

## **Do Psychological Capabilities Really Matter? The Combined Effects of Psychological Capital and Peace of Mind on Work Centrality and In-role Performance**

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### **Abstract**

This study examined the combined effects of psychological capital (PsyCap) and peace of mind on work centrality and in role performance in a random sample of 231 employees (N = 231) drawn from two public sector banks in Quetta city, Pakistan. Survey method was used to collect data. Data were collected in two phases. Respondents reported their levels of psychological capital and peace of mind in phase one; and their work centrality and in role performance were rated by their supervisors in phase two. Multiple linear regression and correlation techniques were used for hypotheses testing. Results indicated a positive association among all study variables. It was found that PsyCap and peace of mind are significant predictors of work centrality and in role performance but the magnitude of their effects is different. Peace of mind emerged as a stronger predictor than PsyCap. Results also highlighted that work centrality may also be used as a criterion to predict in role performance. Thus, it is recommended that organizations should endeavor to ensure all factors that contribute to employees' peace of mind and PsyCap.

**Keywords:** psychological capital, peace of mind, work centrality and in role performance.

### **1. Introduction**

No one can deny the importance of workforce for organizations. Conventional wisdom and empirical research both support this notion. It is a well-established fact that all of a firm's major resources (physical, financial and informational) remain passive until human resource turns them active. Resource based view also proposes that optimal use of human

resource can be a key source of competitive advantage for firms because this resource is difficult to imitate by the rivals (Barney, 1991). This view has led to a notable attention in the field of human resource development. Consequently, human resource development efforts of the firms turned towards transforming human resources in human capital (Huselid, Becker, & Beatty, 2005).

But, a more recent stream of empirical research, largely stimulated by positive psychology (Seligman & Csikszentmihalyi, 2000) calls to go beyond human capital by shifting the focus towards development of “psychological capabilities” (Luthans, Youssef & Avolio, 2007; Luthans & Youssef, 2004). The proponents of this approach argue that human capital development approach generally recognizes the education, implicit knowledge and experience of human resources but psychological capability approach on the other hand focuses transforming them into their “best selves” (Luthans et al., 2007). In defining what constitutes psychological capabilities, Luthans (2002a, 2002b) delineate these as: self-efficacy, hope, optimism and resilience specifically known as “psychological capital”.

Owing from the theory of psychological well-beings (Ryff 1989), Lee et al., (2013) advanced the concept of psychological capabilities by introducing a new and distinct construct what has been termed as “peace of mind”. It is referred to as one’s internal state of harmony and peacefulness. This construct, simply describes affective well-being (positive affect) of individuals (Lee et al., 2013) which helps them creating balance between pleasures and pains (Peterson 1999). Thus, people with peace of mind create a good balance in their lives by approaching pleasures and avoiding pains (Lee et al., 2013; Tsai et al. 2006).

Researchers (Avey, Luthans & Youssef, 2010; Larson et al., 2013; Luthans, 2002a; 2002b, Luthans et al., 2007; Lee et al., 2013) claim that psychological capital and peace of mind are those psychological resources that contribute to the achievement of an adaptive intra-psychic and interpersonal functioning which result into positive mind sets and beliefs. Growing scientific evidence also verifies the value of this positivity in one’s relationships, well-being, and work related attitudes and behaviors (Lyubomirsky, King, & Diener, 2005). Empirical researches have so far investigated the relationship of psychological capital with stress and turnover (Avey et al., 2009; Robert, Scherer & Bowyer, 2011), positive and negative work attitudes (Adams et. al., 2002; Avey et al., 2010; Caverley, 2005; Kwok, Cheng & Wong; 2014; Larson et al., 2013; Luthans et al., 2007; Sweetman & Luthans, 2010; Youssef & Luthans, 2007) organizational identity (Norman et al., 2010), authentic and transformational leadership (Caza et al., 2010; Gooty et al., 2009) relational processes (Wang et al., 2014) and innovative behaviors (Abbas & Raja, 2011). However, empirical research on POM is scanty. In addition, no empirical evidence, to the best of our knowledge yet exists that explains the combined effects of psychological capital and peace of mind on centrality and in role performance.

Another limitation of existing body of research is the use of self-reported measures. Almost all previous researchers have gauged employee attitudes and behaviors with the help of self-reported measures. One of the significant draw backs of these measures is inaccurate reporting of actual states. That is, exaggerations or falsification by respondents in self-reporting may hide facts. Real situation may be revealed if work related attitudes and behaviors subjects understudy are rated by significant others such as supervisors and senior colleagues. This study, therefore explores the relationships among self-rated

psychological capabilities (psychological capital and peace of mind) and others rated work behaviors such as work centrality and task/in role performance.

## **2. Literature Review and Hypotheses Development**

### *2.1 Psychological Capital*

Psychological capital (PsyCap) refers to the positive psychological states of individuals. It simply implies how confident, hopeful, optimistic and resilient an individual is (Luthans, Youssef, & Avolio, 2007). The term “psychological capital” is an offshoot of positive psychology and positive organizational behavior (Luthans et al., 2007). Positive psychology stresses that the strengths of human beings should be focused rather than their weaknesses (Seligman & Csikszentmihalyi, 2000; Snyder & Lopez, 2002) whereas POB studies how human strengths and other positive psychological capacities can be developed and measured (Luthans, 2002a; Luthans, 2002b; Luthans & Youssef, 2004).

PsyCap, is often mingled with “Human” and “Social” capital. It is, in fact, beyond human and social capital (Luthans, Luthans & Luthans, 2004). Human capital refers to “what you know” while social capital represents “whom you know”; but PsyCap, in contrast, focuses “who you are” and what are your psychological strengths (Luthans & Avolio, 2003; Luthans et al., 2006). Thus, PsyCap represents positive psychological capabilities of individuals including i) self-efficacy, ii) hope, iii) optimism and, iv) resilience (Luthans et al., 2007).

Drawing from Bandura (1997), Stajkovic & Luthans (1998) describe self-efficacy as the conviction or confidence of an individual on his/her abilities to successfully perform a specific task. Hope is defined as “a positive motivational state that is based on an interactively derived sense of successful i) agency and ii) pathways” (Snyder, 2000, p. 287). The word “agency” in this definition implies the willpower or goal directed energy of an individual while “pathways” represent one’s planning to meet the set goals (Snyder, 2000).

Optimism is an individual’s perception that the positive situations are mainly caused by the inner and pervasive factors; and the negative situations are the result of external and temporary situations. Simply, an optimist attributes the positive events or situations to his innate and separates himself from the negative ones (Luthans & Youssef, 2004; Seligman, 1998). Resilience is an individual’s ability to rebound from adverse, difficult and uncertain situations. Resilient people are flexible and adaptive enough to move through different setbacks and perform high (Luthans & Youssef, 2004; Masten and Reed 2002).

### *2.2 Peace of Mind*

In a world where stress, anxiety, haste and restlessness abound, peace of mind is of paramount importance. It is a treasure that everyone desires but a few can find. Peace of mind (POM) is defined as an individual’s inner states of peacefulness and harmony (Lee et al., 2013). The state of internal peace represents the LAP affect that is serenity and calmness; whereas inner harmony captures one’s state of mind that includes harmony and balance (Tsai et al. 2006). These aspects of POM are reciprocally related. That is, people can achieve inner peace through harmony or achieve harmony through inner peace (Lee et al., 2013). Thus, people with POM experience harmony and peace coherently.

### 2.3 Work Centrality

People's attachment to their work varies. For some, work is a central part of their lives. But for others, it is not. This varying degree of work importance in people's lives is called work centrality (Hirshfeld & Field, 2000; Puallay et al., 1994; Walsh & Gordon, 2008). This definition is derived from Dubin's (1956) theory of formulating work as a central life interest. The Durbin's theory and subsequent empirical researches report that people who position work as a vital part of their lives have strong identification with work (Arvey, Harpaz, & Liao, 2004; Dubin, 1956; Hirshfeld & Field, 2000). Researchers also report that ranking of work in work centric people is high; and that they second other facets (leisure, community, family obligations etc.) of their lives to work (Arvey, Harpaz, & Liao, 2004). What causes work centrality has been a long investigated issue. However, researchers have traced it to individual factors such as personality traits, inner capabilities, motivation and enthusiasm level (Dejours & Deranty, 2010), age and generation (Smola & Sutton, 2002; Twenge, 2010) and work environment (Sharabi & Harpaz, 2010)

### 2.4 In Role Performance

The term performance is a most commonly used concept in management research. It is generally conceptualized as something done by the employees in their jobs (Campbell et al., 1993). Campbell and colleagues define job performance as individual level behaviors. They clarify that this individual level behaviors what has been termed as "job performance" does not have to be observable apparently. Job performance may consist of mental processes such as the answers one thinks in respond to certain questions and the decisions one reaches upon. No matter whether performance is observable or not, but it is under one's control (Campbell, 1990; Campbell et al., 1993).

Performance is a multi-dimensional construct. It consists of many kinds of actions and behaviors. Murphy (1989) breaks down performance elements into four major dimensions. These dimensions are: task oriented behaviors (related to tasks assigned to individuals), interpersonally oriented behaviors (interactions with counterparts and super ordinate), down time behaviors (the behaviors employees engaged in their off times) and destructive or hazardous behaviors. Building on Murphy's model; Campbell (1990) claims that job performance captures eight factors that are to a greater or lesser extent common across all jobs including: task specific behaviors, non-task specific behaviors, communication, efforts, personal discipline, helping others, supervisory or leadership abilities and all those aspects of a job which indirectly serve organization's goals.

In addition to these taxonomy models, researchers have categorized job performance into two types namely: the task or in role performance and contextual performance (Borman & Motowidlo, 1993; Campbell, 1993). The former category of performance refers to the all the obligatory behaviors of a formal role or formal task requirements of any job (Borman & Motowidlo, 1993). While the latter category describes all social and psychological behaviors which are not required as a formal role but contribute directly toward the goals of an organization (Rotundo & Sackett, 2002).

## 3. Conceptual Framework

Framework of this study stems from positive psychology which stresses the significance of people's strengths (Seligman & Csikszentmihalyi, 2000). Researchers classify these strengths into two major categories i) psychological capital and, ii) peace of mind (Avey,

Luthans & Youssef, 2010; Larson et al., 2013; Luthans, 2002a; 2002b, Luthans et al., 2007; Lee et al., 2013). The former category encompasses state like capabilities of individuals such as having confidence in self, being hopeful, a positive approach and the ability of successfully bouncing back from difficult situations (Luthans et al., 2007).

Self-efficacy, the first positive state of mind enables individuals to approach their jobs or assigned task with confidence. The second positive state of mind is hope which represents one's will power and motivation. Optimism, the third psychological capability represents positivity of individuals. Lastly, resilience signifies one's capabilities of being flexible, adaptive and bouncing back from adverse and difficult situations ((Luthans et al., 2007). Strong positive associations are reported among all of these psychological capabilities and favorable work related attitudes and behaviors such as trust, job satisfaction, organizational commitment, work engagement and bringing positive change (Adams et. al., 2002; Avey, Luthans & Youssef, 2010; Avey, Wernsing, & Luthans, 2008; Bandura, 1997, 2000; Chemers, Watson, & May, 2000; Curry et al., 1997; Kwok, Cheng & Wong; 2014; Larson & Luthans, 2006; Peterson & Luthans, 2003; Stajkovic & Luthans, 1998; Youssef & Luthans, 2007). In addition, these capabilities were found negatively related to absenteeism, cynicism and turnover intentions (Avey, Patera, & West, 2006). In sum, these discussions highlight the significance of PsyCap at workplace and it can be said that PsyCap supports positive performance related outcomes. Hence, we propose the following notions for testing;

- **H<sub>1</sub>: PsyCap will be positively related to work centrality.**
- **H<sub>2</sub>: PsyCap will be positively related to in role performance.**

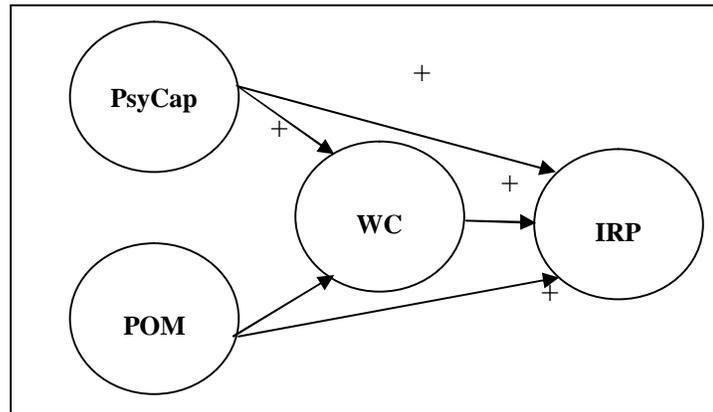
Peace of mind (POM), the latter category of psychological capabilities captures one's state of affective wellbeing (Lee at al., 2013). Affective wellbeing defines the degree to which one is at ease, is comfortable, tranquil, harmonious, and peaceful (Diener et al. 1991). In simple words, it represents an individual's positivity. It has been theorized that this positivity leads to several positive outcomes at work place (Tsai et al. 2006). For instance, it enables individuals to: better combat with work stressors and physical strain (Van Katwyk et al., 2000), attain organizational goals (Harris, Daniels, & Briner, 2003). Given this, the following hypotheses are proposed;

- **H<sub>3</sub>: Peace of mind will be positively related to work centrality.**
- **H<sub>4</sub>: Peace of mind will be positively related to in role performance.**

Work centrality, as noted above, defines how an individual behaves both in a workplace and outside (Alvesson, Ashcraft, & Thomas, 2008). Researchers link it with several organizational outcomes. For instance, Mannheim, Baruch, & Tal (1997) found a positive relationship between organizational commitment and work centrality. It is due to the fact that a work centric employee identifies work as a central part of his life shows high commitment for the organization he works for. That is why this construct is negatively related with turnover intentions (Bal & Kooji, 2011). The findings of Hirshfeld and Field, (2000) highlighted a strong positive relationship between work centrality and several organizational outcomes such as wage, career planning, normative and continuance commitment.

Moreover, researchers report that people with more work centrality give more importance to build relationship with employer. It is probable that high work centrality is related to have more relational psychological contract. But people with low work centrality will be focusing on transactional contract with the organization (Hobfoll, 2002; Xanthopoulou, Bakker, Demerouti, & Schaufeli, 2007, 2009). That is why, work centrality has been found positively associated with job satisfaction (Manheim et al., 1997) organizational citizenship behaviors (Diefendorff et al., 2002; Uçanok Karabat, 2013) and organizational performance (Sharabi & Harpaz, 2010). Thus, it can be assumed that the construct of work centrality has a diminishing effect on undesirable behaviors (turnover intentions) and is positively related to favorable work related outcomes ; therefore, following hypothesis is built;

- **H<sub>5</sub>: Work centrality will be positively related to in role performance.**



**Figure 1: Research Model**

## 4. Material and Methods

### 4.1 Participants & Procedures

Data for this study was collected from two public sector banks in Quetta city, the largest and capital city in Balochistan province. Identities of these banks are concealed by naming them as “Bank-A” and “Bank-B”. Bank-A employs a total of 233 employees in its 17 branches spread across the city. And bank-B has strength of 115 employees. Thus, the total study population is 348.

The process of data collection was started by writing a letter to the concerned heads of these banks that requested the permission for data collection and provision of a complete list of their employees. After the approval of request, an exhaustive list was prepared from the information provided by banks. Subsequently, a sample frame was formulated by assigning a cardinal number to all employees whose information was given in information sheets. This exhaustive list was then broken down into two separate groups: i) the group of subordinates with 307 members and ii) the group of 41 supervisors.

A team of 4 graduate level students collected data under the supervision of researchers. Data collection process was divided in two phases. Each of the phases was carried out at different times. Firstly, one pair of instrument (consisting of the measures of PsyCap & POM), was randomly distributed among the group comprising of 307 subordinates. Their

details (name, designation, department and the identification number in sample frame) were recorded separately at the time of distributing instrument. This information was then used in second phase of data collection process which began soon after the completion of first phase. All information (names, designation etc.) recorded in the first phase was used to fill the very first section (profile of respondents) of the second pair of study instrument comprising of work centrality and performance measures. Recipients of this pair of instrument were supervisors. Each supervisor, on average, rated the work centrality and performance of 07 employees.

Out of 307, a total of 231 workable instruments were received which indicates a response rate of 75%. All respondents were dealt in accordance with the ethical guidelines suggested by American Psychological Association (2002). Demographic profile of respondents is presented in following table;

**Table 1: Demographic Profile**

<b>Variables</b>	<b>n</b>	<b>Percentage</b>
<b>Gender</b>		
Male	201	87
Female	30	13
<b>Age</b>		
20 years and less	12	05
21-30 years	41	18
31-40 years	134	58
41 years and above	44	19
<b>Experience</b>		
05 years and less	21	09
06-10 years	176	76
11-20 years	23	10
21 years and above	11	05

*4.2 Measures*

4.2.1 The Psychological Capital Questionnaire (PCQ)

The assessment of respondents’ psychological capital was done through the self-rated version of PCQ developed and validated by Luthans et al., (2007). It is a 24 items scale. Items on scale are like “I feel confident analyzing a long-term problem to find a solution” and “I feel confident helping to set targets/goals in my work area” followed by a 6 point Likert scale anchored by strongly disagree (1), disagree (2), somewhat disagree(3), somewhat agree(4), agree(5) and strongly agree(6). Items on PsyCap scale are divided into 4 subscales namely: self-efficacy, hope, resilience and optimism with 6 items in each. The factor/ principle component analysis of PCQ is presented in table 2. This analysis revealed excellent factor loadings, KMO and item total correlations. The overall reliability coefficient is **0.898**.

**Table: 2 Factor Analysis of the Psychological Capital Questionnaire-PCQ**

Scale Items	Factor Loadings	I-T	KMO	$\alpha$
PsyCap-1	.669	.774	<b>.881</b>	<b>.898</b>
PsyCap-2	.711	.737		
PsyCap-3	.745	.686		
PsyCap-4	.708	.714		
PsyCap-5	.559	.845		
PsyCap-6	.738	.806		
PsyCap-7	.713	.809		
PsyCap-8	.648	.845		
PsyCap-9	.650	.889		
PsyCap-10	.561	.756		
PsyCap-11	.648	.774		
PsyCap-12	.511	.851		
PsyCap-13	.617	.827		
PsyCap-14	.720	.796		
PsyCap-15	.672	.814		
PsyCap-16	.707	.845		
PsyCap-17	.666	.706		
PsyCap-18	.701	.895		
PsyCap-19	.637	.804		
PsyCap-20	.752	.832		
PsyCap-21	.605	.884		
PsyCap-22	.658	.826		
PsyCap-23	.774	.753		
PsyCap-24	.669	.701		

#### 4.2.2 Peace of Mind (POM)

Respondent's peace of mind was measured with a 7 items POM scale developed and validated by Lee et al., (2013). Respondents were asked to answer the questions like "My mind is free and at ease" and "I feel content and comfortable with myself in daily life" followed by 7 choices ranging from strongly disagree (1) to strongly agree (7). Results of factor analysis on POM measure are presented in table 3. These results indicate good factor loadings, item total correlations and KMO. Internal consistency of these items is also high with " $\alpha = .795$ ".

**Table 3: Factor Analysis of Peace of Mind Measure**

Scale Items	Factor Loadings	I-T	KMO	$\alpha$
POM -1	.689	.702	<b>.803</b>	<b>.795</b>
POM -2	.684	.675		
POM -3	.627	.785		
POM -4	.599	.731		
POM -5	.736	.809		
POM -6	.736	.823		
POM -7	.713	.795		

#### 4.2.3 Work Centrality: Others Rated

Work centrality (WC) of respondents was gauged by using work centrality scale by Paullay et al., (1994). It is a 12 item scale that measures one's identification with work on a 6 point Likert scale ranging from strongly disagree (1) to strongly agree (6). Actual statements on the scale appear like "Overall, I consider work to be very central to my existence" and "Life is worth living only when people get absorbed in work". But, in order to be rated by others, these statements were slightly modified as "Overall, he/she considers work to be very central to his/her existence" and " He/she believes that life is worth living only when people get absorbed in work". The index of work centrality was calculated by calculating the average score of 12 items. Factor analysis results, as shown in table 4, represent that each item on scale has excellent factor loadings, KMO, and item total correlations. Reliability coefficient of these 12 items was reported as " $\alpha = .831$ ".

**Table 4: Factor Analysis of Peace of Work Centrality Measure**

Scale Items	Factor Loadings	I-T	KMO	$\alpha$
WC-1	.641	.741	<b>.864</b>	<b>.831</b>
WC -2	.712	.865		
WC -3	.691	.693		
WC -4	.589	.789		
WC -5	.672	.654		
WC -6	.735	.841		
WC -7	.715	.675		
WC -8	.560	.736		
WC -9	.500	.687		
WC -10	.648	.709		
WC -11	.549	.780		
WC -12	.676	.698		

#### 4.2.4 In Role Performance: Others rated

In role performance of respondents was assessed by adopting 11 items on task performance from the job performance measure of Tsui et al., (1997). Supervisors rated the task performance of their subordinates by answering questions like "This employee's quantity of work is higher than average" and "This employee strives for higher quality work than required". Seven choices were given after each question ranging from strongly disagrees to strongly agree. The factor loadings, KMO, item total correlations are

summarized in table 5 in annexure. The alpha coefficient “ $\alpha = .800$ ” shows high internal consistency.

**Table 5: Factor Analysis of Peace of In-role Performance**

Scale Items	Factor Loadings	I-T	KMO	$\alpha$
IRP-1	.546	.771	<b>.829</b>	<b>.800</b>
IRP-2	.498	.739		
IRP-3	.602	.715		
IRP-4	.598	.656		
IRP-5	.634	.703		
IRP-6	.591	.682		
IRP-7	.673	.748		
IRP-8	.697	.691		
IRP-9	.709	.805		
IRP-10	.482	.683		
IRP-11	.517	.754		

**5. Results**

Hypothesis testing assumes certain assumptions. Initial data analysis (IDA) is a useful approach to assess all such assumptions. This analysis, in present study was carried out in order to assess: the normality of data, identification and handling of outliers and missing responses. Normality of data was checked by running Shapiro-Wilk test and assessing the skewness & kurtosis of composite variables. Results of these are summarized in following table;

**Table 6: Normality Diagnosis**

Variables	Shapiro-Wilk		Skewness	Kurtosis
	Statistic	Sig.		
PsyCap	3.212	.192	0.431	1.241
POM	2.126	.087	0.179	0.948
WC	1.975	.406	0.203	0.704
IRP	2.007	.087	1.246	1.023

SW Statistics [PsyCap (3.212,  $p > 0.05$ ), POM (2.126,  $p > 0.05$ ), Work Centrality (1.975,  $p > 0.05$ ) and in role performance (2.007,  $p > 0.05$ )] indicate normal distributions of these variables. Skewness and kurtosis values (lying within the acceptable range of  $\pm 2$ ) also verify the normality assumption. In addition, matrix plot of these variables were also drawn to detect outliers, but no significant outliers were found.

**Table 7: Correlation Analysis**

Variables	Mean	SD	1	2	3	4
<b>PsyCap</b>	4.172	0.846	1			
<b>POM</b>	5.643	0.921	.303**	1		
<b>WC</b>	4.508	0.358	.635**	.525**	1	
<b>IRP</b>	4.807	0.674	.459**	.679**	.407**	1

\*\* =  $p < 0.01$ , two tailed. N = 231

Table 7 displays the mean, standard deviation and intercorrelations of study variables. Respondents' levels of PsyCap, POM, WC and IRP can be assessed on the basis of mean value indices. For instance, mean value of PsyCap (4.172) represents a high level of PsyCap on 6 point index (see measurement scale of PsyCap). Similarly, the POM, WC and IRP of respondents are also high with the mean values of 5.643, 4.508 and 4.807 respectively. Results in table 7 also indicate a strong positive relationship of PsyCap with work centrality ( $r = .635, p < 0.01$ ) and in role performance ( $r = .459, p < 0.01$ ); but a relatively weaker relationship was found between PsyCap and peace of mind ( $r = .303, p < 0.01$ ). However, the reported relationships of peace of mind with work centrality ( $r = .525, p < 0.01$ ) and in role performance ( $r = .679, p < 0.01$ ) were strong. Moreover, the constructs of work centrality and in role performance were also found positively correlated ( $r = .407, p < 0.01$ ).

These results suggest that psychological capabilities (PsyCap & POM) are positively related with desirable work behaviors (work centrality & in role performance). But one of the limitations of correlation analysis is that it only describes the linear relationship among variables but cannot explain the amount of variation one variable can cause in other. Therefore, we run regression analysis to explain the proportion of variation psychological capabilities can cause in work centrality and in role performance. Results of regression analysis are presented in following table;

**Table 8: Regression Analyses**

Model 1								
$\beta$	t	Sig.	$\Delta R^2$	F	Sig.	Collinearity Diagnosis		DW Statistic
						Tolerance	VIF	
.497	8.302	0.000	.445	90.878	0.000	.681	1.468	1.906
.244	4.082	0.000				.595	1.680	
Model 2								
$\beta$	t	Sig.	$\Delta R^2$	F	Sig.	Collinearity Diagnosis		DW Statistic
						Tolerance	VIF	
.164	2.834	0.000	.480	104.849	0.000	.673	1.485	2.051
.586	9.205	0.000				.812	1.231	
Model 3								
$\beta$	t	Sig.	$\Delta R^2$	F	Sig.	Collinearity Diagnosis		DW Statistic
						Tolerance	VIF	
.508	40190	0.000	.523	112.623	0.000	.566	1.767	2.022
.541	9.563	0.000				.659	1.516	
.349	4.440	0.000				.674	1.485	

Note:  $\beta$  = Standardized regression coefficient, VIF = Variance Inflation Factor, and DW = Durbin Watson,

Three models were developed for testing. In model 1, PsyCap and POM were regarded as independent variables and work centrality as dependent one. Results indicate that PsyCap ( $\beta = .497$ ,  $t = 8.302$ ,  $p < 0.05$ , 95% CI: 0.289 to 0.469) and POM ( $\beta = .244$ ,  $t = 4.082$ ,  $p < 0.05$ , 95% CI: .107 to .209) are significant predictors of work centrality. Both independent variables also explained a notable proportion of variation in work centrality ( $\Delta R^2 = .445$ ,  $F = 90.878$ ,  $p < 0.05$ ). The values of DW-statistic (1.906), tolerance (.681 and .595) and VIF (1.468 and 1.680) show that this model is free of autocorrelation and multicollinearity problems.

Second model measured the effects of PsyCap and POM on in role performance. Both explanatory variables, that is PsyCap ( $\beta = .164$ ,  $t = 2.834$ ,  $p < 0.05$ , 95% CI : 0.046 to 0.259) and POM ( $\beta = .586$ ,  $t = 9.205$ ,  $p < 0.05$ , 95% CI : 0.524 to 0.680) significantly predicted in role performance by causing a total variation ( $\Delta R^2$ ) of 48% ( $F = 104.849$ ,  $p$

< 0.05 ). Reported value of DW-statistic (2.051), tolerance (.673 and .812) and VIF (1.485 and 1.231) indicated no auto correlation and multicollinearity in the model.

Lastly, model 3 assessed the combined effects of PsyCap, POM and WC on in-role performance. All predictors, PsyCap ( $\beta = .508$ ,  $t = 4.190$ ,  $p < 0.05$ , 95% CI : 0.269 to 0.747), POM ( $\beta = .541$ ,  $t = 9.563$ ,  $p < 0.05$ , 95% CI : 0.492 to 0.652) and WC ( $\beta = .349$ ,  $t = 4.440$ ,  $p < 0.05$ , 95% CI : 0.136 to 0.353). These three predictors, altogether, explained substantial variation in work centrality ( $\Delta R^2 = .523$ ,  $F = 112.623$ ,  $p < 0.05$ ). DW-statistic was 2.022 which indicate the independence of error terms in the model. The values of tolerance (.566, .659 and .674) and VIF (1.767, 1.516 and 1.485) signify no multicollinearity among predictors. The overall effect size of these results was medium.

These results, lead us to the conclusion that psychological capabilities are significant predictors of favorable work behaviors. Significant relationships among PsyCap, POM, WC and IRP have already been reported in table 7. Hence, we accept all hypotheses.

## 6. Discussion & Conclusions

Drawing from the theory of positive psychology, this study examined the associations amongst PsyCap, POM, WC and IRP in a sample of 231 employees drawn from two public sector banks in Quetta city. Five hypotheses were built for testing and each received considerable support from results. First hypothesis claimed about positive association between PsyCap and in role performance. Results provided enough support to accept this hypothesis. In line with all previous studies (Adams et. al., 2002; Avey, Luthans & Youssef, 2010; Avey, Wernsing, & Luthans, 2008; Bandura, 1997, 2000; Chemers, Watson, & May, 2000; Curry et al., 1997; Peterson & Luthans, 2003; Stajkovic & Luthans, 1998; Youssef & Luthans, 2007), PsyCap was found positively related to in role performance. This verifies that PsyCap is a vital psychological resource which enables individuals to outperform in a given role. It is due to the developmental nature of PsyCap (Luthans et al, 2007). That is, PsyCap comprises all those psychological capabilities which are very relevant in today's complex business context. Businesses are facing heavy competition and uncertainty, and every day carries a different but new challenge that employees have to face with positive mind sets and grit. Employees, who are more confident, hopeful, resilient and optimist can better cope with these challenges and hence perform better.

PsyCap was also found positively related to work centrality. This finding supports our claim that we made in shape of the second hypothesis in this study. PsyCap, as argued by Larson & Luthans (2006), significantly increases employee commitment and satisfaction which are essential ingredients of keeping employees intact with their formal roles. That is why PsyCap is found positively related to work centrality.

We, in third and fourth hypotheses assumed that peace of mind the other psychological resource would also be positively associated with work centrality and in role performance. Obtained results supported these notions. Peace of mind emerged as a reliable and powerful predictor of work centrality and in role performance. According to Lee et al., (2013), people who possess peaceful minds are calm, comfortable and happier than those who do not possess this treasure. Previous research has highlighted these characteristics (being happy, at ease etc.) as essential elements that support individuals to execute designated tasks (Campbell, 1990). That is why, the construct of POM was found strongly associated with in role performance. The strength of this association ( $r = .679$ )

reveals that POM is a more strong predictor of in role performance than PsyCap. Thus, in a nut shell, it can be asserted that POM is a more important determinant of in role performance than any other.

Similar pattern of relationship was also observed between POM & work centrality. That is, POM and WC were positively associated. This finding receives support from former researchers (Dejours & Deranty, 2010; Smola & Sutton, 2002; Twenge, 2010) who argue that work centrality is largely determined by personal variables. POM has also been labeled as a personal variable (Lee et al., 2013) that enables individuals to create a good balance between pains and gains. It also helps people to combat stress (Van Katwyk et al., 2000) and remain focused (Harris, Daniels, & Briner, 2003). Thus, it can be concluded that POM is a helpful psychological resource that facilitates interpersonal functioning.

Lastly, the proposition that work centrality would significantly predict in role performance was also backed by results. Prior research findings suggest that people who identify work as central motive of their lives maintain relational psychological contracts with organizations (Hobfoll, 2002; Xanthopoulou, Bakker, Demerouti, & Schaufeli, 2007, 2009). Organizational commitment and job satisfaction are some facets of these psychological contracts. And these factors are some of the determinants of performance (Campbell, 1990). Another research stream has also reported that people with strong identification with their work build congenial relationship with employers (Xanthopoulou et al., 2007, 2009). Such affable relationship is one of the probable bases of in role performance. Thus, on the bases of study results, we conclude that work centrality can significantly predict in role performance.

### **7. Implications and Limitations**

Resource based view of firm (Barney, 1991) suggests that optimum use of people gives firms a competitive advantage. But, this advantage is only possible if firms develop their people properly. One way to develop people is human capital approach which focuses the improvements in people's knowledge and experiences. Nonetheless, improvements in people's knowledge and experience may lead firms to certain benefits, but a mere reliance on them would be dreadful. Knowledge and experience may not be sufficient in situations that call to be beyond. So attention should be given by organizations to foster positivity in people (Seligman & Csikszentmihalyi, 2000). PsyCap and POM both are viable sources of positivity. Results of this study have also provided an evidence-based support that these psychological resources are the significant determinants of favorable work behaviors. Thus, we recommend that organizations should try to build positive psychological capabilities / resources of their people as it has become need of the hour. PsyCap, being a state like construct is open to development (Luthans et al., 2007, Luthans, 2002a; Luthans, 2002b) and likewise is POM (Lee et al., 2013). Thus, training programs focusing on developing and enhancing PsyCap & POM may be launched. These programs would help people in becoming confident, optimist, resilient, hopeful and harmonious. These capabilities, if developed or enhanced, would reap positive outcomes for individuals and organizations both.

This study is subject to several limitations. First, findings of this study are specific to a particular sector and geographic area and therefore may not be generalizable to other sectors and areas. Second, respondents reported their PsyCap & POM on self-reported

measures; therefore social desirability bias cannot be avoided. Third, work centrality and in role performance were rated by the supervisors of respondents, hence their opinion may contain biases (over or/and underestimation of actual states). Fourth, this study was delimited to the impacts of PsyCap & POM on work centrality and in role performance. We did not control factors (personality traits, religiosity, spirituality, motivation, work environment etc.) that may mediate or moderate the relationships among psychological capabilities and desirable behaviors. Future studies may be undertaken to fill this gap. Moreover, the relationship of PsyCap and POM with other factors such as work and family conflict, aggression, depression and job embeddedness may also be explored.

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