

PSYCHOLOGICAL CAPITAL IN THE WORKPLACE: STRATEGIC ROLE ON EMPLOYEE WELFARE AND PERFORMANCE

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Abstract: With the process of transition from traditional human resources management to strategic human capital approach, not only the technical competences of the employees, but also their psychological powers have become decisive in creating a competitive advantage of institutions. In this context, the concept of psychological capital (Psychological Capital - Psycap represents the positive psychological sources of individuals and consists of self -competence, optimism, hope and psychological strength dimensions (Luthans et al., 2007). This study aims to examine the effects of psychological capital on the welfare and performance of the workplace from a strategic perspective. In this study, which is based on literature screening, it was found that employees with high levels of psychological capital have more resistant, high motivation, self -awareness has improved and problem solving skills are strong. Psychological capital plays a role as a protective factor on job satisfaction, organizational commitment, psychological goodness and burnout levels; It also increases the orientation of employees to outputs such as creativity, innovation and voluntary business behaviors (Avey et al., 2011). On the other hand, it has been observed that individuals with low psychological capital levels can be distributed more easily in the face of uncertainty and that it was difficult to deal with stress. As a result of the study, it is emphasized that psychological capital is a strategic resource in terms of organizational success and sustainable competitive superiority beyond being an individual competence. In this respect, it is recommended that institutions invest in structured programs to measure and improve their psychological capital of their employees.

Keywords: *Psychological Capital, Working Welfare, Performance Management, Organizational Commitment, Strategic Human Resources, Positive Psychology, Self-Competence, Hope, Optimism, Psychological Strength.*

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Introduction

The business world of the 21st century is not only for economic capital and physical resources; It is also shaped based on the psychological strength, motivation and mental flexibility of employees. Digitalization, uncertainty, job security breaks and flexible working models reveal that they are needed not only to their knowledge and skills of employees, but also to be psychologically strong individuals. With this transformation, traditional performance -oriented approaches in human resources management processes have been replaced by strategic approaches that center the psychological capital of employees (Luthans et al., 2007).

Psychological Capital (Psycap) consists of four basic building blocks developed in the field of positive organizational behavior and increase the performances, job satisfaction and general welfare levels of individuals: self-efficacy, self-efficacy, optimism (optimism) and psychological resistance. These components both strengthen the individual psychological strength and play a more active role in achieving organizational goals (Avey Et al., 2011; Luthans, Youssef, & Avolio, 2007).

Current research, employees with high psychological capital; It shows that they cope better with stress, their burnout levels are lower and their organizational commitment increases significantly (Avey, Reichard, Luthans, & Mhatre, 2011). Therefore, psychological capital is not only the state of individual goodness; At the same time, it has become a strategic element that affects employee performance, team efficiency and long -term success of institutions.

In particular, with the post-cordi period, increasing emotional fluctuations, remote working stresses and uncertainty-based cases of burnout required to invest in mechanisms that will support employee psychology. In this context, to measure, develop and sustain the psychological capital of employees have become a not only humanitarian but also an economic and strategic priority of human resources management (Newman et al., 2014).

In this study, the concept of psychological capital is theoretically handled, its components are explained and the effects of this capital on employee welfare and performance are evaluated from a strategic perspective in the light of literature findings. The aim is to demonstrate how psychological capital has a critical

leverage function in increasing the competitiveness of organizations and making employee satisfaction sustainable.

Aim

The aim of this study is to examine the strategic effects on the working welfare and performance in the workplace by considering the concept of psychological capital. Psychological capital covers the positive psychological characteristics of individuals such as self -competence, optimism, hope and psychological endurance, and an in -depth analysis will be performed on how these factors function at work. The main objectives of the study are as follows:

To explain the relationship between self -competence, optimism, hope and psychological strength, which are the four main components of psychological capital, and to evaluate the role of each component on employee welfare and performance. It will be discussed how these components interact at an individual and organizational level and how the psychological capital of the employees can develop.

To examine how psychological capital has a protective effect on welfare components such as psychological health, job satisfaction, burnout and stress of employees. It will be analyzed how employee welfare can be associated with higher motivation, commitment and emotional endurance at work.

To evaluate the effects of psychological capital on employee performance in terms of criteria such as work efficiency, innovation, problem solving skills and organizational citizenship behaviors. The relationship between psychological capital and working performance is critical for the strategies of organizations to create sustainable success and competitive advantage.

Another purpose of this study is to provide suggestions on how psychological capital can be considered as a strategic resource in organizations. The integration of psychological capital -oriented strategies to human resources practices, employee development and how to create a model for organizational welfare.

To evaluate how psychological capital development programs can be implemented in the workplace and the potential effects of such programs on employees. The role of increasing the psychological capital of employees with interventions such as trainings, seminars and individual support programs will be examined in increasing organizational success.

For these purposes, it is argued that psychological capital is not only an individual success factor, but also a strategic resource in terms of organizational sustainability and competitive advantage. The results of the study will reveal that the development of psychological capital in the workplace is a critical step in terms of increasing individual welfare in the long term and providing organizational productivity.

Method

This study was carried out by a systematic literature screening method with qualitative research pattern. Literature screening is based on national and international studies that reveal the effects of psychological capital on the welfare and performance of the organizational context. The aim is to bring together existing scientific data and to provide a holistic framework on the strategic importance of psychological capital.

The data were obtained through refereed articles, books and commodity studies published between 2007–2024. The main databases used for literature screening are as follows:

- Scopus
- Web of Science
- APA PSYCINFO
- Google Scholar
- ULAKBİM TR directory

Keywords used in scanning: “Psychological Capital,” “Employee Well-Being,” “Employee Performance,” “Psycap in Organizations,” “HOPE,” “Optimism,” “Self-Efficacy,” “Resilience,” “Organizational Behavior,” “Human Strategic hrn.”

The literature included in the study was selected according to the following criteria:

- The subject is directly related to psychological capital and workplace,
- Academic and refereed resources,
- Written in English or Turkish,
- Accessible to full text,

Studies containing data associated with variables such as employee welfare, performance, commitment, burnout, job satisfaction.

The data were examined by descriptive contrarysis method. The findings in the relevant sources are theyatically classified; The relationships between each component of psychological capital (self -competence, hope, optimism, psychological strength) and employee outputs have been analyzed. In addition, the findings on the effects of psychological capital development programs applied at the organizational level have been evaluated comparatively.

This research is based only on literature screening and does not collect empirical data. Therefore, the findings are based on the findings and suggestions of the studies examined. It is recommended that future studies include experimental research supported by quantitative methods.

Psychological Capital Theory

Psychological Capital (Psycap), Positive Organizational Behavior - POB) approach, which enables individuals to cope with the difficulties faced in the work environment, is defined as a set of positive psychological resources (Luthans et al., 2007). Unlike other traditional capital types (human capital, social capital, economic capital), psychological capital focuses on the internal psychological capacity of the individual and contains a development perspective based on strong sides, potential and performance.

This theory developed by Luthans, Youssef and Avolio (2007) was created by feeding from positive psychology and positive organizational behavioral literature and turned into a applicable psychological model for business life. Psychological capital consists of four basic structures:

Self-efficacy:

- Bandura's (1997) self -competence based on social cognitive theory is the belief of the individual in his own competence in realizing a specific task or goal. In the context of psychological capital, self -competence increases the employee's power to take initiative in challenging tasks, to develop with determination and to cope with uncertainty. It has a direct positive effect on

high self -competence, work performance and task motivation.

Hope (Hope):

- This component, based on Snyder's theory of hope, is the capacity of the individual to mentally create the necessary ways to achieve the goal (pathways) and to have the will of using these paths (will - agency). Hopeful employees produce alternative ways to overcome obstacles and show high job satisfaction and target -focus by maintaining their determination.

Optimism:

- The optimism based on the explanatory style theory of Seligman (1998), the individual's positive events are permanent, widespread and internal; It is a tendency to connect negative events to temporary, situational and external reasons. Optimism at work allows to develop a positive perspective in the face of difficulties, to take risks and to maintain the level of morale.

Resilience:

- Psychological strength is the ability to recover, restructure and strengthen against the traumatic or stressful events of the individual (Masten, 2001). In the organizational context, this component plays a critical role in terms of being able to act with cold blood in the moments of crisis, showing flexibility and solution focus.

Although these four components are meaningful alone, they strengthen the psychological strength, adaptability of the employees, their positive emotions and their commitment to work. Luthans et al. (2007), the psychological capital model in which these components are handled together, not only positive attitudes; It also emphasizes that it makes significant contributions to concrete business performance outputs.

In addition, psychological capital is defined as a developable psychological resource; This is the most basic element that distinguishes it from other personality traits. In other words, psychological capital can be developed and measurable with individuals' education, coaching, psychological support or leadership programs (Luthans et al., 2006).

The Relationship between Psychological Capital and Job Satisfaction and Performance

One of the most critical factors that determine the success of employees in business life is the quality and level of their psychological resources. At this point, psychological capital represents the positive psychological capacity of the individual and creates direct and indirect effects on both job satisfaction and job performance. The literature shows that employees with high levels of psychological capital find their jobs more meaningful, connect to their goals and make their performance more sustainable (Avey et al., 2011; Luthans et al., 2007).

Job satisfaction is related to the general satisfaction of the employee, the meaning of the work, the meaning of the expectations and the positive emotions arising from the relationships he established with the organization (Locke, 1976). Psychological capital plays a role as a structural element in the development of this satisfaction. Components such as self -competence, hope, optimism and psychological endurance raise the

potential to cope with the difficulties faced by the employee, to develop the belief in achieving goals, and to increase the satisfaction taken from work.

Empirical studies by Avey et al. (2010) have shown that psychological capital has a significant positive effect on job satisfaction. A high level of hope focuses on the solution in the face of negativities; An optimistic employee develops a positive perspective of the work environment. Employees with high psychological resistance continue to be pleased with their work by preserving their motivation despite stressful situations.

Business performance refers to the level of effective and efficient fulfilling the employee's tasks. This performance depends not only on technical knowledge and skills, but also to the emotional and psychological strength of employees. Psychological capital stands out as an internal resource that supports performance by increasing the employee's participation, creativity, problem solving ability and target focus (Luthans, Avolio, Avey, & Norman, 2007).

High self -competence strengthens the belief that the individual can succeed even in difficult tasks; Hope increases the capacity to develop solutions. This is positively reflected in both individual and team levels. Similarly, optimistic employees who develop positive affect establish better relationships with their colleagues, organizational citizenship behaviors and decreases the intention of leaving (Rego et al., 2012).

In addition, employees in environments with high psychological capital perceive more support than their leaders and strengthen their emotional commitment to the institution. This bond increases the motivation of the employee and is positively reflected in performance.

Psychological capital is a multidimensional resource that increases both job satisfaction and makes performance sustainable. It supports emotional prosperity at the individual level, and at the organizational level, productivity and innovation. For this reason, the design of structured interventions that evaluate, support and develop the employee psychological capital of institutions are of a strategic importance in terms of preserving competitiveness.

The Effects of Psychological Capital on Organizational Commitment and Burnout

The emotional and cognitive bonds established by the employees with the organization and the stress sources encountered in the work environment constitute two basic psychological processes that determine their level of commitment to the organization and the possibilities of burnout. In this context, psychological capital stands out as a positive psychological resource that increases both organizational commitment and plays a role in reducing burnout levels (Luthans et al., 2007; Avey et al., 2011).

Organizational commitment includes the emotional, cognitive and normative commitment forms developed by the employee (Meyer & Allen, 1991). Individuals with high psychological capital are more easily identified with the goals of the organization; Thanks to their self -competence, they embrace their duties and establish an emotional bond with the institution by looking at the future more positively thanks to their optimism.

Especially on emotional commitment, psychological capital is decisive. While hopeful individuals continue to achieve

corporate goals despite obstacles; Optimistic employees develop a positive attitude despite the uncertainties in the work environment, and individuals with high psychological resistance do not break their connection with the organization in moments of crisis (Avey, Luthans, & Jensen, 2009).

Research shows that as the level of psychological capital increases, organizational commitment also increases significantly and this reduces the intention of quitting and increases the voluntary contribution level (Larson & Luthans, 2006).

Burnout is a syndrome associated with chronic business stress (Maslach & Jackson, 1981), defined by the dimensions of emotional fatigue, insensitivity and decrease in personal success. Psychological capital functions, especially as a strong protective factor in buffering such negative emotional conditions.

Self -qualification reduces the individual's feeling of helplessness in the face of difficulties; Hope allows to produce alternative solutions against stressful situations. Optimism helps to evaluate the negativity temporarily and controllable; Psychological strength supports the individual's turning to the recovery process instead of collapse (Avey et al., 2010).

Empiric studies have shown that the burnout levels of high psychological capital levels are lower, that these people experience less emotional wear and psychologically more flexible in stressful situations (Youssef & Luthans, 2007; Culbertson et al., 2010).

Psychological capital both increases organizational commitment and provides emotional continuity in the workplace and supports working prosperity by reducing burnout levels. Considering the effects of these two variables on outputs such as labor transfer, loss of performance and organizational productivity, it is necessary to evaluate psychological capital not only as an individual development but also as a strategic investment area in terms of organizational sustainability.

Sectoral Applications and Cultural Variables

Although psychological capital is accepted as a universal resource for individual development and organizational success, the implementation of this concept at the sectoral level and its effects on cultural context are not uniform. The functioning dynamics of various sectors and different cultural structures significantly affect how psychological capital is perceived, applied and its consequences (Newman et al., 2014).

Sectoral Applications: Services, Health, Production and Education Examples:

Service Sector:

- Psychological capital is vital in the service sector due to factors such as emotional labor, customer satisfaction and intensive human relations. In this sector, employees with high hope, self -competence and durability are more resistant to emotional exhaustion and tend to provide better quality services (Avey et al., 2010). Especially in areas such as tourism, retail and call centers, psychological capital development programs positively affect customer experience and employee commitment.

Health Sector:

- Due to the cases of coping with crisis, continuous stress and exposure to traumatic cases, the levels of psychological endurance and optimism of health workers serve as a protective buffer against burnout (Luthans & Youssef, 2004). The effects of psychological capital - oriented supervision and support groups on reducing burnout in the health sector have been proven.

Production and Industry Sector:

- Although more technical skills, task -focus and target - oriented performance in these sectors are at the forefront, psychological capital has positive effects on employee productivity, occupational safety awareness and team compliance (Rego Et Al., 2012). Employees with high levels of self -qualification reduce the anxiety of making errors while working with machines and increase occupational safety.

Education Sector:

- Psychological capital in teachers and academics reduces burnout levels; Classroom management produces positive results in terms of student relations and professional commitment. Hope level educators can motivate their students even in case of failure and protect their professional satisfaction (Luthans et al., 2010).
- Although psychological capital has been developed as a universal model, how individuals respond to this concept is largely shaped by cultural values. In particular, Hofstede's Individualism -Toplik dimension is an important tool in explaining how psychological capital is internalized in different cultures (Hofstede, 2001):

Western cultures (individualist):

- Self -competence and individual success -oriented structures ensure that psychological capital is mostly associated with individual development and personal performance. In this context, components such as self - competence and hope come to the fore in individual basis.

Eastern and developing cultures (community):

- Since collective success, harmony and group solidarity are more prominent, psychological capital is associated with team success, social support and organizational harmony. In such cultures, especially psychological resistance and optimism components show strong correlation with institutional commitment (Xanthopoulou et al., 2009).
- In addition, the effectiveness of psychological capital development interventions depends on cultural context. In some cultures, individuals are more open and participatory for positive psychological interventions, while in some cultures, the individual's introverted structure or respect for authority may limit the applicability of these programs (Dello Russo & Stoykova, 2015).

In order to use psychological capital strategically in organizations, the structural characteristics of the sector and the cultural context in which the institution is located should be carefully analyzed. Instead of proposing a uniform application model for all sectors and cultures, flexible, adaptable and employee profile -sensitive

psychological capital strategies must be developed. This approach will not only increase employee prosperity; It will also contribute to the achievements of organizations to achieve productivity, commitment and sustainability goals.

Results and Recommendations

This study has discussed the strategic role of psychological capital in business life, especially its effects on employee welfare and performance. Findings based on literature screening have clearly demonstrated that psychological capital is not only a psychological resource at an individual level, but also function as a protective, developing and motivating element on critical workplace variables such as organizational commitment, job satisfaction, burnout, performance and persistence.

Employees with high levels of psychological capital may remain more resistant in stressful situations they encounter, make constructive reactions against uncertainty and maintain their commitment to the organization. Self -qualification, hope, optimism and psychological resistance are synergistic and employees are protected from emotional burnout and provide a higher level of satisfaction than their work. However, the increase in organizational performance and productivity is one of the positive outputs of psychological capital.

Especially under contemporary business life conditions such as digitalization, flexible working models and job insecurity, employees' need for positive psychological resources has increased. Therefore, instead of seeing psychological capital as a means of individual development, institutions must place them at the center of strategic human resources policies.

Recommendations:

Psychological Capital Evaluation Tools should be integrated into institutions:

- Institutions should use valid and reliable inventories (eg Psychological Capital Questionnaire - PCQ) to measure psychological capital levels in recruitment processes and existing development programs. These assessments will provide data to shape both individual support plans and the balance of the team.

Positive psychology -based training and interventions should be planned:

- Self -proficiency, hope, optimism and durability, coaching, psycho -education, awareness -based interventions and strong directions -oriented seminars should be applied. Even short -term psychological capital development programs have been scientifically proven to provide significant increases in job satisfaction, performance and commitment level (Luthans et al., 2006).

Leadership Models should support psychological capital:

- Transformative and servant leadership approaches create a leadership climate that feeds psychological capital by supporting the psychological needs of employees. For this reason, positive leadership skills should be given to managers and communication with employees should be structured within this framework.

Corporate early warning systems should be established against the risk of burnout:

- Individuals with low psychological capital levels have a higher tendency to burnout and quitting. Therefore, psychological risk follow -up should be performed at the institutional level; Individualized support mechanisms (psychological counseling, rotation, break regulations, etc.) for employees at risk should be applied.

Cultural and sectoral sensitivity should be considered:

- Psychological capital development strategies should be designed to be compatible with the cultural values of the employee and the dynamics of the sector. For example, in the service sector, employees with high emotional burden are offered psychological resistance -oriented support; Self -proficiency and team motivation can be prioritized in the production sector.

General Evaluation:

- Psychological capital is a high potential that affects both individual and institutional success in today's business world. Institutions invest in this resource; Not only does it support the mental welfare of its employees, but also strengthen institutional commitment in the long run, improve performance, and contribute to the construction of a human -centered sustainable business model. In this respect, psychological capital should be seen as one of the building blocks of the strategic human capital of the future.

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