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## **PSYCHOLOGICAL CAPITAL IMPACT ON EXTRA ROLE BEHAVIOUR VIA WORK ENGAGEMENT: EVIDENCE FROM THE PAKISTANI BANKING SECTOR**

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### **ABSTRACT**

The banking sector in Pakistan has always been one of the most significant economic sectors of the country. The purpose of this paper has been to identify the factors urging bank employees to volunteer themselves for activities outside of their formal job obligations. A total of 315 responses were gathered from the employees of the four private commercial banks in Pakistan. The researchers tested the relationship between the four facets of psychological capital (i.e., efficacy, resilience, optimism, and hope) and the two dimensions of extra role behaviour (individual and organisational). The researchers used the SPSS version 23 to analyse the demographic profiles of the respondents, and the SmartPLS version 3 to test the hypotheses formed

using the structural equation modelling technique. The researchers also investigated the mechanism through which psychological impacts extra role behaviour. Under the Job Demands-Resources (JDR) model, work engagement is employed as a mediating variable. The results of the study revealed a significant positive relationship between efficacy, optimism, and resilience with extra role behaviours. However, hope remained insignificant to extra role behaviours. The study outcomes also supported the major hypotheses on the mediating role of work engagement in the relationship between the psychological capital and extra role behaviour. Recommendations for future studies and the limitations of the present study were also discussed.

**Keywords:** Psychological capital, extra role behaviour, work engagement, bank employees, JD-R model.

JEL Classification: M0.

## INTRODUCTION

The world is currently looking for high-performance organisations to improve the global economy. Banks are service-oriented organisations, and they are the prime source of financial support for all other economic sectors (i.e., manufacturing and agriculture) of the country (Waseem et al., 2020). The banking sector of Pakistan has always been one of the most important sectors of the economy (Waseem et al., 2020). Its significance as the lifeblood of economic growth, especially in the collection of deposits and the provision of loans to states and individuals, households and industries has been inarguable (Waseem et al., 2020).

In the era of globalization and ultimate competition, banks have persisted and prospered on the optimal exploitation of their employees (Siddiqui, 2019). Consequently, it is essential for the banks to recognize the factors causing employees to volunteer themselves for activities outside of their formal job requirements. This type of optional behaviour of employees is referred to as organisational citizenship behaviour (OCB), or extra role behaviour. Such behaviours are of vital importance, especially in the era which has introduced technological robustness and a competitive environment in the banking sector of

Pakistan (Siddiqui, 2019). Thus the OCB is one of the important factors in efforts to increase the overall effectiveness of banks.

The term organisation citizenship behaviour was first introduced by Organ (1988) as “an individual behaviour which is not rewarded by a formal reward system, but that, when combined with the same behaviour in a group, results in effectiveness.” Organ’s idea of the OCB was based upon the Chester Barnard’s concept (Barnard, 1938) a concept which stated it was one’s will to cooperate, but in addition to the influence of social behaviour (Chaitanya & Tripathi, 2001). Organ’s perspective was that such behaviours could improve the overall performance of the employees. Organ explained that the OCB was not an obligatory requirement of an employee, instead it was a matter of a person’s preference.

Williams and Anderson (1991) provided a more detailed definition, pointing out the OCB was the set of employee behaviours that directly or indirectly contributed to organisational goal accomplishment. Williams and Anderson (1991) conceptualized the OCB as having two dimensions; Individual-directed organisational citizenship behaviour (OCBI) as the behaviours that immediately benefitted specific individuals and, in this way, indirectly contributed to the organisational success, and Organisation-directed organisational citizenship behaviour (OCBO) were behaviours that benefitted the organisation in general, for example, the employee would give advance notice when unable to come to work, or adhered to informal rules devised to maintain order.

Previous studies have shown a positive relationship between positive personal resources and the OCBs (Gupta et al., 2017). Among such resources was the recently evolved idea of psychological capital (PsyCap), which has become a catchphrase in the field of positive organizational behaviour. Luthans et al. (2015, p. 2) described the PsyCap as “an individual’s positive state of development that is defined by; (1) having faith (efficacy) in taking on and making the required effort to excel in difficult tasks; (2) making a positive allocation (optimism) of progress, both now and in the future; (3) determined towards goals and, where required, redirecting the path to success; (4) when beset by problems and adversity, sustaining, and bouncing back and even beyond (resilience) to attain success. When employees were hopeful, confident, optimistic, and resilient, they would achieve more

(Ribeiro et al., 2021). These positive personal resources would help in developing the organizational citizenship behaviour for organizations, as well as individuals (Chamisa et al., 2020).

Organisational psychologists believed that the OCB was shown more by engaged employees as compared to unengaged employees (Thakre & Mathew, 2020). This was because the engaged employees concurrently spent their intellectual, physical, emotional, and psychological energies in their job (Bakker & Albrecht, 2018). Likewise, the psychological capital (PsyCap) has been regarded as a combination of important personal resources (such as hope, optimism, resilience, and efficacy) that would enable employees to accomplish their desired objectives. This accomplishment would create a feeling of engagement and stimulate positivity in employees, which in turn, would persuade them to become involved in extra-role behaviours. In the context of Pakistan, several studies have examined the relationship between the psychological capital and task performance or in role behaviour (Latif, 2017), counterproductive behaviour (Imran & Shahnawaz, 2020) and project success (Sarwar et al., 2017). However, scant attention has been paid to the need for more studies investigating the mediating role of work engagement between the PsyCap and extra role behaviours. Additionally, there is also the need to study the effect of work engagement on the two facets of the OCB, which comprised the individual-directed organisation citizenship behaviour (OCBI) and the organisation-directed organisation citizenship behaviour (OCBO). These studies are especially important for developing nations such as Pakistan, where the banking sector is becoming more competitive, and in light of this development, bank management expects its employees to be involved in extra role behaviours to improve the banking sector. Furthermore, the present study has used a back translation process to translate the psychological capital questionnaire (PCQ-12) into Urdu to help the respondents have a better understanding of the questionnaire items.

## **LITERATURE REVIEW**

The Psycap is the cutting-edge need for handling multiple behavioural concerns of employees (Alola & Atsa'am, 2020). It is based on the 'Positive Organisational Behaviour' (POB) theory, which has

focused on building up the individual personal resources to reach their maximum capacity in order to perform well and prosper in organisational settings (Luthans & Youssef-Morgan, 2017). The PsyCap is accepted as a blend of four distinct positive personal resources outlined in the HERO model. According to Luthans et al. (2007), these personal resources were hope, efficacy, resilience and optimism (collectively called HERO). These four positive personal resources have been viewed as ‘state-like’, which implied that they could be improved instead of being attributes that were viewed as fixed (Luthans et al., 2007). The PsyCap is a mixture of having an elevated level of each resource and that together the resources are seen as having a more significant impact on performance. Besides, Newman et al. (2014) have conducted extensive research on the PsyCap, centred on dependent variables, and the results have shown that the PsyCap was one of the variables that could increase employee efficiency.

Moreover, it is significant to distinguish the elements driving employees to volunteer themselves for tasks outside their formal job obligations. Such behaviours, though not included in the job descriptions, have become vital in the context of enhancing employee performance and efficiency (Podsakoff et al., 2018). Thus, the present study has aimed at assessing the role of the four facets of the PsyCap in extra role behaviours, and investigating the mediating role of work engagement in PsyCap-OCB relationships.

### **Efficacy and the OCBs**

Efficacy referred to an individual’s belief in their capacity to execute behaviours necessary to produce specific performance attainments (Bandura, 1997). In the studies of the relationship between efficacy and the OCB by Pradhan et al. (2020) and Beauregard (2012), found a consistent and strong relationship between efficacy and performance. According to Cohen and Abedallah (2015), efficacy meant that individuals wanted to do more than what was expected, as they were confident of their abilities. This efficacy would lead them to extra role behaviour. Based on the findings of these studies, the present study has proposed the following hypotheses:

H<sub>1</sub>: Efficacy has a positive relationship with the OCBI.

H<sub>2</sub>: Efficacy has a positive relationship with the OCBO.

## **Hope and the OCBs**

According to Snyder (1995), hope should be seen as a positive cognitive state based on a sense of successful goal-directed determination and planning to meet these goals. Hope has proven to be effective in explaining the OCBI and the OCBO in several studies (Jung & Yoon, 2015; Ozyilmaz, 2020). Akhras and Alam (2020) conducted a case study on business work units in the Middle East and the North African Area. They concluded that hope was the enhancer of the OCBs in employees. Likewise, the hope theory by Snyder (2002) postulated that employees with high hopes were determined to engage physically, cognitively, and emotionally in their work, thus enhancing their OCBs at their work place. Jung and Yoon (2015) suggested that one of the positive constructs of the psychological capital, i.e., hope, positively affected the OCBs. Thus, in light of the findings in these previous studies, the present study has come up with the following hypotheses:

H<sub>3</sub>: Hope has a positive relationship with the OCBI.

H<sub>4</sub>: Hope has a positive relationship with the OCBO.

## **Optimism and the OCBs**

The term optimism “refers to a positive frame of mind and means that a person takes the view of expecting the best outcome from any given situation. An optimistic person is one who sees the glass as ‘half-full’ instead of ‘half-empty’” (Seligman, 2006, p. 05). Optimism has been frequently related to the OCBs in various researches (Ugwu & Igbende 2017; Jabbar et al., 2019; Hough et al., 2020). Ugwu and Igbende (2017) documented that management should assess optimism during the selection process and hire only highly optimistic workers, by screening out the pessimistic ones. Smithikrai (2020) acknowledged optimism as the only possible option that could deliver the best result in the employee’s citizenship behaviour. Smithikrai (2020) further suggested to examine the relationship in other work settings such as in banks.

Thus, the proposed hypotheses for the present study were as follows:

H<sub>5</sub>: Optimism has a positive relationship with the OCBI.

H<sub>6</sub>: Optimism has a positive relationship with the OCBO.

## **Resilience and the OCBs**

The American Psychological Association (2014, para. 4) has defined resilience as “the process of adapting well in the face of adversity, trauma, tragedy, threats or even significant sources of stress.” Kašpárková et al. (2018) also found that resilience and perceived performance were positively linked. In their study, data was collected from 360 workers in the Czech Republic. Paul et al. (2019) examined in an integrative model, the role of resilience on organizational citizenship behaviours and found that there was a significant impact of resilience on the OCBs. In another study conducted by Paul et al. (2016), using a sample of 345 employees working in the manufacturing industries of Uttarakhand and Himachal Pradesh in India, the researchers found empirical evidence on the positive relationship between resilience and the OCBs.

In light of the findings in these previous studies, the present study has proposed the following hypotheses:

H<sub>7</sub>: Resilience has a positive relationship with the OCBI.

H<sub>8</sub>: Resilience has a positive relationship with the OCBO.

The point of highlighting some of the main findings in this brief background of the study variables is to show the research gap in the existing studies. These studies lacked insights into the mechanism found in the positive constructs and how it is related to extra role behaviour. Furthermore, the majority of the studies related to the OCBs were mostly conducted in the Western context. Furthermore, the studies conducted in the context of Pakistan had used the English version of the PsyCap tool.

However, it has been recommended by researchers to use the translated version of the tool when conducting a cross-sectional research (Tyupa, 2011; Son, 2018). To fill these gaps, the present study has brought together a potential interceding variable of work engagement in its investigation into the relationship between the four facets of the PsyCap and the two dimensions of extra role behaviour in context of the banking sector in Pakistan. Additionally, a back translation process has been implemented to translate the tool into the local language, i.e., Urdu, in order to facilitate respondent comprehension of the items in the study questionnaire.

## **Work Engagement as Mediator**

Work engagement has been defined as a positive, fulfilling, affective-motivational state of work-related well-being (Bakker et al., 2007). This study has utilized the Job Demands Resources (JD-R) model (Bakker et al., 2007) to create and test a procedural model that has linked the PsyCap to work engagement and performance. Work engagement has become a central idea in work on organisational behaviour (Wirtz et al., 2017). Studies showed that engaged workers were more energetic and satisfied in their work, and they considered themselves to be able to deal with in-role and extra-role behaviours (Iqbal et al., 2017). Work engagement was seen as a positive behaviour or outlook at work that would prompt positive work-related results (Bakker & Albrecht, 2018). Work engagement has been empirically tested with a focus on an assortment of its impacts on employees. At the individual level, it has been identified with the psychological and physical well-being of employees (Joo et al., 2017). Previous studies showed that employees with more elevated work engagement levels had less level of dissatisfaction and higher levels of performance (Leijten et al., 2015; Shimazu et al., 2016). Work engagement has also been related to job satisfaction and turnover intention (Ofei-Dodoo et al., 2020).

There are many reasons to choose work engagement as a mediator. The first and the foremost is that it is one of the important predictors of individual and team outcomes. As engaged employees are focused and dedicated in their work often show better OCBs. Secondly, engaged workers are open to gaining experience, they like to support their colleagues and enjoy participating in organisational meetings as opportunities to provide their valuable inputs. Finally, work engagement becomes even more critical when employees are faced with increasingly greater job demands (competition in the banking sector), but have adequate personal resources (PsyCap) that are available to deal with these job demands (JDR model). Moreover, the research on engagement has often been built on the JDR model (Bakker & Albrecht, 2018).

These features have underscored the significance of work engagement at the workplace. In this regard, the present research was aimed at investigating work engagement as a mediating variable that could lead to the OCBs. Thus, the following hypothesis has been proposed for this study:



H<sub>9</sub>: Work engagement mediates the relationship between the PsyCap and the OCBs.

### **Application of the JDR model**

The JD-R (Job demands-resources) model proposed that every organizational setting could be classified into two general aspects; job demands and job resources (Bakker & Demerouti, 2007). Thus, establishing a model that may be applied to many work-related settings regardless of particular demands and resources involved (Bakker et al., 2014).

Job resources were seen as referring to the physical, social, organizational or personal aspects of work that could help to achieve objectives/goals, minimize job demands, and also promoted personal growth and development. Where jobs demands referred to the physical, social, or organizational aspects of work that involved continuous physical or mental effort (Bakker et al., 2014).

The JDR model has suggested an essential role for the personal resources that employees could use to maximize their ability to cope with the demands of the job. When demands caused anxiety and burnout, (personal) resources would lead to engagement and extra role behaviour (Schaufeli & Taris, 2014). Personal resources were therefore, considered essential antecedents of engagement and extra role behaviour.

In the context of the banking sector of Pakistan, the ongoing pace and demand of work had consistently added responsibilities and a heavy workload, however, personal resources (such as hope, efficacy, resilience, and optimism) could mitigate the job demands (stress, workload etc.), because personal resources were positively linked to employee well-being and mental health (Schaufeli & Taris, 2014).

Thus, based on the JDR model, the present study has focused on the personal resources of the employees, such that employees who possessed high personal resources of hope, efficacy, resilience, and optimism, might display higher work engagement, which in turn, would lead to better OCB for the employees in the banking sector of Pakistan.

## METHODOLOGY

The present study has used a quantitative research methodology. It distributed the research questionnaire to collect the relevant data. The research used a purposive sampling technique and distributed the questionnaire to the following respondents: Officer Grade (OG) 1, 2 and 3 of the banking sector in Pakistan; OG1, 2 and 3 were the Assistant manager, Operation manager, Cash management officer, Cashier, Cheque processing officer, Credit officer, Compliance officer, Management Trainee Officer, Card operation officer etc. (Obaid, 2013; Ali, & Chaudhry, 2017). These employees were considered as image builders and representatives of the banks, as they were in direct contact with customers and customers were in direct contact with them (Ali & Chaudhry, 2017).

A total of 315 usable responses were collected from the employees working in the commercial banks of Pakistan. The descriptive statistics showed that 74.3 percent were male and 25.7 percent were female, and among them 40.3 percent were single, and 59.7 percent were married. In terms of education, about 60.6 percent had a masters, 36.5 percent had a bachelor's degree and 2.9 percent were diploma holders in banking. In terms of positions held, 56.5 percent were the OG3, 23.3 percent were the OG2 and 20.3 percent were the OG1.

**Table 1**

### *Demographic Profiles of Respondents*

Variable	Category	Frequency	Percentage
Gender	Male	234	74.3
	Female	81	25.7
Marital status	Married	188	59.7
	Single	127	40.3
Education	Masters	191	60.6
	Bachelors	115	36.5
	Diploma	9	2.9
Officer grade	OG1	64	20.3
	OG2	73	23.2
	OG3	178	56.5

## **Measurement Tool**

The PsyCap was measured with an Urdu version of the 12-item Psycap questionnaire “PCQ-12” and it was adapted from the original English language version developed by Luthans et al. (2007). A back translation process was used to translate the tool into local language i.e., Urdu. Three language experts from the Department of Urdu, Forman Christian College, Lahore, who had a good knowledge of both the languages, i.e., English and Urdu, were selected. They translated the English version PCQ-12 into the Urdu language. Then, two experts from the Urdu Department at Gomal University, Dera Ismail Khan, Pakistan, translated the Urdu version of the questionnaire into the English version. In the final step, the translated Urdu version and the original English version were compared, to ensure the quality and accuracy of the back translation.

In sum, The PCQ-12-Urdu was scored using a 6-point Likert scale ranging from 1 “strongly disagree” to 6 “strongly agree”. *Work engagement* was measured with a short 9-item Utrecht Work Engagement Scale by Schaufeli et al. (2006). It however, used a 7-point Likert scale ranging from 1 “never” to 7 “always”. The *OCBs* were measured using the 11 items suggested by Williams and Anderson (1991). A seven point Likert scale ranging from 1 “strongly disagree” to 7 “strongly agree” was used to measure the individual-directed citizenship behaviour (OCBI) and the Organisation-directed citizenship behaviour (OCBO).

## **ANALYSIS OF RESULTS**

Following the strong recommendations by Abdullahi et al. (2015), the present study has also utilized the structural equation modelling (SEM) technique to research the effect of the Psycap on the OCBs. The SEM technique has been used to examine the relationships among variables. It was a multivariate data analysis technique which would enable the researcher to examine the relationships among multiple independent and dependent variables simultaneously, including a mechanism that could eliminate measurement errors in the observed variables. Through the application of bootstrapping, the mediating effect of work engagement was also tested as part of the comprehensive model (Hair et al., 2014).

The PLS-SEM has gained popularity as a key multivariate analysis method in all disciplines including management, marketing, human resource management, organizational behavior and development, global strategy and other research fields (Hair et al., 2014). The main aim of the PLS has been the prediction of variance explained in the dependent variable(s), was comparable to theory development and testing in the form of structural relationship (i.e. parameter estimation) in the SEM, hence putting emphasis on prediction (Hair et al., 2014; Hair et al., 2011).

The present study has utilized the PLS-SEM to test its proposed hypotheses. The PLS-SEM was carried out utilizing the SmartPLS version 3.2.7 (Ringle et al., 2015), which contained the measurement model (outer) and structural model (inner) analyses.

### **Evaluation of the Measurement Model**

Table 2 shows the constructs' reliabilities and convergent validities of the present study. According to Hair Jr et al. (2016), the construct values which were less than 0.60 had to be deleted from the model to get the average variance extracted (AVE) to be more than 0.5. Thus, the OCBO3 was deleted because the outer loading was less than 0.60 and was unable to attain the desired level of the AVE i.e., 0.5.

**Table 2**

#### *Construct Validity and Reliability*

	Cronbach's Alpha	rho_A	Composite Reliability	AVE
Efficacy	0.811	0.818	0.888	0.726
Hope	0.74	0.747	0.839	0.568
OCBI	0.822	0.833	0.87	0.529
OCBO	0.778	0.788	0.857	0.601
Optimism	0.545	0.719	0.798	0.669
Resilience	0.669	0.68	0.819	0.602
WE	0.888	0.897	0.91	0.53

This study has also measured the heterotrait-monotrait ratio (HTMT) criterion, as is shown in Table 3. The heterotrait-monotrait (HTMT) ratio of correlations was used to assess discriminant validity in the variance-based SEM. The values of the HTMT's confidence intervals of the correlations between constructs were less than the 0.85 and 0.90 criteria (Hair et al., 2016), as such the HTMT results further strengthened the suitability of the discriminant validity.

**Table 3**

*HTMT Criteria*

	Efficacy	Hope	OCBI	OCBO	Optimism	Resilience	WE
Efficacy							
Hope	0.676						
OCBI	0.342	0.411					
OCBO	0.521	0.569	0.784				
Optimism	0.504	0.799	0.444	0.567			
Resilience	0.53	0.733	0.646	0.706	0.755		
WE	0.439	0.425	0.623	0.608	0.53	0.633	

**Evaluation of the Structural Model**

As pointed out by Hair et al. (2014), the structural model has been used to verify the link between the dependent and independent variables. Structural equation modelling (SEM) has been considered a technique which could enable the researcher to examine the relationships among multiple independent and dependent variables simultaneously, as it included a mechanism that would eliminate measurement errors in the observed variables (Hair et al., 2014).

The researchers used the partial least square (PLS) approach, as its main aim was the prediction of variance in the form of structural relationships between the dependent and independent variables. Hair et al. (2016) has suggested the following measurements to examine the structural model such as collinearity assessment, effect size, analysis of path coefficient and variance explained. These measurements will now be elaborated in the sub-sections below.

### ***Collinearity Assessment***

As the present study used a self-reporting data collection technique, it was necessary to check for collinearity of the study items. According to Hair et al. (2016), the VIF values should be less than 5. As shown in Table 4, the present study's VIF values ranged from 1 to 2.365, indicating that there were no collinearity problems.

**Table 4**

#### *Collinearity Assessment (VIF Values)*

PsyCap	VIF	OCBs	VIF	WE	VIF
Eff1	1.993	OCBI1	1.65	WE1	2.389
Eff2	1.908	OCBI2	1.51	WE2	2.5
Eff3	1.582	OCBI3	1.461	WE3	1.72
Hope1	1.182	OCBI4	1.769	WE4	2.065
Hope2	1.894	OCBI5	1.768	WE5	2.314
Hope3	1.45	OCBI6	1.752	WE6	1.987
Hope4	1.84	OCBO1	1.495	WE7	2.364
Opt1	1.163	OCBO2	1.736	WE8	2.365
Opt2	1.163	OCBO4	1.656	WE9	1.541
Res1	1.217	OCBO5	1.349		
Res2	1.377				
Res3	1.372				

*Note.* Eff denotes efficacy, Opt denotes optimism, Res denotes resilience and WE denotes work engagement.

### ***Effect Size***

The size of the effect is often known as the practical significance and helps to inform practitioners about whether an effect is practically significant. For the  $f^2$  values, the rule of thumb for small, medium, and large effect sizes is 0.02, 0.15, and 0.35, respectively, (Cohen, 1992). Table 5 shows that resilience is the most effective among all other positive personal resources. Also, work engagement has shown a medium effect on the OCBI and a small effect on and 0.35 OCBO, thus, supporting the practical significance of the variables.

**Table 5**

*Effect Size (f<sup>2</sup>)*

	OCBI	f <sup>2</sup>	OCBO	f <sup>2</sup>	WE	f <sup>2</sup>
Efficacy	0	No	0.02	Small	0.043	Small
Hope	0.001	No	0.008	No	0.001	Small
Optimism	0.001	No	0.006	No	0.029	Small
Resilience	0.083	Small	0.052	Small	0.124	Small
WE	0.152	Medium	0.099	Small		

***Analysis of Path Coefficient***

The use of path analysis to examine causal structures among continuous variables was pioneered by Wright (1960). Path analysis has allowed researchers to examine the direct impact of a predictor on the dependent variable, and also see the indirect relationships via a mediator. Table 6 indicates the direct relations between the independent and dependent variables. The study examined four elements of PsyCap and two dimensions of OCBs.

**Table 6**

*Analysis of the Path Coefficient (Direct Relations)*

Hypotheses	Beta value	Mean	Std Dev	t-values	p-values	Decision
Efficacy → OCBI	0.078	0.08	0.026	3.03	0.002	Supported
Efficacy → OCBO	0.061	0.062	0.021	2.899	0.004	Supported
Hope → OCBI	-0.014	-0.012	0.029	0.495	0.62	Unsupported
Hope → OCBO	-0.011	-0.009	0.023	0.49	0.624	Unsupported
Optimism → OCBI	0.068	0.066	0.029	2.32	0.02	Supported
Optimism → OCBO	0.053	0.051	0.023	2.295	0.022	Supported
Resilience → OCBI	0.134	0.137	0.038	3.555	0	Supported
Resilience → OCBO	0.105	0.107	0.033	3.212	0.001	Supported

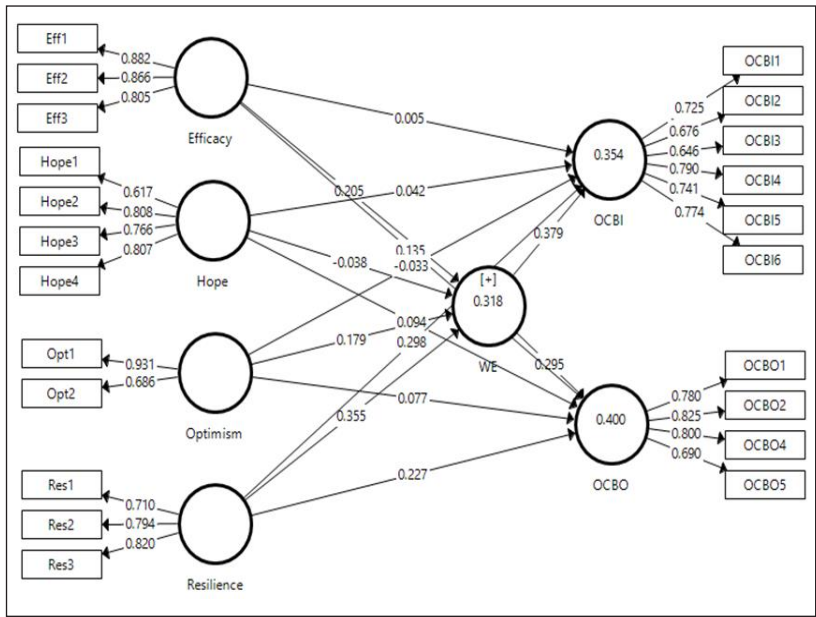
*Note.* Std Dev denotes standard deviation. “p<0.01” and “p<0.05”

The results of direct relationships are as shown in Table 6, which showed that there was a statistically significant positive between efficacy and the OCBI ( $\beta=0.026$ , p-value=0.002), OCBO ( $\beta=0.061$ ,

p-value=0.004). The relationship was found to be significant between optimism and the OCBI ( $\beta=0.068$ , p-value=0.02), and optimism and the OCBO ( $\beta=0.053$ , p-value=0.022). The results also showed a statistically significant positive impact of resilience and the OCBI ( $\beta=0.134$ , p-value=0.000), and resilience and the OCBO ( $\beta=0.105$ , p-value=0.001). However, the results showed an insignificant relationship between hope and the OCBI ( $\beta=-0.014$ , p-value=0.62), and hope and the OCBO ( $\beta=-0.011$ , p-value=0.624). Thus, the three elements of the Psychap were found to be significant with two dimensions of the performance. However, hope lost its significance.

**Figure 1**

*Path Model*



**Table 7**

*Analysis of the Path Coefficient (Indirect Relation)*

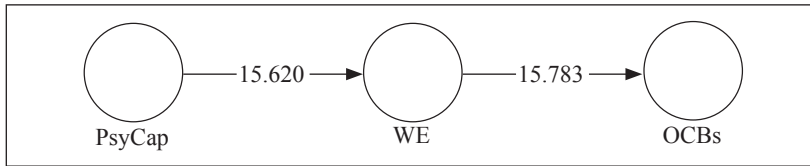
	Beta values	Sample Mean	Standard Deviation	t-Statistics	p-values
Psychap → WE → OCB	0.329	0.340	0.033	10.097	0.000



To test the indirect relations, the study obtained a 95 percent percentile bootstrapping (See Figure 2) confidence intervals for the hypothesized indirect effect, using 5000 bootstrap samples. The results showed that the mediating effect of work engagement ( $\beta= 0.329$ ,  $p\text{-value} = 0.000$ ) has a significant relationship with the PsyCap and the OCB.

**Figure 2**

*Bootstrapping*



***Variance Explained***

The R2 value defines the variance on the dependent variable because of the independent variables (Hair et al., 2014). The R2 effect for each dependent variable is revealed in Table 8. According to Cohen (1992) the suggested value for R2 was considered low at 0.12, moderate at 0.25, and substantial above 0.25. For the present study, the R2 was 0.318 for the WE, 0.40 for the OCBO and 0.354 for the OCBI. What this meant was that the four facets of the psychological capital showed substantial variance in the OCBI and the OCBO.

**Table 8**

*Variance Explained*

	R Square	R Square Adjusted	Effect
OCBI	0.354	0.344	Substantial
OCBO	0.40	0.391	Substantial
WE	0.318	0.309	Substantial

**CONCLUSION**

In the past few years, the emphasis in the field has been on researching, explaining, and understanding the link between employees’ positive personal resources and their impacts on the OCBs. This study has

contributed to a better understanding of the issues by researching the four positive resources of hope, optimism, resilience, and efficacy with the OCBs, alongside the mechanism through which these positive personal resources of the PsyCap lead to the OCBs.

The findings of the present study did not support the view that hope has a relationship with the OCBI and the OCBO. The studies examining the relationship between hope and the OCBs have been scarce in the context of Pakistan. However, the findings of the present study were supported in the research by Youssef and Luthans (2007), who argued that hope was a future-oriented approach. This view implied that the employees might not be happy with their current job position. The findings of the present study also revealed that most of the respondents possessed a master's degree (66.6%), and about half of them were serving as the OG3. These respondents might not be happy serving in their current position, and thus might not engage at work and did not reveal the OCBI and the OCBO.

The findings of the study also revealed that efficacy was significantly related to the OCBI and the OCBO. The results also showed that efficacy was strongly linked to the OCBI compared to the OCBO. The results of the study have shown support for previous studies related to efficacy and the OCBs (Beauregard 2012; Carter et al., 2018). Beauregard (2012) pointed out that employees high in efficacy demonstrated supportive behaviour towards their fellow co-workers (OCBI) and the organization (OCBO). The present study has suggested that efficacy could influence the feelings of competence and faith in one's perceived ability to prove one's self as an asset to the organisation. In the context of banking, the results of the present study seemed to imply that employees with high efficacy would develop a deeper interest in the tasks they were involved in. They put much effort into their tasks and supported their colleagues in achieving objectives, as they were aware of their ability to produce the desired results. Thus, efficacy is one of the important personal resources to attain desired objectives (the application of the JDR) for the employees in the Pakistani banking sector.

Optimism, the third element of the PsyCap, was also found to be significant with the OCBI and the OCBO. The results of the present study also revealed that optimism was strongly linked to the OCBI as compared to the OCBO. The results seemed to imply that employees who were high in optimism did more than what they have been asked

to do. In the banking culture of Pakistan, maybe it was the optimist's behaviour to be positive, so that colleagues (the OCBI) would feel comfortable when they decided to approach their colleagues and get support. Thus, it implied that optimists went out of the way to help colleagues and expected praise in exchange (Busseri et al., 2009). Thus, the findings of the study supported the argument that employees who possessed high optimism would go out of their way to help their colleagues and organisation. In sum, optimism was considered significant for the OCBI and the OCBO.

The fourth element of the PsyCap was also found to be significant to the OCBI and the OCBO. The results of the present study also indicated that resilience impacted the OCBI the most, as compared to the OCBO. These results were supported by previous research which suggested that resilience had a significant relationship with the OCBI and the OCBO (Gupta et al., 2017; Kašpárková et al., 2018). Luthans et al. (2007) pointed out in their study that the impact of resilience was significant as compared to the other dimensions of the PsyCap. It has been necessary to consider resilience since employees faced several stressors in the banking environment. The private commercial banks in Pakistan are facing so many challenges, thus in the current banking environment resilience of the employees was seen as critical as with it employees have the ability to bounce back from a crisis.

The results of the study also supported the view that work engagement mediated the relationship between the PsyCap and the OCBs. It means that work engagement is significantly influential in its effect on the OCBI and the OCBO. It implies that the workforce is the most critical asset in developing the banking industry. Having a knowledge of the factors that can positively influence engagement with the bank will be very beneficial for the overall efficiency of the banks. Thus, it has become imperative that banks consider the factors that can significantly contribute to the engagement of their employees. In this regard, it can be suggested to the HR of banks to give attention to the four facets of the PsyCap of their employees, so that by increasing the engagement of their employees, it will ultimately help to improve the OCBs.

## **RECOMMENDATIONS FOR FUTURE RESEARCH**

This study was aimed at examining the impact of the four facets of the PsyCap on two dimensions of the OCBs. The present research

has been able to make both theoretical and practical contributions to the existing body of knowledge in the field. In particular, current research about the PsyCap is still new, but this study has been able to fill the existing gap by investigating the impact of the PsyCap on the OCB, especially in the context of the private commercial banks sector in Pakistan. In light of the findings in the present study on the positive direct and indirect effects of the PsyCap on the OCB, it is recommended that the PsyCap be seen as having an important role to play in the current banking environment in the South Asian setting, i.e., in Pakistan. The findings reported in this study seemed to suggest that senior officials and the HR of the banks should make needful changes in policies, particularly when thinking about the psychological aspects of candidates in the recruitment and selection process. For example, aside from the usual focus on academic capabilities, the policymakers can also consider the PsyCap of potential recruits as a fundamental selection criteria. HR could develop policies to nurture and foster the PsyCap of the company's employees, as it has been regarded as a state-like ability, according to Luthans et al. (2007). In this regard, the banking sector should structure its professional training and professional development projects to cultivate employees' PsyCap, alongside other individual abilities. Thus, the banking industry now has the option to have better qualified employees who will be equipped with the necessary psychological strengths to achieve a competitive advantage.

The study has utilised a cross sectional study approach, collecting and analysing data simultaneously. It is thus, recommended that a longitudinal research study be carried out to determine the impact of the four facets of the PsyCap at different points of time. Furthermore, as the sample of the present study only consisted of the OG1, the OG2 and the OG3, as they were representative of the field offices, it is further recommended that future studies test the relationships and validate the results with a larger sample size and at the managerial level.

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