

The Relationship Between Employees' Psychological Capital and Job Performance in Zhejiang Province's E-Commerce Industry: Mediation of Work Engagement

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ABSTRACT

Recently, rapid growth in the field of positive psychology has led to research interest in the relationship between e-commerce practitioners' psychological capital and their job performance. Significant correlations between these two variables have been identified, but the role of e-commerce practitioners' work engagement as a potential mediating variable has yet to be explored in depth. Thus, this study aims to investigate the mediating effect of work engagement between psychological capital and job performance of e-commerce practitioners. The study was conducted on 315 e-commerce practitioners in Zhejiang Province (Hangzhou, Wenzhou, and Yiwu), and the data were analyzed using Smart PLS 4.0 software. The results of the study confirmed the mediating effect of work engagement between psychological capital and job performance. In addition, this study provides relevant insights for managers in China's e-commerce industry.

Keywords: Psychological Capital, Job Performance, Work Engagement, E-Commerce Industry.

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INTRODUCTION

In today's era, the global economy is facing severe challenges, impacted by factors such as uneven developments between advanced and emerging economies, new models of economic growth, and the pressures of globalization and "regional globalization" (Mau, 2016). Chinese enterprises are not only navigating the complexities of these global economic pressures but are also dealing with double competition from both domestic and international markets, further complicating their operational landscape (Tung, 2016). Under such circumstances, the pressure on enterprises to remain competitive is intensifying daily, requiring a strategic focus on enhancing core competencies to ensure survival and growth (Portanskiy, A., Sudakova, Y., & Larionov, A., 2020).

To navigate this fiercely competitive environment, enterprises must proactively seek ways to boost their core competitiveness, with a particular emphasis on enhancing the competencies of their employees (Luo, C., Tsai, C., Chen, M., & Gao, J., 2021). This focus on employee development has led companies to prioritize their workforce, implementing stricter requirements to maximize their potential (Sarwar, U., Aamir, M., Bichao, Y., & Chen, Z., 2023). In the volatile and uncertain environment of China's e-commerce sector, employees face heightened work pressures, job insecurities, and challenges related to autonomy, control, and role clarity, contributing to a complex set of psychological and emotional demands at work (Zhang, J., Wei, G., Chen, K., & Yien, J., 2020).

These demands, threats, and conflicts encountered by employees lead to significant impacts on their performance and can strain personal and social relationships (Xie, Y., Tian, J., Jiao, Y., Liu, Y., Yu, H., & Shi, L., 2021). However, psychological capital (PsyCap), characterized by self-efficacy, optimism, hope, and resilience, offers a valuable resource for employees to engage more effectively in their work, thereby enhancing performance (Ren, Z., Zhang, X., Li, X., He, M., Shi, H., Zhao, H., Zha, S., Qiao, S., Li, Y., Pu, Y., Fan, X., Guo, X., & Sun, Y., 2021). This study investigates the direct relationship between psychological capital and job performance among employees in the e-commerce industry in China, exploring whether work engagement acts as a mediating factor in this dynamic (Zhang, F., Liu, Y., & Wei, T., 2021).

LITERATURE REVIEW

Psychological capital, increasingly recognized for its significance in the business management landscape, embodies a positive psychological state pivotal for employee development and organizational success. The importance of psychological capital in fostering a productive and dynamic work environment cannot be overstated, as it fundamentally enhances an organization's ability to navigate the complexities of the global market and maintain a competitive edge (Lee & Yang, 2019). Psychological capital encompasses the critical dimensions of self-efficacy, optimism, hope, and resilience, each contributing uniquely to the psychological growth and well-being of employees (Çavuş & Gökçen, 2015). Hope, defined as the perseverance towards goals and the planning to meet those goals, empowers individuals with the determination to pursue success despite obstacles (Wang, Tsai, Tsai, Huang, & de la Cruz, 2018).

Self-efficacy, the belief in one's abilities to achieve objectives, underpins an individual's confidence in navigating the path to success, illustrating a core component of psychological capital that drives performance and achievement (Nolzen, 2018). Resilience, the capacity to bounce back from adversity, enriches an individual's psychological capital by fostering adaptability and a positive outlook in the face of challenges (Atiku & Fields, 2019). Optimism, characterized by a positive anticipation of future events, influences how individuals interpret and respond to life's circumstances, promoting a constructive approach to both personal and professional endeavors (Welter & Scrimshire, 2021).

Employees equipped with these psychological resources are better positioned to leverage their capabilities confidently, achieve their goals efficiently, maintain positivity in adverse situations, and recover effectively from setbacks. The interplay of these components within psychological capital is instrumental in enhancing job performance, driving innovation, and fostering organizational commitment, thereby underscoring its paramount importance in the realm of human resource management and organizational behavior (Kong, Tsai, Tsai, Huang, & de la Cruz, 2018).

Therefore, it is proposed that Hypothesis H1:

Psychological capital has a significant positive effect on job performance;

Work engagement encapsulates an individual's profound commitment and psychological immersion in their occupational endeavors, signifying a heightened state of positive psychological activation with respect to one's work (Lesener, Gusy, Jochmann, & Wolter, 2020). This construct is distinguished by its multidimensional nature, encompassing physical, emotional, and cognitive aspects of engagement, thereby entailing a comprehensive investment of personal resources at work (Shimazu, 2021). Grounded in the Job Demand Resource Model (JD-R) and the principles of Positive Psychology, it is posited that individuals can sustain elevated levels of engagement notwithstanding the presence of substantial job demands (Tesi, Aiello, & Giannetti, 2019).

Central to the notion of work engagement are three pivotal elements: vitality, which denotes resilience and perseverance amidst workplace challenges alongside a propensity for innovative endeavors; immersion, characterized by a deep, fulfilling involvement in work tasks, marked by experiences of significance, pride, and inherent challenge; and dedication, the wholehearted allocation of one's attention and efforts to one's occupational responsibilities (Eldor, 2016). The fluctuation in work engagement levels is influenced by the interplay between intrinsic psychological capital and extrinsic environmental factors (Akhtar, Boustani, Tsivrikos, & Chamorro-Premuzic, 2015).

Psychological capital, serving as an internal psychological resource, plays a crucial role in fostering and amplifying employee engagement within the workplace (Bosle, Fischer, & Herr, 2021). Consequently, psychological capital exerts a significant, positive influence on work engagement, underpinning the vital contribution of positive psychological resources to enhancing the engagement and, by extension, the productivity of employees (Alessandri, Consiglio, Luthans, & Borgogni, 2018).

Therefore, it is proposed the hypothesis H2:

Psychological capital has a significant positive effect on work engagement;

Work engagement, a construct within the domain of positive psychology, is conceptualized as a fulfilling and work-related state of mind characterized by vigor, dedication, and absorption (Bakker, 2017). This construct has emerged as a pivotal predictor of performance outcomes within the realm of Human Resource Management (HRM), underscoring its significance in enhancing organizational efficacy (Zhong, Wayne, & Liden, 2016). Empirical investigations have elucidated that employees exhibiting high degrees of work engagement are predisposed to partake in organizational citizenship behaviors, particularly when they manifest heightened levels of task efficiency. This efficiency, in turn, liberates additional resources, enabling the engagement in activities transcending their conventional job responsibilities, thus bolstering both task and peripheral performance (Borst, Kruijen, Lako, & de Vries, 2020).

Moreover, work engagement acts as a catalyst in the operationalization of employees' innovative ideas and plans, markedly amplifying the job performance of those who are fully dedicated (Findıklı, 2015). Drawing from these observations, it is postulated that work engagement exerts a substantive positive influence on job performance, a proposition that is foundational to advancing HRM practices aimed at cultivating an engaged workforce (Hakanen, Rouvinen, & Ylhäinen, 2021).

Therefore, Hypothesis H3 is proposed:

Work engagement has a significant positive effect on job performance;

Psychological capital is conceptualized as an amalgamation of psychological resources that epitomize an individual's latent capabilities, encompassing self-efficacy, optimism, hope, and resilience. Within this conceptual framework, work engagement is perceived as a motivational construct characterized by profound personal involvement and steadfast commitment to work-related tasks (Karatepe & Karadaş, 2015). Conversely, job performance is construed as a behavioral manifestation that garners recognition and valuation within the organizational context (Bakker, 2017). In this model, the motivational process—i.e., the augmentation of work engagement—serves as the conduit for transmuting potential (i.e., psychological capabilities and their evolution) into productive organizational behavior. Specifically, this posits that an individual's psychological capabilities are transfigured into efficacious job performance through the stimulation of heightened levels of work engagement, which is subsequently translated into tangible job performance outcomes. This process elucidates not only the pivotal role of psychological capabilities in augmenting individual work engagement but also delineates the translation of this augmented engagement into positive organizational outcomes. Thus, from both theoretical and practical standpoints, enhancing employees' psychological competencies by nurturing their self-efficacy, optimism, hope, and resilience emerges as a salient strategy for ameliorating work engagement and performance. Such strategies not only kindle employees' intrinsic motivation and dedication but also enable them to execute their duties with heightened efficiency, thereby positively impacting the overarching success of the organization.

Hence, the hypothesis is proposed as follows:

H4: Employee engagement mediates the relationship between psychological capital and job performance.

METHODOLOGY

In this investigation, a positivist research paradigm was employed to scrutinize the hypothesized model within the context of e-commerce industry employees in Zhejiang Province. The research methodology encompassed distributing questionnaires to 500 practitioners within the e-commerce domain across three regions of Zhejiang Province—Hangzhou, Wenzhou, and Yiwu—thus offering a comprehensive representation of the e-commerce landscape within the province. From the total distributed questionnaires, 326 were retrieved, with 315 deemed viable for subsequent analytical processes. Analytical procedures were conducted utilizing Smart PLS 4.0 software, leveraging the partial least squares method for structural equation modeling (SEM) analysis (Choshin & Ghaffari, 2017).

Job Performance. This study assessed based on Welbourne & Amir's (1998) framework for measuring the dependent variable, employee job performance, subsequently tailored to align with the specificities of this study and insights gleaned from interviews, encompassing 20 items across five dimensions—job, career, innovator, team, and organization.

Psychological capital. This study incorporated a 12-item psychological capital scale formulated by Luthans (2007), which exhibited a Cronbach's alpha coefficient of 0.88, delineating the constructs of self-efficacy, hope, optimism, and resilience.

Work engagement. This study preliminarily evaluated employee work engagement through the lenses of cognitive engagement, affective engagement, and behavioral engagement, cumulatively encompassing 14 items. These included, for instance, four items dedicated to cognitive engagement, such as "I believe that my work contributes towards achieving the organization's objectives" (Mujeeb et al., 2021).

DATA ANALYSIS AND RESULTS

The demographic characteristics data collected from the 315 participants covered gender, age, educational background, marital status, and years of professional experience. Please refer to Table 1 for specific information.

Table 1 Description statistic(N=315)

Items	Category	Frequency	Percent
Gender	Male	56.83	56.83
	Female	43.17	43.17
Age	Under 19	10.16	10.16
	19-29 years old	30.16	30.16
	30-39 years old	35.24	35.24
	40-49 years old	13.02	13.02
	50-59 years old	6.35	6.35
	Above 60	5.08	5.08
The highest of Education level	Foundation	19.37	19.37
	Diploma	37.14	37.14
	Undergraduate	38.41	38.41
	Master/PhD	5.08	5.08
Marital status	Single(never married)	41.59	41.59
	Married	53.02	53.02
	Divorced/Separated	3.17	3.17
	Others	2.22	2.22
Worked years	Less than 1 year	26.03	26.03
	1-2 years	34.92	34.92
	2-4 years	30.79	30.79
	More than 4 years	8.25	8.25
	Total	315	100

The reliability analysis aimed to verify the stability and repeatability of the research data and the accuracy of its derived results. The reliability test was executed for each variable involved in the study and the desired threshold was set at 0.7. In this study, the reliability coefficients of all concepts exceeded this threshold (see Table 2). Therefore, it can be concluded that the questionnaire design for these concepts is appropriate.

Table 2 Reliability

Variables	Cronbach's alpha	Items N
POC	0.765	12
JB	0.885	20
WE	0.927	14

The Fornell-Larcker criterion is regarded as an important measure of discriminant validity among latent variables within structural equation modeling (SEM). The criterion focuses on verifying whether there is a clear degree of discrimination between the different concepts (i.e., latent variables) within the model.

The key is to compare the magnitude of the average variance extracted (AVE) of the constructs with the squared correlation coefficients of their correlations with other constructs. According to Table 3, the AVE values of all the constructs exceeded the values of their squared correlation coefficients with other constructs. Thus, the validity and reliability of the study was verified.

Table3 Fornell-Larcker criterion

	JB	POC	WE
JB	0.563		
POC	0.337	0.530	
WE	0.439	0.318	0.680

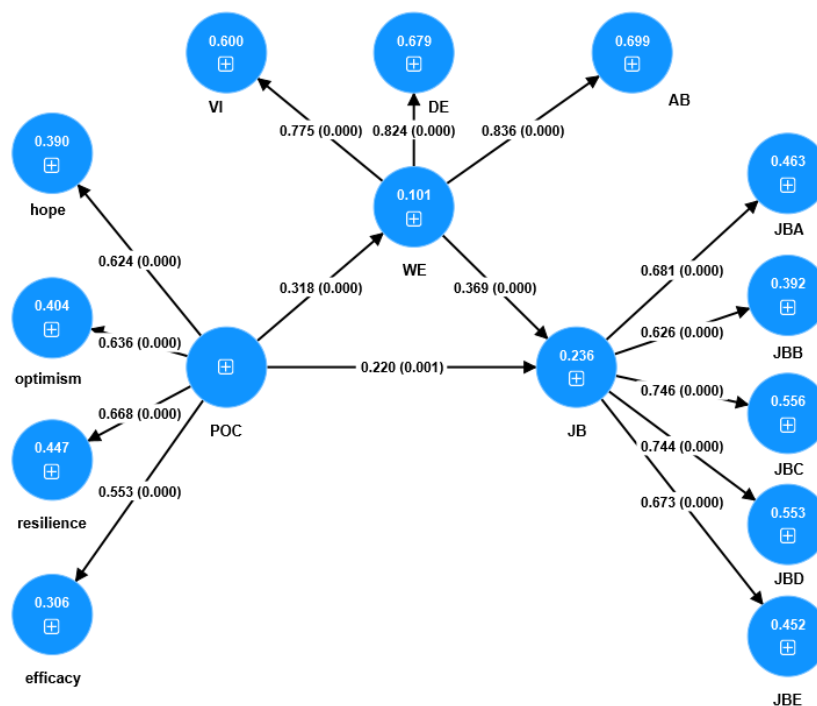


Figure 1 Smart PLS SEM model

Table 4 Summary of Hypothesis Testing

	Path	T values	P values	Result
H1	POC -> JB	3.308	0.001	Supported
H2	POC -> WE	5.729	0.000	Supported
H3	WE -> JB	6.002	0.000	Supported
H4	POC -> WE -> JB	4.059	0.000	Supported

Hypothesis H1 explored the role of psychological capital on job performance, and the research results revealed that the hypothesized effect was statistically significant ($b = 0.220$, $p < 0.001$), thus providing support for H1; Hypothesis H2 focused on analyzing the association between psychological capital and work engagement, and the research results showed that there was a significant relationship ($b = 0.318$, $p < 0.001$), providing support for H2; H3 hypothesis examined the effect of work engagement on job performance, and the research results showed ($b = 0.236$, $p < 0.001$), verifying a significant positive relationship between work engagement and job performance, supporting H3; H4 hypothesis examined whether work engagement plays a mediating role between psychological capital and job performance. The results of the study ($b=0.101$, $p<0.001$) proved the significance of its mediating role, therefore, H4 was also validated. (See Figure 1 & Table 4)

CONCLUSION AND RECOMMENDATIONS

The mediating role of work engagement between psychological capital and job performance underscores the importance of fostering an engaging work environment. Work engagement acts as a crucial mechanism through which psychological capital translates into improved job performance. Employees with high levels of psychological capital are more likely to be engaged in their work, which in turn, positively impacts their performance outcomes. This relationship highlights the potential for organizations to enhance employee performance by cultivating a work environment that promotes psychological capital and fosters employee engagement (Alessandri, G., Consiglio, C., Luthans, F., & Borgogni, L., 2018).

Furthermore, the dynamic and often unpredictable nature of the e-commerce industry in China imposes significant pressures on employees, making the cultivation of psychological capital even more critical. Employees facing greater work pressure, job insecurity, and complex role expectations can leverage psychological capital as a buffer against these stressors. By enhancing their self-efficacy, optimism, hope, and resilience, employees can better navigate the challenges of the e-commerce landscape, leading to not only improved performance but also greater job satisfaction and reduced burnout (Xie, Y., Tian, J., Jiao, Y., Liu, Y., Yu, H., & Shi, L., 2021).

The implications of these findings are profound for organizations operating within the fast-paced and competitive e-commerce sector. By prioritizing initiatives that build and sustain psychological capital among employees, companies can foster a resilient and high-performing workforce capable of thriving in the face of the sector's inherent challenges. Such initiatives could include targeted training programs, supportive leadership practices, and policies that promote work-life balance and employee well-being. In conclusion, the direct relationship between psychological capital and job performance, mediated by work engagement, offers valuable insights for enhancing employee performance in China's e-commerce industry. By investing in psychological capital, organizations can not only improve individual employee performance but also build a more resilient, engaged, and competitive workforce. This strategy is particularly relevant in the context of the e-commerce industry's dynamic and challenging environment, where the ability to adapt and thrive is paramount.

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