

Psychological Capital and Career Success: Mediating Role of Subjective Well-Being

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Abstract

The mediating role of negative effect, positive effect and satisfaction with life (subjective well-being) was examined investigating the relationship between psychological capital and career success. Data were collected from 276 employees of different NGOs in Quetta, Baluchistan. The mediation was assessed through Preacher & Hayes (2008) indirect macro for multiple mediators. Results showed that negative effect, positive effect and satisfaction with life emerged as significant mediators in the relationship between psychological capital and career success. It was found that one way via psychological capital and career success had a positive effect and satisfaction with life had a negative effect. Psychological capital based interventions may be used to enhance subjective well-being and career success.

Keywords: psychological capital, Career success, Positive effect, negative effect, satisfaction with life, subjective well-being

Introduction

From the middle of 1990s the organizational behavior scholars' focused on resource based view of human resource management through positive perspective. This positive perspective has been addressed in the field of positive organizational behavior (POB). The theoretical construct emerged from POB was psychological capital (PsyCap) (Luthans, 2002; Lathan's, Youssef, & Avolio, 2007). *Psychological Capital* can be defined as "an individual positive state of development that is characterized by self-efficacy, hope, optimism and resilience" (Lathan's et al., 2007, p.3). Research studies have revealed that psychological capital positively affects work-related outcomes, individuals' positive emotions and subjective career success (Choi & Lee, 2014; Lehoczky, 2013).

Career success refers to an individuals' subjective evaluation of his /her career attainments and advancement across many jobs (Burke, 2001). Subjective career success could be derived from subjective well-being of the employees because positive emotions foster optimal performance (Boehm & Lyubomirsky, 2008).

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Subjective well-being is concerned with development of positive emotional states in order to gain optimum performance (Ryan & Deci,

2001). The dimensions of subjective well-being include positive effect, negative effect, and satisfaction with life.

The combined observation of subjective well-being association with psychological capital and career success supports the idea that subjective well-being might mediate the psychological capital-career success relationship. However, this hypothesis has not been tested directly. Therefore, the purpose of the current study is the empirical assessment of that the dimensions of subjective well-being (negative effect, positive effect, and satisfaction with life) as mediators of the effect of psychological capital on subjective career success.

Literature Review

Psychological Capital and Career Success

The existing literature has limited evidences about the relationship between psychological capital and career success. The research study of Lehoczky (2013) revealed that psychological capital is the predictor of career satisfaction. Psychological capital affects career satisfaction in both ways i.e. directly and indirectly (Karatep & Karadas, 2015). Based on these limited evidences this study posits that psychological capital fosters career satisfaction.

H1: The high level of psychological capital will be linked with the high level of career success.

Psychological Capital and Well-being

The theory of conservation of resources (COR) (Hobfoll, 1989) supports the relationship between psychological capital and well-being. COR theory claims that the scarce resources motivate individuals not only for the retention of these resources, but also for acquiring the new resources. Individuals assess their well-being by cognitive evaluation of resource availability (Wright & Hobfoll, 2004). Psychological capital as a personal resource fosters positive evaluation of wellness, therefore results in subjective well-being (Alarcon, Bowling & Khazon, 2013; Cameron, 2008). Employees possessing high psychological capital have been found to have high level of satisfaction with life (Karatepe & Karadas, 2015). On the basis of this it can be argued that people having high psychological capital have the tendency to experience more positive emotions.

H2: High level of psychological capital will be linked with (a)

high level of satisfaction with life, (b) high level of positive effect, (c) low level of negative effect.

Subjective well-being and Career Success

Generally, individuals who feel positive emotions to a greater extent have the tendency to acquire positive work related outcomes in contrast to the people having negative emotions like negative effect. Positive affect might help employees to attain resources and success at work place (Lyubomirsky, King, & Diener, 2005). People who experience positive emotions have favorable perceptions about themselves (Boehm & Lyubomirsky, 2008), so it can be argued that people having high satisfaction with life, and more positive affect have the tendency to make favorable evaluations about their subjective career success.

H3: High level of satisfaction with life will be linked with high level of career success, (b) High level of positive affect will be linked with high level of career success, (c) High level of negative affect will be linked with low level of career success.

Mediating role of Employees' well-being

The above mentioned relationships implicitly refer to the mediating role of subjective well-being (positive effect, negative effect, satisfaction with life) in relation between psychological capital and subjective career success.

H4: Psychological capital-career success relation will be mediated by satisfaction with life, positive effect, and negative effect.

Methodology

This study used positivist approach and followed cross-sectional research design. Data has been collected through convenience sampling technique from the employees of NGO sector in Quetta. Participation was voluntary and participants were informed about the research purpose. A total of 300 questionnaires were distributed among which 276 were returned representing the response rate of 92 percent. The sample consisted of 160 men (58%) and 116 women (42%). Most of the participants were single (56%). The average age of participants was 29 years (SD=5.10).

Measures

To measure psychological capital ($\alpha=0.66$) we adopted 4 items from the original 24-items psychological capital inventory by Luthans,

Avolio, Avey and Norman (2007). In order to capture content domain of psychological capital four factors, one item from each dimension was adopted. Satisfaction with life ($\alpha=0.86$) was measured by scale developed by Pavot and Diener (1993). Participants responses were recorded on 5-item scale. Responses were recorded on a seven-point Likert scale (1= “strongly disagree”, 7= “strongly agree”). Positive affect ($\alpha=0.84$) and negative affect ($\alpha=0.87$) was measured by 5 items self-reported scale developed by Thompson (2007). Subjective career success ($\alpha=0.81$) was measured by scale developed by Greenhaus, Parasuraman and Wormley (1990). This instrument includes 5 self-reported items. Participants were asked to rate themselves on a 5 point Likert scale (5= “strongly agree”, 1= “strongly disagree”).

The statistical analysis was performed by using the SPSS 23.0 program. The indirect effect of psychological capital on career success through dimensions of subjective well-being was tested by using Preacher & Hayes (2008) indirect macro for multiple mediators.

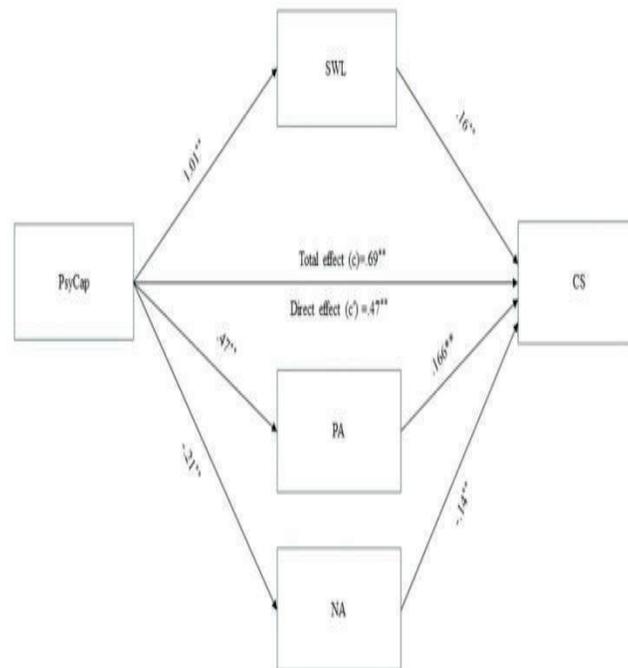
Results

The mean and standard deviation of the psychological capital, positive effect, negative effect, satisfaction with life and career success is shown in Table 1. The relationship among psychological capital, satisfaction with life, positive effect, negative effect, was examined through Pearson’s correlation. Finding presented in Table 1 suggests that psychological capital has a positive relationship with satisfaction with life, positive affect and career success and has negative relationship with negative effect. Career success is positively linked with satisfaction with life, and positive affect. However, the relationship between career success and negative affect remained insignificant.

Table 1: Descriptive statistics and Pearson correlation among studied variables

	Mean	S.D.	1	2	3	4	5
1. Psychological Capital	5.23	.912	(.66)				
2. Satisfaction with life	4.63	1.17	.595**	(.86)			
3. Positive Affect	3.81	.74	.365**	.601**	(.84)		
4. Negative Affect	2.48	.83	-	-.111	.003	(.87)	
			.234**				
5. Career success	3.38	.77	.591**	.640**	.540**	.034	(.81)

Note: (N=276), **p< .01 (two-tailed)
Cronbach’s alpha on diagonal



SPSS “Indirect” macro (Preacher & Hayes, 2008) was employed to calculate the effect of multiple mediators. According to Baron & Kenny’s (1986) approach, after the inclusion of the mediators in the model there must be a decrease in total effect, means that direct effect (c’ path) must be insignificant or must be lower than the total effect (c path). As can be seen in figure 2, in comparison to total effect (c path) = .69, $p < .01$, the direct effect was (c’ path) = .47, $p < .01$, which indicate the

occurrence of partial mediation. In addition, the total indirect effect revealed to be .21($p < .05$), meaning that all three mediators together mediated the psychological capital- career success relationship. Moreover, the CI didn't include zero (.12- .31), means that we can reject the null hypothesis of no mediation. Further analysis revealed that each mediator variable significantly mediated the psychological capital-career success relationship. Indirect effect through SWL=.16, $p < .05$, CI= .06-.28; indirect effect through PA=.07, $p < .05$, CI= .02- .15, indirect effect through NA=-.03, $p < .05$, CI= -.06- -.013.

Discussion and Conclusion

The main objective of current study was to test if subjective well-being would mediate the relation between psychological capital and career success. These relationships are tested via data collected from employees of NGOs in Quetta. The results suggest that psychological capital positively correlated with subjective career success (career satisfaction), positive effect, satisfaction with life, and negatively correlated with negative effect. These results are consistent with the conservation of resources (COR) theory. COR theory claims that accrued personal resources helps employees to experience favorable outcomes (Alarcon, Bowling, & Khazon, 2013). The higher level of psychological capital is likely to enable employees to make favorable evaluation of well-being and career satisfaction. The findings are also consistent with the empirical evidences in the literature (e.g. Karatepe & Karadas, 2015; Lehoczky, 2013; Lyubomirsky, King & Diener, 2005). The current study major finding and contribution was the mediational effect of subjective well-being in the link between PsyCap and career success. Specifically, this study provides evidence that together with psychological capital, subjective well-being may have a desired impact on career success. Furthermore, the current findings indicate that the subjective well-being is an important determinant in the psychological capital-career success relationship. This mediational role of subjective well-being in relation between psychological capital and career success, exhibit itself in subjective evaluation of career success. Psychological capital based interventions programs can be designed to enhance subjective well-being and career success.

Limitations and suggestions

The limitations of the current research should be noted. The descriptive cross-sectional research nature of the study limits its ability to support the direction of causality. The generalizability of this research is

also limited by the use of convenience sampling (a non-probability technique), therefore it is suggested that future studies should employ probability sampling method. Future studies can examine the moderating role of psychological capital.

Implications

The psychological capital- career success relationship and the mediating effect of subjective well-being have implications for human resource managers. The managers should focus on subjective well-being of the employees as it fosters subjective career success. Psychological capital found to be a predictor of subjective well; it suggests that psychological capital interventions could enhance career success by fostering subjective well-being.

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