

# The Effect of Positive Organizational Behavior of the Staff on Organizational Performance, Based on the Luthans Model in Public Organizations of Behbahan

Hamid Memari<sup>13</sup>, Dr. Mashallah Valikhani<sup>14</sup>, Dr. Zohreh Aghababaee<sup>15</sup>, Mohammad Mehdi Davali<sup>16</sup>

#### **Abstract**

Present research has been conducted to analyze the relation of positive organizational behavior with the organizational functioning in the Behbahan city's organizations. For this reason 265 people from the workers working in the government offices in Behbahan have been selected and for collection of data for this project two questionnaires for proving the positivity behavior of the workers and questionnaire of evaluation of workers' functioning have been used. Data have been analyzed in two levels of descriptive and perceptive. The results obtained show that the findings regarding the first hypothesis reveal that the positive organizational behavior (self-confidence) has a positive meaningful relation with organizational functioning. Cooperative consideration show that however the positive organizational behavior from self-confidence is more, the organizational functioning will be more. Findings regarding the second hypothesis of the research show that the positive organizational behavior (hope) does not have a meaningful relation with positive organizational functioning. Cooperative considerations show that the positive organizational behavior from the hope is independent from the type of organizational functioning. Findings regarding the third hypothesis of the research show that the positive organizational behavior (optimism) does not have a meaningful positive relation with organizational behavior, cooperative consideration show that the positive organizational behavior from the type of optimism which is independent from the organizational functioning. Finding regarding the forth hypothesis of the research show that the positive organizational behavior (resilience) has a meaningful relation with organizational functioning. The cooperative consideration show that however positive organizational behavior from the resilience is more, the organizational functioning is also more. The Results of the analysis show the order of positive organizational behavior importance of the workers with self-confidence at first, optimism at second, hope at third and resilience is the last.

Keywords: POSITIVE ORGANIZATIONAL BEHAVIOR, ORGANIZATIONAL FUNCTIONING, SELF-CONFIDENCE, HOPE, OPTIMISM, RESILIENCE.

<sup>&</sup>lt;sup>13</sup> Master of public administration student, Islamic Azad Univercity, Dehaghan Branch

<sup>&</sup>lt;sup>14</sup> Faculty member, Department of Management, Islamic Azad University, Dehaghan Branch

<sup>&</sup>lt;sup>15</sup> Faculty member, Department of Management, Islamic Azad University, Dehaghan Branch

<sup>&</sup>lt;sup>16</sup> Faculty member, Department of Management, Payam-e-Noor University



One factor affecting the efficiency of organizations relates to psychological issues which lead to the increase in qualitative and quantitative efficiency of the organizations in different ways, e.g. improving relations, identifying personnel's mentality, individuals' personality and habits, as well as provisions for preventing deficiencies, absenteeism, work slowness, waste of workforce, distresses, and disorder. Nowadays, after human and social capital, positive organizational behavior can be considered as a competitive advantage in organizations.

Luthans et al. believe that psychological capital, relying on positive psychological variables, leads to the promotion of human and social capital and improvement of organization performance. Today, many researchers believe that psychological capital of organizations can provide them with sustainable competitive advantage.

In this study, first the issue of positively-oriented psychology as the basis of positive organizational behavior has been addressed. Then, the issue of positive organizational behavior, and finally, positive-oriented psychological capital inspired from positive organizational behavior are discussed.

#### 1. Statement of the Problem

In the past, organizations paid less attention to investment on human resources, while today attention to human capital has gained increasing importance. Promotion of human capital requires investigation of the inner aspects of human being. A new approach, called positively oriented psychology, has recently attracted the attention of many researchers in the area of organization and management, thereby giving rise to a new movement called positive organizational behavior. Like positive psychology, positive organizational behavior does not claim that it has gained a new achievement related to positive-orientedness; rather, it points to the need for more focus on theorizing, research, and effective application of positive states, characteristics, and behaviors of personnel in the work (Baker, et al. 2008: 198).

Positive organizational behavior which puts emphasis on manageable positive-oriented states and variables in personnel's behavior has originated from positive psychology. The positive psychology movement, pioneered by Martin Seligman, focuses on fostering healthy minds instead of emphasizing diseases and inefficiencies of human mind. The psychological

# Interdisciplinary Journal Of Contemporary Research In Business Vol 4, No 9

capital which is the third generation of human and social capitals is also a new concept introduced recently in positive organizational behavior. Many scholars in the area of organization and management believe that psychological capital can be considered as a source of sustainable competitive advantage for organizations in today's challenging environment. Psychological capital is composed of three psychological variables including hopefulness, self-efficacy, optimism, and resilience. The interesting point about psychological capital is its effect on the organizational performance and variables such as job satisfaction and sense of belonging to organization. Some researchers believe that the organizational performance can be increased by at least 10% by enhancing psychological capital (Sholtz ,2001:248). The present study intends to investigate positive organizational behavior in the area of organization and management which has led to development of two new approaches in this area as following:

- 1.Positive organizational behavior which emphasizes on the micro aspects of organizational behavior and those positive states of human character that can be fostered and developed;
- 2. Positively-oriented organizational studies focusing more on the macro aspects of organizational behavior (Luthans, Larson, 2006:126).

# 2. Significance of the study

In recent years, many empirical studies have been conducted on the effect of positive organizational behavior on organizational behaviors such as job satisfactions and organizational commitment. The results of these studies revealed a significant relationship between psychological capital and these organizational variables. Luthens et al (2007: 135) indicated that the organizational performance can be increased by at least 10% by enhancing psychological capital.

The importance of psychological capital can be addressed from two perspectives. In individual aspect, since psychological capital affects all aspects of life, all people should have a general awareness of its basic facts. On the other hand, focusing on this capital in organization enables the personnel to learn the ways of adapting with life hardships. In fact, investment on mental and physical capacities of the individuals leads to the promotion of personnel's skills and their productivity. Using machine systems, which results in machinism abnormality and ignorance, leads to mental, physical, and affective distress.

JANUARY 2013

### Interdisciplinary Journal Of Contemporary Research In Business Vol 4, No 9

Improving the physical health and mental state of individuals increases the motivation to work, participation of individuals in production and improvement in organization performance. The expenses of improving people's thoughts and feelings are undoubtedly investments which change into human capital, and organizations which do not invest upon their personnel endanger their success and even, survival.

#### 3. Research hypotheses

#### The main hypothesis:

There is a relationship between personnel's positive behavior and performance of the organization.

#### **Secondary hypotheses:**

- 1. There is a relationship between self-efficacy (self-confidence) for successfully doing jobs and organizational performance.
- 2. There is a relationship between hope for determining future goals and identifying ways of achieving them and organizational performance.
- 3. There is a relationship between optimism for positive outcomes and success and organizational performance.
- 4. There is relationship between resilience (mental calmness) for life satisfaction and organizational performance.

#### 4. Research timeline and place

This study was conducted during a time period of December 2011 to May 2012 in governmental organization of Behbahan.

#### 5. Definition of positive organizational behavior

Luthens has extracted the concept of positive organizational behavior from positive psychology. According to Luthens, positive organizational behavior is "investigating and employing positively-oriented human forces and psychological capabilities which can be

measured, expanded, and managed for improving progress in working environment". Positive psychology refers to openness for change. It stresses that behaviors are acquired and learned, rather than being hereditary. It also accepts progress and change in management. The condition of positive organizational behavior can be improved through educational programs, in-service training, or individual growth. In positive organizational behavior, the emphasis is on optimism, hope, happiness, emotional intelligence, and self-confidence.

Positive psychology has been defined in three levels, i.e. micro, middle, and macro levels. Luthen's definition or the definition of positive organizational behavior is in micro level 17. Positive organizational behavior is operationalization of positive psychology in working environment (Jensen, Luthans, 2006).

#### 5.1. Definition of positive organizational behavior

Walsh et al. indicated that in organizational newsletters of recent decades, words with negative connotations such as win and loss, job dissatisfaction, work absenteeism, etc. have grown four times more than positively-oriented words such as compassion, virtue, etc. (Bakker, Schaufeli, 2008:137)

Thus, it is clear that positively-oriented issues have been in disadvantage in the area of organization and management.

The application of positive psychology in organization and management has led to development of two new approaches in this area:

- 1. Positive organizational behavior which emphasizes on the micro aspects of organizational behavior and those positive states of human character that can be fostered and developed;
- 2. Positively-oriented organizational studies focusing more on the macro aspects of organizational behavior

The issue discussed in this paper is the new approach of positive organizational behavior influenced by positive psychology. It puts stress on the adoption of positive approaches for developing and managing human resources in work settings. Positive organizational behavior is defined as "the study and application of positive psychological capabilities and strengths of human resources which can be developed and measured and effectively managed for improving the performance of the personnel".

**JANUARY 2013** 

<sup>&</sup>lt;sup>17</sup> Luthans, F. (2002b). The need for and meaning of positive organizational behavior. Journal of Organizational Behavior, 23: 695-706.

# Interdisciplinary Journal Of Contemporary Research In Business Vol 4, No 9

Luthens and Youssef (2004) introduce the aspects of positive psychological capital as following:

1. Self-efficacy: the concept of self-efficacy which was proposed by socio-cognitive theory and research of Bandura (1997) – and can simply be referred to as self-confidence – is defined as "the levels of confidence individuals have in their ability to execute a course of action or attain specific performance outcomes".

Individuals with high levels of self-efficacy have the following characteristics:

- 1) Set important goals and accept difficult responsibilities for achieving those goals; 2) Face challenges and work hard to achieve those goals; 3) Their motivation is very high; 4) Make any effort to achieve their goals; and 5) Persist when faced with difficulties and barriers (Luthens, et al., 2007: 54).
- 2) **Resilience** (**reversibility**): resilience is defined as "a capability of individual to face with life adversity, trauma, tragedy, and even positive events, progresses, and responsibility. It enables individuals to try more and persist for achieving success".

To achieve resilience, a group of skills and attitudes called hardiness are required. Hardiness helps individuals change challenges into opportunities when faced with stressful changes. The attitudes of hardiness are commitment, control, and seeking challenge.

Studies reveal that some resilient individuals, after facing difficult life situations, return to their normal performance level; while others, after facing failures, stresses, and difficulties make progress compared to their past.

In sum, resilient people have the following characteristics:

1) They easily accept the realities of life; 2) Believe that life is meaningful (this belief is usually supported by their values); 3) have remarkable capabilities to rapidly adapt themselves with great changes (Luthans, Larson, 2006:141)



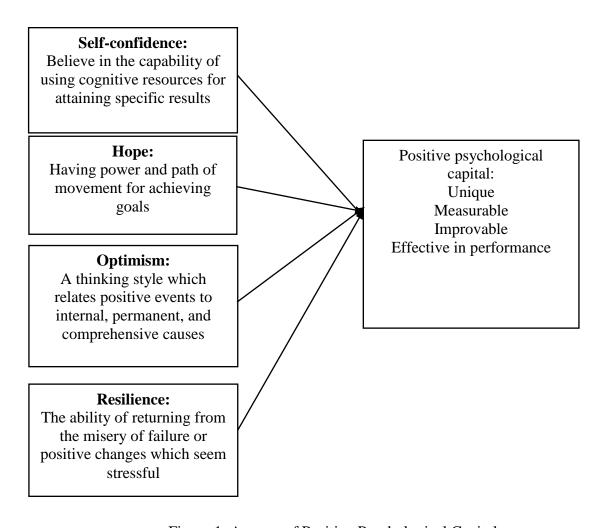


Figure 1. Aspects of Positive Psychological Capital

Compared to other constituent variables of psychological capital, very few studies have been conducted on the resilience in work setting in the organizational literature (Page, Donohue, 2004:95).

- 3. Optimism: Seligman, the father of positive psychology, believes that optimist people, facing with failures and success, act as following:
  - 1) Rely on general assumptions; such as "I can succeed in different areas".
  - 2) Their assumptions are constants; for example "I can constantly succeed in this area".
  - 3) Attribute their success to their internal capabilities; for example "my own capabilities and efforts led to my success".

- 4) Faced with failures, they attribute them to specific external and inconstant factors (Luthans, Larson, 2006:121)
- 5) In realistic optimism, in fact, individual evaluates what he can obtain against what he cannot. Thus, realistic optimism plays a significant role in promoting self-efficacy (Luthens et al, 2007).
- **4. Hopefulness:** Snyder (1991) has defined hopefulness as "a positive state of motivation resulting from a successful feeling of agency (energy toward goal) and planning for achieving the goal".

Hence, hope is composed of two parts: agency and planning for achieving the goal. By agency, it is meant having the will for reaching the desired result. Therefore, hope requires agency or a kind of energy for following goals. Furthermore, another constituent of hope is planning for achieving the goals which not only involves identifying the goals, but also covers different ways of achieving them.

Table 1. The Features of Elements of Positive Organizational Behavior

Element	Path of Movement	Features and Results
Self-confidence	Focus from present to future	Prepares for challenges and increases the desire to
		increase effort for reaching the goals (perhaps due to the
		results expected from work)
Норе	Focus on future	Creates the will to achieve the goals (helps with the
		motivation of individual) and leads to strategic planning
		and reaction for achieving the goals.
Optimism	Focus on future	Distinguishes between the negative and unwanted
		effects of events and expectations from future, and
		increases the positive effects and desired events.
Resilience	Focus from past to present	Recovering from undesired and stressful events of the
		past and present.

JANUARY 2013

#### INTERDISCIPLINARY JOURNAL OF CONTEMPORARY RESEARCH IN BUSINESS VOL 4, NO 9

#### 6. Performance

# **6.1.** The meaning of performance

The Oxford English dictionary has defined performance as the principles of applying and accomplishing any job or commitment. This definition, besides relating to the outcomes and results, indicates that performance is closely related to doing the job and its results. Therefore, performance can be considered as the behavior (the way organizations, teams, and individuals do things). Campbell (1995: 30) believes that there is a behavior in performance which must be distinct from its results, because some factors of the systems can remove the results.

Determining the exact meaning of the term performance is important, because it is not possible to manage and evaluate organization without a clear definition of performance. Buter and Halton (1997: 51) define performance as the following: performance is a multidimensional construct whose variables depend upon a variety of factors. They argue that determining the goal of evaluation is more important than evaluating the result of performance and behavior.

There are various viewpoints about the nature of performance. Kann (1996: 32) points out that performance is a process the individual does not take into account, and in fact is separate from the goal. Bernarden believes that performance must be defined as the results of work, because, the results have the strongest relationship with the strategic goals of the organization, customer satisfaction, and economic participation.

A general viewpoint about performance is obtained when it covers behavior and results. This theory was proposed by Broom. "Performance means the result of behavior; behaviors originate from acts and changes performance from thought to act". Behaviors are not only means to reach ends, but are also the outcomes of mental and physical activities. They can also be regarded as separate from results. It can be concluded from this definition that both data (behaviors) and outcomes (results) must be taken into consideration when evaluating teams and individuals. This model was called "the combinational model of performance" (Hartle, 1995: 28) which included the levels of capability, merit, results, as well as setting goals and review (Mirsepasi & Rashidpour, 1386: 11).

6.2.

**JANUARY 2013** 

New thoughts about performance

The traditional ways of human relations has resulted in what is called economic methods. In economic thought, the suggestion lies that the performance is dependent upon the congruency of individual and the job. The factors of capability and skill in the equation of performance are the bases of assessing individual. The factor of motivation is composed of environmental and social condition which constitute job. The economic though constitute the theoretical basis of the equation of performance.

Performance = capability \* motivation

(Torrance, 1995: 383)

The aim of organization from employing this method is maximizing the congruency between individual and the job. To ensure that the personnel have necessary skills, the processes of selection and training are used.

To ensure that the environment is motivating requires rewarding the performance and planning for the job in an appropriate way. Effectiveness requires making sure that appropriate individuals work under appropriate condition in an appropriate job. In other words, it is a function of capability obtained through selection and training, motivation obtained through the reward they get and their attitude toward change and condition, and the opportunity they can use. In this respect, performance is defined as following:

Performance = capability \* motivation \* opportunity

(Torrance, 1995:383)

#### 7. Research methodology

Since the sample of the present study has been extracted from a large data pool, and the analysis unit is individual, descriptive- estimation method has been utilized. Correlation analysis has been used to investigate the relationship among variables. This study is an applied, cross-sectional study.

The participants of this study were all personnel working in Behabahan who are estimated to be 12000. The sample size, with respect to the results obtained from primary study and based on Cochran Formula includes 283 participants. The rate of questionnaire return was 94%.

#### 7.1. Data collection and analysis

To researcher-made questionnaires were utilized to collect data. The first questionnaire measured the positive behaviors of the personnel, and the second one measured their performance.

The face and content validity of the questionnaires were investigated and confirmed by experts. Their reliability was estimated through Cronach Alpha. The Cronach Alpha coefficient for personnel's performance questionnaire was 0.939 and for personnel's positive behavior questionnaire was 0.847, both of which referring to the high reliability of the measurement. The data were analyzed in two descriptive and deductive levels.

#### A) Descriptive analysis of data

The descriptive results of demographical features of the study revealed that 63% of participants of the study were males and 37% were females. The education level of 1.9% of the participants were below diploma, 13.2% were high school graduates, 29.8% had associates of arts degrees, 48.7% had bachelor's degree, and 6.4 had masters' and Ph.D. degrees. 9.1% of the participants were below 25 years old, 50.9% were between 25 and 35, 30.9% were between 35 and 45, and 9.1% were over 45.

#### B) Deductive data analysis

The first hypothesis: There seems to be a relationship between positive organizational behavior (trust) and performance of the organization.

Table 2. Correlation Coefficients of Positive Organizational Behavior (Trust) and Performance of the Organization

Variable	Indices	Organization performance
Positive organization	Pearson correlation coefficient	0.160
performance	Level of significance	0.009
(self-confidence)	Number	265

According to the results, positive organizational behavior (self-confidence) has a significant relationship with performance of the organization at p<0.01 level. The results of correlation analysis indicate that the more positive organizational behavior, in this case self-confidence, the better organizational performance.

The second hypothesis: It seems that there is a relationship between positive organizational behavior (hope) and performance of the organization.

Table 3. Correlation Coefficients of Positive Organizational Behavior (Hope) and Performance of the Organization

Variable	Indices	Organization performance
Positive organization performance (Hope)	Pearson correlation coefficient	0.013
	Level of significance	0.832
	Number	265

As it is indicated in the table, there is no significant relationship between positive organizational behavior (hope) and organization performance at p<0.01 level of significance. The Pearson correlation coefficient indicates that positive organizational behavior, in this case, hope, is independent from performance of the organization.

The third hypothesis: There seems to be a relationship between positive organizational behavior (optimism) and organizational performance.

Table 4. Correlation Coefficients of Positive Organizational Behavior (Optimism) and Performance of the Organization

Variable	Indices	Organization performance
Positive organization performance (Optimism)	Pearson correlation coefficient	0.075
	Level of significance	0.222
	Number	265

ijcrb.webs.com

On the basis of the results, it can be argued that positive organizational behavior (optimism) has no significant relationship with organizational performance at p<0.01 level of significance. Pearson correlation coefficient indicates that positive organizational behavior, in this case, optimism, is independent from performance of the organization.

# The fourth hypothesis: There seems to be a relationship between positive organizational behavior (resilience) and organizational performance.

Table 5. Correlation Coefficients of Positive Organizational Behavior (Resilience) and Performance of the Organization

Variable	Indices	Organization performance
Positive organization performance (Optimism)	Pearson correlation coefficient	0.134
	Level of significance	0.031
	Number	265

According to the results, positive organizational behavior (resilience) has a significant relationship with performance of the organization at p<0.01 level. The results of correlation analysis indicate that the more positive organizational behavior, in this case resilience, the better organizational performance.

To investigate the priority of positive organizational behaviors of the personnel of Behbahan organizations, Fridman non-parametric test were employed, the results of which are presented in the following tables.

Table 6. Descriptive Statistics of Non-Parametric Fridman Test of Positive Organizational **Behaviors** 

	Number	Mean	Standard Deviation	Minimum	Maximum	The average rank
Self-Confidence	265	4.5	0.82	2	6	2.85
Норе	265	4.39	0.59	2.5	6.17	2.39
Optimism	265	4.5	0.70	2.2	6	2.71
Resilience	265	4.22	0.63	2.17	5.67	2.05

**JANUARY 2013** 

Table 7. Descriptive Statistics of Non-Parametric Fridman Test of Positive Organizational Behaviors

N	265
Chi-Square	61.917
df	3
Asymp. Sig.	0.0001

The table indicates that the order of positive organizational behaviors, i.e. self-confidence, optimism, hope, and resilience has significant difference.

#### 8. Conclusion

#### **Table of Hypotheses Results**

Hypothesis 1	There is a relationship between self-efficacy (self-confidence)	Confirmed
	for successfully doing jobs and organizational performance.	
Hypothesis 2	There is a relationship between hope for determining future	Rejected
	goals and identifying ways of achieving them and organizational	
	performance.	
Hypothesis 3	There is a relationship between optimism for positive outcomes	Rejected
	and success and organizational performance.	
Hypothesis 4	There is relationship between resilience (mental calmness) for	Confirmed
	life satisfaction and organizational performance.	

To summarize, the results of this study revealed that most of the personnel evaluate the performance of their organization below average which need more attention for enhancing the performance of the organization. Self-confidence and resilience have a significant relationship with the performance of the organizations in Behbahan. That is to say, the more the self-confidence and resilience of the personnel, the better the performance of the organization. Although, in this study, optimism and hope do not have significant relationship with organizational performance, the literature indicates that these two factors relate with the

# Interdisciplinary Journal Of Contemporary Research In Business Vol 4, No 9

performance of the organization. The present study indicated that only self-confidence predicts the performance of the organization, and the results of priority analysis of positive organizational behaviors of the personnel revealed that self-confidence is in the first rank, optimism is the second, hope is the third, and resilience is in the last rank.

#### **References:**

- 1- Bakker, A., Schaufeli W.B. (2008). Positive organizational behavior: Engaged employee in flourishing organizations. Journal of Organizational Behavior, 29.
- 2- Bandura, A. (1982). Self-efficacy mechanism in human agency. American Psychologist, 37,122-147.[A classic article published in APA's flagship journal].
  - 3- Jensen, S. M., Luthans F. (2006). Relationship between entrepreneurs' psychological capital and their authentic leadership, Journal of Managerial Issues, 18, 2.
  - 4- Larson, M., Luthans, F. (2006). Potential added value of psychological capital in predicting work attitudes. Journal of Leadership and Organizational Studies, 13, 2.
  - 5- Luthans, F, Youssef, C, Avolio, B. J. (2007). Psychological Capital: investment and developing Positive Organizational Behavior in D. L. Nelson and C.L. Cooper .( Eds.) positive Organizational Behavior .(pp 9-24)
  - 6- Luthans, F., Avolio, B.J. (2007). Positive psychological capital: Measurement and relationship with performance and satisfaction, Personnel Psychology, 60.
- 7- Page, L.F., Donohue, R.(2004). Positive psychological capital: A Preliminary exploration of the construct. Working Paper, Monash University, Department of Management.
- 8- Sholtz, Transalated by Guiti Khoshdel (1380), The Psychology of Perfectionism, Patterns of Healthy Character, Paykan Publications, 6<sup>th</sup> edition.
- 9- Snyder, C.R. (2005). Teaching :the lessons of hope. Journal of Social and Clinical Psychology, 24, 72-84.
- 10-Snyder, C.R.(1995). Conceptualizing, measuring, and nurturing hope. Journal of Counseling and Development, 73,355-360.
- 11-Snyder, C.R.(2002)."Hope theory: Rainbows in the mind." Psychological Inquiry 13(4):249-275.