They tend to be independent and possess mental stability that help them to perform enriched tasks. Optimism (M=4.532) has the third highest mean value representing respondents who have positive thoughts and beliefs that positive results could be obtained with individual efforts. It could be inferred that optimistic employees can magnificently overcome their setback and look for favorable events. It results in enhanced self-esteem and morale. Respondents who possess Resilience (M=4.518) have the ability to recover from stress, conflict, failure, change or increase in responsibility. Bank employees need to work in highly dynamic and turbulent environment and resilience helps them to face risk and adversity.

Work Performance (M=4.79) value is an indication of respondents expected work related activities and how well they are accomplished. It could be inferred that employees in banking sector displays better work performance. They put extra effort and work hard in order to bring enhanced performance.

## **Correlation Analysis**

The correlation analysis is the statistical tool used to study the closeness of the relationship between two or more variables. If correlation is found between two variables it means that when there is a systematic change in one variable, there is also a systematic change in the other. The correlation coefficient is a measure of linear association between two variables. The most widely used type of correlation coefficient is the pearson correlation  $r$ .



**Table 4: Results of Correlation Analysis**

		Psychological Capital
Work Performance	Pearson Correlation	0.427
	Sig. (2-tailed)	0.000

Cohen’s (1988) effect size evaluation criterion, was used for correlational coefficients which state that coefficients less than 0.28 are small effects; medium effects range from 0.28 to 0.49; and, large effects are greater than 0.49.

Table 4 shows that Work Performance is positively and moderately correlated with Psychological Capital ( $r=0.427$ ,  $p<0.000$ ). Several studies in management has shown that Psychological Capital and its dimensions have positive effects on employee outcomes. This study infers that Psychological Capital has positive impact on Work Performance of bank employees. Higher the psychological capital better will be the work performance.

**Regression Analysis**

Regression analysis is a collection of statistical techniques that serve as a basis for drawing inferences about relationships among interrelated variables. Regression analysis helps to understand how the value of the dependent variable changes when any of the independent variables is varied. To examine the impact of Psychological Capital on Work Performance regression analysis is carried out. The items of Psychological Capital are taken as independent variables and the average of Work Performance as dependent variable and step wise regression is carried out.

**Table 5: Regression analysis-Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of estimate	F	Sig	Durbin-Watson
1	0.393	0.155	0.150	0.524	32.960	0.000	1.832
2	0.462	0.213	0.205	0.507	24.273	0.000	
3	0.493	0.243	0.230	0.498	19.055	0.000	
4	0.513	0.263	0.247	0.493	15.826	0.000	



From the Table 5, it is found that the adjusted R<sup>2</sup> value is 0.247. This infers that 24.7% variation in the dependent variable, i.e. Work Performance is being predicted by the Independent variable, i.e. Psychological Capital and the regression model is significant (F=15.826, P<0.000).

**Table 5.1: Regression analysis- Coefficients of Regression Model**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.612	.209		17.285	.000
	PCR5	.244	.042	.393	5.741	.000
2	(Constant)	3.123	.242		12.880	.000
	PCR5	.207	.042	.334	4.902	.000
	PCH1	.140	.038	.249	3.651	.000
3	(Constant)	2.815	.266		10.600	.000
	PCR5	.192	.042	.311	4.589	.000
	PCH1	.118	.039	.209	3.045	.003
	PCSE4	.100	.038	.180	2.644	.009
4	(Constant)	2.558	.287		8.906	.000
	PCR5	.177	.042	.286	4.218	.000
	PCH1	.108	.039	.193	2.815	.005
	PCSE4	.090	.038	.163	2.412	.017
	PCO3	.085	.039	.148	2.211	.028
a. Dependent Variable: AVGWP						



Model 1 reveals that, item “I can get through difficult times at work because I’ve experienced difficulty before” of Resilience dimension ( $\beta=0.393$ ,  $t=5.741$ ,  $p<0.000$ ) has the highest influence of 0.393 on Work Performance.

Model 2 reveals that, item “I can get through difficult times at work because I’ve experienced difficulty before” of Resilience dimension ( $\beta=0.334$ ,  $t=4.902$ ,  $p<0.000$ ) has the highest influence of 0.334 on Work Performance followed by the item “If I should find myself in a jam at work, I could think of many ways to get out of it” of Hope dimension ( $\beta=0.249$ ,  $t=3.651$ ,  $p<0.000$ ).

Model 3 reveals that, item “I can get through difficult times at work because I’ve experienced difficulty before” of Resilience dimension ( $\beta=0.311$ ,  $t=4.589$ ,  $p<0.000$ ) has the highest influence of 0.311 on Work Performance followed by the items “If I should find myself in a jam at work, I could think of many ways to get out of it” of Hope dimension ( $\beta=0.209$ ,  $t=3.045$ ,  $p=0.003$ ) and “I feel confident helping to set targets/goals in my work area” of Self-Efficacy dimension ( $\beta=0.180$ ,  $t=2.644$ ,  $p=0.009$ ).

Model 4 reveals that, item “I can get through difficult times at work because I’ve experienced difficulty before” of Resilience dimension ( $\beta=0.286$ ,  $t=4.218$ ,  $p<0.000$ ) has the highest influence of 0.286 on Work Performance followed by the items “If I should find myself in a jam at work, I could think of many ways to get out of it” of Hope dimension ( $\beta=0.193$ ,  $t=2.815$ ,  $p=0.005$ ), “I feel confident helping to set targets/goals in my work area” of Self-Efficacy dimension ( $\beta=0.163$ ,  $t=2.412$ ,  $p=0.017$ ) and “I always look on the bright side of things regarding my job” of Optimism dimension ( $\beta=0.148$ ,  $t=2.211$ ,  $p=0.028$ ).

From the above regression analysis, it is inferred that among Psychological Capital dimensions Resilience has the highest influence on bank employees work performance followed by Hope, Self-Efficacy and Optimism. The items “I can get through difficult times at work because I’ve experienced difficulty before” of Resilience dimension, “If I should find myself in a jam at work, I could think of many ways to get out of it” of Hope dimension, “I feel confident helping to set targets/goals in my work area” of Self-Efficacy dimension and “I always look on the bright side of things regarding my job” of Optimism dimension have significant influence on Work Performance. The reason could be employees in banking sector possess ability to get through difficulties and coming back with very positive and challenging events since they have



experienced to handle the adversity and improved their resilience. They are hopeful and motivated to find alternative ways to accomplish their goals. Employees have confidence with their own competence and able to attain their goals. Further they are optimistic, pursue opportunities and expect good results. The technological advancement and competitive environment of the banking sector makes the employees highly stressful. The results reveals that the dimensions of Psychological Capital benefits the bank employees to deliver upgraded Work Performance and this in turn has positive effects on banks

## CONCLUSION

Banking landscape is changing very fast and employees are required to be more knowledge supported. Information technology plays a key role in the banking sector. Customers are able to do their banking operations through internet. The increasing use of technology in banks has also brought up security problems. When employees possess the qualities of Psychological Capital they can effectively manage the ever changing and ever growing working conditions and deliver upgraded work performance.

Though there is a vast difference between public and private sector banks, the ultimate aim is to bring convenient and satisfied banking service for their customers. Customer retention and customer loyalty can be obtained by customer satisfaction which is based on employees' service. Employees' positive behavior at workplace will improve employees' performance and overall performance of banks. To have efficient, effective and disciplined banks it is necessary to have excellent manpower along with positive Psychological Capital. Earlier studies has found that Psychological Capital directly leads lower employee absenteeism and intentions to quit and higher job satisfaction, commitment and Organizational Citizenship Behaviors. Bharat Chandra Sahoo and Surendra Kumar Sia (2015) measured the positive effects of Psychological Capital on Organizational Commitment. A study conducted by Herbert (2011) revealed that high levels of Psychological Capital were associated with low levels of burnout. Taghrid S. Suifan (2016) revealed the positive impact of Psychological capital and Organizational Climate on Organizational Citizenship Behavior. Mohga A. Badran and Carolyn M. Youssef-Morgan (2013)



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highlighted that constructs of Psychological Capital enhanced the Job Performance of employees.

Based on the results, it could be inferred that among the four dimensions of Psychological Capital, resilience has the highest influence on Work Performance. Employees with high level of Psychological Capital are highly energized and exhibit higher performance over longer periods of time. They generate multiple solutions to problems, have positive expectations and respond positively to setbacks. The study reveals that Psychological Capital has 24.7% impact on Work Performance of bank employees. There could be many other factors which influence the Work Performance of the employees. Studies could be carried out with other factors that are likely to influence Work Performance among the bank employees to have more meaningful insight. Among the service sectors, this study focused on the banking sector. Future research could emphasis on other service sectors.



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