



The effect of psychological capital of accounting students on the quality of their working life

Najaf Fathi^{1&2}, Forough Heirani^{3}, Nasim Shahmoradi⁴*

¹Department of Accounting, Yazd science and research branch, Islamic Azad university, Yazd, Iran.

²Department of Accounting, Yazd branch, Islamic Azad university, Yazd, Iran.

³Department of Accounting, Yazd branch, Islamic Azad university, Yazd, Iran.

⁴Department of Accounting, Yazd branch, Islamic Azad university, Yazd, Iran.

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ABSTRACT

Objective: The present study set to investigate the effect of psychological capital of accounting students on their work life quality and job performance. An applied, cross-sectional, descriptive, and correlational study was conducted, and qualitative data were gathered. The study population included MA accounting students in Yazd and Kermanshah provinces (2015), who were also busy in the accounting profession.

Methodology: Due to the high population size, the study sample was determined using Cochran formula and simple random sampling method. Accordingly, 284 individuals were selected. Field data collection, library, and questionnaires were used for data collection. A standard questionnaire, reliability of which was confirmed by Cronbach's alpha (0.882), was used. Of questionnaires distributed, 273 questionnaires were usable in the statistical analysis. SPSS 16 software and structural equation modeling software, Smart PLS 2, were used for data analysis. **Results:** The results indicated a significant influence of accounting students' psychological capital on their quality of work life and job performance. **Conclusion:** The results showed that three components of psychological capital (hope, efficacy, and resistance) had a significant impact on accounting students' quality of work life; however, optimism component had no significant effect on accounting students' quality of work life.

1. Introduction

Today, organizational success depends directly on the use of human resources, based on applied behavioral sciences. In the management literature, a new strategic approach is introduced with respect to human beings i.e., human is the agent and creator of work, playing a pivotal role in the organization development. Larger organizational developments originate from unlimited intellectual abilities. If the personnel in the organization are paid attention to, they will play a critical role in achieving organizational goals. Using different techniques and methods to improve the quality of work life can be an important step in achieving this. In fact, the quality of work life manifests a new organizational culture and management style, based on in which employees perceive ownership, autonomy, and self-esteem. Job performance is the most critical issue in any organization. Job performance and organizational performance are closely associated, measuring the role of individual efforts and actions on realization of organizational goals. Job performance is the output resulting from individuals' employment in an organization's service giving or manufacturing sections, influenced by two factors: the ability of employees to perform their duties and their motivation; if people have the required ability and incentives, perform their job well. Performance which is usually present in the formal job description is called task performance, and performance which behaviorally contributes to the effectiveness of organization through affecting psychological, social, and organizational aspects is called contextual performance. Because of the direct relationship between human resource management practices and the quality of work life, renewing up employees through improving the quality of work life is the key to the success of any organization. Since quality of work life is an approach to improve performance and a key element in culture-

* Corresponding author: Heirani@mail.edu

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excellence, it aligns the employees and the organization. Particular attention which is paid to the quality of work life is a reflection of the importance that people attach to it. Based on what was presented and given the importance of the quality of work life and job performance on accounting students' job, this study seeks to answer the question whether psychological capital affects quality of work life and job performance of accounting students?

1.1 Study background

Nguyen (2014) studied psychological capital and marketers' performance, concluding that psychological capital has direct and indirect effects on marketers' job performance, resulting from conditions and factors associated with the quality of work life, job appeal, and professional effort. The results showed that psychological capital is a key factor for predicting job performance of marketers. Psychological capital, the quality of work life, work effort, and work appeal include 62% of the variance of marketers' job performance. Findings show that companies must advance programs regarding their recruit, training, and development according to psychological capital.

Campbell et al. (2012) studied sustainable rethinking of competitive advantage of human capital, concluding that from a variety of human resources that can create competitive advantage for companies, psychological capital is the main and key aspect, defining it as the mental state of an individual in terms of development progress.

Silva & Roche (2010) in their study on contribution of psychological capital to successful entrepreneurs during load recession showed that psychological capital increases functionality of entrepreneurial success in the face of recession, and those who had acceptable levels of psychological capital during pre-recession period have more capability to adapt and cope with new conditions. The results also showed that optimism and hope are better estimates to predict the success of entrepreneurs.

Research of Toor & Ofori (2009) on developing psychological capital of human competitive advantage showed a significant positive correlation between psychological capital components and innovative performance. However, when the sum of the components of psychological capital is considered, it would be a good predictor of innovative performance.

Hmieleski & Carr (2007) in a study on the relationship between psychological capital of entrepreneurs and prosperity showed that psychosocial development among entrepreneurs may help them resist against a wide range of psychological stressor-stimuli which may inherently occur during the leadership of their new stakes.

Hou et al. (2009) study on 704 entrepreneurs studying psychological capital and growth of entrepreneurial spirit concluded that psychological capital has a significant positive effect on entrepreneurial spirit; the findings showed that although all components of psychological capital are of high importance in the entrepreneurial process, two components of hope and efficacy have more predictability.

Luthans et al. (2007) in a study on developing psychological capital of human competitive advantage expressed that psychological capital including human capital and social capital can be invested and managed and realized with very low investment unlike traditional capitals and tangible assets.

Guiso et al. (2004) showed that psychological capital alone may predict individuals' economic success, emphasizing that psychological capital, more than any other capital such as social, intellectual, financial, or material capital, predicts entrepreneurial risk and success in business.

1.2 Hypotheses

1.2.1 The first main hypothesis

1. Psychological capital is effective on accounting students' quality of work life.

Subsidiary hypotheses

- 1.1. Hope is effective on accounting students' quality of work life.
- 1.2. Optimism is effective on accounting students' quality of work life.
- 1.3. Resistance is effective on accounting students' quality of work life.
- 1.4. Self-efficacy is effective on accounting students' quality of work life.

1.2.2 The second main hypothesis

2. Psychological capital is effective on accounting students' job appeal.

Subsidiary hypotheses

- 2.1. Hope is effective on accounting students' job appeal.
- 2.2. Optimism is effective on accounting students' job appeal.
- 2.3. Self-efficacy is effective on accounting students' job appeal.
- 2.4. Resistance is effective on accounting students' job appeal.

1.2.3 The third main hypothesis

3. Psychological capital is effective on accounting students' professional effort.

Subsidiary hypotheses

- 3.1. Hope is effective on accounting students' professional effort.
- 3.2. Optimism is effective on accounting students' professional effort.
- 3.3. Self-efficacy is effective on accounting students' professional effort.
- 3.4. Resistance is effective on accounting students' professional effort.

1.2.4 The fourth main hypothesis

4. Job appeal is effective on accounting students' quality of work life.

1.2.5 The fifth main hypothesis

5. Job appeal is effective, as a mediator, on the relationship between accounting students' psychological capital and quality of work life.

2. Materials and methods

As the expected results of the present study can be employed in the process of understanding the various aspects of accounting students' psychological capital, the study is applied in purpose. Also, given the fact that the correlation between two or more variables is studied, and the researcher will be able to, using this method, consider the relationship between several variables and a single variable simultaneously, and provides the possibility to study the relationship between independent variables together, and to study the effect of each variable on the dependent variable by eliminating the correlation of the independent variable with other independent variables, thus correlation method is considered the best method in researches which a variable is a function of several variables jointly affecting it (Hassan Pasha & Taleghani, 2005). Accordingly, the present research is a descriptive correlational study in the field of positive accounting research. Assuming data types, the current study is qualitative, and considering the research conduction time, it is cross-sectional.

2.1 Data analysis

Description of demographic data (demographics) was done using descriptive statistics including frequency tables, pie charts, and data distribution;16 SPSS software was used for descriptive data analysis. To test the research hypotheses, structural equation software and Cronbach's alpha, convergent reliability and validity, and divergent validity tests were used. Data classification was done via EXCEL, SPSS-16, and Smart PLS 2 software.

2.2 Descriptive analysis

Of 273 people, 148 men and 125 women participated in this study;128 were single and 145 married. Of the participants, 178 were 21-30 years old; 6 were older than 40 years, and 89 were 31-40 years old;154 had work experience of less than 5 years;73had work experience of 6-10 years, and 46 had work experience over 10 years. The remaining data including relative and cumulative frequency are provided in terms of percentage in Table 1.

Table 1. Descriptive analysis

Variable	Group	Frequency	Percentage
Gender	Male	148	54.2
	Female	125	45.8
Age	21-30	178	65.2
	31-40	89	32.6
	Over 40	6	2.2
Marital status	Single	128	46.9
	Married	145	53.1
Work experience	1-5 years	154	56.4
	5-10 years	73	26.7
	Over 10 years	46	16.8
Total		273	100

3. Discussion and results

3.1 Inferential statistics

3.1.1 The original model

Structural equation modeling applying the partial least squares method and Smart PLS 2 software were used to test the hypotheses and the model accuracy. This method is used when the sample size is small or variable distribution is not normal. In PLS models two models are tested. Exterior model is equivalent to the measurement model, and interior model is similar to the structural model in structural equations models. The exterior model shows the factor loads of observed variables.

3.1.2 Average variance extracted (AVE)

In structural equations model, in addition to structural validity which is used to assess items which measure variables, diagnostic validity is also intended, i.e. Items of each variable provide a proper breakdown in terms of measurement compared to other variables. In other words, each item only measures its own variable, and their combination is in a way that all variables are well separated. This process is determined through average variance extracted (AVE). AVE coefficients indicate what percentage of the structure variance or model variable is described by a separate item. Structures or variables of the model have AVE higher than 0.5 criterion index introduced by Bagozzi and Yi; concluding that the items can sufficiently explain the variance of model variables (Gefen & Straub, 2005).To test the hypotheses, first, overt and covert variables were plotted in the software, and Cronbach's alpha, convergent reliability and validity, and divergent validity tests were performed to evaluate the exterior relationships (between overt and covert variables). Covert variable is called an agent or structure. Here, psychological capital, the quality of work life, job appeal, etc. are covert variables of the model, and the overt variable is the questionnaire questions.

Table 2. Results of three criteria of Cronbach's alpha, reliability, and convergent validity

Variables	Cronbach's alpha coefficient (alpha>0.7)	Reliability combined coefficient (alpha>0.7)	The extracted variance average (AVE>0.5)
Psychological capital	0.73	0.81	0.51
Quality of work life	0.83	0.87	0.50
Job appeal	0.82	0.89	0.73
Hope	0.70	0.79	0.65
Optimism	0.70	0.76	0.52
Self-efficacy	0.72	0.82	0.54
Resistance	0.70	0.73	0.57
Job effort	0.74	0.85	0.66

Given that in Table2, Cronbach's alpha values, composite reliability, and AVE are all in the relevant domain, the suitability of the convergent reliability and validity of exterior relationships of the research model is confirmed.

3.2 Divergent validity

Divergent validity is measured in two ways. One is mutual loads method which compares the correlation between indicators of a structure and their correlation with other structures, and the second is Fornell and Larkr criterion used in this study.

Table 3. Matrix of divergent validity assessment by Fornell and Larker method

	Effort	Appeal	Quality	Self-efficacy	Optimism	Resistance	Hope	Psychological Capital
Effort	0.81							
Appeal	0.21	0.85						
Quality	0.21	0.65	0.70					
Self-efficacy	0.22	0.30	0.27	0.73				
Optimism	0.11	0.18	0.68	0.21	0.72			
Resistance	0.14	0.26	0.28	0.30	0.18	0.75		
Hope	0.17	0.27	0.37	0.39	0.18	0.32	0.80	
Psychological Capital	0.23	0.35	0.38	0.69	0.24	0.46	0.70	0.71

As it is specified in Table 2 which is derived from Fornell and Larkr method, AVE root of covert variables in the cells of the main diagonal of the matrix is more than their correlation value organized in the lower-right cells of the main diagonal.

Thus, it can be stated that model structures (covert variables) are more in interaction with their indices compared to other structures. In other words, divergent validity of external relations of the model is good.

According to Tables 2 and 3, external relations of the model were approved. Then, relationships within the model were approved, and the hypothesis test result is provided in Table 4 (interrelations are relations between two or more covert variables).

3.3 Research hypotheses test

To test the following hypotheses, structural equations software (Smart PLS 2) was used. The software assessed the plotted model (containing relationships among overt and covert variables) and then tested the hypothesis.

Research hypotheses are classified as follows:

1. The main hypothesis

Psychological capital is effective on accounting students' quality of work life.

- 1.1. Hope is effective on accounting students' quality of work life.
- 1.2. Optimism is effective on accounting students' quality of work life.
- 1.3. Self-efficacy is effective on accounting students' quality of work life.
- 1.4. Resistance is effective on accounting students' quality of work life.

2. The main hypothesis

Psychological capital is effective on accounting students' job appeal.

- 2.1. Hope is effective on accounting students' job appeal.
- 2.2. Optimism is effective on accounting students' job appeal.
- 2.3. Self-efficacy is effective on accounting students' job appeal.
- 2.4. Resistance is effective on accounting students' job appeal.

3. The main hypothesis

Psychological capital is effective on accounting students' professional effort.

- 3.1. Hope is effective on accounting students' professional effort.
- 3.2. Optimism is effective on accounting students' professional effort.
- 3.3. Self-efficacy is effective on accounting students' professional effort.
- 3.4. Resistance is effective on accounting students' professional effort.

4. The main hypothesis

Job appeal has a significant effect on accounting students' quality of work life.

5. The main hypothesis

Job appeal is effective, as a mediator, on the relationship between accounting students' psychological capital and quality of work life.

At 95%, each hypothesis with t-statistic larger than 1.96 is accepted and whichever lower than 1.96 is rejected. The standardized coefficient suggests that, for example, psychological capital variable explains 42% of the variations of the quality of work life variable.

Table 4. Summary results of the hypotheses' test

	Hypotheses	Type of hypothesis	Result
1	The effect of hope on accounting students' quality of work life	Subsidiary	Accepted
2	The effect of optimism on accounting students' quality of work life	Subsidiary	Rejected
3	The effect of resistance on accounting students' quality of work life	Subsidiary	Accepted
4	The effect of self-efficacy on accounting students' quality of work life	Subsidiary	Accepted
5	The effect of psychological capital on accounting students' quality of work life	Main	Accepted
6	The effect of hope on accounting students' job appeal	Subsidiary	Accepted
7	The effect of optimism on accounting students' job appeal	Subsidiary	Rejected
8	The effect of resistance on accounting students' job appeal	Subsidiary	Accepted
9	The effect of self-efficacy on accounting students' job appeal	Subsidiary	Accepted
10	The effect of psychological capital on accounting students' job appeal	Main	Accepted
11	The effect of hope on accounting students' professional effort	Subsidiary	Rejected
12	The effect of optimism on accounting students' professional effort	Subsidiary	Rejected
13	The effect of resistance on accounting students' professional effort	Subsidiary	Rejected
14	The effect of self-efficacy on accounting students' professional effort	Subsidiary	Accepted
15	The effect of psychological capital on accounting students' professional effort	Main	Accepted
16	The effect of job appeal on accounting students' quality of work life	Main	Accepted
17	The effect of job appeal, as a mediator, on the relationship between accounting students' psychological capital and quality of work life.	Main	Accepted

4. Conclusion

As mentioned previously, psychological capital variable consists of four components of hope, optimism, self-efficacy, and resistance. Demographic factors include age, gender, education level, marital status, and work experience. Accordingly, research hypotheses were formulated and analyzed. The results of this analysis are discussed below.

Based on statistical analyses we can conclude that:

1. Three sub-components of psychological capital based on hope, self-efficacy, and resistance are effective on accounting students' quality of work life, but optimism component had no significant effect on accounting students' quality of work life.
2. According to the results (1) and the first main hypothesis test result, psychological capital variable had a significant effect on accounting students' quality of work life.
3. Three components of psychological capital based on hope, self-efficacy, and resistance had a significant impact on accounting students' job appeal, but optimism component had no significant impact on accounting students' job appeal.
4. According to the results (5) and the third main hypothesis test result, psychological capital variable had a significant impact on accounting students' job appeal.
5. Three sub-components of psychological capital based on hope, optimism, and resistance had no significant effect on accounting students' professional effort, but self-efficacy component had a significant impact on accounting students' professional effort.
6. According to the results (7) and the fourth main hypothesis test result, psychological capital variable had a significant impact on accounting students' professional effort.
7. According to the sixth hypothesis test, job appeal variable had a significant impact on accounting students' quality of work life.
8. According to the seventh hypothesis test, job appeal variable, as a mediator, had a significant impact on the relationship between accounting students' psychological capital and quality of work life.

The results of this study are consistent with the results of Nguyen (2012) who found a significant relationship between psychological capital and quality of work life, a significant relationship between psychological capital and job performance, and a significant relationship between psychological capital and professional effort and job appeal. Also, they found a significant relationship between job appeal and quality of work life. The results are also in line with the work of Dianat Nasab et al. (2014) in which a significant relationship was reported between psychological capital and job performance. Walumbwa et al. (2010) obtained a significant relationship between psychological capital and job performance as well.

4.1 Research recommendations

1. As psychological capital had a significant impact on the accounting students' quality of work life, it is proposed that concerned authorities provide the necessary mechanisms to raise psychological capital of accountants.

2. As psychological capital had a significant impact on accountants' quality of work life, it is recommended, accountants pay more attention to components of hope and resistance.
3. As psychological capital had a significant impact on job performance, it is proposed that concerned authorities provide the necessary mechanisms to increase the flexibility of accountants and strengthen the positive aspects of psychological capital.
4. As psychological capital had a significant impact on job performance, it is proposed that auditors, in order to address firms' financial situation, pay attention to the flexibility status and self-confidence of accountants.

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