

The Mediating Role of Positive Psychological Capital in Quality of Work Life-Employees' Performance Relationship: Empirical Evidence from Indian Organizations

Dr. Amish and Prof. A. P. Singh

1. Assistant Professor, Department of Psychology, Feroze Gandhi College, Rae Bareilly (C.S.J.M. University, Kanpur), India
amishbhu@gmail.com

2. Professor Emeritus, Department of Psychology, Banaras Hindu University, India apsbhu@gmail.com

ABSTRACT

Humanistic attitude towards the individuals' side of organizations are increasing and it provides the basis for current emerging trends and researches in organizations. Different organizations have been established to achieve the desired outcomes and certain objectives. In current changing global competitive environment, improving employees' performance at workplace is major challenge. Positive psychological capital comprised of hope, optimism, resilience and self-efficacy is the key component of organizations and it has been viewed as essential strategic resource for gaining the competitive advantages. Quality of work life is evergreen concept and it may play significant role in improving various work-related outcomes in organizations. The present study was conducted on 215 employees working in private sector organizations to examine the mediating role of positive psychological capital in quality of work life-employees' performance (self-rated and manager-rated) relationship. Obtained data was analyzed by using correlational, hierarchical regression analysis and mediated regression analysis. The result of hierarchical regression analysis indicates that stress at work and general well-being were found to be significantly positively associated with employees' performance (self-rated). Stress at work was found to be significantly positively associated with employees' performance (manager-rated). The mediated regression analysis reveals that PsyCap mediated the relationship between quality of work life-employees' performance (self-rated and manager-rated). The findings add the empirical support for the study variables. Study limitations and future research directions were also discussed.

KEYWORDS: Positive psychological capital, quality of work life, general well-being, hierarchical regression analysis

Introduction

Improving the employees' performance at workplace is major challenge for Organizations. and crucial issue because every organization is facing harsh and stiff challenges. Application of positive psychology in the organizations is at the stage where theoretical foundations are being laid, experimental results are building, and attention is giving to the applications of positive psychological concepts in improving the work-related outcomes. Since researches on positive psychological capacities in workplace have increased. This has led to a more specific interest in the topic of positive psychological capital. The world economics have recently recovered from recession blue; therefore, quality of work life is essential for organizations to continue to attract and retain employees. In this changing scenario, quality of work life concept has gained momentum recently and its link with various work-related outcomes has increased the importance of this concept. Heightened pressure of performance, introduction of new technology, meeting the requirements of increasingly diverse workforce and the globalization of business are current challenges for modern organizations

(Burke & Cooper, 2004). Positive psychology movement has gained momentum recently and has influenced the work of organizational psychologists (Meyers, van Woerkom, & Bakker, 2013).

Positive Psychological Capital

Recently in the field of positive organization behavior, positive psychological capital is a significant contributing factor to gaining the competitive advantage in the organizations. In modern business environment, there is an increasing recognition to the positive values of managing human resources by developing individual's psychological resources. After gaining a depth of understanding and essential criteria for inclusion to constructs and to conduct a systematic analysis of the broadly recognized constructs or capacities in positive organizational behaviour, the following four construct were determined to be the best fit: hope, efficacy, resilience, and optimism (Luthans 2002a, Luthans, Luthans, & Luthans, 2004, Luthans & Youssef 2004). Luthans, Youssef, & Avolio (2007) define psychological capital or simply PsyCap as an individual's positive psychological state of development and

is characterized by having confidence (self-efficacy) to take on and put in the necessary effort to succeed at challenging tasks; making a positive attribution (optimism) about succeeding now and in the future; persevering towards goals and, when necessary, redirecting paths to goals (hope) in order to succeed; and when beset by problems and adversity, sustaining and bounce back and even beyond (resiliency) to attain success. Positive Psychological Capital (PsyCap) includes the four positive psychological resources hope, optimism, resilience and self-efficacy (HERO) that best fit the positive organization behaviour inclusion criteria (Luthans et al. 2004, Luthans & Youssef 2004, Luthans, Youssef-Morgan, & Avolio, 2015). Individual employees' positive psychological capital (PsyCap) levels are also likely to represent the building blocks of positive psychological capital (PsyCap) in groups, organizations, and communities (Youssef & Luthans, 2011)

Quality of Work Life

Quality of work life is an essential organization factor which affects the various work-related outcomes. Chand (2012) defines quality of work life (QWL) is a process of work organizations which enable its members at all levels to actively; participate in shaping the organizations environment, methods and outcomes. This value process is aimed towards meeting the twin goals of enhanced effectiveness of organizations and improved quality of life at work for employees. The meaning of quality of work life is subjective imagination and the perception of organization personnel about the physical and psychological desirability of work environment and their work situations (Yavari, Amir Tash, & Tondnevis, 2009).

Robbins, Judge, and Vohra (2017) define that quality of work life refers to the level of satisfaction, motivation, involvement and commitment individuals experience with respect to their lives at work. Lau, Wong, Chan and Law (2001) describes quality of work life as the favorable working environment that support and promote satisfaction by providing employees with rewards, job security and career growth opportunities. Van Laar, Edwards, and Easton (2007) identified six independent psychosocial factors as contributing to quality of work life. These 6 factors were used to develop the 23-item work related quality of life scale, and are: Job and career satisfaction, general well-being, stress at work, control at work, home- work interface and working conditions. Quality of Life is the gap between what a person is capable to doing and being, and what they would like to do and be, essentially this is the gap between capability and expectations (Ruta, Camfield, & Donaldson, 2007). QWL is a multi-dimensional term which provides a good work life balance and gives a qualitative boost to total work environment of any organization (Rathi, 2010)

Employees' Performance

The term "employee performance" signifies individual's work achievement after exerting required effort on the job

which is associated through getting a meaningful work, engaged profile, and compassionate colleagues/employers around (Hellriegel, Jackson, & Slocum, 1999; Karakas, 2010). An effective adaptive performance necessitates employees' ability to efficiently deal with volatile work circumstances (Baard, Rench, & Kozlowski, 2014). Most of the organizational activities become complex due to advancement in technology, therefore teamwork is a major focus of many organizations.

The level of competition in the modern time has increased enormously. Due to globalization and privatization, Indian industries and organizations are facing stiff and harsh challenge from multinational companies. To improve the employees' performance is major concern because it is directly related to organizational productivity and its success. Measurement of employee performance is an activity that is important because it can be used as a measure of success in supporting the success of the organization's employees (Said, 2008). Employees perform different jobs in an organization depending on the nature of the organization. They mainly perform tasks like provision of advice on insurance products, customer relations and follow up for all clients, claims processing and payments, sales and marketing, finance and accounting, human resource, research and public relations. All these activities are inter-related to achieve the targets (Armstrong, 2009). Employee performance is defined as the outcome or contribution of employees to make them attain goals (Herbert, John & Lee 2000). Performance is often defined simply in output terms – the achievement of quantified objectives. But performance is a matter not only of what people achieve but how they achieve it (Armstrong 2006).

Employee performance is defined as whether a person executes their job duties and responsibilities well. Many organizations assess their employee's performance on an annual or quarterly basis in order to define certain areas that need improvement. Campbell and colleagues (Campbell, McCloy, Oppler, & Sager, 1993) proposed a comprehensive model of performance in which they included eight dimensions of predictors: job specific task proficiency, non-job-specific task proficiency, written and oral communications, demonstrating effort, maintaining personal discipline, facilitating peer and team performance, supervision /leadership, and management/administration.

Positive Psychological Capital, Quality of Work Life and Employees' Performance

In two field empirical studies on positive psychological capital and employee performance by Avey, Nimnicht and Pigeon (2010), it has been found that positive individual capacities may be related to employee performance in the workplace. Results from these two field studies suggest that psychological capital is associated with higher levels of manager rated performance customer referrals (as an objective performance criterion) and sales performance. Hodgez (2010) showed that training courses on psychological capital have

a significant impact on organizational contribution and performance. A study has been done by Rafie and Sarraf (2016). The aim of their study was to examine the impact of psychological capital on the operational performance of firms during 2008 to 2014 and it was found that components of psychological capital have a direct influence on the operational performance of the subsidiary firms of Parsian Bank.

Few studies have examined the effect of PsyCap on objective performance measures that were not rated by a supervisor or coworker. Employees who have a sense of hope, optimism, resilience, and self-efficacy in their work are likely to provide superior performance for their organization; in large part through the outlook of the job and the resulting performance that occurs as a result of improved employee attitudes (Mathe & Slevitch, 2013). Luthans and colleagues have done much research on the area of POB and have demonstrated its relation to numerous organizationally relevant criteria, including employee well-being (Avey, Luthans, Smith, & Palmer, 2010), organizational citizenship behavior (Avey, Luthans, & Youssef, 2010), and job performance and employee satisfaction (Luthans, Avolio, Avey, & Norman, 2007). They have also identified an explicit set of constructs that can be classified as POB: self-efficacy, hope, resilience, and optimism, which together make up the higher order construct of psychological capital (PsyCap). Park, Kim, Yoon, and Joo, (2017) studied on the topic "The effects of empowering leadership on psychological well-being and job engagement: The mediating role of psychological capital. The authors found that empowering leadership influenced job engagement both directly and indirectly through PsyCap. Employees' psychological capital fully mediated the relationship between empowering leadership and employees' psychological well-being, while partially mediating the relationship between empowering leadership and job engagement. In a recent empirical study, Luthans, Avolio, Avey and Norman (2007) found preliminary supports for PsyCap as a higher-order core construct comprised of self-efficacy, hope, optimism, and resilience, and demonstrated that this higher order factor was a better predictor of job performance and satisfaction than the four-individual construct. Several studies indicated that psychological capital as a global construct has positive impacts on employee's performance and organization citizenship behaviour (OCB) (Zhong, 2007; Luthans, Norman, Avolio, & Avey, 2008; Avey, Luthans, & Youssef, 2010). Quality of work life influences the performance and commitment of employees in various industries, including health care organizations (Gifford, Zammuto, & Goodman, 2002; Hsu & Kernohan, 2006; Huang Lawler, & Lei, 2007). Good quality of working life will create productive human resources, qualified, committed and dedicated to the job, which in turn can improve employee performance (Haryati, 2012). Quality of work life is also found significantly positively related with performance in other studies (Mortazavi, Yazdi, & Amini, 2012; Shahbazi, Shokrzadeh, Bejani, Malekinia, & Ghoroneh, 2011; Kherdmand, Valilou, & Lofti, 2010; Kheirandish, 2009;

Lau, 2000).

There is dearth of literatures available to see the mediating role of positive psychological capital in quality of work life-employees' performance relationship. In many researches only self-rated employees' performance has been included but in current research both self-rated and manager-rated performance are included. Finding of this study will try to fill the literature gaps by collecting empirical evidences to see the relationship among study variables.

In view of the brief conceptualization, review of literatures, and stated importance of quality of work life and positive psychological capital in employees' performance present study was planned with the following objectives and hypotheses:

Objectives-

1. To examine the role of quality of work life in employees' performance (self-rated and manager-rated).
2. To examine the mediating role of positive psychological capital in relationship between quality of work life and employees' performance (self-rated and manager-rated).

Hypotheses-

Following hypotheses were formulated for proposed study:

1. General well-being, home-work interface, job career satisfaction, control at work, working conditions (dimensions of quality of work life) and overall quality of work life would be positively associated with employees' performance (self-rated and manager-rated) while stress at work (dimension of quality of work life) would be negatively associated with employees' performance (self-rated and manager-rated).
2. Positive psychological capital would be significantly mediated the relationship between quality of work life and employees' performance (self-rated and manager-rated).

Method

In the present investigation, Authors have used a correlational design. In this study quality of work has been used as a predictor variable, positive psychological capital has been used as mediator variable, and employees' performance (self-rated and manager-rated) variable taken as criterion variable.

Sample

In this study 215 private sector employees working in different Indian organizations were selected using, Incidental Sampling Method was used, for collecting data several private sector organizations from New Delhi, Lucknow, Uttarakhand, Gurgaon, Greater Noida and Varanasi. Out of 215 employees 187 (about 87 %) were males and the remaining 28 (about 13 %) were females. They were all having age range from 21 to 55 years (mean = 31.69

years). They were having work experience with minimum 1 to maximum 16 years, having mean value of 5.61. 50 employees (about 23.3 %) were unmarried and remaining 165 employees ((about 76.7%) were married. As far as the occupation is concerned, employees working in some limited fields such as manufacturing and production areas of private sector organization were selected for this study. The participants were convinced to participate and they were not paid for participation in this study.

Measures

In addition to a demographic data schedule the following measures were employed in the present investigation:

Positive Psychological Capital

This scale is developed by Luthans, Youssef and Avolio (2007). This scale consists of 24 items and it will be used to assess hope, optimism, resilience, and self-efficacy. Each dimension of positive psychological capital consists of six items. Internal reliability for dimensions of positive psychological capital, efficacy, hope, resilience, and optimism are found 0.86, 0.85, 0.72, and 0.73 respectively and overall psychological capital is found 0.91.

Quality of Work Life Scale

This scale was developed by Van Laar, Edwards, and Easton (2007) in order to assess the quality of work life of employees. This scale includes 23 items on a five-point scale. The scale consists of six factors. The combination of six factors provides a global measure of quality of work life (QWL). Cronbach's Alpha for each factor of quality of work life, for general well-being (GWB) is .90, home- work interface (HWI) is .78, job career satisfaction (JCS) is .86, control at work (CAW) is .72, working conditions (WCS) is .79, and stress at work (SAW) is .82. Overall Cronbach's Alpha of this scale was found to be 0.94. Higher score indicates higher this construct.

Employees' Performance Scale

Employees' performance (self-rated and manager-rated) was assessed using a scale recently developed by Singh and

Amish (2016). Employees' performance (self-rated) scale consists 30 items and Employees' performance (manager-rated) scale consists 25 items. Overall Cronbach's Alpha of this scales were found to be 0.918 and 0.905 for self-rated and manager-rated employees' performance respectively. Higher score indicates higher this construct.

Common Method Variance Issue

Herman's single factor test has been used to determine whether our dataset suffers from common method bias issue or not. For this we run exploratory factor analysis by taking all the observed variables into the model and then in the extraction we constrain the number of factors to be 1. So, in this dataset we found the maximum variance explained by the constrained model is 40.18 percent and which are quite satisfactory. It should be less than 50%. We conclude that this dataset doesn't violate the issue of common method variance (CMV) because the variance explained by the single factor is less than 50%.

Procedure

In the present investigation first of all necessary permission from data collection was sought from the personnel or HR department from different organizations, selected for the study. For the data collection, all the participants were individually contacted on their respective places and informed consent was obtained after establishing the rapport with the participants. All the measures were administered with full care and specific instructions were followed adequately. Responses were noted down and suitable statistics was used for the treatment of data. For performance rating of employees, this scale was given to their immediate managers. They rated their employees' performance.

Results

At first correlation coefficient was computed to examine the relationship among positive psychological capital, quality of work life, self-rated and manager-rated employees' performance. Furthermore, hierarchical multiple regression analysis was computed to ascertain the association of the quality of work life with employees' performance (self-rated and manager-rated) through the help of SPSS 20. Further mediated regression analysis was done to see the mediating

Table 1: Correlation coefficients of quality of work life, PsyCap, and employees' performance (self-rated and manager-rated)

Predictor Variables	Criterion Variables (Employees' Performance)	
	Self-Rated	Manager-Rated
Quality of Work Life and PsyCap (dimensions & overall)		
General Well-being (GWB)	.568***	.082
Home-Work Interface (HWI)	.443***	.101
Job-Career satisfaction (JCS)	.349***	.032
Control at Work (CAW)	.454***	.059



Working Conditions (WCS)	.346***	.079
Stress at Work (SAW)	.405***	.071
Quality of Work Life (overall)	.577***	.092
Hope	.505***	.411***
Optimism	.623***	.224***
Resilience	.365***	.017
Self-Efficacy	.275***	-.188***
PsyCap (overall)	.609***	.158*

* $p < .05$, *** $p < .001$

role of PsyCap in quality of work life-employees' performance (self-rated and manager-rated) relationship.

Results displayed in the table-1 indicate that general well-being was found significantly positively correlated with self-rated performance ($r = .568$, $p < .001$). Home-Work Interface was found significantly positively correlated with self-rated performance ($r = .443$, $p < .001$). Job-Career satisfaction was found significantly positively correlated with self-rated performance ($r = .349$, $p < .001$). Control at work was found significantly positively correlated with self-rated performance ($r = .454$, $p < .001$). Working conditions was found significantly positively correlated with self-rated performance ($r = .346$, $p < .001$). Stress at work was found significantly positively correlated with self-rated performance ($r = .405$, $p < .001$). Overall Quality of work life (QWL) was found significantly positively correlated with self-rated performance ($r = .577$, $p < .001$).

Results also reveal that hope was found significantly positively correlated with self-rated performance ($r = .505$, $p < .001$) and manager rated performance ($r = .411$, $p < .001$). Optimism was found significantly positively correlated with self-rated performance ($r = .623$, $p < .001$) and manager rated performance ($r = .224$, $p < .001$). Resilience was found significantly positively correlated with self-rated performance ($r = .365$, $p < .001$). Self-Efficacy was found significantly positively correlated with self-rated performance ($r = .275$, $p < .001$) and significantly negatively correlated with manager rated performance ($r = .305$, $p < .001$). Overall PsyCap was found significantly positively correlated with self-rated performance ($r = .609$, $p < .001$) and manager rated performance ($r = .158$, $p < .05$).

Results of hierarchical regression analyses reveal that stress at work was found significantly positively associated with self-

Table 2: Results of hierarchical regression analysis for dimensions of quality of work life as predictors and employees' performance (self-rated and manager-rated) as criterion variable

Variables	Employees' Performance					
	Self-Rated			Manager-Rated		
	Step-1	Step-2	Step-3	Step-1	Step-2	Step-3
Control Variable First Step						
Age	-.141	-.197	-.022	-.291**	-.310**	-.272*
Gender	-.045	-.004	.034	-.042	-.028	-.037
Education	.042	-.020	.028	-.071	-.093	-.091
Tenure	.103	.144	-.067	.075	.090	.031
Marital Status	-.023	.005	-.006	-.026	-.017	-.028
Visit to Doctor	-.011	-.038	-.030	.217**	.207**	.227**
Type of Family	-.005	-.078	.253***	-.280***	-.306***	-.343***
Number of dependent family members	.101	.100	.124	.283***	.283***	.299***
Predictor Variables Second Step						
Stress at Work		.362***	.288***		.127*	.115
Third Step						
General Well-being			.405***			.034
Home-Work Interface			.152			-.002

Job-Career satisfaction			.055			.134
Control at Work			-.036			-.095
Working Conditions			.112			.086
R	.147	.377	.676	.441	.457	.483
R ²	.022	.142	.457	.194	.209	.233
R ² change	.022	.121	.315	.194	.015	.024
F-change	.567	28.884***	23.191***	6.208****	3.887*	1.264
F ^a	.567	3.782***	12.030***	6.208***	6.027***	4.351***

a- Step 1 degree of freedom= 8, 206; Step 2 degree of freedom =9, 205; Step 3 degree of freedom=14, 200

*p<0.05, **p<.01, ***p<.001

Note- Standardized Beta (β) is reported in table 2

rated employees' performance (β= .362, p<.001) and manager-rated performance (β= .127, p<.05). General well-being was also found significantly positively associated with self-rated employees' performance (β= .405***, p<.001). It is obvious from the results that all the demographic variables were explaining 2.2% of the total variance in self-rated employees' performance and 19.4% of the total variance in manager-rated employees' performance. Stress at work was explaining 12.1% of the total variance in self-rated employees' performance and overall quality of work life was explaining 43.6% of the total variance in self-rated employees' performance. Stress at work was explaining 1.5% of the total variance in manager-rated employees' performance and overall quality of work life

was explaining 3.9% of the total variance in manager-rated employees' performance.

In addition, Sobel (1982) tests were conducted as a means of further examining evidence for mediation above and beyond procedures recommended by Kenny and colleagues (Baron & Kenny, 1986; Kenny et al., 1998). Sobel (1982) tests were also conducted to further support the mediation model as proposed. This test is designed to assess whether a mediating variable (PsyCap) carries the effects of the predictor variable (quality of work life) to criterion variable (self-rated and manager-rated employees' performance) which are reported in table-3.

Table 3: Mediated Regression Analysis for quality of work life as a predictor variable, positive psychological capital as a mediator and employees' performance (self-rated and manager-rated) as a criterion variable

Predictor Variable	Criterion Variable (Employees' Performance)	
	Self-rated	Manager-rated
Quality of Work Life (QWL)	Mediating Variable-Positive psychological capital	
Step1 (QWL >PsyCap)	.458***	.458***
Step 2 (QWL >Performance)	.577***	.092
Step 3 (PsyCap > Performance)	.436***	.147
Step3 (QWL > Performance)	.378***	.025
Sobel Test	5.396***	1.865

*P<0.05, **P< 0.01, ***P<0.001; Note: Standardized β is reported in table 3

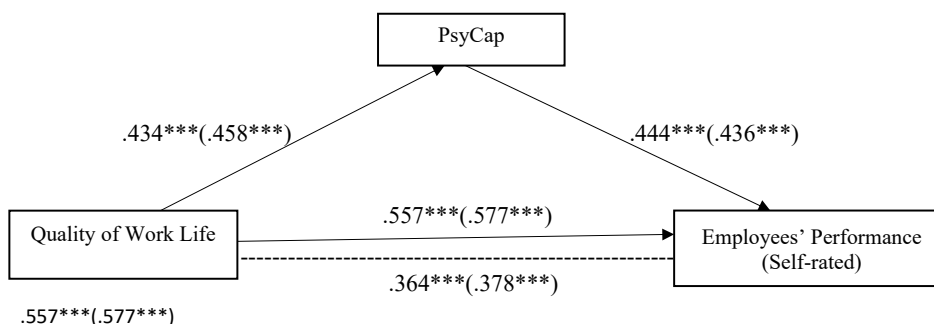


Figure 1: Mediation model showing unstandardized and standardized regression coefficients for the relationship between quality of work life and employees' performance (self-rated) as mediated by PsyCap

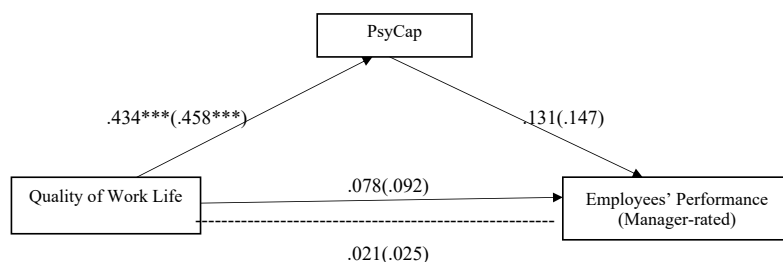


Figure 2: Mediation model showing unstandardized and standardized regression coefficients for the relationship between quality of work life and employees' performance (Manager-rated) as mediated by PsyCap

Table 3 presents the results for the mediated regression analysis. In the first step, positive psychological capital (mediating variable) was regressed on quality of work life separately. In step 2, employees' performance (self-rated and manager-rated) (criterion variable) was regressed respectively on the quality of work life (predictor variables). For step 3 of the mediated regression, self-rated and manager-rated respectively was regressed on quality of work life and positive psychological capital separately. For self-rated and manager-rated employees' performance two separate regressions were computed respectively. Partial mediated regression is shown in step 3, when relationship of mediator variable (positive psychological capital) and the employees' performance (self-rated) are significant, but the employees' performance (self-rated)-quality of work life relationship decreases from step two, as indicated by a decrease in the beta weight. If the criterion measure was not significant in step 3, full mediation would be indicated.

Sobel test for self-rated performance was also found highly significant which indicate the partial mediation. It was found significant between quality of work life and self-rated employees' performance ($z=5.396, p<.001$). Sobel test for manager-rated performance was not found significant which indicate psychological capital does not mediate the relationship between quality of work life and employees' performance (manager-rated). According to the above criteria (Baron & Kenny, 1986), results support the partial mediation of positive psychological capital in the relationship between quality of work life and employees' performance (self-rated).

Thus, we presented the results of the statistical analysis. In the discussion results were discussed in the light of the earlier studies.

Discussion

Quality of work life is evergreen concept. Different individual, group and organizational factors influence the employees' performance. In this study positive psychological capital as an individual factor play important role in employees' performance. Quality of work life is important organizational factor which have direct relationship with employees' performance. In this study different results have been found in

self-rated and manager-rated employees' performance in the organizations. There are consistent limitations on manager-rated employees' performance. Managers 'perception towards the employees' performances is differing as compared to self-rated performance. Different analyses have been reported in both types of ratings in this study and it provides the clear-cut relationship among them.

First objective of this study was to examine the role of quality of work life in employees' performance (self-rated and manager-rated). Correlation coefficient indicates that quality of work life (dimensions and overall) were found to be significantly positively correlated with employees' performance (self-rated). The results of hierarchical regression analysis confirm the significant positive association of stress at work and general well-being with self-rated employees' performance but no other dimensions of quality of work life were found significant. Obtained results are not completely according to second hypothesis made. Quality of work life has been found positively related with employees' performance in recent studies (Pandey & Khan, 2016; Yalin, 2016; Dutta & Singh, 2015)

In this study, stress at work was found significantly positively associated with self-rated and manager-rated employees' performance which is opposite to the hypothesis made. In many studies it has been found that stress lowers the performance of the employees. Sankpal, Negi and Vashishtha (2010) have compared organizational role stress of managers working in public and private sector banks in Gwalior. It was also found that private bank employees experienced higher organizational role stress than their public bank counterparts. Occupational stress inadvertently consequences low organizational performance (Elovainio, Kivimaki, & Vahtera, 2002). In this study contrast finding has been obtained. Reasons for contrast findings can be explained with this argument. In private sector organizations, employees feel a lot of stress due to work load, time demand, job insecurity, and nature of work. Stress is evitable in our life. We cannot eliminate the stress from our life, but we can manage the stress. Employees feel stress, yet they are working continuously to achieve the objectives and goals of organizations. Many of the studies reported that stress was found negatively correlated with

employees' performance and other work-related outcome. In this study positive correlation of stress at work with employees' performance (self-rated) implies that irrespective of stress level, employees can still achieve their target and increase performance. It also demonstrates that employees themselves found a way of minimizing the effects of stress on their performance. Obtained results are not completely according to second hypothesis made. Therefore, hypothesis one is partially accepted in this study.

Results of mediated regression analysis indicate that positive psychological capital significantly partially mediated the relationship between the quality of work life and employees' performance (self-rated) and did not mediate between the quality of work life and employees' performance (manager-rated). Finding of this study implies quality of work life influences employees' performance (self-rated) through positive psychological capital. Quality of work life also exerts direct effect on employees' performance (self-rated) as mentioned in step 2. Quality of work life is still a significant predictor of employees' performance (self-rated) after controlling for the mediator, positive psychological capital. This shows the partial mediating role of positive psychological capital in between quality of work life and employees' performance (self-rated). Partial mediated regression is shown in step 3 when relationship of positive psychological capital and employees' performance (self-rated) is significant, but quality of work life -employees' performance (self-rated) relationship decreases and still significant, as indicated by decreases in the beta weight.

In addition, Sobel (1982) tests were conducted as a means of further examining evidence for mediation above and beyond procedures recommended by Kenny and colleagues. The Sobel test was used to determine whether the association between quality of work life and employees' performance (self-rated and manager rated) is reduced significantly when controlling for the mediator of positive psychological capital. Results of Sobel test suggest that association between quality of work life and employees' performance (self-rated) is significantly mediated by positive psychological capital ($z=5.396$, $p<.001$). It confirms the findings of mediated regression analysis

Therefore, hypothesis two explaining the mediating role of positive psychological capital in relationship between quality of work life and employees' performance (self-rated & manager rated) is partially accepted in this study.

Implications of the Study

There are primarily many implications for organizations based on the results of this study. The findings from this research suggest that organizations should implement and develop training or intervention programs designed to enhance their employees' overall levels of PsyCap, which will affect the quality of work life- employees performance

relationship. Improving the good quality of work life leads to an atmosphere of good impersonal relations and highly motivated employees who strive for their development. It can play important role in increasing the employees' performance. In India, organizational behaviour researchers, practitioners and the human resource professionals also should think about inculcating psychological capital for better performance through rigorous training and workshops which will benefit the organizations in various work-related outcomes.

Limitations and Future Directions

Despite methodological strengths this study also has few shortcomings. These findings are based on a sample taken from private organizations so data from different organizations can give better results. Consideration of lower level of employees working in private sector organizations for the study might be another imperfection of this study. In future participants from all the level of hierarchy in organization in sample should be included because they are also essential and important part of the organizations. Sample size might be another imperfection of the study. More cross-cultural and longitudinal studies are needed for better understanding of the relationship among constructs. Thus, future studies should be also included objective measure of employees' performance. Future research also needs to explore different approaches to measuring and developing positive psychological capital in different contexts, and at various levels of analysis. Future researches also study other different mediators and moderating factors which will affect the quality of work life-employees' relationship.

Conclusion

Our findings suggest that positive psychological capital and quality of work life are significant for modern organization and with this positive approach, employees' performance can be increased. In this study, variations in findings are found with self-rated employees' performance and manager-rated employees' performance. It may be due to different perception of employees and managers. Stress at work, and general well-being (dimensions of quality of work life) are found important and significant predictors of self-rated employees' performance but for manager-rated employees' performance only stress at work was found significant predictor. Since employees are working in the private sector organization, therefore, they experience more stress. Nature of organization is an important factor which play important role in experiencing the stress. Stress is inevitable part in employees' life. Therefore, organizations should work and develop stress management techniques for minimize the stress at workplace. Employees having high general well-being at workplace are more productive and their performance is also high. In this study PsyCap partially mediated the relationship between quality of work life and self-rated performance.

Compliance with Ethical Standards

Ethical Approval

All procedures were followed in this study involving participants in accordance with the ethical standards.

Acknowledgements

I want to thanks to the employees of different organizations for giving time, efforts, comments during this study.

Conflict of Interest

There is no conflict of interest with respect to the research, authorship, and/or publication of this article.

Funding

The authors received no financial support for the research, authorship and/or publication of this article.

REFERENCES

1. Amish & Singh, A. P. (2016). Employees performance scale (Unpublished Scale). Department of Psychology, Banaras Hindu University, Varanasi.
2. Armstrong, M. (2006). Performance management: Key Strategies and Practical Guidelines (3rd Eds.). USA: Kogan Page Limited.
3. Armstrong, M. (2009): Human resource management practice. London: Kogan Page Ltd.
4. Avey, J. B., Luthans, F., & Youssef, C. M. (2010). The additive value of positive psychological capital in predicting work attitudes and behaviors. *Journal of Management*, 36, 430-452.
5. Avey, J. B., Luthans, F., & Youssef, C. M. (2010). The additive value of positive psychological capital in predicting work attitudes and behaviors. *Journal of Management*, 36, 430-452.
6. Avey, J. B., Luthans, F., Smith, R. M., & Palmer, N. F. (2010). Impact of positive psychological capital on employee wellbeing over time. *Journal of Occupational Health Psychology*, 15(1), 17-28.
7. Avey, J. B., Nimnicht, J. L., & Pigeon, N. G. (2010). Two field studies examining the association between positive psychological capital and performance. *Leadership & Organizational Development Journal*, 31(5), 384-401.
8. Baard, S.K., Rench, T.A., & Kozlowski, S.W.J. (2014). Performance adaptation: A theoretical integration and review. *Journal of Management*, 40(2), 48-99.
9. Baron, R. M., & Kenny, D. A. (1986). The moderator-mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations. *Journal of Personality and Social Psychology*, 51(6), 1173-1182.
10. Burke, R. J., & Cooper, C. L. (2004). *Leading in turbulent times*. Blackwell: Oxford.
11. Cambell, J. P., McCloy, R. A., Oppler, S. H., & Sagar, C. E. (1993). A theory of performance. In N. Schmitt & W. C. Borman (Eds.), *Personnel Selection in Organizations* (pp.35-70). Jasssey- Boss, San Francisco, CA.
12. Chand S. (2012). Quality of work life: It's meaning and definition of employee management. international: YourArticleLibrary.com. Retrieved March 1, 2016, from <http://www.yourarticlelibrary.com/employee-management/quality-of-work-life-its-meaning-anddefinition-employee-management/26112/>.
13. Dutta, C., & Singh, J. (2015). A study on quality of work life of employees at management institute in Moradabad: An empirical study. *International Journal of Recent Scientific Research*, 6(6), 4884-4888.
14. Elovainio, M., Kivimaki M., & Vahtera, J. (2002). Organizational justice: Evidence of a new psychosocial predictor of health. *American Journal of Public Health*, 92(1), 105-108.
15. Gifford, B. D., Zammuto, R. F., & Goodman, E. A. (2002). The relationship between hospital unit culture and nurses' quality of work life. *Journal of Health Care Management*, 47 (1), 13-25.
16. Haryati, M. A. (2012). Quality of work life relationship with performance implementing nurse at hospital Bali MED Denpasar (Doctoral' Thesis). Pasca Sarjana FEUI, Jakarta.
17. Hellriegel, D., Jackson, S.E., & Slocum, J.W. (1999). *Management* (8th Eds.). Cincinnati, Ohio: South-Western College.
18. Herbert. John, J. & Lee. (2000). *Personnel/Human Resource Management* (4th Eds.), Universal Book Stall.
19. Hodges, T. D. (2010). An experimental study of the impact of psychological capital on performance, engagement, and the contagion effect (UMI Dissertation Publishing). Available from ProQuest LLC, University of Nebraska.
20. Hsu, M. Y., & Kernohan, G. (2006). Dimensions of hospital nurses' quality of working life. *Journal of Advanced Nursing*, 54 (1), 120-131.
21. Huang, T. C., Lawler, J., & Lei, C.Y. (2007). The effects of quality of work life on commitment and turnover intention. *Social Behavior and Personality: An International Journal*, 35(6), 735-750. <https://doi.org/10.2224/sbp.2007.35.6.735>.
22. Karakas, F. (2010). Spirituality and performance in organizations: A literature review. *Journal of Business Ethics*, 94(1), 89-106.
23. Kenny, D. A., Kashy, D., & Bolger, N. (1998). Data analysis in social psychology. In D. Gilbert, S. Fiske, and G. Lindzey (Eds.), *Handbook of social psychology* (4th ed., pp. 233-265). New York: McGraw-Hill.
24. Kheirandish, S. M. (2009). Relation between working life quality and performance of employees in Irankhodro Dizeli company (Doctoral's thesis). Alame Tabatabaai University: Iran.
25. Kheradamand, E., Valilou, M., & Lofti, A. (2010). The relation between quality of work life and job performance. *Middle-East Journal of Scientific Research*, 6 (4), 317-323.
26. Lau, R. S. M. (2000). Quality of work life and performance: An investigation of two key elements in the service profit chain model. *International Journal of Service Industry Management*, 11(5), 422-437.
27. Lau, T., Y.H., Wong, K.F., Chan, & Law, M. (2001). Information technology and the work environment-does it change the way people interact at work. *Human Systems Management*, 20(3), 267-280.
28. Luthans F., Avolio, B. J., Avey, J. B., & Norman, S. M. (2007) Positive psychological capital: Measurement and relationship with performance and satisfaction, *Personnel Psychology* 60 (3), 541-572.
29. Luthans F., Avolio, B. J., Avey, J. B., & Norman, S. M. (2007) Positive psychological capital: Measurement and relationship with performance and satisfaction, *Personnel Psychology* 60 (3), 541-572.
30. Luthans, F. (2002a). The need for and meaning of positive organizational behavior. *Journal of Organizational Behavior*, 23(6), 695-706. <http://dx.doi.org/10.1002/job.165>.
31. Luthans, F., & Youssef, C. M. (2004). Human, social, and now positive psychological capital management. *Organizational Dynamics*, 33(2), 143-160. <http://doi:10.1016/j.orgdyn.2004.01.003>.
32. Luthans, F., Luthans, K. W., & Luthans, B. C. (2004). Positive psychological capital: Going beyond human and social capital. *Business Horizons*, 47 (1), 45-50.
33. Luthans, F., Norman, S. M., Avolio, B. J., & Avey, J. B. (2008). The mediating role of psychological capital in the supportive organizational climate-employee performance relationship. *Journal of Organizational Behavior*, 29 (2), 219-238. <http://doi:10.1002/job.507>.
34. Luthans, F., Youssef, C. M., & Avolio, B. J. (2007). *Psychological capital: Developing the human competitive edge*. New York: Oxford University Press.

35. Luthans, F., Youssef-Morgan, C. M., & Avolio, B. J. (2015). *Psychological capital and beyond*. Oxford, UK: Oxford University Press.
36. Mathe, K., & Slevitch, L (2013). An exploratory examination of supervisor undermining, employee involvement climate and the impact of customer service perceptions. *Journal of Hospitality and Tourism Research*, 37(1), 29-50.
37. Meyers, M. C., Van Woerkom, M., & Bakker, A. B. B. (2013). The added value of the positive: A literature review of positive psychology interventions in organizations. *European Journal of Work and Organizational Psychology*, 22, 618-632. doi:10.1080/1359432X.2012.694689.
38. Mortazavi, S., Yazdi, S. V. S., & Amini, A. (2012). The role of the psychological capital on quality of work life and organizational performance. *Interdisciplinary Journal of Contemporary Research in Business*, 4(2), 206-217.
39. Pandey, S., & Khan, M. S. (2016). A study of quality of work life and its impact performance appraisal. *International Educational Scientific Research Journal*, 2(5), 60-62.
40. Park, J. G., Kim, J. S., Yoon, S. W., & Joo, B. K. (2017). The effects of empowering leadership on psychological well-being and job engagement: The mediating role of psychological capital. *Leadership & Organization Development Journal*, 38(3), 350-367. doi: 10.1108/LODJ-08-2015-0182.
41. Rafie, E., & Sarraf, F. (2016). The Impact of psychological capital on the operational performance of firms. *Journal of Progressive Research in Social Sciences*, 4(1), 251-256.
42. Rathi, N. (2010). Relationship of quality of work life with employees' psychological well-being. *International journal of business insights & transformation*, 3(1), 52-60.
43. Robbins, S. P., Judge, T. A., & Vohra, N. (2017). *Organizational Behavior* (16th Eds.). Tamil Nadu: Pearson India Education Services Pvt. Ltd.
44. Ruta, D., Camfield, L., & Donaldson, C. (2007). Sen and the art of quality of life maintenance: Towards a general theory of quality of life and its causation. *Journal of Socio-Economics*, 36(3), 397-423.
45. Said, M. D. (2008). *Employee performance analysis in education and training center for religious Semarang* (Thesis). Magister Administrasi Publik UNDIP.
46. Sankpal, S., Negi, P., & Vashishtha, J. (2010) Organisational role stress of employees: Public vs. Private Banks. *Indian Journal of Management*, 3(1), 4-16.
47. Shahbazi, B., Sadegh, S., Hossein, B., Emad, M., & Davod, G. (2011). A survey of relationship between the quality of work life and performance of department chairpersons of Esfahan University and Esfahan Medical Science University. *Procedia- Social and Behavioral Sciences*, 30, 1555-1560.
48. Sobel, M. E. (1982). Asymptotic confidence intervals for indirect effects in structural equation models. In S. Leinhardt (Ed.), *Sociological Methodology*, 1982 (pp. 290-312). San Francisco: Jossey-Bass.
49. Van Laar, D. L., Edwards, J., & Easton, S. (2007). The Work-related quality of life (WRQoL) scale for health care workers. *Journal of Advanced Nursing*, 60(3), 325-333.
50. Yalin, T. (2016). How does quality of work life influence employee performance? Research on frontline employees in the tourism industry. *Tourism Tribune*, 31(1), 92-101.
51. Yavari, Y., Amirtash, A. M., & Tondnevis, F. (2009). Comparison of Quality of Work Life among faculty members in physical education faculties and departments. *Journal of Movement Science, Spring-Summer*, 7(13), 99-109.
52. Youssef, C. M., & Luthans, F. (2011). Positive psychological capital in the workplace: Where we are and where we need to go. In K. M. Sheldon, T. B. Kashdan, & M. F. Steger (Eds.), *Designing positive psychology* (pp. 351-364). Oxford: Oxford University Press. <https://doi.org/10.1093/acprof:oso/9780195373585.003.0023>.
53. Zhong, L. (2007). Effects of psychological capital on employees' job performance, organizational commitment, and organizational citizenship behavior. *Acta Psychologica Sinica*, 39(2), 328-334.

Citation: Dr. Amish and Prof. A. P. Singh, "The Mediating Role of Positive Psychological Capital in Quality of WorkLife-Employees' Performance Relationship: Empirical Evidence from Indian Organizations". *American Research Journal of Humanities and Social Sciences*, vol 7, no. 1, 2021, pp. 1-10.

Copyright © 2021 Dr. Amish and Prof. A. P. Singh. This is an open access article distributed under the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.