

The Impact of Psychological Capital on Transitional Readiness of Employees

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Abstract

The purpose of this study is to determine how employees' psychological capital affects their preparedness for change. This study used quantitative correlational approaches with transitional readiness and psychological capital scales as measuring tools. Incidental sampling and snowball sampling are the sample methods employed. Data were collected via a Google form, and 132 subjects were assessed. Simple regression analysis was employed in the hypothesis testing. The correlation value $R = 0.788$ with a significance value of 0.000 ($p < 0.01$) indicates a substantial association between psychological capital and employee readiness, according to the analysis's findings. The study's findings suggest a somewhat strong link between the two factors. R square is equal to 0.573, which suggests that psychological capital is responsible for 48.3% of the workforce's preparation for changes. The analysis's findings indicate that the optimism dimension and readiness for change are related, with the optimism dimension having a significance value of 0.010 ($p < 0.05$) and the hope dimension having a significance value of 0.000 ($p < 0.01$), respectively. The self-efficacy dimension, on the other hand, has a significance value of 0.864 ($p > 0.05$), and the resilience dimension has a significance value of 0.554 ($p > 0.05$), indicating that it does not directly relate to preparedness for change.

Keywords: *psychological capital, transitional readiness, employee, resilience*

1. INTRODUCTION

To assist people in adapting to environmental alteration and behavior, organizations made several modifications to improve organizational work effectiveness. During the economic crisis brought on by the COVID-19 epidemic, the majority of enterprises in Odisha, whether they were state/government owned or privately held, adjusted in order for their organization to remain the same and recover. Employees were forced to agree to the new policy and rules that have been implemented by the company. The individual would have to be flexible and perform additional tasks. Employees were therefore required to be adaptable in order to boost the organization's economy.

Without the willingness of the workforce to change, the organization's changes did not succeed. The term "readiness for change" refers to the capacity to absorb new changes. Employees' psychological and behavioral openness to adopting new procedures, rules, and technology inside the organization is known as their readiness for change. The success of an organisation depends on its ability to adapt to change. It also depends on its ability to compete in the marketplace. It would be simple for an employee to adapt to organizational changes if they were willing to do so.

Many elements, including setting, material, processes, and individual traits, have an impact on how change-ready an organization is. The researcher is willing to add components of psychologically significant personal traits in this study since they are more appropriate for the setting and nature of the research challenge. Hope, self-efficacy, resilience and optimism, are the four traits that define psychological capital as a good psychological condition that exists within an individual. Having a strong psychological capital might assist an individual be adaptable and less upset with organizational changes.

2. PSYCHOLOGICAL CAPITAL AND READINESS FOR CHANGE THEORIES

2.1 Psychological Capital

PsyCap is the psychologically healthy state of an individual that promotes achieving peak performance at work and individual job satisfaction. Also, according to this idea, psyCap is a favourable psychological state that exists within an individual and is flexible. Every personal-psychological capital is subject to growth and evolution depending on the circumstance or the demands of the individual.

Dimensions of psychological capital are:-

- a. Self-efficacy - It is a person's perception of their own abilities, which can boost motivation, ability, cognitive function, and action to complete a task successfully.
- b. Hope - It is a person's affirmative drive to set challenging but attainable goals and feel motivated to do so.
- c. Optimism - A person who is optimistic will be grateful for all changes and will regard themselves as advancing in their goals. They will also be able to notice chances as they arise and will concentrate on taking advantage of them in order to further their goals.
- d. The capacity to bounce back from both bad and good experiences gives people the fortitude which they need to deal with the challenges, risks, and the changes that were brought on by their jobs.

2.2 Willingness to Change

Individually positive responses, such as beliefs and willingness to embrace organisational changes, are indicators of people's preparedness for change [10]. Willingness to change is often referred to as being intellectually, psychologically, or physically fit to accept and take part in organisational changes. Measures to initiate organisational changes are sometimes referred to as being ready for change. Members of organisations that view changes favourably express a desire in taking part in them as well.

Specific elements that influence the willingness to change include:

- a. Content refers to what has changed within the organisation.
- b. Process refers to how changes will be made and what all things will be accomplished.
- c. Context refers to situational changes.
- d. Individual attributes that were taken into consideration during the modifications process

Three preparedness for change dimensions are available:

- a. A person's cognitive preparedness is their attitude towards change.
- b. Emotional reactions or a person's capacity to adapt to changes are referred to as emotional preparedness.
- c. Intentional preparedness refers to how much people are willing to participate in the process of making changes.

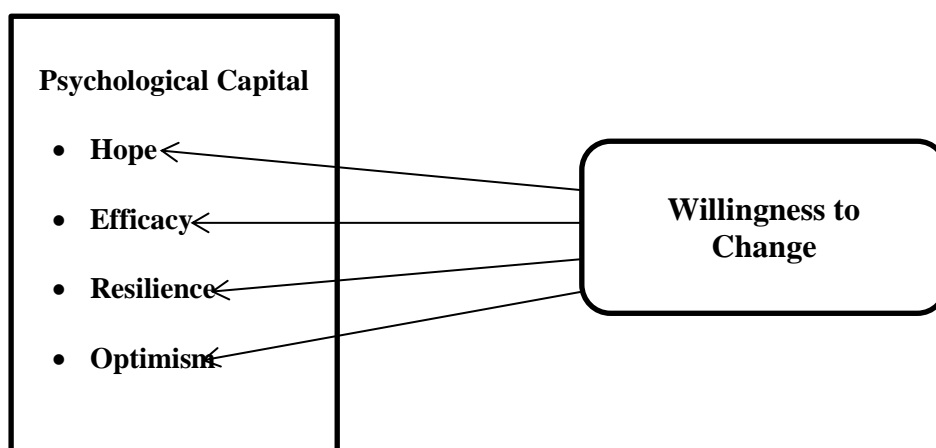
2.3 How Psychological Capital Affects Employees' Adaptability to Change

Workers with strong psychological capital are more open to the organization's adjustments. Results from earlier studies indicate that psychological capital contributes to willingness to change. Those with increased PsyCap will be more willing to modify themselves. The purpose of this study is to investigate the contribution of psychological capital to transitional readiness. Employees possessing high psychological capital are able to view everything favourably. As a result, the employee can manage the effects of work-related stress.

This justification demonstrated the need for psychological capital among workers. Because of the decline in many economic sectors brought on by the economic downfall, organisations have adjust in order to cope with the current situation. Employee support is a key component of an organization's ability to successfully implement changes. Employees must be prepared for change and adaptation for organisations. The study's findings support the notion that having psychological capital makes employees significantly more change-ready.

Employees' willingness to change can be improved by considering psychological capital factors. One of the PsyCap dimension, Resilience, can aid workers in emerging from ruts and adjusting to change. Employees become more self-assured and driven to succeed while working on tough tasks, such as on development projects, thanks to the self-efficacy dimension. Employees are more courageous and able to overcome problems when they have hope dimension. The optimism dimension makes sure that workers will adapt to changes successfully.

The relationship between psychological capital and transition preparedness is depicted in the following diagram:



It can thus be hypothesized that:-

- a. Psychological capital plays a significant role in employees' willingness for change.
- b. Dimensions of PsyCap and openness to change are interrelated.

3. STUDY DESIGN

3.1 Sample and Data Collection

132 personnel working in government and private sectors of Odisha make up for the study's sample. Google Forms were utilized to collect samples. The study builds on subject collection methods by using snowball tactics to gather connections from prior subjects.

3.1.1 Variable measurement

Willingness to change Research has developed three different preparation for change measures utilizing the readiness for change scale: cognitive readiness, emotional readiness, and intentional readiness. There are 18 pieces total, and there are 6 objects in each dimension. 1 item is abandoned after a trial, making the total number of items utilized in this study 17.

The psychological capital variable was quantified using psychological capital dimensions developed by research based in pscap dimensions: self-efficacy, optimism, hope, and resilience. There are 24 pieces total in the arrangement. Each dimension has six elements in it. Two items were abandoned during trials, making

the total number of items utilized in this study 22.

Likert scales were utilised as the research tool. The statement items, which are positive and negative, make up the scale. The scores increase for positive items from 1 to 4, while decreasing for negative items from 4 to 1. Four options for the Likert scale's four categories—STS (Very Inappropriate), TS (Inappropriate), S (Suitable), and SS—are used (Very Suitable). In order to avoid subjects from selecting a middle or safe response, research does not include Neutral (N) as one of the answer options.

4. RESULT

4.1 The Reliability and Validity Test

4.1.1 Validity Test

The item validation coefficient is tested in this study using corrected item-total correlation. Generally, test total correlation items utilised have values equal to or greater than 0,30. The ready for change scale was tested using SPSS, and the results ranged from 0.352 to 0.669, with all 17 questions being certified valid. When all 22 things are considered genuine, the psychological capital score is 0.644, which is where it stands with 22 items.

4.1.2 Reliability Test

Cronbach's Alpha is used in this study to evaluate reliability. The dependability coefficient ranges from 0 to 1, and as it gets closer to 1, the reliability coefficient increases. The test was conducted using SPSS, and the findings indicate that psychological capital has a Cronbach's Alpha value of 0.906 and the willingness to change scale has a score of 0.885. Test results are higher than a 0.76. As a result, it is trustworthy and appropriate for research.

4.2 Assumption Test

The assumption test findings reveal a Kolmogorov-Smirnov value of up to 0.048 with a significant value of up to 0.200 ($p > 0,05$), indicating that the distribution of the study data is normal. The outcome of the linear regression also indicates a value of 0.000 ($p < 0,001$), indicating a linear correlation between the two variables. As a result, the assumption test requirement for applying simple regression analysis has been met by the research data.

4.3. Hypothesis Testing

The analytical data reveals a high correlation between psycap and employee willingness to change. It is clear from the significant p-value of 0,000 ($p < 0,01$) and the degree of correlation between the two variables ($R = 0,688$) that there is a significant association between psychological capital and transitional readiness. The R square value for the hypothesis test is 0,473, which indicates that psychological capital contributed up to 47,3% of employees' willingness to change. Hence, psychological capital contributes to employees' willingness to change.

Also, every connection between psycap categories and willingness to change is examined in this study. The analysis's findings indicate that the hope and optimism dimensions both have a strong relationship with willingness to change, with a significance level of 0,000 ($p = 0,01$) and 0,010 ($p = 0,05$), respectively. Self-efficacy has a significant value of 0,964 ($p > 0,05$), and resilience has a significant value of 0,454 ($p > 0,05$), indicating that there is no direct relationship between the two and preparedness for change.

The relationship between demographic factors including gender, occupation, education, and age and psychological capital and change preparedness was also evaluated by the researcher. The findings indicate a connection between gender, age, and psychological capital, with gender having a significant value of 0.036 ($p < 0.05$) and age having a significant value of 0.040 ($p < 0.05$). whereas there is no connection between psychological capital and employment or education. The significance of the work is 0.357 ($p > 0.05$), and the significance of the education is 0.601 ($p > 0.05$).

5. DISCUSSION

The hypothesis test yielded an R-value of up to 0.588 and a critical level of 0.000 0.01, indicating a strong relationship between the two variables of psychological capital and willingness for change. Employee psychological capital, then, plays a part in preparation for change. The research's Rsquare value is 0.473. According to the outcome, psychological capital accounts for 47,3% of an employee's willingness to change. In light of the foregoing, it can be said that a worker needs PsyCap in order to be prepared for change at work.

The findings are consistent with other studies showing that psychological capital and psychological empowerment both contribute to an individual's willingness for change. Individual willingness to change can be strengthened when people have psychological capital. Hope, Self-efficacy, resilience and optimism, are psychological capital aspects that contribute to increased preparedness for change. The conclusion drawn from this previous research is that people should manage and build their sense of Hope, Self-efficacy, resilience and optimism in order to increase their psychological capital and be more prepared to deal with organizational changes.

Also, this study demonstrates that psychological capital can influence preparedness for change by up to 46.2%, with other variables accounting for 51.6% of the findings. According to previous research findings, psychological capital can increase preparedness for change by as much as 25%, although 63% of the variables are outside the scope of the study. In light of this, various factors may influence the willingness to change.

The rationale may also be found in this study's findings, which indicate that the majority of the research individuals have pscap scores that are high across both factors. The majority of the study's participants scored high or medium on the willingness to change scale. This finding indicates that a subject has high PsyCap but is only in the middle of the readiness spectrum for change. This is possible because research participants come from a variety of occupations and work environments, and different organisational characteristics may have an impact on each group's willingness to change.

According to the study's findings, organisational support perception and transition preparedness are related. As a result, employees from different organisations will perceive organisation support differently and the outcome of their willingness to change will differ. Employee willingness to change is influenced by perceptions of the organization's support. This argument is consistent with the research's finding that different organisations' fields of employment have a relationship to their willingness to change that has a significant value of 0.010 ($p = 0.05$). Employers can create distinct employee perspectives to have varying levels of willingness to change.

The readiness for change is also measured in this outcome along with every psychological capital characteristic. The findings demonstrate that not all pscap aspects are individually related to preparedness for change. The employee must therefore build up their overall psychological capital across all domains in order to become more change-ready. If all factors are taken into consideration, psychological capital will best promote preparedness for change.

According to the justification provided, psychological capital functions are important for boosting preparedness for change. Employees must be adaptable to change in order for their organizations to survive and advance. Every employee must be willing to adapt to organizational changes in order for psychological capital to become one of the variables that has to be updated.

6. CONCLUSION

A considerable association between psychcap and willingness to change is inferred from the examination of data and study findings. 46.2% of psychological capital contributes to transition preparedness. In light of this finding, psychological capital can increase preparedness for change. The research does not take into account another factor that influences preparedness for change, which is 51.6%. This outcome is described as having a psychcap variable majority score that is in the high category and a willingness to change variable majority score that is in the high and medium categories. This implies that not all individuals with high psychcap also have great change readiness. In this study, there is another factor that influences willingness to change, one of which is brought on by research participants from a different organization.

Based on the findings, the following recommendations are made for future studies:

- a. Trial subjects are distinguished from research subjects in order to improve the accuracy of the study scale.
- b. The following researcher suggested examining willingness to change with the help of a different independent variable that might make a bigger impact.

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