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**THE IMPACT OF PSYCHOLOGICAL CAPITAL ON EMPLOYEE  
COMMITMENT: SPECIAL REFERENCE TO A LEADING ORGANIZATION OF  
APPAREL INDUSTRY IN SRI LANKA**

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**ABSTRACT**

The study adopted a cross-sectional design. A sample size of 150 respondents from a leading organization in the apparel industry in Sri Lanka was selected using a stratified sampling method from the population of 600. The data were collected through a standard questionnaire with 5-point Likert scales after the acceptance of reliability and validity. Therefore, the questionnaire is satisfied. The SPSS 20 is used to analyze data. There is a strong positive relationship between psychological capital and employee commitment. Optimism is the most influencing psychological dimension of employee commitment. Apart from that among the four dimensions under psychological capital, three dimensions (self-efficacy, hope, optimism) have a positive relationship with employee commitment. But resilience has a negative and significant relationship with employee commitment. In the Production department, there is a low relationship (0.450) between the variables when compared with other departments. However, the packing department has the highest positive and significant relationship between (0.846) psychological capital and employee commitment. Further more affective commitment has the highest mean value and it is the most prevailing type of employee commitment in the selected organization.

Keywords – Psychological capital, Self-efficacy, Optimism, Hope, Resilience, Employee commitment, Affective commitment, normative commitment, continuance commitment.

**INTRODUCTION**

Background of the research

“The management of work and people is increasingly important as human resource is a unique source of competitive advantage” (Opatha, 2009). Simply Human Resource management is defined as managing the employees with efficiency & effectiveness towards achieving the objectives of the organization. “Studies in manufacturing and service industries show that management systems that encourage commitment and competence of people achieve greater productivity, quality and cost-efficiency.” (Pfeffer, 1998). According to Khera (2017), examine that employee commitment plays an important role in organizations with regards to employee performance & organizational success and successful organizations want employees that are willing to do more than their job requirements and that provide performance that surpasses expectations and According to the Meyer and Allen (1990), Committed employees will also work harder and be more likely to go the extra mile to achieve organizational

objectives. “Committed human resources are organization’s greatest assets to gain competitive advantage. Organization commitment refers to the nature of the employee’s attachment to their organization.” (Shahnawaz and Jafri, 2009) and to the employee’s identification with and involvement in a particular organization (Mowday, Poter and Steers, 1982). Allen and Meyer (1990) proposed a three components model of organizational commitment. There are affective commitment (employee’s emotional attachment to the organization), continuous commitment (commitment based on the benefits of staying with the organization versus the costs. That are associated with leaving the organized), and Normative commitment (employees feeling of obligation to remain with the organization).

According to Seneetancun, (2015) examine personal characteristics (gender, age, education, work position), job characteristics (Job opportunity, work reflection, the completeness and achievement, job responsiveness) and organizational characteristics (organizational support, citizenship behavior, benefits the organization, organization management) which are affected to the organizational commitment.

Earlier in the realm of physical capital (labor, capital, money) has been introduced aside from the physical capital, human capital (consists of knowledge, skills and experience) Social capital (network of relationship with other people) the new concept that has recently been introduced by Luthans, (2002) is derived from positive organizational behavior (POB) and it is psychological capital. Psychological capital is one of the important and new research interest areas of organizational behavior and human resources. Physiological capital can be described as an individual positive psychological state of development, which

consists of four dimensions: self-efficacy, hope, optimism and resiliency. (Luthans 2002). Self-efficiency is a perception or belief regarding one’s abilities, while optimism is a positive expectation and hope relates to the attitude of mind or way of thinking which plays a direct role in work performance. Lastly, resilience concerns positive adaptation and the ability to bounce back from adversity. Psychological capital is affected to employee commitment (Luthans, Avolio, walumbwa and Li, 2007)

If we take the apparel industry, committed employees are the critical factor to the success of the industry. Psychological capital is a new concept and it impacts employee commitment. So, managers should have a good understanding of how psychological capital affects employee’s commitment. However, till now there is no proper researches regarding the impact of psychological capital on employee commitment of sir Lanka within the apparel industry. The researchers selected one of the leading organizations in the area of the apparel industry to find the impact of psychological capital on employee commitment and the researchers hope this study will cover the researchers’ gap in the above areas.

### **Problem Statement**

The psychological dimensions of psychological capital have been linked to overall workplace attitudes & performance (Luthans, Youssef and Avolio, 2007).

It has often been said that the most important asset of any business is its employees indeed, the management of people is increasingly seen as a key element of competitive advantage (Wright and Kehoe, 2008). At present organizations are facing a lack of commitment of managerial and non – managerial employees as a major problem.

The garment organization in Colombo clearly indicates that there is a problem

regarding employee commitment in the particular organization. As a result, many companies fail to fully utilize their human resources. It badly affects the performance of the employees and the organization. Based on the above problem they have provided high salaries and annual increments, it does not seem to satisfy them. Based on their annual reports their absenteeism and turnover rates are continuously increased. It leads to reduce their performance and it directly affected the effectiveness, productivity, profitability and success of the organization. Therefore, other factors might be essential to gain higher employee commitment.

Psychological capital is affected by employee commitment (Luthans, Avolio, and Walumbwa, 2011) and it is a new concept. Therefore, the problem statement for this research was formulated as follows; "What is the impact of psychological capital on employee commitment in the selected leading organization in the apparel industry in Sri Lanka."

### **Research Questions**

During this research, the researchers are going to address the following research questions and go for a deep study and analysis on the subject matter.

These are,

1. Is there any relationship between psychological Capitals on employee commitment?
2. What psychological dimensions are significantly affected by the commitment of employees?
3. Whether there are any differences between the departments of a garment factory on the relationship of employee commitment and psychological capital?
4. What is the prominent dimension of commitment seen in the garment industry?

### **Objectives of the study**

The primary objective of this study is, to examine the impact of psychological capital on employee commitment of the selected organization in the apparel industry in Sri Lanka.

The specific objectives of the study are:

- I. To examine the most influenced psychological dimensions on employee commitment.
- II. To examine the differences between the departments regarding the relationship between psychological capital and employee commitment.
- III. To find out the most prevailing type of commitment in the garment factories

#### **1.5. Significance of the study**

The study is significant to identify the impact of psychological capital on employee commitment of one of the leading the selected organization in the apparel industry in Sri Lanka. It's useful to examine the types of psychological dimensions their impact on employee commitment.

Understanding the types of psychological capital and how it is affected to employee commitment of the organization can help the Human Resource Department of the selected garment to make better human resource decisions. This, in turn, will help to understand the importance of psychological capital on employee commitment in apparel organizations. At least to identify the importance of psychological capital to achieve higher employee commitment. It is important to organizational success and it may gain benefit to employee's managers and the organization also.

Internationally and Sri Lankan context very few researchers have done researches about the impact of psychological capital on employee commitment (Naotunna, 2015). but there are very few researches describe how psychological capital

impacts employee commitment in the apparel industry. Therefore, this study was conducted by the researchers to know how psychological capital impacts employee commitment of the selected organization in the apparel industry in Sri Lanka.

## **LITERATURE REVIEW**

### **Psychological Capital**

The Construct of Psychological Capital is drawn from the concept of positive organizational behavior (Luthans et al, 2007, p.60). Some researchers view it as “State – like” psychological capacities that can be measured, developed and effectively managed for improving individual performance (Luthans, 2002, p.23). Luthans and colleagues developed the concept of psychological capital (Psy.cap) and define it as “an individual’s positive psychological state of development characterized by self-efficacy, hope, optimism and resilience” (Luthans et al, 2007, p.541-572). Luthans & Youssef (2004), defined psychological capital has been empirically validated and is characterized by the four components of psychological capital which are self-efficacy, optimism, hope and resiliency (p.33, 143–160). Its dimensions of self-efficacy, optimism, hope and resilience are situational-based, open to development and change. Therefore Psy.cap and each of its psychological capacities can be developed and trained and the above four variables are one of the most important criteria in developing the core construct of Psy.cap (Kappagoda et al, 2014, p.144)

Luthans et al(2004), defined that psychological capital is employee’s positive psychological states beyond intellectual capital in obtaining and sustaining the competitive advantage(p.45-50) Luthans and Youssef (2017), identified Psy.cap as “an individual’s positive appraisal of circumstances and probability for success based on motivated effort and

perseverance(p.339-366).psychological capital is one step further from economic, social and human capital(Luthans,2008). Avolio and Luthans(2006), concluded that psychological capital is an interrelated construct with the term of financial, social, human capital. But the difference between financial capital (What you have ex: finance, tangible assets), Human capital (what you know to ex: experience, education, skills, knowledge, ideas) and social capital (who you know Ex: relationship, friends, a network of contacts), psychological capital emphasizes on “who you are?” and “who you are becoming” with regard to psychological development (p.64-78). Sridevi & Srinivasan (2012), identified that in an era where key competitive advantage is achieved through and depends on the people of the organization, Psy.cap is of great relevance in the modern business context due to intense rivalry, complexities and uncertainty in the market. This is because psychological capacities such as self-efficacy, optimism, hope and resilience of employees help them cope better in such challenging times in difficult situations (p.37).psychological capital places emphasis on the positive nature and strengths of employees and the role this has on fuelling employee’s growth and performance (Luthans, 2005, p. 247–269). Luthans et al (2007) defined that, Psy.cap is characterized by the ability of an individual to carry out a positive evaluation of circumstances and the likelihood of success based on the level of motivation and perseverance. In other words, Psy.cap focuses on the positive psychological fortes of an individual and not the physical and financial assets possessed (P.541- 557).

### **Dimensions of psychological capital**

#### **I. Self-efficacy**

Albert Bandura is credited with defining self-efficacy, the idea that the

individual has both the confidence to identify the pathways and confidence in his or her own abilities to achieve the desired end result by their own activities (Bandura, 1977, P.84, 191-215). Bandura (1997), identified that self-efficacy refers to people's convictions about their own capacity for successfully executing a course of action that leads to the desired outcome (P. 124, 240-261). Self-efficacy is one's belief to perform the task successfully and fulfill motivational, cognitive and operational resources (Stajkovic and Luthans, 1998). Bandura (1997), defined that, individuals with high self-efficacy generally have a stronger belief in their ability to control outcomes and succeed in addressing difficult challenges than those low in self-efficacy.

## **II. Optimism**

Optimism refers to an individual's expectancy of positive outcomes (Scheier, 2001, p. 198-216). Luthans and Youssef (2004), optimism is defined as an "explanatory style that attributes positive events to internal, permanent and pervasive causes and negative events to external, temporary and situational specific ones. Optimism means positive expectations about the future (Peterson et al, 2011). Snyder et al (1991), defined optimism as generalized expectations that individuals hope for the best and persistence for achieving the target (P.60, 540). Optimism explains the distance between negative outcomes (past) and positive outcomes (future) and one always makes an effort to maintain distance from the past and links oneself positively to the future called optimism (Seligman, 2006). Seligman (1998), explained, those high in optimism generally build positive expectancies that motivate them to pursue their goals and deal with difficult situations.

## **III. Hope**

Hope is comprised of two components; agency (goal-directed energy) and pathways (Snyder et al, 1996, P.321-335).

Whereas agency refers to an individual's motivation to succeed at a specific task in a set context, pathways refer to the way or means by which that task may be accomplished (Luthans et al, 2008, P. 219-238). Snyder (2000), considered, hope is the idea that an individual can have an optimistic view of future outcomes. Linley and Joseph (2004), Hope reflects the individual's perception of his or her capacity to clearly conceptualize goals, develop strategies to reach these goals, initiate and sustain the motivation to achieve these goals (pp. 288-404). Çetin & Basim (2011), identified that hope is a belief to determine significant purposes and a process an individual overcomes obstacles (P.13). Individuals with high levels of hope show greater goal-directed energy and are more likely to exhibit the capacity to develop alternative pathways to accomplish their goals (Luthans et al, 2008, P., 209-221).

## **IV. Resiliency**

Resilience refers to the ability of an individual to bounce back from adversity, uncertainty, risk, or failure and adapt to changing and stressful life demands (Masten & Reed, 2002, P. 74-88; Tugade & Fredrickson, 2004, P. 320-333). Masten (2001), Resiliency is characterized as the ability to generate a positive outcome in spite of serious threat (P.227-238). Resiliency is an ability to settle and deal with the circumstances when facing negative situations, risks, or important changes (Luthans, 2002b, P.57-72). Hayter & Dorstyn (2014), explain resilience as the strength to adapt positively to the different kinds of conflicts, failures, risks, and adversities and rebound from negative circumstances (P. 167-171). Resilience is considered a reactive mechanism and opens to development (Avey et al, 2010, P.17-28). Individuals high in resilience tend to be better at adapting in the face of negative experiences and changes in the external environment (Luthans, 2006, P. 5, 25-44).

## **Employee commitment**

Employee commitment refers to the nature of the employee's attachment to their organization (Shahnawaz & Jafri, 2009, P. 78–84). Employee commitment is defined as an employee's identification with and involvement in a particular organization (Mowday et al, 1982). Bateman and Strasser (1984), defined that, employee commitment as an employee's loyalty to the organization (P.95-112). Becker (1960), identified employee commitment as "The tendency to engage in consistent lines of activity" (p. 32-40). Employee commitment refers to an individual's willingness to contribute his or her efforts and loyalty to an organization (Lau et al, 2015, P. 281–288). Employee commitment is defined as the relative strength of identification of an individual's participation in and attachment to his or her work organization (Tekingunduz et al, 2017, P. 522-541). Stinglhamber et al (2002), concluded that employee commitment is a degree to which a person identifies himself or herself with the organization and its goals (P. 123).

Khera (2017), explained that, in recent years, employee commitment has emerged as a subject of significant importance as it leads to an emotional affection of the employee to the organization. The measure of organizational commitment yields the thinking and feeling of the employee towards his organization. Which can lead to making the decision for making the organization a comfortable place for working (P.76). Monga & Cilliers (2016), identified that committed workers are likely to be dedicated and identified with the organizational goals and values (P. 35–42). Committed employees are likely to feel valued, are satisfied with their job, identify with the organization and seek to maintain their membership or employment relationship (Monga & Cilliers, 2016, P. 35–42).

Previous research has shown that employee commitment increases productivity and the intention to stay (Monga & Cilliers, 2016, P. 35–42). Allen & Meyer (1990), proposed a three-component model of organizational commitment: affective commitment, continuance commitment and normative commitment (P. 1–18).

## **Dimensions of Employee Commitment**

### **I. Affective commitment**

Affective commitment refers to the employee's emotional attachment to, identification with and involvement in the organization (Allen & Mayer, 1990). Affective commitment is an employee's psychological attachment to, identification with and involvement in the organization (Shore & Tetrick, 1991). Wasti (2003), identified that affective commitment has the strongest and most consistent relationship with desirable workplace outcomes. Seneetantikun (2015), noted numerous factors that may influence the level of affective commitment. They can be divided into two groups: individual-level factors (Ex; personality, values, orientation, education, sex, age) and Organizational factors (Ex; clear defined roles and goals, management support level, employee performance level).

### **II. Continuance commitment.**

Continuance commitment refers to commitment based on the benefits of staying with the organization versus the cost that is associated with leaving the organization (Allen & Meyer, 1990). Continuance commitment represents cognitive attachment between employees and their organizations because the cost of leaving an organization outweighs the benefits (Tung et al, 2014). Buitendach & Witte (2005), explained continuance commitment that is based on the costs that the employee links with leaving the organization or on a perceived lack of alternative employment opportunities.

Seneetantikun (2015), identified that there are some factors that may lead to continuance commitment. One of these factors is the level of investment one must have accumulated in an organization and another factor is an employee's perception of lacking alternatives outside of the organization.

### III. Normative commitment.

Normative commitment refers to an employee's feeling of obligation to remain with the organization (Allen & Meyer, 1990). Wiener & Gechman (1977), attributed normative commitment to the organization as a result of a socialization process that individuals experience as a member of the family during their growing years. The normative commitment involves the employee's feelings of obligation to stay with the organization (Winer & Gechman, 1977). Allen & Meyer (2000), said individual-level factors (Ex; education, sex, age) can be an influence to the normative commitment.

### 2.3 Relationship between Psychological Capital and Employee commitment.

Youssef & Luthans (2007), conducted research about "positive organizational behavior in the workplace: the impact of hope, optimism and resilience" and there is a finding which shows a positive relationship between psychological capital and employee commitment. Furthermore, most of the employees have several ways to accomplish the work goals and when they found that their performance appraisal was less than the expected goals, they are trying to find the way to improve and then start to do better and also, they usually take stressful things at work in stride. So employees' loyalty came to be higher. Researchers concluded that hope and resilience highly impact employee commitment positively. But optimism not affected employee commitment.

Etebarian (2012), in their study on "the relationship between psychological capital

and employee commitment" shows there is a positive and significant relationship between hope and employee commitment, there is a reverse and significant relationship between resiliency and employee commitment, the relationship between employee commitment and optimism, and self-efficacy and employee commitment are not significant, there is a positive and significant relationship between psychological capital and emotional commitment, while there is no significant relationship between other dimensions of employee commitment. However overall result found that there is a positive and significant relationship between psychological capital and employee commitment. Luthans et al (2005), conducted research about "the psychological capital of Chinese workers: exploring the relationship with employee commitment" and there is a finding which shows that Chinese workers having a more positive focus and greater psychological capital are more likely to be associated with being higher employee commitment. Apart from that the production workers in Chinese factories have worked and lived under the long-term pressure of communist centralized planning and political ideology, which has often seemed to result in hopelessness and helplessness. However overall result found that there is a positive relationship between psychological capital and employee commitment.

Khera (2017), in their study on "relationship between psychological capital and employee commitment: a study among the medical professionals of selected hospitals in north India" and found that psychological capital has a significant and positive correlation with organizational commitment. Further, he describes that there is a non-significant difference between the means of male and female respondents for variables psychological capital and employee commitment and there is a non-significant



difference between the means of undergraduate and graduate and post-graduate and above respondents for variables psychological capital and employee commitment. Thus, hospitals should incorporate psychological capital interventions to improve commitment among their employees.

Sinha et al (2002), conducted research about a “correlation study of employee commitment, self-efficacy and psychological barriers to technological change” and there is a finding which shows psychological capital positively impacts employee commitment. Furthermore, results suggested that self-efficacy is positively related to organizational commitment. Employees who are self-efficacious, encouraged, idealistic and resistant are likely to show loyalty, identify with and involve fully in accomplishing a goal of the organization. But only 3% variance in organizational commitment is explained due to the self-efficacy variable. This suggests that the high self-efficacy of an employee may not always be beneficial for the organization. Luthans et al (2008), studied “The mediating role of psychological capital in the supportive organizational climate – employee performance relationship” and found that psychological capital is significantly related to performance, satisfaction and employee commitment. Furthermore, psychological capital may play an important mediating link between supportive organizational climate and employee performance. Specifically, this study provides initial evidence that in concert with a supportive climate, positivity in general and psychological capital, in particular, may have the desired impact on an employee’s actual performance. Luthans & Youssef (2017), conducted research about “psychological capital: An evidence-based positive approach” and there is a finding which shows psychological capital has a positive correlation with employee commitment.

Furthermore, all sub-variables of psychological capital positively affect employee commitment. But most of the sample employees, feel confident that they can accomplish their work goals and they have several ways to accomplish their work goals. Based on the above result the researchers concluded that self-efficacy and hope highly affected employee commitment than the other two sub-variables of psychological capital.

Lifeng (2007), studied the effects of psychological capital on employee commitment, employee’s job performance and organizational citizenship behavior, the research result indicated that psychological capital had a positive impact on employee commitment. Simons & Breitenbach (2005), studied psychological capital, work engagement and organizational commitment amongst call center employees in South Africa. The result found that there was a significant and positive relationship between psychological capital, work engagement and organizational commitment. Idris & Managanaro (2017), studied the relationship between psychological capital, job satisfaction and employee commitment in the Saudi oil and petrochemical industries and found a positive relationship between psychological capital and employee commitment among the employees.

## ***RESEARCH METHODS***

### **Research Design**

Research design can be thought of as the road map for researchers. It means by which researchers plan the collection of data to answer a pertinent research question. A good research design will ensure that the information collected will be consistent with the purpose of the study and that the procedures regarding data collection will be accurate and efficient (Rahi, 2017). This study was conducted as a cross-sectional design which is the same

as the features of (Rahi, 2017) to collect the data.

## **Data Collection Methods**

### **Primary Data**

Data collected by the investigator himself or herself for a specific purpose can be identified as primary data. It means someone collected the data from the original source firsthand things (Nassaji, 2015). This study used a questionnaire as the primary data collection method. The questionnaire consists of seven (7) main variables, namely self-efficacy, hope, optimism, resiliency, affective commitment, continuous commitment and normative commitment. The questionnaire would be distributed to a sample of individuals in the selected apparel organization.

### **Questionnaire Development**

In this study, quantitative items were measured by using the Likert scale method and every respondent was asked to signify how strongly they agree or disagree with the question relevant to the factors being measured. This questionnaire has consisted of 3 parts which are relevant to the demographical data, questions relevant to independent variables and questions relevant to the dependent variable.

The researchers used an instrument adapted from past research works of Luthan et al.'s (2007) to quantify psychological capital and to measure employee commitment researchers have used the past researchers works of Allen and Meyer (1990) which is relevant to the Effects of psychological capital on employee commitment. The questionnaire has developed by using the five-point of Likert scale method.

1. Strongly Disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly Agree

## **Sampling Design**

### **Population**

The term "population" is used in statistics to represent all possible measurements or outcomes that are of interest to a particular study. The selected population of this study is a total number of production-related employees who is working in the selected apparel Company. According to the statistics of the Human Resource Department of the organization, there are 600 employees working under major four departments of the factory.

### **Sample**

A sample is a part of the population of interest and a sub-collection selected from a population. A population commonly contains too many individuals to study conveniently, so an investigation is often restricted to one or more samples drawn from it. Within this study, 150 employees were selected for the sample.

### **Sampling Procedure**

Sampling is the selection of the part of an aggregate of material to represent the whole aggregate. There are many methods of sampling and the choice of the method will be determined by the purpose of sampling. The researchers use stratified sampling to select 150 employees from a population of 600. The way of sample selection is further described in the following table.

Table 3.1: Population and Sample

Number of employees in the department	Population	Sample
Production Department	300	75
Cutting Department	80	20
Ironing Department	120	30
Packing Department	100	25
<i>Total</i>	600	150

Source: Developed by the researchers

### Hypothesis

H1 - There is a relationship of Self-Efficiency with the employee commitment in the Apparel Industry in Sri Lanka

H2 - There is a relationship of Hope with the employee commitment in the Apparel Industry in Sri Lanka

H3 - There is a relationship of Optimism with the employee commitment in the Apparel Industry in Sri Lanka

H4 - There is a relationship of Resilience with the employee commitment in the Apparel Industry in Sri Lanka

### ANALYSIS

Data analysis of this study is revealed mainly under four aspects.

□ To examine the impact of psychological capital on employee commitment of the selected organization in the apparel industry in Sri Lanka.

□ To examine the most influenced psychological dimensions on employee commitment

□ To examine the differences between the departments regarding the relationship of the psychological capital and employee commitment

□ To find out the most prevailing type of commitment in the garment factory.

In this study, descriptive statistic, correlation analysis and Regression Model have been utilized as main analyzing technique. Before fitting the Regression Model and correlation analysis it is essential to run the Cronbach's alpha test in order to understand whether the multiple Likert questions in the questionnaire are reliable.

### RELIABILITY ANALYSIS

#### Internal consistency

Cronbach's alpha or reliability test is a measure of internal consistency that is how closely related a set of items are as a group.

Table 4.1: Internal consistency reliability

Variable	Alpha Value	Comment
Self-Efficiency	0.826	Reliable
Hope	0.859	Reliable
Optimism	0.813	Reliable
Resilience	0.853	Reliable
Affective commitment	0.860	Reliable
Continuance commitment	0.853	Reliable
Normative Commitment	0.844	Reliable

#### Test re-test reliability

The Cronbach's Alpha value is greater than 0.5 (Cronbach's alpha value is 0.653). This indicates that the questionnaire developed had measured the variables reliably.

Table 4.2: Test-retest Reliability

**Scale: ALL VARIABLES**

**Case Processing Summary**

		N	%
Cases	Valid	23	82.1
	Excluded <sup>a</sup>	5	17.9
	Total	28	100.0

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

Cronbach's Alpha	N of Items
.653	14

**Intraclass Correlation Coefficient**

	Intraclass Correlation <sup>b</sup>	95% Confidence Interval		F Test with True Value 0			
		Lower Bound	Upper Bound	Value	df1	df2	Sig.
Single Measures	.548 <sup>a</sup>	.046	.258	2.878	22	286	.000
Average Measures	.653 <sup>c</sup>	.402	.829	2.878	22	286	.000

Two-way mixed effects model where people effects are random and measures effects are fixed.

a. The estimator is the same, whether the interaction effect is present or not.

b. Type C intraclass correlation coefficients using a consistency definition-the between-measure variance is excluded from the denominator variance.

**Test of Validity**

Table 4.3: Test of Validity

**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.607
Bartlett's Test of Sphericity	Approx. Chi-Square	88.753
	df	21
	Sig.	.000

**Communalities**

	Initial	Extraction
newSELFEFFICACY	1.000	.747
newOPTIMISM	1.000	.632
newHOPE	1.000	.784
newRESELIENCE	1.000	.790
newAFFECTIVE	1.000	.635
newCONTINUANCE	1.000	.853
newNORMATIVE	1.000	.769

Extraction Method: Principal Component Analysis.

Based on the validity test the values of all variables are greater than 0.5. So, the validity of the research instrument is excellent. Therefore, it can be concluded that the questionnaire is acceptable.

**Descriptive Statistics**

Descriptive analysis was performed to identify the level of both independent and dependent variables. The mean value of each variable represents the level of the variable. Table 2 shows descriptive statistics calculated for three independent variables and the dependent variable. Respondents are asked to indicate their answers on a 5-point Likert scale and Mean values and standard deviations are calculated to understand the current level of each variable.

Table 4.4: Descriptive Statistics

Variable	Minimum	Maximum	Mean	SD
Self-Efficiency	1.33	5.00	3.29	.79612
Hope	2.17	4.67	3.25	.73597
Optimism	1.83	5.00	3.28	.76164
Resilience	2.00	10.50	3.18	.98424
Affective commitment	2.27	5.00	3.98	.60582
Continuance commitment	2.00	5.00	3.62	.63502
Normative Commitment	2.33	5.00	3.76	.79683

According to the sample, the table describes the descriptive statistics about the main variables has presented to analyze the data set. Affective commitment has the highest mean value (3.98) with 0.605 standard deviations and resilience has the lowest mean value (3.18) with 0.984 standard deviations. When considering employee commitment, affective commitment has the highest mean value (3.98) and consider psychological capital, self-efficiency has the highest mean value (3.29). It indicates that these variables (Both dependent and independent) are performing at a level of satisfaction of factors that indicate psychological capital and employee commitment in the factory.

### Correlation Analysis

The correlation analysis was determined to investigate the relationship between psychological capital and employee commitment in the selected organization in the apparel industry in Sri Lanka. Correlation coefficient @ measure the linear relationship between two variables. The value of “r” can range from -1 to +1. When the two variables have a positive correlation coefficient, an increment of one variable can lead to a likely increase in the value of the second variable. When the two variables have a negative correlation coefficient, it means that an increment of one variable can lead to a decrease in the other variable.

4.4.1. Relationship between psychological capital dimensions and employee commitment.

Table 4.5: Correlation analysis part 1

Variables	Independent Variables (Psychological capital)				
		Self-Efficiency	Hope	Optimism	Resilience
Dependent Variable (Employee Commitment)	Pearson Correlation	0.301	0.360	0.403	-0.293
	P value	0.000	0.000	0.000	0.000

According to the details included in table 3, optimism has the highest relationship with employee commitment in the apparel industry. The value of Pearson's Correlation is 0.403. There is a positive relationship between employee commitment and optimism as a factor of psychological capital.

The next highest relationship can be seen between the hope of the employee and employee commitment. The value of Pearson's Correlation is 0.360. Hence it is significant at 99% confidence level. There is also a positive relationship of self-efficiency with employee commitment the value of Pearson's Correlation is 0.301.

When considering the resilience ability of the employees, there is a negative relationship with employee commitment. It is - 0.293.

#### 4.4.2 Difference between the departments regarding the relationship of psychological capital and employee commitment

In this section, researchers tend to identify the relationship of psychological capital and employee commitment in order to the considered departments of the selected organization. For that, researchers considered the data set separately accordingly data collected via department wise.

Table 4.6: Correlation analysis part 2

	Production Department	Cutting Department	Ironing Department	Packing Department
Pearson Correlation	0.450	0.730	0.624	0.846
P Value	0.000	0.048	0.010	0.046

According to the result of correlation analysis of each department in the factory, it can be concluded that each department has a positive relationship with employee commitment and psychological capital that they have. From them, except the production department, the other three departments have a strong positive relationship with employee commitment and psychological capital. (Hence Pearson correlation coefficient is greater than 0.5). Employees who are working under the

packing department have the highest positive relationship of psychological emotions and their commitment towards the work while the production department has the lowest (0.450). It means that factories have to concentrate more about to increase the psychological capital of the production department in order to increase their work toward commitment.

Relationship between psychological capital and employee commitment

Table 4.7: Correlation analysis part 3

**Correlations**

		PSYCHOLOGICAL	COMMITMENT
PSYCHOLOGICAL	Pearson Correlation	1	.579**
	Sig. (2-tailed)		.000
	N	150	150
COMMITMENT	Pearson Correlation	.579**	1
	Sig. (2-tailed)	.000	
	N	150	150

When considering overall psychological capital and employee commitment in the organization, there is a strong positive relationship between these two variables. (0.579) under 99% of the significance level.

**Regression Analysis**

Regression analysis is a technique of studying the dependence of one variable

with more variables. (Relationship between dependent variable on explanatory variables). It is used to estimate or predict the average values of dependent variables in terms of the known or fixed values of the independent variables. In this study, we use multiple linear regression models which have more independent variables in the model.

Goodness of fit of the model

Table 4.8: Goodness of fit of the model

R Square	Adjusted Square	R
0.828	0.791	

R Square indicates, how well data points fit a line or curve or the percentage of the dependent variable is explained by the fitted model. This value is from 0 to 1. After including these variables in the model, the R Square value is 0.828, implying that variables (Self-Efficiency, hope, optimism and resilience) explains 82.8% of the total variability of the dependent variable (Employee Commitment). In other words,

approximately 82% of the dependent variable is explained by the independent variables, which are fitted to the model.

Regression for dimensions of psychological capital

Table 4.9: regression for the dimension of psychological capital

Variable	Coefficient	P Value	Decision	Conclusion
Constant	2.148	0.000	< 0.05	Significant
Self-Efficiency	0.291	0.021	< 0.05	Significant
Hope	0.189	0.020	< 0.05	Significant
Optimism	0.459	0.000	< 0.05	Significant
Resilience	-0.159	0.023	> 0.05	Significant

According to the result of regression analysis, from the variables considered building the regression model, all the independent variables (Self-Efficiency, hope, optimism and resilience) can be identified as the variables which can be used to interpret the model. Hence the P-Value is less than 0.00. Researchers have

to reject the null hypothesis and have to accept the alternative hypothesis.

### **Regression for dimensions of employee commitment**

Table 4.10: regression for the dimension of psychological capital

Variable	Coefficient	P-Value	Decision	Conclusion
Constant	2.041	0.000	< 0.05	Significant
Affective Commitment	.340	0.025	< 0.05	Significant
Continuance Commitment	.181	0.001	< 0.05	Significant
Normative Commitment	.440	0.000	< 0.05	Significant

Here indicates the result of regression analysis, from the variables which considered building the regression model, three kinds of employee commitment (Affective, Normative, and continuance) can be identified as the variables which can be used to interpret the model. Hence the P-Value is less than 0.00. Researchers have to reject the null hypothesis and have to accept the alternative hypothesis.

### **DISCUSSION AND CONCLUSION**

Based on the internal consistency under the reliability test the overall alpha value of the questionnaire is greater than 0.7 (internal consistency reliability is 0.860). Further, the Cronbach's alpha value under the test-retest method is greater than 0.5 (test-retest reliability is 0.653). Based on



the validity test the values of all variables are greater than 0.5. So, the reliability and validity of the research instrument are excellent. Therefore, it can be concluded that the questionnaire is acceptable.

The major objective of this study is to examine the impact of psychological capital on employee commitment in the selected apparel organization. Researchers conducted correlation analysis. As a result that Pearson's correlation value is 0.579 and which is indicated that there is a strong positive relationship between psychological capital and employee commitment under 99% of the significant level. To identify the most influencing psychological capital dimension on employee commitment, the researchers utilized correlation analysis for each independent variable (self-efficacy, optimism, hope, resilience) with the dependent variable (employee commitment). As a result that optimism has the highest Pearson's correlation value of 0.403 and it indicated that optimism is the most influencing psychological dimension on employee commitment. Apart from that among the four dimensions under psychological capital, three dimensions (self-efficacy, hope, optimism) have a positive relationship with employee commitment. But resilience has a negative and significant relationship with employee commitment.

To examine the differences between departments towards psychological capital and employee commitment, researchers conducted a correlation analysis for different departments in the organization. Namely production, cutting, ironing and packing. The result indicated that there is a positive and significant relationship between these two variables among these four departments in the selected organization. When the researchers analyzed the Pearson's correlation values it was found that in the production department there is a low relationship (0.450) between the variables when

compared with other departments. However, the packing department has the highest positive and significant relationship between (0.846) psychological capital and employee commitment. To find out the most prevailing type of commitment in the organization, the researchers conducted the descriptive statistics analysis method and it was performed to identify the level of both independents and dependents variables. The mean values of each variable represent the level of the variables. Based on the result affective commitment has a 3.98 mean value, continuance commitment has a 3.62 mean value and normative commitment has a 3.76 mean value. So, which is clearly indicated that affective commitment has the highest mean value and it is the most prevailing type of employee commitment in the selected organization in the apparel industry, Sri Lanka.

To identify the goodness of fit of the model the researchers did regression analysis. As a result of the R square value is 0.828, implying that independent variables (self-efficacy, hope, optimism and resilience) explain 82.8% of the dependent variable (employee commitment).

## ***RECOMMENDATIONS***

During the research, it was found that the management of the HR department lack knowledge regarding the concept of psychological capital. Therefore, it is recommended to conduct learning and development programs regarding the concept of psychological capital in order to educate the management.

The researchers recommend that the management should avoid giving the employees stressful works and excessive responsibilities. It leads to minimizing the negative relationship between resilience and employee commitment, so the

organization can achieve a competitive advantage by gaining high employee commitment.

The production department is the busiest department in the selected apparel company and it is the heart of the organization. Most of the employees are working in the production department. Therefore, it is also a crowded place. Researchers recommend establishing the job rotation within the production department in order to increase positive psychological states, efficiency and commitment of the employees.

Employees are working for long hours while standing. Therefore, employees will lose their positive psychological states, efficiency and commitment due to the continuous work done while standing. Researchers recommend that the management should provide equipment for employees to do their works in a comfortable way.

The researchers recommend establishing autonomous workgroups within the same line in order to increase positive psychological states, efficiency and commitment of the employees.

## **SUGGESTIONS FOR FURTHER STUDIES**

Here only 150 samples were selected from lower-level employees of the selected organization in the apparel industry in Sri Lanka, taken to consideration to generalize the findings, increase the number of samples and the researchers can take samples also from other apparel organizations. Therefore, in the future, other competitive organizations' samples should also be undertaken and conclusions are given to the whole population. Therefore, the results can be more appropriate.

This study is conducted using the quantitative method. Therefore, future

researchers can conduct their researches using both quantitative and qualitative methods (mixed method). That could provide greater insights and different outcomes.

Here in this research study, the researchers have taken only the Apparel industry to generalize the findings. But it will bring more accuracy if the future researchers do their survey in other industries to compare the findings

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