

# A Study on the Impact of Psychological Capital on Organizational Commitment of Staff Employees: With Special Reference to a Sugar Manufacturing Company in Sri Lanka

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**Abstract-** Organizational commitment is the key to increase organizational performance with the ultimate purpose of achieving its goals and objectives. The current study was aimed at investigating the impact of Psychological capital on organizational commitment of staff employees of a sugar manufacturing company in Sri Lanka. Since Staff employees were selected as the population and population size is 81. The sample size of the study was 66 and convenience sampling method was followed. Data were collected through standard questionnaires and a multiple regression was performed to investigate the impacts of the variables interested. Organizational commitment acted as the dependent variable where self-efficacy, optimism, hope and resilience were the predictors of the study. The current study brought evidence to a significant positive impact of optimism, hope and resilience on organizational commitment and no any impact of self-efficacy on organizational commitment.

**Index Terms-** Hope, Optimism, Organizational Commitment, Self-efficacy, Resilience

## INTRODUCTION

Considering about the total current production of the sugar industry of the country, it is just 6% and still behind the expected production even with the new physical resources for a longer time period. Therefore it is clear that there is an issue with the human resources who are utilizing the other resources. According to the executives of the sugar industry, sugar industry was unable to achieve their internal targets due to human resource problems and finally it effects to increase the import cost of Sri Lanka.

According to the executives, this sugar company is a giant production company in Sri Lanka and which provides a considerable self-sufficiency to the country by contributing to fulfill 6% sugar requirement of the country. Even though there are some issues in this production company specially related to the

human resources. The researcher was able to observe few symptoms of such a verse issue like sleeping, eating, engaging in private phone conversations for hours, blaming others. Accordingly, the researcher found that there is an issue with the commitment of the staff employees.

In addition to the above observations, the researcher conducted a preliminary survey to prove the issue with 30 staff employees of this sugar manufacturing company by using Convenience sampling technique.

According to the responses provided by the particular 30 respondents, actual commitment level is 3.8. Expected commitment level is considered as 4.0 as the researcher used the seven point likert scale. Therefore, it is obvious that there is a gap between expected and actual commitment level in the year 2016.

Further through exploring the literature, the researcher identified that dimensions of psychological capital impact on the commitment level of the employees. [2] reported that psychological capital is about individuals' motivational tendencies attain through hope, self-efficacy, optimism and resilience. Moreover psychological Capital is one of important factors of solving human capital related issues [3]. Accordingly, following hypotheses were developed.

- **H1A** - Self-efficacy positively impacts on Organizational Commitment of staff employees of the sugar manufacturing company.
- **H1B** - Optimism positively impacts on Organizational Commitment of staff employees of the sugar manufacturing company.
- **H1C** - Hope positively impacts on Organizational Commitment of staff employees of the sugar manufacturing company.
- **H1D** - Resilience positively impacts on Organizational Commitment of staff employees of the sugar manufacturing company.

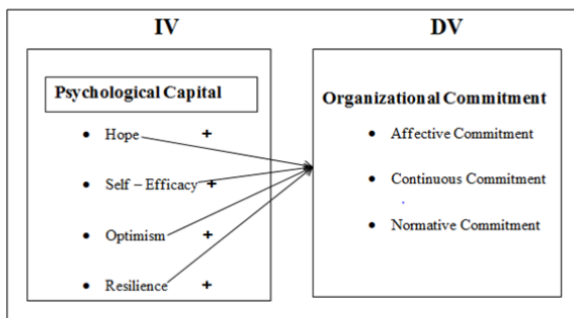
Finally the aim of the study is to find out, weather there is any

positive impact of self-efficacy, hope, optimism & resilience on organizational commitment of staff employees.

## MATERIALS AND METHODS

Sri Lanka has to accelerate the production of Sugar in the country. It is obvious that committed employee carder is a major requirement to achieve particular target of the country as productivity depends on the committed workforce. Because of this importance, it is needed to observe the behaviours of the employees of sugar Industry. There is no any previous study to solve the issue and there is a vacuum to be filled by doing this kind of study.

Further the researcher developed following conceptual framework.



**Figure: 1**  
**Conceptual Framework**

This study is a quantitative study based on positivistic paradigm and use the deductive reasoning approach to test the already developed hypothesis.

The aim of this study is to explain the relationship between psychological capital and organizational commitment as well as to show the impact of each and every dimension of psychological capital on organizational commitment. Cross-sectional time horizon is used as the time horizon and Survey strategy is the research strategy. Also, the unit of analysis of this study is the individual as the researcher wants to find out the organizational commitment of employees. Convenience sampling technique is used to collect the data. The number of population is 81 and based on that sample was 66 [1]

Finally, this research study is also required both primary & secondary data.

## RESULTS AND FINDINGS

The output coefficient table is as follows.

**Table: 1**  
**Coefficient Table**

| Predictor     | Coefficient | P Value<br>(significant value) |
|---------------|-------------|--------------------------------|
| Constant      | 1.445       | 0.000                          |
| Self-efficacy | 0.028       | 0.725                          |
| Optimism      | 0.168       | 0.024                          |
| Hope          | 0.156       | 0.033                          |
| Resilience    | 0.179       | 0.024                          |

Source: Survey Data

The researcher has discovered that there is no any significant effect from self-efficacy on organizational commitment under the 95% confidence level since output p value (0.725) is greater than critical p value. The  $\beta_1$  value of Self-efficacy is 0.024, even though there is no any impact of Self-efficacy on organizational Commitment as the associated p value is not significant.

According to the results, Optimism positively impact on Organizational Commitment (Optimism  $\beta_2 = 0.168$ ) since output p value (0.024) is below the critical p value. Therefore, the results are statistically significant under the 95% confidence level ( $p < 0.05$ ) and H1B was accepted.

When considering the regression analysis, it is clear that hope positively impacts on organizational commitment (Hope  $\beta_3 = 0.156$ ) since p value (0.033) is significant under the 95% confidence level and H1C was accepted.

The findings of the study justified that, resilience positively impacts on Organizational Commitment (Resilience  $\beta_4 = 0.179$ ) and this is statistically significant under the 95% confidence level.

Based on above results the researcher developed following fitted regression line.

$$E(\text{Organizational Commitment} / (\text{Optimism} + \text{Hope} + \text{Resilience})) = 1.445 + 0.168 \text{ Optimism} + 0.156 \text{ Hope} + 0.179 \text{ Resilience}$$

The determination of Organizational Commitment can be explained through this regression equation line. Regression coefficients of the fitted regression line can be explained as follows.

According to regression equation Constant or the  $\beta_0$  is 1.445. This emphasize that, it is expected to get 1.445 organizational commitment, when there is no effect of any variable. As far as, 0.168 is the regression coefficient of Optimism. Which means that, organizational commitment can be increased by 0.168 units, if Optimism increasing by 1 unit while keeping other factors as constants. In the same manner, organizational commitment can be increased by 0.156 units, if hope increase by 1 unit while keeping other factors as constants as the regression coefficient of hope takes 0.156. Finally, resilience shows 0.179 of regression coefficient. Therefore, it can be concluded that organizational commitment can be increased by 0.179 units of when resilience increase by 1 unit while keeping other factors as constants.

Finally, it can be concluded that resilience make the highest impact towards the organizational commitment of staff employees of LSCPL, Sevanagala.

## CONCLUSIONS

The study concluded that optimism, hope and resilience are significantly positively impact on OC and self-efficacy was not found to be impact on OC with special reference to the staff employees of this sugar manufacturing company. Hence, the researcher has successfully achieved three objectives of the study.

According to the findings of this study, if this organization can pay the attention and take necessary action to upgrade the optimism, hope and resilience of staff employees, they will be able to maintain a committed work force for the organization.

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