

## The Impact of Psychological Capital on Job Performance, Work Engagement, and Organizational Citizenship Behavior: The Moderating Role of Perceived Organizational Support

<sup>1</sup>Jalwa Javed, <sup>2</sup>Maham Iftikhar, <sup>3</sup>Abdullah Shafqat, <sup>4</sup>Husna Amin

<sup>1</sup>Advance Clinical Diploma Quaid e Azam University Email: [jalwakhanni@gmail.com](mailto:jalwakhanni@gmail.com),

<sup>2</sup>Lecturer Women University Mardan Email: [maham.0310@hotmail.com](mailto:maham.0310@hotmail.com),

<sup>3</sup>BS Scholar Abdul Wali Khan University Email: [ask29936@gmail.com](mailto:ask29936@gmail.com)

<sup>4</sup>BS Scholar Abdul Wali Khan university Email: [husnaamin211@gmail.com](mailto:husnaamin211@gmail.com)

### Abstract

This research focuses on the role of Psychological Capital (PsyCap) in Job Performance, Work Engagement and Organizational Citizenship Behavior (OCB) and the moderating role of Perceived Organizational Support (POS). Drawing upon Positive Organizational Behavior, the Social Exchange Theory and the Job Demands - Resources (JD-R) model, a quantitative, and cross-sectional design were made use of. Data obtained from 450 employees working in various sectors in Pakistan by using validated scales and using the software package (SPSS 27) through correlation, regression and moderation (PROCESS Model 1). The results indicated that PsyCap has an important positive effect on Job Performance ( $\beta = .41, p < .01$ ), Work Engagement ( $\beta = .46, p < .01$ ) and OCB ( $\beta = .43, p < .01$ ), respectively since it had the highest effect on Work Engagement. Moderation analysis is further used to reveal that POS have significant enhancing effect in these relationships due to significant interaction effects regarding Job Performance ( $\beta = .15, p < .01$ ), Work Engagement ( $\beta = .18, p < .01$ ) and OCB ( $\beta = .16, p < .01$ ). These result call attention to the fact that the psychological resources of employees are better transformed into positive results when they are endorsed by a favorable work environment. The contribution of the current study is providing an integrated model in the context of a developing country and practical information for how to improve the performance of employees and engagement through both PsyCap development and organizational support.

**Keywords:** Psychological Capital; Job Performance; Work Engagement; Organizational Citizenship Behavior; Perceived Organizational Support; Moderation; Pakistan; SPSS; Positive Organizational Behavior

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Corresponding Authors\*

## Introduction

### Background and Conceptual Foundation

In the organization's context of today where uncertainty, technological change and increasing demands of performance are the order of the day, the psychological resources of the manpower has become an important component in the significance of organizational effectiveness and viability. Among these resources, Psychological Capital (PsyCap) has gained a significant amount of scholarly attention as a higher order construct with hope, self-efficacy, resilience, and optimism as its constituents (Mitchell et al., 2024; Vihari et al., 2024). Grounded in the principles of positive organizational behavior, PsyCap captures an individual's positive psychological state, and is not only measurable, but it is also developable, which makes it of special interest to organizations trying to improve the performance and well-being of their employees. Unlike traditional forms of capital, PsyCap is focused on "who employees are becoming" rather than just on what they know or can do and in this sense is a much more dynamic and growth-oriented approach.

The application of PsyCap has been even more apparent taking into consideration the developing economies, such as Pakistan, as organizational context which is characterized by resource scarcity, job demands and the changing expectations regarding the workplace. Employees in such contexts are often subjected to stressors relating to workload, job insecurity and lack of organizational support. Consequently, psychological resources within the individual, such as PsyCap, play an important role in the effective dealing of these challenges in employees (Moleño & Doromal, 2024). Ordinarily, it's individuals with high PsyCap have more tendency to demonstrate persistence in achieving goals, flexibility in adjusting to changing situations, and a positive and optimistic outlook, which can help in improving work-related outcomes (Oh et al., 2024). This is what makes PsyCap an important determinant of individual effectiveness as well as greater organizational effectiveness in challenging environments.

Within the organizational research, there are three outcomes that is of utmost importance which represents the effectivity the employees: Job Performance, Work Engagement, Organizational Citizenship Behavior (OCB). Job performance is the level that employees have been able to successfully complete their formal job duty and contribute on the organizational goals (Bulilan, 2023). Work engagement, on the other hand, is a positive and fulfilling psychological state of work that's characterized by vigor, dedication, and absorption that connects with the degree of the emotional and cognitive investment of the employees in their work (Saks, 2021). OCB refers to discretionary behaviors that go beyond the call of duty and includes assisting their colleagues, taking initiative and contributing to organizational functioning and hence increasing organizational effectiveness as a whole (Pham et al., 2023). These outcomes taken together provide a detailed understanding of both in-role and extra-role behavior of the employees.

Although there are a considerable number of studies that have identified direct relationships between PsyCap and these outcomes, recent scholarship has expressed the view that direct relationships between PsyCap and these outcomes may well not be uniform in all organizational contexts. Instead, contextual factors play an important role in defining the working of psychological resources into performance and behavior. One of the most influential contextual variables with regards to this is Perceived Organizational Support (POS) which can be defined as employees' beliefs about the extent to which their organization values their contributions and cares about their wellbeing (Riyanto et al, 2021). Based on the Social Exchange Theory, POS introduces a sense of indebtedness in employees to reciprocate

the positive treatment in turn with positive attitudes and behaviors of employees. When staff at organizations feel like their organization is supportive, they are more likely to feel valued, motivated and committed, and consequently maximize the effectiveness of their internal psychological resources (Saks, 2021).

Importantly, POS may function as a boundary condition to make the reaction of PsyCap stronger or weaker on the employee outcomes. In supportive organization environments, employees tend to utilize their psychological resources more effectively to bring about higher levels of performance, engagement and citizenship behavior. Conversely, under low support environments, the PsyCap of even high PsyCap employees may be limited by the environment so that they may not be able to express their potential. This interaction makes looking at the individual and organizational factor simultaneously important to get a more comprehensive understanding of the employee behavior.

Therefore, in the current study the authors aim to combine the psychological resources of individuals (PsyCap) with the contextual factor in the organization (POS) to study their combined effect on important employee consequences which include Job Performance, Work Engagement and Organizational Citizenship Behavior in the context of the Pakistani workforce. By doing so, this study is not only contributing through the existing literature but also, it is providing practical insights for organizations who aim to enhance the effectiveness of their employees both in terms of psychological development and work environment support.

## **Critical Review of Previous Literature**

A growing body of empirical research have established a positive and strong relationship between Psychological Capital (PsyCap) and job performance in a variety of organizational contexts. PsyCap, such as hope, efficacy, resilience and optimism, is an important psychological resource to develop the capacity of employees to perform in a variety of work conditions (Chen & Peng, 2019). The employees with high levels of PsyCap are more likely to have high levels of self-efficacy & resilience that help them approach difficult tasks with confidence, push through difficulties and overcome misunderstandings, with the ability to recover efficiently from setbacks. These attributes combined have a resultant effect of achieving better results of performance, particularly in a dynamic and challenging working environment (Kandus & Ngibe, 2025).

Recent empirical investigations have only reinforced this association even further by hinting on the motivational processes by which PsyCap influences performance. Specifically, PsyCap leads to goal-directed behavior, intrinsic motivation and persistence are important push factors behind the achievement of the goals and productivity of people (Alateeg and Alhammedi, 2024; Hizon, 2025; Wulandari 2025). Employees with high levels of hope and optimism will be more likely to have challenging goals and exhibit persistent effort to achieve the goals in spite of obstacles to them. Moreover, PsyCap helps in the cognitive flexibility and emotional regulation that includes the ability of the employees to make the changes needed to adapt to the variations that come across work and maintain any performance constant. Related to this adaptability is the understanding that it is absolutely important in today's workplace which is filled with uncertainty and rapid transformation (Dalkhjav et al., 2024).

Beyond job performance, PsyCap has been well-recognized as an important antecedent of work engagement as well. Work engagement which is a positive and fulfilling work-related state of mind which as defined, er media cab can be categorized as vigor, dedication and absorption and is highly embedded in the psychological resources of employees (Saks, 2021). Within the framework of Job Demands-Resources (JD-R) model, PsyCap can be understood

as personal resource that helps employees to deal well with job demands in conjunction with the enhancement of their motivational processes (Gede & Huluka, 2024). Employees who exhibit more PsyCap also exhibit "greater presence of energy, enthusiasm and focus at work, contributing" toward them being more engaged (Hizon, 2025).

There is great support provided by empirical studies that PsyCap is a significant predictor of work engagement in a variety of occupational settings. Employees with higher levels of resilience and optimism have a better capacity to cope with stress and have a positive attitude that can further contribute to sustaining their engagement over the long term (Lagramada & Cabaguing, 2025). Furthermore, PsyCap is part of formation of intrinsic motivation which is central of deep involvement in the working activities. This implies that PsyCap is not only making employees more able to deal with the job demands, but it is also conferring psychological wealth in one's relationship between oneself and their work (Huang et al., 2016).

In addition to in role performance and engagement, PsyCap has been found to be an important predictor of Organizational Citizenship Behavior (OCB). OCB refers to the discretionary behavior that is characterized by the effects that are outside of the formal duties at workplace and ensures the success of the whole organization by doing, for example, something for their colleagues, volunteering to perform tasks in addition and showing organizational loyalty (Pham et al., 2023). Employees with high psychological resources tend to engage in such prosocial behaviors as PsyCap generates positive emotions, interpersonal trust and employees feel responsible for the organization (Lee, 2020).

Recent research has further suggested that PsyCap fosters OCB by its effect in attacking affective states of the employees and social interaction. Individuals that are high in optimism and that are more resilient tend to exhibit more levels of emotional stability and empathy, and this tends to facilitate creative behavior and assist in interaction in the work place (Mitchell et al., 2024). In addition, PsyCap is a strong facet to enhance the propensity of the workers to haven and put in more than their prescribed roles, hence promote a more integrative and useful organizational climate (Shen et al. 2024).

While numerous studies show the direct influence of PsyCap on the employee outcomes, more and more attention in the study has been paid to the understanding of the context of the situations, which could affect these relationships. Among them, what has come up as a significant variable is Perceived Organizational Support (POS). POS reflects the beliefs of the employees concerning the degree of the organization's valuing the employee contribution and being interested in their well-being. Grounded on the Social Exchange Theory, POS imparts that employees who perceive a greater support from their organization come through the viewpoint that they have a better significant obligation to give the reciprocal reaction through favorable attitudes and behaviors (Jehanzeb and Mushtaq, 2025).

Importantly, the significance of role played by POS in fostering the relationship between PsyCap and different employee outcomes have been recently pointed out in different empirical studies on this subject (Alfes et al., 2012; Fulmore et al., 2022; Khan et al., 2025). The beneficial influences of PsyCap to job performance, work engagement and OCB are greatly enhanced when the levels of excellent organizational support are perceived. This is because the existence of supportive organizational environment provides the employees the needed resources, psychological safety that is required to make the full use of their internal capacities (Vihari et al, 2024). On the other hand, low levels of POS can limit effectiveness of PsyCap, which can make employees feel they are no valued or supported and this can lessen the effectiveness of the psychological resources of the employees (Chen & Peng, 2019).

From the theoretical point of view this interaction brings out the importance to take into consideration not only the factors that occur at the level of the individual, but also those that take place at the level of the organization when trying to understand the behavior of employees. PsyCap is an Individual resource while POS is an external contextual condition. The interplay between these two dimensions offers a fuller answer to the question of how and when the psychological resources are translated to good results in the workplace. Consequently, the study of POS as a moderating variable provides helpful information about the boundaries of the effectiveness of PsyCap in particular in the organizational context of low vs. high levels of support and resource availability. In the present research the mediating role of organizational support in the relationship between PsyCap and performance outcomes of employees was also investigated, the theory being that by increasing organizational support will allow for an environment in which psychological capital can be better utilized (Chernyak-Hai et al., 2024; Le et al., 2023).

## Research Gap

Despite the spawning of literature on Psychological Capital (PsyCap), there are still some significant voids can be explored. First, much previous research has studied PsyCap in isolation, and has usually ignored the interaction between PsyCap and other organizational contextual factors, which may be powerful moderators of the impact of psychological resources on work place outcomes, in particular, Perceived Organizational Support (POS). Second, despite a plethora of studies examining the individual relationship between PsyCap and a variety of specific outcomes, very few studies have used an integrated approach taking into account multiple key outcomes (i.e. Job performance, work engagement and Organizational Citizenship Behavior (OCB)) in one comprehensive framework at once. Third, there is a marked lack of empirical evidence from developing countries like Pakistan where a variety of organizational structures, the cultural dynamics and the availability of resources is very different from the western world and as such the generalizability of extant findings is limited. Finally, relatively small numbers of studies have made use of the method of moderation analysis using practical statistical methods, such the statistical package (SPSS), may provide more accessible and applied insights to practitioners and organizational decision-makers. Addressing these gaps the present study is a comprehensive and contextually grounded model to integrate PsyCap, POS and multiple employee outcomes to provide a more holistic understanding of employee behavior in the work place.

## Hypotheses Development

**H<sub>1</sub>:** Psychological Capital has a positive impact on Job Performance.

**H<sub>2</sub>:** Psychological Capital has a positive impact on Work Engagement.

**H<sub>3</sub>:** Psychological Capital has a positive impact on Organizational Citizenship Behavior.

**H<sub>4</sub>:** Perceived Organizational Support moderates the relationship between Psychological Capital and Job Performance

**H<sub>5</sub>:** Perceived Organizational Support moderates the relationship between Psychological Capital and Work Engagement.

**H<sub>6</sub>:** Perceived Organizational Support moderates the relationship between Psychological Capital and Organizational Citizenship Behavior.

## Methodology

### Research Design

The present study presupposes a quantitative and cross-sectional research approach to examine the impact of Psychological Capital (PsyCap) on the employee's outcome such as Job Performance, Work Engagement, and Organizational Citizenship Behavior (OCB) and its

moderating impacts of Perceived Organizational Support (POS). A cross-section approach is appropriate as it allows the collection of data from a large sample at one point in time, it is possible to test hypothesized relationships by using statistical techniques.

## **Population and Sample**

The study target population is to be full time employees working in various jobs (education, healthcare, banking, telecommunication and corporate organizations) in Pakistan. Multi-sector approach increases the generalizability of results A total of 450 respondents were selected using convenience sampling technique, this technique are very much used in organizational research which are constrained by accessibility and feasibility.

The sample was employees between the ages of 20 to 50 years old, which represents early to mid-career professionals. The majority of the participants were males due to the importance of workforce in Pakistan but with adequate representation for females. Respondents did not necessarily have different educational backgrounds as well as undergraduate to postgraduate qualifications were represented. To guarantee variability in terms of professional exposure, work experience varied over the span of less than 2-to-10 years.

## **Data Collection Procedure**

Data were collected using a structured questionnaire using physical and online platforms of administration (e.g. email and Google Forms). Participation was voluntary and respondents were assured of confidentiality and anonymity so as to minimize social desirability bias.

## **Measures**

All the constructs were measured in terms of well-established and validated scales in the current study, but were adapted to the present study. Answers were gathered on a 5-point Likert Scale (from 1 - Strongly disagree to 5 - Strongly agree).

## **Psychological Capital**

Psychological Capital was measured by Psychological Capital Questionnaire (PCQ-12) by Fred Luthans et al (2007) (12 items). The scale measures 4 dimensions of hope such as self-efficacy, resilience and optimism. A sample item is: "I feel confident in analyzing a problem for the long-term in order to find a solution"

## **Job Performance**

Job Performance was measured through a 5-item scale that was developed by Larry J. Williams and Stella E. Anderson (1991) that is used in order to capture in-role performance.

## **Work Engagement**

Work Engagement was measured by the 9-item Utrecht Work Engagement Scale (UWES-9) developed by Wilmar Schaufeli et al (2006). The scale has three dimensions: vigor, dedication, and absorption.

## **Organizational Citizenship Behavior (OCB)**

Organizational Citizenship Behavior This was measured using an 8-item scale taken from Philip M. Podsakoff et al. (1990) about dimensions such as altruism and conscientiousness.

## **Perceived Organizational Support (POS)**

Perceived Organizational Support was measured using an 8-item version of the Survey of Perceived Organizational Support (SPOS) used by Robert Eisenberger et al (1986).

## **Data Analysis Technique**

Data was analyzed by Statistical package and software systems (SPSS) Version 27 after the systematic and structured procedure. During the preliminary phases in the process, data quality and suitability for further tests was performed by conducting preliminary analyses. This included missing value and outlier screening in data, descriptive statistics such as mean, standard deviation calculations. Correlation analysis also done to study the relation between

the study variables. In the second stage, a multiple regression analysis was applied to investigate the direct effect of Psychological Capital (PsyCap) on three dependent variables - Job performance, work engagement and Organizational Citizenship Behavior (OCB).

After that, moderation analysis to study the moderating effect of Perceived Organizational Support (POS) were applied for a PROCESS macro-style clarification (Model 1). Prior to making the interaction terms, all of the predictors were mean centered to minimize potential problems with multicollinearity. The interaction term (PsyCap \* POS) was then included in the regression models and level of statistical significance was used to test for the presence of moderation effects. Finally, there were also significant interaction effects, which were further interpreted through the use of simple slope analysis in an attempt to gain further insight into the nature of the moderation. Graphical depictions were also used to highlight the interactions, namely a comparison of high and low levels of perceived organizational support to give easier interpretation.

### Ethical Considerations

The research adhered to accepted ethical standards of research while obtaining data. Informed consent was obtained from all participants before they participated in the study, with the aim of ensuring that they were well aware of the purpose and procedures of the study. Participation was totally voluntary and the respondents were given the freedom to withdraw at any stage without any consequences. In addition, stringent measures were taken to ensure data confidentiality and anonymity, no personal identifying data was collected or recorded. These steps had been taken with a view to protect the privacy of the participants, apart from ensuring the integrity of the research process.

### Results

**Table 1: Demographic Characteristics of Respondents (N = 450)**

Variable	Category	Frequency (N)	Percentage (%)
Age	20–30 years	162	36.0
	31–40 years	168	37.3
	41–50 years	120	26.7
Gender	Male	302	67.1
	Female	148	32.9
Education	Bachelor’s Degree	198	44.0
	Master’s Degree	196	43.6
	MPhil/PhD	56	12.4
Work Experience	1–5 years	174	38.7
	6–10 years	162	36.0
	11 years and above	114	25.3
Sector	Education	108	24.0
	Healthcare	92	20.4
	Banking	86	19.1
	Corporate/Private	104	23.1
	Telecommunications	60	13.4

The demographic profile of respondents provides a big picture of the sample and it is the cross section of employees from various branches in Pakistan. In terms of age group wise, majority of the participants were belonging to the age group of 31 to 40 years (37.3%), followed closely by group of 20 to 30 years (36.0%) whereas 26.7% of participants were between the age group 41 to 50 years. This implies that the sample consists primarily of early to mid-career professionals: Such is appropriate for studying attitudes and behaviors in the workplace. In terms of the gender composition, the sample was in the male the dominant (67.1%) although 32.9% were female. This is a distribution which is generally consistent with trends in a country like Pakistan in the work force where males continue to dominate the various sectors. However, the inclusion of the female respondents provides for reasonable gender diversity which increases the generalizability of the results. In terms of educational qualification, majority of the respondents were holding their qualification as Bachelor's degree (44.0%) followed by MPhil or PhD (12.4%) followed MPhil or PhD qualifications (12.4%). This has implications of a sample being educated and the reliability of the answers being boosted especially in the case of measurements of psychological and organizational constructs. With regards to work experience, the largest number of the respondents had 1-5 years of experience (38.7%), then the other 3 of work experience was 6 -10 with 25.3% with more than 11 years of work experience. This variation implies a balanced mix of relatively new and experienced employees, which is positive for the capturing of a broad cross section of perceptions from the workplace. Finally, the companies that the participants worked for were from different sectors including education (24.0%), corporate/private organizations (23.1%), healthcare (20.4%), banking (19.1%), and telecommunications (13.4%). This sectoral diversity adds to the external validity of the study, so that findings of the study can be generalized, in the organizational context in different parts of Pakistan.

**Table 1: Descriptive Statistics and Correlations (N = 450)**

Variable	Mean	SD	1	2	3	4	5
1. PsyCap	3.68	0.54	—				
2. Job Performance	3.72	0.51	.48*	—			
3. Work Engagement	3.65	0.57	.52*	.46*	—		
4. OCB	3.70	0.55	.50*	.49*	.53*	—	
5. POS	3.60	0.58	.45*	.42*	.47*	.44*	—

Note:  $p < .01$

Table presents the descriptive statistics and correlation between the study variable. The mean values (from 3.60 to 3.72) are generally positive answers and the standard deviations suggest moderate amount of variation. Psychological Capital (PsyCap) is, not surprisingly, positively and significantly associated with Job Performance ( $r = .48$ ,  $p < .01$ ), Work

Engagement ( $r = .52, p < .01$ ) and OCB ( $r = .50, p < .01$ ) providing support for the proposition that it is an important personal resource. Additionally, Job Performance, Work Engagement and OCB have a significant association with eco another suggesting that employees that are engaged make better job performance and have more citizenship behavior. Perceived Organizational Support (POS) is also significantly positively correlated with all the variables that indicate that it is relevant to enhance the outcomes of employees. Importantly, all the correlation values are less than 0.80 implying that there is no concern of multicollinearity. Overall, the results provide first support for the proposed relationships and require further analyses.

**Table 2: Regression Results (Direct Effects)**

Dependent Variable	Predictor	$\beta$	t-value	Sig.
Job Performance	PsyCap	.41	9.12	.001
Work Engagement	PsyCap	.46	10.35	.001
OCB	PsyCap	.43	9.78	.001

The obtained regression results showed the positive and significant effect of Psychological Capital (PsyCap) on all three dependent variables. Specifically, PsyCap is significantly associated with Job Performance ( $\beta = .41, t = 9.12, p < .01$ ), Work Engagement ( $\beta = .46, t = 10.35, p < .01$ ), as well as Organizational Citizenship Behavior (OCB) ( $\beta = .43, t = 9.78, p = .04$ ). Among the outcomes the highest effect of PsyCap is gathered on Work Engagement; followed by OCB and Job Performance. The results indicate employees with greater measures of psychological resources are more engaged and that employees with greater measures of psychological resources perform better, and are more likely to perform extra-role behaviors. Overall, the obtained results provide a good support for hypotheses H<sub>1</sub>, H<sub>2</sub> and H<sub>3</sub>.

**Table 3: Moderation Results**

**Dependent Variable: Job Performance**

Predictor	B	t-value	Sig.
PsyCap	.32	7.45	.001
POS	.28	6.80	.001
PsyCap × POS	.15	3.92	.001

**Dependent Variable: Work Engagement**

Predictor	B	t-value	Sig.
PsyCap	.35	8.10	.001

Predictor	B	t-value	Sig.
POS	.30	7.22	.001
PsyCap × POS	.18	4.35	.001

### Dependent Variable: OCB

Predictor	B	t-value	Sig.
PsyCap	.33	7.88	.001
POS	.27	6.54	.001
PsyCap × POS	.16	4.02	.001

The results of moderation analysis showed that the Perceived Organizational Support (POS) has a significant relationship in moderating the relationship between Psychological Capital (PsyCap) and all three dependent variables. For Job Performance, the interaction (PsyCap x POS) has been found to be positive and significant ( $\beta = .15, t=3.92, p < .01$ ) indicating that PsyCap's effects on performance are greater among high POS. Similarly for Work Engagement the interaction effect is significant ( $\beta = .18, t=4.35, p < .01$ ) and this may mean that organizational support may make the work motivating effect of PsyCap stick to engagement of the employees. For OCB the interaction term is also significant ( $\beta = .16, t=4.02, p < .01$ ) supporting the strength of the relationship of PsyCap vs citizenship behaviors as a result of higher levels of POS. Overall, these results are consistent with the hypotheses H4, H5 and H6, has that the organizational support seems to play a critical role in strengthening the influence of employees psychological resources in important parameters in the work context.

### Summary of Hypotheses Testing

Hypothesis	Statement	Result
H1	PsyCap → Job Performance	Supported
H2	PsyCap → Work Engagement	Supported
H3	PsyCap → OCB	Supported
H4	POS moderates PsyCap → Job Performance	Supported
H5	POS moderates PsyCap → Work Engagement	Supported
H6	POS moderates PsyCap → OCB	Supported

## Discussion

The aim of the present study was to examine the impact Psychological Capital (PsyCap) in the outcome of the employees namely Job's Performance and Work Engagement and Organizational Citizenship Behavior (OCB) in addition to examine the moderating role of Perceived Organizational Support (POS). The results provide a strong confirmation to the hypotheses attempted and made a meaningful contribution to the growing literature in the field of positive organizational behavior. In the light of the hypotheses H<sub>1</sub> - H<sub>3</sub>, results indicate that PsyCap is a significant and positive predictor of job performance, and work engagement and OCB. These findings help strengthen the theoretical bases for PsyCap that was put forth by Fred Luthans in that a key psychological resource, PsyCap, enhances employees' motivation, resilience and functioning.

The high association between PsyCap and work engagement ( $\beta = .46$ ) is consistent with most recent empirical findings that suggest that employees who feel psychosocial capacities such as hope, efficacy, resilience and optimism are more energetic, devoted and engrossed in their work (Ngozi and Amah, 2022). For example, research since 2020 has shown that PsyCap is an important antecedent of engagement through building positive states through cognitive and emotional processes (Dalkhzav et al., 2024; Jia and Hou, 2024; Lahap, 2022). These findings are also consistent with Job Demands - Resources (JD-R) model that suggest that personal resources (for example PsyCap) increase engagement and performance. Similarly, the significant effect of PsyCap on job performance ( $\beta = .41$ ) is supportive of various recent researches that have shown that employees who possess psychological resources better cope with job demands, problem solving and organizational objective attainment (Bhardwaj & Kalia, 2021). PsyCap is used to aid in developing self-efficacy as well as modifying optimism that in turn increases task completion and consistency in performance.

The positive relationship between PsyCap and OCB ( $\beta = .43$ ) further confirms that the higher the psychological capital of employees, the more likely they are to only perform behaviors that are in favor of the organization (discretionary behaviors) more than themselves. Recent studies have shown that PsyCap actually promotes prosocial behavior such as increasing emotional stability and intrinsic motivation level, which subsequently leads to employees going beyond the set minimum job requirements (Pham et al., 2023; Shahzad et al., 2024). One of the great contributions of this research is the investigation of the moderating effect of POS. The results do confirm a significant strengthening of relationship of PsyCap and all three outcome variables (H<sub>4</sub>-H<sub>6</sub> supported). This implies that organizational context has an important influence in exaggerating the effects of individual psychological resources.

The interaction effect shows that employees high in PsyCap have even stronger performance, engagement and OCB when they perceive higher level of support from the organization. This is in accordance with Social Exchange Theory, which was first laid out by Robert Eisenberger and argues that employees reciprocate the positive attitude and behavior in response to the perceived care of an organization (Jehanzeb & Mushtaq, 2025). There is recent support for this moderating mechanism empirically. For example, as research shows, POS contributes to increasing the effectiveness of personal resources through creating a supportive work environment that encourages employees to employ their psychological strengths (Guo et al., 2022). Similarly, a study has found that POS enforces the PsyCap - performance correlation particularly in collectivist cultures like Pakistan for which organizational support is highly valued (Riyanto et al., 2021).

The results of moderation are, moreover, consistent with the JD-R model devoted to the interaction between the personal and organizational resources. When there is both PsyCap

(personal resource) and POS (organizational resource) high employees will have a synergistic effect leading to the best of outcomes. This would suggest that organizations who want to maximize the benefits of the psychological capital of their employees should at the same time invest in the development of a supportive organizational working environment.

### **Theoretical Implications**

This research can offer a number of important contributions to the literature on positive organizational behavior. First, it increases the theoretical construct of Psychological Capital (PsyCap) that was initially proposed by Fred Luthans, by empirically verify the effect of PsyCap on various employee measures of organization's performance, namely job performance, work engagement and Organizational Citizenship Behavior (OCB) in one integrated model. Unlike past research, which focused on these outcomes in isolation, the current research appears to provide a fuller picture of how PsyCap operates in multiple dimensions of functioning in employees.

Second, this research is helpful in enhancing this theory, by adding an additional moderating variable, Perceived Organizational Support (POS). Pulling from the Social Exchange Theory associated with Robert Eisenberger, the results show the effectiveness of PsyCap is dependent on the organizational context. This points out the fact that the resources at the personal level and the organizational level are working in a synergistic way rather than in an independent way.

Third the study contributes to Job Demands-Resources (JD-R) providing evidence of the usefulness of PsyCap (as a personal resource) and POS (as an organizational resource) in improving employee outcomes as suggested by the model. This is consistent with some recent theoretical advances which have focused on the interactions of different types of resources in the prediction of behavior at work.

Finally, the current study with the help of empirical evidence from the Pakistani point of view has added to the cross-cultural utility of PsyCap theory. It answers the calls for more research in non-Western and developing country contexts in order to enhance the generalizability of existing organizational behavior theories.

### **Practical Implications**

The results of this study can make a number of valuable contributions to organizations, managers and also policymakers.

First and foremost, organizations should have a strategy of trying to build up the Psychological Capital possessed by employees through targeted interventions for example training programs, coaching, mentoring and leadership development. Improving PsyCap can make a big difference in improving employee performance, employee engagement, and discretionary behavior and eventually lead to organizational effectiveness (Amin, Khattak & Khan, 2018).

Second, organizations will have to concentrate on building Perceived Organizational Support. This can be achieved through recognition of employee contributions, fair rewards, supportive supervision and a culture of care and respect. When employees feel that they may and can be valued among the employees of the workplace, they are able to use their psychological resources effectively.

Third, HR practitioners should integrate PsyCap development into talent management systems, including recruitment, performance appraisal and employee development systems. Selecting and building people with high PsyCap has the potential to lead to a more resilient and productive workforce.

Fourth due to the findings are especially pertinent for sectors such as education, healthcare, banking in Pakistan where the well-being and performance of the employees is of critical importance. Organizational policies that can simultaneously enhance individual organizational resources can lead to sustainable enhancements in organizational outcomes.

### **Limitations of the Study**

Despite all the contribution this study brought there are several limitations that should be acknowledged regarding this study.

First of all, the study uses a cross-sectional research design, which limits the ability to determine the cause and effect that exists between the variables. Although these results are suggestive of important associations, longitudinal or experimental studies would be evidence of causation.

Second, in light of the use of self-reported measures, the possibility of common method bias and social desirability effects were a factor in the data collected. Because self-report data is so popular in study designs in organizational research, relationships between variables can be exaggerated.

Third, the sample was drawn from certain selected areas of Pakistan, and the results may not be applicable to representatives of other industries or other cultural contexts. Differences in organizational structures and cultural norms may have an impact on the relationships found.

Fourth, the study only examined one moderator (POS) but did not examine other forms of contextual variables (e.g. leadership style, organizational culture or job demands) which may also affect the relationships.

### **Future Research Directions**

Based on the limitations, a number of possible areas for further research are suggested.

First, in the future research, there is a set of need in using longitudinal or time lagged research design to establish the causal relations between PsyCap and employees' outcomes better. Experimental interventions that are aimed at enhancing PsyCap may also provide more knowledge.

Second, researchers are encouraged to utilize multi-source data (e.g. supervisor ratings, peer evaluations) to enhance the importance of the impact of common method bias and to increase the validity of research findings.

Third, a future study should explore more additional moderators and mediators, such as leadership styles (e.g., transformational leadership), organizational culture or job stress, to gain a more nuances understanding of the usefulness of PsyCap on influence on employee behavior.

Fourth, comparative studies of different countries or cultures would be helpful in studying the generalizability of these findings as well as possible cultural differences in the role of PsyCap and POS.

Finally, some complex statistic and modeling problems, such as Structured Equation Modeling (SEM) or multilevel modeling can be used for the future study to analyze complex relationships and nested. Finally, future studies could use more sophisticated forms of analysis such as Structural Equation Modeling (SEM) or multilevel modeling to examine complex relations or relations which may have nesting.

### **Conclusion**

In conclusion, this research work proved that Psychological Capital is an important predictor of job performance work engagement of the job and organizational citizenship behavior-b. Those employees who have had higher levels of hope, efficacy, resilience and optimism are

more likely to perform well, be attached to their work, and make contributions even outside their jobs in a formal role.

Importantly, the study teaches me about the important role Perceived Organizational Support plays in strengthening these relationships. When employees feel their organization is supportive, the beneficial effects of PsyCap are magnified and result in greater outcomes in the workplace.

Overall, the results point to the importance of having a mix of individual psychological resources and organizational support systems to achieve a productive, engaged and proactive workforce. This study does not only contribute to the theory, but also provides some practical insights for organizations that are interested in heightening the employee's performance and wellbeing in the following of an increasingly competitive environment.

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