A REVIEW ON THE RELATIONSHIP BETWEEN PSYCHOLOGICAL CAPITAL AND JOB ATTITUDES WITH THE MEDIATING EFFECT OF WORK ENGAGEMENT IN HOTEL INDUSTRY

Yan Zhen, Zuraina Dato Mansor

Faculty of Economics and Management, Universiti Putra Malaysia, 43400 Serdang, Selangor, Malaysia

Corresponding Author Email: yanzhen1115@hotmail.com

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Abstract
Meeting the challenges of effective human resources management needs new thoughts and approaches. In order to expand the traditional perspective of economic capital, human capital and social capital have been paid more and more attention. This paper proposes that psychological capital can affect employees’ attitudes from two aspects, namely, organizational commitment and job satisfaction. Based on the perspective of individual psychology, this article provides reviews of literature on this topic and explains the relationships between employees’ psychological capital and job attitudes in hotels. This research also attempts to review the influence of work engagement on employees’ organizational commitment and job satisfaction. In an era of intense competition in the world, the pace of change is progressively increasing and the competitiveness of companies depends on how they can adapt to reality. To be flexible in responding to challenging changes, it is essential to know how to use intangible resources.

Keywords: Psychological Capital; Job Satisfaction; Organizational Commitment; Work Engagement; Hotel Industry

INTRODUCTION
In current competitive hotel working environment, recruiting and retaining skillful employees in frontline service positions are important to enhance the quality of service and customers’ satisfaction. These employees are capable of coming up with new opinions for service improvements and contribute to complaint handling processes and service delivery. It seems that hotel management tends to recruit employees with personality, abilities and skills that can meet the requirements of frontline service positions through strict selection processes (Magnini et al., 2011).

However, the majority of employers and researches related to hospitality industry tend to pay more attention to employees’ external demands such as salaries, fringe benefits, work conditions and ignore the importance of employees’ internal needs based on the psychological capital. Psychological capital has been regarded as a comparatively new individual psychological construct in organizational behavior. And it is conceptualized as research and application of positive-oriented psychological abilities and human resource management which can be assessed, advanced and managed effectively in current workplace to promote performance (F. Luthans, 2002b). Hope, resilience, optimism and self-efficacy are the four important indicators that represent the psychological capital. Specifically, psychological capital is considered as a state of positive psychological development characterized by: (a) adhere to the target, when necessary, redirect the target (hope), in order to achieve success; (b) to take on confidence (self-efficacy) and invest the necessary effort to have challenging tasks finished successfully; (c) make positive attributions about present and future success (optimism); (d) when obstructed by challenging tasks and tough adversity, stay and bounce back, even (resilience) achieve the goals successfully (Luthans et al., 2007).
According to Schaufeli, Salanova, Bakker and Alezrom (2002), frontline employees in positions with a high level of psychological capital may also perform higher level of work engagement, which is a work-related and positive mental state characterized by dedication, vitality, and absorption. As Chen and Lim (2012) stated, employees who are of self-efficacy always have professional abilities and skills to perform well in their current and future jobs. Hopeful employees are of willingness and feasible methods to realize their specific targets (F. Luthans, Norman, Avolio, & Avey, 2008). Luthans et al., (2008) stressed that resilient employees can fit the challenging environments and thrive in challenging service contacts. In general, those employees who are resilient, optimistic, hopeful and self-efficacious often feel vigorous and are engaged in their work. In this case, such positive staffs is expected to be satisfied with their jobs in their current organizations. Job satisfaction has been conceptualized as the achievement of a job that produces a pleasant assessment of emotional state or contributes to a person’s job value. In addition, organizational commitment has been found to be associated with resilience, hope, and optimism (Youssef & Luthans, 2007), and with many other variables such as locus of control, self-efficacy and so on.

Several gaps have already been found between psychological capital and work engagement based on previous literature. Firstly, research on the relationship between psychological capital and work engagement is important and relevant since psychological capital is a psychological construct which has not been widely accepted and used in practice (Mills, Fleck, & Kozikowski, 2013). In addition, work engagement has been regarded as a hot topic at present (Mills et al., 2013). However, in the literature of hotel management, there are still few empirical studies on the activation of personality variables in frontline service work (Karatepe, Beirami, Bouzarj, Safavi, 2014). More importantly, in the current knowledge base, the relationship is known very little between psychological capital and work engagement (Davis & Hurrell, 2015).

It has been pointed out that since most of earlier studies only focused on the correlation between a single personality variable and work engagement, they ignored the influence of new second-order personality constructs such as psychological capital (Ma, Feldt, & Kinnunen, 2013). In response to this, a relating study has been conducted by (Ma et al., 2013), which investigated the joint effects of optimism, resilience, hope and self-efficacy as antecedent indicators of psychological capital on work engagement. And using psychological capital as a second-order potential variable is also consistent with Sultana, Ridzuandarun and Yao (2018)’s research. Secondly, many studies have discussed the necessity to examine employees’ well-being and positive strengths in the working place (F. Luthans, Avolio, Avey, Norman, & Norman, 2007). According to several meta-analysis studies, there have been many studies which have linked psychological capital to job satisfaction (Kong et al., 2018). Finally, most of empirical researches on psychological capital have been conducted in the United States. Therefore, it is necessary to investigate psychological capital under different cultural background (Lee, 2014).

This research which uses COR Theory as the theoretical underpinning proposes a conceptual model to investigate work engagement as a mediating variable with the effect of psychological capital manifested by resilience, hope, optimism and self-efficacy on job attitudes (including job satisfaction and organizational commitment).

**LITERATURE REVIEW**

**Psychological Capital**

According to Luthans et al. (2007), psychological capital is the development and application of positive psychological abilities and human resource management which can be assessed, advanced and managed effectively in current workplace to promote performance. Psychological capital is conceptualized as an individual positive development of state which can be characterized by: (a) make positive attributions about present and future success (optimism); (b) confidence (self-efficacy) to take on and invest the necessary efforts to complete challenging tasks; (c) when hindered by difficulties or adversity, maintaining and bouncing back, even surpassing before(resilience) to achieve success (d) stick to the goal and change direction if necessary to achieve the goal (hope) (F. Luthans et al., 2007). In addition, psychological capital is also regarded as another kind of resource which is beyond human capital (abilities, knowledge, experience and skills) and social capital (networks, relationships).

**Hope** is the belief that determines important purposes (Cetin & Basın, 2011). Hope is described as a state of motivation in which two important elements, agency (goal-oriented decision) and pathways (or plans to achieve these targets), interact with each other (Snyder et al, 1996).

**Optimism** refers to some positive expectations for the future (Peterson et al, 2011). Optimism is defined as general expectations that individual possesses for the best and
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Persistence for reaching his or her goals (Kandampully, Zhang, & Bilgihan, 2015).

Resilience is regarded as an ability and strength to deal with various circumstances especially when facing huge changes, adversity or risk (Luthans, 2002).

Self-efficacy refers to great confidence in individuals' capacities to utilize cognitive resources, motivation, and courses of action which are needed to carry out a specific task successfully (Stajkovic & Luthans, 1998).

Luthans et al. (2007) believed that people's psychological capital varies on the basis of different contexts and individual characteristics. In addition, psychological capital has been conceptually proved to be linked to many work-related outcomes such as extra role behaviors and performance (Ahmad et al., 2019; Luthans et al., 2019). Despite there have been some empirical studies, Avey et al. (2006) stated that much remains to be done, especially in investigating not only the effects of psychological capital on a series of important work-related outcomes, but also its antecedents.

Employee Attitudes

In general, employee attitudes can be divided into two dimensions, including job satisfaction and organizational commitment. Plenty of previous scholars have demonstrated that there existed a significant relationship between job satisfaction and organizational commitment (Indarti et al., 2017; Çelik & Oral, 2019; Redondo et al., 2019).

Job Satisfaction

According to Çetin and Basım (2011), organizational and individual variables determine those features in formation of job satisfaction. On the one hand, individual variables include age, gender, educational background, years of working, beliefs, values, personality traits and so on. On the other hand, organizational variables are listed as salary, working condition, fringe benefit, relationship with colleagues, work-family balance, career development and role ambiguity. Rayton (2006) stated that job satisfaction can be measured in terms of satisfaction with salary, benefit, promotion, colleagues’

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Note: A= antecedents; M= mediator; M= moderator; and C= consequences.
relationship, supervision and so on. Later research has identified that these aspects can be divided into two dimensions: intrinsic satisfaction and extrinsic satisfaction (Weiss et al., 1967).

Intrinsic satisfaction refers to the job tasks themselves such as variety, autonomy and skill utilization.

Extrinsic satisfaction refers to chances to demonstrate abilities, opportunities to provide services, sense of achievement obtained from work and ethical values of the work.

Organizational Commitment

Organizational commitment is a strong belief and acceptance of organizational values and goals (Porter, Steers, Mowday & Boulian, 1974). And it is also a willingness to spare no effort to work on behalf of the organization, and a definite desire to maintain his or her organizational membership. Organizational commitment refers to the employees' identification with, involvement in, and emotional attachment to their organizations. Generally, it is regarded as a three dimensional construct consisting of affective commitment, normative commitment and continuance commitment (Allen & Meyer, 1996).

Affective commitment means employees' connection through an affective bond with, linkage to or engagement in their organizations (Allen & Meyer, 1991).

Normative commitment refers to employees' sense of indebtedness towards their organizations. Therefore, employees always feel obliged to stay at their organizations because of those social norms (Meyer & Allen, 1991).

Continuance commitment can be promoted when employees have gradually recognized that they have accumulated much during working. If they choose to leave their current organizations, up front investments may be lost especially when alternative employment possibilities are not available. (Becker, 1960)

Accordingly, those employees who have strong commitment to their organizations are unlikely to leave their positions (Hsiao, 2019; Vandenbergh et al., 2019 ). Employees who have commitment to their organizations would accept and adhere to their organizational values and goals more easily (Yao, Qiu, & Wei, 2019). Employees will become committed to their organizations for following reasons. Firstly, some employees will stay with their organizations since the organizations’ values, goals and tasks align with their own. Secondly, others will stay with their current organizations since turnover may influence their salary, fringe benefits, prestige or social networks. Thirdly, others will become committed to their organizations due to a sense of indebtedness. All of these three components, respectively affective, normative and continuance are independent types of commitment which are experienced at different levels by all employees of various organizations (Meyer & Allen, 1997).

Work Engagement

It is suggested that understanding the process of employee engagement has become more important than ever for modern organizations with continuous growth in popularity of evidence-based management (Nikolova, Schaufeli, & Notelaers, 2019).

Kahn (1990) is the scholar who conceptualized work engagement firstly and then it was operationalized by Maslach and Leiter (1997). After that, Schaufeli and Bakker (2006) adjusted the definition of work engagement, which is delineated as a work-related, positive and fulfilling state of mind. Those employees who are engaged in their work are enthusiastic, inspired, proud of work, and are willing to spare no effort to achieve their goals of work. Besides, they are also persistent when encountering difficulties and adversity. And it must be difficult to detach these engaged employees from their tasks (Kang & Sung, 2019).

THEORETICAL FOUNDATION, RESEARCH MODEL

Theoretical Foundation

Work engagement as one of motivational constructs has drawn great attention among empirical studies in the literature of hospitality management. It is not surprising that employers in hotels urgently want to retain all the employees who are dedicated, vigorous and engrossed in their work. Although limited, there are still some empirical studies on work engagement in hotel industry (Dai, Zhuang, & Huan, 2019; Nur & Ibrahim, 2019; Wang & Tseng, 2019). Based on aforementioned empirical studies, there are few researches relating to the effect of emerging second-order latent personality variables (such as psychological capital) on work engagement. Mäkilängas et al. (2013) also confirmed this gap in his research. Although Karatepe et al. (2014) demonstrated that hope, as one of components of psychological capital could promote work engagement in turn leads to performance at work, extra-role customer service and service recovery performance, he did not investigate the joint effect of four
component indicators of psychological capital on employees’ outcomes. Based on Conservation of Resource theory, this study associates psychological capital with job attitudes to respond to the requirements of previous studies and fill the gaps in the existing knowledge base through work engagement.

**Research Model**

![Proposed Conceptual Framework](Image)

Xanthopoulou et al., (2007) pointed out that some theoretical frameworks have guided studies which associate personal resources with employee outcomes through work engagement. In the light of COR theory, employees try to obtain, maintain, and preserve those resources that they always take seriously. Besides, employees are supposed to require resources to deal with tension and stress and attempt to generate resource caravans. They also stressed that individual resources (such as psychological capital) may be needed especially when they can generate many other resources and contribute to the formation of resource caravans which could result in employees’ positive outcomes in various aspects. Borst, Kruyen and Lako (2017) proved that with continuous accumulation of individual resources, work engagement comes. Therefore, psychological capital is a type of individual resource that determines work engagement which in turn influences job attitudes.

**RELATIONSHIPS DISCUSSION**

**Psychological Capital and Work Engagement**

Luthans et al. (2007) has proved that as a second-order latent personality variable, psychological capital can predict relating outcome variables more accurately than its four single components such as resilience, hope, optimism and self-efficacy. The confirmation of this conclusion has been conducted by a couple of studies which have tested different types of combinations of component-outcome (Cooke et al., 2016; Lu, Xie, & Guo, 2018). Due to the introduction and conceptual formulation of psychological capital, many empirical researches have investigated and analyzed its role as a significant predictor or mediator of many different types of work-related outcomes. In addition, according to previous studies, psychological capital is also associated with psychological and behavioral factors as well as with economic, entrepreneurial and managerial outcomes.

The study of personality variables conducted by Mäikikangas et al., (2013) highlighted an important gap in existing knowledge. They pointed out that most of empirical studies haven’t tested the joint effect of new second-order personality variables such as psychological capital. And many empirical studies have shown the effect of a single personality variable on work engagement. According to Xanthopoulou et al. (2008), a positive relationship between self-efficacy and work engagement among flight attendants in an airline company in Europe. Besides, Barkhuizen et al. (2014)’s result showed that optimism positively affected work engagement through job resources with a sample of higher education institutions in South African. That is to say, there are only limited studies which have shown the influence of psychological capital on work engagement (De Waal & Pienaar, 2013). And these earlier studies did not evaluate the simultaneous effects of four
indicators of psychological capital on work engagement. This study recognizes the above gaps in existing knowledge. Luthans et al. (2007) argued that employees have confidence in their own capacities to finish their tasks and they can generate possible ways to achieve the desired goals, if their original strategy could not work. According to Avey et al. (2008), employees can also assess what they can and cannot achieve in challenging situations and whether they can recover from setbacks as soon as possible and adapt to those tough and challenging situations. Thus, those resilient, hopeful, self-efficacious and optimistic employees tend to be intensely engaged, energetic, and engrossed in their work.

Conservation of Resource Theory provides guidance on the role of psychological capital, which is manifested by joint effects of resilience, optimism, self-efficacy and hope on work engagement. To be specific, work engagement is developed due to abundant resources (Halbesleben & Wheeler, 2008). Xanthopoulou et al. (2007) further confirmed this argument that resource caravans could be created by individual resources. These resource caravans could result in motivation of work engagement. And many scholars have proved those employees who have high level of psychological capital will show vigor, dedication, and happiness at work (Karatepe & Karadas, 2015; Karatepe & Avci, 2017; Kotzé, 2017; Plessis & Boshoff, 2018; Martínez et al, 2019). In addition, employees’ psychological capital has positive influence on their work engagement in tourism and hospitality industry. (Karatepe & Avci, 2018; Tsaur, Hsu, & Lin, 2019;)

Psychological Capital and Job Attitudes

Ambrose et al., (2008) stated that employees’ attitudes in terms of job satisfaction and organizational commitment have always been a hot topic in hotel industry. Locke (1976) proposed that job satisfaction (JS) is conceptualized as the positive affective state which results from the assessment of his or her job itself or previous job experiences. Allen & Meyer (1990) argued that organizational commitment (OC) is a strong belief in organizational values and targets. And it is also a willingness for employees to make a lot of effort on behalf of their organizations as well as a absolutely urgent desire to maintain their organizational memberships.

In addition, abundant previous studies have shown that psychological capital has positively influenced employees’ job attitudes, which include organizational commitment (e.g., Shukla, 2015; Idris & Mangamaro, 2017; Yildiz, 2017; Wu & Chen, 2018; Zhou et al., 2018) and job satisfaction (e.g., Bergheim, Birkeland, Mearns, & Eid, 2015; Olajuyi & Hystad, 2016; Sultan, Ridzuanrarun, & Yao, 2018). Therefore, the empirical evidence showed that psychological capital can influence personal job satisfaction as well as their commitment to their work.

Work Engagement and Job Attitudes

Leiter and Bakker (2010) stated that many recent studies have highlighted the important influence of work engagement on organizational performance. Two scholars also illustrated that recent related studies have been cross-disciplinary, including hospitality and tourism, transportation, financial services and so on. In addition, Jaiswal & Dhar (2015) argued that employees in hotels are always under great pressure and try to meet constant demands from customers, which will influence the quality of service inevitably. Karatepe et al. (2014) proved that negative job attitudes can result in higher operational costs and poorer service performance. In brief, positive job attitudes are quite significant in guaranteeing the implementation of new service initiatives (Karatepe, 2011, 2013). From the perspective of empirical studies, work engagement shows that it has a positive correlation with several outcomes in hotel context, such as job attitudes, job satisfaction (e.g., Li, Wang, Gao, & You, 2017; Orgambidez-ramos & Almeida, 2017; Yan, Su, Wen, & Luo, 2017; Kalpárková et al, 2018), organizational commitment (Santos, Jos, & Castanheira, 2015; Gelderen & Bik, 2016; Cesário, 2017) job performance, innovative behavior, and extra-role customer service (e.g., Karatepe and Ngeche, 2012; Karatepe, 2013a,b); Karatepe et al., 2013; Li et al, 2012; Slätten and Mehmetoglu, 2011). It also has a negative relationship to turnover intention (Chin et al., 2018; Sheehan et al., 2019).

Psychological Capital, Job Attitudes and Work Engagement

Although the majority of studies have proved work engagement as a full mediator (Scriva, Lorito, & Parry, 2013; Ajírila, Hakanen, & Schaufeli, 2014; Karatepe et al., 2014), few studies identified that work engagement could partially mediate the relationship between antecedents and outcomes in the fields of hotel and tourism, organizational behavior, management and so on (Yeh, 2013; Spiegelaere, Gyse, Witte, Niesen, & Hootegem, 2014; Jung & Yoon, 2016). According to Yeh (2013), work engagement can partially mediate the correlation between job satisfaction and tourism involvement with the data (sample=336) collected from hotel frontline employees in Taiwan. Paek et al (2015) found that those frontline employees...
who have high level of psychological capital are more engaged in their work and tend to show their commitment to and satisfaction with their jobs.

**CONCLUSION**

On the basis of COR Theory and earlier studies, a framework integrating psychological capital, work engagement and job attitudes can be proposed. It is suggested due to the reason that although past studies on the correlation between psychological capital and work engagement have been conducted, however, most of them just investigated how one of components of psychological capital influences work engagement. Therefore, there are still limited studies that can clearly explain the joint effect of four component indicators of psychological capital on work engagement and job attitudes. In addition, the proposed model can provide a new perspective for understanding the relationship between antecedent factors and outcomes in this study. What's more, future studies can include more behavioral and psychological constructs, such as cognitive intelligence, organizational citizenship behavior, leader-member exchange and so on in order to supplement and extend the proposed conceptual framework in current research. Especially, scholars in this field can conduct empirical studies to further identify the association among the constructs mentioned in this study from various industries.

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