



The circular relationship between job satisfaction and job performance mediated by psychological capital

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ABSTRACT

The present study aims, on the one hand, to verify whether PsyCap as a second-order construct has a higher mediation effect than each of its four components taken as separate mediators (efficacy, hope, resilience, optimism) in the relationship between job satisfaction and job performance. The second objective was to compare two mediation models. In the first model PsyCap mediates the relationship between job satisfaction and job performance and in the second model PsyCap mediates the relationship between job performance and job satisfaction. The participants were 280 employees in Romanian organizations aged between 18 and 68, $M = 32.96$, $AS = 10.10$. Three questionnaires were used: Psychological Capital Questionnaire (PCQ), Goodman and Svyantek Performance Scale, and The Generic Job Satisfaction Scale. The results showed that indeed the mediation estimates for PsyCap were higher than the estimates for its four components, regardless of the direction of the satisfaction-performance relationship. At the same time, through psychological capital, job satisfaction determines an increase in job performance, and job performance determines an increase in job satisfaction.

Keywords: *psychological capital, job satisfaction, job performance*

1. INTRODUCTION

Psychological Capital

The notion of psychological capital (PsyCap) was introduced in the literature by Luthans and his colleagues (Luthans, 2002; Luthans & Youssef, 2004; Luthans, Youssef, & Avolio, 2007). PsyCap includes four positive psychological

resources, namely hope, optimism, efficacy and resilience. Their combination generates a second-order core construct (the shared variance between the four first-order constructs).

Psychological capital is defined as a state of psychological development characterized by efficacy - to trust in initiating

actions and to make an effort to succeed in challenging tasks, optimism - to make positive attributions about possible present and future successes, hope - to persist to achieve the goals and to change the pathway to them if necessary, resilience - to overcome obstacles and move forward despite problems and adversities to achieve success (Luthans, Youssef, & Avolio, 2007).

PsyCap is differentiated from other forms of capital such as human capital (the volume of knowledge, skills, abilities that can be improved through experience, and investment in education and training) (Becker, 1993) and social capital (the amount of current or potential resources) (Bourdieu, 1986; Newman, Ucbasaran, Zhu, & Hirst, 2014).

Positive psychology conducted numerous PsyCap research regarding each of its components (Lopez & Snyder, 2009; Stajkovic & Luthans, 1998) demonstrating its importance in the organizational sphere but also in general.

Hope is defined as a positive motivational state based on actions consistent with the desire to achieve success (goal-oriented energy) and the ways to achieve success (Snyder, Irving, & Anderson, 1991). *Optimism* is defined as a positive expectation from the future, open to continuous development as well as an attribution style or explanatory style, whereby negative events are interpreted as external, transient, and contextual, and positive events as internal, general, and pervasive (Carver & Scheier, 2002). *Efficacy* is the belief that the individual possesses the necessary skills to mobilize motivational mechanisms, cognitive resources, and course of action to successfully accomplish a task in a particular context (Stajkovic & Luthans, 1998). *Resilience* is the ability to persist in spite of adversity and to overcome problems, conflicts, failures or even positive events, progress and high responsibility (Luthans, 2002).

Starting from psychological resources theory (Hobfoll, 2002), the four components of PsyCap are better understood as indicators of psychological capital than as separate variables. Studies have shown that confirmatory factor analyzes indicated a superior fit when PsyCap was interpreted as a second-order factor (Avey, Luthans, & Jensen, 2009), its predictive value being higher than by using each separate component.

PsyCap and job performance

Job performance is the most studied variable in relation to psychological capital. Regardless of the nature of the work, the mechanisms within PsyCap act as individual motivational mechanisms, and the effort to achieve success leads to a general increase in performance. Campbell, McCloy, Oppler, & Sager (1993) proposed a comprehensive performance model that includes eight dimensions: job-specific task proficiency, non-job-specific task proficiency, written and oral communication, demonstrative effort, peer and team performance, supervision / leadership, and

management / administration. Of these eight dimensions, only demonstration of effort has been shown to have a relationship with PsyCap. People with a high level of psychological capital are more willing to make sustained effort to succeed, which leads to higher performance. Murphy (1989) argued that performance definition should focus on behaviors rather than on outcomes, because if managers only focus on results, then employees will find the shortest way to achieve results without taking into account other important behaviors. Moorhead and Griffin (1999) argued that performance is the complete set of work-related behaviors the organization expects from employees. Motowidlo, Borman, & Schmit (1997) defined work performance as behaviors or activities aimed at achieving the goals and objectives of the organization. In 1993, Borman & Motowidlo identified two performance classifications, namely in role performance (task performance) and extra role performance (contextual performance). Task performance is the behavior that is directly correlated with tasks or job requirements, and contextual performance is the behavior that correlates with the results of the organization.

PsyCap and job satisfaction

Job satisfaction can be defined as the employee's level of satisfaction with the job he / she occupies, the work he / she does and the working conditions (Gohel, 2012). The job satisfaction level is relevant to the expectations that employees have from their work and can be described as an affective case resulting from the assessment that individuals do in their own work experiences (Al Jenaibi, 2010) or as an attitudinal phenomenon on which individuals evaluate the past events and the present impressions (Ko, 2012).

Job satisfaction is a subjective affective response related to employees' impressions of their workplace. This is observed through employees' evaluations and expresses the extent to which results are consistent with expectations. Job satisfaction contains a number of attitudinal objects connected to each other and relevant to the work itself: wages, career advancement facilities, management style, colleagues, etc.

Factors that determine job satisfaction may be individual or organizational. Organizational factors include working conditions, salary, financial rewards, relationships with colleagues, organization policy, job structure, career opportunities, work-life balance, role ambiguity. Individual factors refer to age, gender, level of education, seniority, personality traits, beliefs, values and abilities (Rayton, 2006).

Judge and Bono distinguished two dimensions of job satisfaction: internal satisfaction (the employee's ability to demonstrate his / her skills, sense of achievement obtained from work, moral values of work, opportunities to offer his /

her services, unobstructed promotion channels, work environment and work equipment).

There are tangible links between PsyCap and job satisfaction. Studies show that people with a high level of psychological capital typically report higher job satisfaction (Avey, Reichard, Luthans, & Mhatre, 2011; Luthans, Avolio, Avey, & Norman, 2007). An explanation for these results is provided by Avey et al. (2011) who argue that "given the overall expectation of success derived from optimism and belief in personal abilities derived from efficacy, those high in PsyCap report that they are more satisfied with their job." (p.132). In addition, Luthans et al. (2007) declare that employees who are hopeful and efficient are more satisfied with their jobs due to better performance. They are confident in their own capabilities, persevering, accepting challenges and making sustained efforts to achieve their goals. In addition, they identify subgoals and pathways to reach the desired results, being able to foresee and overcome obstacles by trying out more possible alternatives.

Relationships among PsyCap, job performance and job satisfaction

Organizational effectiveness is the primary focus of professional management. Over time, a variety of factors have been analyzed in relation to the productivity and performance of organizations, but the results vary according to culture. Psychological capital was also considered a determinant of performance. It has had positive effects on companies' positive results. PsyCap leads to increased creativity and initiative, reduces absenteeism, increases employee performance, work satisfaction, and organizational civic behavior (Toor & Ofori, 2010). PsyCap is a dynamic construct that supports changes over time. Thus, an increase or decrease in psychological capital determines an increase or decrease in employee performance (Peterson et al., 2011).

Organizational commitment and job satisfaction generally correlate positively with PsyCap (Cetin, 2011). PsyCap is one of the most important means of determining job satisfaction, and job satisfaction can be a result of developing and managing components of psychological capital. Efficacy has a positive effect on employee performance (Stajkovic & Luthans, 1988), optimism, hope and resilience are associated with performance, job satisfaction, happiness and staff retention (Youssef & Luthans, 2007).

Studies have shown that basic psychological needs satisfaction (Deci & Ryan, 2000) predicts employee performance in different organizational contexts related to job performance (Baard, Deci & Ryan, 2004; Burton, Lydon, Alessandro, & Koestner, 2006). Greguras and Diefendorff (2009) have shown that the relationship between person-environment and affective commitment and performance is mediated by psychological needs satisfaction. Kovajanic,

Schuh, Jonas, Van Quaquebeke, and Van Dick (2012) noted that psychological needs satisfaction mediates the relationship between transformational leadership and job satisfaction. For this reason, psychological needs satisfaction may have an important role in the relationship between PsyCap and job performance or job satisfaction.

It was observed that PsyCap is a predictor of work-related outcomes in different groups. Thus, a study carried out in China with workers employed in private and state-owned factories has shown that exists correlations between psychological capital and work performance. Similar results have also been obtained by Avey et al. (2011) in a meta-analysis, that PsyCap correlates with job satisfaction, performance, and organizational commitment.

People with a high level of PsyCap have more resources to maintain engagement in goal-oriented activities, to persist when faced with difficult situations and to achieve their goals at a higher level of performance. The synergetic input of the four components of PsyCap will generate the main support of positive work-related cognitions, motivations, and behaviors that will guide them to properly assess, analyze, and manage difficult situations, and ultimately leading to performance and success (Luthans et al. 2007).

In order to achieve their specific work goals and to increase their work satisfaction and commitment with organization, people with a high level of PsyCap always imply a great volume of effort and perseverance, activating their willpower to find the best solutions to the problems they face and to respond positively to adversity (Avey, Avolio, & Luthans, 2011). Not only do they have a strong confidence in their own abilities to cope with the different challenges, but also have the cognitive ability to self-regulate, which guarantees initiative, pro-activeness, and self-discipline to achieve their goals, being more willing to reach the organizational objectives (Abbas et al., 2014, Gooty et al., 2009). In addition, it is important to be able to support the organization by reducing the possibilities for leaving the post. Empirical research has supported the linkage between psychological capital and employee attitudes and behaviors, such as job satisfaction, organizational commitment, work happiness and staying intentions (Avery et al., 2011).

People with higher levels of PsyCap tend to be more skillful, original and confident, trying to make greater efforts to maintain their balance when faced with challenging and stressful situations from the external environment (Abbas et al., 2014). It has also been demonstrated that there is a strong positive relationship between psychological capital and other variables such as: levels of relaxation, core self-evaluations, extraversion, conscientiousness, capacity to develop one's own skills, and consequently job satisfaction, employee wellbeing, and individual performance (Peterson et al., 2011).

But PsyCap is not only a predictor in the organizational psychology equations, but may also be dependent on

certain factors such as identifying the individual with a particular company, the impact of an authentic leader, organizational features and politics (strategies, structure, culture), changes, and personal antecedents (personality, physical health, previous life experiences) (Avey, Luthans, & Youssef, 2008).

Job satisfaction and job performance – a paradoxical correlation

Psychological capital is a relatively new construct on which attempts are made to correlate with other organizational, educational or health variables. Having its origins in positive psychology, the level of association with the positive variables of the organizational context is very high. Different studies have different outcomes. In the present study, we intend to analyze first the mediating role of psychological capital in the relationship between job satisfaction and job performance and secondly the mediating role of psychological capital in the relationship between job performance and job satisfaction.

There are a lot of explanations about the relationship between job satisfaction and job performance, but neither of them is clear enough.

There are at least seven ways in which job satisfaction has been associated with job performance. The predominant methodology assumed the concurrent investigation of these two variables. Although many of the studies that have taken these two variables into question have not necessarily taken into account namely the correlations between job satisfaction and job performance but their links with other psychological constructs, most researches have low correlations between them. There were also longitudinal studies, but most of them had a cross-sectional design, and causal inferences based on cross-sectional data represent a continuous issue in psychology research.

Another problem that has arisen over time is that of variables not taken into account by scientists, and thus not measured, which raises suspicion on the results of the research in question. In addition, logistics problems have made the number of quasi-experimental studies relatively small. Judge, Thoresen, Bono, & Patton (2001) review the seven job satisfaction and job performance relationships. These models are presented below.

Model 1 - Job satisfaction causes job performance

This is one of the oldest approaches to the relationship between the two variables and has its roots in social psychology. The premise that attitudes lead to behaviors is an important topic in literature, and most authors claim that any attitude has behavioral implications. Starting from this point, attitudes towards the job should be related to behaviors on the job and primarily with performance as representative behavior. However, there are few studies that have demonstrated the existence of this unidirectional

relationship between job satisfaction and job performance, and their results were inconclusive.

Model 2 - Job performance causes job satisfaction

Olson and Zanna (1993), after reviewing numerous social psychology theories that argue that attitudes follow behavior, concluded that performance precedes satisfaction, starting from the idea that performance leads to the achievement of results that individuals value and produce them satisfaction. Expectancy-based theories of motivation claim that satisfaction results from performance rewards (Naylor, Pritchard, & Ilgen, 1980). Nor does this approach have a large number of conclusive or relevant studies.

Model 3 - Job satisfaction and job performance are reciprocally related

This model does not have a starting point based on a particular theory, but is rather a hybrid model of the first two approaches, accepted by researchers who consider both previous explanations plausible. However, it is not clear how reciprocity works.

Model 4 – The relationship between job satisfaction and job performance is spurious

A spurious correlation exists when the relationship between the two variables is influenced by at least another one variable (Cohen & Cohen, 1983). Researchers considered these intervening variables to be: role ambiguity, self-esteem, job involvement, job commitment, trust in management, or participation in decision making. Interpretation of the results of these studies should be done with caution because the number of variables that may interfere with this relationship is difficult to determine. An insignificant direct relationship between job satisfaction and job performance may simply mean that the relationship is mediated by other variables (Judge et al., 2001).

Model 5 - The relationship between job satisfaction and job performance is moderated by other variables

This model is the most common approach, and reward contingency is the most frequent moderator variable. Numerous studies have hypothesized that job performance should affect job satisfaction only when employees are properly compensated for their performance. This argument is based on the assumption that, if the pay is valued by the employees, high performance should be satisfying and low performance should be disaffying to the extent that the pay is linked to the performance (Judge et al., 2001). A critique of this model is that pay for employee performance is only one form of reward, but there are other intrinsic forms that employees could value more. Other moderator variables used in literature are: job complexity, intrinsic job characteristics, self-esteem, cognitive ability, need for

achievement, career stage, time pressure, affective dispositions or situational constraints (Judge et al., 2001).

Model 6 – There is no relationship between job satisfaction and job performance

Most studies that analyzed the relationship between job satisfaction and job performance do not fit into the five previous models, but rather in a model that implies the absence of a relationship between the two variables. Thus, many studies analyze job satisfaction and job performance separately, in correlation with other variables, without a direct relationship between them.

Model 7 – Alternative conceptualizations of job satisfaction and/or job performance

This model argues that researchers should not regard job satisfaction and job performance as being associated in the traditional way. The solution found is the reconceptualization of the analyzed variables. Reconceptualizing attitudes has replaced satisfaction with positive emotions, but this approach has been criticized because the opinion of other specialists is that satisfaction reflects cognitive rather than affective evaluations (Brief & Roberson, 1989). On the other hand, the reconceptualization of performance broadened the performance domain, first by dividing the performance into task performance and contextual performance, and then, by introducing the organizational citizenship behavior as a component of performance.

2. METHODOLOGY

Participants and procedure

This study is a cross-sectional, descriptive, correlational one.

The sample for this study included 280 working adults from a wide diversity of Romanian organizations. Participants agreed to voluntarily participate and signed the informal consent. There were 161 males (57.5%) and 119 females (42.5%) aged between 18 and 68, $M = 32.96$, $AS = 10.10$. After consenting to participate in the study, the participants were sent a link to a web-based survey that included the questionnaires.

Instruments

1. PsyCap was measured using the 24 items *Psychological Capital Questionnaire* (PCQ; Luthans, Youssef, & Avolio, 2007). The PCQ, validated by Luthans and colleagues (Luthans, Avolio et al., 2007) has shown strong psychometric properties in a growing number of studies (Avey, Luthans, & Jensen, 2009; Avey, Luthans et al., 2010; Avey, Luthans, & Youssef, 2010). Specifically, the PCQ contains 24 items, six items for each of the four components:

The meta-analysis presented above, although carried out in 2001, highlighted different views on the relationship between job satisfaction and job performance, inconsistency between research designs, and the need to reconceptualize the variables analyzed. However, the authors invite to further study on the subject to solve the present unknowns.

Objective of the study

The objective of this study is to compare two mediation models. The two models are:

1. PsyCap mediates the relationship between Job satisfaction and Job performance.
2. PsyCap mediates the relationship between Job performance and Job satisfaction.

Hypotheses:

H1. In the relationship between job satisfaction and job performance, PsyCap is a more consistent mediator than the four different dimensions of PsyCap (efficacy, hope, resilience, optimism).

H2. In the relationship between job performance and job satisfaction, PsyCap is a more consistent mediator than the four different dimensions of PsyCap (efficacy, hope, resilience, optimism).

efficacy, hope, resilience, and optimism. Items were measured on a 6-point Likert scale. Representative items include: "I feel confident helping to set targets/goals in my work area" (efficacy); "When things are uncertain for me at work, I usually expect the best" (optimism); "If I should find myself in a jam at work, I could think of many ways to get out of it" (hope); "Right now I see myself as being pretty successful at work" (hope, agency); "I feel I can handle many things at a time at this job" (resilience). In line with its use in previous research, the reliability for the PCQ in this study was $\alpha = .91$ for all 24 items and $\alpha = .91$ for efficacy subscale, $\alpha = .78$ for hope subscale, $\alpha = .77$ for resilience scale, and $\alpha = .71$ for optimism subscale.

2. Performance was measured with *Goodman and Svyantek Performance Scale* (Goodman & Svyantek, 1999). The scale is comprised of 16 items, seven for contextual performance and nine for task performance. Items were measured on a 4-point Likert scale. Example of items for contextual performance: "You assist your colleagues with their duties" and for task performance: "You achieve the objectives of your job". The reliability for the performance scale in this study was $\alpha = .88$ for all 16 items, $\alpha = .81$ for

contextual performance subscale, and $\alpha = .86$ for task performance subscale.

3. Job satisfaction was measured with *The Generic Job Satisfaction Scale* (Macdonald & MacIntyre, 1997). The

3. RESULTS

For data processing was used SPSS Statistics Version 24 (IBM Corp, 2016).

scale is comprised of 10 items, measured on a 5-point Likert scale. Example of item: "I feel secure about my job". The reliability for the job satisfaction scale in this study was $\alpha = .89$.

Table 1 shows means, standard deviations and correlations between study variables.

Table 1. *Descriptive statistics and correlations between the variables*

	M	SD	Efficacy	Hope	Resilience	Optimism	PsyCap	Context. Perform.	Task Perform.	Job satisf.
Efficacy	34.91	6.39	1							
Hope	33.34	5.56	.61**	1						
Resilience	33.42	5.38	.51**	.61**	1					
Optimism	31.25	5.76	.42**	.63**	.58**	1				
PsyCap	132.92	18.86	.79**	.87**	.81**	.79**	1			
Context. Perform.	23.10	3.86	.39**	.45**	.43**	.39**	.51**	1		
Task Perform.	30.81	4.09	.49**	.56**	.56**	.39**	.61**	.59**	1	
Job satisfaction	38.70	7.55	.36**	.59**	.44**	.65**	.62**	.48**	.36**	1

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

H1. In the relationship between job satisfaction and job performance, PsyCap is a more consistent mediator than the four different dimensions of PsyCap (efficacy, hope, resilience, optimism).

For testing hypothesis H1 we ran a set of mediation analyzes using Medmod module of JAMOVI (The jamovi project, 2019).

The indirect effect of PsyCap as mediator in the relationship between job satisfaction and job performance, $a*b = .32$, CI95% (.24, .40), $Z = 7.65$, $p < .01$, mediation percentage $M = 72.7\%$ is sensible greater than the indirect effect of the four

separate dimensions of psychological capital (Table 2). Approximately the same result can be seen regarding task-performance. In this case, only hope has a higher indirect effect than PsyCap, $a*b = .25$, CI95% (.17, .33), $Z = 6.41$, $p < .01$, $M = 56.6\%$ comparing to the indirect effect exerted by PsyCap, $a*b = .21$, CI95% (.16, .26), $Z = 8.16$, $p < .01$, $M = 94.6\%$ (Table 3). In contextual performance, the indirect effects are very low but statistically significant, the indirect effect of PsyCap being obviously the highest, $a*b = .11$, CI95% (.07, .15), $Z = 5.08$, $p < .01$, $M = 45.5\%$ (Table 4). Taking these figures into account, we can say that hypothesis H1 is supported by data.

Table 2. Mediation estimates for PsyCap, efficacy, hope, resilience, and optimism as separate mediators between job satisfaction and job performance

Predictor	Mediator	Dependent Variable	Indirect Effect a * b	95% Confidence Interval		Z	p	% Mediation
				Lower	Upper			
JS	PSYCAP	PERF	.32	.24	.40	7.65	< .001	72.7
JS	EF	PERF	.08	.05	.11	4.94	< .001	41.3
JS	HO	PERF	.17	.12	.22	7.10	< .001	86.4
JS	RE	PERF	.12	.08	.16	6.07	< .001	59.6
JS	OP	PERF	.09	.04	.14	3.58	< .001	56.6

Note: JS – Job satisfaction, PSYCAP – Psychological capital, PERF – Job performance, EF – Efficacy, HO – Hope, RE – Resilience, OP - Optimism

Table 3. Mediation estimates for PsyCap, efficacy, hope, resilience, and optimism as separate mediators between job satisfaction and task performance

Predictor	Mediator	Dependent Variable	Indirect Effect a * b	95% Confidence Interval		Z	p	% Mediation
				Lower	Upper			
JS	PSYCAP	TP	.21	.16	.26	8.16	< .001	94.6
JS	EF	TP	.04	.08	.11	4.83	< .001	41.3
JS	HO	TP	.25	.17	.33	6.41	< .001	56.6
JS	RE	TP	.18	.12	.24	5.80	< .001	40.8
JS	OP	TP	.14	.06	.23	3.38	< .001	32.5

Note: JS – Job satisfaction, PSYCAP – Psychological capital, TP – Task performance, EF – Efficacy, HO – Hope, RE – Resilience, OP - Optimism

Table 4. Mediation estimates for PsyCap, efficacy, hope, resilience, and optimism as separate mediators between job satisfaction and contextual performance

Predictor	Mediator	Dependent Variable	Indirect Effect a * b	95% Confidence Interval		Z	p	% Mediation
				Lower	Upper			
JS	PSYCAP	CP	.11	.07	.15	5.08	< .001	45.5
JS	EF	CP	.05	.03	.07	3.81	< .001	19.3
JS	HO	CP	.08	.04	.12	3.90	< .001	32.3
JS	RE	CP	.06	.03	.09	4.19	< .001	25.5
JS	OP	CP	.05	.01	.10	2.24	.02	21.0

Note: JS – Job satisfaction, PSYCAP – Psychological capital, CP – Contextual performance, EF – Efficacy, HO – Hope, RE – Resilience, OP - Optimism

H2. In the relationship between job performance and job satisfaction, PsyCap is a more consistent mediator than the four different dimensions of PsyCap (efficacy, hope, resilience, optimism).

For testing hypothesis H2 we ran another set of mediation analyzes using Medmod module of JAMOVI.

The indirect effect of PsyCap as mediator in the relationship between job performance and job satisfaction, $a*b = .35$, CI95% (.26, .45), $Z = 7.45$, $p < .01$, mediation percentage $M = 72\%$ is sensible greater than the indirect effect of the four

separate dimensions of psychological capital (Table 5). The same results can be seen for task-performance, $a*b = .71$, CI95% (.54, .88), $Z = 8.21$, $p < .01$, $M = 94.7\%$ (Table 6) and for contextual performance, $a*b = .51$, CI95% (.36, .65), $Z = 6.88$, $p < .01$, $M = 54.5\%$ (Table 7). Taking these figures into account, we can say that hypothesis H2 is supported by data.

Table 5. *Mediation estimates for PsyCap, efficacy, hope, resilience, and optimism as separate mediators between job performance and job satisfaction*

Predictor	Mediator	Dependent Variable	Indirect Effect a x b	95% Confidence Interval		Z	p	% Mediation
				Lower	Upper			
PERF	PSYCAP	JS	.35	.26	.45	7.45	< .001	72.0
PERF	EF	JS	.09	.02	.15	2.59	.01	17.4
PERF	HO	JS	.29	.21	.37	6.76	< .001	58.2
PERF	RE	JS	.16	.08	.23	4.01	< .001	31.3
PERF	OP	JS	.25	.18	.33	6.59	< .001	51.1

Note: JS – Job satisfaction, PSYCAP – Psychological capital, PERF – Job Performance, EF – Efficacy, HO – Hope, RE – Resilience, OP - Optimism

Table 6. *Mediation estimates for PsyCap, efficacy, hope, resilience, and optimism as separate mediators between task performance and job satisfaction*

Predictor	Mediator	Dependent Variable	Indirect Effect a x b	95% Confidence Interval		Z	p	% Mediation
				Lower	Upper			
TP	PSYCAP	JS	.71	.54	.88	8.21	< .001	94.7
TP	EF	JS	.21	.09	.33	3.45	< .001	31.8
TP	HO	JS	.58	.43	.74	6.76	< .001	87.0
TP	RE	JS	.36	.21	.50	4.90	< .001	53.0
TP	OP	JS	.42	.29	.56	6.10	< .001	63.2

Note: JS – Job satisfaction, PSYCAP – Psychological capital, TP – Task Performance, EF – Efficacy, HO – Hope, RE – Resilience, OP - Optimism

Table 7. *Mediation estimates for PsyCap, efficacy, hope, resilience, and optimism as separate mediators between contextual performance and job satisfaction*

Predictor	Mediator	Dependent Variable	Indirect Effect a x b	95% Confidence Interval		Z	p	% Mediation
				Lower	Upper			
CP	PSYCAP	JS	.51	.36	.65	6.88	< .001	54.5
CP	EF	JS	.15	.06	.25	7.08	< .001	16.6
CP	HO	JS	.42	.28	.55	6.19	< .001	44.7
CP	RE	JS	.25	.14	.36	4.39	< .001	26.5
CP	OP	JS	.42	.29	.56	6.11	< .001	45.3

Note: JS – Job satisfaction, PSYCAP – Psychological capital, CP – Contextual Performance, EF – Efficacy, HO – Hope, RE – Resilience, OP - Optimism

4. DISCUSSION

The objective of this study was to identify the differences between two models of mediation with their starting point in the ambiguity of the results obtained by the specialists in studying the relationships between job satisfaction and job performance. The fact that the two hypotheses were supported by our data generates two distinct conclusions. First, the second-order nature of psychological capital was verified. PsyCap as a mediator of the relationship between job satisfaction and job performance (and also between job performance and job satisfaction), when used as a unique construct it determined more powerful effects than when it was split into the four dimensions. Secondly, the circularity of the relationship between job satisfaction and job

performance was verified, the statistical results of the mediation analysis following similar patterns. However, despite similar patterns, the position of the variables and the size of the indicators lead to different interpretations and distinct practical implications.

Through the first hypothesis, PsyCap has been shown to mediate the relationship between job satisfaction and job performance. In this situation, job satisfaction increases the level of psychological capital and the psychological capital leads to an increase in performance. In terms of performance, the role of psychological capital is more important in task-performance than in contextual performance. Of the four components of psychological

capital, the greatest effect is produced by hope, and the least effect is produced by efficacy. It can be said, therefore, that interventions at job satisfaction level can develop psychological capital, hope being the most likely to be changed component, and efficacy being the least flexible component. Once improved through job satisfaction, PsyCap will in turn primarily improve the task performance, employees with high PsyCap being more willing to strive to achieve job-specific goals. Contextual performance is less permeable to the influences of psychological capital, and perhaps this is because these personal qualities have been determined to a certain extent by job satisfaction. Often, task performance is more visible and more prone to being valued and rewarded, its specific activities being well regulated and therefore quantifiable, while contextual performance often goes unnoticed by others.

On the opposite side, the H2 hypothesis showed that PsyCap is influenced by job performance, leading to a higher level of job satisfaction. Task performance has more powerful effects than contextual performance in raising the level of psychological capital because people are more likely to see and appreciate the concrete results of their work that are more persistent and consistent than those achieved through contextual performance. Furthermore, PsyCap leads to increased job satisfaction, all of its dimensions contributing significantly to job satisfaction. And in this situation, hope is the dimension with the greatest contribution to increasing job satisfaction.

Practical implications of this study may result in building and organizing of personal development programs, or at least facilitating the employees access to such programs to improve PsyCap levels. Analyzing the components of PsyCap, efficacy is required to be improved, and this can only occur as a result of employee exposure to situations where they have the opportunity to successfully achieve the desired goals and requirements.

In conclusion, psychological capital is an important human resource that needs to be developed throughout life so that

it extends its effects on both job satisfaction and job performance.

Limitations and future directions

This study was conducted in Bucharest, and the participants had a high level of education, training and openness. It would be interesting to replicate it in rural environments or in other industries. Many of the participants also had a great deal of work experience, and the PsyCap level could be a result of life experience, not necessarily determined by job satisfaction or job performance. Another limit is the self-evaluation of performance. Some employees may subjectively perceive and assess their performance. A more objective evaluation of performance (the 360 ° method) would probably change some of the data and better differentiate between task and context performance. The relatively small number of participants may constitute another limit of the study, but also a future direction of research, not only by increasing the number of participants but also by selecting them from different fields of activity.

Conclusion

This study is a radiograph of a group of Romanian employees and highlights the mediator role PsyCap has in the relationship between job satisfaction and job performance or vice versa. The novelty note consists precisely in the comparison of two mediation models, which, although following a parallel pattern of evolution, have different practical implications. In this equation, psychological capital has a decisive role in both job satisfaction and job performance, and the results of the study should be transferred into employees personal development plans. Thus, PsyCap proves its power as a positive psychological construction that contributes to the proper functioning of employees inside and outside the organization.

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