

PSYCHOLOGICAL CAPITAL

Abstract

In today's ever-changing World, effectively managed human resources necessitate and mostly bring with different management approaches and thoughts. This study builds on the growing body of psychological capital which can be defined as a positive situation for personal development with the features of self-reliance for dealing with the challenges (self-efficacy), positive expectations for the future success (optimism), being full of determination (hope), accomplish despite everything (resilience). Psychological capital contributes positive impact on sustainable competitiveness. It is expected that positive influences of psychological capital will decrease the damages and disadvantages of negative considerations in an organization.

Based on the literature review and theory based view of the resources, this study aims to examine the all concepts of Psychological Capital and its related topics. The greatest source of references is the management literature which followed by the topics of psychological capital and their management.

Key Words: Psychological Capital, Positive Psychological Capital, Components of Psychological Capital

INTRODUCTION

At the end of the 1990's, positive psychology is shown up by the researches of Prof. M. Seligman and his coworkers in the field of organizational behavior. This term "positive psychology" brought along an approach which is named as "Positive Organizational Behavior" to measure, develop, and manage the strengths and psychological core meanings of people instead of focusing on the weaknesses (Luthans and Youssef, 2004b:152). Psychological capital or positive psychology can be defined as examining the processes which contribute to the operations and development of individual, group or corporation.

27 As Keleş (2011) emphasized that psychological capital contains measurable, developable, and
28 effectively controllable applications related to the potential and psychological capacity of human sources
29 for increasing performances in organizations.

30 Organizations' success and the capacity of actualizing their goals depend on the psychologic and
31 physical participations of human (workers, employees, managers, and so on). This will bring with
32 competitive advantage as well. In this sense, the study by Keleş (2011) noted that work life and its quality
33 are getting more significant for individuals and expectations of people are moved and transferred from
34 general life to work life for self-development and self-realization.

35 Positive organizational scholarship provides a chance to understand the influence of human
36 behaviors upon organizational strategies and answer why some strategies and competences are more
37 beneficial than others (Cameron, Dotton, and Quinn, 2003). In this connection, positive psychology can be
38 considered as a review to understand what the right thing is and how it can be developed in humans
39 (Luthans, Vogelgesang, and Lester, 2006a).

40 The four elements which are considered as the fundamental characteristics of psychological
41 capital (self-efficacy, hope, optimism, and resiliency) are the key factors to form a psychological capital
42 structure. Efficacy is a perception or belief about the personal abilities, while optimism is a positive
43 anticipation which is less related and connected to individual's ability (Luthans, Avey, Avolio and
44 Peterson, 2010). On the other hand, the other component, hope is related to the attitude of mind or way of
45 thinking (Snyder, 1994) which plays a role to lead work performance. Last, the resiliency refers the
46 positive adaptation and the ability to bounce back from adversity (Masten and Reed, 2002).

47 It is true to say that positive characteristics, either individual or group, will help to improve and
48 maintain a sustainable positive psychological capital in work and general life. Positive characteristics and
49 thoughts will bring with positive experiences and relationships. According to Page and Donohue (2004),
50 positive experiences advance the personal capacity to effectively act and use full of performance and
51 realize the potential.

52 With these goals in mind, the paper is proceeded and organized as follows in the back of
53 introduction section under the light of theory based researches: First, literature review on psychological
54 capital is briefly discussed with the main framework and basic components, it then turns to the

importance of distinguishing Financial, Human, Social, Intellectual, and Psychological Capital exists within the structure of literary compilation. Afterward, discussions and conclusions based on given theoretical information conclude the study in the third part. The paper refers to evolutionary theory and the theory-based view of the topic.

PSYCHOLOGICAL CAPITAL AND POSITIVE PSYCHOLOGICAL CAPITAL

In changing organizational life and competitive World, it is necessary to effectively analyze the human sources as a main central capital of the firms which play an important role in success. The origins of psychological and positive psychological capital include strengths and positive sides of people. The concept of positive psychological capital originally comes from “post-modern positive psychology” (Wyk, 2013:1023) and first discussed by Martin Seligman in 1999 and developed by Luthans and his coworkers in 2004 in the USA (Erkmen and Esen, 2012).

“Positive psychology got its start just a few years ago when research psychologist Martin Seligman challenged the field to change from a preoccupation with what is wrong and dysfunctional with people to what is right and good about them” (Luthans, Luthans, Luthans, 2004a:46)

The term *psychological capital* is used in some different sources as a *positive psychological capital* by different authors to emphasize the same meaning. Psychological capital emphasizes the personal psychological sources with its basic four components, self-efficacy, hope, optimism, and resiliency, (Gooty, Gavin, Johnson, Lance Fraizer, and Snow, 2009) therefore it is named and similarly associated with the theory of positive psychological capital. As Çetin and Basım (2011) emphasized, it should be noted that this term carries a changing feature based on the situations instead of having a stable characteristic feature.

Psychological capital or positive psychological capital which includes and emphasizes the positive approaches, meanings, and results is asserted as “a common underlying capacity considered critical to human motivation, cognitive processing, striving for success, and resulting performance in the workplace” (Peterson, Luthans, Avolio, Walumbwa, and Zhang, 2011:429).

Seligman and Csikszentmihalyi (2000) handle the subject as a science of positive individual and organizational features. The focal point of psychological capital is defined as hope, creativity, courage, wisdom, being responsible and so on which are the positive sides of the human life. It is hoped that if

these mentioned positive human properties are understood well, positive psychology will provide and form a basis for a wonderful World. Walumbwa, Luthans, Avey, and Oke (2011) highlighted that psychological capital provides additive values and emotions to people for feeling a citizenship of an organization or a society.

Psychological capital can be defined as a complement of personal and organizational features which can be developed and directed (Luthans, 2002a). Theory and researches support that psychological capital or positive psychological capital can be defined as a structure which includes positive outcomes both in personal and organizational levels and improves the performances. Demir (2011) also highlighted that since the beginning of management researches which began with Hawthorne Studies, the relationships between psychological emotions of employees and their performances and efficiency are hypostasised. In general, there are thousands of papers and researches about management and psychology in which different various topics and subjects were noted. In this sense, Luthans (2002b) puts into words that negative subjects such as; stress, exhaustion, alienation, injustice, violence, resistance to the new and so on are mostly used in papers instead of emphasizing positive ones. On the other hand, according to Luthans, Youssef, and Avolio (2007a:20) psychological capital which can be improved as “PsyCap” and they emphasized that PsyCap is not only focused on “who you are”, but also focused on “who you are becoming”.

Based on the theory-based researches, psychological capital can be named as “a higher-order core construct consisting of four positive psychological resources” (Luthans, Avolio, Avey, and Norman, 2007b; Luthans, Youssef, and Avolio, 2007c) which define the features of psychological capital such as hope, resiliency, self-efficacy, and optimism will be mentioned below. It can be said that psychological capital is a combination of all these four elements and as Hughes (2008) said that it can be “measured, developed, and effectively managed” (p. 47) for improving the work performance.

BASIC COMPONENTS OF PSYCHOLOGICAL CAPITAL

Developable psychological capital involves the manageable positive psychology constructs such as; self-efficacy/confidence (Bandura, 1997; Stajkovic and Luthans, 1998a; Luthans, et al., 2004b),

111 hope(Snyder, Irving, and Anderson, 1991; Luthans, et al., 2004b), optimism (Seligman, 1998; Luthans, et
112 al., 2004b), and resiliency (Masten, et al., 2002; Luthans, et al., 2004b)and all these four components of
113 psychological capital exhibit “motivational propensity” (Luthans, et al., 2010:48) to successfully
114 complete the goals. The following paragraphs briefly summarize these four components which contribute
115 to positive psychological capital:

116 **Self-Efficacy/Confidence**

117 Self-efficacy represents the general belief of people while they exhibit their performances
118 (Hmieleski and Carr, 2007) andmakes a sense beyond the actual abilities that lead to complete tasks. It
119 can be said that high self-efficacy can influence motivation in both positive and negative sides. People
120 who are self-confident know how to improve their motivation. They choose challenging tasks to extend
121 their performance and motivate themselves against the obstacles faced while working for accomplishing
122 goals.

123 Özkalp (2009) said that self-efficacy is not related to the competences on individuals’
124 capabilities, on the contrary is related to the belief on personal abilities. These people who are self-
125 confidant can choose and develop the ways to be able to reach their goals (Caprara, and Cervone, 2003).
126 Self-efficacy can be thought as an inner agent to direct people and effectively execute different tasks and
127 roles in their life.

128 Researches by Stajkovic and Luthans (1998b) underlined that there is a strong and positive
129 relationship between self-efficacy and performance. Thereto, because of the positive and significant
130 relationship between job satisfaction and performance (Judge, Thoresen, Bono, and Patton, 2001); it can
131 be easily thought that there also is a positive relationship between self-efficacy and job satisfaction.

132 **Hope**

133 Achieving the desired goals require the sense of agency and expectations which provide people
134 with an “internalized determination and willpower to invest the energy” (Luthans et al., 2004b:153).
135 Workers take an example by the leaders in general. Thus, leaders’ hope impacts the employees’ job
136 satisfaction, performance, and motivation. Hope supports the desires of positive outcomes and gives the
137 feeling of being good to make the dreams come true in human life. It can be determined as a feature
138 which awakes people to get a motivation (Akman, and Korkut, 1993).Motivated people unselfishly work

139 and perform their abilities. It can be said that hope is related to the motivation and therefore (AdamsIII,
140 Snyder, Rand, King, Sigmon, and Pulvers, 2003) underlined that it has a positive and significant
141 relationship with job satisfaction and performance.

142 On the other hand, hope can be defined as an energy focused on the personal goals and a way or
143 alternative ways which direct people to the target (Synder, et al., 1991). Hope is a tool that motivates
144 people while doing their job requirements. Several other researches also point out that hope is positively
145 related to life satisfaction (Valle, Huebner, and Suldo, 2004), work satisfaction and performance
146 (Luthans, et al., 2004b), and motivation to cope with stressful events.

147 It is possible to confuse hope with optimism. Hope is described as a pathway to achieve the goals
148 (Page, et al., 2004) and Snyder, et al. (1991) determined hope as a motivational state which has two
149 dimensions, agency and pathways. Agency is a determination that directs the goals while the pathway is
150 described as a plan to achieve desired goals.

151 In addition, Rick Snyder's large scaled concept building study and research in 2000 identified
152 three fundamental concepts and dimensions of hope to be agency, pathways, and goals by adding one
153 more. Goals are the main desires to be reached. Under the light of these information, optimism as distinct
154 from hope is defined as an "explanatory style" (Luthans, et al., 2004b:153) to expect good and positive
155 results.

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157

158 **Optimism**

159 Optimism can be defined as a psychological intension and expectation to hope the best possible
160 and positive outcome which can positively influence the people's mental and physical health. This gives
161 individuals a chance to make their life more easy and leave out of stress. Optimists distance themselves
162 from depression and hopelessness. As Keleş (2011) noted that optimism can be defined as a generalized
163 expectation to have a better future.

164 Optimist managers and sales representatives are much more succesful than pessimist ones while
165 plying their trade (Seligman, and Schulman, 1986).Optimist people expect that positive situations will
166 happen while pessimists are expecting that negative things will take place (Carver and Scheier, 2003).

167 On the other hand, optimists as opposed to pessimists, also enjoy finding good things from
168 adversity and pessimists are always ready to easily give up in face of bad and sad things in life (Scheier,
169 Carver,and Bridges, 2001; Carver, Scheier, 2003). Researches by Hmieleski, et al. (2007) demonstrated
170 that optimisim and personal well-being have a positive relationship in psychological capital. Similarly,
171 again Carver and Scheier (2002:231) emphasized that optimists are able to differ in approaching
172 “problems and challenges”; and differ in “manner and success” to deal with adversity.It has been
173 supported by (Luthans, et al., 2007b) that optimists have high level of job satisfaction.

174 **Resiliency**

175 Resiliency which is defined as a tendency to recover from adversity or depressing process,
176 allows people to optimistically look at the overwhelming situations. Luthans et al. (2004b) illustrated that
177 resilient people can change for the better through the complexity.Resiliency has a reactional character
178 (Masten, et al., 2002) that affects people to orient to the all kinds of situations faced in their life. Özkalp
179 (2009) put into words this term as a complex life process for the people which includes the endurance,
180 tolerance, reactions, flexibility, and psychological pressures. Psychological resiliency is characterized as
181 an ability for bouncing back, focusing on the goals and success (Richardson, 2002).

182 By the way, research by Luthans, Avey, Avolio, Norman, and Combs (2006b) supports that
183 psychological resiliency is the coping skills of people in case of uncertainty, negative situations, and
184 obstacles; and according to Çetin, et al., (2011) it contains in itself the other components hope, self-
185 efficacy, and optimism. Masten (2001) put into words that resiliency has three manageable, developable
186 components such as; asset factors that increase the level of personal resiliency, risk factors which guides
187 to lower levels of resiliency, and influence processes. Ann Masten (2001) also highlights that resilient
188 people are able to succeed and learn something in mischance.

189 These resilient people can easily keep step with the changes in life. It can also be said that
190 resiliency can be developed and managed by other three basic components of psychological capital, self-
191 efficacy, hope, and optimism (Luthans, et al., 2007a).

192 As a general conclusion for the components of psychological capital, each of these four basic
193 components of positive psychological capital are “measurable, developable, integrable” to the individuals
194 (Keleş, 2011:349). In order to improve and develop psychological capital and its components, people
195 should not give up in the face of adversity and they should always resist and persevere. For this sense,
196 psychological capital can be thought as a construct of tenacity.

197 Last but not least, Bandura (2008) touches on the subject by emphasizing that these four positive
198 dimensions interact in a synergy as briefly mentioned above. In such a way that, hopeful people are more
199 resilient and motivated to deal with difficulties in their life. On the other hand, self-confident people can
200 easily adapt and transfer their optimistic thoughts and resistances (Luthans, et al., 2007a). Peterson, et al.,
201 (2011) also emphasizes that because of this synergistic work of all these constructs; when one
202 components is influenced, it is most probably the others will also be eventually influenced.

203 **POSITIVE PSYCHOLOGICAL CAPITAL MANAGEMENT**

204 Positive Psychological Capital can be managed in terms of enriching bottom-line impacts of the
205 organizational activities. The four components of psychological capital can also be developed and
206 managed to experience success. Developing workers’ self efficacy provide a deep knowledge experiences
207 as Bandura (1997) stated. Targeting is important in an organization to develop individual’s hope toward
208 which people can conduct their manner and gain a control. On the other hand, Luthans et al. (2004b)
209 suggested that managers and employees should be urged forward developing their hope and reach the
210 goals they desired by this means. If optimism is developed and popularized among people, they will learn
211 to derive lessons from their mistakes or success.

212 Optimism can go into division as realistic and flexible (Luthans et al., 2004b). At this point,
213 “realistic optimism involves enhancing and focusing on the favorable aspects of our experiences”
214 (Schneider, 2001:253) and does not disclose and put out of action personal responsibility while flexible
215 one gives people a chance to use several optimistic and pessimistic styles (Luthans et al., 2004b). With
216 other words; hoping, desiring, and searching for positive experiences while confirming what we do not
217 know and accepting what we cannot know are also involved in realistic optimism (Schneider, 2001).
218 Optimism is a fact that can be managed by stress management.

219 Although resiliency which can be developed by focusing on the risk, asset, and organization
220 processes, is seen as a post-factum calibration, it is a “lifelong developmental journey” (Luthans et al.,
221 2004:156) in real.

222 As Luthans et al. (2004b) emphasized that it is the fact that well-managed positive psychological
223 capital will help to establish the criteria for long-term business success and competitive advantages across
224 the board. For this sense, organizations should focus on the positive behaviors of employees for
225 transferring them to productivity in today’s globalizing World. By the way, managers and entrepreneurs
226 should increase employee well-being by giving a positive outlook besides their level of general and
227 individual well-being with job satisfaction and motivation to build and develop psychological capital. On
228 the other hand, developing success can be gained by psychological capital because it provides people an
229 opportunity for training and improving themselves and their knowledge.

230 **DISTINGUISHING FINANCIAL, HUMAN, INTELLECTUAL, SOCIAL, AND** 231 **PSYCHOLOGICAL CAPITAL**

232 The changes faced with each area in today’s competitive World are also reflected to the classes
233 of capitals which provide competitive advantages to the organizations. These capitals mentioned below
234 are necessary for sustainable competition but today, they are not enough alone. They should be thought
235 together by associating each other.

236 Financial capital is used to define the liquid assets of businesses and as Alsos, Isaksen, and
237 Ljunggren (2006) noted that it is the most unstable form of capital which can be exchanged for the
238 improvement process. Financial capital is used to define cashable assets of the firms, in other words the
239 contains in liquid assets such as; cash, stocks, financial instruments and so on are described as financial
240 capital (Büker, Aşıkoğlu, and Sevil, 2011). These financial capitals are the capitals that are used to
241 sustainable competition in an economic World and can easily be exchanged with money. Aksoy and
242 Yalçiner (2008) emphasized that financial capital contains the management of cashes, marketable
243 commercial papers, stocks, and other valid/current assets. Financial capital gives some chances to use
244 such resources for benefiting the entrepreneurial and business opportunities (Hmieleski and Carr, 2008).
245 Managers should know how to effectively use financial capital of their firms.

Human capital involves the storage of knowledge and skills that stay on individuals (Becker, 1964). People are the main assets for the firms and human capital has an important place in order to make a strategic decisions, develop relationships and communications, and manage knowledge in today's ever-changing World. It can be transferred between generations and improved day by day. According to Wright, Hmieleski, Siegel, and Ensley (2007), it should not be confused with personality traits which do not have certain impacts of psychological outcomes. Study by Barney (1991) notes that the optimal use of human capital can not be replicated by others, therefore it can be defined as a key source and key factor of competitive advantages.

Human capital also is the most important and fundamental one of the three elements (human capital, customer capital, and organizational/structural capital) of intellectual capital (Bontis, 2002; Görmüş, 2009) which can be defined as a sum of hidden assets can not be seen on the balance sheet of the firms but take place in mind of the members of organizations (Ross and Ross, 1997). This term started becoming a current issue in 1990's with the well accepted definition of Stewart (Görmüş, 2009) and according to Stewart (1991), intellectual capital is everything known by workers and provided a competitive advantages in the market place. Developing and managing intellectual capital depend on the quality, capacity, ability, and knowledge of workers/people.

Organizational capital, another element of intellectual capital is a supportive subconstruct to develop, organize, and empower the human capital. As an example; data base, culture, structural systems, copyrights, strategies, guidelines etc. can be counted (Görmüş, 2009). It is a known fact that, well managed intellectual capital will provide an advantage in today's competitive environment. To do this; top managers should well understand and know their employees and needs, abilities, and specialities. According to Görmüş (2009), there is a relationship between human and structural capital in such a way that human capital provides a form for the structural capital while it contributes to the development of human capital. Because, people who are even the most intelligent need and organization to be able to use their knowledge, skills, and abilities.

The third element which takes a place in an intellectual capital is customer capital that is related to the external environment of an organization while the two others mentioned above are related to the internal organizational environment. Customers and customer needs should be well analyzed to gain a

274 financial success and to be sustainable. For this sense, current customer satisfaction should be improved
275 and the new structures should be prepared for the new customers.

276 As Önce (1999) indicated that reputation, experience, satisfaction, added-value per salary, and so
277 on can be counted as indicators of human capital. There are some techniques as a guideline for more
278 effective human capital management, briefly HCM, such as; selection and selectivity, training and
279 development, building tacit knowledge which is included in socialization and “can not be outsourced”
280 (Luthans et al., 2004b:148). Machines and equipments can be renewed in the process of time but it is
281 impossible to gain back the workers who quit their jobs. Organizations and especially top managers
282 should analyze and understand the abilities and needs of workers and should also be a good observer to
283 retain the employees. Success or failure of an organization depends on the qualifications of employer,
284 manager, and employee. Demirel (1999) emphasized that the basic factor lies behind the development of
285 technology and innovation is “human capital”.

286 On the other hand, social capital which includes interpersonal, inter-group, and
287 interorganizational relationships is known as a “multifaceted construct”. The valuable aspects of social
288 capital which are “networks, norms, and trust” play an important role to gain a competitive edge (Luthans
289 et al., 2004b:149). Social capital refers to the ability to share knowledge and information. “unlike other
290 forms of capital, social capital inheres in the structure of relations between actors and among actors”
291 (Coleman, 1988:98).

292 Luthans et al. (2004b) argued that networks are related to the organizational members and units
293 and their relationships among eachother and with the outside world while the norms provide the basic
294 substructure of the organization and its strategies to achieve determined goals. The other aspect, trust, is
295 important to put out of action the obstacles which affect long-term relationships and communications to
296 create an innovation and gain competitiveness. As Luthans, et al., (2004a:46) noted that “social capital
297 can be used both inside a firm (“Whom can I turn to for help in solving this problem?”) and outside it
298 (“Who can advise me on finding the best price and quality in making this purchasing decision?”). Some
299 suggested ways to measure and evaluate social capital involve the size, structure, and composition of
300 networks”.

301 In addition, it will be wrong to separately evaluate social and human capital. Because, as Luthans
302 et al. (2004b) emphasized that social capital contributes to the formation of human capital. And Coleman
303 (1988) noted that balancing the inabilities and deficiencies in human capital can be provided by social
304 capital and this is the one of the greatest characteristics of social capital. It can be easily said that both
305 social and human capital should be dealt together for creating sustainable and renewable performance,
306 effectiveness, and competitive edge. For that, they should effectively be managed. When social and
307 human capital are thought and well managed together; improved social relationships, emotional support,
308 social reputation, and inspiring opportunities can be caught.

309 Organizations and the leaders who are responsible for the success of the firms need to generate
310 the structures and processes to actively manage social capital (Luthans et al., 2004b). As mentioned before,
311 the aspects of social capital should be improved over time.

312 Whitehead (2013) emphasized the meaning of psychological capital as a form of developed
313 psychological understanding of self and others. When all these terms and concepts are well understood,
314 psychological capital takes a place between human capital which identifies a set of capacities related to
315 individual and social capital which can be defined as another set of capacities that are created by way of
316 “the formation of inter-personal networks and alliances”. At an individual level, psychological capital is
317 related to a better understanding of thoughts and emotions that shape personal behaviours. On the other
318 hand, at a social level, psychological capital is related to “1) a better understanding of the role of others in
319 shaping our feelings and actions, and 2) a renewed sense of appreciation of, and compassion towards, the
320 psychological drivers behind the actions of others” (<http://changingbehaviours.wordpress.com>).

321 Psychological capital mentioned above includes important personal characteristics to dominate
322 in guiding new processes and is a mental element to broaden and build emotional capacity (Hmieleski, et
323 al., 2008). Positive psychological capital of people especially managers and entrepreneurs is related to the
324 job performance and encouraging others in general. There are two other dimensions for each of the four
325 main elements put into words above of psychological capital. First of all each key element can be
326 developed by means of “training and intentional practice” (Hmieleski, et al., 2008:4). On the other hand,
327 the second dimension of each component of psychological capital is that each of four basic components
328 has been created by the positive association with human performance (Hmieleski, et al., 2008). As noted

329 and emphasized before that these four key elements take an important place to form the construct and
330 structure of (positive) psychological capital.

331 Last but not least, as Luthans et al., (2004b) underscored that organizations should positively
332 manage and orient human, social, and psychological capital for attaining their self-fulfillment. According
333 to Jensen and Luthans (2006), human capital describes what a person knows while social capital identifies
334 who a person knows and psychological capital defines who a person is becoming. Psychological capital
335 moves beyond social and human capital (Luthans, Avey, Avolio, Norman, and Combs, 2006c) and can be
336 described as a combination of all these four basic elements as noted above.

337 **RELATED CONCEPTS WITH PSYCHOLOGICAL CAPITAL**

338 Occasionally, as mentioned in text above, because of various positive terms take places in the
339 body of psychological capital; job satisfaction, performance, motivation and so on are estimated in a
340 relationship with psychological capital. The following theoretical information briefly touch upon some of
341 these components:

342 **Psychological Capital and Job Satisfaction**

343 Job satisfaction is a basic factor of modern administrative mentality (Keser, 2007), and expresses
344 the positive hopes and workers' attitudes about their jobs. Demir (2007) emphasizes the meaning of job
345 satisfaction as a total effect of job on the employees. In addition, the meaning of job satisfaction also
346 implies the positive and optimistic emotions and thoughts of workers to their jobs (Kim, Jerrold, and Yong-
347 Ki, 2005). In general, job satisfaction is associated with positive mood and positive psychology of
348 workers. On the other hand, job satisfaction is also related to the motivation, performance, and efficiency.
349 Robbins (2003) put forward that job satisfaction has a positive relationship with efficiency, performance,
350 and organizational commitment while it is negatively related to the alienation and absenteeism.

351 It is a known and general belief that as for job dissatisfaction negatively influences the efficiency
352 in a work place. Unsatisfied employees swing the lead. Tardiness, low efficiency, high error and failure
353 rate will show up with unsatisfied and unwilling workers. But it should not be forgotten that most of the
354 researches could not support these beliefs. Cherrington (1994) emphasizes that it is true to say that
355 increased job satisfaction does not always increase the efficiency. On the contrary, inefficient workers
356 can also satisfy with their jobs. Therefore, job satisfaction takes its source from different factors such as

357 awarding system, workers' expectations and needs, wage distribution etc. In this sense, organizations can
358 create a positive relationships between job satisfaction and efficiency by fairly and effectively managing
359 their current systems and understanding their employees as a main source of the organizational success.

360 A fair wage distribution within a specific order, to stay away from the fear of losing job,
361 improving the motivating factors are the sufficient criterias to ensure job satisfaction which ends up with
362 the staff's physical and mental health, organizational commitment, productive and peaceful work
363 environment, economic and social development and so on.

364 It was confirmed by Skaalvik and Skaalvik (2010) that there is a positive relationship between
365 job satisfaction and self-efficacy which is the one of the basic and useful components of psychological
366 capital. Researches by Britton (2008) and Larrabee, Wu, Persily, Simoni, Johnston, Marcischak, Mott,
367 and Gladden (2010) emphasized the relations between resiliency in a scope of psychological capital and
368 job satisfaction.

369 **Psychological Capital and Performance**

370 Psychological capital gives a chance to share a positive relationship among and between
371 individuals and firms besides encouraging organizational and individual performances. Forbes (2005)
372 found a positive relationship between self-efficacy which is the one of the basic components of
373 psychological capital and entrepreneurial performance. On the other side, well-being which can be
374 defined as a support element of psychological capital is also related to optimism with a positive
375 relationship (Hmieleski, et al., 2008).

376 Some of the researches from (Coutu, 2002; Sutcliffe and Vogus, 2003; Youssef and Luthans,
377 2005) show that there is a direct relationship between resiliency, which also is the one of the basic
378 components of psychological capital, and job performance. In this sense, people or workers who have
379 high-degree of resiliency are more creative, adaptable to the change, and challenging (Waite and
380 Richardson, 2004) in ever-changing work environment.

381 Personal estimations will positively or negatively influence the psychological capital of people.
382 As Peterson, et al., (2011:433) noted that "the theoretical prediction would be a within-person increase or
383 decrease in psychological capital will result in an increase or decrease in subsequent performance".
384 Workers can proactively build their psychological capital over time in the interest of improving their

385 performance. Thus, it can be said that there is a positive relationship between psychological capital (with
386 its components) and performance.

387 Peterson, et al., (2011) put into word that an increase or a decrease in psychological capital will
388 affect following performance in either way of increasing by providing strong resources or decreasing that
389 by withdrawing the support of resources. The study and research by Ballout (2009) tested the effect of
390 self efficacy on worker career commitment and resulted by identifying that self efficacy and career
391 commitment were positively associated and impacted employee performance.

392 **Psychological Capital and Motivation**

393 An individual's motivational struggles and decisions can be clarified by psychological issues and
394 sources with fundamental constructs such as self-efficacy, hope, optimism, and resiliency to improve the
395 performance and impact motivation (Hobfoll, 2002).

396 The foundation for personal success, well being and motivation is provided by psychological
397 capital, specifically by self-efficacy (Cherian and Jacob, 2013). Hope is a "positive motivational state"
398 (Peterson, et al., 2011:430) for people to achieve their desired goals. DeDonno and Demaree (2008)
399 emphasize that activating personal perceptions corresponding with motivation will have an impression on
400 their performance.

401 Studies and researches, previously focused, have shown that both self efficacy and motivation
402 take a place in an integral part of performance and both of these contribute to a good service quality,
403 effectiveness and efficiency in the workplaces. The study by Tai (2006) indicated the "impact of training
404 framing on the motivation and self efficacy of employees". The findings shown that supervisor training
405 was found as an impact of employees' self efficacy and motivation and ultimately affected their reaction,
406 learning and transfer motivation.

407 As a general conclusion about the related concepts of psychological capital, there are different and
408 intercorrelated relationships between these mentioned concepts and basic components of psychological
409 capital. The positive relationship between self-efficacy and job satisfaction bring along the positive
410 relationship between self-efficacy and performance. By the way, job satisfaction also cause positive
411 expectations, optimism, and motivation. Therefore, the positive relationships between job satisfaction and

412 performance, thereto job satisfaction and motivation can not be denied. Based on that it can be said that
413 performance is also related to the motivation.

414 **DISCUSSION AND CONCLUSION**

415 In today's competitive World, organizations should understand the valuable factor to be able to
416 prepare themselves for the future in a strong competition, it is "human". Human capital creates the
417 substructure of the socio-economic development. Development and competitive advantages can not be
418 provided by organizations; on the contrary by people working in that organizations. Pennings,
419 Kyungmook, and Witteloostuijn, (1998) noted that the features of human capital mostly influences
420 organizational behavior and performance; by the way, it important to pull customers in an organization
421 and create customer loyalty.

422 The aspects of social capital are valuable for the organizations to create sustainable competitive
423 advantage. The organizational processes remarkably affect lon-term success (Luthans et al., 2004b). As
424 cited before, positive psychological capital focuses on the positive sides and properties; by the way
425 improves personal and interpersonal communications and relationships. It is known that communication-
426 oriented organizations play a significant role to enhance employee performance when keep together with
427 feedback mechanism.

428 Psychological capital contributes positive impact on sustainable competitiveness as mentioned
429 above. Luthans et al. (2004b) suggest that it is necessary to adapt psychological capital management and
430 development for gaining competitive advantages. "Psychological capital also meets the cumulative and
431 interconnected criteria of competitive advantage" (p. 157). Hmieleski, et al., (2007) put into words that
432 psychological capital can be determined as a key factor to achieve the goals, sustainable psychological
433 well-being, and satisfaction both in life and job.

434 Organizations try to gain a competitive advantages by effectively and efficiently using their
435 production basis for actualizing their organizational goals. In this sense, there is an importance and
436 important roles of human resources as a capital of businesses. Positive human properties in company with
437 positive psychological capital will form a basis for an excellent World. Therefore, it is expected that
438 positive influences of psychological capital will decrease the damages and disadvantages of negative
439 considerations in an organization.

440 As expected, the findings from theoretic researches demonstrated that positive psychological
441 capital which focuses on the positive sides and strengths of individuals represents much more meaning
442 than the sum of all of the mentioned components such as; hope, resiliency, self-efficacy, optimism,
443 different life situations, stress, motivation, feelings, pressures, orientation, difficulties, risks, positive and
444 negative sides and so on. Therefore, managers should invest to the psychological capitals of their
445 organizations.

446 In today's organizations, human resources are not only a cost of doing businesses but also are an
447 important and necessary asset, investment which need to be effectively managed to get sustainable
448 competitive advantages among competitors (Luthans, et al., 2004b). Luthans (2002b) suggests that
449 strengths of people and organizations should be brought to the fore and emphasized with the support of
450 scientific researches. On the other side, he also advocates the importance of proactive and positive
451 approaches. To this end, it is hoped and expected that this current study will encourage and promote other
452 researchers and scholars for the future studies related to positive psychological capital.

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