Employees’ Psychological Performance

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Abstract
Although studies in Organizational Behavior has been increasing, a gap exists in the literature about individuals’ performance and its final influence on the organizational outcomes. There might be a number of factors with physical and psychological contents which would influence the employees’ behavior in organizations and low employee performance would decrease organization’s success. This study examines the literature on psychological performance and its influences upon work. Psychological performance is not well known in organizational behavior. Many studies supported that a lot of factors influence the individual’s performance which affects the organizational outcomes. Although the psychological performance of the employees has an important role in a working environment no significant research are found in the available literature. Thus, the importance of psychological performance for organizations is discussed in this paper.

Keywords: Psychology, Performance, Psychological performance, Psychological well-being, Mental toughness, Self-efficacy, Self-esteem, Positive and negative affectivity, Hardiness, Dispositional optimism

1. Introduction
People are complex with a number of distinctive features and along with features, the personality is one of the important factors. People are naturally multi-dimensional, and it means that people don’t have only physical features but also psychological, cognitive and social skills. All these features complement one another and constitute the personality. According to Tsearenko, Leao, and Tse (2018) when employees have good relations with their co-workers and supervisors (as cited in Frey, 1993) the use of recognition overrides the personal commitment benefits derived from the positive socialization (p. 263). Palmer,
Niemand, Stockmann, Kraus, and Kailer (2017) used the term “psychological variable” to point out that it includes different type of characteristics such as cognitive abilities, knowledge, and skills, personality tendencies, applied social skills and interests and preferences (as cited in Huffcutt, Conway, Roth and Stone, 2001).

The transformation from the classical management period to the knowledge management period, employees became the most important asset for organizations and societies as well, and it increased competitions. Because of the shortage of skilled employees, organizations are motivated to create better working conditions. Especially, organizations are trying to improve physical and psychological conditions to be able to attract more prospective skilled employees. The reason for considering the improvement of the conditions is mental and emotional factors can affect employees’ performance. As Altindag and Kosedagi (2015) emphasized “as companies can maintain their existence, and be competitive with other companies, they should be open to innovation” (p. 270). Their study revealed that the emotional intelligence and innovative corporate culture have an impact on employee performance.

According to Rego, Spusa, Marques and Cunha (2014) global competition, economic uncertainty, and swift technological differences make creativity, the foundation of innovation (as cited in Klijn & Tomic, 2010) and shifting governmental policies regarding work and labor relations (Probst, Gailey, Jian, and Bohle, 2017). Rego, Spusa, Marques and Cunha (2014) also emphasized that creativity is a very important organizational resource for organizational performance and survival (as cited in Reiter-Palmon & Illies, 2004; Shalley & Gilson, 2004; Zhang & Bartol, 2010). Therefore, promoting employees’ creativity is a key to any organization. Since psychological well-being and being creative is linked to each other, people without psychological well-being such as happy, hopeful etc. would be hard to be creative for any person. Probst, Gailey, Jian, and Bohle (2017) tested whether higher order constructs, psychological capital, consisting of hope, self-efficacy, resilience, and optimism would moderate the relationships between job insecurity and performance and found that relationships were largely lessened among employees with higher levels of psychological capital. According to their findings Begenirbas and Turgut (2016), psychological capital dimensions have significant effects on employees’ innovative work behaviors and job performances. They also observed that innovative work behaviors do not have any mediating role between psychological capital dimensions and job performance. Akbaba and Altindag (2016) found that impact of psychological capital is an important factor during reengineering of an organization’ performance. Their study Rego, Sousa, Marques, and Cunha (2012) empirically validated theoretical arguments which suggest integrating authentic leadership and psychological capital may foster employees’ creativity, a crucial resource for helping organizations to face competitive challenges, take advantage of business opportunities, and improve organizational effectiveness.

In the existing literature, it is found that interests on work passion are increasing among scholars and managers as well (as cited in Boyatzis, McKee, & Goleman, 2002; Hagel, Brown, Ranjan, & Bayler, 2014). As reported by Ho, Kong, Lee, Dubreuil and Forest (2017) “work passion extends into work realm, and benefits of work passion include psychological and attitudinal aspects such as subjective vitality, effective commitment,
positive perception of job resources and adjustment to retirement (as cited in Forest, Mageau, Sarrazin, & Morin, 2011; Houlfort et al., 2015; Lavigne, Forest, Fernet, & Crevier-Brand, 2014, p. 112) and behavioral outcomes such as job creativity, task and financial performance, and citizenship behavior” (as cited in Burke, Astakhova, & Hang, 2015; Ho & Pollack, 2014; Ho, Wong, & Lee, 2011; Liu, Chen, & Yao, 2011, pg. 113)

Understanding an employee by his/her emotion, thoughts, behavior, and physical conditions as a whole are important for improvement of conditions (Leahey, 2000). Considering only the physical condition wouldn’t improve the efficiency of the employees. For that reason, physical and psychological conditions of employees need to be taken into account. As reported by Ruck, Welch, and Menera (2017) employee engagement is a very important factor for organizational effectiveness and in achieving innovation and competitiveness. For instance, employees’ engagement is related to psychological well-being directly or indirectly. A study by Friedman, Carmeli, and Dutton (2018) confirmed that respectful engagement influences psychological safety. Thus, engagement is important in improving employee performance.

According to Robertson, Birch, and Cooper (2011), psychological well-being related to positive work attitudes and engagement are associated with performance. They also noted that people with higher psychological well-being at work are healthier (both mentally and physically), have happier lives and live longer (as cited in Cartwright & Cooper, 2008). There is clear evidence that between psychological well-being and performance positively related (as cited in Wrigth & Cropanzano, 2000). In their study, they also proved that “there are statistically significant relationships between scores on the survey and business unit level outcomes, including customer satisfaction, productivity, profitability, employee turnover and sickness/absence level” (p. 228). They discussed that employees with higher psychological well-being appear to behave differently than others and they show better psychological well-being bases such as optimism, resilientness, and a strong feeling of ability to cope with challenges (cited in Avey et al., 2010).

As it is mentioned above, physical environment influences employees’ psychological conditions. A study which is conducted by Realyvasques, Maldonado-Macias, Garcia-Alcaraz, Cotes-Robles, and Blanco-Fernandez, (2016), found that macro-ergonomic unity of environmental basics showed noteworthy strait effects on employees’ psychological characteristics and direct or indirect effects on the performance. For the physical environment elements of noise level, lighting, temperature, humidity and air quality were included. They didn’t only focus on the effect of environmental elements on the effects psychological characteristics of employees, they also focused on analyzing the impact of these psychological characters on employee performance in which reduces the organizational performance over the long term and a company’s competitiveness as well. Interestingly, they found that noise and lightning have no direct effects on employees’ performance, but they do have direct effects on psychological characteristics which is an impact on performance.

The literature review revealed that leadership has an impact on the employee work attitudes. For example, Chong (2015) found that work attitude is positively related to transformational leadership. Furthermore, Jena, Pradhan, and Panigrahy (2017) also studied organizational trust and transformational leadership relations between employee engagement, and
psychological well-being. Their findings specified that executives have a higher level of trust when they are able to perceive meaningful employee engagement, transformational leadership and psychological well-being from their prospective employer. Another study indicated that leadership motivating language advances the development of employees’ proactive behaviors by shaping psychological contexts of meaningfulness and promoting their motivational vitality (Binyamin & Brender-Ilan, 2017).

As it is expected the role of managers and their behavior play a critical role in providing a feedback for better job performance to the employees (Grojean et al., 2004; Mendonca, 2001) and in shaping the collective character of an organization (Moore, 2005; Wright & Goodstein, 2007). The behavior of managers is also an important factor for organizations because organizational climate has a serious influence on the psychology of employees, and ultimately, on the organizational goals. Therefore, managers need to improve their knowledge in the field of psychology to create a healthy working environment at a group or organizational levels. Another subject which is important for the organizations is the psychological contract between employee and employer. According to Rousseau (2000) “the content of psychological contracts refers to the terms and elements which comprise the contract (e.g., specific obligations such as job security, or general types of obligations such as relational or transactional)” (p. 3).

The relations between work performance and organizational outcomes have been studied by many researchers in the field of organizational behavior. However, as for today, there is not much research on psychological performance and its influences on employees and organizations at work. To be aware of the needs and expectations of employees and the factors that satisfy these needs (such as increasing the productivity and strategic superiority) are very important for organizations. Within the literature existing studies, several studies are conducted for sports and hospitality sector, the subjects are mainly focused on effects of the psychological state of employees and athletes with a single specific subject such as leadership, motivation, effects of incentives and customer satisfaction among others. Gucciardi (2012) pointed that interest in mental toughness in both academic and professional settings has increased in recent years. Thomas, Murphy, and Hardy (1999) developed an instrument to measure athletes’ use of psychological skills and strategies both in training and in competition. Furthermore, a study by Golby, Sheard, and Wersch (2007) construct the validity of a measure of mental toughness in the athletic domain. Additionally, a study conducted by Jones, Neuman, Altmann, and Dreschler (2001) to expand the Sports Performance Inventory. As it is mentioned above more studies on the effect of psychological states of employees can be found in the hospitality domain. Because hospitality sector is concerned and based on customer satisfaction, recently the subject receiving more attention from the researcher. For instance, Li, Wong, and Kim (2016) studied effects of psychological contract breach on attitudes and performance and the moderating role of competitive climate. Lee, and Ok (2015) looked at the drivers of work engagement and examined the core self-evaluation and psychological climate among hotel employees. Another study in the hospitality sector is conducted by Hon (2012). She examined employees’ perception of competency-based pay and their creative performance, along with the moderating role of psychological needs in this relationships. Other authors examined work engagement as a partial moderator of the effects
of psychological capital on employee morale of hotel employees (Peak, Schukert, Kim, & Lee, 2015). In addition, another study analyzed employee innovative behavior through emotional engagement rather than through technical information sharing in the hospitality sector (Li & Hsu, 2016).

2. Psychological Performance

According to Demirtas (2009) performance can be described as carrying out or completion of a given task in the manner of expectation. In general, a positive performance reflects the degree to which a person’s efforts advance important organizational goals (Hogan & Shelton, 1998). A number of researchers indicated that performance evaluation could contribute to employee development (Wexley, 1979) and improvement of future job performance (Murphy & Cleveland, 1995; Jawahar, 2006).

Psychological performance theory is based on human motivation, development, well-being, self-esteem, self-efficacy, affectivity, hardiness and mental toughness. It can be defined as a psychological mood of organizational members towards individual job performance in their working environment. Psychological performance theory addresses the social conditions of an individual in a working environment. It also examines people’s life goals or aspirations, showing different relations of intrinsic versus extrinsic life goals to performance and psychological health.

The available literature revealed that the effects of cognition, liking, mood, and personality on the performance ratings have all been of great concern for the researchers. Research has examined the link between performance and the personality (Borman & Hallam, 1991; Tziner & Kopelman, 2002; Bernardin, Cooke, & Villanova, 2000), self esteem and neuroticism (Hojat, 1982), cognition (Spicer & Ahmad, 2006; Woehr, 1992), state affect (Murphy & Cleveland, 1995; Tsui & Barry, 1986), liking (Decotiis & Petit, 1978; Antonioni & Park, 2001; DeNisi, Cafferty, & Meglino, 1984) and mood (Sinclair, 1998). Similarly, self-esteem was found to be related to the successful handling of jobs with ambiguous roles (Jex & Elacqua, 1999), acceptance of change (Wanberg & Banas, 2000), motivation and organizational commitment (Hui & Lee, 2000), and resistance to influence (Brockner, 1988). In addition, self-efficacy was found to have a relationship with overall job performance and organizational commitment (Gardner & Pierce, 1998). Finally, emotional stability was found to be correlated with job performance (Ployhart, Lim, & Chan, 2001). However, the link between the psychological performance of members and its outcomes does not seem to have been fully explored yet.

3. Conclusion

A lot of factors with physical and psychological contents influence the behavior of members of an organization. In this context, the purpose of this study is to extensively examine the available literature about psychological performance and its influences at work. The concept of psychological performance can be defined as the psychological mood of members of any organization to his/her jobs performance in a particular working environment.

The increase in work performance can be established empirically measuring the performance before and after the implementation of psychologically supportive programs. However, there is not a significant research conducted on psychological performance at work in the available
literature.

The main purpose of this literature review is to create an awareness about the importance of having a psychological perspective of performance at work. In addition, this review is the first one which examines the literature on psychological performance at work.

Future researchers should also consider the weaknesses indicated above. For example, this study could be further expanded by including additional variables. Other researchers should also develop scientific indicators to measure psychological performance at work. In sum, an extensive literature review on the psychological performance at work is provided in this work. This subject is relatively new in the field of organizational behavior. Therefore, new more empirical research on this subject would offer a more practical framework.

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