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Positive psychological capital: Does this promote the use of functional and dysfunctional coping strategy?

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Abstract

The concept of Psychological capital can be defined as an individual's positive psychological state of development, which consists of four components: self-efficacy/ confidence, hope, optimism, and resiliency. Self-efficacy is defined people's convictions about their own capacity for successfully executing a course of action that leads to a desired outcome. Hope is an individual's determination to maintain effort toward goals and ability to determine alternative courses of action to attain those goals. Optimism is the ability to see the brighter side of things always and resiliency is the psychological capacity to bounce back from adversity, uncertainty and conflicting situations. People with high levels of psychological capital can work happily. Coping plays an important role on the protection of physical and mental health and helps to maintain balance during stressful situations. Active coping (taking steps to remove or minimize the effects), planning (thinking about how to cope with a stressor), suppression of competing activities (trying to avoid being distracted by other activities and focusing on the stressor), seeking social support for instrumental reasons (seeking information or advice), seeking social support for emotional reasons (seeking moral support, sympathy or understanding) and positive reinterpretations are considered as functional coping strategies. Dysfunctional coping involves behavioural disengagement (reducing efforts to deal with the stressor), mental disengagement (involves activities that distract the individual from thinking about the stressor) and denial (involves denying when there is a problem). This study aims at exploring the characteristics of coping strategy and positive psychological capital of junior and senior executives working at public at private and public sector banks. The questionnaires on the positive psychological capital and coping strategy were administered on 310 executives drawn from public and private sector banks in Kolkata (India) using simple random sampling method. Results indicated the following points:

1. Senior and junior executives of private sector vary with respect to their Coping strategy (functional and dysfunctional).
2. There are some significant differences between senior and junior executives with respect to their positive psychological capital.
3. Positive psychological capital has a significant positive correlation with the functional coping strategy.

The study implies that training and developing positive psychological capital among employees help them to deal with stressful situation assertively rather than avoiding it in order to promote positive attitude at the workplace.

Keywords: Positive psychological capital; Functional coping strategy; Dysfunctional coping strategy; Private and public banking sector.

1. Introduction

The concept of psychological capital is considered as one of important subsets of human capital which was conceptualized by Fitz-enz (2000) [7]. Psychological capital (PsyCap) can be defined as an "individual's positive psychological state of development that is characterized by having confidence (self-efficacy) to take on and put in the necessary effort to succeed at challenging tasks; making a positive attribution (optimism) about succeeding now and in the future; persevering toward goals and, when necessary, redirecting paths to goals (hope) in order to succeed; and when beset by problems and adversity, sustaining and bouncing back and even beyond (resiliency) to attain success. (Luthans, Youssef & Avolio, 2007) [13]". The concept of self-efficacy, is based on Bandura's (1986, 1997) social cognitive theory, and at workplace it can be defined as 'an individual's conviction (or confidence) about his or her abilities to mobilize the motivation, cognitive resources, and courses of action necessary to successfully execute a specific task within a given context' (Stajkovic & Luthans, 1998) [20].

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People with high self-efficacy trust their abilities which enables them to choose challenging task and put in more efforts to achieve their goals. Optimism can be defined as an “explanatory style that attributes positive events to internal, permanent and pervasive causes and negative events to external, temporary and situation specific one’s” (Luthans & Youssef, 2004) ^[15]. According to Schneider (2001) ^[18], optimism includes three-step processes: leniency for the past, appreciation for the present and opportunity-seeking for the future. Hope can be defined as ‘a positive motivational state that is based on an interactively derived sense of successful (1) agency (goal-directed energy) and (2) pathways (planning to meet goals)’ (Snyder, Irving & Anderson, 1991) ^[19]. Employees with high PsyCap, possess extra internal resources to better manage their work, expect good things to happen, quickly “bounce back” from impediments, and are more realistically optimistic about negative situations.

2. Review of Literature

Lazarus and Folkman (1984) ^[10] argued that people suffer stress when they believe they lack the positive psychological capital to deal with difficulties. Coping is a mechanism, which plays an important role in dealing with stress in order to protect physical and psychological health and to maintain psychological balance during stressful situations. Generally, there are two forms of coping strategy. Problem-focused or functional coping aims at altering the source of the stress, while emotion focused or dysfunctional coping aims at reducing or managing the emotion and distress associated with the stress. When people feel that something constructive can be done, functional coping strategies are often used; while the stressors are something to be endured, dysfunctional methods are often employed (Carver, Scheier & Weintraub, 1989) ^[4]. Meta-analyses indicated that cognitive-behavioral approaches, which seek to change an individual’s cognitions and psychological capital, may be the most effective approach in reducing anxiety symptoms, enhancing functional/active coping strategies, and improving the perceived quality of work life (Van der Hek & Plomp, 1997; Van der Klink, Blonk, Schene & van Dijk, 2001) ^[21, 22]. Brissette, Scheier and Carver (2002) ^[5] suggested that resilient aspects of personality, such as dispositional optimism, are favorably associated with psychological adjustment in college students. People with low self-efficacy have limited vision on how to solve problems and experience stress and depression. They are slow to recover their sense of efficacy following failure or setbacks (Bandura, 1994) ^[2]. Optimism plays an important role in the adjustment to stressful life events (Scheier, Carver, & Bridges, 2001) ^[17]. Lazarus (2003) ^[9] identified that human adaptability and coping strategy became enhanced with the help of different dimensions of psychological capital such as self-efficacy, optimism, hope, and resilience. Laschinger and Grau (2012) ^[8] identified that increased psychological capital was negatively related to emotional exhaustion, burnout and increased physical and mental well-being among nurses. Research has empirically supported psychological capital as a higher-order core factor (Luthans, Avolio, Avey, & Norman, 2007) ^[13] that is open to development (Luthans, Avey, Avolio, Norman, & Combs, 2006; Luthans, Avey, & Patera, 2008) ^[11, 12] and is associated with higher performance (Luthans, Avolio, Avey, & Norman, 2007) ^[13]. Luthans and Jensen (2005) ^[14] suggested that in stressful occupations, individuals with higher levels of psychological capital may be more likely to stick it out rather than to quit.

However, the literatures in connection with the association between psychological capital and coping strategy are relatively few, especially in Indian context. Therefore, the time has come to recognize the potential power of developing psychological capital as a positive resource in enhancing functional coping strategy in order to better manage the stressful situations.

Therefore, a study related to positive psychological capital and coping strategy among senior and junior executives of private and public sector banks could be valuable. Overall working environment of private and public sector banks is the same. However, private sector banks are largely more competitive than the public sector banks. In a private sector bank, employees usually need to work effectively in a tough situations and adhere to the deadlines whereas the environment is little bit relaxed in public sector bank because chances of personal growth and professional growth are relatively slow in public sector banks compared to private sector banks. Private sectors also set clear organizational goals for an employee and provide periodic performance evaluation to employees to make them aware of their performances. Private sectors often take initiative to arrange Employee Development Programs (EDPs) to develop internal resources of employees.

3. Objectives of the Study

The objective of the study is to explore the positive psychological capital and coping strategy of junior and senior executives working at public at private and public sector banks. The research work includes the following objectives:

- To explore the nature of positive psychological capital (Hope, Self-efficacy, Resilience and Optimism) of the executives (senior and junior rank) of public and private sector banks.
- To ascertain the nature of coping strategy (functional and dysfunctional) of the executives (senior and junior rank) of public and private sector banks.
- To find out the relationship between positive psychological capital (Hope, Self-efficacy, Resilience and Optimism) and coping strategy (functional and dysfunctional) of public and private sector executives.
- To determine the most significant predictors of coping strategy of public and private sector executives.

4. Method

4.1 Participants

Executives working in public and private sector banks in Kolkata constitute the population for the present study. Sample includes 310 executives drawn from different public and private sector banks—150 from public sector and 160 from private sector banks. Senior bank executives (male- 85 and female – 65) and junior bank executives (male – 88 and female – 72) working in different public and private banks were selected for the present study. Bank executives were classified as senior and junior bank employees based on their year of work experience at bank. The bank executives who have more than 10 years of experience were classified as senior and less than 5 years of work experience were classified as junior executives. Participants ranged in age from 31 to 52 years (mean age – 39.83 years). A stratified random sampling method was used for the selection of sectors (public and private) in the banking unit. A simple random sampling method was used for selecting bank branches from the selected banks (both the sectors) for the

study. Eight banks (three public and five private sectors) were finally selected as sample for the present study.

4.2 Measures used

Following measures were used in the present study:

- **Demographic Information Schedule:** It gathers personal information (such as age, gender, educational qualification, tenure of their work, name of the bank) of respondents.
- **Psychological Capital (Luthans et al., 2007) [13]:** Psychological capital scale was developed by Luthans, Youssef and Avolio (2007) [13]. This scale analyzed four dimensions of Psychological Capital: hope, optimism, self-efficacy and resilience. The scale had 24 items i.e., 6 items of each dimension. This is a 7 point scale and scores on the scale varies from 1= strongly disagree to 7= strongly agree. The score for each dimension varies from 6-42. The higher score on each dimension indicates high on the respective dimensions. The Cronbach’s alpha of four dimensions range from 0.75 to 0.83.
- **Occupational Stress Indicator Scale (Cooper, Sloan & Williams, 1998) [6]:** This scale is a popular instrument for the diagnosis of occupational stress. This instrument was developed by Cooper et al, (1988) [6]. The OSI scale consists of six dimensions in which coping strategy is one of the major dimensions. The scale for coping strategy is a 25-item self-report measure for assessing functional and dysfunctional coping strategy. The functional coping included the active coping, planning,

seeking social support, seeking emotional social support etc. The dysfunctional coping included the denial, mental disengagement, behavioural disengagement and alcohol or drug use subscales. There are 13 items under functional coping strategy and rest of the 12 items will denote dysfunctional dimension. The scores range from 13-78 and 12-72 for functional and dysfunctional dimension, respectively. High score indicates high on functional and dysfunctional dimension. The Cronbach’s alphas for functional and dysfunctional subscales for the present study were calculated and found to be 0.70 and 0.68, respectively.

5. Procedure

The study is based on primary data. Data were collected from executives working at public and private sector banks in Kolkata. The permission was taken from the manager of a randomly selected bank to fill up the questionnaire from his executives (both senior and junior).

6. Results

The obtained data were analyzed with the help of descriptive (mean and standard deviation) and inferential statistics (t-test and multiple regression analysis). The means and standard deviations (SDs) and t-values of different dimensions of positive psychological capital of executives working in private and public sector bank were calculated and presented in Table 1.

Table 1: Mean, SDs and t –values of different dimensions of positive psychological capital in two types of bank

PsyCap Dimension	Type of Organization	Mean	SD	t value
Hope	Public (150)	33.78	7.92	5.30**
	Private (160)	38.52	7.81	
Self-efficacy	Public (150)	29.88	8.91	6.84**
	Private (160)	36.46	8.02	
Resilience	Public (150)	24.29	7.91	1.43
	Private (160)	23.04	7.45	
Optimism	Public (150)	30.21	8.77	7.94**
	Private (160)	37.63	7.67	

Note: ** significant at 0.01 level, * significant at 0.05 level

Table 1 clearly reveals that except in resilience, executives working in private and public sector differ significantly with respect to all the three dimensions of psychological capital. Private sector executives are significantly higher on Hope, self-efficacy and optimism than their counterparts in public sector. This implies the significant effect of context of the organization on different dimensions of psychological capital.

In order to determine whether senior and junior executives working in public and private sector bank differ significantly with respect to mean psychological capital, independent t-tests were calculated and the results reveal that only in case of private sector bank, senior and junior executives differ significantly with respect to all four dimensions of psychological capital: hope [t (158) = 4.15; p<0.01], self-efficacy [t (158) = 6.02; p<0.01], resilience [t (158) = 4.56; p<0.01] and optimism [t (158) = 5.23; p<0.01]. Closer scrutiny reveals that in all dimensions of psychological capital junior executives score significantly higher than seniors.

In order to study the second objective, means and standard deviations (SDs) and t-values of functional and dysfunctional

coping strategy of executives working in private and public sector bank were calculated and presented in Table 2.

Table 2: Mean, SDs and t –values of different dimensions of coping strategy in two types of bank.

Coping strategy	Type of Organization	Mean	SD	t value
Coping (total)	Public (150)	80.34	8.91	0.85
	Private (160)	81.21	9.07	
Functional Coping	Public (150)	41.67	9.32	10.99**
	Private (160)	52.98	8.80	
Dysfunctional coping	Public (150)	46.26	8.01	7.69**
	Private (160)	38.78	9.05	

Note: ** significant at 0.01 level, * significant at 0.05 level

Table 2 presents that executives working in private and public sector bank do not differ significantly with respect to their mean overall coping strategy. Intriguingly, public and private sector employees do differ significantly with respect to their use of functional and dysfunctional coping strategy. Private sector executives are significantly high on using functional coping strategy compared to public sector whereas

the reverse trend is evident in case of dysfunctional coping strategy.

In order to determine whether senior and junior executives working in two types of bank differ significantly with respect to mean functional and dysfunctional coping strategy, independent t tests were calculated and the results indicate that junior executives working in private sector score significantly higher in the dimension of functional coping strategy than senior executives [t (158) = 3.95; p<0.01].

Similar trend is evident in case of public sector but the difference is not statistically significant. In case of dysfunctional coping strategy, senior executives of public sector score significantly higher compared to juniors [t (148) = 6.23; p<0.01]. Similar trend is present in case of private sector bank but the result is not statistically significant.

In order to examine the third objective, Pearson Product Moment correlation of coefficient was computed and presented in the following table:

Table 3: The relationship between positive psychological capital and coping strategy.

Coping strategy	Functional		Dysfunctional	
	Public Sector (N=150)	Private Sector (N=160)	Public Sector (N=150)	Private Sector (N=160)
Positive PsyCap				
Hope	0.41**	0.65**	-0.30**	-0.59**
Self-efficacy	0.37**	0.58**	-0.28**	-0.61**
Resilience	0.45**	0.62**	-0.39**	-0.52**
Optimism	0.14	0.13	0.10	0.09

Note: ** significant at 0.01 level, * significant at 0.05 level

The correlation analysis in table 3 indicates that all dimensions of psychological capital except optimism have significant positive correlation with functional coping strategy and significant negative correlation with dysfunctional coping strategy.

In order to determine the most significant predictor of functional and dysfunctional coping strategy, multiple regression analyses were conducted with all four dimensions of psychological capital as predictors. The results are presented in Table 4.

Table 4: The regression analysis of positive psychological capital and coping strategy in two type of organization.

Model	Organization	Criterion	Predictors	R ²	B	Std Error
1	Public	Functional	Self-efficacy	0.22	0.36**	0.15
2		Dysfunctional	Resilience	0.24	-0.32**	0.19
1	Private	Functional	Hope	0.54	0.52**	0.18
			Resilience		0.58**	0.20
			Self-efficacy		0.48**	0.23
2		Dysfunctional	Hope	0.26	-0.51**	0.16

Note: ** significant at 0.01 level, * significant at 0.05 level

Findings indicate that in public sector, taking functional coping strategy as a dependent variable in model 1, self-efficacy has a significant predictive effect on functional coping strategy and is also positively related to it. Resilience has significant predictive effect on dysfunctional coping strategy and is negatively related to it. Self-efficacy and resilience explain 22% and 24% variation in functional and dysfunctional coping strategy, respectively. In private sector, except optimism, other dimensions of psychological capital have positive predictive effect on functional coping and explain 54% of variation in it. Hope has negative predictive effect on dysfunctional coping and explains 26% variation in it.

7. Discussion

The present study determines the relationship between positive psychological capital and coping strategy of public and private sector executives. The research indicates that except the level of resiliency, all the three dimensions of psychological capital are significantly higher among private sector executives especially juniors. The possible interpretation of this is that private sectors focus more on employee differences and reinforce the employees based on their skills, performance and consequently, employees develop more hope and optimism. Performance appraisal encourages employees especially juniors as they want to prove themselves and consequently, display more hope, self-

efficacy and optimism. Junior employees are also given direction for further improvisation, which enhances their ability to bounce back in a critical situation and thereby acting as a stepping-stone to their career advancement.

The study also reveals that junior employees of private sector are significantly higher on using functional coping strategy than their senior counterparts. This may be due to the fact that juniors generally possess a flexible mind set and strong sense of personal growth which encourage them to adopt functional coping strategy i.e. constructive planning to deal with stressors rather than avoiding them.

The study also reveals the significant and positive relationship between almost all dimensions of psychological capital (except optimism) and functional coping strategy. This finding is partially supported by the findings of Van der Hek & Plomp, 1997; Van der Klink *et al.*, 2001 which indicate that change in an individual's cognition and psychological capital is effective in enhancing functional/active coping strategies. The possible interpretation of this finding is that people who trust their own capacity for successful execution of a course of action and desire to achieve goals, generally try to deal more effectively in a critical situation by actively participating in it rather than simply avoiding or developing compensatory behavior. People having the strong sense of personal growth and capacity to bounce back from adversity and failure also tend to face the stressful and critical situation more in a

positive manner rather than simply escaping the situation. On the other hand, people with very little trust on their inner capabilities to accomplish goals, suffer from aimlessness and hopelessness in their life and tend to avoid the critical situation, which further intensifies the complexity of the situation.

8. Conclusion

The present study determines the level of different dimensions of positive psychological capital and coping strategy used by senior and junior executives working at private and public sector banks. The study also throws light on the relationship between positive psychological capital and coping strategy. The present research has shown that almost all dimensions of psychological capital are significantly different not only with respect to the type of the organization but also with respect to work experience of employees. This implies that not only context of organization but also the level of work experience is important factor in ascertaining the nature of psychological capital and coping strategy. Organizations may take serious steps to encourage positive organizational climate that automatically facilitates psychological capital among employees, which would eventually persuade them to confront the critical situation more efficiently rather than avoiding it.

9. Limitations

Despite the intriguing findings regarding the relationship between psychological capital and coping strategy in organizational context in India, there are several limitations of the present study. The first limitation of the study is the sample selection, which is confined to executives selected from private and public sector banks in Kolkata. The credibility of the results will be enhanced by covering banks in different parts of the country. The second limitation is that the study is a cross-sectional in nature, thus preventing us to draw causal inferences from the results. Longitudinal study would be helpful in this context. Last but not the least, responses in the present study are based on self-report. Future research should replicate these findings by using other methodologies (e.g., observations).

10. Implications

In spite of having limitations, the results of the present study have significant implications. The study implies that executives working at private sector bank are significantly higher on almost all dimensions of positive psychological capital than public sector executives. It also shows that junior executives of private sector banks are significantly higher on all dimensions of psychological capital than their senior counterparts. In organization, employees need to encourage in taking active part in setting their SMART (specific, measurable, attainable, realistic and timely) goals and ways of accomplishing the goals. Active participation in goal setting will motivate employees by giving them a sense of worth and eventually enhance the level of hope, self-efficacy, optimism and resiliency. Organization also needs to train employees to focus on means of attaining the goals rather than focusing merely on the final attainment of the goal. This will facilitate the level of self-efficacy among employees. Organization also needs to arrange training programme where juniors and seniors get opportunity to interact with each other and share their views. Open interaction helps in better understanding of one's own strengths and limitations and thereby encouraging employees

to learn from each other. Organizations must arrange some workshops and seminars where employees get chance to interact with already successful people and role model in order to enhance confidence and optimism among employees. The study also indicates that employees little bit low on psychological capital, must be trained to be more active in their coping strategy rather than simply avoiding the critical situation or developing compensating behaviour. Organization may also use the principle of means-end analysis (i.e. breaking down task into small parts and easily accomplishing the small task) which may enhance their level of self-efficacy, hope and consequently facilitate the ability to stand against impediments.

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