

Psychological Capital: Definition, Components and Effects

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*Abstract

Positive psychological capital (PsyCap) is a crucial concept that refers to a person's positive psychological world, including hope, self-efficacy, optimism, and resilience (Luthans & Youssef, 2004). These resources are related to various positive results, like job satisfaction and performance, as well as stress reduction and well-being (Luthans & Youssef, 2004). Positive psychological capital management (PsyCapM) has been shown to enhance creativity and innovation, as well as reduce turnover and absenteeism (Luthans et al., 2007). In the context of school students, concepts related to positive psychological capital include growth mindset, positive identity, emotional regulation, and purpose in life (Dickson & Anderson, 2012; Eccles & Roeser, 2011; Gross, 2002). These concepts are important for promoting academic motivation, engagement, and well-being in students (Dickson & Anderson, 2012; Eccles & Roeser, 2011). Therefore, incorporating positive psychological capital management strategies in schools and classrooms can have positive impacts on school students' success and well-being (Dickson & Anderson, 2012). Overall, the concept of positive psychological capital and related concepts play a crucial role in promoting success and well-being in individuals and should be prioritized in various settings, including schools.

***Keywords:** *Psychological Capital. School Student, Component of Psychological Capital*

Introduction:

Psychological capital, also known as psycap, is a concept that refers to the positive psychological resources or strengths that individuals possess within themselves (**Luthans, Avolio, Avey, & Norman, 2007**). Psychological capital includes four dimensions: self-efficacy, optimism, hope, and resilience (**Avey, Luthans, & Youssef, 2011**). Self-efficacy refers to the belief in one's abilities to produce desired results, optimism is the positive outlook on the future, hope is the belief that desired outcomes can be achieved through effort and determination, and resilience is the ability to recover from adverse events (**Luthans et al., 2007**). Research has revealed that psychological capital has a positive effect on various aspects such as job satisfaction, job performance, and well-being (**Avey et al., 2011**). The positive development and enrichment of psychological capital can lead to improved employee engagement, creativity, and overall success in the workplace (**Luthans, Youssef, & Avolio, 2015**).

Definition:

Psychological capital (PsyCap) defines as an individual's positive psychological resources or traits which can be developed and sustained to boost well-being and performance (**Luthans & Youssef, 2004**). These resources include hope, self-efficacy, optimism, and resilience (**Luthans & Youssef, 2004**). PsyCap is seen as a way of investing in people to achieve competitive advantage (**Luthans & Youssef, 2004**). Self-efficacy belongs to the belief in one's own abilities to produce desired results and overcome obstacles (**Bandura, 1977**). **Optimism** means the positive outlook on the future, characterized by the belief that good things will happen and that negative events are temporary and isolated (**Scheier & Carver, 1985**). **Hope** presents belief that desired outcomes can be achieved through effort and determination, and that obstacles can be overcome (**Snyder, Irving, & Anderson, 1991**). **Resilience** is the factor to recover from adverse events, bounce back from challenges and difficulties, and persist in the face of adversity (**Luthans & Jensen, 2002**).

Psychological capital Vs Positive Psychological Capital:

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Psychological capital refers to the positive psychological resources or strengths that individuals possess within themselves (**Luthans, Avolio, Avey, & Norman, 2007**) which includes the four dimensions of self-efficacy, optimism, hope, and resilience (**Avey, Luthans, & Youssef, 2011**). Positive psychological capital, on the other hand, refers to the development and enhancement of psychological capital through the cultivation and promotion of positive psychological traits and capacities (**Luthans, Youssef, & Avolio, 2015**). This approach focuses on increasing positive psychological resources and promoting well-being, rather than merely addressing mental health problems (**Luthans et al., 2007**).

Some component related Psychological capital:

The basic components of psychological capital are self-efficacy, optimism, hope, and resilience (**Luthans, Avolio, Avey, & Norman, 2007**). Self-efficacy belongs to the belief in one's own abilities to produce desired results and overcome obstacles (**Bandura, 1977**). Optimism is the positive outlook on the future, characterized by the belief that good things will happen and that negative events are temporary and isolated (**Scheier & Carver, 1985**). Hope is the belief that desired outcomes can be achieved through effort and determination, and that obstacles can be overcome (**Snyder, Irving, & Anderson, 1991**). Resilience is the inner power which helps to recover from adverse events, bounce back from challenges and difficulties, and persist in the face of adversity (**Luthans & Jensen, 2002**). Let's talk about various variables which related or affected by components of Positive Psychological Capital.

Self-efficacy:

Self-efficacy reflects to an individual's belief in their own capabilities to produce desired results and overcome obstacles (**Bandura, 1977**). It is a person's confidence in their capacity to perform specific tasks and achieve goals (**Luthans, Avolio, Avey, & Norman, 2007**). Self-efficacy is formed through four main sources of information: mastery experiences, social persuasion, emotional and physiological arousal, and symbolic modeling (**Bandura, 1977**). Mastery experiences refer to successful experiences in performing a task, social persuasion involves others telling the individual that they are capable, emotional and physiological arousal involves experiencing positive emotions and feeling energized, and symbolic

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modeling refers to observing others who are successful and similar to oneself. Self-efficacy beliefs can play a significant role in shaping an individual's thoughts, feelings, and behaviors, influencing their persistence in the face of challenges and their likelihood of success (Luthans et al., 2007). Some research depicts that higher levels of self-efficacy are related with better job performance, satisfaction, and well-being (Avey, Luthans, & Youssef, 2011).

Optimism:

Optimism is the positive outlook on the future, characterized by the belief that good things will happen and that negative events are temporary and isolated (Scheier & Carver, 1985). It is the perspective of looking at the world in a positive light and having faith that things will work out for the best (Luthans, Avolio, Avey, & Norman, 2007). Optimism also works as protective factor against stress and work as for predicting of well-being, as well as positive outcomes in various domains including health, academic performance, and job satisfaction (Luthans et al., 2007). Research has also depicted that optimistic individuals are more resilient and better able to cope with adverse events (Scheier & Carver, 1992). However, it is important to note that optimism should not be confused with unrealistic positivity, as having a balanced and realistic perspective is also important for well-being (Seligman, 1990).

Hope:

Hope is a positive emotion that involves a belief in oneself and the expectation that the future will bring good outcomes (Snyder, 1991). It is a combination of agency (i.e. the belief in one's capability to take action) and paths (i.e. the belief that there are ways to reach desired goals) (Snyder, 2002). Hope has been shown to be a factor which show protection against stress and predict the positive outcomes in various domains, like academic performance, job satisfaction, and mental and physical health (Luthans, Avolio, Avey, & Norman, 2007). Research has also shown that hope is positively related to resilience and adaptive coping (Snyder, Michael, & Cheavens, 2000). Additionally, hope has been found to be positively related to creativity, innovation, and problem-solving abilities (Luthans, Youssef, & Avolio, 2007).

Resilience:

Resilience is the ability to bounce back and cope effectively with adversity, stress, or change (Luthans & Youssef, 2004). It is a dynamic and adaptable quality that enables individuals to

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maintain positive outcomes despite the presence of challenges (**Rutter, 1987**). Resilience has been shown to be positively related to various outcomes, including academic performance, job satisfaction, and mental and physical health (**Luthans & Youssef, 2004**). Research has also shown that resilient individuals are more likely to be optimistic and have a greater sense of control over their lives (**Luthans, Avolio, Avey, & Norman, 2007**). Additionally, resilience is a factor which also positively related to other psychological capital factors, such as hope and self-efficacy (**Luthans, Avolio, Avey, & Norman, 2007**).

Positive psychological capital management:

Positive psychological capital management is the process of promoting and utilizing the positive psychological resources of employees to enhance performance, satisfaction, and well-being (**Luthans & Youssef, 2004**). This involves identifying and developing the positive psychological capital factors of hope, resilience, self-efficacy, and optimism, and using them as a competitive advantage in the workplace (**Luthans, Avolio, Avey, & Norman, 2007**).

Research also revealed that positive psychological capital management is positively related to various outcomes, including increased job satisfaction, improved performance, reduced stress, and increased well-being (**Luthans, Avolio, Avey, & Norman, 2007**). It has also been shown to enhance innovation and creativity, as well as reduce turnover and absenteeism (**Luthans, Youssef, & Avolio, 2007**). Positive psychological capital management can be understood through individual and organizational interventions, such as training, coaching, mentoring, and creating a positive work environment (**Luthans, Youssef, & Avolio, 2007**).

Other concepts which related to Positive psychological capital:

There are several concepts that are related to positive psychological capital of school students, including:

Growth Mindset is related to positive psychological capital. This refers to the belief that intelligence and abilities can be developed through effort and practice (**Dweck, 2006**). It also positively related to academic performance and is considered a key aspect of positive psychological capital (**Luthans, Avolio, Avey, & Norman, 2007**). Next one is Positive

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Identity which related to Positive PsyCap. This refers to a positive self-concept and a sense of belonging in a school setting (**Eccles &Roeser, 2011**). Positive identity also positively related to academic motivation, engagement, and well-being (**Eccles &Roeser, 2011**).Emotional Regulation also related with positive Psycap. This refers to the ability to manage and control one's emotions in response to stress or challenges (**Gross, 2002**). Emotional regulation alsorevealed to be positively related to academic performance and well-being in school students (**Gross, 2002**).Furthermore, Purpose in Life also affect positive Psycap of a person. This refers to having a clear sense of direction and meaning in one's life (**Dickson, & Anderson, 2012**). Purpose in life has been shown to be positively related to academic motivation, engagement, and well-being in school students (**Dickson, & Anderson, 2012**).Positive psychological capital is also positive related with Life Skills as depicted by a research showed Life Skills Intervention Program positively significantly affect the Psychological Capital of students(**Choudhary, & Rani, 2020**).

Discussion and conclusion:

In conclusion, PsyCap is a crucial notion in the field of psychology, as it refers to the positive psychological resources that individuals possess, like hope, resilience, self-efficacy, and optimism. These resources have been shown to be positively related to various outcomes, including job satisfaction, performance, stress reduction, and well-being (**Luthans & Youssef, 2004**). Additionally, positive psychological capital management has been shown to enhance innovation, creativity, and reduce turnover and absenteeism (**Luthans, Avolio, Avey, & Norman, 2007**).When it comes to school students, several concepts are related to positive psychological capital, including growth mindset, positive identity, emotional regulation, and purpose in life (**Dickson & Anderson, 2012; Eccles &Roeser, 2011; Gross, 2002**). These concepts are crucial for promoting academic motivation, engagement, and well-being in school students (**Dickson & Anderson, 2012; Eccles &Roeser, 2011**).In light of this, it is important for schools and teachers to incorporate positive psychological capital management strategies, such as promoting growth mindset, creating a positive school environment, and helping students find purpose in life, in order to promote academic success and well-being in school students (**Dickson & Anderson, 2012**).Overall, the concept of

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positive psychological capital and its related concepts are crucial for promoting success and well-being in individuals and should be incorporated into various settings, including schools.

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