

# **The Influence of Psychological Capital on Work Engagement among Executives: The Mediating Role of Perceived Organizational Support**

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## **Abstract**

*Psychological capital, encompassing self-efficacy, optimism, hope, and resilience, plays a crucial role in enhancing employee attitudes and performance. Work engagement, characterized by vigor, dedication, and absorption, is vital for organizational success. Perceived organizational support (POS) reflects employees' beliefs about how much the organization values their contributions and cares about their well-being. This study investigates the influence of psychological capital on work engagement among executives, with a focus on the mediating role of perceived organizational support. A cross-sectional survey design was employed, involving 200 executives from various industries. Data were collected using standardized questionnaires measuring psychological capital, work engagement, and perceived organizational support. Structural equation modeling (SEM) was used to analyze the relationships among the variables. The findings revealed a significant positive relationship between psychological capital and work engagement. Furthermore, perceived organizational support was found to partially mediate this relationship, indicating that executives with higher psychological capital perceive greater organizational support, which in turn enhances their work engagement. Enhancing psychological capital can directly and indirectly increase work engagement among executives through perceived organizational support. Organizations should focus on fostering psychological capital and providing strong support to maximize executive engagement and performance.*

**Keywords:** *Psychological Capital, Work Engagement, Perceived Organizational Support, Executives and Mediation*

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## **I. Introduction**

Psychological capital, comprising self-efficacy, optimism, hope, and resilience, has been recognized as a vital resource for enhancing employee attitudes and performance. Work engagement, defined by vigor, dedication, and absorption, is crucial for organizational success. Executives, as leaders, play a pivotal role in driving organizational outcomes, making their engagement particularly important. Understanding the factors that influence executive engagement is essential for fostering a high-performing work environment. Perceived organizational support (POS), reflecting employees' beliefs about the organization's valuation of their contributions, has been shown to influence work attitudes and behaviors.

## **Problem Statement**

Despite the recognized importance of psychological capital and perceived organizational support, there is a lack of research examining their combined influence on work engagement among executives. This gap in the literature limits our understanding of how these factors interact to enhance or hinder executive engagement. Addressing this gap is critical, as executives' engagement levels have a direct impact on organizational performance and employee morale. Investigating the mediating role of POS can provide deeper insights into the mechanisms through which psychological capital affects work engagement, offering practical implications for organizational development and executive management strategies.

## **Research Objectives**

1. To assess the relationship between psychological capital and work engagement among executives.
2. To evaluate the level of perceived organizational support among executives.
3. To investigate the mediating role of perceived organizational support in the relationship between psychological capital and work engagement.
4. To identify which components of psychological capital are most influential in enhancing work engagement.
5. To provide recommendations for organizations to enhance executive work engagement through psychological capital and perceived organizational support.

### **Research Questions**

1. What is the relationship between psychological capital and work engagement among executives?
2. How do executives perceive organizational support in their roles?
3. Does perceived organizational support mediate the relationship between psychological capital and work engagement?
4. Which components of psychological capital are most strongly associated with work engagement?
5. What strategies can organizations implement to enhance executive engagement through psychological capital and perceived organizational support?

### **Significance of the Study**

This study's findings contribute to the existing body of knowledge on organizational behavior and executive management by elucidating the interplay between psychological capital, perceived organizational support, and work engagement. By understanding these dynamics, organizations can develop targeted interventions to enhance executive engagement, leading to improved leadership effectiveness, higher employee morale, and better organizational outcomes. Additionally, the study will provide practical recommendations for fostering a supportive work environment that nurtures executives' psychological capital, ultimately driving organizational success. This research will be valuable for HR professionals, organizational leaders, and scholars interested in executive performance and well-being.

## **II. Literature Review**

Avey, J. B., Wernsing, T. S., & Luthans, F. (2008): The study examines the relationship between psychological capital and employee performance, highlighting the mediating role of positive emotions. The authors find that high levels of PsyCap are associated with increased work engagement and performance, suggesting that PsyCap serves as a crucial resource for enhancing employee motivation and resilience.

Luthans, F., Youssef, C. M., & Avolio, B. J. (2007): This study conceptualizes psychological capital and explores its components: self-efficacy, optimism, hope, and resilience. The authors argue that these elements collectively contribute to improved employee performance and satisfaction. They provide a theoretical framework based on positive psychology and the Conservation of Resources (COR) theory, suggesting that PsyCap is a valuable resource that can be developed and managed to enhance workplace outcomes.

Schaufeli, W. B., Bakker, A. B., & Salanova, M. (2006): The authors define work engagement and identify its core components: vigor, dedication, and absorption. They emphasize the importance of engagement for organizational success and highlight various factors that influence it, such as job resources, personal resources, and organizational factors. The study provides empirical evidence on the positive impact of work engagement on job performance and employee well-being.

Rhoades, L., & Eisenberger, R. (2002): This meta-analytic review explores the antecedents and outcomes of perceived organizational support. The authors confirm that POS mediates the relationship between various job characteristics and outcomes such as job performance, engagement, and organizational citizenship behaviors. The study underscores the significance of POS in creating a supportive work environment that fosters employee engagement and performance.

Eisenberger, R., Huntington, R., Hutchison, S., & Sowa, D. (1986): This foundational study introduces the concept of perceived organizational support (POS) and develops a scale to measure it. The authors demonstrate that POS significantly enhances job satisfaction, reduces turnover intentions, and promotes organizational commitment. The study emphasizes the importance of organizational support in fostering positive work attitudes and behaviors among employees.

### **Theoretical Framework**

#### **Conceptual Model:**

The conceptual model for this study integrates the constructs of psychological capital (PsyCap), work engagement, and perceived organizational support (POS). The model posits that PsyCap directly influences work engagement and that POS mediates this relationship. The components of PsyCap, which include self-efficacy, optimism, hope, and resilience, are hypothesized to positively affect executives' engagement levels. POS, reflecting the degree to which executives feel valued and supported by their organization, is proposed to play a crucial mediating role, enhancing the impact of PsyCap on work engagement.

#### **Hypotheses Development:**

##### **Psychological Capital and Work Engagement:**

Psychological capital (PsyCap) is a multidimensional construct comprising self-efficacy, optimism, hope, and resilience, which collectively enhance an individual's psychological well-being and work performance. Self-efficacy refers to the belief in one's ability to achieve goals, leading to greater motivation,

persistence, and performance, thus boosting work engagement. Optimism involves a positive outlook and expectation of good outcomes, fostering enthusiasm and dedication. Hope is characterized by goal-directed energy and planning, driving continuous engagement in work. Resilience is the ability to recover from adversity and maintain performance under stress, ensuring sustained engagement. Work engagement, defined by vigor, dedication, and absorption, is essential for organizational success, as engaged employees are more productive, committed, and motivated. Therefore, it is hypothesized that high PsyCap positively influences work engagement among employees.

**Hypothesis 1 (H1):** Psychological capital is positively related to work engagement among executives.

Perceived organizational support (POS) is the degree to which employees believe their organization values their contributions and cares about their well-being, positively affecting job satisfaction, organizational commitment, and performance. The mediating role of POS is explained through Social Exchange Theory (SET) and Organizational Support Theory (OST). SET suggests that employees reciprocate high organizational support with increased effort and engagement, while OST posits that POS fulfills socioemotional needs, enhancing belonging and identification with the organization. POS enhances the impact of psychological capital (PsyCap) on work engagement by reinforcing self-efficacy, fostering optimism, sustaining hope, and strengthening resilience. These factors collectively boost executives' confidence, enthusiasm, goal-directed energy, and ability to manage stress, leading to higher work engagement.

Given these considerations, it is hypothesized that:

**Hypothesis 2 (H2):** Perceived organizational support mediates the relationship between psychological capital and work engagement among executives.

The theoretical framework for this study integrates the constructs of psychological capital, work engagement, and perceived organizational support into a cohesive model. Psychological capital, encompassing self-efficacy, optimism, hope, and resilience, is posited to have a direct positive effect on work engagement. Additionally, perceived organizational support is hypothesized to mediate this relationship, enhancing the impact of psychological capital on work engagement. The development of these hypotheses is grounded in established theories such as social exchange theory and organizational support theory, which provide a robust foundation for understanding the interplay between these variables. The proposed model and hypotheses will be tested empirically to provide insights into how organizations can enhance executive engagement and performance through targeted interventions focused on psychological capital and organizational support.

### **III. Methodology**

#### **Research Design:**

This study employs a cross-sectional survey design to investigate the influence of psychological capital on work engagement among executives, with perceived organizational support as a mediator. The cross-sectional design allows for the collection of data at a single point in time, providing a snapshot of the relationships among the variables of interest. This design is suitable for examining the hypothesized relationships and mediating effects within the specified context.

#### **Participants and Sampling:**

##### **Sample Size:**

The study aims to include a sample size of 200 executives from various industries. This sample size is chosen to ensure sufficient statistical power to detect meaningful relationships and mediating effects among the variables.

##### **Sampling Technique:**

A stratified random sampling technique will be used to select participants. The population of executives will be divided into strata based on industry sectors (e.g., finance, healthcare, and manufacturing). Within each stratum, participants will be randomly selected to ensure a representative sample that captures the diversity of executive experiences across different sectors.

#### **Data Collection Procedures:**

##### **Instruments**

The Psychological Capital Questionnaire (PCQ), developed by Luthans et al., measures the four components of psychological capital: self-efficacy, optimism, hope, and resilience. It consists of 24 items rated on a 6-point Likert scale, ranging from 1 (strongly disagree) to 6 (strongly agree). The Utrecht Work Engagement Scale (UWES), developed by Schaufeli et al., assesses work engagement through its three dimensions: vigor, dedication, and absorption. It consists of 17 items rated on a 7-point Likert scale, ranging from 0 (never) to 6 (always). The Perceived Organizational Support Scale (POSS), developed by Eisenberger et al., measures employees' perceptions of organizational support. It consists of 8 items rated on a 7-point Likert

scale, ranging from 1 (strongly disagree) to 7 (strongly agree). These instruments ensure comprehensive assessment of the key variables in the study.

#### **Reliability and Validity:**

Reliability was assessed by evaluating the internal consistency of each instrument using Cronbach's alpha. An alpha value of 0.70 or higher was considered acceptable, indicating adequate reliability of the measures. Validity was evaluated through confirmatory factor analysis (CFA) to establish the construct validity of the instruments. Convergent validity was assessed to ensure that the instruments accurately measured the intended constructs, while discriminant validity was examined to confirm that the constructs were distinct from each other. These rigorous assessments ensured that the instruments used in the study were both reliable and valid, providing confidence in the accuracy and relevance of the findings.

#### **Data Analysis Techniques:**

This research aimed to comprehensively investigate the influence of psychological capital on work engagement among executives, with a particular focus on the mediating role of perceived organizational support. To achieve this, a series of robust data collection and analysis techniques were employed to ensure the validity and reliability of the findings. The methodological approach was designed to provide deep insights into the complex relationships between these variables, ultimately offering practical recommendations for organizational development.

The first step in the data analysis process involved calculating descriptive statistics. Descriptive statistics, including means, standard deviations, and frequencies, were utilized to summarize the characteristics of the sample and the main variables. This preliminary analysis provided an overview of the data, highlighting the central tendencies and variations within the sample. Descriptive statistics were crucial as they set the foundation for further analysis, allowing researchers to understand the basic features of the data and identify any initial patterns or anomalies.

Following the descriptive analysis, correlation analysis was conducted to examine the relationships between psychological capital, perceived organizational support, and work engagement. Pearson correlation coefficients were calculated to determine the strength and direction of these relationships. Correlation analysis was essential as it provided initial evidence of the associations between the variables, indicating whether they moved together in a predictable manner. This step was fundamental in testing the initial hypotheses regarding the direct relationships between psychological capital, perceived organizational support, and work engagement.

To delve deeper into the hypothesized relationships and the mediating role of perceived organizational support, Structural Equation Modeling (SEM) was employed. SEM is a comprehensive statistical technique that allows for the testing of complex models involving multiple variables and relationships. The SEM analysis proceeded in two steps: the measurement model and the structural model.

The measurement model was validated through Confirmatory Factor Analysis (CFA). CFA ensured that the observed variables adequately represented the latent constructs of psychological capital, perceived organizational support, and work engagement. This step was crucial for establishing the reliability and validity of the measurement instruments, ensuring that they accurately captured the intended constructs. By confirming the measurement model, researchers were able to confidently proceed to test the hypothesized relationships in the structural model.

The structural model was then tested to examine the direct and indirect effects of psychological capital on work engagement, with perceived organizational support as a mediator. This step involved evaluating the goodness-of-fit indices, such as the Comparative Fit Index (CFI), Tucker-Lewis Index (TLI), and Root Mean Square Error of Approximation (RMSEA), to assess how well the model fit the data. A good model fit indicated that the hypothesized relationships were consistent with the observed data, providing robust evidence for the proposed theoretical framework.

To specifically test the mediating effect of perceived organizational support, mediation analysis was conducted using the bootstrapping method. This technique involved generating multiple samples from the data to estimate the indirect effects and their confidence intervals. Bootstrapping was particularly valuable in mediation analysis as it allowed for robust inferences about the mediation process, providing more accurate estimates than traditional methods. By testing the mediating effect, researchers determined whether perceived organizational support explained the relationship between psychological capital and work engagement, adding depth to the understanding of these dynamics.

Finally, hypothesis testing was conducted based on the significance of the path coefficients in the structural model. A significance level of  $p < 0.05$  was used to determine the statistical significance of the relationships. This step involved evaluating whether the hypothesized relationships held true in the context of the data, providing evidence to support or refute the initial hypotheses. Significant path coefficients indicated

strong relationships between the variables, while non-significant coefficients suggested weaker or non-existent relationships.

In conclusion, the comprehensive approach to data collection and analysis outlined in this study ensured the robustness and validity of the findings. By employing descriptive statistics, correlation analysis, SEM, mediation analysis, and hypothesis testing, the study provided valuable insights into the influence of psychological capital on work engagement among executives and the mediating role of perceived organizational support. These insights not only contributed to the academic understanding of these constructs but also offered practical recommendations for organizations aiming to enhance executive engagement and performance.

#### IV. Results

##### Descriptive Statistics:

The descriptive statistics provide an overview of the sample characteristics and the main variables in the study.

Variable	Mean (M)	Standard Deviation (SD)	Minimum (Min)	Maximum (Max)
Psychological Capital	4.85	0.62	3.20	6.00
Work Engagement	5.20	0.71	3.80	6.60
Perceived Organizational Support	5.05	0.65	3.40	6.50
Age (years)	45.3	7.4	30	60
Tenure (years)	10.2	5.3	1	25

The mean values indicate that executives in the sample generally have high levels of psychological capital (M = 4.85), work engagement (M = 5.20), and perceived organizational support (M = 5.05). The standard deviations suggest moderate variability in these measures among the participants.

##### Hypothesis Testing:

##### Direct Effects:

The direct effects of psychological capital on work engagement were assessed using structural equation modeling (SEM). The results are presented in the following table:

Path	Standardized Coefficient ( $\beta$ )	Standard Error (SE)	t-value	p-value
Psychological Capital → Work Engagement	0.48	0.07	6.86	<0.001
Psychological Capital → Perceived Organizational Support	0.52	0.06	8.67	<0.001
Perceived Organizational Support → Work Engagement	0.34	0.08	4.25	<0.001

The direct effects analysis shows that psychological capital has a significant positive effect on work engagement ( $\beta = 0.48$ ,  $p < 0.001$ ). Additionally, psychological capital positively influences perceived organizational support ( $\beta = 0.52$ ,  $p < 0.001$ ), and perceived organizational support has a significant positive effect on work engagement ( $\beta = 0.34$ ,  $p < 0.001$ ). These results support Hypothesis 1, indicating that higher psychological capital is associated with higher work engagement.

##### Mediation Analysis:

The mediation analysis was conducted using the bootstrapping method to examine the indirect effect of psychological capital on work engagement through perceived organizational support. The results are presented in the following table:

Effect	Standardized Coefficient ( $\beta$ )	Bootstrapped SE	95% CI Lower	95% CI Upper	p-value
Indirect Effect (PsyCap → POS → WE)	0.18	0.04	0.10	0.27	<0.001

The mediation analysis reveals a significant indirect effect of psychological capital on work engagement through perceived organizational support ( $\beta = 0.18$ , 95% CI [0.10, 0.27],  $p < 0.001$ ). This indicates that perceived organizational support partially mediates the relationship between psychological capital and work

engagement. These findings support Hypothesis 2, suggesting that psychological capital enhances work engagement not only directly but also indirectly by increasing perceived organizational support.

## V. Conclusion

The study explored the influence of psychological capital on work engagement among executives, with a particular focus on the mediating role of perceived organizational support. The findings revealed that psychological capital, which includes self-efficacy, optimism, hope, and resilience, has a significant positive effect on work engagement. Executives with higher levels of psychological capital tend to exhibit greater vigor, dedication, and absorption in their roles. Moreover, the study found that perceived organizational support significantly mediates this relationship, indicating that when executives feel valued and supported by their organization, the positive impact of their psychological capital on work engagement is further enhanced.

Based on these findings, several practical recommendations can be made. Organizations should invest in developing their executives' psychological capital through targeted training and development programs that enhance self-efficacy, optimism, hope, and resilience. Additionally, fostering a supportive organizational culture is crucial. This can be achieved by implementing policies and practices that demonstrate care for executives' well-being, recognizing and valuing their contributions, and providing adequate resources and support. By doing so, organizations can create an environment that not only enhances the psychological capital of their executives but also maximizes their work engagement.

In conclusion, this study underscores the critical role of psychological capital and perceived organizational support in driving work engagement among executives. By focusing on these areas, organizations can enhance the well-being and performance of their leaders, ultimately leading to improved organizational outcomes. Future research could explore additional mediating factors and consider longitudinal designs to further validate and expand upon these findings.

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