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## PSYCHOLOGICAL CAPITAL AND EMPLOYEE INVOLVEMENT AMONG MONEY DEPOSIT BANKS IN PORT HARCOURT

**OLOMI**, Progress Ovunda  
Department of Management  
Faculty of Management Sciences,  
Rivers State University  
progressolomi@gmail.com

**MERUE**, Emmanuel Okeoma  
Department of Business Administration  
Michael Okpara University of Agriculture  
Umudike Abia State, Nigeria.  
immskills@gmail.com

### ABSTRACT

The study examined the relationship between psychological capital and employees' involvement in deposit money banks in Port Harcourt. Psychological capital is the predictor variable while employee involvement manifested in dedication, vigor and trust is the criterion variable. The population of the study comprised one hundred and ninety (190) staff drawn from nineteen (19) deposit banks. The Purposive sampling technique was adopted, while a structured questionnaire was used to generate raw data. The Spearman's Rank Order Correlation coefficient was used to test the data collected from respondents. The study found that the presence and effective management of psychological capital prompts an increase in employees' dedication, vigor and trust in deposit money banks. Thus, the study concludes that psychological capital informs employee engagement through dedication, vigor and trust; and recommends that management of deposit money banks should create enabling environment that enhances employees' propensity to exercise their psychological capital, hence, boost a deeper sense of interconnectedness and organizational harmony.

**Keywords:** Dedication, employee involvement, psychological capital, trust, vigor.

### INTRODUCTION

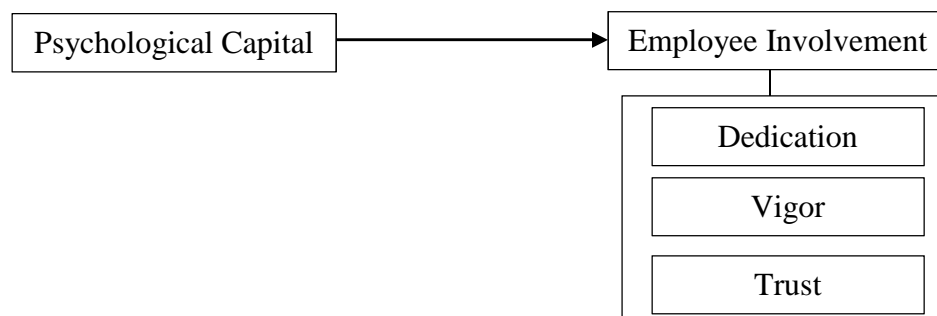
The heartbeat of every organization and its management is to succeed, and the success of organizations is dependent on her human resources, the most important resource of an organization is its human resource, since the day to day running of the organization lies on their shoulders. Nwulu and Ateke (2018) contend that the success and competitiveness of organizations in today's business-scape requires depends on the possession and deployment of competent employees that are skilled in the performance of assigned tasks. All organizations are started and operated by people regardless of the activities undertaken, and as such, the human resource is the most important resource an organization can have (Nzuve, 2010). Most organizational problems according to Mamoria and Gankar (2003) are related to human and social factors, rather than physical, technical or economic factors. Therefore, human resources in an organization determine the success of that organization. People, according to Cole (2002) are the greatest single asset available to an enterprise and also the only asset that can actively work against the organizations goals. It is therefore only by collaborative efforts that people can find a release for their latent energy and creativity in the service of the enterprise. This is possible

through employee involvement which makes them more productive, fully absorbed and enthusiastic about their work.

The dynamism of the business environment has orchestrated different changes in business trajectory and trend in the last two decades, and has increased the tempo of competition among firms. This global trend has necessitated flexibility, the need for increased skill and on the job self and work team development from employee in organization. Walton (1985) affirmed that the dynamics of business requires that diverse strategic approaches are adopted to manage workers effectively. This position is in view of the traditional management view where workers have no say or make contribution on issues that pertains or affects their work. Given the importance of employee, scholars have argued that employee involvement be made an area of study to enable a proper understanding of the idea of employee involvement and its roles in the attainment of organizational goals and objective (Lawler, 2010). Hence, Luthans and Jensen (2005) posits that psychological capital emphasizes the creation or inculcation of positive qualities and trait in individuals or groups by the organization, rather than only trying to fix what might be considered wrong in the organization.

The general purpose of this study is to ascertain the relationship between psychological capital and employee involvement in money deposit banks in Port Harcourt. The specific objectives are to ascertain the relationship between psychological capital and:

- 1) dedication of employees of deposit money banks in Port Harcourt.
- 2) vigor of employees of deposit money banks in Port Harcourt.
- 3) employees' trust in management of deposit money banks in Port Harcourt.



**Fig. 1:** Conceptual framework of psychological capital and employee involvement

In view of the research objectives specified, the following research hypotheses are formulated to further guide the study:

**Ho<sub>1</sub>:** There is no significant relationship between psychological capital and dedication employees of deposit money banks in Port Harcourt.

**Ho<sub>2</sub>:** There is no significant relationship between psychological capital and vigor of employees of deposit money banks in Port Harcourt.

**Ho<sub>3</sub>:** There is no significant relationship between psychological capital and employee' trust in management of deposit money banks in Port Harcourt.

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## THEORETICAL FRAMEWORK

This study is hinged on the social network theory which explains that employees' relationship with leaders depends on the principle of equity and fairness. Homas (1958) posits that humans cherish social relationship based on love, respect and trust for one another. Homas (1958) argue that employees will always want relationships that will be of benefit to them and stressed that employees' perception and judgment of their relation with employers is based on their perceived benefit. This perception triggers reciprocity which manifest in psychological capital. Jones and George (1976) posit that social network theory is based on the fact that employees love work environments that benefit them. That is, relationships in which reward is greater than costs. Reward is anything that enhances employees' work involvement. Thus, working overtime and undesirable jobs is not preferred by employees (George, 1976). Gr'etzel (2001) provides that social network is on the assumption of relationships is based on necessity among interacting units, and that the understanding of the relationship between one individual and others will lead to the evaluation of the extent of their social relationships. Wasserman and Faust (1994) identified some approaches to understanding of social network theory, and these include; focus on relationship between actors' sense of interdependence, structures that affect substantive outcomes and its emergent effects.

### CONCEPT OF PSYCHOLOGICAL CAPITAL

Psychological capital is employees' positive state of development that engages them to take necessary responsibility that enhances the achievement of organizational goals and objective. Psychological capital is essential to organizational progress. Cavus and Gokeon (2015) aver that psychological capital examines the process by which positive attitudes, feedback, and criticisms contribute to the functioning and development of individuals, groups and organizations. Kales (2011) emphasized that psychological capital contains measurable, developable and effectively controllable applications related to potential psychological capital increase in organizations.

Psychological capital focuses on "who employees are becoming, rather than who employees are." Luthans *et al.* (2007) identified self-efficacy, optimism, and hope as some of the ways a firm's psychological capital can be measured. Thus, management of organization in their efforts to achieve the goals, should also inculcate in employees, positive qualities and traits that places the organization on a performance advantage rather than merely fixing what might be considered wrong.

Luthans (2002) view psychological capital as a compliment of personal and organizational features that can be developed and directed. Denme (2011) observed that since the beginning of management research, the relationship between psychology and emotions of employee and their performance efficiency is hypothesized. There perhaps exist several research postulations on the subject of management and psychology in different subject perspectives and topics. Luthans (2002) states that negative subjects in psychological capital exist; these include stress, exhaustion, aeration, injustice, violence, resistance and change.

### EMPLOYEE INVOLVEMENT

Employee involvement can be described as how work structures and positioning in an organization allows or enables employees make input in decisions that affect their lives and

livelihoods in the organization. The individual employee is faced with activities called work, which are seen as symbol of economic reward and value creation for the individual. Goldthorpe (1968) opined that employees exert mental and physical energy in human activities called work when they want to make a living. Ahiauzu (1999) stated that in the traditional African society, work was categorized as job, occupation, skill and profession because work activities were subsistent. Work thus exist in operations concerning people's earnings and hope for their daily life and livelihood.

Darlington (1969) considered historical changes in the description of employee involvement by regulating; governing and breeding which perhaps may encourage or discourage genetic features. Darlington (1969) states that change in the last 4,000 years are much as a result of cultural development that is the sudden and gradual accumulation of new pattern of social behavior introduced by diffusion of innovation through social groups and thought to children. Cultures are passed on by learning while evolutionary development is passed on through genetics and biological colorations (Darlington, 1969). Different components of employee engagement exist. In this study however, dedication, vigor and trust are adopted.

The role of employee dedication to success of organizations cannot be undervalued. Schaufeli and Bakker (2010) views employee dedication as a reflection of persistency, consistency, and continuity innate in individual employees; and an expression of commitment and work involvement of employees as well as work-related values and beliefs which triggers employees onward daily. It is an innate quest or drive that ignites actions towards goal attainment. Tuami and Sarajavi (2009) posit that dedication could be reinforced through ritualized practice and the observation of certain self-imposed or learned acts that to motivate and encourage employees daily. Holbeche and Spingett (2003) observed that a high level of employee work involvement is naturally achieved when leaders exhibit adequate managerial relationship skills; and that supportive management skill that creates enabling work environment, enhances supportive and collaborative work environment encourages positive actions begets collaboration and new skill development.

Vigor according to Schaufeli and Bakker (2010) represents an elevated level of energy and cognitive resilience during work and a desire and inclination to put a lot of effort in the work to persist even when there are apparent difficulties. Vigor as a measure of employee work involvement has been described as activity characterized by high degree of physical and mental skills and positive resistance on the job. It is a reflection of the presence of high drive to demonstrate thorough exertion of energy, strength, courage and high spirit in the service or activities of the organization.

Darcy (2010) posits that trust is a feature of passionate relationship between individuals, groups, teams or organizations and a level of confidence parties have in their associations. It is an important aspect of employee involvement that directly affects individuals in their job roles. Robbins *et al.* (2008) recognized three kinds of trust: authoritative relationship-based trust, prevention information-base and identity-based trust. Employees exhibit different levels of trust. Low level of trust can bring about hierarchy rot as connections crumble, political strife, infighting and general wastefulness result, association with little or no trust have no reason for future achievement.

## RESEARCH METHODOLOGY

This study focused on examining the relationship between psychological capital and employee involvements. The study adopted a correlational research design. The population of the study comprised 1202 staff of main branches of nineteen (19) deposit money banks in Port Harcourt Rivers State. The purposive sampling technique was employed to determine the test units. A total of ten (10) workers in each of the nineteen (19) deposit money bank branches in Port Harcourt were sampled. This gave a sample size of one hundred and ninety (190) respondents. The research instrument was a structured questionnaire that required respondents to tick the extent to which question items adequately captures their hopes and optimism, as well as their level of level of engagement with their firms. The instrument was designed in the 5-point Likert scaling system. The scale ranged from 1 to 5. 1 = very low extent, 2 = low extent, 3 = moderate extent, 4 = high extent, 5 = very high extent. The responses obtained from the administered questionnaire were analyzed as shown in the table below. The Spearman's Rank Order Correlation was adopted as the test statistic.

## RESULTS AND INTERPRETATIONS

**Table 1: Correlation matrix of relationship between psychological capital and measures of employee involvement**

		Correlations				
			Psych_Capital	Dedication	Vigor	Trust
Spearman's rho	Psych_Capital	Correlation Coefficient	1.000	.755*	.878**	.702*
		Sig. (2-tailed)	.	.012	.001	.024
		N	10	10	10	10
	Dedication	Correlation Coefficient	.755*	1.000	.664*	.763*
		Sig. (2-tailed)	.012	.	.036	.010
		N	10	10	10	10
	Vigor	Correlation Coefficient	.878**	.664*	1.000	.833**
		Sig. (2-tailed)	.001	.036	.	.003
		N	10	10	10	10
	Trust	Correlation Coefficient	.702*	.763*	.833**	1.000
		Sig. (2-tailed)	.024	.010	.003	.
		N	10	10	10	10

\*. Correlation is significant at 0.05 level (2-tailed).

\*\*. Correlation is significant at 0.01 level (2-tailed).

Table 1 shows a correlation coefficient ( $r$ ) of 0.755 on the relationship between psychological capital and employee dedication. The  $\rho$  coefficient of 0.755 is a high value which indicates a strong relationship between the variables. Table 1 also indicates a probability value of  $0.012 < 0.05$  which implies that the relationship between psychological capital and employee dedication is statistically significant. Thus, the study rejects the null hypothesis. Thus, there is a significant relationship between employee psychological capital and dedication of deposit money bank employee in Port Harcourt.

Table 1 also shows the correlation coefficient of the relationship between psychological capital and employees' vigor. The Table shows a  $\rho$  coefficient of 0.878 which suggests a very strong positive relationship between the variables. The probability value of  $0.001 < 0.05$  produced by the analysis implies that implies that the relationship between psychological capital and employees' vigor is statistically significant. Hence, the null hypothesis is rejected. Therefore, there is a

significant relationship between employee psychological capital and vigor of employees of deposit money banks in Port Harcourt.

Furthermore, Table 1 shows that there is a strong between psychological capital and employees' trust in management of deposit money banks in Port Harcourt. This is lieu of the *rho* coefficient of 0.702 shown on the Table, about the link between the variables. The probability value of  $0.024 < 0.05$  implies that statistically significant relationship exists between psychological capital and employees' trust in management of deposit money banks. Hence, the null hypothesis is rejected. Thus, there is a significant relationship between psychological capital and employees' trust in management of deposit money banks in Port Harcourt.

### CONCLUSION AND RECOMMENDATIONS

This study examined the nexus between psychological capital and employee engagement. Based on the results of the empirical evaluation, the study concludes that psychological capital strongly relates to employee engagement in deposit money banks in Port Harcourt. This suggests that psychological capital contributes positively and significantly to employee engagement through dedication, vigor and trust. Thus, management of deposit money banks must draw on the inherent characteristics of employees, including optimism, positivity and hope that have bearing on organizational goal attainment. The study recommends that:

1. Management of deposit money banks should develop environment that enhance employees' propensity to use their psychological capital to boost deeper connection and harmony in the organization.
2. Management of deposit money banks should enhance employees' psychological capital to build confidence in employees on organizational processes, and enable workers share common understanding that aid trust in their work endeavors.

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