

THE RELEVANT OF PSYCHOLOGICAL CAPITAL ON ADAPTIVE PERFORMANCE BEHAVIOR AMONG YOUNG PROFESSIONALS: A CONCEPTUAL STUDY IN MALAYSIA CONTEXT

Ummi Kalsum Binti Hassian¹
Rachel Samuel A/P Samuel²

¹ Universiti Teknologi MARA Cawangan Melaka. Email: ummi449@uitm.edu.my

² Universiti Teknologi MARA Cawangan Melaka. Email: rachelsam@uitm.edu.my

Article history

Received date : 15-4-2021
Revised date : 16-4-2021
Accepted date : 29-4-2021
Published date : 31-5-2021

To cite this document:

Hassian, U. K., & Samuel, R. S. (2021). The Relevant of Psychological Capital on Adaptive Performance Behavior Among Young Professionals: A Conceptual Study in Malaysia Context. *International Journal of Accounting, Finance and Business (IJAFB)*, 6 (33), 63 - 70.

Abstract: Adaptive Performance Behaviour, the focus of this study, has receive much attention as new workplace demands require flexible employees who are tolerant of uncertainties and can successfully perform in dynamic, competitive environments. This study examines the relevance of psychological capital on adaptive performance behaviour in the context of young professionals in the Malaysian service sector. Adaptive performance behaviour is highly relevant in firms where the business models and management are volatile due to technological or market evolution and environmental changes. In addition, the study also examines how psychological capital can enhance adaptive performance behaviour. Data will be collected from 103 young professionals in the Malaysian service sectors via survey questionnaire adopted from related literature and interviews from practitioners. Purposive sampling is a technique which involves the researcher choosing sampling units based on existing, scientific knowledge or the researcher's professional judgement. The sampling frame of this study includes all young professionals within the service sectors listed in the Federation of Manufacturing Malaysia Industry (FMM) directory 50th edition. The data collected will be analysed using structural equation modelling via Smart PLS. Self Determination Theory is used as the underpinning theory for this study as this theory offers a well-supported conceptualization which proposes that motivation is best represented by conceptually distinct, yet complementary, types of behavioral regulations experienced by individuals to varying degrees.

Keywords: Adaptive Performance, Employee Engagement, Physiological Capital

Introduction

Performance is the behaviour of employees that can be observed in their jobs in relevance to the goals of the organization (Tyler, Wolters & Brien, 2017). In the organizational context, performance is the most important concept and it could be quantified through four components, namely, task, interpersonal, dedicative, and adaptive performance behaviour (Zhang, Zhang, Song & Gong, 2016). The focus of this study is on adaptive performance behaviour as it reflects the need to clearly address employees' adaptability to the changes in work environment (Abukhait & Bani-Melhem. Shamsudin, 2019). Currently at the global level there is volatility, uncertainty, complexity and ambiguity, where technology and strategies are changing rapidly (McGregor & Doshi, 2015). At the individual level, adaptive performance behaviour can facilitate positive outcomes such as enhanced performance capability and career success (Shoss, Witt & Vera, 2011). This would lead to organizational outcomes such as organizational learning and coping with changing customer expectations (Dorsey, Cortina & Luchman 2010).

Existing studies (Alessandri, Consiglio, Luthans & Borgogni, 2018; Choi, Noe & Cho, 2019; Tüzün, Çetin & Basim, 2018), believes that, there is a strong correlation between Psychological Capital (Psycap) and job performance of employees in organization. Moreover, the constant evolving of socioeconomic and technological environment highlighted the need for organizations to constantly adapt. Organizational change transforms the organization from a present state to another state in the efforts to achieve greater effectiveness. PsyCap represents a positive psychological state where hope, optimism, self-efficacy, and resilience are designed to improve individual and organizational performance (Georgiou, Nikolaou & Turban, 2019).

The concept of PsyCap is recognized to be a management concept that contributes to individual achievement of high level of performance within an organization. The PsyCap concept is a product of growing interests in the studies of organizational behavior based on positive psychology (Mathew, 2015), which involve positive elements of hope, optimism, self-efficacy, and resilience which acts as motivational factors.

Literature review

The term "employee performance" refers to results in the sense of work achievement of exerted efforts under requisite of the job (Pradhan & Jena, 2017). Performance evaluation is often the focus when the discussion of performance management is at play. However, the whole process of performance management expands onto more complex structures such as organizational policies, practices, and design features that are interdependently generating employees with good performance scores (Turner, 2020). Such complexity mirrors the configurational approach of strategic human resources management that promotes the patterns of HR activities as crucial in fulfilling organizational objectives in contrast to individual activities which serves to fulfil mostly self-physiological needs.

Wihler, Meurs, Wiesmann, Troll, & Blickle (2017), pointed out that the factors suggested by researches of adaptive performance behaviour can be easily integrated as subfactors into an eight-component taxonomy, forming a hierarchical description of the latent structure of performance adaptive behaviour. However, Park et al. (2019), has also noted that an important adaptive performance behaviour component not included in the original model that would be a genuine addition to the taxonomy is one dealing with how well individuals adapt to new conditions or job requirements. The eight dimensions of adaptive performance behaviour

included handling emergencies or crisis situations, handling work stress, solving problems creatively, dealing with uncertain and unpredictable work situations, learning work tasks, technologies, and procedures, demonstrating interpersonal adaptability, demonstrating cultural adaptability, and demonstrating physically oriented adaptability.

Adaptive Performance Behaviour for Job-Relevant Changes

Due to the multi-faceted nature of the construct of performance, it has been recommended that studies address dimensions identified by Koopmans et al. (2011), one of which is adaptive performance behaviour. The presence of all dimensions of performance in an analysis within the organizational setting would significantly aid in developing a more solid comprehensive theory of performance. Adaptive performance behaviour is a subset of 'work role performance' that revolves around maintaining or enhancing performance in times of experiencing or anticipating job-relevant changes through attaining and amending job-relevant knowledge, skills and strategies (Carpini, Parker & Griffin, 2017).

There is a fine line distinguishing task performance and adaptive performance behaviour. Task performance places focus in day-to-day performance on specific job tasks while adaptive performance behaviour is focused on the receptiveness to shifts in job requirements (Açlkgöz & Latham, 2019). Yusof, Ani, Razak & Aziz, (2018), defined adaptive performance behaviour as behaviour that demonstrates the capability of the individual to adjust to change and transfer learning from one task to another within the change paradigm.

Change is the only constant and an ever-present reality in modern organizations where adaptation is vital (Gil-Garcia, Guler, Pardo & Burke, 2019). Multiple forces within the era of globalisation have contributed to the pressure that calls for adaptive change from the organizations and their employees. The most impactful contributor to this pressure is undeniably technological change, as could be seen from the dependency upon computers in nearly every contemporary working environment. This dependence displays a significant requirement of adaptive behaviour especially from a generation growing up without the presence of computers. With the pace where software and hardware continuously undergo evolutions and improvement, technological adaptation has become a continual part of modern work. This continuous change in technology comes with the demand for employees to constantly learn new systems (Richard & Mckee, 2019).

Over the years, there has been a number of pandemics faced by countries across the globe and the most recent pandemic faced on a global scale would be COVID-19 (Abodunrin & Oloye, 2020). The on-going pandemic has forced millions to confine themselves in their homes and restrict general movement in public vicinities. A massive number of businesses are forced to close, and many people are not able to work remotely due to the natures of their jobs (Brynjolfsson, Collis & Eggers, 2019).

Advantages of Adaptive Performance Behaviour

Fifteen years of research has led to unanimity with regards to the core of adaptive performance behaviour which is coping with change at all levels (individual, team and organizational). Despite the unanimity in the definition of the construct, the conceptualization and quantification (measurement methods), still remain an unresolved issue (Stasielowicz, 2019)

Newer job requirements keep being added, and proactivity transcends from being an added advantage into a requirement among workers as they are expected to come up with new ways to accomplish a task. This would lead to an impact to the organizational results regardless of the job they do. There have been numerous studies that attempted to identify individual differences leading to successful adaptive performance behaviour in each individual (Park & Park, 2019). The need to acquire new skills and adapt to it has significantly grown as modern-day work environments and performance demands are increasingly becoming more nuanced (Bell, Tannenbaum, Kevin Ford, Noe & Kraiger, 2017).

Adaptive Performance Behaviour Scope

Adaptive performance behaviour is commonly addressed through the scope of general factors catering to how different individuals cope with change (Rousseau & Aubé, 2020). It has been agreed that adaptive performance behaviour most likely comprise of many elements (Rousseau & Aubé, 2020). Diamantidis & Chatzoglou (2019), found that employees working in job environments where job-related demands constantly increase are much more likely to develop enhanced performance as well as environmental dynamism. Both these factors affect an employee's adaptability.

Unpredictability is imminent in daily lives, whether at work or in private lives which makes it crucial to develop the capability to overcome problems should the routine solutions fail. Behavioural reactions towards changed learning or work situations have been used to generally define performance adaptation and has been examined since the end of the 20th century (Stasielowicz, 2020). According to Carpini et al. (2017), adaptive performance behaviour revolves around how employees manage with work tasks that change. Song & Thompson (2018), identified individual dimensions such as motivation, professional experiences, cognitive ability, and personality to impact individual job performance in changing environments. A latter study by Kirchknopf (2020), found self-esteem, decision making speed and simplicity, and openness to experience as predictors of adapting to change.

Determination of Psychological Capital (PsyCap)

The amount of time spent at work has come to a point that an individual's work- life has considerably influenced their personal well-being. PsyCap theory presented by Luthans has provided a fresh perspective in analysing employees' career success (Luthans et al., 2019). In a study by Nguyen & Ngo (2020), PsyCap was found to have an incremental effect on job satisfaction and organizational commitment in comparison to human and social capital. Psychological capital (PsyCap) is described as a positive psychological state of development (Luthans et al., 2019). Conceptualised as a higher-order construct, PsyCap represents the shared variance of four constructs: hope, efficacy, resilience, and optimism (Luthans et al., 2019).

Initially, PsyCap was conceptualized as an individual resource. However, research has suggested that PsyCap could also be a group phenomenon with each of the HERO (hope, efficacy, resilience, and optimism) construct that forms PsyCap to be applicable at the collective level (Alessandri et al., 2018). It was also found that PsyCap is positively associated to a variety of employee attitudinal, behavioural, and performance outputs (Luthans & Youssef-Morgan, 2017).

PsyCap symbolizes an important psychological resource constructed off the dimensions of hope, optimism, resilience and self-efficacy (Luthans et al., 2019). Each of these dimensions carry a certain degree of impact towards work success, in such a way that hope aids in motivational drive required to be successfully accomplished at work, optimism catalyses positive approach towards work, self-efficacy is associated with the mobilization of resources required for successful task accomplishment and resilience is closely associated with perseverance in the face of adversity (Nguyen & Luu, 2019).

The Development of Service Industry

Though changes are happening in all sectors of the economy, the services industry has proven itself to be one of the main economic builders in today's competitive and dynamic environment (Carrese, 2020). Urbanization, privatization and increasing demand for intermediate and final consumer service has led to the growth of the service industry. Due to this, the services industry has evolved to be one of the main key drivers for the development of the global economy.

From the Asian perspective, the advancement of the service sector of the economy is seen to be a product of digitalization and the growth of new technology. The integration between the two is deemed to be the key to the success of ASEAN from the economic standpoint. According to Yong, Lim & Ilankoon, (2019), it is projected that the service industry in Malaysia will have a 6.2% growth on a year-on-year (y-o-y) basis in 2020 in comparison to 6.1% in 2019. This projection makes the service sector the fastest-growing sector in the Malaysian economy. Closing in on 62% of the labor force, the service sector dominated Malaysia's employment rate in 2019.

The Young Professionals

Young professionals have been deemed to be most flexible, highly professional and more IT savvy compared to professionals from other generations (Khodakarami & Dirani, 2020). With accessibility of services and response time being the major factors driving sales, especially in the service industry, many businesses are increasingly relying on young professionals to define best practices in service management technology and customer experience (Sunshine, 2019). The maturation and integration of the young professionals into the workforce has seen massive changes in how businesses operate. From the financial sectors significant shift and reliance on digital assets management to professional sports franchises utilisation of real time data and statistics to influence player conditioning, the young professionals are adapting the traditional approaches and drivers of engagement to the new technological realities of the 21st century. In addition to that, the contributions of young employees are vital, so vital that these young professionals shall become the drivers of the industry, namely service industry, in the years to come (Bombiak & Marciniuk-Kluska, 2019).

Methodology

The main objective of this study is conducted is to propose a model in order to identify perceptions of young professionals in the Malaysian service industry on the concept of psychological capital, or PsyCap and adaptive performance. It also aims to assess and measure the levels of adaptive performance as well as determining the impact of PsyCap on adaptive performance. Sampling methods classified as non-probability includes judgement sampling, which will be implemented in the current study. Judgement sampling, or purposive sampling is a technique which involves the researcher choosing sampling units based on existing, scientific

knowledge or the researcher's professional judgement. In other words, the technique requires a group of experts with knowledge on the particular area of research (Ramayah, Lee, and Boey 2010).

References

- Abodunrin, O., & Oloye, G. (2020). Coronavirus Pandemic and Its Implication on Global Economy. *International Journal of Arts, Languages and Business Studies (IJALBS)*, 4, 13–23.
- Abukhait, R., Bani-Melhem, S., & Shamsudin, F. M. (2019). Do Employee Resilience, Focus On Opportunity, And Work-Related Curiosity Predict Innovative Work Behaviour? The Mediating Role Of Career Adaptability. *International Journal of Innovation Management*, 2050070, 1–30. <https://doi.org/10.1142/S136391962050070X>
- Açlkgöz, A., & Latham, G. P. (2019). The Relationship Of Perceived Emotional Intelligence With Adaptive Performance In New Product Development Teams. *International Journal of Innovation Management*, 2050041. <https://doi.org/10.1142/S1363919620500413>
- Alessandri, G., Consiglio, C., Luthans, F., & Borgogni, L. (2018). Testing a dynamic model of the impact of psychological capital on work engagement and job performance. *Career Development International*, 23(1), 33–47. <https://doi.org/10.1108/CDI-11-2016-0210>
- Bell, B. S., Tannenbaum, S. I., Kevin Ford, J., Noe, R. A., & Kraiger, K. (2017). 100 years of training and development research: What we know and where we should go. *Journal of Applied Psychology*, 102(3), 305–323. <https://doi.org/10.1037/apl0000142>
- Bombiak, E., & Marciniuk-Kluska, A. (2019). Socially responsible human resource management as a concept of fostering sustainable organization-building: Experiences of young Polish companies. *Sustainability (Switzerland)*, 11(4). <https://doi.org/10.3390/su11041044>
- Brynjolfsson, E., Collis, A., & Eggers, F. (2019). Using massive online choice experiments to measure changes in well-being. *Proceedings of the National Academy of Sciences of the United States of America*, 116(15), 7250–7255. <https://doi.org/10.1073/pnas.1815663116>
- Carpini, J. A., Parker, S. K., & Griffin, M. A. (2017). A look back and a leap forward: A review and synthesis of the individual work performance literature. *Academy of Management Annals*, 11(2). <https://doi.org/10.5465/annals.2015.0151>
- Carrese, L. (2020). *Innovation Spaces for a Sustainable Survival*.
- Choi, W., Noe, R., & Cho, Y. (2019). What is responsible for the psychological capital-job performance relationship? An examination of the role of informal learning and person-environment fit. *Journal of Managerial Psychology*, 35(1), 28–41. <https://doi.org/10.1108/JMP-12-2018-0562>
- Diamantidis, A. D., & Chatzoglou, P. (2019). Factors affecting employee performance: an empirical approach. *International Journal of Productivity and Performance Management*, 68(1), 171–193. <https://doi.org/10.1108/IJPPM-01-2018-0012>
- Dorsey, David & Cortina, Jose & Luchman, Joseph. (2010). Adaptive and citizenship-related behaviors at work
- Georgiou, K., Nikolaou, I., & Turban, D. B. (2019). The Impact of a Training Intervention Developing Psychological Capital on Job Search Success. *Journal of Career Development*, 1–16. <https://doi.org/10.1177/0894845319852425>
- Gil-Garcia, J. R., Guler, A., Pardo, T. A., & Burke, G. B. (2019). Characterizing the importance of clarity of roles and responsibilities in government inter-organizational collaboration and

- information sharing initiatives. *Government Information Quarterly*, 36(4), 101393. <https://doi.org/10.1016/j.giq.2019.101393>
- Luthans, F., & Youssef-Morgan, C. M. (2017). Psychological Capital: An Evidence-Based Positive Approach. *Annual Review of Organizational Psychology and Organizational Behavior*, 4(1), 339–366. <https://doi.org/10.1146/annurev-orgpsych-032516-113324>
- Luthans, K. W., Luthans, B. C., & Chaffin, T. D. (2019). Refining Grit in Academic Performance: The Mediation Role of Psychological Capital. *Journal of Management Education*, 43(1), 35–61. <https://doi.org/10.1177/1052562918804282>
- Khodakarami, N., & Dirani, K. (2020). Drivers of employee engagement: differences by work area and gender. *Industrial and Commercial Training*, 15(1), 81–91. <https://doi.org/10.1108/ICT-06-2019-0060>
- Kirchknopf, S. (2020). Career Adaptability and Vocational Identity of Commercial Apprentices in the German Dual System. *Vocations and Learning*, 13(3), 503–526. <https://doi.org/10.1007/s12186-020-09247-z>
- Koopmans, L., Bernaards, C. M., Hildebrandt, V. H., Schaufeli, W. B., De Vet Henrica, C. W., & Van Der Beek, A. J. (2011). Conceptual frameworks of individual work performance: A systematic review. *Journal of Occupational and Environmental Medicine*, 53(8), 856–866. <https://doi.org/10.1097/JOM.0b013e318226a763>
- Mathew, A. (2015). Talent Management Practices in Select Organizations in India. *Global Business Review*, 16(1), 137–150. <https://doi.org/10.1177/0972150914553527>
- McGregor, L., & Doshi, N. (2015). How Company Culture Shapes Employee Motivation. *Harvard Business Review Digital Articles*, 11, 1–13. <http://ezproxy.csu.edu.au/login?url=http://search.ebscohost.com/login.aspx?direct=true&db=bth&AN=118667611&site=ehost-live>
- Nguyen, T.-T.-N., & Luu, T.-M.-N. (2019). How Ethical Leadership Supports Employee Performance: The Role of Psychological Capital and Employee Engagement. *The Journal of Social Sciences Research*, 5(511), 1637–1648. <https://doi.org/10.32861/jssr.511.1637.1648>
- Park, S., & Park, S. (2019). Employee Adaptive Performance and Its Antecedents: Review and Synthesis. *Human Resource Development Review*, 18(3), 294–324. <https://doi.org/10.1177/1534484319836315>
- Pradhan, R. K., & Jena, L. K. (2017). Employee Performance at Workplace: Conceptual Model and Empirical Validation. *Business Perspectives and Research*, 5(1). <https://doi.org/10.1177/2278533716671630>
- Ramayah, T., Lee, J.W.C., & Boey, J.C.I. (2011). Network collaboration and performance in the tourism sector. *Service Business* 5, 411- 428
- Richard; Mckee, A. (2019). 濟無No Title No Title. *Journal of Chemical Information and Modeling*, 53(9), 1689–1699. <https://doi.org/10.1017/CBO9781107415324.004>
- Rousseau, V., & Aubé, C. (2020). Disentangling the relationship between empowering leader behaviors and adaptive performance in work teams. *Group Processes and Intergroup Relations*, 23(5), 761–777. <https://doi.org/10.1177/1368430219854801>
- Shoss, M. K., Witt, L. A., & Vera, D. (2011). When does adaptive performance lead to higher task performance? *Journal of Marriage and Family*, 60(1), 5–22. <https://doi.org/10.1002/job>
- Stasielowicz, L. (2019). Goal orientation and performance adaptation: A meta-analysis. *Journal of Research in Personality*, 82, 103847. <https://doi.org/10.1016/j.jrp.2019.103847>

- Sunshine (2019). The relationship between employment pressure and occupational delay of gratification among college students: positive psychological capital as a mediator. *Current Psychology*. <https://doi.org/10.1007/s12144-019-00209-w>
- Turner, P. (2020). Employee Engagement in Contemporary Organizations. In *Employee Engagement in Contemporary Organizations*. <https://doi.org/10.1007/978-3-030-36387-1>
- Tüzün, I. K., Çetin, F., & Basim, H. N. (2018). Improving job performance through identification and psychological capital. *International Journal of Productivity and Performance Management*, 67(1), 155–170. <https://doi.org/10.1108/IJPPM-03-2016-0060>
- Tyler, S., Wolters, H. M. K., Brien, E. O., Consortium, T., Belvoir, F., & Dd-mm-yyyy, R. D. (2017). *Using Traits as Measures for Identifying Low-Level Leadership Potential Society for Industrial and Organizational Psychology , Orlando , FL Disclaimer : All statements expressed in this paper are those of the authors and do not necessarily reflect the off.* April, 1–24.
- Wihler, A., Meurs, J. A., Wiesmann, D., Troll, L., & Blickle, G. (2017). Extraversion and adaptive performance: Integrating trait activation and socioanalytic personality theories at work. *PAID*, 116, 133–138. <https://doi.org/10.1016/j.paid.2017.04.034>
- Yong, Y. S., Lim, Y. A., & Ilankoon, I. M. S. K. (2019). An analysis of electronic waste management strategies and recycling operations in Malaysia: Challenges and future prospects. *Journal of Cleaner Production*, 224, 151–166. <https://doi.org/10.1016/j.jclepro.2019.03.205>
- Yusof, M., Ani, N. A., Razak, M. A. A., & Aziz, F. A. A. (2018). National Health and Morbidity Survey (NHMS) 2017 : Key findings from the Adolescent Health and Nutrition Surveys - Infographic Booklet April 2018. *National Health and Morbidity Survey (NHMS) 2017 Overview Report*, April, 29. www.iku.gov.my
- Zhang, J., Zhang, Y., Song, Y., & Gong, Z. (2016). The different relations of extrinsic, introjected, identified regulation and intrinsic motivation on employees' performance: Empirical studies following self-determination theory. *Management Decision*, 54(10), 2393–2412. <https://doi.org/10.1108/MD-01-2016-0007>